

Mary Taylor, CPA
Auditor of State

**MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
LAKE COUNTY**

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**MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
LAKE COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
U.S. DEPARTMENT OF AGRICULTURE					
<i>Passed Through Ohio Department of Education:</i>					
Nutrition Cluster:					
School Breakfast Program	10.553	\$69,867	\$0	\$69,867	\$0
National School Lunch Program	10.555	503,716	126,089	503,716	126,089
Total Nutrition Cluster		<u>573,583</u>	<u>0</u>	<u>573,583</u>	<u>0</u>
Total U.S. Department of Agriculture		573,583	126,089	573,583	126,089
U.S. DEPARTMENT OF EDUCATION					
<i>Passed Through Ohio Department of Education:</i>					
Special Education Cluster:					
Special Education - Grants to States	84.027	2,019,422	0	2,042,039	0
Special Education - Preschool Grants	84.173	64,881	0	54,274	0
Total Special Education Cluster		<u>2,084,303</u>	<u>0</u>	<u>2,096,313</u>	<u>0</u>
Title 1 Grants to Local Educational Agencies	84.010	363,640	0	349,466	0
Vocational Education - Basic Grants to States	84.148	349,259	0	383,837	0
State Grants for Innovative Programs	84.298	75,476	0	78,575	0
Safe and Drug-Free Schools and Communities State Grants	84.186	26,488	0	35,618	0
Twenty-First Century Community Learning Centers	84.287	21,641	0	28,522	0
Education Technology State Grant	84.318	2,202	0	2,334	0
English Language Acquisition Grant	84.365	30,251	0	19,004	0
Improving Teacher Quality State Grant	84.367	102,583	0	109,031	0
Total U.S. Department of Education		<u>3,055,843</u>	<u>0</u>	<u>3,102,700</u>	<u>0</u>
Total Federal Financial Assistance		<u>\$3,629,426</u>	<u>\$126,089</u>	<u>\$3,676,283</u>	<u>\$126,089</u>

See accompanying notes to the Schedule of Federal Awards Receipts and Expenditures

**MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
LAKE COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2008**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - CHILD NUTRITION CLUSTER

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

NOTE C – FOOD DONATION PROGRAM

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair value of the commodities received.



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*

Mentor Exempted Village School District
Lake County
6451 Center Street Road
Mentor, Ohio 44060

To the Board of Education:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mentor Exempted Village School District, Lake County, Ohio, (the District) as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 12, 2008. 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 District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more than inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be 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.

We noted certain matters that we reported to the District's management in a separate letter dated December 12, 2008.

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Compliance and Other Matters

As part of reasonably assuring whether the District'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 a certain noncompliance or other matter that we reported to the District's management in a separate letter dated December 12, 2008.

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

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

December 12, 2008



Mary Taylor, CPA

Auditor of State

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

Mentor Exempted Village School District
Lake County
6451 Center Street Road
Mentor, Ohio 44060

To the Board of Education:

Compliance

We have audited the compliance of the Mentor Exempted Village School District, Lake County, Ohio, (the District) 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 June 30, 2008. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District'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 District'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 contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of 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 District'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 District's compliance with those requirements.

In our opinion, the Mentor Exempted Village School District, Lake County, Ohio, complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2008.

Internal Control Over Compliance

The District'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 District'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 expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that the entity's internal control will not prevent or detect more than inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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 that might be 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.

Federal Awards Receipts and Expenditures Schedule

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Mentor Exempted Village School District, Lake County, Ohio, as of and for the year ended June 30, 2008, and have issued our report thereon dated December 12, 2008. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Federal Awards Receipts and Expenditures Schedule provide additional information as required by OMB Circular A-133 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.

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



Mary Taylor, CPA
Auditor of State

December 12, 2008

**MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
LAKE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2008**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Special Education Cluster #84.027 Special Education – Grants to States #84.173 Special Education – Preschool Grants
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2008



THE CORNERSTONE OF THE COMMUNITY
MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT, MENTOR, OHIO



Introductory Section

Back of Introductory Tab

**Mentor Exempted Village
School District, Mentor Ohio**

**Comprehensive Annual
Financial Report For The
Year Ended June 30, 2008**

**Issued by: Chief Financial Officer's Office
Daniel L. Wilson, Chief Financial Officer**

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Mentor Exempted Village School District

Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2008

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Mentor Exempted Village School District

Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2008

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Mentor Exempted Village School District

Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2008

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Mentor Exempted Village School District

Comprehensive Annual Financial Report
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"THE CORNERSTONE OF THE COMMUNITY"

6451 Center Street, Mentor, Ohio 44060 • phone: 440.255.4444 • facsimile: 440.255.4622

Administration Building

Jacqueline A. Hoynes, Ph.D.
Superintendent

Daniel L. Wilson
Chief Financial Officer

Board of Education
Gwen J. Corban, President
William J. Shaw, Vice President
Mary L. Bryner, Member
Alan J. Mihok, Member
Thomas V. Tuttle, Member

December 12, 2008

Board of Education and Residents of Mentor Exempted Village School District:

Ohio law (Ohio Administrative Code Section 117-2-03(B)) requires that all school districts file annual financial reports prepared on a GAAP (Generally Accepted Accounting Principles) basis with the Auditor of State within five months of the close of each fiscal year. This report is published to fulfill that requirement for the fiscal year ended June 30, 2008.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control the School District has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The Ohio Auditor of State's office has issued an unqualified opinion on the Mentor Exempted Village School District's financial statements for the year ended June 30, 2008. The Independent Accountants' Report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the Independent Accountants' Report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of School District

The Mentor Exempted Village School District is the sixteenth largest of the 612 school districts in the State of Ohio and the largest of nine school districts in Lake County. The School District provided education to 8,495 students in grades kindergarten through twelve during the 2007-2008 school year. Additionally, the School District provides preschool and after school services to a number of students. The Mentor Exempted Village School District is located in northeastern Ohio, approximately twenty-five miles east of downtown Cleveland.

The Mentor Exempted Village School District serves the Cities of Mentor, Mentor-on-the-Lake, and portions of the Village of Kirtland Hills, Chardon Township and Concord Township. The School District operates one high school, three junior high schools, and ten elementary schools. Beginning with the 2008-2009 school year the grade level configuration of the School District changed as noted below:

Kindergarten The School District operates a two and one-half day kindergarten program in ten elementary school buildings. These programs are designed to prepare children for school, to develop social skills and to promote the foundation for future learning. Beginning with the 2008-2009 school year all ten elementary buildings are operating all day, everyday kindergarten programs.

Elementary The elementary school program provides students with exposure to reading, language arts, mathematics, science, social studies, health, music, art and physical education. Basic skill development is the key, and problem solving has been a focus in mathematics instruction. Science is hands-on in the Schools' ten elementary schools, and manipulatives are used extensively in the math classes. Currently, the elementary schools service students in kindergarten through grade six. Three of these schools also receive reading intervention services through Title I staff members. Members of the Central Office staff have been challenged by the Superintendent to volunteer approximately one hour a week as Ohio Reads Volunteers at a school of their choice within the School District. Beginning with the 2008-2009 school year all sixth graders are attending the three middle schools.

Junior High School Serving students in grades seven through nine, the three junior high schools offer an extension and continuation of the skill building work done at the elementary level by stressing student achievement in the core academic subjects of English, mathematics, science and social studies. Exploratory reading, keyboarding, exploratory languages and exploratory technology are also required courses depending upon a student's grade level. Electives are offered in music and art. Our junior high schools also continue to offer a full extracurricular program of sports, clubs, and service groups. Students excel in all areas and benefit from a well-rounded preparation that allows them to be successful at the high school and beyond. Beginning with the 2008-2009 school year, ninth graders are attending the high school and sixth graders are attending what are now 6th-8th grade middle schools.

High School The School District has one comprehensive high school serving 2,301 students in grades ten through twelve. It is accredited by the North Central Association of Colleges and Schools and by the Ohio Board of Education. Students select from a wide array of courses and electives from basic academic core subjects to advanced placement coursework, which offer the student the opportunity to do college level work. The Career Technical Program also offers the opportunity for students to pursue career objectives while in high school including the opportunity to earn college credit through the completion of college courses. Mentor High School continues to offer a full extracurricular program of sports, clubs and service groups. Students excel in all areas and benefit from a well-rounded preparation that allows them to be successful in whatever career path they choose. Beginning with the 2008-2009 school year, ninth graders are attending the high school.

High School Athletics Mentor High School competes in the Lake Erie League. The high school qualifies for the highly competitive Division I classification. Fall, winter and spring varsity sports are available for students, including football, soccer, volleyball, track, cross country, basketball, baseball, softball, wrestling, tennis, golf, swimming, lacrosse and hockey. There are also ninth grade, junior varsity, and junior high school athletic programs offered. Cheerleading is offered at each level.

Transportation The transportation system of the Mentor Exempted Village School District exceeds the State's minimum standards and allows kindergarten through twelfth grade students to ride. The School District maintains a fleet of buses for this purpose and has additional vehicles to transport physically challenged students. A computer program assigns students to the appropriate bus route. Parents and students are informed by mail of appropriate bus number, time and location of street pick-up to school and drop-off for the return trip home.

Certified Staff The average experience of the certificated staff is 13.1 years and 72.2 percent of the teaching staff have at least a master's degree. Textbook authors, doctorates, nationally known speakers and recognized experts in specific fields of study are among the School District's teachers and administrators. A blend of experienced staff along with new teachers offers students of the Mentor Exempted Village School District one of the strongest faculties in the area.

Economic Condition and Outlook

The City of Mentor and the surrounding areas have a strong and stable economic base. In the last two decades homes have been constructed to accommodate the large number of families moving into Mentor out of the more heavily populated Cleveland area.

With major employers, including the Steris Corporation, Lincoln Electric Corporation, PCC Airfoil, and Avery Dennison, the area continues to be stable.

The involvement of local businesses and community groups in partnership with Mentor Exempted Village School District enhances the relationship between free enterprise and government entities.

Fortunately, the current economic downturn has not significantly impacted the local economic base and our major employers involvement with the School District.

Long-Term Financial Planning

The theme of the 2007-2008 fiscal year was exercising fiscal prudence. The fiscal management of the School District has been integrated into the School District's Strategic Plan. In addition, the Board of Education, Superintendent and Chief Financial Officer remain committed to managing long-term plans that include:

- District Strategic Plan
- Enrollment Projections
- Five Year Budget Plan
- Capital Repair Plan
- Technology Plan

The diligence of the School District in managing long-term plans has become evident in that the current forecasted future budgets indicate that the 2004 emergency levy, originally planned to support four fiscal years of spending, has been extended for a seventh year. This is especially noteworthy in that the State average life of a new levy is three years. In addition, prudent fiscal management has balanced the projected 2011-2012 budget.

Relevant Financial Policies

Statutorily, the School District operates under the standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 of the Ohio Revised Code, to provide education services prescribed by State and/or Federal agencies. The Board of Education is made up of five members elected at large, for overlapping four-year terms. The Board of Education elects its President and Vice President annually, and appoints two officials: the Superintendent, who serves as the Chief Executive Officer, and the Treasurer, who serves as the Chief Financial Officer.

Internal Accounting and Budgetary Control The School District's accounting system is organized on a "fund" basis. Each fund is a distinct self-balancing accounting entity. Reports for governmental fund operations are presented on the modified accrual basis whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. Reports of the School District's proprietary fund operations are presented on the accrual basis whereby revenues are recognized when earned and expenses when incurred.

In developing the School District's accounting system much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

The School District utilizes a fully automated accounting system as well as an automated system of control for payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensures that the financial information generated is both accurate and reliable.

At the beginning of each fiscal year, the Board of Education adopts a temporary appropriation measure for that fiscal year. By statute, permanent appropriations must be adopted upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates. The School District is required to adopt the permanent appropriations in September.

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the Board of Education's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board. The General Fund budget is controlled at the fund, function and object level. All other funds are controlled at the fund level. All purchase order requests must be approved by the site administrator, a central office administrator, and certified by the Treasurer, necessary funds are then encumbered and purchase orders released to vendors. Those requests which exceed the available appropriation are rejected until additional appropriations are secured. Each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible. In addition, an online inquiry system is available at each cost center site. As an additional safeguard, all employees are covered by a blanket bond and certain individuals in policy-making roles are covered by a separate, higher limit bond.

Cash management is a vital component in the School District's overall financial strategy. Cash not needed for immediate use during the fiscal year was invested in Charter One High Yield Fund, Chase Bank's High Balance Account, Certificates of Deposit, federal securities, commercial paper, and repurchase agreements.

The basis of accounting and the various funds and account groups utilized by Mentor Exempted Village School District are fully described in Note 2 of the financial statements. Additional information on the School District's budgetary accounting can also be found in Note 2.

Major Initiatives

During the 2007-2008 school year, the Superintendent planned for several major School District initiatives to be implemented at the beginning of the 2008-2009 school year.

The initiatives were titled “Take Flight! To The 21st Century and Beyond.” The initiatives were identified in the School District’s Strategic Plan and included a reconfiguration of grade levels that moved the ninth graders into the high school; sixth graders into what formerly were junior highs and transformed them into sixth grade, seventh grade, eighth grade middle schools; and the beginning of all day-everyday kindergarten in all ten of our elementary schools. In addition, the former industrial arts wing of the high school was transformed into the new I-Wing which houses state of the art technology courses such as jewelry making, robotics, home maintenance, digital photography, pre-engineering, computer aided design (CAD) lab, a new art room and a new science room.

The I-Wing renovations were paid for entirely by the proceeds from the sale of the former Center Street Elementary School and Reynolds Elementary School. Additionally, the 2008-2009 school year saw the third and final phase of providing 394 SMART Boards in every instructional classroom throughout the School District.

The Ohio Department of Education awarded the Mentor Public Schools an “Excellent” rating for achieving 29 of 30 indicators for the 2007-2008 school year. This is the fourth time in the last five years the School District has earned the “Excellent” rating.

Awards and Acknowledgements

Awards

GFOA Certificate of Achievement The Government Finance Officers Association in the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the School District for its comprehensive annual financial report for the year ended June 30, 2007. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program’s requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Association of School Business Officials International (ASBO) also awarded a Certificate of Excellence in Financial Reporting to the School District for its comprehensive annual financial report for the year ended June 30, 2007. The Association’s Panel of Review judged that the School District’s report substantially conforms to principles and standards of ASBO’s Certificate of Excellence Program. This certificate is awarded upon recommendation of the Association’s Panel of Review and is valid for a period of one year only.

The Ohio Auditor of State awarded the School District the “Making Your Tax Dollars Count” Award for fiscal years 2004-2005 and 2005-2006. Only eighteen June 30 entities out of approximately four-hundred and fifteen governmental entities in Greater Cleveland region received this award.

Acknowledgements

The publication of this CAFR represents an important achievement in the ability of the School District to provide significantly enhanced financial information and accountability to the taxpayers of the Mentor Exempted Village School District, its elected officials, management, staff and investors. This report is a continuation of the efforts of the Treasurer's Office to improve overall financial accounting, management and reporting capabilities.

The accomplishment of this report would not have been made possible without the assistance, support and efforts of the Treasurer's Office employees, particularly the Assistant Treasurer, various administrators, employees of the School District, and Ciuni and Panichi, Inc. Assistance from the County Auditor's office staff and outside agencies made possible the fair presentation of statistical data.

Sincere appreciation is extended to the Board of Education, where the commitment to improved financial management and reporting begins.

Respectfully submitted,



Daniel L. Wilson
Chief Financial Officer



Jacqueline A. Hoynes, Ph.D.
Superintendent



**Victoria Brown
First Grade
Bellflower Elementary**

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Mentor Exempted Village
School District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

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



Oliver S. Cox

President

Jeffrey R. Emswiler

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2007

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

Grome E. Brundel

President

John D. Quasar

Executive Director

Mentor Exempted Village School District

Principal Officials

As of June 30, 2008

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

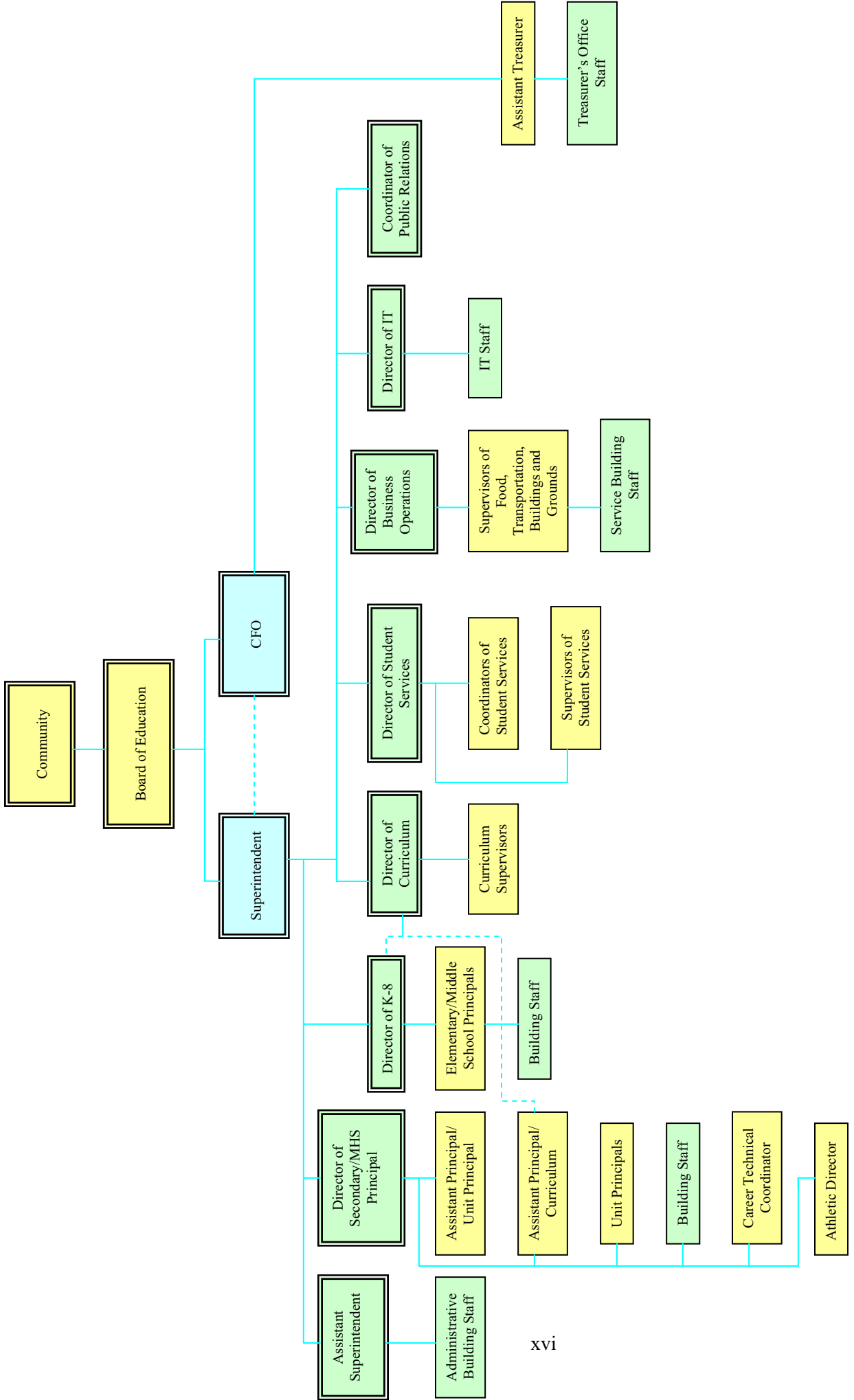
Elected Officials

Board of Education

Mrs. Gwen J. Corban	President
Mr. William J. Shaw	Vice-President
Mrs. Mary L. Bryner	Member
Mr. Alan Mihok	Member
Mr. Thomas V. Tuttle	Member

Appointed Officials

Dr. Jacqueline Hoynes	Superintendent
Mr. Daniel L. Wilson	Chief Financial Officer





**Megan Perusek
Third Grade
Brentmoor Elementary**



Financial Section

Back of i a cial Ta



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Mentor Exempted Village School District
Lake County
6451 Center Street Road
Mentor, Ohio 44060

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mentor Exempted Village School District, Lake County, Ohio, (the District) as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District'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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mentor Exempted Village School District, Lake County, Ohio, as of June 30, 2008, and the respective changes in financial position, and where applicable, cash flows, thereof and the budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2008, on our consideration of the District'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.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquires 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 District's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules 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. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

December 12, 2008

Mentor Exempted Village School District

Management's Discussion & Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2008

Our discussion and analysis of the Mentor Exempted Village School District's (the "School District") financial performance provides an overview of the School District's financial activities for the fiscal year ended June 30, 2008. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the transmittal letter, notes to the basic financial statements and the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2008 are as follows:

In total, net assets increased \$12,828,803. Net assets of governmental activities increased \$12,672,128 which represents a 44.74% increase from 2007. Net assets of business-type activities increased \$156,675 or 348.00% from 2007.

Total general revenues accounted for \$103,663,443 in revenue or 89.84% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions and capital grants and contributions accounted for \$11,725,245 or 10.16% of total revenues of \$115,388,688.

The School District had \$99,704,195 in expenses related to governmental activities, only \$8,877,873 of these expenses was offset by program specific charges for services, operating and capital grants or contributions and \$164,000 related to transfers-out. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$103,662,450 were able to provide for these programs resulting in an increase of net assets of governmental activities from \$28,326,486 to \$40,998,614.

The School District had \$2,855,690 in expenses related to business-type activities; a total of \$2,847,372 was offset by program specific charges for services, operating grants and contributions. General revenues are for investment earnings of \$993 and transfers-in totaled \$164,000. Total revenues were adequate to provide for these programs by \$156,675 resulting in an increase to net assets from \$(45,022) to \$111,653.

The School District's major governmental funds were the General Fund and Debt Service Fund. The General Fund had \$100,183,195 in revenues and \$90,704,184 in expenditures and other financing uses. The General Fund increased \$9,479,011 from \$32,614,082 to \$42,093,093. The Debt Service Fund had \$3,847,110 in revenues and other financing sources and \$3,879,095 in expenditures and other financing uses. The Debt Service Fund decreased \$31,985 from \$1,168,686 to \$1,136,701.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the School District as a whole, and then proceed to provide an increasingly detailed look at specific financial activities. The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of the School District, the General Fund and the Debt Service Fund are by far the most significant funds and are the only funds reported as major funds.

Mentor Exempted Village School District

Management's Discussion & Analysis (Unaudited) (continued)

For the Fiscal Year Ended June 30, 2008

Reporting the School District as a Whole

The Statement of Net Assets and Statement of Activities

One of the most important questions asked about the School District's finances is, "Is the School District better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the School District as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in them. The change in net assets provides the reader a tool to assist in determining whether the School District's financial health is improving or deteriorating. The reader will need to consider other non-financial factors such as property tax base, current property tax laws, student enrollment growth, and facility conditions in arriving at his or her conclusion regarding the overall health of the School District.

In the Statement of Net Assets and the Statement of Activities, the School District is divided into two distinct kinds of activities: Governmental Activities - Most of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. Business-Type Activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The School District's food service, uniform supplies, rotary and adult education operations are reported as business-type activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Our analysis of the School District's major governmental funds begins on page 9. The fund financial statements begin on page 16 and provide detailed information about the most significant funds – not the School District as a whole. Some funds are required to be established by State statute, while many other funds are established by the School District to help manage money for particular purposes and compliance with various grant provisions. The School District's three types of funds, governmental, proprietary and fiduciary, use different accounting approaches as further described in the notes to the financial statements.

Governmental Funds

Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or less financial resources available to spend in the near future to finance the School District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

Mentor Exempted Village School District

Management's Discussion & Analysis (Unaudited) (continued)

For the Fiscal Year Ended June 30, 2008

Proprietary Funds

Proprietary funds use the accrual basis of accounting, the same as on the government-wide statements; therefore the statements will essentially match the business-type activities portion of the government-wide statements.

Fiduciary Funds

The School District acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in an agency fund. The School District's fiduciary activities are reported in a separate statement on page 27. These activities are excluded from the School District's other financial statements because the assets cannot be utilized by the School District to finance its operations.

The School District as a Whole

The Statement of Net Assets provides the perspective of the School District as a whole. The table below provides a summary of the School District's net assets for 2008 and 2007.

	Net Assets			
	Governmental Activities <u>2008</u>	Business-Type Activities <u>2008</u>	Governmental Activities <u>2007</u>	Business-Type Activities <u>2007</u>
Assets:				
Current assets	\$ 124,152,676	\$ 360,630	\$ 107,388,600	\$ 227,768
Capital assets	<u>14,062,650</u>	<u>108,097</u>	<u>13,098,721</u>	<u>125,194</u>
Total assets	<u>138,215,326</u>	<u>468,727</u>	<u>120,487,321</u>	<u>352,962</u>
Liabilities:				
Current liabilities	76,432,785	230,485	70,695,802	250,346
Long term liabilities	<u>20,783,927</u>	<u>126,589</u>	<u>21,465,033</u>	<u>147,638</u>
Total liabilities	<u>97,216,712</u>	<u>357,074</u>	<u>92,160,835</u>	<u>397,984</u>
Net assets:				
Invested in capital assets, net of debt	6,387,242	64,440	3,991,006	56,113
Restricted	1,792,124	-	1,500,898	-
Unrestricted (deficit)	<u>32,819,248</u>	<u>47,213</u>	<u>22,834,582</u>	<u>(101,135)</u>
Total net assets	\$ <u>40,998,614</u>	\$ <u>111,653</u>	\$ <u>28,326,486</u>	\$ <u>(45,022)</u>

Total assets increased by \$17,843,770 mainly due to increases in cash, taxes receivable and capital assets. Increase in cash is mainly due to management's efforts to reduce increases in expenditures. The School District has also taken advantage of improved cash flow and has maintained an active investment plan. Increase in taxes receivable due to an increase in the County Budget Commission's Certificate of Estimated Resources estimate of property tax collections in fiscal year 2009 that relate to fiscal year 2008, including an increase in delinquent tax collection estimates. Increase in capital assets mainly due to equipment and vehicle additions.

Mentor Exempted Village School District

Management's Discussion & Analysis (Unaudited) (continued)

For the Fiscal Year Ended June 30, 2008

Total liabilities increased \$5,014,967 mainly due to an increase in unearned revenue, notes liabilities and claims payable. Increase in unearned revenue is directly related to the increase in taxes receivable. Notes payable increased due to the issuance of bond anticipation notes for capital improvements. In order to further understand what makes up the changes in net assets for the current and previous year, the following table gives readers further details regarding the results of activities for each year.

Changes in Net Assets

	Governmental Activities <u>2008</u>	Business-Type Activities <u>2008</u>	Governmental Activities <u>2007</u>	Business-Type Activities <u>2007</u>
Revenues:				
Program revenues:				
Charges for services	\$ 2,479,490	\$ 2,209,269	\$ 2,450,621	\$ 2,208,853
Operating grants and contributions	5,898,383	638,103	5,311,280	672,994
Capital grants and contributions	<u>500,000</u>	<u>-</u>	<u>500,639</u>	<u>-</u>
Total program revenues	<u>8,877,873</u>	<u>2,847,372</u>	<u>8,262,540</u>	<u>2,881,847</u>
General revenues:				
Property taxes	69,790,200	-	70,616,294	-
Grants and entitlements	31,027,122	-	28,279,885	-
Investment earnings	2,179,800	993	2,309,938	6,177
Miscellaneous	<u>665,328</u>	<u>-</u>	<u>313,989</u>	<u>-</u>
Total general revenues	<u>103,662,450</u>	<u>993</u>	<u>101,520,106</u>	<u>6,177</u>
Total revenues	<u>112,540,323</u>	<u>2,848,365</u>	<u>109,782,646</u>	<u>2,888,024</u>
Program expenses:				
Instruction:				
Regular education	44,805,104	-	41,646,722	-
Special education	11,094,561	-	10,390,051	-
Vocational education	2,315,928	-	2,312,758	-
Other	797,941	-	801,047	-
Support services:				
Pupil	6,220,899	-	6,260,266	-
Instructional staff	5,264,426	-	4,140,106	-
Board of education	629,220	-	519,445	-
Administration	5,525,373	-	5,112,076	-
Fiscal	2,505,210	-	2,400,896	-
Business	425,188	-	667,976	-
Operation and maintenance - plant	8,292,228	-	8,111,466	-
Pupil transportation	6,260,899	-	5,679,537	-
Central	1,592,739	-	1,268,216	-
Operation of non-instructional services	1,530,928	-	1,456,883	-
Extracurricular activities	1,852,683	-	1,629,409	-
Interest and fiscal charges	590,868	-	644,526	-
Food service	-	2,597,209	-	2,597,515
Uniform supplies	-	140,837	-	432,235
Rotary-special services	-	117,481	-	23,725
Adult education	<u>-</u>	<u>163</u>	<u>-</u>	<u>56</u>
Total program expenses	<u>99,704,195</u>	<u>2,855,690</u>	<u>93,041,380</u>	<u>3,053,531</u>
Change in net assets before transfers	12,836,128	(7,325)	16,741,266	(165,507)
Transfers	<u>(164,000)</u>	<u>164,000</u>	<u>-</u>	<u>-</u>
Change in net assets	12,672,128	156,675	16,741,266	(165,507)
Net assets at beginning of year	<u>28,326,486</u>	<u>(45,022)</u>	<u>11,585,220</u>	<u>120,485</u>
Net assets at end of year	<u>\$ 40,998,614</u>	<u>\$ 111,653</u>	<u>\$ 28,326,486</u>	<u>\$ (45,022)</u>

Mentor Exempted Village School District

Management's Discussion & Analysis (Unaudited) (continued)

For the Fiscal Year Ended June 30, 2008

Governmental Activities

Net assets of the School District's governmental activities increased by \$12,672,128. Program revenues of \$8,877,873 and general revenues of \$103,662,450 were sufficient to offset total governmental expenses of \$99,704,195 and transfers-out of \$164,000. Increase in net assets mainly due to increases in grants and entitlements of approximately \$2.7 million and miscellaneous income of \$351,339. Grants and entitlements revenue increased due to an increase in personal property tax reimbursement of approximately \$2.9 million. As mentioned before, management has made an effort to reduce increases in expenditures, even in times of increasing revenues, thus creating a positive increase from the prior year.

The primary sources of revenue for governmental activities are derived from property taxes, homestead and rollback reimbursements, tangible personal property hold harmless payments and grants. These revenue sources represent 89.58% of total governmental revenue.

Instruction and support services comprise 59.19 and 36.83 percent of governmental program expenses, respectively. Interest expense was less than one percent. Interest expense was attributable to the outstanding bonds and notes for various projects. Overall, governmental program expenses increased \$6,662,815, mainly due to an increase in regular education, special education and instructional staff. These expenses increased due to premiums and renewal rates related to health care and step-increases in employee wages.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2008 and 2007. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

Mentor Exempted Village School District

Management's Discussion & Analysis (Unaudited) (continued)

For the Fiscal Year Ended June 30, 2008

Governmental Activities

	<u>Total Cost of Services 2008</u>	<u>Net Cost of Services 2008</u>	<u>Total Cost of Services 2007</u>	<u>Net Cost of Services 2007</u>
Program expenses:				
Instruction:				
Regular education	\$ 44,805,104	\$ 43,270,208	\$ 41,646,722	\$ 40,556,287
Special education	11,094,561	7,839,493	10,390,051	6,768,460
Vocational education	2,315,928	1,627,003	2,312,758	1,609,570
Other	797,941	794,401	801,047	798,387
Support services:				
Pupil	6,220,899	6,220,899	6,260,266	6,260,266
Instructional staff	5,264,426	5,228,335	4,140,106	4,140,106
Board of education	629,220	629,220	519,445	519,445
Administration	5,525,373	4,643,173	5,112,076	4,611,437
Fiscal	2,505,210	2,505,210	2,400,896	2,400,896
Business	425,188	425,188	667,976	667,976
Operation and maintenance of plant	8,292,228	8,191,965	8,111,466	8,041,174
Pupil transportation	6,260,899	6,196,419	5,679,537	5,607,193
Central	1,592,739	1,424,841	1,268,216	1,143,164
Operation of non-instructional services	1,530,928	247,414	1,456,883	269,520
Extracurricular activities	1,852,683	991,685	1,629,409	740,433
Interest and fiscal charges	<u>590,868</u>	<u>590,868</u>	<u>644,526</u>	<u>644,526</u>
Total expenses	\$ <u>99,704,195</u>	\$ <u>90,826,322</u>	\$ <u>93,041,380</u>	\$ <u>84,778,840</u>

The dependence upon tax revenues during fiscal year 2008 for governmental activities is apparent, as 91.1% of 2008 governmental activities are supported through taxes and other general revenues. The School District's taxpayers, as a whole, are by far the primary support for School District's students.

Business-Type Activities

Business-Type activities include food service operation, uniform supplies, rotary and adult education. These programs had total revenues, including transfers-in of \$3,012,365 and total expenses of \$2,855,690 for fiscal year 2008. The food service operations had expenses of \$2,597,209 and revenues of \$2,497,166. This resulted in a decrease of net assets for the fiscal year of \$100,043, mainly due to an increase in salaries and wages. The other enterprise funds had expenses of \$258,481 and revenues, including transfers-in of \$515,199. This resulted in an increase of net assets for the fiscal year of \$256,718, mainly due to a decrease in supplies and materials expenses. Management assesses the performance of each of these funds to ensure that they are run efficiently.

Mentor Exempted Village School District

Management's Discussion & Analysis (Unaudited) (continued)

For the Fiscal Year Ended June 30, 2008

The School District's Funds

The School District's governmental funds (as presented on the balance sheet on page 16) reported a combined fund balance of \$46,366,797, which is greater than last year's fund balance by \$9,930,160. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2008 and 2007.

	Fund Balance <u>June 30, 2008</u>	Fund Balance <u>June 30, 2007</u>	Increase (Decrease)
General	\$ 42,093,093	\$ 32,614,082	\$ 9,479,011
Debt service	1,136,701	1,168,686	(31,985)
Nonmajor governmental	<u>3,137,003</u>	<u>2,653,869</u>	<u>483,134</u>
Total	\$ <u>46,366,797</u>	\$ <u>36,436,637</u>	\$ <u>9,930,160</u>

General Fund

The School District's General Fund balance increased by \$9,479,011, mainly due to maintaining current revenue sources an increase in intergovernmental revenues and other revenue. The table that follows assists in illustrating the financial activities and fund balance of the General Fund.

<u>Revenues</u>	2008 <u>Amount</u>	2007 <u>Amount</u>	Percentage <u>Change</u>
Taxes	\$ 64,542,771	\$ 67,384,348	(4.22)%
Earnings on investments	2,070,666	2,159,681	(4.12)
Intergovernmental	30,642,946	27,949,890	9.64
Other revenue	<u>2,926,812</u>	<u>2,204,504</u>	32.76
Total	\$ <u>100,183,195</u>	\$ <u>99,698,423</u>	

The taxes and intergovernmental revenues decreased \$148,521 as a result of the decrease in personal property taxes due to the phase out offset by an increase of hold harmless reimbursements. The decrease in earnings on investments income is directly related to lower interest rates due to the state of the economy. Other revenues increased as a result of various factors including charges from other funds for workers compensation' claims.

The table that follows assists in illustrating the expenditures of the General Fund, excluding transfers out.

<u>Expenditures by Function</u>	2008 <u>Amount</u>	2007 <u>Amount</u>	Percentage <u>Change</u>
Instruction	\$ 55,064,165	\$ 51,387,662	7.15%
Support services	33,723,360	31,120,354	8.36
Community services	148,017	35,876	312.58
Extracurricular activities	1,259,965	1,093,681	15.20
Debt service	<u>69,188</u>	<u>11,531</u>	500.02
Total	\$ <u>90,264,695</u>	\$ <u>83,649,104</u>	

The primary reason for fiscal year 2008 increased expenditures is increases in premiums and renewal rates related to health care and step-increases in employee wages.

Mentor Exempted Village School District

Management's Discussion & Analysis (Unaudited) (continued)

For the Fiscal Year Ended June 30, 2008

Also, increases due to contracts related to special education transportation services increased, significantly higher bus fuel expenses, significantly higher utility expenses, as well as normal inflation increases.

General Fund Budget Information

The School District's budget is prepared in accordance with Ohio law and is based on the cash basis of accounting, utilizing cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

The School District's General Fund budget was prepared and approved at the fund, function and object level for fiscal year 2008. During the course of fiscal 2008, the total budget was changed several times, mostly for adjustments to property tax and related revenue receipts. For the General Fund, original revenues and other financing sources were \$102,470,839. Final budget revenues and other financing sources were \$101,678,639. Actual revenues and other financing sources for fiscal year 2008 were \$101,412,381. Actual revenues and other financing sources were \$266,258 lower than budgeted revenues mainly due to lower than anticipated collection of real property taxes as well as homestead and rollback reimbursements. Also, interest income exceeded budget and the School District received more than anticipated partial state reimbursements for certain special education expenses.

General Fund original appropriations and other financing uses were \$95,335,653 which included 2006-2007 carryover encumbrances. Final appropriations and other financing uses were \$95,535,651 which also included 2006-2007 carryover encumbrances. The actual expenditures and other financing uses for fiscal year 2008 totaled \$92,965,625, which was \$2,570,026 less than the final budget appropriations. The difference between original and final appropriations and actual expenditures is due to less than anticipated salaries and wages expenses as well as prudent spending by the Superintendent in fiscal year 2008.

Capital Assets

The School District had \$14,170,747 invested in capital assets net of depreciation, with \$14,062,650 attributed to government activities. Acquisition for government activities totaled \$2,204,267 and depreciation was \$1,121,562. The majority of the additions were represented by the acquisition of a digital scoreboard for the football stadium and the purchase of four buses. Detailed information regarding capital asset activities is included in the notes to the financial statement (Note 10).

Debt

At June 30, 2008, the School District had \$10,937,732 in an outstanding long-term debt, not including accrued compensated absences, claims payable and accrued early retirement incentive and \$2,027,333 in short-term debt. The School District paid \$1,293,303 in principal on bonds outstanding, \$87,095 on capital leases outstanding, and \$2,746,668 on long-term notes payable during the fiscal year. Detailed information regarding long-term debt activity, capital lease obligations and notes payable activity is included in the notes to the basic financial statements (Notes 15, 16 and 17, respectively).

Mentor Exempted Village School District

Management's Discussion & Analysis (Unaudited) (continued)

For the Fiscal Year Ended June 30, 2008

Current Financial Related Activities

The theme of the 2007-2008 fiscal year was "Exercising Fiscal Prudence" and the goal of the budget was to delay projected operating fund deficits by managing plans including:

- District Strategic Plan
- Enrollment Projections
- Five-Year Budget Plan
- Capital Repair Plan
- Technology Plan

As a result of a prudent spending by the Board of Education and the Superintendent, the fiscal year concluded with an unencumbered cash balance of \$43,936,049 in the General Fund. This increase in cash balance reduced the projected deficit for the 2011-2012 fiscal year to \$791,874.

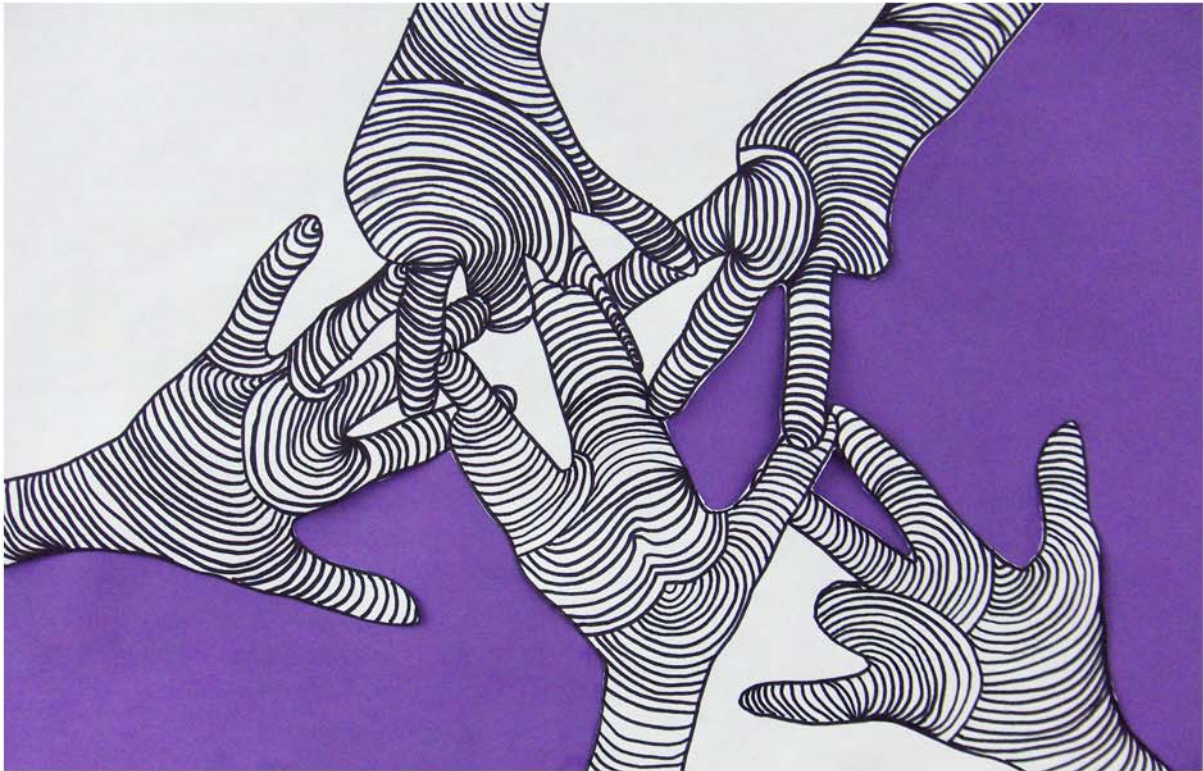
The 2007-2008 budget supported several major priorities identified in the School District's Strategic Plan, which included:

- Continued funding of the annual textbook and curriculum adoption program.
- Enhancing professional development programs for teaching and support staff.
- Incorporating technology into classroom instruction.
- Preparing to fund an all day, every day kindergarten beginning with the 2008-2009 school year.
- Enhancing data collection and data management systems to assist in curriculum alignment.
- Funding the maintenance, up keep and enhancement of the School District's facilities.

The Citizen's Financial Advisory Committee reviewed the 2007-2008 budget prior to adoption by the Board of Education. The Committee determined the budget was within the parameters of the current five year budget plan and recommended its adoption to the Board of Education. On October 14, 2008 the Board of Education adopted new fiscal projections that go through the 2012-2013 fiscal year. As a result of active budget management, we have been able to fund eight years of balanced budgets rather than the originally planned four years of balanced budgets as a result of the initial approval of the 2004 emergency levy. The forecast recognizes the unstable economic climate and adjusted assumptions into the future reflecting higher inflation rates and lower revenues. The forecast also reflects the Board of Education and Superintendent's commitment to continue to adjusting staffing levels to reflect changes in student population. As a result, the forecast includes additional 28 staff reductions over the next four years to correspond with a projected decrease in student enrollment of 960 students.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Daniel L. Wilson, Chief Financial Officer, Mentor Exempted Village School District, 6451 Center Street, Mentor, Ohio 44060 or by calling (440) 974-5230.



**Hannah Spieker
Fourth Grade
Fairfax Elementary**

Mentor Exempted Village School District

Statement of Net Assets

June 30, 2008

	Primary Government		Total
	Governmental Activities	Business - Type Activities	
Assets:			
Equity in pooled cash and investments	\$ 53,123,686	\$ 340,549	\$ 53,464,235
Accounts receivable	65,987	1,993	67,980
Accrued interest receivable	392,886	348	393,234
Intergovernmental receivable	425,712	-	425,712
Internal balances	(6,753)	6,753	-
Materials and supplies inventory	306,996	10,987	317,983
Taxes receivable	69,844,162	-	69,844,162
Nondepreciable capital assets	1,662,922	-	1,662,922
Depreciable capital assets, net	<u>12,399,728</u>	<u>108,097</u>	<u>12,507,825</u>
Total assets	<u>138,215,326</u>	<u>468,727</u>	<u>138,684,053</u>
Liabilities:			
Accounts payable	1,294,219	7,767	1,301,986
Accrued wages and benefits	6,183,307	139,446	6,322,753
Accrued pension	2,071,665	68,326	2,139,991
Intergovernmental payable	652,650	14,718	667,368
Unearned revenue	64,108,151	-	64,108,151
Accrued interest payable	95,460	228	95,688
Notes payable	2,027,333	-	2,027,333
Long-term liabilities:			
Due within one year	5,700,233	34,003	5,734,236
Due in more than one year	<u>15,083,694</u>	<u>92,586</u>	<u>15,176,280</u>
Total liabilities	<u>97,216,712</u>	<u>357,074</u>	<u>97,573,786</u>
Net assets:			
Invested in capital assets, net of related debt	6,387,242	64,440	6,451,682
Restricted for:			
Debt service	1,178,731	-	1,178,731
State funded programs	151,785	-	151,785
Federally funded programs	331,018	-	331,018
Extracurricular activities	130,590	-	130,590
Unrestricted	<u>32,819,248</u>	<u>47,213</u>	<u>32,866,461</u>
Total net assets (deficit)	\$ <u>40,998,614</u>	\$ <u>111,653</u>	\$ <u>41,110,267</u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement

Mentor Exempted Village School District

Statement of Activities

For The Fiscal Year Ended June 30, 2008

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Instruction:				
Regular education	\$ 44,805,104	\$ 911,625	\$ 623,271	\$ -
Special education	11,094,561	361,110	2,893,958	-
Vocational education	2,315,928	339,466	349,459	-
Other	797,941	3,540	-	-
Support services:				
Pupil	6,220,899	-	-	-
Instructional staff	5,264,426	-	36,091	-
Board of education	629,220	-	-	-
Administration	5,525,373	-	382,200	500,000
Fiscal	2,505,210	-	-	-
Business	425,188	-	-	-
Operation and maintenance of plant	8,292,228	22,164	78,099	-
Pupil transportation	6,260,899	64,480	-	-
Central	1,592,739	17,155	150,743	-
Operation of non-instructional services	1,530,928	-	1,283,514	-
Extracurricular activities	1,852,683	759,950	101,048	-
Interest and fiscal charges	590,868	-	-	-
Total governmental activities	<u>99,704,195</u>	<u>2,479,490</u>	<u>5,898,383</u>	<u>500,000</u>
Business-type activities:				
Food service	2,597,209	1,858,070	638,103	-
Uniform supplies	140,837	280,833	-	-
Rotary-special services	117,481	69,866	-	-
Adult education	163	500	-	-
Total business-type activities	<u>2,855,690</u>	<u>2,209,269</u>	<u>638,103</u>	<u>-</u>
Totals	<u>\$ 102,559,885</u>	<u>\$ 4,688,759</u>	<u>\$ 6,536,486</u>	<u>\$ 500,000</u>

General revenues:
Property taxes levies for:
 General purpose
 Debt service
 Capital projects
Grant and entitlements not restricted to specific programs
Investment earnings
Miscellaneous revenue
 Total general revenues
Transfers
 Total general revenues and transfers

Change in net assets

Net assets (deficit) at beginning of year

Net assets at end of year

The Notes to the Basic Financial Statements are an Integral Part of this Statement

<u>Primary Government</u>		
<u>Governmental Activities</u>	<u>Business - Type Activities</u>	<u>Total</u>
\$ (43,270,208)	\$ -	\$ (43,270,208)
(7,839,493)	-	(7,839,493)
(1,627,003)	-	(1,627,003)
(794,401)	-	(794,401)
(6,220,899)	-	(6,220,899)
(5,228,335)	-	(5,228,335)
(629,220)	-	(629,220)
(4,643,173)	-	(4,643,173)
(2,505,210)	-	(2,505,210)
(425,188)	-	(425,188)
(8,191,965)	-	(8,191,965)
(6,196,419)	-	(6,196,419)
(1,424,841)	-	(1,424,841)
(247,414)	-	(247,414)
(991,685)	-	(991,685)
<u>(590,868)</u>	<u>-</u>	<u>(590,868)</u>
<u>(90,826,322)</u>	<u>-</u>	<u>(90,826,322)</u>
-	(101,036)	(101,036)
-	139,996	139,996
-	(47,615)	(47,615)
-	337	337
<u>-</u>	<u>(8,318)</u>	<u>(8,318)</u>
<u>(90,826,322)</u>	<u>(8,318)</u>	<u>(90,834,640)</u>
65,257,692	-	65,257,692
3,557,490	-	3,557,490
975,018	-	975,018
31,027,122	-	31,027,122
2,179,800	993	2,180,793
<u>665,328</u>	<u>-</u>	<u>665,328</u>
103,662,450	993	103,663,443
<u>(164,000)</u>	<u>164,000</u>	<u>-</u>
<u>103,498,450</u>	<u>164,993</u>	<u>103,663,443</u>
12,672,128	156,675	12,828,803
<u>28,326,486</u>	<u>(45,022)</u>	<u>28,281,464</u>
\$ <u>40,998,614</u>	\$ <u>111,653</u>	\$ <u>41,110,267</u>

Mentor Exempted Village School District

Balance Sheet Governmental Funds

June 30, 2008

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in pooled cash and investments	\$ 46,266,181	\$ 1,047,694	\$ 5,633,547	\$ 52,947,422
Taxes receivable	67,398,533	1,477,121	968,508	69,844,162
Accounts receivable	61,981	-	3,260	65,241
Accrued interest receivable	382,359	-	11,090	393,449
Intergovernmental receivable	24,420	-	401,292	425,712
Interfund receivable	11,237	-	-	11,237
Materials and supplies inventory	306,996	-	-	306,996
Total assets	\$ <u>114,451,707</u>	\$ <u>2,524,815</u>	\$ <u>7,017,697</u>	\$ <u>123,994,219</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ 815,501	\$ 4,834	\$ 473,884	\$ 1,294,219
Accrued wages and benefits	6,015,524	-	161,705	6,177,229
Accrued pension	2,012,372	-	50,134	2,062,506
Intergovernmental payable	634,940	-	17,068	652,008
Interfund payable	-	-	11,330	11,330
Deferred revenue	62,880,277	1,383,280	1,102,241	65,365,798
Accrued interest payable	-	-	36,999	36,999
Notes payable	-	-	<u>2,027,333</u>	<u>2,027,333</u>
Total liabilities	<u>72,358,614</u>	<u>1,388,114</u>	<u>3,880,694</u>	<u>77,627,422</u>
Fund balances:				
Reserved for inventory	306,996	-	-	306,996
Reserved for encumbrances	1,802,311	-	1,411,643	3,213,954
Reserved for property taxes	4,518,256	93,841	65,506	4,677,603
Reserved for debt	-	1,042,860	-	1,042,860
Unreserved; undesignated for:				
General fund	35,465,530	-	-	35,465,530
Special revenue funds	-	-	624,947	624,947
Capital projects funds	-	-	<u>1,034,907</u>	<u>1,034,907</u>
Total fund balances	<u>42,093,093</u>	<u>1,136,701</u>	<u>3,137,003</u>	<u>46,366,797</u>
Total liabilities and fund balances	\$ <u>114,451,707</u>	\$ <u>2,524,815</u>	\$ <u>7,017,697</u>	\$ <u>123,994,219</u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement

Mentor Exempted Village School District

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities

June 30, 2008

Total governmental funds balances		\$	46,366,797
Amounts reported for governmental activities in the Statement of Net Assets are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			14,062,650
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
	Property and other taxes	\$	1,058,408
	Intergovernmental		<u>199,239</u>
	Total		1,257,647
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.			(58,461)
Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds.			
	General obligation debt		(6,719,996)
	Long-term note payable		(4,069,335)
	Capital leases		(104,744)
	Accrued wages and benefits		(3,138,750)
	Workers' compensation claims		(634,602)
	Compensated absences		<u>(6,116,500)</u>
	Total		(20,783,927)
Internal Service Fund is used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Assets.			<u>153,908</u>
Net assets of governmental activities		\$	<u><u>40,998,614</u></u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement

Mentor Exempted Village School District

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds

For The Fiscal Year Ended June 30, 2008

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes	\$ 64,542,771	\$ 3,523,154	\$ 955,002	\$ 69,020,927
Intergovernmental	30,642,946	209,698	5,240,304	36,092,948
Tuition and fees	1,491,165	-	3,540	1,494,705
Earnings on investments	2,070,666	-	108,582	2,179,248
Extracurricular activities	345,147	-	508,699	853,846
Miscellaneous revenue	1,090,500	-	766,729	1,857,229
Total revenues	<u>100,183,195</u>	<u>3,732,852</u>	<u>7,582,856</u>	<u>111,498,903</u>
Expenditures:				
Current:				
Instruction:				
Regular education	42,169,183	-	105,021	42,274,204
Special education	9,977,566	-	1,021,579	10,999,145
Vocational education	2,119,475	-	128,860	2,248,335
Other instruction	797,941	-	-	797,941
Support services:				
Pupil	4,749,226	-	1,120,679	5,869,905
Instructional staff	4,870,477	-	394,542	5,265,019
Board of education	627,720	-	1,500	629,220
Administration	4,990,730	-	528,894	5,519,624
Fiscal	2,456,566	23,961	12,902	2,493,429
Business	422,564	-	-	422,564
Operation and maintenance of plant	8,123,995	-	678,710	8,802,705
Pupil transportation	6,128,221	-	33,823	6,162,044
Central	1,353,861	-	213,179	1,567,040
Food service operations	-	-	1,230	1,230
Community services	148,017	-	1,378,399	1,526,416
Extracurricular activities	1,259,965	-	582,492	1,842,457
Capital outlay	-	-	1,062,487	1,062,487
Debt services:				
Principal	61,671	3,189,303	850,668	4,101,642
Interest and fiscal charges	7,517	554,046	36,999	598,562
Total expenditures	<u>90,264,695</u>	<u>3,767,310</u>	<u>8,151,964</u>	<u>102,183,969</u>
Excess of revenues over (under) expenditures	<u>9,918,500</u>	<u>(34,458)</u>	<u>(569,108)</u>	<u>9,314,934</u>

Continued

The Notes to the Basic Financial Statements are an Integral Part of this Statement

Mentor Exempted Village School District

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (continued)

For The Fiscal Year Ended June 30, 2008

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Other financing sources (uses):				
Sale of capital assets	-	-	32,121	32,121
Issuance of notes	-	-	773,335	773,335
Transfers - in	-	114,258	246,796	361,054
Transfers - out	<u>(439,489)</u>	<u>(111,785)</u>	<u>(10)</u>	<u>(551,284)</u>
Total other financing sources (uses)	<u>(439,489)</u>	<u>2,473</u>	<u>1,052,242</u>	<u>615,226</u>
Net change in fund balance	9,479,011	(31,985)	483,134	9,930,160
Fund balance at beginning of year	<u>32,614,082</u>	<u>1,168,686</u>	<u>2,653,869</u>	<u>36,436,637</u>
Fund balance at end of year	\$ <u>42,093,093</u>	\$ <u>1,136,701</u>	\$ <u>3,137,003</u>	\$ <u>46,366,797</u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement

Mentor Exempted Village School District

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities (Continued)

For The Fiscal Year Ended June 30, 2008

Net change in fund balances - total governmental funds \$ 9,930,160

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlay	\$ 2,204,267	
Depreciation	<u>(1,121,562)</u>	
Total		1,082,705

In the Statement of Activities, only the gain on the disposal of capital assets is reported, whereas, in the governmental funds, the proceeds from the disposal increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets.

(118,776)

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

Delinquent property and other taxes	769,273	
Intergovernmental	<u>199,239</u>	
Total		968,512

Other financing sources in the governmental funds that increase long-term liabilities in the Statement of Net Assets. These sources were attributed to the proceeds of long-term notes.

(773,335)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Capital leases	61,671	
Compensated absences	(773,849)	
Workers' compensation claims	(634,602)	
Accrued interest on bonds	7,694	
Accrued wages and benefits	(1,238,750)	
General obligation debt	<u>4,039,971</u>	
Total		1,462,135

Internal Service Funds are used by management to charge to costs of certain activities, such as insurance to individual funds. The net revenue (expense) of the Internal Service Fund is reported with governmental activities.

120,727

Change in net assets of governmental activities \$ 12,672,128

The Notes to the Basic Financial Statements are an Integral Part of this Statement

Mentor Exempted Village School District

Statement of Revenues, Expenditures, and Changes in Fund Balances Budget (Non-GAAP Budgetary Basis) and Actual – General Fund

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 66,872,989	\$ 66,872,989	\$ 64,673,468	\$ (2,199,521)
Intergovernmental	29,269,100	29,269,100	30,629,742	1,360,642
Tuition and fees	1,495,006	1,495,006	1,564,505	69,499
Earnings on investments	2,405,255	2,405,255	2,517,069	111,814
Extracurricular activities	329,815	329,815	345,147	15,332
Miscellaneous revenue	1,480,405	688,205	1,075,254	387,049
Total revenues	<u>101,852,570</u>	<u>101,060,370</u>	<u>100,805,185</u>	<u>(255,185)</u>
Expenditures:				
Current:				
Instruction:				
Regular education	42,471,262	43,414,795	42,996,950	417,845
Special education	11,074,739	11,121,648	10,614,179	507,469
Vocational education	4,409,542	2,454,797	2,265,635	189,162
Other instruction	769,686	848,735	848,727	8
Support services:				
Pupil	5,678,253	5,157,012	4,781,718	375,294
Instructional staff	4,411,931	4,871,049	4,843,865	27,184
Board of education	615,326	691,657	637,941	53,716
Administration	5,333,012	5,240,819	4,970,796	270,023
Fiscal	2,874,156	2,561,068	2,465,348	95,720
Business	682,958	682,778	451,295	231,483
Operation and maintenance of plant	8,581,924	8,809,748	8,666,678	143,070
Pupil transportation	5,089,922	6,278,822	6,252,891	25,931
Central	1,509,271	1,509,341	1,459,609	49,732
Food service operations	80,000	98,625	98,625	-
Community services	86,128	80,213	48,067	32,146
Extracurricular activities:				
Subject oriented activities	199,847	228,848	205,477	23,371
Occupation oriented activities	3,394	3,394	2,793	601
Sports activities	917,024	935,024	920,256	14,768
Co-curricular activities	161,520	161,520	145,286	16,234
Total expenditures	<u>94,949,895</u>	<u>95,149,893</u>	<u>92,676,136</u>	<u>2,473,757</u>
Excess of revenues over (under) expenditures	<u>6,902,675</u>	<u>5,910,477</u>	<u>8,129,049</u>	<u>2,218,572</u>

Continued

The Notes to the Basic Financial Statements are an Integral Part of this Statement

Mentor Exempted Village School District

Statement of Revenues, Expenditures, and Changes in Fund Balances Budget (Non-GAAP Budgetary Basis) and Actual – General Fund (continued)

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Sale of capital assets	38,046	38,046	-	(38,046)
Advances - in	580,223	580,223	607,196	26,973
Transfers - out	<u>(385,758)</u>	<u>(385,758)</u>	<u>(289,489)</u>	<u>96,269</u>
Total other financing sources (uses)	<u>232,511</u>	<u>232,511</u>	<u>317,707</u>	<u>85,196</u>
Net change in fund balance	7,135,186	6,142,988	8,446,756	2,303,768
Fund balance at beginning of year	33,141,515	33,141,515	33,141,515	-
Prior year encumbrances appropriated	<u>2,347,778</u>	<u>2,347,778</u>	<u>2,347,778</u>	<u>-</u>
Fund balance at end of year	\$ <u>42,624,479</u>	\$ <u>41,632,281</u>	\$ <u>43,936,049</u>	\$ <u>2,303,768</u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement

Mentor Exempted Village School District

Statement of Fund Net Assets Proprietary Funds

June 30, 2008

	Nonmajor Business- Type	Governmental Activities Internal Service Fund
Assets:		
Current assets:		
Equity in pooled cash and investments	\$ 340,549	\$ 176,264
Accounts receivable	1,993	183
Accrued interest receivable	348	-
Interfund receivable	6,753	-
Materials and supplies inventory	10,987	-
Total current assets	<u>360,630</u>	<u>176,447</u>
Non-current assets:		
Depreciable capital assets, net	108,097	-
Total assets	<u>468,727</u>	<u>176,447</u>
Liabilities:		
Current liabilities:		
Accounts payable	7,767	-
Accrued wages and benefits	139,446	6,078
Accrued pension	68,326	9,159
Intergovernmental payable	14,718	642
Interfund payable	-	6,660
Accrued interest payable	228	-
Current portion of compensated absences	6,935	-
Current portion of capital lease	27,068	-
Total current liabilities	<u>264,488</u>	<u>22,539</u>
Long-term liabilities:		
Compensated absences	75,997	-
Capital lease	16,589	-
Total long-term liabilities	<u>92,586</u>	<u>-</u>
Total liabilities	<u>357,074</u>	<u>22,539</u>
Net assets:		
Invested in capital assets, net of related debt	64,440	-
Unrestricted (deficit)	47,213	153,908
Total net assets (deficit)	<u>\$ 111,653</u>	<u>\$ 153,908</u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement

Mentor Exempted Village School District

Statement of Revenues, Expenses and Changes in Fund Net Assets Proprietary Funds

For The Fiscal Year Ended June 30, 2008

	Nonmajor Business- Type	Governmental Activities Internal Service Fund
Operating revenues:		
Tuition and fees	\$ 69,866	\$ 66,311
Classroom materials and fees	280,830	-
Extracurricular activities	-	568,190
Sales	1,857,949	-
Miscellaneous revenue	624	58,391
Total operating revenues	<u>2,209,269</u>	<u>692,892</u>
Operating expenses:		
Salaries and wages	1,026,400	318,840
Fringe benefits	669,725	69,182
Contractual services	40,135	102,726
Supplies and materials	1,098,851	61,373
Other expenses	-	46,826
Depreciation expense	17,097	-
Total operating expenses	<u>2,852,208</u>	<u>598,947</u>
Operating income (loss)	<u>(642,939)</u>	<u>93,945</u>
Non-operating revenues (expenses):		
Interest income	993	552
Federal donated commodities	126,089	-
Grant revenue	512,014	-
Interest and fiscal charges	(3,482)	-
Total non-operating revenues (expenses)	<u>635,614</u>	<u>552</u>
Income (loss) before transfers	(7,325)	94,497
Transfers - in	<u>164,000</u>	<u>26,230</u>
Change in net assets	156,675	120,727
Total net assets (deficit) at beginning of year	<u>(45,022)</u>	<u>33,181</u>
Total net assets at end of year	<u>\$ 111,653</u>	<u>\$ 153,908</u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement

Mentor Exempted Village School District

Statement of Cash Flows Proprietary Funds

For The Fiscal Year Ended June 30, 2008

	Nonmajor Business- Type	Governmental Activities Internal Service Fund
	<u> </u>	<u> </u>
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Cash received from customers	\$ 1,857,875	\$ 568,190
Cash received from tuition payments	69,867	66,311
Cash payments received from classroom materials and fees	281,031	-
Cash received from other operating revenues	802	58,333
Cash payments for contractual services	(32,368)	(102,748)
Cash payments for materials and supplies	(1,021,846)	(61,373)
Cash payments to employees for services	(996,450)	(318,159)
Cash payments for employee benefits	(668,002)	(75,567)
Cash payments for other operating expenses	-	(46,826)
<i>Net cash provided by (used for) operating activities</i>	<u>(509,091)</u>	<u>88,161</u>
Cash flows from noncapital financing activities:		
Inergovernmental grants received	588,681	-
Transfers - in	14,000	26,230
Advances - out	-	(107,196)
<i>Net cash provided by (used for) noncapital financing</i>	<u>602,681</u>	<u>(80,966)</u>
Cash flows from capital and related financing activities:		
Principal payment on capital lease	(25,424)	-
Interest payment on capital lease	(3,616)	-
<i>Net cash used for capital and related financing activities</i>	<u>(29,040)</u>	<u>-</u>
Cash flows from investing activities		
Interest received	<u>1,670</u>	<u>552</u>
Net increase in cash and cash equivalents	66,220	7,747
Cash and cash equivalents at beginning of year	<u>274,329</u>	<u>168,517</u>
Cash and cash equivalents at end of year	\$ <u>340,549</u>	\$ <u>176,264</u>
Non-cash noncapital financing and investing activities:		
Federal donated commodities	\$ 126,089	\$ -
Decrease in fair value of investments	<u>(339)</u>	<u>(4)</u>
Total	\$ <u>125,750</u>	<u>(4)</u>

Continued

The Notes to the Basic Financial Statements are an Integral Part of this Statement

Mentor Exempted Village School District

Statement of Cash Flows (continued) Proprietary Funds

For The Fiscal Year Ended June 30, 2008

	Nonmajor Business- Type	Governmental Activities Internal Service Fund
	<u> </u>	<u> </u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (642,939)	\$ 93,945
Adjustments:		
Depreciation expense	17,097	-
Federal donated commodities	126,089	-
Changes in assets/liabilities:		
Decrease in interfund receivable	15	-
(Increase) decrease in accounts receivable	291	(58)
Decrease in inventory	5,708	-
Decrease in accounts payable	(47,025)	-
Increase in accrued wages and benefits	29,950	1,395
Decrease in accrued pension	(7,237)	(6,639)
Increase in intergovernmental payable	4,585	254
Decrease in interfund payable	-	(736)
Increase in compensated absences	4,375	-
Total adjustments	<u>133,848</u>	<u>(5,784)</u>
<i>Net cash provided by (used for) operating activities</i>	\$ <u>(509,091)</u>	\$ <u>88,161</u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement

Mentor Exempted Village School District

Statement of Fiduciary Assets and Liabilities Fiduciary Funds

June 30, 2008

	<u>Agency</u>
Assets:	
Equity in pooled cash and investments	\$ <u>373,733</u>
Liabilities:	
Accounts payable	\$ 7,958
Due to students	<u>365,775</u>
Total liabilities	\$ <u>373,733</u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement



Ryan Becker
Fourth Grade
Garfield Elementary

Mentor Exempted Village School District

Notes to the Basic Financial Statements

June 30, 2008

Note 1: Description of the School District

The Mentor Exempted Village School District (the “School District”) operates under a locally elected, five member Board and provides educational services as mandated by State and/or federal agencies. The Board controls 14 public schools including one high school consisting of grades ten, eleven and twelve; three junior high schools with grades seven, eight, and nine; and ten elementary schools, grades kindergarten through six.

The School District is located east of Cleveland, Ohio and serves primarily residences of Lake County and a small section of Geauga County. The School District’s population is drawn primarily from the Cities of Mentor and Mentor-on-the-Lake but also serves portions of the Village of Kirtland Hills, Concord Township and Chardon Township. The School District’s population according to the Ohio Department of Taxation was 65,363 and its area covers approximately 34.5 square miles.

As of June 30, 2008, 8,495 students were enrolled in the School District’s 14 schools. The School District employs approximately 590 certified staff and 370 non-teaching and support staff employees.

Note 2: Summary of Significant Accounting Policies

The basic financial statements of the Mentor Exempted Village School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The School District has the option to also apply FASB Statements and Interpretations issued after November 30, 1989 to its governmental and business-type activities and enterprise funds, subject to this same limitation. The School District has elected not to apply these FASB Statements and Interpretations. The most significant of the School District’s accounting policies are described below.

A. Reporting Entity

The reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. Component units are legally separate organizations for which the School District is financially accountable.

The School District is financially accountable for an organization if the School District appoints a voting majority of the organization’s governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization’s resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization or the School District is obligated for the debt of the organization.

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 2: Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes for the organization. The financial statements of the reporting entity include only those of the School District (the primary government). The School District has no component units.

The School District participates in Jointly Governed Organizations that are further described in Note 18, and in one Related Organization as described in Note 21.

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into the categories governmental, proprietary and fiduciary.

Governmental Funds Governmental funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

General Fund The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Debt Service Fund The Debt Service Fund provides for the retirement of debt. All revenue derived from general or special levies, either within or exceeding the ten mill limitation, which is levied for debt charges on bonds or loans shall be paid into this fund.

Other governmental funds of the School District are used to account for the accumulation of resources for and the repayment of general long-term debt principal, interest and related costs; for grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds Proprietary funds focus on the determination of operating income/loss, changes in net assets, financial position and cash flows and are classified as either enterprise or internal service.

Enterprise Funds Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The School District has no major enterprise funds.

The other proprietary funds of the School District are used to account for food services, the purchase and sale of school supplies, educational opportunities offered on a tuition basis to adults living within the community, and rotary.

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 2: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Internal Service Fund The Internal Service Fund accounts for the financing of goods or services provided by one department or agency to other departments or agencies of the School District, or to other governments, on a cost reimbursement basis. The rotary fund provides for the purchase of services and equipment by internal persons and organizations.

Fiduciary Funds Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: investment trust funds, private-purpose trust funds, pension trust funds, and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District does not have any trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has only one agency fund, the Student Activities Fund.

C. Basis of Presentation and Measurement Focus

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid overstatement of revenues and expenses, except for interfund services provided and used. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the School District and for each function or program of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the School District and for each function or program of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self financing or draws from the general revenues of the School District.

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 2: Summary of Significant Accounting Policies (continued)

C. Basis of Presentation and Measurement Focus (continued)

Fund Financial Statements Fund financial statements report detailed information about the School District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the School District's Internal Service Fund is charges for sales and services. Operating expenses for Internal Service Funds include the cost of sales and services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Agency funds do not report a measurement focus as they do not report operations.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Revenues - Exchange and Non-exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year-end.

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, interest, tuition, grants, student fees and rentals.

Unearned Revenue Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Delinquent property taxes and property taxes for which there is an enforceable legal claim as of June 30, 2008, but which were levied to finance fiscal year 2009 operations, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have been reported as deferred revenue.

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The fair value of donated commodities used during the year is reported in the operating statements as an expense with a like amount reported as donated commodities revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 2: Summary of Significant Accounting Policies (continued)

E. Budgets

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. The specific timetable for fiscal year 2008 is as follows:

1. Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The expressed purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the Board-adopted budget is filed with the Lake County Budget Commission for tax rate determination.
3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the School District's Treasurer. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District's Chief Financial Officer. The amounts reported in the budgetary statement reflect the amounts set forth in the final Amended Certificate issued for fiscal year 2008. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted.
4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund, function, and object level of expenditures for the General Fund and at the fund level for all other funds, which are the legal levels of budgetary control. State statute permits a temporary appropriation to be effective until no later than October 1 of each year. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.
5. All funds, other than agency funds, are legally required to be budgeted and appropriated. Short-term inter-fund loans are not required to be budgeted since they represent a temporary cash flow resource, and are intended to be repaid.
6. Any revisions that alter the legal level of budgetary control for a fund must be approved by the Board of Education.

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 2: Summary of Significant Accounting Policies (continued)

E. Budgets (continued)

7. Formal budgetary integration is employed as a management control device during the year for all funds, consistent with the general obligation bond indenture and other statutory provisions.
8. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during fiscal 2008.
9. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be re-appropriated. Cash disbursements plus encumbrances may not legally exceed budgeted appropriations at the legal level of budgetary control for the fund.

F. Cash and Cash Equivalents

Cash received by the School District is pooled for investment purposes. Interest in the pool is presented as "equity in pooled cash and investments" on the financial statements.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. For investments in open-end mutual funds, fair value is determined by the fund's share price. Nonparticipating investment contracts such as nonnegotiable certificates of deposit and repurchase agreements are reported at cost.

The School District complies with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* (see Note 6).

In applying GASB Statement No. 31, the School District utilized the following methods and assumptions as of December 31, 2008:

The portfolio was limited to nonparticipating commercial paper and U.S. Government Securities.

Most of the School District's investments are reported at fair value, which is the quoted market price as of the valuation date.

Money market investments, including U.S. Treasury and agency obligations that had a remaining maturity of one year or less at the time of purchase by the School District, are reported at amortized cost.

Aside from investments clearly identified as belonging to a specific fund, any unrealized gain/loss resulting from the valuation will be recognized within the General Fund to the extent its cash and investments balance exceeds the cumulative value of those investments subject to GASB Statement No. 31.

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 2: Summary of Significant Accounting Policies (continued)

F. Cash and Cash Equivalents (continued)

The gain/loss resulting from valuation will be reported within the investment earnings account on the Statement of Activities.

The School District's policy is to hold investments until market values equal or exceed cost.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2008 amounted to \$2,070,666 which includes \$90,921 assigned from other funds.

For presentation on the financial statements, investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

G. Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by enabling legislation. No restricted assets are required in the General Fund; see Note 19 for additional information regarding set-asides.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2008, are recorded as prepaid items using the purchasing method. Under the purchase method, prepaid items are recorded as expenditures when purchased; however, material amounts of prepaid items at period-end are reported as assets of the respective fund, which are equally offset by a fund balance reserve which indicates they are unavailable for appropriation even though they are a component of reported assets.

On fund financial statements, prepaid items of proprietary funds are valued using the consumption method.

I. Inventory

On the government-wide financial statements inventories are presented at the lower of cost or market cost on a first-in, first-out basis and are valued using the purchasing method. Under the purchase method, inventories are recorded as expenditures when purchased; however, material amounts of inventories at period-end are reported as assets of the respective fund, which are equally offset by a fund balance reserve which indicates they are unavailable for appropriation even though they are a component of reported assets.

On fund financial statements, inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis and recorded as inventories using the consumption method. Inventories consist of donated food, purchased food, school supplies held for resale and materials and supplies held for consumption.

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 2: Summary of Significant Accounting Policies (continued)

J. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$5,000. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	8 - 44 years	N/A
Buildings and Improvements	15 - 82 years	10 years
Furniture and Equipment	5 - 40 years	N/A
Vehicles	8 - 20 years	N/A

K. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 2: Summary of Significant Accounting Policies (continued)

L. Compensated Absences

Compensated absences of the School District consist of vacation leave and severance liability to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the School District and the employee.

In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the School District's past experience of making termination payments.

The entire compensated absence liability is reported on the government-wide financial statements.

In the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Accrued Wages and Benefits" in the fund from which the employees are paid. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

M. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. In general, liabilities that mature or come due for payment during the fiscal year are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements when due.

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 2: Summary of Significant Accounting Policies (continued)

N. Fund Balance Reserves

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity that is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, property taxes, inventory, and debt.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute.

O. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. As of June 30, 2008, net assets restricted were \$1,792,124 in the statement of net assets, none of which were by enabling legislation.

P. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are tuition, classroom materials and fees, and miscellaneous for adult education, sales and miscellaneous for food service and uniform supplies, extracurricular programs and charges for services for insurance programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Revenues and expenditures not meeting this definition are reported as non-operating.

Q. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods 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 and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 2: Summary of Significant Accounting Policies (continued)

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. During fiscal year 2008, the School District had neither extraordinary nor special items.

S. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

T. Comparative Data/Reclassifications

Prior year data presented in Management's Discussion and Analysis and in the Statistical Section have been reclassified in order to be comparative and provide an understanding of the changes in financial position and operations. Certain reclassifications have been made to the 2007 financial statements in order to conform to the 2008 operations.

Note 3: Change in Accounting Principles

In June 2004, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions Plans*. The School District has determined that the adoption of this statement did not have an impact on the School District's financial statements; however, note disclosures related to postemployment benefits have been modified.

The following other pronouncements have been issued by the GASB and have been adopted by the School District; however, the School District has not incurred any of the transactions described below and as a result there has been no impact on the financial statements or note disclosures for the current period:

In September 2006, the GASB issued Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*.

In May 2007, the GASB issued Statement No. 50, *Pension Disclosures*. The information is not yet available from the retirement systems for the implementation of GASB 50.

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 4: Accountability

Deficit Fund Balances

The following funds had negative fund balances at June 30, 2008:

Nonmajor Special Revenue Funds:		
Title I	\$	38,265
Nonmajor Capital Projects Funds:		
Building		111,594
Nonmajor Enterprise Funds:		
Food Service		146,323

The deficits in the above funds are due to timing differences in accruing revenues and expenditures.

Note 5: Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non- GAAP) and Actual presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the fund liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund:

	<u>Net Change In Fund Balance</u>
GAAP Basis	\$ 9,479,011
Net Adjustment for Revenue Accruals	1,229,186
Net Adjustment for Expenditure Accruals	88,397
Adjustment for Encumbrances	<u>(2,349,838)</u>
Budget Basis	\$ <u>8,446,756</u>

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 6: Deposits and Investments

State statutes classify monies held by the School District into three categories.

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

Inactive monies are public deposits that the Board of Education 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 monies 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.

Interim monies are to be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 6: Deposits and Investments (continued)

7. Certain bankers' acceptances and commercial paper notes, if training requirements have been met, for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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 School District, and must be purchased with the expectation it will be held to maturity. Investments may only be made through specified dealers and institutions. Payments for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial Credit Risk is the risk that in the event of bank failure, the School District's deposits may not be returned to it. The School District has no deposit policy for custodial risk beyond the requirements of State statute. Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, by surety company bonds or by a single collateral pool established by the financial institution. In accordance with Chapter 135 of the Ohio Revised Code, any public depository receiving deposits pursuant to an award of School District funds shall be required to pledge as security for repayment of all public moneys.

At year-end, the carrying amount of the School District's deposits was \$40,423,257 and the bank balance was \$40,431,691. \$300,000 of the bank balance was covered by federal depository insurance and \$40,131,691 was uninsured and collateralized with securities held by the pledging institution's agent not in the School District's name.

Investments

Investments are reported as fair value. As of June 30, 2008, the School District had the following investments:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Commercial paper	\$ 5,936,016	32
Federal National Mortgage Association	1,986,880	97
Federal Home Loan Mortgage Corporation	1,996,960	92
Federal Farm Credit Bank	989,380	74
Federal Home Loan Bank	<u>2,505,475</u>	76
Total investments	<u>\$ 13,414,711</u>	62

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 6: Deposits and Investments (continued)

Investments (continued)

Interest Rate Risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The School District's investment policy addresses interest rate risk requiring that the School District's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity and by investing operating funds primarily in short-term investments. The School District investment policy also limits security purchases to those that mature five years unless specifically matched to a specific cash flow. To date, no investments have been purchased with a life greater than three years.

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

Credit Risk is addressed by the School District's investment policy by the requirements that all investments are authorized by Ohio Revised Code and that portfolio be diversified both by types of investment and issuer. All United States governmental securities of the School District are registered and carry a rating AAA by Standard & Poor's and Moody's and all commercial paper carry a rating of A1+ by Moody's.

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. At least five percent of the District's total investments are in commercial paper, FNMA, FHLMC, FFCB, and FHLB. These investments are 44.25%, 14.80%, 14.89%, 7.38%, and 18.68%. The School District's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations.

Note 7: Property Taxes

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Property tax revenue received during calendar 2008 for real and public utility property taxes represents collections of calendar 2007 taxes. Property tax payments received during calendar 2008 for tangible personal property (other than public utility property) are for calendar 2008 taxes.

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 7: Property Taxes (continued)

2007 real property taxes are levied after April 1, 2007, on the assessed value as of January 1, 2007, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2008 public utility property taxes became a lien December 31, 2006, are levied after April 1, 2007 and are collected in 2008 with real property taxes.

Tangible personal property tax revenue received during calendar 2008 (other than public utility property) represents the collection of 2008 taxes. Tangible personal property taxes received in calendar year 2008 were levied after April 1, 2007, on the value as of December 31, 2007. In prior years, tangible personal property was assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2008 is 6.25 percent. This will be reduced to zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The assessed values upon which the fiscal year 2008 taxes were collected are:

	2007 Second-Half Collections		2008 First-Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$ 1,899,309,090	93%	\$ 1,921,324,500	95%
Public Utility Personal	43,253,080	2%	39,990,890	2%
Tangible Personal Property	<u>97,654,387</u>	<u>5%</u>	<u>67,732,977</u>	<u>3%</u>
	\$ <u>2,040,216,557</u>	<u>100%</u>	\$ <u>2,029,048,367</u>	<u>100%</u>

Tax rate per \$1,000 of Assessed Valuation	\$	76.68	\$	76.70
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Real property taxes are payable annually or semiannually. If paid annually, payment is due January 20; if paid semiannually, the first payment is due January 20 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30 and are intended to finance the fiscal year in which they are paid.

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 7: Property Taxes (continued)

The Lake County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Mentor Exempted Village School District. The Lake County Auditor periodically advances to the School District its portion of the taxes. Second-half real property tax payments collected by the County by June 30, 2008, are available to finance fiscal year 2008 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable include the late settlement of personal property, real, personal and public utility taxes which became measurable as of June 30, 2008 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed settlement of personal property tax and the amount of real property taxes available as an advance at June 30 were levied to finance current year fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current fiscal year operations. The late settlement and the amount available to the School District as an advance at June 30, 2008 is recognized as revenue. At June 30, 2008, \$4,518,256 was available as an advance to the General Fund, \$93,841 was available to the Debt Service Fund and \$65,506 for the Permanent Improvement Capital Projects Fund. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

Note 8: Interfund Transactions

Interfund transactions for the year ended June 30, 2008 consisted of the following:

	Interfund Payable		
	Nonmajor Governmental Funds	Internal Service Fund	Total
<u>Interfund receivable</u>			
General Fund	\$ 11,237	\$ -	\$ 11,237
Nonmajor Enterprise Funds	93	6,660	6,753
	<u>\$ 11,330</u>	<u>\$ 6,660</u>	<u>\$ 17,990</u>

All balances resulted from a time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made. As of June 30, 2008, all interfund loans outstanding are anticipated to be repaid in the fiscal year 2009.

Interfund transfers for the year ended June 30, 2008, consisted of the following:

	Transfer From			
	General Fund	Debt Service	Nonmajor Governmental Funds	
<u>Transfer to</u>				
Debt Service Fund	\$ 114,258	\$ -	\$ -	\$ 114,258
Nonmajor Governmental Funds	135,001	111,785	10	246,796
Nonmajor Enterprise Funds	164,000	-	-	164,000
Internal Service Fund	26,230	-	-	26,230
	<u>\$ 439,489</u>	<u>\$ 111,785</u>	<u>\$ 10</u>	<u>\$ 551,284</u>

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 8: Interfund Transactions (continued)

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 9: Receivables

Receivables at June 30, 2008, consisted of taxes, accounts (rent, student fees and reimbursements) and intergovernmental receivables. All receivables are considered collectible in full due to the ability to foreclose for the non-payment of taxes the stable condition of the state programs and the current fiscal year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

Governmental activities:

Gas tax reimbursement	\$	9,622
Transportation fees		7,059
Miscellaneous		6,046
Department of Public Safety reimbursement		7,745
BWC refund		1,693
Title I grant		41,189
Title VI-B grant		325,603
Preschool grant for the handicapped		18,045
Chapter II grant		31
Title III grant		941
Classroom Reduction grant		<u>7,738</u>
Total intergovernmental receivable	\$	<u><u>425,712</u></u>

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 10: Capital Assets

Capital asset activity for the fiscal year ended June 30, 2008 was as follows:

	Balance 06/30/07	Additions	Disposals	Balance 06/30/08
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 725,721	\$ -	\$ -	\$ 725,721
Construction in progress	<u>-</u>	<u>937,201</u>	<u>-</u>	<u>937,201</u>
Total capital assets, not being depreciated	<u>725,721</u>	<u>937,201</u>	<u>-</u>	<u>1,662,922</u>
Capital assets, being depreciated:				
Land improvements	2,820,685	37,623	-	2,858,308
Buildings and improvements	34,864,145	97,522	-	34,961,667
Furniture and equipment	5,660,794	836,721	(520,543)	5,976,972
Vehicles	<u>5,414,046</u>	<u>295,200</u>	<u>-</u>	<u>5,709,246</u>
Total capital assets, being depreciated	<u>48,759,670</u>	<u>1,267,066</u>	<u>(520,543)</u>	<u>49,506,193</u>
Less accumulated depreciation:				
Land improvements	(2,671,852)	(21,841)	-	(2,693,693)
Buildings and improvements	(25,804,415)	(529,186)	-	(26,333,601)
Furniture and equipment	(4,067,757)	(278,014)	401,767	(3,944,004)
Vehicles	<u>(3,842,646)</u>	<u>(292,521)</u>	<u>-</u>	<u>(4,135,167)</u>
Total accumulated depreciation	<u>(36,386,670)</u>	<u>(1,121,562)</u>	<u>401,767</u>	<u>(37,106,465)</u>
Capital assets being depreciated, net	<u>12,373,000</u>	<u>145,504</u>	<u>(118,776)</u>	<u>12,399,728</u>
Total governmental activities capital assets, net	\$ <u>13,098,721</u>	\$ <u>1,082,705</u>	\$ <u>(118,776)</u>	\$ <u>14,062,650</u>
Business-type activities:				
Buildings and improvements	\$ 516,825	\$ -	\$ -	\$ 516,825
Less: accumulated depreciation	<u>(391,631)</u>	<u>(17,097)</u>	<u>-</u>	<u>(408,728)</u>
Total business-type activities capital assets, net	\$ <u>125,194</u>	\$ <u>(17,097)</u>	\$ <u>-</u>	\$ <u>108,097</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:		
Regular education		\$ 729,558
Special education		2,750
Vocational education		31,458
Support services:		
Pupil		1,939
Business		413
Operation and maintenance of plant		299,008
Pupil transportation		16,268
Central		32,198
Community services		3,144
Extracurricular activities		<u>4,826</u>
Total depreciation expense		\$ <u>1,121,562</u>

The Food Service Enterprise Fund is the only enterprise fund to be charged depreciation.

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 11: Risk Management

A. Property and Liability

The School District 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 fiscal year 2008, the School District contracted with Ohio Casualty Insurance Company for property, building contents, and data processing insurance.

Ohio Casualty Insurance Company covers the boiler and machinery, there is a \$2,500 deductible per occurrence. General liability is protected by Ohio Casualty Insurance Company with a \$1,000,000 single occurrence limit, a \$5,000,000 aggregate and a \$5,000 deductible. Vehicles are covered by Ohio Casualty Insurance Company and hold a \$500 deductible for comprehensive collision. Automobile liability has a \$1,000,000 combined single limit of liability. Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from the prior year.

B. Workers' Compensation

The School District participates in the Ohio Bureau Workers' Compensation (BWC) Retrospective Rating Plan. Under the retrospective rating plan, the School District assumes a portion of the risk in return for a reduction in current premiums. Estimates of claims liabilities based on actuarial methods, for incurred claims as calculated by the BWC for the cumulative retrospective rating period January 1, 2007 through June 20, 2008, including the estimate for incurred but not reported (IBNR) claims totals \$634,602.

The workers' compensation claims are funded from the General Fund.

The claims liability of \$634,602 reported in governmental activities is based on the requirements of Governmental Standards Board Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. Changes in the fund's current claims liability amount for the fiscal year ended June 30, 2008 were:

	<u>Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
June 30, 2008	\$ -	\$ 818,153	\$ 183,551	\$ 634,602

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 12: Defined Benefit Pension Plans

A. School Employees Retirement System

Plan Description - The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2008, 9.16 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007, and 2006 were \$1,164,764, \$1,286,683, and \$1,305,042, respectively; 79 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System

Plan Description - The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to the STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3371, by calling (888) 227-7877, or by visiting the STRS Ohio web site at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 12: Defined Benefit Pension Plans (continued)

B. State Teachers Retirement System (continued)

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For the fiscal year ended June 30, 2008, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2007, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2008, 2007, and 2006 were \$6,106,514, \$5,735,442, and \$5,680,350, respectively; 84 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. Contributions to the DC and Combined Plans for fiscal year 2008 were \$59,128 made by the School District and \$52,744 made by the plan members.

Note 13: Postemployment Benefits

A. School Employees Retirement System

Plan Description - The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2008, 4.18 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2008, this amount was \$250,143.

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 13: Postemployment Benefits (continued)

A. School Employees Retirement System (continued)

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$531,519, \$320,466, and \$340,446 respectively; 79 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2008, this actuarially required allocation was 0.66 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006 were \$83,924, \$79,514, and \$81,411 respectively; 79 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System

Plan Description - The School District contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$439,938, \$282,743, and \$436,950 respectively, 84 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 14: Other Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty-five days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time. Each employee earns sick leave at the rate of one and one-fourth days per month. The total accumulation of sick leave during any year shall not, however, exceed fifteen days. Upon retirement, payment is made for one fourth of the total sick leave accumulation, up to a maximum accumulation of 62 days. An employee receiving such payment must meet the retirement provisions set by STRS or SERS.

B. Early Retirement Incentive

The School District Board of Education has approved an early retirement incentive program for certified and classified employees. For classified employees, any employee who first becomes eligible for SERS retirement before July 1, 2008, shall be entitled to a retirement incentive bonus amounting to forty percent (40%) of said employee's highest earnings in any employment year with the Board inclusive of longevity, overtime, supplemental contracts, if any, and any other income reported to the government, during the period of July 1 through June 30, provided the employee retires during the first year of eligibility during the term of this Agreement. Employees previously eligible to retire and continue to be employed will be eligible for a twenty-five percent (25%) one-time bonus if the employee retires before July 1, 2008. For certified employees the bonus is as follows: Any employee who is currently eligible for retirement with the State Teachers Retirement System or becomes eligible by the end of the 2005-2006 school year shall be entitled to a retirement incentive in the amount of \$50,000 as listed under the articles of this program. An employee who is not eligible to retire under STRS requirements until July 1, 2007 may also participate in this Plan with a retirement date of July 1, 2007. If the retirement incentive is not taken during the first or second year of eligibility, then the employee will no longer be eligible.

The liability of unpaid severance, in the amount of \$3,138,750 has been included as long-term liabilities on the Statement of Net Assets. This obligation will ultimately be paid from the fund which the employee was paid.

Note 15: Long - Term Liabilities

All bonds outstanding are general obligations of the School District for which the full faith and credit of the School District is pledged for repayment. Payments of principal and interest relating to these liabilities are recorded as expenditures in the Debt Service Fund. The source of payment is derived from a current 1.14 mill bonded-debt tax levy.

	<u>Original Bond Issue</u>	<u>Interest Rate</u>	<u>Issue Date</u>
School Improvement Refunding	\$ 4,514,993	2.20% – 11.19%	10/ 01/ 01
School Improvement Refunding	6,439,989	3%	12/ 01/ 04

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 15: Long - Term Liabilities (continued)

On October 1, 2001, the School District issued \$4,514,993 in school improvement refunding bonds to advance refund \$8,600,000 of outstanding School Improvement Bonds, Series 1991. On December 1, 2001, the Series 1991 school improvement bonds were called.

On April 21, 2005, the School District issued \$6,439,989 in school improvement refunding bonds to advance refund \$6,440,000 of outstanding school improvement bonds, series. On December 1, 2004 the series 1993 school improvement bonds were called.

The changes in the School District's long-term obligations during the year consist of the following:

	Principal Outstanding <u>6/30/07</u>	<u>Additions</u>	<u>Reductions</u>	Principal Outstanding <u>6/30/08</u>	Amounts Due in <u>One Year</u>
Governmental activities:					
School improvement refunding bonds 2.20%-11.19%, 12/13 maturity	\$ 2,818,310	\$ -	\$ (203,303)	\$ 2,615,007	\$ 400,000
School improvement refunding bonds 3%, 12/11 maturity	5,194,989	-	(1,090,000)	4,104,989	1,120,000
Long-term notes payable 3.5%, 12/08 maturity	992,000	-	(496,000)	496,000	496,000
Long-term energy conservation notes payable 3.05%	850,668	773,335	(850,668)	773,335	-
Long-term notes payable 2.8759%, 9/09 maturity	4,200,000	-	(1,400,000)	2,800,000	1,400,000
Capital lease obligations	166,415	-	(61,671)	104,744	65,105
Early retirement incentive	1,900,000	2,267,700	(1,028,950)	3,138,750	1,063,750
Workers' compensation claims	-	818,153	(183,551)	634,602	223,360
Compensated absences	<u>5,342,651</u>	<u>2,314,060</u>	<u>(1,540,211)</u>	<u>6,116,500</u>	<u>932,018</u>
Total governmental activities long-term liabilities	\$ <u>21,465,033</u>	\$ <u>6,173,248</u>	\$ <u>(6,854,354)</u>	\$ <u>20,783,927</u>	\$ <u>5,700,233</u>
Business-type activities:					
Capital lease obligations	\$ 69,081	-	\$ (25,424)	\$ 43,657	\$ 27,068
Compensated absences	<u>78,557</u>	<u>19,933</u>	<u>(15,558)</u>	<u>82,932</u>	<u>6,935</u>
Total business-type activities long-term liabilities	\$ <u>147,638</u>	\$ <u>19,933</u>	\$ <u>(40,982)</u>	\$ <u>126,589</u>	\$ <u>34,003</u>

At June 30, 2008, the School District's overall legal debt margin was \$168,891,249 with an unvoted debt margin of \$1,961,315.

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 15: Long - Term Liabilities (continued)

Principal and interest requirements to retire long-term liabilities outstanding at June 30, 2008 are as follows:

	General Obligation Bonds		Long-term Energy Conservation		Long-term Notes Payable		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2009	\$ 1,520,000	\$ 192,863	\$ 77,333	\$ 16,627	\$ 1,896,000	\$ 69,055	\$ 3,771,878
2010	1,560,000	141,153	77,333	16,627	1,400,000	20,125	3,215,238
2011	1,620,000	84,455	77,333	16,627	-	-	1,798,415
2012	1,084,996	646,801	77,333	16,627	-	-	1,825,757
2013	460,000	28,913	77,333	16,627	-	-	582,873
2014 - 2018	475,000	9,856	386,670	83,135	-	-	954,661
Total	\$ <u>6,719,996</u>	\$ <u>1,104,041</u>	\$ <u>773,335</u>	\$ <u>166,270</u>	\$ <u>3,296,000</u>	\$ <u>89,180</u>	\$ <u>12,148,822</u>

Note 16: Capital Lease Obligations

The School District has entered into capital leases for technology/electrical upgrades and vehicles. These leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, *Accounting for Leases*, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Capital lease payments have been reflected as program/function expenditures in the basic financial statements.

Governmental activities and business-type activities capital assets consisting of technology/electrical equipment and upgrades and vehicles have been capitalized in the amount of \$174,000 and \$164,142, respectively with accumulated depreciation of \$34,800 and \$46,166 respectively. These amounts represent the present value of the future minimum lease payments at the time of acquisition. A corresponding liability is recorded in the government-wide financial statements as well as the Statement of Net Assets for Proprietary Funds. Principal payments in the 2008 fiscal year totaled \$61,671 and \$25,424, respectively for the governmental activities and the business-type activities. These amounts are reported as program/function expenditures of the General Fund and as an expense in the Food Service Enterprise Fund, respectively for the governmental activities and the business-type activities.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2008:

	Governmental Activities Amount	Business-Type Activities Amount
2009	\$ 69,188	\$ 29,040
2010	40,360	16,940
Total minimum lease payment	109,548	45,980
Less: amount representing interest	(4,804)	(2,323)
Present value of minimum lease payments	\$ <u>104,744</u>	\$ <u>43,657</u>

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 17: Short-Term Notes Payable

A summary of short-term notes payable for the fiscal year ended June 30, 2008 follows:

	Interest Rate	Issue Date	Maturity Date	Outstanding Beginning of Year	Addition During Year	Redemption During Year	Outstanding End of Period
Energy conservation note	3.99%	07/07/06	07/05/07	\$ 77,333	\$ -	\$ (77,333)	\$ -
Energy conservation note	4.05	07/05/07	07/03/08	-	77,333	-	77,333
Bond anticipation note (BAN)	2.05	06/02/08	06/01/09	-	1,950,000	-	1,950,000
Total notes payable				\$ 77,333	\$ 2,027,333	\$ (77,333)	\$ 2,027,333

In accordance with Ohio law, general obligation note debt service (interest and fiscal charges) was recorded in the Debt Service Fund. GASB Codification B50.101 requires the Debt Service Fund present general obligation long-term debt principal and interest retirement only and that short-term anticipation notes payable be shown as liabilities of the funds which receive the note proceeds. Accordingly, bond anticipation notes have been reported in the government-wide and fund financial statements. The energy conservation notes issued are to be used to fund costs of installations, modifications and remodeling of school buildings to conserve energy. The BAN issued is to be used to fund construction and other capital issues.

Note 18: Jointly Governed Organizations

Ohio Schools Council

The Ohio Schools Council (Council) is a jointly governed organization among ninety-one school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. During fiscal year 2008 the School District paid \$5,249 to the Council. Financial information can be obtained by contacting David A. Cottrell, the Executive Director/Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The School District participates in the Council's electric purchase program which was implemented during fiscal year 1998. This program allows school districts to purchase electricity at reduced rates, if the school district will commit to participating for an eight-year period. The participants make monthly payments based on estimated usage. Each June these estimated payments are compared to their actual usage for the year and any necessary adjustments are made.

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 18: Jointly Governed Organizations (continued)

Ohio Schools Council (continued)

Energy Acquisition Corp., a non-profit corporation with a self-appointing board, issued \$119,140,000 in debt to prepurchase eight years of electricity from Cleveland Electric Illuminating (CEI) for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement, the School District is required to repay savings to CEI and CEI will refund the remaining prepayment related to that participant to Energy Acquisition Corporation.

The School District also participates in the Council's prepaid natural gas program which was implemented during fiscal year 2000. This program allows school districts to purchase natural gas at reduced rates, if the school districts will commit to participating for a twelve year period. The participants make monthly payments based on estimated usage. Each month these estimated payments are compared to their actual usage and any necessary adjustments are made.

The City of Hamilton, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Ohio, issued \$89,450,000 in debt to purchase twelve years of natural gas from CMS Energy Corporation for the participants. The participating school districts are not obligated in any manner for the debt. If a participating school district terminates its agreement, the school district is entitled to recover that amount, if any, of its contributions to the operating fund which are not encumbered for its share of program administrative costs.

Lake-Geauga Computer Association

The Lake-Geauga Computer Association (LGCA) is a jointly governed organization consisting of 18 school districts in Lake, Geauga and Cuyahoga County. This jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. LCGA is organized under Chapter 167 and 3313 of the Ohio Revised Code and is governed by an assembly that consists of a superintendent or designated representative from each participating member. LGCA has a Board of Directors chosen from the general membership of the LGCA's assembly. The assembly exercises total control over the operation of the consortium including budgeting, appropriating, contracting, and designating management. The degree of control exercised by any participating school district is limited to its voting rights at general assembly meetings. The Educational Service Center is the fiscal agent as well as a voting member of LGCA. All the consortium revenues are generated from charges and State funding. To obtain financial information, write the Lake-Geauga Computer Association, 8221 Auburn Road, Painesville, Ohio 44077.

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 19: Set-Aside Calculations

The School District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years. In prior years, the School District was also required to set aside money for budget stabilization. The following cash basis information describes the change in the year-end set-aside amounts for textbooks and capital maintenance. Disclosure of this information is required by State statute.

	<u>Textbook Reserve</u>	<u>Capital Maintenance Reserve</u>
Set-Aside Reserve Balance as of July 1, 2007	\$ (2,174,273)	\$ -
Current Year Set-Aside Requirements	1,382,479	1,382,479
Offset Credits	-	(2,302,645)
Qualifying Disbursements	<u>(2,444,316)</u>	<u>(3,220,225)</u>
Total	\$ <u>(3,236,110)</u>	\$ <u>(4,140,391)</u>
Set-aside Balance Carried Forward To Future Fiscal Years	\$ <u>(3,236,110)</u>	\$ <u>-</u>
Set-aside Reserve Balance as of June 30, 2008	\$ <u>-</u>	\$ <u>-</u>

The School District had qualifying disbursements during the fiscal year that reduced the capital improvements set-aside amounts below zero. This amount may not be used to reduce the set-aside requirement for future years. This negative balance is therefore not presented as being carried forward to future years.

Note 20: Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires 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 adverse effect on the overall financial position of the School District at June 30, 2008.

B. Litigation

The Mentor Exempted Village School District is a party to legal proceedings. The School District management is of the opinion that ultimate disposition of these claims will not have a material effect on the financial condition of the School District.

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 21: Related Organization

The Mentor Public Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Mentor Exempted Village School District Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the School District for operational subsidies. Although the School District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Mentor Public Library, Fiscal Officer, at 8215 Mentor Avenue, Mentor, Ohio 44060.

Note 22: Subsequent Event

On July 2, 2008, the School District issued \$773,335 Energy Conservation Improvement Notes at the rate of 2.15% maturing on July 2, 2009.



**Jamie Readence
Fourth Grade
Headlands Elementary**

Mentor Exempted Village School District
Combining Statements and Individual
Fund Schedules

Mentor Exempted Village School District

Nonmajor Funds

Fund Descriptions

Nonmajor Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or for major capital projects) that are legally restricted to expenditure for specified purposes. Following is a description of the School District's nonmajor special revenue funds:

Other Grants Fund This fund accounts for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specific purposes.

Athletic DMSA Fund This fund accounts for gate receipts and other revenues from athletic events and all costs (except supplemental coaching contracts) of the School District's athletic program and transportation of the band to and from athletic events.

Auxiliary Services Fund This fund accounts for State monies used to provide services and materials for pupils attending non-public schools within the School District.

Vocational Education Enhancement Fund This fund accounts for supplemental vocational equipment.

Public School Support Fund This fund is used for the general support of the school building, staff and students.

Entry Year Programs Fund This fund is used to implement entry-year programs, pursuant to Division (T) of Section 3317.024 of the Ohio Revised Code.

Management Information Systems Fund This fund accounts for State monies which support the development of hardware and software or other costs associated with the requirements of the management information system.

OneNet Ohio Program Fund This fund provides for wiring to all classrooms in the State and to provide a computer workstation and related technology for every classroom in Ohio's low-wealth school districts.

SchoolNet Professional Development Fund This fund accounts for State monies to assist staff in gaining knowledge of technology.

Ohio Reads Fund This fund accounts for State monies to improve reading outcomes, especially on the fourth grade reading proficiency test and for volunteer coordinators in public schools and costs associated with volunteer coordination, for background checks for volunteers, to evaluate the Ohio Reads Program, and for operating expenses associated with administering the program.

Miscellaneous State Grants Fund This fund accounts for other State Grants which are not required to be accounted for in a separate fund.

Title VI-B Fund This fund accounts for Federal monies used to assist schools in the identification of handicapped children, development of procedural safeguards, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

Mentor Exempted Village School District

Nonmajor Funds (continued)

Fund Descriptions

Nonmajor Special Revenue Funds (continued)

Vocational Education Fund This fund accounts for the development of vocational education programs in the following categories: secondary, post-secondary, adult, disadvantaged and handicapped persons, exemplary programs, cooperative education, construction of area vocational schools, ancillary services, research, advisory committees, and work-study projects.

LEP/Immigrants Title III Fund This fund accounts for federal monies used for costs associated with English proficiency.

Title I Fund This fund accounts for Federal monies used to assist the School District in meeting the special needs of educationally deprived children.

Chapter II Fund This fund accounts for federal revenues which support the implementation of a variety of programs such as computer education, gifted and talented programs, and in-service and staff development.

Drug Free School Grant Fund This fund accounts for Federal monies used to support the implementation of programs for drug abuse education and prevention.

Preschool Grant for the Handicapped Fund This fund accounts for the improvement and expansion of services for handicapped children ages 3-5 years.

Special Trust This fund accounts for monies used for purposes that are beneficial to the overall operation of the School District.

E-Rate Reimbursement Fund This fund accounts for a federal grant that is paid directly to the telecommunications service provider.

Classroom Reduction Fund This fund accounts for Federal monies used to reduce class sizes in elementary schools.

Miscellaneous Federal Grants Fund This fund accounts for other Federal Grants, which are not required to be accounted for in a separate fund.

Nonmajor Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). Following is a description of the nonmajor capital projects funds:

Permanent Improvement Fund This fund accounts for property taxes levied to be used for various capital improvements within the School District.

Building Fund This GAAP fund accounts for financial resources to be used for the purchase of major capital equipment and facilities renovation.

SchoolNet Plus Fund This fund accounts for State monies to be used to provide wiring to all classrooms that support the transmission of voice, video and data, and to provide a computer workstation and related technology to every classroom.

Mentor Exempted Village School District

Nonmajor Funds (continued)

Fund Descriptions

Nonmajor Enterprise Funds

Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. Following is a description of the nonmajor enterprise funds:

Food Service Fund This fund accounts for financial transactions related to food service operations.

Uniform Supplies Fund This fund is under the authority of Section 3313.811, Ohio Revised Code, for the purchase and sale of school supplies as adopted by the Board of Education for use in the schools of the School District.

Rotary - Special Services Fund This fund accounts for income and expenses made in connection with goods and services provided by a school district.

Adult Education Fund This fund accounts for monies received and expended in connection with adult education classes.

Mentor Exempted Village School District

Combining Balance Sheet Nonmajor Governmental Funds

June 30, 2008

	Nonmajor Special Revenue	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and investments	\$ 1,118,715	\$ 4,514,832	\$ 5,633,547
Taxes receivable	-	968,508	968,508
Accounts receivable	3,260	-	3,260
Accrued interest receivable	-	11,090	11,090
Intergovernmental receivable	<u>401,292</u>	<u>-</u>	<u>401,292</u>
Total assets	<u>\$ 1,523,267</u>	<u>\$ 5,494,430</u>	<u>\$ 7,017,697</u>
Liabilities and fund balances:			
Liabilities:			
Accounts payable	\$ 182,321	\$ 291,563	\$ 473,884
Accrued wages and benefits	161,705	-	161,705
Accrued pension	50,134	-	50,134
Intergovernmental payable	17,068	-	17,068
Interfund payable	11,330	-	11,330
Deferred revenue	199,239	903,002	1,102,241
Accrued interest payable	-	36,999	36,999
Notes payable	<u>-</u>	<u>2,027,333</u>	<u>2,027,333</u>
Total liabilities	<u>621,797</u>	<u>3,258,897</u>	<u>3,880,694</u>
Fund balances:			
Reserved for encumbrances	276,523	1,135,120	1,411,643
Reserved for property taxes	-	65,506	65,506
Unreserved; undesignated	<u>624,947</u>	<u>1,034,907</u>	<u>1,659,854</u>
Total fund balances	<u>901,470</u>	<u>2,235,533</u>	<u>3,137,003</u>
Total liabilities and fund balances	<u>\$ 1,523,267</u>	<u>\$ 5,494,430</u>	<u>\$ 7,017,697</u>

Mentor Exempted Village School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds

For The Fiscal Year Ended June 30, 2008

	Nonmajor Special Revenue	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$ -	\$ 955,002	\$ 955,002
Intergovernmental	5,003,420	236,884	5,240,304
Tuition and fees	3,540	-	3,540
Earnings on investments	12,611	95,971	108,582
Extracurricular activities	508,699	-	508,699
Miscellaneous revenue	<u>257,439</u>	<u>509,290</u>	<u>766,729</u>
Total revenues	<u>5,785,709</u>	<u>1,797,147</u>	<u>7,582,856</u>
Expenditures:			
Current:			
Instruction:			
Regular education	105,021	-	105,021
Special education	1,021,579	-	1,021,579
Vocational education	128,860	-	128,860
Support services:			
Pupil	1,120,679	-	1,120,679
Instructional staff	394,542	-	394,542
Board of education	1,500	-	1,500
Administration	528,894	-	528,894
Fiscal	-	12,902	12,902
Operation and maintenance of plant	133,274	545,436	678,710
Pupil transportation	33,823	-	33,823
Central	213,179	-	213,179
Food service operations	1,230	-	1,230
Community services	1,378,399	-	1,378,399
Extracurricular activities	582,492	-	582,492
Capital outlay	-	1,062,487	1,062,487
Debt service:			
Principal	-	850,668	850,668
Interest and fiscal charges	<u>-</u>	<u>36,999</u>	<u>36,999</u>
Total expenditures	<u>5,643,472</u>	<u>2,508,492</u>	<u>8,151,964</u>
Excess of revenues over (under) expenditures	<u>142,237</u>	<u>(711,345)</u>	<u>(569,108)</u>

Continued

Mentor Exempted Village School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds (continued)

For The Fiscal Year Ended June 30, 2008

	Nonmajor Special Revenue	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
Other financing sources (uses):			
Sale of capital assets	-	32,121	32,121
Issuance of notes	-	773,335	773,335
Transfers - in	81,011	165,785	246,796
Transfers - out	(10)	-	(10)
Total other financing sources (uses)	<u>81,001</u>	<u>971,241</u>	<u>1,052,242</u>
Net change in fund balance	223,238	259,896	483,134
Fund balance at beginning of year	<u>678,232</u>	<u>1,975,637</u>	<u>2,653,869</u>
Fund balance at end of year	\$ <u><u>901,470</u></u>	\$ <u><u>2,235,533</u></u>	\$ <u><u>3,137,003</u></u>

Mentor Exempted Village School District

Combining Balance Sheet Nonmajor Special Revenue Funds

June 30, 2008

	<u>Other Grants</u>	<u>Athletic DMSA</u>	<u>Auxiliary Services</u>	<u>Vocational Education Enhancement</u>
Assets:				
Equity in pooled cash and investments	\$ 176,813	\$ 139,460	\$ 178,345	\$ 200
Accounts receivable	234	-	308	-
Intergovernmental receivable	-	-	-	-
Total assets	<u>\$ 177,047</u>	<u>\$ 139,460</u>	<u>\$ 178,653</u>	<u>\$ 200</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ -	\$ 8,870	\$ 54,422	\$ -
Accrued wages and benefits	-	-	-	-
Accrued pension	-	-	-	-
Intergovernmental payable	-	-	-	-
Interfund payable	-	-	11,237	-
Deferred revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>8,870</u>	<u>65,659</u>	<u>-</u>
Fund balances:				
Reserved for encumbrances	2,805	24,492	58,727	-
Unreserved; undesignated (deficit)	<u>174,242</u>	<u>106,098</u>	<u>54,267</u>	<u>200</u>
Total fund balances (deficit)	<u>177,047</u>	<u>130,590</u>	<u>112,994</u>	<u>200</u>
Total liabilities and fund balances	<u>\$ 177,047</u>	<u>\$ 139,460</u>	<u>\$ 178,653</u>	<u>\$ 200</u>

<u>Public School Support</u>	<u>Entry Year Programs</u>	<u>Management Information Systems</u>	<u>OneNet Ohio Program</u>	<u>SchoolNet Professional Development</u>	<u>Ohio Reads</u>
\$ 183,203	\$ 2,088	\$ 20,949	\$ 11,123	\$ 1,383	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 183,203</u>	<u>\$ 2,088</u>	<u>\$ 20,949</u>	<u>\$ 11,123</u>	<u>\$ 1,383</u>	<u>\$ -</u>
\$ 6,156	\$ -	\$ 11,448	\$ 3,400	\$ -	\$ -
-	-	-	-	-	-
75	-	-	-	-	-
-	-	-	-	-	-
93	-	-	-	-	-
-	-	-	-	-	-
<u>6,324</u>	<u>-</u>	<u>11,448</u>	<u>3,400</u>	<u>-</u>	<u>-</u>
29,091	-	9,501	7,723	255	-
147,788	2,088	-	-	1,128	-
<u>176,879</u>	<u>2,088</u>	<u>9,501</u>	<u>7,723</u>	<u>1,383</u>	<u>-</u>
<u>\$ 183,203</u>	<u>\$ 2,088</u>	<u>\$ 20,949</u>	<u>\$ 11,123</u>	<u>\$ 1,383</u>	<u>\$ -</u>

Continued

Mentor Exempted Village School District

Combining Balance Sheet Nonmajor Special Revenue Funds (continued)

June 30, 2008

	Miscellaneous State <u>Grants</u>	Title <u>VI-B</u>	Vocational <u>Education</u>
Assets:			
Equity in pooled cash and investments	\$ 18,752	\$ 92,529	\$ 73,010
Accounts receivable	-	-	-
Intergovernmental receivable	-	<u>325,603</u>	-
Total assets	<u>\$ 18,752</u>	<u>\$ 418,132</u>	<u>\$ 73,010</u>
Liabilities and fund balances:			
Liabilities:			
Accounts payable	\$ -	\$ 42,609	\$ 39,408
Accrued wages and benefits	-	107,676	-
Accrued pension	856	32,953	53
Intergovernmental payable	-	11,365	-
Interfund payable	-	-	-
Deferred revenue	-	<u>145,603</u>	-
Total liabilities	<u>856</u>	<u>340,206</u>	<u>39,461</u>
Fund balances:			
Reserved for encumbrances	281	69,048	40,020
Unreserved; undesignated (deficit)	<u>17,615</u>	<u>8,878</u>	<u>(6,471)</u>
Total fund balances (deficit)	<u>17,896</u>	<u>77,926</u>	<u>33,549</u>
Total liabilities and fund balances	<u>\$ 18,752</u>	<u>\$ 418,132</u>	<u>\$ 73,010</u>

<u>LEP/ Immigrants Title III</u>	<u>Title I</u>	<u>Chapter II</u>	<u>Drug Free School Grant</u>	<u>Preschool Grant for the Handicapped</u>	<u>Special Trust</u>
\$ 13,502	\$ 23,036	\$ 45	\$ -	\$ 20,923	\$ 133,355
-	-	-	-	2,683	35
<u>941</u>	<u>41,189</u>	<u>31</u>	<u>-</u>	<u>18,045</u>	<u>-</u>
\$ <u>14,443</u>	\$ <u>64,225</u>	\$ <u>76</u>	\$ <u>-</u>	\$ <u>41,651</u>	\$ <u>133,390</u>
\$ -	\$ -	\$ -	\$ -	\$ 10,671	\$ -
-	50,768	-	-	1,509	-
-	15,174	-	-	451	-
-	5,359	-	-	159	-
-	-	-	-	-	-
<u>941</u>	<u>31,189</u>	<u>31</u>	<u>-</u>	<u>18,045</u>	<u>-</u>
<u>941</u>	<u>102,490</u>	<u>31</u>	<u>-</u>	<u>30,835</u>	<u>-</u>
13,502	-	31	-	9,646	3,971
-	(38,265)	14	-	1,170	129,419
<u>13,502</u>	<u>(38,265)</u>	<u>45</u>	<u>-</u>	<u>10,816</u>	<u>133,390</u>
\$ <u>14,443</u>	\$ <u>64,225</u>	\$ <u>76</u>	\$ <u>-</u>	\$ <u>41,651</u>	\$ <u>133,390</u>

Continued

Mentor Exempted Village School District

Combining Balance Sheet Nonmajor Special Revenue Funds (continued)

June 30, 2008

	<u>E-Rate Reimbursement</u>	<u>Classroom Reduction</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue</u>
Assets:				
Equity in pooled cash and investments	\$ 26,246	\$ 3,567	\$ 186	\$ 1,118,715
Accounts receivable	-	-	-	3,260
Intergovernmental receivable	-	<u>7,738</u>	<u>7,745</u>	<u>401,292</u>
Total assets	<u>\$ 26,246</u>	<u>\$ 11,305</u>	<u>\$ 7,931</u>	<u>\$ 1,523,267</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ 5,287	\$ 50	\$ -	\$ 182,321
Accrued wages and benefits	-	1,752	-	161,705
Accrued pension	-	526	46	50,134
Intergovernmental payable	-	185	-	17,068
Interfund payable	-	-	-	11,330
Deferred revenue	-	<u>3,430</u>	-	<u>199,239</u>
Total liabilities	<u>5,287</u>	<u>5,943</u>	<u>46</u>	<u>621,797</u>
Fund balances:				
Reserved for encumbrances	3,986	3,444	-	276,523
Unreserved; undesignated (deficit)	<u>16,973</u>	<u>1,918</u>	<u>7,885</u>	<u>624,947</u>
Total fund balances (deficit)	<u>20,959</u>	<u>5,362</u>	<u>7,885</u>	<u>901,470</u>
Total liabilities and fund balances	<u>\$ 26,246</u>	<u>\$ 11,305</u>	<u>\$ 7,931</u>	<u>\$ 1,523,267</u>



**Carolyn Glasney
Fifth Grade
Lake Elementary**

Mentor Exempted Village School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds

For The Fiscal Year Ended June 30, 2008

	<u>Other Grants</u>	<u>Athletic DMSA</u>	<u>Auxiliary Services</u>	<u>Vocational Education Enhancement</u>
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 1,284,457	\$ 200
Tuition and fees	-	3,540	-	-
Earnings on investments	4,827	751	4,766	-
Extracurricular activities	-	362,929	-	-
Miscellaneous revenue	<u>148,980</u>	<u>31,538</u>	<u>103</u>	<u>-</u>
Total revenues	<u>153,807</u>	<u>398,758</u>	<u>1,289,326</u>	<u>200</u>
Expenditures:				
Current:				
Instruction:				
Regular education	13,797	-	-	-
Special education	-	-	-	-
Vocational education	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff	2,648	-	-	-
Board of education	-	-	-	-
Administration	15,262	-	-	-
Operation and maintenance of plant	60,791	-	-	-
Pupil transportation	-	-	-	-
Central	536	-	-	-
Food service operations	-	-	-	-
Community services	-	-	1,225,581	-
Extracurricular activities	<u>9,139</u>	<u>477,983</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>102,173</u>	<u>477,983</u>	<u>1,225,581</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>51,634</u>	<u>(79,225)</u>	<u>63,745</u>	<u>200</u>
Other financing sources (uses):				
Transfers - in	-	71,001	-	-
Transfers - out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>71,001</u>	<u>-</u>	<u>-</u>
Net change in fund balance	51,634	(8,224)	63,745	200
Fund balance (deficit) at beginning of year	<u>125,413</u>	<u>138,814</u>	<u>49,249</u>	<u>-</u>
Fund balance (deficit) at end of year	\$ <u>177,047</u>	\$ <u>130,590</u>	\$ <u>112,994</u>	\$ <u>200</u>

<u>Public School Support</u>	<u>Entry Year Programs</u>	<u>Management Information Systems</u>	<u>OneNet Ohio Program</u>	<u>SchoolNet Professional Development</u>	<u>Ohio Reads</u>
\$ -	\$ 18,400	\$ 30,127	\$ 42,000	\$ 4,770	\$ 200,000
-	-	-	-	-	-
1,343	-	-	-	-	-
138,745	-	-	-	-	-
36,871	-	-	-	-	-
<u>176,959</u>	<u>18,400</u>	<u>30,127</u>	<u>42,000</u>	<u>4,770</u>	<u>200,000</u>
-	7,415	-	-	-	2,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	13,253	-	-	4,641	200,000
-	-	-	-	-	-
56,188	-	-	-	-	-
-	-	-	34,876	-	-
-	-	-	-	-	-
63,278	-	26,554	-	-	-
1,230	-	-	-	-	-
500	-	-	-	-	-
76,373	-	-	-	-	-
<u>197,569</u>	<u>20,668</u>	<u>26,554</u>	<u>34,876</u>	<u>4,641</u>	<u>202,000</u>
<u>(20,610)</u>	<u>(2,268)</u>	<u>3,573</u>	<u>7,124</u>	<u>129</u>	<u>(2,000)</u>
10,000	-	-	-	-	-
-	-	-	-	-	-
<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(10,610)	(2,268)	3,573	7,124	129	(2,000)
<u>187,489</u>	<u>4,356</u>	<u>5,928</u>	<u>599</u>	<u>1,254</u>	<u>2,000</u>
\$ <u>176,879</u>	\$ <u>2,088</u>	\$ <u>9,501</u>	\$ <u>7,723</u>	\$ <u>1,383</u>	\$ <u>-</u>

Continued

Mentor Exempted Village School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds (continued)

For The Fiscal Year Ended June 30, 2008

	Miscellaneous State Grants	Title VI-B	Vocational Education
Revenues:			
Intergovernmental	\$ 56,837	\$ 2,199,422	\$ 349,259
Tuition and fees	-	-	-
Earnings on investments	-	-	-
Extracurricular activities	-	-	-
Miscellaneous revenue	-	-	-
Total revenues	<u>56,837</u>	<u>2,199,422</u>	<u>349,259</u>
Expenditures:			
Current:			
Instruction:			
Regular education	6,379	-	-
Special education	-	612,373	-
Vocational education	-	-	128,860
Support services:			
Pupil	56,792	789,565	190,980
Instructional staff	6,209	8,100	22,939
Board of education	-	-	-
Administration	-	434,165	18,214
Operation and maintenance of plant	-	-	-
Pupil transportation	-	28,766	5,057
Central	-	-	-
Food service operations	-	-	-
Community services	-	146,135	198
Extracurricular activities	-	-	-
Total expenditures	<u>69,380</u>	<u>2,019,104</u>	<u>366,248</u>
Excess of revenues over (under) expenditures	<u>(12,543)</u>	<u>180,318</u>	<u>(16,989)</u>
Other financing sources (uses):			
Transfers - in	-	-	-
Transfers - out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(12,543)	180,318	(16,989)
Fund balance (deficit) at beginning of year	<u>30,439</u>	<u>(102,392)</u>	<u>50,538</u>
Fund balance (deficit) at end of year	\$ <u>17,896</u>	\$ <u>77,926</u>	\$ <u>33,549</u>

<u>LEP/ Immigrants Title III</u>	<u>Title I</u>	<u>Chapter II</u>	<u>Drug Free School Grant</u>	<u>Preschool Grant for the Handicapped</u>	<u>Special Trust</u>
\$ 30,251	\$ 373,640	\$ 75,466	\$ 26,488	\$ 64,880	\$ -
-	-	-	-	-	-
-	-	-	-	-	924
-	-	-	-	-	7,025
-	-	-	-	2,683	37,264
<u>30,251</u>	<u>373,640</u>	<u>75,466</u>	<u>26,488</u>	<u>67,563</u>	<u>45,213</u>
-	-	42,422	2,989	-	12,749
10,073	380,156	-	-	18,977	-
-	-	-	-	-	-
-	3,075	30,324	4,500	45,130	-
1,114	4,072	-	18,999	812	828
-	-	-	-	-	1,500
-	-	2,150	-	-	145
-	-	-	-	-	37,607
-	-	-	-	-	-
-	-	-	-	-	3,410
-	-	-	-	-	-
-	1,660	2,793	-	-	1,046
-	-	-	-	-	18,997
<u>11,187</u>	<u>388,963</u>	<u>77,689</u>	<u>26,488</u>	<u>64,919</u>	<u>76,282</u>
<u>19,064</u>	<u>(15,323)</u>	<u>(2,223)</u>	<u>-</u>	<u>2,644</u>	<u>(31,069)</u>
-	-	10	-	-	-
-	-	-	(10)	-	-
-	-	10	(10)	-	-
19,064	(15,323)	(2,213)	(10)	2,644	(31,069)
<u>(5,562)</u>	<u>(22,942)</u>	<u>2,258</u>	<u>10</u>	<u>8,172</u>	<u>164,459</u>
\$ <u>13,502</u>	\$ <u>(38,265)</u>	\$ <u>45</u>	\$ <u>-</u>	\$ <u>10,816</u>	\$ <u>133,390</u>

Continued

Mentor Exempted Village School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds (continued)

For The Fiscal Year Ended June 30, 2008

	<u>E-Rate Reimbursement</u>	<u>Classroom Reduction</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue</u>
Revenues:				
Intergovernmental	\$ 108,743	\$ 106,892	\$ 31,588	\$ 5,003,420
Tuition and fees	-	-	-	3,540
Earnings on investments	-	-	-	12,611
Extracurricular activities	-	-	-	508,699
Miscellaneous revenue	-	-	-	<u>257,439</u>
Total revenues	<u>108,743</u>	<u>106,892</u>	<u>31,588</u>	<u>5,785,709</u>
Expenditures:				
Current:				
Instruction:				
Regular education	-	2	17,268	105,021
Special education	-	-	-	1,021,579
Vocational education	-	-	-	128,860
Support services:				
Pupil	-	-	313	1,120,679
Instructional staff	-	108,506	2,421	394,542
Board of education	-	-	-	1,500
Administration	-	-	2,770	528,894
Operation and maintenance of plant	-	-	-	133,274
Pupil transportation	-	-	-	33,823
Central	119,401	-	-	213,179
Food service operations	-	-	-	1,230
Community services	-	-	486	1,378,399
Extracurricular activities	-	-	-	<u>582,492</u>
Total expenditures	<u>119,401</u>	<u>108,508</u>	<u>23,258</u>	<u>5,643,472</u>
Excess of revenues over (under) expenditures	<u>(10,658)</u>	<u>(1,616)</u>	<u>8,330</u>	<u>142,237</u>
Other financing sources (uses):				
Transfers - in	-	-	-	81,011
Transfers - out	-	-	-	<u>(10)</u>
Other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,001</u>
Net change in fund balance	(10,658)	(1,616)	8,330	223,238
Fund balance (deficit) at beginning of year	<u>31,617</u>	<u>6,978</u>	<u>(445)</u>	<u>678,232</u>
Fund balance (deficit) at end of year	\$ <u>20,959</u>	\$ <u>5,362</u>	\$ <u>7,885</u>	\$ <u>901,470</u>

Mentor Exempted Village School District

Combining Balance Sheet Nonmajor Capital Projects Funds

June 30, 2008

	<u>Permanent Improvement</u>	<u>Building</u>	<u>SchoolNet Plus</u>	<u>Total Nonmajor Capital Projects</u>
Assets:				
Equity in pooled cash and investments	\$ 4,514,832	\$ -	\$ -	\$ 4,514,832
Taxes receivable	968,508	-	-	968,508
Accrued interest receivable	<u>11,090</u>	<u>-</u>	<u>-</u>	<u>11,090</u>
Total assets	\$ <u>5,494,430</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>5,494,430</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ 291,563	\$ -	\$ -	\$ 291,563
Interfund payable	-	-	-	-
Deferred revenue	903,002	-	-	903,002
Accrued interest payable	2,738	34,261	-	36,999
Notes payable	<u>1,950,000</u>	<u>77,333</u>	<u>-</u>	<u>2,027,333</u>
Total liabilities	<u>3,147,303</u>	<u>111,594</u>	<u>-</u>	<u>3,258,897</u>
Fund balances:				
Reserved for encumbrances	1,135,120	-	-	1,135,120
Reserved for property taxes	65,506	-	-	65,506
Unreserved, undesignated (deficit)	<u>1,146,501</u>	<u>(111,594)</u>	<u>-</u>	<u>1,034,907</u>
Total fund balance (deficit)	<u>2,347,127</u>	<u>(111,594)</u>	<u>-</u>	<u>2,235,533</u>
Total liabilities and fund balances	\$ <u>5,494,430</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>5,494,430</u>

Mentor Exempted Village School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Capital Projects Funds

For The Fiscal Year Ended June 30, 2008

	<u>Permanent Improvement</u>	<u>Building</u>	<u>SchoolNet Plus</u>	<u>Total Nonmajor Capital Projects</u>
Revenues:				
Taxes	\$ 955,002	\$ -	\$ -	\$ 955,002
Intergovernmental	170,628	-	66,256	236,884
Earnings on investments	95,971	-	-	95,971
Miscellaneous revenue	<u>509,290</u>	<u>-</u>	<u>-</u>	<u>509,290</u>
Total revenues	<u>1,730,891</u>	<u>-</u>	<u>66,256</u>	<u>1,797,147</u>
Expenditures:				
Current:				
Fiscal	12,902	-	-	12,902
Operations and maintenance of plant	545,436	-	-	545,436
Capital outlay	996,231	-	66,256	1,062,487
Debt service:				
Principal	-	850,668	-	850,668
Interest and fiscal charges	<u>2,738</u>	<u>34,261</u>	<u>-</u>	<u>36,999</u>
Total expenditures	<u>1,557,307</u>	<u>884,929</u>	<u>66,256</u>	<u>2,508,492</u>
Excess of revenues over (under) expenditures	<u>173,584</u>	<u>(884,929)</u>	<u>-</u>	<u>(711,345)</u>
Other financing sources (uses):				
Sale of capital assets	32,121	-	-	32,121
Issuance of notes	-	773,335	-	773,335
Transfers - in	<u>54,000</u>	<u>111,785</u>	<u>-</u>	<u>165,785</u>
Total other financing sources (uses)	<u>86,121</u>	<u>885,120</u>	<u>-</u>	<u>971,241</u>
Net change in fund balance	259,705	191	-	259,896
Fund balance (deficit) at beginning of year	<u>2,087,422</u>	<u>(111,785)</u>	<u>-</u>	<u>1,975,637</u>
Fund balance (deficit) at end of year	\$ <u>2,347,127</u>	\$ <u>(111,594)</u>	\$ <u>-</u>	\$ <u>2,235,533</u>

Mentor Exempted Village School District

Combining Statement of Fund Net Assets Nonmajor Enterprise Funds

June 30, 2008

	<u>Food Service</u>	<u>Uniform Supplies</u>	<u>Rotary - Special Services</u>	<u>Adult Education</u>	<u>Total Nonmajor Enterprise Funds</u>
Assets:					
Current assets:					
Equity in pooled cash and investments	\$ 37,719	\$ 209,954	\$ 87,068	\$ 5,808	\$ 340,549
Accounts receivable	1,762	231	-	-	1,993
Accrued interest receivable	348	-	-	-	348
Interfund receivable	6,753	-	-	-	6,753
Materials and supplies inventory	<u>10,987</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,987</u>
Total current assets	57,569	210,185	87,068	5,808	360,630
Non-current assets:					
Depreciable capital assets, net	<u>108,097</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>108,097</u>
Total assets	<u>165,666</u>	<u>210,185</u>	<u>87,068</u>	<u>5,808</u>	<u>468,727</u>
Liabilities:					
Current liabilities:					
Accounts payable	7,484	283	-	-	7,767
Accrued wages and benefits	107,546	-	31,900	-	139,446
Accrued pension	58,791	-	9,535	-	68,326
Intergovernmental payable	11,351	-	3,367	-	14,718
Accrued interest payable	228	-	-	-	228
Current portion of compensated absences	6,935	-	-	-	6,935
Current portion of capital lease	<u>27,068</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,068</u>
Total current liabilities	<u>219,403</u>	<u>283</u>	<u>44,802</u>	<u>-</u>	<u>264,488</u>
Long-term liabilities:					
Compensated absences	75,997	-	-	-	75,997
Capital lease	<u>16,589</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,589</u>
Total long-term liabilities	<u>92,586</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,586</u>
Total liabilities	<u>311,989</u>	<u>283</u>	<u>44,802</u>	<u>-</u>	<u>357,074</u>
Net assets:					
Invested in capital assets, net of related debt	64,440	-	-	-	64,440
Unrestricted (deficit)	<u>(210,763)</u>	<u>209,902</u>	<u>42,266</u>	<u>5,808</u>	<u>47,213</u>
Total net assets (deficit)	<u>\$ (146,323)</u>	<u>\$ 209,902</u>	<u>\$ 42,266</u>	<u>\$ 5,808</u>	<u>\$ 111,653</u>

Mentor Exempted Village School District

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets Nonmajor Enterprise Funds

For The Fiscal Year Ended June 30, 2008

	<u>Food Service</u>	<u>Uniform Supplies</u>	<u>Rotary - Special Services</u>	<u>Adult Education</u>	<u>Total Nonmajor Enterprise Funds</u>
Operating revenues:					
Tuition and fees	\$ -	\$ -	\$ 69,866	\$ -	\$ 69,866
Classroom materials and fees	-	280,830	-	-	280,830
Sales	1,857,949	-	-	-	1,857,949
Miscellaneous revenue	<u>121</u>	<u>3</u>	<u>-</u>	<u>500</u>	<u>624</u>
Total operating revenues	<u>1,858,070</u>	<u>280,833</u>	<u>69,866</u>	<u>500</u>	<u>2,209,269</u>
Operating expenses:					
Salaries and wages	931,705	-	94,695	-	1,026,400
Fringe benefits	647,354	-	22,371	-	669,725
Contractual services	39,495	460	180	-	40,135
Supplies and materials	958,076	140,377	235	163	1,098,851
Depreciation expense	<u>17,097</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,097</u>
Total operating expenses	<u>2,593,727</u>	<u>140,837</u>	<u>117,481</u>	<u>163</u>	<u>2,852,208</u>
Operating income (loss)	<u>(735,657)</u>	<u>139,996</u>	<u>(47,615)</u>	<u>337</u>	<u>(642,939)</u>
Non-operating revenues (expenses):					
Interest income	993	-	-	-	993
Federal donated commodities	126,089	-	-	-	126,089
Grant revenue	512,014	-	-	-	512,014
Interest and fiscal charges	<u>(3,482)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,482)</u>
Total non-operating revenues (expenses)	<u>635,614</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>635,614</u>
Income (loss) before transfers	(100,043)	139,996	(47,615)	337	(7,325)
Transfers - in	<u>-</u>	<u>150,000</u>	<u>14,000</u>	<u>-</u>	<u>164,000</u>
Change in net assets	(100,043)	289,996	(33,615)	337	156,675
Net assets (deficit) at beginning of year	<u>(46,280)</u>	<u>(80,094)</u>	<u>75,881</u>	<u>5,471</u>	<u>(45,022)</u>
Net assets (deficit) at end of year	\$ <u>(146,323)</u>	\$ <u>209,902</u>	\$ <u>42,266</u>	\$ <u>5,808</u>	\$ <u>111,653</u>

Mentor Exempted Village School District

Combining Statement of Cash Flows Nonmajor Enterprise Funds

For The Fiscal Year Ended June 30, 2008

	<u>Food Service</u>	<u>Uniform Supplies</u>	<u>Rotary - Special Services</u>	<u>Adult Education</u>	<u>Total Nonmajor Enterprise Funds</u>
Increase (decrease) in cash and cash equivalents:					
Cash flows from operating activities:					
Cash received from customers	\$ 1,857,875	\$ -	\$ -	\$ -	\$ 1,857,875
Cash received from tuition payments	-	-	69,867	-	69,867
Cash payments received from classroom materials and fees	-	281,031	-	-	281,031
Cash received for other operating revenues	121	82	99	500	802
Cash payments for contractual services	(32,011)	(177)	(180)	-	(32,368)
Cash payments for materials and supplies	(826,279)	(195,169)	(235)	(163)	(1,021,846)
Cash payments to employees for services	(930,984)	-	(65,466)	-	(996,450)
Cash payments for employee benefits	<u>(657,303)</u>	<u>-</u>	<u>(10,699)</u>	<u>-</u>	<u>(668,002)</u>
<i>Net cash provided by (used for) operating activities</i>	<u>(588,581)</u>	<u>85,767</u>	<u>(6,614)</u>	<u>337</u>	<u>(509,091)</u>
Cash flows from noncapital financing activities:					
Intergovernmental grants received	588,681	-	-	-	588,681
Transfers - in	<u>-</u>	<u>-</u>	<u>14,000</u>	<u>-</u>	<u>14,000</u>
<i>Net cash provided by noncapital financing activities</i>	<u>588,681</u>	<u>-</u>	<u>14,000</u>	<u>-</u>	<u>602,681</u>
Cash flows from capital and related financing activities:					
Principal payment on capital lease	(25,424)	-	-	-	(25,424)
Interest payment on capital lease	<u>(3,616)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,616)</u>
<i>Net cash used for capital and related financing activities</i>	<u>(29,040)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(29,040)</u>
Cash flows from investing activities:					
Interest received	<u>1,670</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,670</u>
Net increase (decrease) in cash and cash equivalents	(27,270)	85,767	7,386	337	66,220
Cash and cash equivalents at beginning of year	<u>64,989</u>	<u>124,187</u>	<u>79,682</u>	<u>5,471</u>	<u>274,329</u>
Cash and cash equivalents at end of year	\$ <u>37,719</u>	\$ <u>209,954</u>	\$ <u>87,068</u>	\$ <u>5,808</u>	\$ <u>340,549</u>
Non-cash noncapital financing activities:					
Federal donated commodities	\$ 126,089	\$ -	\$ -	\$ -	\$ 126,089
Decrease in fair value of investments	<u>(339)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(339)</u>
Total	<u>\$ 125,750</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,750</u>

Continued

Mentor Exempted Village School District

Combining Statement of Cash Flows Nonmajor Enterprise Funds (continued)

For The Fiscal Year Ended June 30, 2008

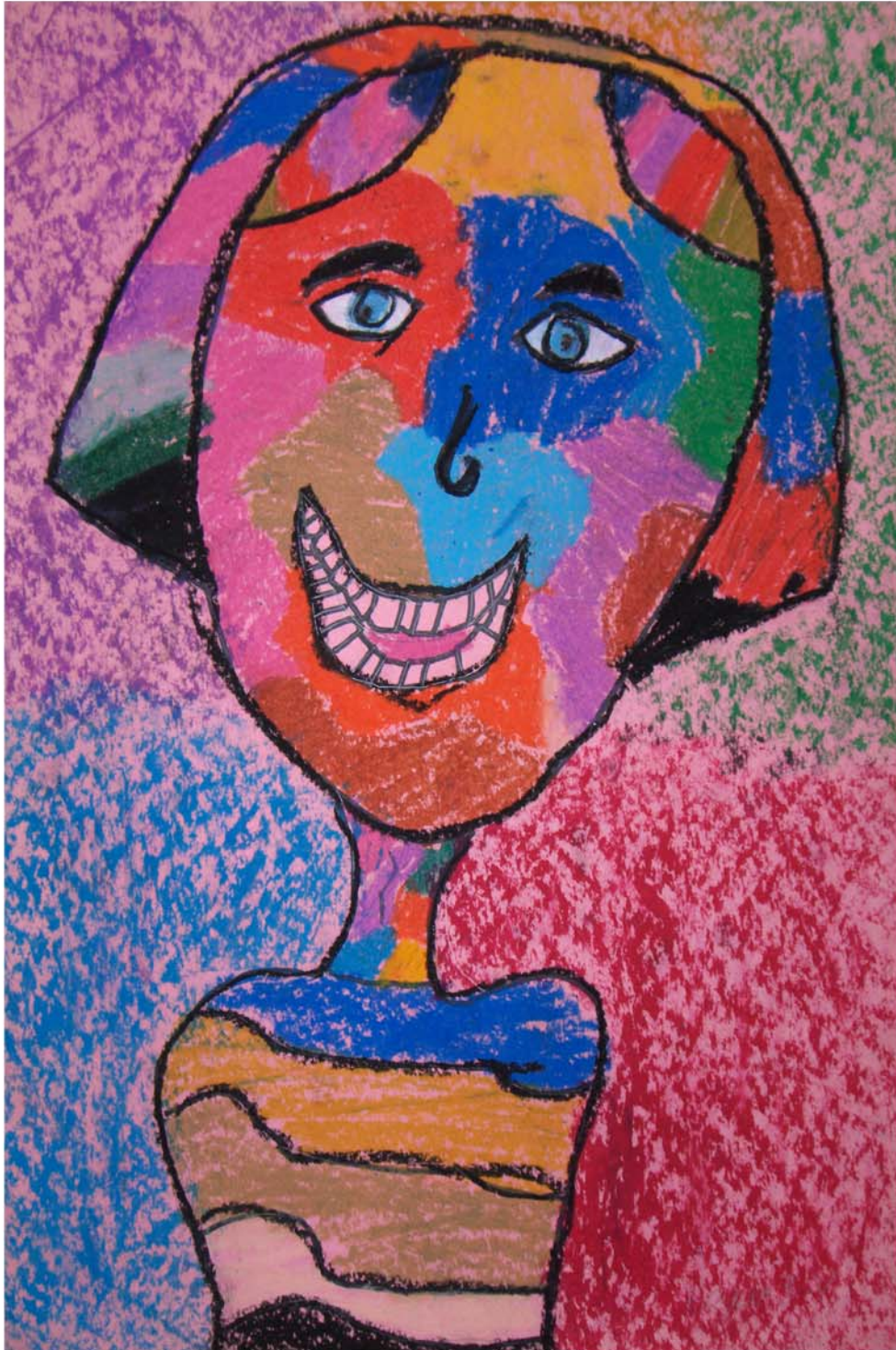
	<u>Food Service</u>	<u>Uniform Supplies</u>	<u>Rotary - Special Services</u>	<u>Adult Education</u>	<u>Total Nonmajor Enterprise Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ (735,657)	\$ 139,996	\$ (47,615)	\$ 337	\$ (642,939)
Adjustments:					
Depreciation expense	17,097	-	-	-	17,097
Federal donated commodities	126,089	-	-	-	126,089
Changes in assets/liabilities:					
Decrease in interfund receivable	15	-	-	-	15
(Increase) decrease in accounts receivable	(89)	280	100	-	291
Decrease in inventory	5,708	-	-	-	5,708
Increase (decrease) in accounts payable	7,484	(54,509)	-	-	(47,025)
Increase accrued wages and benefits	721	-	29,229	-	29,950
Decrease (increase) in accrued pension	(15,789)	-	8,552	-	(7,237)
Increase in intergovernmental payable	1,465	-	3,120	-	4,585
Increase in compensated absences	4,375	-	-	-	4,375
Total adjustments	<u>147,076</u>	<u>(54,229)</u>	<u>41,001</u>	<u>-</u>	<u>133,848</u>
<i>Net cash provided by (used for) operating activities</i>	<u>\$ (588,581)</u>	<u>\$ 85,767</u>	<u>\$ (6,614)</u>	<u>\$ 337</u>	<u>\$ (509,091)</u>

Mentor Exempted Village School District

Combining Statement of Changes in Assets and Liabilities Agency Fund

For The Fiscal Year Ended June 30, 2008

	<u>Balance</u> <u>06/30/07</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/08</u>
Student activities:				
Assets:				
Equity in pooled cash and investments	\$ 390,908	\$ 378,204	\$ 395,379	\$ 373,733
Due from students	<u>204</u>	<u>-</u>	<u>204</u>	<u>-</u>
Total assets	<u>\$ 391,112</u>	<u>\$ 378,204</u>	<u>\$ 395,583</u>	<u>\$ 373,733</u>
Liabilities:				
Accounts payable	\$ 10,306	\$ 7,958	\$ 10,306	\$ 7,958
Due to students	<u>380,806</u>	<u>370,246</u>	<u>385,277</u>	<u>365,775</u>
Total liabilities	<u>\$ 391,112</u>	<u>\$ 378,204</u>	<u>\$ 395,583</u>	<u>\$ 373,733</u>



**Logan Mason
Third Grade
Orchard Hollow Elementary**

Mentor Exempted Village School District

Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balances/Equities – Budget (Non-GAAP Budgetary Basis) and Actual

Mentor Exempted Village School District

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 66,872,989	\$ 66,872,989	\$ 64,673,468	\$ (2,199,521)
Intergovernmental	29,269,100	29,269,100	30,629,742	1,360,642
Tuition and fees	1,495,006	1,495,006	1,564,505	69,499
Earnings on investments	2,405,255	2,405,255	2,517,069	111,814
Extracurricular activities	329,815	329,815	345,147	15,332
Miscellaneous revenue	<u>1,480,405</u>	<u>688,205</u>	<u>1,075,254</u>	<u>387,049</u>
Total revenues	<u>101,852,570</u>	<u>101,060,370</u>	<u>100,805,185</u>	<u>(255,185)</u>
Expenditures:				
Current:				
Instruction:				
Regular education:				
Salaries and wages	29,085,537	30,012,537	30,011,329	1,208
Employee benefits	9,786,325	9,610,925	9,494,401	116,524
Purchased services	1,158,861	1,262,765	1,262,765	-
Supplies and materials	1,987,547	1,997,794	1,701,511	296,283
Capital outlay - new	452,992	454,305	450,476	3,829
Capital outlay - replacement	-	<u>76,469</u>	<u>76,468</u>	<u>1</u>
Total regular education	<u>42,471,262</u>	<u>43,414,795</u>	<u>42,996,950</u>	<u>417,845</u>
Special education:				
Salaries and wages	5,821,651	5,823,461	5,690,776	132,685
Employee benefits	2,125,929	2,126,249	1,758,425	367,824
Purchased services	3,107,469	3,156,002	3,156,002	-
Supplies and materials	18,707	9,588	2,628	6,960
Capital outlay - new	-	6,348	6,348	-
Capital outlay - replacement	<u>983</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total special education	<u>11,074,739</u>	<u>11,121,648</u>	<u>10,614,179</u>	<u>507,469</u>
Vocational education:				
Salaries and wages	3,172,692	1,382,948	1,281,832	101,116
Employee benefits	619,207	454,207	379,677	74,530
Purchased services	528,227	531,527	521,610	9,917
Supplies and materials	33,361	27,229	26,074	1,155
Capital outlay - new	52,055	55,721	53,277	2,444
Other	<u>4,000</u>	<u>3,165</u>	<u>3,165</u>	<u>-</u>
Total vocational education	<u>4,409,542</u>	<u>2,454,797</u>	<u>2,265,635</u>	<u>189,162</u>
Other instruction:				
Salaries and wages	639,130	692,246	692,239	7
Employee benefits	<u>130,556</u>	<u>156,489</u>	<u>156,488</u>	<u>1</u>
Total other instruction	<u>769,686</u>	<u>848,735</u>	<u>848,727</u>	<u>8</u>
Total instruction	<u>58,725,229</u>	<u>57,839,975</u>	<u>56,725,491</u>	<u>1,114,484</u>

Continued

Mentor Exempted Village School District

General Fund (continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support services:				
Pupil:				
Salaries and wages	3,895,953	3,534,063	3,399,743	134,320
Employee benefits	1,635,832	1,454,132	1,295,155	158,977
Purchased services	125,463	125,463	45,757	79,706
Supplies and materials	20,616	41,583	39,575	2,008
Capital outlay - replacement	389	1,771	1,488	283
Total pupil	<u>5,678,253</u>	<u>5,157,012</u>	<u>4,781,718</u>	<u>375,294</u>
Instructional staff:				
Salaries and wages	2,854,384	3,066,801	3,066,731	70
Employee benefits	1,394,383	1,641,083	1,641,067	16
Purchased services	56,418	57,915	45,958	11,957
Supplies and materials	106,746	101,792	86,665	15,127
Capital outlay - new	-	3,458	3,444	14
Total instructional staff	<u>4,411,931</u>	<u>4,871,049</u>	<u>4,843,865</u>	<u>27,184</u>
Board of education:				
Salaries and wages	8,000	8,000	7,680	320
Employee benefits	1,807	1,807	1,134	673
Purchased services	301,963	396,479	380,830	15,649
Supplies and materials	2,775	2,775	1,193	1,582
Capital outlay - new	5,860	17,108	5,395	11,713
Other	294,921	265,488	241,709	23,779
Total board of education	<u>615,326</u>	<u>691,657</u>	<u>637,941</u>	<u>53,716</u>
Administration:				
Salaries and wages	3,724,529	3,525,529	3,430,035	95,494
Employee benefits	1,444,748	1,515,748	1,382,475	133,273
Purchased services	120,642	156,371	122,275	34,096
Supplies and materials	19,593	19,593	18,540	1,053
Capital outlay - new	5,000	5,078	226	4,852
Other	18,500	18,500	17,245	1,255
Total administration	<u>5,333,012</u>	<u>5,240,819</u>	<u>4,970,796</u>	<u>270,023</u>
Fiscal:				
Salaries and wages	791,079	791,079	767,071	24,008
Employee benefits	332,503	387,503	324,640	62,863
Purchased services	425,708	368,808	368,745	63
Supplies and materials	40,532	29,065	21,912	7,153
Capital outlay - new	-	8,223	8,036	187
Capital outlay - replacement	10,466	10,466	10,340	126
Other	1,273,868	965,924	964,604	1,320
Total fiscal	<u>2,874,156</u>	<u>2,561,068</u>	<u>2,465,348</u>	<u>95,720</u>

Continued

Mentor Exempted Village School District

General Fund (continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Business:				
Salaries and wages	485,068	485,068	312,689	172,379
Employee benefits	187,882	187,882	133,159	54,723
Purchased services	1,800	1,800	20	1,780
Supplies and materials	5,108	2,579	-	2,579
Other	3,100	5,449	5,427	22
Total business	<u>682,958</u>	<u>682,778</u>	<u>451,295</u>	<u>231,483</u>
Operation and maintenance of plant:				
Salaries and wages	3,311,448	3,278,658	3,218,849	59,809
Employee benefits	1,270,614	1,270,614	1,195,480	75,134
Purchased services	3,383,591	3,578,668	3,575,669	2,999
Supplies and materials	392,870	475,413	475,195	218
Capital outlay - new	-	9,242	7,336	1,906
Capital outlay - replacement	201,001	174,753	171,803	2,950
Other	22,400	22,400	22,346	54
Total operation and maintenance of plant	<u>8,581,924</u>	<u>8,809,748</u>	<u>8,666,678</u>	<u>143,070</u>
Pupil transportation:				
Salaries and wages	2,170,667	2,917,426	2,916,959	467
Employee benefits	1,259,815	1,305,815	1,305,229	586
Purchased services	670,420	851,931	851,931	-
Supplies and materials	699,020	913,650	903,772	9,878
Capital outlay - replacement	290,000	290,000	275,000	15,000
Total pupil transportation	<u>5,089,922</u>	<u>6,278,822</u>	<u>6,252,891</u>	<u>25,931</u>
Central:				
Salaries and wages	465,201	437,671	434,023	3,648
Employee benefits	165,852	180,852	168,420	12,432
Purchased services	464,037	458,169	440,906	17,263
Supplies and materials	107,865	149,421	149,412	9
Capital outlay - new	216,551	188,463	188,463	-
Capital outlay - replacement	75,000	75,000	75,000	-
Other	14,765	19,765	3,385	16,380
Total central	<u>1,509,271</u>	<u>1,509,341</u>	<u>1,459,609</u>	<u>49,732</u>
Total support services	<u>34,776,753</u>	<u>35,802,294</u>	<u>34,530,141</u>	<u>1,272,153</u>

Continued

Mentor Exempted Village School District

General Fund (continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of non - instructional services:				
Food service operations:				
Purchased services	<u>80,000</u>	<u>98,625</u>	<u>98,625</u>	<u>-</u>
Community services:				
Salaries and wages	28,129	35,514	35,512	2
Employee benefits	8,499	13,499	12,555	944
Purchased services	<u>49,500</u>	<u>31,200</u>	<u>-</u>	<u>31,200</u>
Total community services	<u>86,128</u>	<u>80,213</u>	<u>48,067</u>	<u>32,146</u>
Total operation of non - instructional services	<u>166,128</u>	<u>178,838</u>	<u>146,692</u>	<u>32,146</u>
Extracurricular activities:				
Subject oriented activities:				
Salaries and wages	144,760	153,110	153,108	2
Employee benefits	47,508	47,678	25,265	22,413
Purchased services	1,775	16,773	16,772	1
Supplies and materials	1,265	5,568	4,975	593
Capital outlay - new	<u>4,539</u>	<u>5,719</u>	<u>5,357</u>	<u>362</u>
Total subject oriented activities	<u>199,847</u>	<u>228,848</u>	<u>205,477</u>	<u>23,371</u>
Occupation oriented activities:				
Salaries and wages	2,558	2,558	2,420	138
Employee benefits	<u>836</u>	<u>836</u>	<u>373</u>	<u>463</u>
Total occupation oriented activities	<u>3,394</u>	<u>3,394</u>	<u>2,793</u>	<u>601</u>
Sports activities:				
Salaries and wages	752,769	770,769	770,640	129
Employee benefits	<u>164,255</u>	<u>164,255</u>	<u>149,616</u>	<u>14,639</u>
Total sports activities	<u>917,024</u>	<u>935,024</u>	<u>920,256</u>	<u>14,768</u>
Co-curricular activities:				
Salaries and wages	105,991	112,391	112,383	8
Employee benefits	<u>55,529</u>	<u>49,129</u>	<u>32,903</u>	<u>16,226</u>
Total co-curricular activities	<u>161,520</u>	<u>161,520</u>	<u>145,286</u>	<u>16,234</u>
Total extracurricular activities	<u>1,281,785</u>	<u>1,328,786</u>	<u>1,273,812</u>	<u>54,974</u>
Total expenditures	<u>94,949,895</u>	<u>95,149,893</u>	<u>92,676,136</u>	<u>2,473,757</u>
Excess of revenues over (under) expenditures	<u>6,902,675</u>	<u>5,910,477</u>	<u>8,129,049</u>	<u>2,218,572</u>

Continued

Mentor Exempted Village School District

General Fund (continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Sale of capital assets	38,046	38,046	-	(38,046)
Advances - in	580,223	580,223	607,196	26,973
Transfers - out	(385,758)	(385,758)	(289,489)	96,269
Total other financing sources (uses)	<u>232,511</u>	<u>232,511</u>	<u>317,707</u>	<u>85,196</u>
Net change in fund balance	7,135,186	6,142,988	8,446,756	2,303,768
Fund balance at beginning of year	33,141,515	33,141,515	33,141,515	-
Prior year encumbrances appropriated	<u>2,347,778</u>	<u>2,347,778</u>	<u>2,347,778</u>	<u>-</u>
Fund balance at end of year	\$ <u>42,624,479</u>	\$ <u>41,632,281</u>	\$ <u>43,936,049</u>	\$ <u>2,303,768</u>

Mentor Exempted Village School District

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,745,113	\$ 2,777,543	\$ 3,528,145	\$ 783,032
Intergovernmental	147,830	115,400	209,698	61,868
Total revenues	<u>2,892,943</u>	<u>2,892,943</u>	<u>3,737,843</u>	<u>844,900</u>
Expenditures:				
Current:				
Support services:				
Fiscal				
Purchased services	22,000	39,000	19,127	19,873
Debt services:				
Principal	3,997,967	4,117,303	4,117,303	-
Interest and fiscal charges	<u>516,137</u>	<u>596,801</u>	<u>588,498</u>	<u>8,303</u>
Total expenditures	<u>4,536,104</u>	<u>4,753,104</u>	<u>4,724,928</u>	<u>28,176</u>
Excess of revenues over (under) expenditures	<u>(1,643,161)</u>	<u>(1,860,161)</u>	<u>(987,085)</u>	<u>873,076</u>
Other financing sources (uses):				
Issuance of notes	850,667	850,667	850,667	-
Transfers - in	<u>114,258</u>	<u>114,258</u>	<u>114,258</u>	<u>-</u>
Total other financing sources (uses)	<u>964,925</u>	<u>964,925</u>	<u>964,925</u>	<u>-</u>
Net change in fund balance	(678,236)	(895,236)	(22,160)	873,076
Fund balance at beginning of year	<u>1,069,854</u>	<u>1,069,854</u>	<u>1,069,854</u>	<u>-</u>
Fund balance at end of year	\$ <u>391,618</u>	\$ <u>174,618</u>	\$ <u>1,047,694</u>	\$ <u>873,076</u>

Mentor Exempted Village School District

Other Grants – Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Earnings on investments	\$ -	\$ -	\$ 5,268	\$ 5,268
Miscellaneous revenue	<u>300,000</u>	<u>300,000</u>	<u>157,362</u>	<u>(142,638)</u>
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>162,630</u>	<u>(137,370)</u>
Expenditures:				
Current:				
Instruction:				
Regular education				
Salaries and wages	-	10,000	-	10,000
Employee benefits	-	1,700	-	1,700
Purchased services	3,500	490	-	490
Supplies and materials	1,175	2,675	1,021	1,654
Capital outlay - new	93,645	73,645	3,905	69,740
Other	<u>7,000</u>	<u>14,354</u>	<u>9,834</u>	<u>4,520</u>
Total instruction	<u>105,320</u>	<u>102,864</u>	<u>14,760</u>	<u>88,104</u>
Support services:				
Instructional staff:				
Salaries and wages	-	1,200	-	1,200
Employee benefits	-	205	-	205
Purchased services	71,578	32,603	2,151	30,452
Supplies and materials	-	1,000	997	3
Total instructional staff	<u>71,578</u>	<u>35,008</u>	<u>3,148</u>	<u>31,860</u>
Administration:				
Supplies and materials	15,536	21,092	6,735	14,357
Capital outlay - new	8,001	14,501	6,200	8,301
Other	<u>6,144</u>	<u>6,144</u>	<u>3,668</u>	<u>2,476</u>
Total administration	<u>29,681</u>	<u>41,737</u>	<u>16,603</u>	<u>25,134</u>
Operations and maintenance of plant:				
Purchased services	-	5,975	5,975	-
Capital outlay - new	-	18,000	18,000	-
Capital outlay - replacement	-	<u>44,000</u>	<u>36,816</u>	<u>7,184</u>
Total operations and maintenance of plant	<u>-</u>	<u>67,975</u>	<u>60,791</u>	<u>7,184</u>
Central:				
Purchased services	<u>10,795</u>	<u>10,795</u>	<u>536</u>	<u>10,259</u>
Total support services	<u>112,054</u>	<u>155,515</u>	<u>81,078</u>	<u>74,437</u>

Continued

Mentor Exempted Village School District

Other Grants – Special Revenue Fund (continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Extracurricular activities:				
Subject oriented activities:				
Purchased services	-	10,000	9,139	861
Total expenditures	<u>217,374</u>	<u>268,379</u>	<u>104,977</u>	<u>163,402</u>
Net change in fund balance	82,626	31,621	57,653	26,032
Fund balance at beginning of year	115,462	115,462	115,462	-
Prior year encumbrances appropriated	<u>935</u>	<u>935</u>	<u>935</u>	<u>-</u>
Fund balance at end of year	\$ <u>199,023</u>	\$ <u>148,018</u>	\$ <u>174,050</u>	\$ <u>26,032</u>

Mentor Exempted Village School District

Athletic DMSA – Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Tuition and fees	\$ 7,251	\$ 7,251	\$ 3,540	\$ (3,711)
Earnings on investments	1,663	1,663	812	(851)
Extracurricular activities	743,658	743,658	363,069	(380,589)
Miscellaneous revenue	<u>64,597</u>	<u>64,597</u>	<u>31,538</u>	<u>(33,059)</u>
Total revenues	<u>817,169</u>	<u>817,169</u>	<u>398,959</u>	<u>(418,210)</u>
Expenditures:				
Current:				
Extracurricular activities:				
Subject oriented activities:				
Purchased services	28,000	-	-	-
Supplies and materials	<u>5,716</u>	<u>5,716</u>	<u>5,200</u>	<u>516</u>
Total subject oriented activities	<u>33,716</u>	<u>5,716</u>	<u>5,200</u>	<u>516</u>
Sports activities:				
Salaries and wages	20,105	24,431	17,022	7,409
Employee benefits	4,061	4,707	2,881	1,826
Purchased services	215,296	255,123	170,917	84,206
Supplies and materials	206,145	232,942	120,852	112,090
Capital outlay - new	15,575	18,075	9,973	8,102
Other	<u>165,855</u>	<u>239,000</u>	<u>166,924</u>	<u>72,076</u>
Total sports activities	<u>627,037</u>	<u>774,278</u>	<u>488,569</u>	<u>285,709</u>
Total expenditures	<u>660,753</u>	<u>779,994</u>	<u>493,769</u>	<u>286,225</u>
Excess of revenues over (under) expenditures	156,416	37,175	(94,810)	(131,985)
Other financing sources (uses):				
Transfers - in	<u>82,831</u>	<u>82,831</u>	<u>71,001</u>	<u>(11,830)</u>
Net change in fund balance	239,247	120,006	(23,809)	(143,815)
Fund balance at beginning of year	102,355	102,355	102,355	-
Prior year encumbrances appropriated	<u>36,261</u>	<u>36,261</u>	<u>36,261</u>	<u>-</u>
Fund balance at end of year	\$ <u>377,863</u>	\$ <u>258,622</u>	\$ <u>114,807</u>	\$ <u>(143,815)</u>

Mentor Exempted Village School District

Auxiliary Services – Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,494,427	\$ 1,494,427	\$ 1,284,457	\$ (209,970)
Earnings on investments	<u>5,573</u>	<u>5,573</u>	<u>5,573</u>	<u>-</u>
Total revenues	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,290,030</u>	<u>(209,970)</u>
Expenditures:				
Current:				
Operation of non-instructional services:				
Community services:				
Purchased services	970,820	1,022,357	1,016,158	6,199
Supplies and materials	323,762	374,523	341,387	33,136
Capital outlay - new	<u>80,158</u>	<u>56,734</u>	<u>33,353</u>	<u>23,381</u>
Total expenditures	<u>1,374,740</u>	<u>1,453,614</u>	<u>1,390,898</u>	<u>62,716</u>
Net change in fund balance	125,260	46,386	(100,868)	(147,254)
Fund balance at beginning of year	3,387	3,387	3,387	-
Prior year encumbrances appropriated	<u>160,194</u>	<u>160,194</u>	<u>160,194</u>	<u>-</u>
Fund balance at end of year	\$ <u>288,841</u>	\$ <u>209,967</u>	\$ <u>62,713</u>	\$ <u>(147,254)</u>

Mentor Exempted Village School District

Vocational Educational Enhancement – Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,000	\$ 2,000	\$ 200	\$ (1,800)
Expenditures:				
Current:				
Instruction:				
Vocational education:				
Salaries and wages	-	1,703	-	1,703
Employee benefits	-	297	-	297
Total expenditures	-	2,000	-	2,000
Net change in fund balance	2,000	-	200	200
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ 2,000	\$ -	\$ 200	\$ 200

Mentor Exempted Village School District

Public School Support – Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Earnings on investments	\$ -	\$ -	\$ 1,426	\$ 1,426
Food services	600	600	239	(361)
Extracurricular activities	375,970	375,970	138,745	(237,225)
Contributions and donations	208,349	208,349	26,894	(181,455)
Miscellaneous revenue	-	-	4,386	4,386
Total revenues	<u>584,919</u>	<u>584,919</u>	<u>171,690</u>	<u>(413,229)</u>
Expenditures:				
Current:				
Instruction:				
Regular education:				
Supplies and materials	<u>2,400</u>	<u>2,400</u>	<u>-</u>	<u>2,400</u>
Support services:				
Administration:				
Salaries and wages	3,820	6,520	763	5,757
Employee benefits	765	1,765	130	1,635
Purchased services	6,275	14,328	7,480	6,848
Supplies and materials	18,338	24,646	18,592	6,054
Capital outlay - new	14,287	16,287	5,545	10,742
Other	<u>51,528</u>	<u>55,941</u>	<u>35,491</u>	<u>20,450</u>
Total administration	<u>95,013</u>	<u>119,487</u>	<u>68,001</u>	<u>51,486</u>
Central:				
Salaries and wages	6,380	8,680	4,189	4,491
Employee benefits	1,905	1,665	711	954
Purchased services	43,881	32,653	12,915	19,738
Supplies and materials	56,676	48,948	14,015	34,933
Capital outlay - new	28,679	26,479	4,643	21,836
Other	<u>59,498</u>	<u>70,260</u>	<u>38,637</u>	<u>31,623</u>
Total central	<u>197,019</u>	<u>188,685</u>	<u>75,110</u>	<u>113,575</u>
Total support services	<u>292,032</u>	<u>308,172</u>	<u>143,111</u>	<u>165,061</u>
Operation of non-instructional services:				
Food service operations:				
Supplies and materials	4,485	4,485	1,319	3,166
Community services:				
Supplies and materials	<u>-</u>	<u>1,500</u>	<u>500</u>	<u>1,000</u>
Total operation of non-instructional services	<u>4,485</u>	<u>5,985</u>	<u>1,819</u>	<u>4,166</u>

Continue

Mentor Exempted Village School District

Public School Support – Special Revenue Fund (continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Extracurricular activities:				
Subject oriented activities:				
Supplies and materials	<u>7,370</u>	<u>7,370</u>	<u>2,064</u>	<u>5,306</u>
Sports activities:				
Supplies and materials	<u>18,483</u>	<u>18,483</u>	<u>8,502</u>	<u>9,981</u>
Co-curricular activities:				
Salaries and wages	11,380	11,380	1,528	9,852
Employee benefits	2,010	2,010	327	1,683
Purchased services	3,000	3,000	375	2,625
Supplies and materials	41,278	41,278	7,599	33,679
Capital outlay - new	<u>199,000</u>	<u>199,000</u>	<u>61,333</u>	<u>137,667</u>
Total co-curricular activities	<u>256,668</u>	<u>256,668</u>	<u>71,162</u>	<u>185,506</u>
Total extracurricular activities	<u>282,521</u>	<u>282,521</u>	<u>81,728</u>	<u>200,793</u>
Total expenditures	<u>581,438</u>	<u>599,078</u>	<u>226,658</u>	<u>372,420</u>
Excess of revenues over (under) expenditures	3,481	(14,159)	(54,968)	(40,809)
Other financing sources and uses:				
Transfers - in	<u>15,081</u>	<u>15,081</u>	<u>15,352</u>	<u>271</u>
Net change in fund balance	18,562	922	(39,616)	(40,538)
Fund balance at beginning of year	177,704	177,704	177,704	-
Prior year encumbrances appropriated	<u>9,783</u>	<u>9,783</u>	<u>9,783</u>	<u>-</u>
Fund balance at end of year	\$ <u>206,049</u>	\$ <u>188,409</u>	\$ <u>147,871</u>	\$ <u>(40,538)</u>

Mentor Exempted Village School District

Entry Year Programs – Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>60,000</u>	\$ <u>60,000</u>	\$ <u>18,400</u>	\$ <u>(41,600)</u>
Expenditures:				
Current:				
Instruction:				
Regular education:				
Salaries and wages	-	8,042	6,335	1,707
Employee benefits	-	<u>1,443</u>	<u>1,080</u>	<u>363</u>
Total instruction	-	<u>9,485</u>	<u>7,415</u>	<u>2,070</u>
Support services:				
Instructional staff:				
Salaries and wages	-	1,026	1,026	-
Employee benefits	-	172	172	-
Purchased services	-	3,075	3,075	-
Supplies and materials	<u>4,356</u>	<u>8,998</u>	<u>8,980</u>	<u>18</u>
Total support services	<u>4,356</u>	<u>13,271</u>	<u>13,253</u>	<u>18</u>
Total expenditures	<u>4,356</u>	<u>22,756</u>	<u>20,668</u>	<u>2,088</u>
Net change in fund balance	55,644	37,244	(2,268)	(39,512)
Fund balance at beginning of year	4,127	4,127	4,127	-
Prior year encumbrances appropriated	<u>229</u>	<u>229</u>	<u>229</u>	-
Fund balance at end of year	\$ <u>60,000</u>	\$ <u>41,600</u>	\$ <u>2,088</u>	\$ <u>(39,512)</u>

Mentor Exempted Village School District

Management Information Systems – Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>100,000</u>	\$ <u>100,000</u>	\$ <u>30,127</u>	\$ <u>(69,873)</u>
Expenditures:				
Current:				
Support services:				
Central:				
Purchased services	-	2,403	2,403	-
Supplies and materials	-	2,337	2,337	-
Capital outlay - new	<u>17,041</u>	<u>42,428</u>	<u>42,428</u>	-
Total expenditures	<u>17,041</u>	<u>47,168</u>	<u>47,168</u>	-
Net change in fund balance	82,959	52,832	(17,041)	(69,873)
Fund balance at beginning of year	6,050	6,050	6,050	-
Prior year encumbrances appropriated	<u>10,991</u>	<u>10,991</u>	<u>10,991</u>	-
Fund balance at end of year	\$ <u><u>100,000</u></u>	\$ <u><u>69,873</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(69,873)</u></u>

Mentor Exempted Village School District

OneNet Ohio Program – Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 42,000	\$ (18,000)
Expenditures:				
Current:				
Support services:				
Operation and maintenance of plant:				
Purchased services	<u>599</u>	<u>42,599</u>	<u>42,599</u>	<u>-</u>
Net change in fund balance	59,401	17,401	(599)	(18,000)
Fund balance at beginning of year	<u>599</u>	<u>599</u>	<u>599</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>60,000</u></u>	\$ <u><u>18,000</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(18,000)</u></u>

Mentor Exempted Village School District

SchoolNet Professional Development – Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 10,000	\$ 10,000	\$ 4,770	\$ (5,230)
Expenditures:				
Support services:				
Instructional staff:				
Salaries and wages	864	864	864	-
Employee benefits	146	146	146	-
Purchased services	244	5,014	3,886	1,128
Total expenditures	1,254	6,024	4,896	1,128
Net change in fund balance	8,746	3,976	(126)	(4,102)
Fund balance at beginning of year	1,254	1,254	1,254	-
Fund balance at end of year	\$ 10,000	\$ 5,230	\$ 1,128	\$ (4,102)

Mentor Exempted Village School District

Ohio Reads – Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>30,000</u>	\$ <u>250,000</u>	\$ <u>200,000</u>	\$ <u>(50,000)</u>
Expenditures:				
Current:				
Instruction:				
Regular education:				
Salaries and wages	1,733	1,733	1,733	-
Employee benefits	<u>267</u>	<u>267</u>	<u>267</u>	-
Total instruction	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	-
Support services:				
Instructional staff:				
Purchased services	<u>-</u>	<u>200,000</u>	<u>200,000</u>	-
Total expenditures	<u>2,000</u>	<u>202,000</u>	<u>202,000</u>	-
Net change in fund balance	28,000	48,000	(2,000)	(50,000)
Fund balance at beginning of year	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	-
Fund balance at end of year	\$ <u><u>30,000</u></u>	\$ <u><u>50,000</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(50,000)</u></u>

Mentor Exempted Village School District

Miscellaneous State Grants – Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>70,000</u>	\$ <u>70,000</u>	\$ <u>56,837</u>	\$ <u>(13,163)</u>
Expenditures:				
Current:				
Instruction:				
Regular education:				
Salaries and wages	982	4,827	3,125	1,702
Employee benefits	225	880	534	346
Purchased services	400	400	-	400
Supplies and materials	9,586	9,586	2,001	7,585
Capital outlay - new	<u>3,363</u>	<u>3,363</u>	<u>1,000</u>	<u>2,363</u>
Total instruction	<u>14,556</u>	<u>19,056</u>	<u>6,660</u>	<u>12,396</u>
Support services:				
Pupil:				
Salaries and wages	21,943	22,943	18,442	4,501
Employee benefits	3,608	3,777	3,143	634
Purchased services	-	20,749	20,749	-
Supplies and materials	<u>13,288</u>	<u>15,123</u>	<u>15,123</u>	<u>-</u>
Total pupil	<u>38,839</u>	<u>62,592</u>	<u>57,457</u>	<u>5,135</u>
Instructional staff:				
Salaries and wages	4,860	4,860	4,860	-
Employee benefits	835	835	835	-
Purchased services	<u>193</u>	<u>707</u>	<u>514</u>	<u>193</u>
Total instructional staff	<u>5,888</u>	<u>6,402</u>	<u>6,209</u>	<u>193</u>
Total support services	<u>44,727</u>	<u>68,994</u>	<u>63,666</u>	<u>5,328</u>
Extracurricular activities:				
Sports activities:				
Other	<u>748</u>	<u>748</u>	<u>-</u>	<u>748</u>
Total expenditures	<u>60,031</u>	<u>88,798</u>	<u>70,326</u>	<u>18,472</u>
Net change in fund balance	9,969	(18,798)	(13,489)	5,309
Fund balance at beginning of year	18,134	18,134	18,134	-
Prior year encumbrances appropriated	<u>13,825</u>	<u>13,825</u>	<u>13,825</u>	<u>-</u>
Fund balance at end of year	\$ <u>41,928</u>	\$ <u>13,161</u>	\$ <u>18,470</u>	\$ <u>5,309</u>

Mentor Exempted Village School District

Title VI-B – Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>2,500,000</u>	\$ <u>2,500,000</u>	\$ <u>2,019,422</u>	\$ <u>(480,578)</u>
Expenditures:				
Current:				
Instruction:				
Special education:				
Salaries and wages	340,422	371,679	321,498	50,181
Employee benefits	122,706	122,753	99,846	22,907
Purchased services	196,590	178,999	151,049	27,950
Supplies and materials	<u>15,710</u>	<u>45,800</u>	<u>34,162</u>	<u>11,638</u>
Total instruction	<u>675,428</u>	<u>719,231</u>	<u>606,555</u>	<u>112,676</u>
Support services:				
Pupil:				
Salaries and wages	631,641	693,257	592,820	100,437
Employee benefits	125,526	216,139	177,405	38,734
Purchased services	279,631	151,037	105,376	45,661
Supplies and materials	35,361	20,000	19,175	825
Capital outlay - new	<u>29,662</u>	<u>29,670</u>	<u>28,209</u>	<u>1,461</u>
Total pupil	<u>1,101,821</u>	<u>1,110,103</u>	<u>922,985</u>	<u>187,118</u>
Instructional staff:				
Purchased services	<u>50,447</u>	<u>22,197</u>	<u>16,824</u>	<u>5,373</u>
Administration:				
Salaries and wages	342,968	319,031	274,498	44,533
Employee benefits	126,308	145,581	119,092	26,489
Purchased services	6,046	5,791	5,568	223
Supplies and materials	<u>12,500</u>	<u>4,986</u>	<u>3,829</u>	<u>1,157</u>
Total administration	<u>487,822</u>	<u>475,389</u>	<u>402,987</u>	<u>72,402</u>
Pupil transportation:				
Purchased services	<u>45,000</u>	<u>31,511</u>	<u>31,323</u>	<u>188</u>
Total support services	<u>1,685,090</u>	<u>1,639,200</u>	<u>1,374,119</u>	<u>265,081</u>

Continued

Mentor Exempted Village School District

Title VI-B – Special Revenue Fund (continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of non-instructional services:				
Community services:				
Supplies and materials	<u>146,664</u>	<u>148,751</u>	<u>148,681</u>	<u>70</u>
Total expenditures	<u>2,507,182</u>	<u>2,507,182</u>	<u>2,129,355</u>	<u>377,827</u>
Net change in fund balance	(7,182)	(7,182)	(109,933)	(102,751)
Fund balance at beginning of year	13,600	13,600	13,600	-
Prior year encumbrances appropriated	<u>101,545</u>	<u>101,545</u>	<u>101,545</u>	<u>-</u>
Fund balance at end of year	\$ <u>107,963</u>	\$ <u>107,963</u>	\$ <u>5,212</u>	\$ <u>(102,751)</u>

Mentor Exempted Village School District

Vocational Education – Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>400,000</u>	\$ <u>400,000</u>	\$ <u>349,259</u>	\$ <u>(50,741)</u>
Expenditures:				
Current:				
Instruction:				
Vocational education:				
Salaries and wages	3,179	2,985	2,805	180
Employee benefits	537	519	489	30
Purchased services	38,483	36,043	34,934	1,109
Supplies and materials	57,958	65,130	64,968	162
Capital outlay - new	<u>70,393</u>	<u>87,511</u>	<u>87,506</u>	<u>5</u>
Total instruction	<u>170,550</u>	<u>192,188</u>	<u>190,702</u>	<u>1,486</u>
Support services:				
Pupil:				
Salaries and wages	31,849	25,894	25,894	-
Employee benefits	5,367	4,351	4,351	-
Purchased services	157,002	156,642	156,267	375
Supplies and materials	10,019	10,019	9,876	143
Capital outlay - new	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total pupil	<u>205,237</u>	<u>196,906</u>	<u>196,388</u>	<u>518</u>
Instructional staff:				
Purchased services	<u>27,415</u>	<u>28,115</u>	<u>27,936</u>	<u>179</u>
Administration:				
Salaries and wages	29,702	29,702	29,702	-
Employee benefits	4,803	4,803	4,803	-
Supplies and materials	<u>1,556</u>	<u>1,410</u>	<u>1,410</u>	<u>-</u>
Total administration	<u>36,061</u>	<u>35,915</u>	<u>35,915</u>	<u>-</u>
Pupil transportation:				
Purchased services	<u>17,228</u>	<u>5,757</u>	<u>5,755</u>	<u>2</u>
Total support services	<u>285,941</u>	<u>266,693</u>	<u>265,994</u>	<u>699</u>
Total expenditures	<u>456,491</u>	<u>458,881</u>	<u>456,696</u>	<u>2,185</u>
Net change in fund balance	(56,491)	(58,881)	(107,437)	(48,556)
Fund balance at beginning of year	9,250	9,250	9,250	-
Prior year encumbrances appropriated	<u>98,340</u>	<u>98,340</u>	<u>98,340</u>	<u>-</u>
Fund balance at end of year	\$ <u>51,099</u>	\$ <u>48,709</u>	\$ <u>153</u>	\$ <u>(48,556)</u>

Mentor Exempted Village School District

LEP/Immigrant Title III – Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 30,251	\$ (19,749)
Expenditures:				
Current:				
Instruction:				
Special education:				
Salaries and wages	15,175	20,160	19,340	820
Employee benefits	2,559	3,397	3,285	112
Supplies and materials	5,150	9,194	8,726	468
Total instruction	<u>22,884</u>	<u>32,751</u>	<u>31,351</u>	<u>1,400</u>
Support services:				
Instructional staff:				
Salaries and wages	600	600	600	-
Employee benefits	102	101	101	-
Purchased services	5,643	3,890	454	3,436
Total support services	<u>6,345</u>	<u>4,591</u>	<u>1,155</u>	<u>3,436</u>
Total expenditures	<u>29,229</u>	<u>37,342</u>	<u>32,506</u>	<u>4,836</u>
Net change in fund balance	20,771	(12,658)	(2,255)	(14,913)
Fund balance at beginning of year	1,459	1,459	1,459	-
Prior year encumbrances appropriated	<u>796</u>	<u>796</u>	<u>796</u>	<u>-</u>
Fund balance at end of year	\$ <u>23,026</u>	\$ <u>14,913</u>	\$ <u>-</u>	\$ <u>(14,913)</u>

Mentor Exempted Village School District

Title I – Special Revenue Fund

Schedule of Revenues, Expenditures and Changes In Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>400,000</u>	\$ <u>450,000</u>	\$ <u>363,640</u>	\$ <u>(86,360)</u>
Expenditures:				
Current:				
Instruction:				
Special education:				
Salaries and wages	286,769	256,535	217,608	38,927
Employee benefits	118,336	101,640	82,281	19,359
Supplies and materials	700	41,714	35,064	6,650
Capital outlay - new	-	5,850	5,705	145
Total instruction	<u>405,805</u>	<u>405,739</u>	<u>340,658</u>	<u>65,081</u>
Support services:				
Pupil:				
Salaries and wages	-	2,650	2,650	-
Employee benefits	-	425	425	-
Total pupil	-	<u>3,075</u>	<u>3,075</u>	-
Instructional staff:				
Purchased services	<u>536</u>	<u>5,026</u>	<u>4,072</u>	<u>954</u>
Total support services	<u>536</u>	<u>8,101</u>	<u>7,147</u>	<u>954</u>
Operation of non-instructional services:				
Community services:				
Supplies and materials	<u>1,190</u>	<u>2,170</u>	<u>1,660</u>	<u>510</u>
Total expenditures	<u>407,531</u>	<u>416,010</u>	<u>349,465</u>	<u>66,545</u>
Net change in fund balance	(7,531)	33,990	14,175	(19,815)
Fund balance at beginning of year	8,747	8,747	8,747	-
Prior year encumbrances appropriated	<u>114</u>	<u>114</u>	<u>114</u>	-
Fund balance at end of year	\$ <u><u>1,330</u></u>	\$ <u><u>42,851</u></u>	\$ <u><u>23,036</u></u>	\$ <u><u>(19,815)</u></u>

Mentor Exempted Village School District

Chapter II – Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 99,990	\$ 99,990	\$ 75,466	\$ (24,524)
Expenditures:				
Current:				
Instruction:				
Regular education:				
Salaries and wages	19,300	25,841	9,372	16,469
Employee benefits	3,281	4,607	1,577	3,030
Supplies and materials	32,151	33,268	31,473	1,795
Total instruction	54,732	63,716	42,422	21,294
Support services:				
Pupil:				
Salaries and wages	26,000	26,000	26,000	-
Employee benefits	4,504	4,420	4,324	96
Total pupil	30,504	30,420	30,324	96
Administration:				
Salaries and wages	4,000	1,840	1,840	-
Employee benefits	680	310	310	-
Total administration	4,680	2,150	2,150	-
Pupil transportation:				
Purchased services	2,500	2,500	-	2,500
Total support services	37,684	35,070	32,474	2,596
Operation of non-instructional services:				
Community services:				
Supplies and materials	5,152	4,231	3,710	521
Total expenditures	97,568	103,017	78,606	24,411
Excess of revenues over (under) expenditures	2,422	(3,027)	(3,140)	(113)
Other financing sources (uses):				
Transfers - in	10	10	10	-
Net change in fund balance	2,432	(3,017)	(3,130)	(113)
Fund balance at beginning of year	1,379	1,379	1,379	-
Prior year encumbrances appropriated	1,765	1,765	1,765	-
Fund balance at end of year	\$ 5,576	\$ 127	\$ 14	\$ (113)

Mentor Exempted Village School District

Drug Free School Grant – Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 30,000	\$ 30,000	\$ 26,488	\$ (3,512)
Expenditures:				
Current:				
Instruction:				
Regular education:				
Salaries and wages	1,940	2,300	2,300	-
Employee benefits	330	410	388	22
Purchased services	1,820	1,820	1,820	-
Supplies and materials	1,700	1,700	1,500	200
Total instruction	5,790	6,230	6,008	222
Support services:				
Pupil:				
Purchased services	-	4,500	4,500	-
Instructional staff:				
Purchased services	25,334	25,321	25,100	221
Total support services	25,334	29,821	29,600	221
Total expenditures	31,124	36,051	35,608	443
Excess of revenues over (under) expenditures	(1,124)	(6,051)	(9,120)	(3,069)
Other financing sources (uses):				
Transfers - out	-	(10)	(10)	-
Net change in fund balance	(1,124)	(6,061)	(9,130)	(3,069)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	9,130	9,130	9,130	-
Fund balance at end of year	\$ 8,006	\$ 3,069	\$ -	\$ (3,069)

Mentor Exempted Village School District

Preschool Grant for the Handicapped – Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>100,000</u>	\$ <u>100,000</u>	\$ <u>64,880</u>	\$ <u>(35,120)</u>
Expenditures:				
Current:				
Instruction:				
Special education:				
Purchased services	-	2,000	1,916	84
Supplies and materials	<u>30,202</u>	<u>25,810</u>	<u>25,328</u>	<u>482</u>
Total instruction	<u>30,202</u>	<u>27,810</u>	<u>27,244</u>	<u>566</u>
Support services:				
Pupil:				
Salaries and wages	43,962	35,185	23,681	11,504
Employee benefits	8,431	10,938	6,854	4,084
Purchased services	6,303	11,303	10,683	620
Capital outlay - new	<u>1,600</u>	<u>5,318</u>	<u>5,318</u>	<u>-</u>
Total pupil	<u>60,296</u>	<u>62,744</u>	<u>46,536</u>	<u>16,208</u>
Instructional staff:				
Purchased services	<u>7,387</u>	<u>8,431</u>	<u>812</u>	<u>7,619</u>
Total support services	<u>67,683</u>	<u>71,175</u>	<u>47,348</u>	<u>23,827</u>
Total expenditures	<u>97,885</u>	<u>98,985</u>	<u>74,592</u>	<u>24,393</u>
Net change in fund balance	2,115	1,015	(9,712)	(10,727)
Fund balance at beginning of year	6,592	6,592	6,592	-
Prior year encumbrances appropriated	<u>3,726</u>	<u>3,726</u>	<u>3,726</u>	<u>-</u>
Fund balance at end of year	\$ <u>12,433</u>	\$ <u>11,333</u>	\$ <u>606</u>	\$ <u>(10,727)</u>

Mentor Exempted Village School District

Special Trust – Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Earnings on investments	\$ -	\$ -	\$ 1,019	\$ 1,019
Extracurricular activities	71,237	71,237	7,025	(64,212)
Miscellaneous revenue	303,763	303,763	59,428	(244,335)
Total revenues	<u>375,000</u>	<u>375,000</u>	<u>67,472</u>	<u>(307,528)</u>
Expenditures:				
Current:				
Instruction:				
Regular education:				
Purchased services	97	275	275	-
Supplies and materials	354	2,345	2,345	-
Capital outlay - new	<u>54,822</u>	<u>64,615</u>	<u>7,603</u>	<u>57,012</u>
Total regular education	<u>64,969</u>	<u>77,212</u>	<u>15,326</u>	<u>61,886</u>
Special education:				
Supplies and materials	<u>883</u>	<u>883</u>	<u>-</u>	<u>883</u>
Total instruction	<u>65,852</u>	<u>78,095</u>	<u>15,326</u>	<u>62,769</u>
Support services:				
Pupil:				
Purchased services	299	299	-	299
Supplies and materials	<u>4,962</u>	<u>4,962</u>	<u>-</u>	<u>4,962</u>
Total pupil	<u>5,261</u>	<u>5,261</u>	<u>-</u>	<u>5,261</u>
Instructional staff:				
Purchased services	1,173	900	105	795
Supplies and materials	<u>4,101</u>	<u>6,091</u>	<u>938</u>	<u>5,153</u>
Total instructional staff	<u>5,274</u>	<u>6,991</u>	<u>1,043</u>	<u>5,948</u>
Board of education:				
Other	2,000	2,000	1,500	500
Administration:				
Purchased services	411	300	145	155
Operations and maintenance of plant:				
Capital outlay - new	40,000	40,000	37,607	2,393
Central:				
Other	<u>1,050</u>	<u>10,103</u>	<u>3,541</u>	<u>6,562</u>
Total support services	<u>53,996</u>	<u>64,655</u>	<u>43,836</u>	<u>20,819</u>

Continued

Mentor Exempted Village School District

Special Trust – Special Revenue Fund (continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of non-instructional services:				
Community services:				
Supplies and materials	<u>500</u>	<u>2,662</u>	<u>2,051</u>	<u>611</u>
Extracurricular activities:				
Subject oriented activities:				
Other	27,053	29,361	16,230	13,131
Sports activities:				
Other	-	500	400	100
Co-curricular activities:				
Other	<u>10,458</u>	<u>3,711</u>	<u>1,706</u>	<u>2,005</u>
Total extracurricular activities	<u>37,511</u>	<u>34,447</u>	<u>18,997</u>	<u>15,450</u>
Total expenditures	<u>157,859</u>	<u>179,859</u>	<u>80,210</u>	<u>99,649</u>
Net change in fund balance	217,141	195,141	(12,738)	(207,879)
Fund balance at beginning of year	141,391	141,391	141,391	-
Prior year encumbrances appropriated	<u>739</u>	<u>739</u>	<u>739</u>	-
Fund balance at end of year	\$ <u>359,721</u>	\$ <u>337,271</u>	\$ <u>129,392</u>	\$ <u>(207,879)</u>

Mentor Exempted Village School District

E-Rate Reimbursement – Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>75,000</u>	\$ <u>150,000</u>	\$ <u>108,743</u>	\$ <u>(41,257)</u>
Expenditures:				
Current:				
Support services:				
Central:				
Purchased services	30,016	40,016	33,754	6,262
Supplies and materials	-	87,599	87,599	-
Capital outlay - new	-	11,144	2,034	9,110
Total expenditures	<u>30,016</u>	<u>138,759</u>	<u>123,387</u>	<u>15,372</u>
Net change in fund balance	44,984	(11,241)	(14,644)	(25,885)
Fund balance at beginning of year	28,186	28,186	28,186	-
Prior year encumbrances appropriated	<u>3,431</u>	<u>3,431</u>	<u>3,431</u>	-
Fund balance at end of year	\$ <u><u>76,601</u></u>	\$ <u><u>42,858</u></u>	\$ <u><u>16,973</u></u>	\$ <u><u>(25,885)</u></u>

Mentor Exempted Village School District

Classroom Reduction – Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>300,000</u>	\$ <u>300,000</u>	\$ <u>102,584</u>	\$ <u>(197,416)</u>
Expenditures:				
Current:				
Support services:				
Instructional staff:				
Salaries and wages	120,735	122,886	76,288	46,598
Employee benefits	20,674	20,646	12,810	7,836
Purchased services	99,052	95,976	23,055	72,921
Supplies and materials	<u>77</u>	<u>1,000</u>	<u>373</u>	<u>627</u>
Total expenditures	<u>240,538</u>	<u>240,508</u>	<u>112,526</u>	<u>127,982</u>
Net change in fund balance	59,462	59,492	(9,942)	(69,434)
Fund balance at beginning of year	9,915	9,915	9,915	-
Prior year encumbrances appropriated	<u>100</u>	<u>100</u>	<u>100</u>	-
Fund balance at end of year	\$ <u><u>69,477</u></u>	\$ <u><u>69,507</u></u>	\$ <u><u>73</u></u>	\$ <u><u>(69,434)</u></u>

Mentor Exempted Village School District

Miscellaneous Federal Grants – Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>300,000</u>	\$ <u>300,000</u>	\$ <u>23,843</u>	\$ <u>(276,157)</u>
Expenditures:				
Current:				
Instruction:				
Regular education:				
Salaries and wages	32,108	14,374	14,374	-
Employee benefits	5,410	2,400	2,400	-
Purchased services	4,725	4,400	4,400	-
Supplies and materials	<u>3,991</u>	<u>3,737</u>	<u>3,737</u>	<u>-</u>
Total instruction	<u>46,234</u>	<u>24,911</u>	<u>24,911</u>	<u>-</u>
Support services:				
Pupil:				
Salaries and wages	1,633	68	-	68
Employee benefits	275	11	-	11
Supplies and materials	<u>500</u>	<u>720</u>	<u>267</u>	<u>453</u>
Total pupil	<u>2,408</u>	<u>799</u>	<u>267</u>	<u>532</u>
Instructional staff:				
Salaries and wages	6,315	3,924	2,070	1,854
Employee benefits	<u>1,039</u>	<u>794</u>	<u>351</u>	<u>443</u>
Total instructional staff	<u>7,354</u>	<u>4,718</u>	<u>2,421</u>	<u>2,297</u>
Administration:				
Salaries and wages	7,795	12,726	2,400	10,326
Employee benefits	<u>400</u>	<u>370</u>	<u>370</u>	<u>-</u>
Total administration	<u>8,195</u>	<u>13,096</u>	<u>2,770</u>	<u>10,326</u>
Total support services	<u>17,957</u>	<u>18,613</u>	<u>5,458</u>	<u>13,155</u>
Other non-instructional services:				
Community services:				
Supplies and materials	<u>1,414</u>	<u>903</u>	<u>486</u>	<u>417</u>
Total expenditures	<u>65,605</u>	<u>44,427</u>	<u>30,855</u>	<u>13,572</u>
Net change in fund balance	234,395	255,573	(7,012)	(262,585)
Fund balance at beginning of year	1,831	1,831	1,831	-
Prior year encumbrances appropriated	<u>5,367</u>	<u>5,367</u>	<u>5,367</u>	<u>-</u>
Fund balance at end of year	\$ <u>241,593</u>	\$ <u>262,771</u>	\$ <u>186</u>	\$ <u>(262,585)</u>

Mentor Exempted Village School District

Permanent Improvement – Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 958,847	\$ 958,847	\$ 954,534	\$ (4,313)
Earnings on investments	100,000	100,000	104,552	4,552
Intergovernmental	191,339	191,339	170,628	(20,711)
Miscellaneous revenue	586,560	586,560	509,290	(77,270)
Total revenues	<u>1,836,746</u>	<u>1,836,746</u>	<u>1,739,004</u>	<u>(97,742)</u>
Expenditures:				
Current:				
Support Services:				
Fiscal:				
Other	<u>16,000</u>	<u>15,888</u>	<u>12,902</u>	<u>2,986</u>
Operation and maintenance of plant:				
Purchased services	732,809	2,532,164	1,557,296	974,868
Supplies and materials	<u>364,000</u>	<u>364,341</u>	<u>19,646</u>	<u>344,695</u>
Total operation and maintenance of plant	<u>1,096,809</u>	<u>2,896,505</u>	<u>1,576,942</u>	<u>1,319,563</u>
Capital outlay	<u>2,551,052</u>	<u>2,701,468</u>	<u>1,120,380</u>	<u>1,581,088</u>
Total expenditures	<u>3,663,861</u>	<u>5,613,861</u>	<u>2,710,224</u>	<u>2,903,637</u>
Excess of revenues over (under) expenditures	<u>(1,827,115)</u>	<u>(3,777,115)</u>	<u>(971,220)</u>	<u>2,805,895</u>
Other financing sources (uses):				
Sale of capital assets	-	-	32,121	32,121
Issuance of notes	1,950,000	1,950,000	1,950,000	-
Transfers - in	64,000	54,000	54,000	-
Advances - out	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,514,000</u>	<u>1,504,000</u>	<u>1,536,121</u>	<u>32,121</u>
Net change in fund balance	(313,115)	(2,273,115)	564,901	2,838,016
Fund balance at beginning of year	1,906,240	1,906,240	1,906,240	-
Prior year encumbrances appropriated	<u>617,828</u>	<u>617,828</u>	<u>617,828</u>	<u>-</u>
Fund balance at end of year	\$ <u>2,210,953</u>	\$ <u>250,953</u>	\$ <u>3,088,969</u>	\$ <u>2,838,016</u>

Mentor Exempted Village School District

SchoolNet Plus – Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 66,256	\$ (33,744)
Expenditures:				
Capital outlay	<u>-</u>	<u>66,256</u>	<u>66,256</u>	<u>-</u>
Net change in fund balance	100,000	33,744	-	(33,744)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	\$ <u>100,000</u>	\$ <u>33,744</u>	\$ <u>-</u>	\$ <u>(33,744)</u>

Mentor Exempted Village School District

Food Service – Enterprise Fund

Schedule of Revenues, Expenditures and Changes in Fund Equity – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Sales	\$ 2,156,262	\$ 2,156,262	\$ 1,857,996	\$ (298,266)
Interest income	4,500	4,500	2,009	(2,491)
Intergovernmental	509,238	509,238	588,681	79,443
Total revenues	<u>2,670,000</u>	<u>2,670,000</u>	<u>2,448,686</u>	<u>(221,314)</u>
Expenses:				
Salaries and wages	941,906	937,206	930,984	6,222
Fringe benefits	652,618	657,318	657,303	15
Contractual services	117,290	107,290	61,727	45,563
Supplies and materials	<u>897,375</u>	<u>907,375</u>	<u>826,279</u>	<u>81,096</u>
Total expenses	<u>2,609,189</u>	<u>2,609,189</u>	<u>2,476,293</u>	<u>132,896</u>
Excess of revenues over (under) expenses	60,811	60,811	(27,607)	(88,418)
Other financing sources and (uses):				
Advances - in	<u>130,000</u>	<u>130,000</u>	<u>-</u>	<u>(130,000)</u>
Net change in fund equity	190,811	190,811	(27,607)	(218,418)
Fund equity at beginning of year	64,490	64,490	64,490	-
Prior year encumbrances appropriated	<u>175</u>	<u>175</u>	<u>175</u>	<u>-</u>
Fund equity at end of year	\$ <u>255,476</u>	\$ <u>255,476</u>	\$ <u>37,058</u>	\$ <u>(218,418)</u>

Mentor Exempted Village School District

Uniform Supplies – Enterprise Fund

Schedule of Revenues, Expenditures and Changes in Fund Equity – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Classroom materials and fees	\$ <u>700,000</u>	\$ <u>700,000</u>	\$ <u>281,113</u>	\$ <u>(418,887)</u>
Expenses:				
Contractual services	6,300	6,462	1,677	4,785
Supplies and materials	<u>498,561</u>	<u>498,999</u>	<u>229,724</u>	<u>269,275</u>
Total expenses	<u>504,861</u>	<u>505,461</u>	<u>231,401</u>	<u>274,060</u>
Net change in fund equity	195,139	194,539	49,712	(144,827)
Fund equity at beginning of year	19,328	19,328	19,328	-
Prior year encumbrances appropriated	<u>104,861</u>	<u>104,861</u>	<u>104,861</u>	-
Fund equity at end of year	\$ <u>319,328</u>	\$ <u>318,728</u>	\$ <u>173,901</u>	\$ <u>(144,827)</u>

Mentor Exempted Village School District

Rotary-Special Services – Enterprise Fund

Schedule of Revenues, Expenditures and Changes in Fund Equity –
Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Tuition and fees	\$ 186,000	\$ 186,000	\$ 69,867	\$ (116,133)
Miscellaneous revenue	-	-	99	99
Total revenues	<u>186,000</u>	<u>186,000</u>	<u>69,966</u>	<u>(116,034)</u>
Expenses:				
Salaries and wages	88,203	158,289	65,466	92,823
Fringe benefits	13,743	25,610	10,699	14,911
Contractual services	2,236	313	180	133
Supplies and materials	<u>3,950</u>	<u>4,150</u>	<u>235</u>	<u>3,915</u>
Total expenses	<u>108,132</u>	<u>188,362</u>	<u>76,580</u>	<u>111,782</u>
Excess of revenues over (under) expenses	77,868	(2,362)	(6,614)	(4,252)
Other financing sources (uses):				
Transfers - in	<u>14,000</u>	<u>14,000</u>	<u>14,000</u>	<u>-</u>
Net change in fund equity	91,868	11,638	7,386	(4,252)
Fund equity at beginning of year	<u>79,682</u>	<u>79,682</u>	<u>79,682</u>	<u>-</u>
Fund equity at end of year	\$ <u><u>171,550</u></u>	\$ <u><u>91,320</u></u>	\$ <u><u>87,068</u></u>	\$ <u><u>(4,252)</u></u>

Mentor Exempted Village School District

Adult Education – Enterprise Fund

Schedule of Revenues, Expenditures and Changes in Fund Equity – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous revenue	\$ 50,000	\$ 50,000	\$ 500	\$ (49,500)
Expenses:				
Other expenses	3,984	3,984	163	3,821
Net change in fund equity	46,016	46,016	337	(45,679)
Fund equity at beginning of year	5,471	5,471	5,471	-
Fund equity at end of year	\$ 51,487	\$ 51,487	\$ 5,808	\$ (45,679)

Mentor Exempted Village School District

Internal Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Equity – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Tuition and fees	\$ 50,000	\$ 50,000	\$ 66,311	\$ 16,311
Earnings on investments	-	-	556	556
Extracurricular activities	698,700	798,700	568,190	(230,510)
Miscellaneous revenue	111,300	111,300	51,242	(60,058)
Total revenues	<u>860,000</u>	<u>960,000</u>	<u>686,299</u>	<u>(273,701)</u>
Expenses:				
Salaries and wages	351,920	394,200	324,504	69,696
Fringe benefits	59,561	84,096	75,567	8,529
Contractual services	251,341	262,652	114,693	147,959
Supplies and materials	95,546	96,346	80,555	15,791
Other expenses	143,095	156,198	48,980	107,218
Total expenses	<u>901,463</u>	<u>993,492</u>	<u>644,299</u>	<u>349,193</u>
Excess of revenues over (under) expenses	<u>(41,463)</u>	<u>(33,492)</u>	<u>42,000</u>	<u>75,492</u>
Other financing sources (uses):				
Transfers - in	-	-	26,230	26,230
Advances - in	40,000	40,000	-	(40,000)
Transfers - out	(37,187)	(37,187)	-	37,187
Advances - out	(17,500)	(109,696)	(107,196)	2,500
Total other financing sources (uses)	<u>(14,687)</u>	<u>(106,883)</u>	<u>(80,966)</u>	<u>25,917</u>
Net change in fund equity	(56,150)	(140,375)	(38,966)	101,409
Fund equity at beginning of year	114,344	114,344	114,344	-
Prior year encumbrances appropriated	<u>38,306</u>	<u>38,306</u>	<u>38,306</u>	<u>-</u>
Fund equity at end of year	\$ <u>96,500</u>	\$ <u>12,275</u>	\$ <u>113,684</u>	\$ <u>101,409</u>



Statistical Section

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Mentor Exempted Village School District

Statistical Section

June 30, 2008

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	129-137
Revenue Capacity These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	138-144
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	145-148
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	149
Operating Information These schedules contain service data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	150-154

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The School District implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.



Danny Duplessis
Fifth Grade
Rice Elementary

Mentor Exempt Village School District

Net Assets by Component

Last Six Fiscal Years Table 1

	2003	2004	2005	2006	2007	2008
Governmental activities:						
Invested in capital assets, net of related debt	\$ 2,482,562	\$ 1,764,840	\$ 3,480,443	\$ 2,128,472	\$ 3,991,006	\$ 6,387,242
Restricted for:						
Debt service	-	-	-	1,136,473	1,168,686	1,178,731
State funded programs	-	217,520	215,612	111,602	93,825	151,785
Federally funded programs	-	207,680	202,395	51,021	99,573	331,018
Extracurricular activities	-	84,710	141,114	151,542	138,814	130,590
Health Care Consortium	1,948,950	2,008,216	-	-	-	-
Unrestricted (deficit)	(13,852,295)	(25,287,055)	(6,331,358)	8,006,110	22,834,582	32,819,248
Total net assets - governmental activities	(9,420,783)	(21,004,089)	(2,291,794)	11,585,220	28,326,486	40,998,614
Business - type activities:						
Invested in capital assets, net of related debt	286,793	310,861	344,182	49,328	56,113	64,440
Unrestricted (deficit)	453,351	218,982	201,050	71,157	(101,135)	47,213
Total net assets - business - type activities	740,144	529,843	545,232	120,485	(45,022)	111,653
Primary government:						
Invested in capital assets, net of related debt	2,769,355	2,075,701	3,824,625	2,177,800	4,047,119	6,451,682
Restricted for:						
Debt service	-	-	-	1,136,473	1,168,686	1,178,731
State funded programs	-	217,520	215,612	111,602	93,825	151,785
Federally funded programs	-	207,680	202,395	51,021	99,573	331,018
Extracurricular activities	-	84,710	141,114	151,542	138,814	130,590
Health Care Consortium	1,948,950	2,008,216	-	-	-	-
Unrestricted (deficit)	(13,398,944)	(25,068,073)	(6,130,308)	8,077,267	22,733,447	32,866,461
Total net assets - primary government	\$ (8,680,639)	\$ (20,474,246)	\$ (1,746,562)	\$ 11,705,705	\$ 28,281,464	\$ 41,110,267

Source: School District financial records. The School District implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

Mentor Exempted Village School District

Changes in Net Assets

Last Six Fiscal Years

Table 2

	2003	2004	2005	2006	2007	2008
Expenses:						
Governmental activities:						
Instruction:						
Regular education	\$ 40,956,464	\$ 43,134,601	\$ 36,199,146	\$ 39,940,654	\$ 41,646,722	\$ 44,805,104
Special education	8,260,968	9,584,464	9,724,457	10,705,438	10,390,051	11,094,561
Vocational education	2,544,369	2,835,166	2,714,935	2,168,793	2,312,758	2,315,928
Adult/continuing education	71,533	4,251	-	-	-	-
Other	2,298,419	1,513,815	3,238	616,275	801,047	797,941
Support services:						
Pupil	5,683,969	6,128,799	5,154,883	6,038,086	6,260,266	6,220,899
Instructional staff	4,816,165	5,393,115	3,704,672	4,011,014	4,140,106	5,264,426
Board of education	629,729	479,902	704,216	572,005	519,445	629,220
Administration	6,311,385	6,440,990	5,819,677	4,998,141	5,112,076	5,525,373
Fiscal	1,694,931	2,119,153	2,066,562	2,092,249	2,400,896	2,505,210
Business	23,205	302,004	334,689	388,929	667,976	425,188
Operation and maintenance of plant	8,766,874	8,494,172	7,174,525	8,032,060	8,111,466	8,292,228
Pupil transportation	5,635,017	5,668,170	4,887,065	4,830,605	5,679,537	6,260,899
Central	1,960,997	1,321,251	712,769	1,607,286	1,268,216	1,592,739
Operation of non-instructional services	1,011,416	1,914,056	1,420,093	1,286,930	1,456,883	1,530,928
Extracurricular activities	2,858,612	1,546,458	1,355,855	1,553,679	1,629,409	1,852,683
Interest and fiscal charges	1,321,916	1,604,865	1,134,454	567,851	644,526	590,868
Total governmental activities expenses	94,845,969	98,485,232	83,111,236	89,409,995	93,041,380	99,704,195
Business-type activities:						
Food service	2,712,308	2,703,619	2,355,277	2,470,584	2,597,515	2,597,209
Uniform supplies	297,382	363,205	322,506	382,824	432,235	140,837
Rotary-special services	-	12,345	73,116	154,311	23,725	117,481
Adult education	136,412	127,653	-	1,040	56	163
Recreation	187,850	143,733	-	-	-	-
Total business-type activities expenses	3,333,952	3,350,555	2,750,899	3,008,759	3,053,531	2,855,690
Total primary government expenses	\$ 98,179,921	\$ 101,835,787	\$ 85,862,135	\$ 92,418,754	\$ 96,094,911	\$ 102,559,885

Continued

Mentor Exempted Village School District

Changes in Net Assets (continued)

Last Six Fiscal Years

Table 2

	2003	2004	2005	2006	2007	2008
Program revenues:						
Governmental activities:						
Charges for services:						
Regular education	\$ 67,905	\$ 727,349	\$ 1,283,167	\$ 512,113	\$ 636,210	\$ 911,625
Special education	273,771	234,357	14,495	452,284	682,485	361,110
Vocational education	-	-	-	215,703	300,087	339,466
Other	-	-	-	-	2,660	3,540
Pupil	-	44,399	-	-	-	-
Administration	841,692	101,073	57,979	1,322,511	-	-
Operation and maintenance of plant	-	-	-	-	-	22,164
Pupil transportation	76,840	125,243	92,643	47,715	72,344	64,480
Central	-	-	4,275	27,668	27,118	17,155
Operation of non-instructional services	89,570	78,968	-	-	-	-
Extracurricular activities	515,432	586,140	893,328	648,558	729,717	759,950
Operating grants and contributions:						
Regular education	1,128,057	934,069	1,176,175	486,164	454,225	623,271
Special education	1,830,445	2,352,267	2,081,123	2,666,708	2,939,106	2,893,958
Vocational	682,628	865,694	1,243,935	408,021	403,101	349,459
Instructional staff	56,000	-	-	-	-	36,091
Administration	-	-	-	-	-	382,200
Operation and maintenance of plant	-	-	-	-	70,292	78,099
Central	92,021	83,709	74,993	121,955	97,934	150,743
Operation of non-instructional services	-	1,135,660	1,147,334	1,178,564	1,187,363	1,283,514
Extracurricular activities	1,064,200	-	-	-	159,259	101,048
Capital grants and contributions:						
Administration	-	-	-	550,000	500,639	500,000
Pupil transportation	161,631	-	-	-	-	-
Total governmental activities program revenues	<u>6,880,192</u>	<u>7,268,928</u>	<u>8,069,447</u>	<u>8,637,964</u>	<u>8,262,540</u>	<u>8,877,873</u>

Continued

Mentor Exempted Village School District

Changes in Net Assets (continued)

Last Six Fiscal Years

Table 2

	2003	2004	2005	2006	2007	2008
Business-type activities:						
Charges for services:						
Food service	1,849,378	1,968,096	1,846,313	1,810,431	1,852,301	1,858,070
Uniform supplies	271,272	288,949	324,785	326,574	274,797	280,833
Rotary	-	5,623	68,140	100,307	81,255	69,866
Adult education	154,762	118,146	-	500	500	500
Recreation	197,661	119,121	-	-	-	-
Operating grants and contributions:						
Food service	519,131	602,702	486,760	637,414	672,994	638,103
Adult education	-	220	-	-	-	-
Total business-type activities	2,992,204	3,102,857	2,725,998	2,875,226	2,881,847	2,847,372
program revenues						
Total primary government revenues	9,710,765	10,371,785	10,795,445	11,513,190	11,144,387	11,725,245
Net (expenses) revenue:						
Governmental activities	(87,965,777)	(91,216,304)	(75,041,789)	(80,772,031)	(84,778,840)	(90,826,322)
Business-type activities	(341,748)	(247,698)	(24,901)	(133,533)	(171,684)	(8,318)
Total primary government net expenses	\$ (88,307,525)	\$ (91,464,002)	\$ (75,066,690)	\$ (80,905,564)	\$ (84,950,524)	\$ (90,834,640)

Continued

Mentor Exempted Village School District

Changes in Net Assets (continued)

Last Six Fiscal Years

Table 2

	2003	2004	2005	2006	2007	2008
General revenues and other changes in net assets:						
Governmental activities:						
Property taxes levied for:						
General purpose	\$ 54,910,178	\$ 52,424,690	\$ 64,136,454	\$ 65,732,858	\$ 65,961,789	\$ 65,257,692
Debt service	1,934,762	1,525,603	2,351,745	3,691,781	3,658,620	3,557,490
Capital projects	1,216,247	963,442	994,258	972,153	995,885	975,018
Grants and entitlements not restricted to specific programs	21,901,553	23,729,703	24,591,265	25,207,274	28,279,885	31,027,122
Investment earnings	92,578	94,172	751,071	1,245,192	2,309,938	2,179,800
Miscellaneous revenue	267,402	929,112	892,690	477,796	313,989	665,328
Transfers	-	(33,724)	31,478	(5,566)	-	(164,000)
Gain on the sale on an asset	13,142	-	5,123	-	-	-
Total governmental activities	<u>80,335,862</u>	<u>79,632,998</u>	<u>93,754,084</u>	<u>97,321,488</u>	<u>101,520,106</u>	<u>103,498,450</u>
Business - type activities:						
Grants and entitlements not restricted to specific programs	-	-	71,937	-	-	-
Investment earnings	4,170	1,173	1,669	3,409	6,177	993
Miscellaneous	-	2,500	-	-	-	-
Loss on the sale on an asset	-	-	(1,838)	-	-	-
Transfers	-	33,724	(31,478)	5,566	-	164,000
Total business - type activities	<u>4,170</u>	<u>37,397</u>	<u>40,290</u>	<u>8,975</u>	<u>6,177</u>	<u>164,993</u>
Total primary government	<u>80,340,032</u>	<u>79,670,395</u>	<u>93,794,374</u>	<u>97,330,463</u>	<u>101,526,283</u>	<u>103,663,443</u>
Change in net assets:						
Governmental activities	(7,629,915)	(11,583,306)	18,712,295	16,549,457	16,741,266	12,672,128
Business - type activities	<u>(337,578)</u>	<u>(210,301)</u>	<u>15,389</u>	<u>(124,558)</u>	<u>(165,507)</u>	<u>156,675</u>
Total primary government change in net assets	<u>\$ (7,967,493)</u>	<u>\$ (11,793,607)</u>	<u>\$ 18,727,684</u>	<u>\$ 16,424,899</u>	<u>\$ 16,575,759</u>	<u>\$ 12,828,803</u>

Source: School District financial records. The School District implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

Mentor Exempted Village School District

Program Revenues by Function/Program

Last Six Fiscal Years

Table 3

	2003	2004	2005	2006	2007	2008
Governmental activities:						
Regular education	\$ 1,195,962	\$ 1,661,418	\$ 2,459,342	\$ 998,277	\$ 1,090,435	\$ 1,534,896
Special education	2,104,216	2,586,624	2,095,618	3,118,992	3,621,591	3,255,068
Vocational education	682,628	865,694	1,243,935	623,724	703,188	688,925
Other	-	-	-	-	2,660	3,540
Pupil	-	44,399	-	-	-	-
Instructional staff	56,000	-	-	-	-	36,091
Administration	841,692	101,073	57,979	1,872,511	500,639	882,200
Operation and maintenance of plant	-	-	-	-	70,292	100,263
Pupil transportation	238,471	125,243	92,643	47,715	72,344	64,480
Central	92,021	83,709	79,268	149,623	125,052	167,898
Operation of non-instructional services	89,570	1,214,628	1,147,334	1,178,564	1,187,363	1,283,514
Extracurricular activities	1,579,632	586,140	893,328	648,558	888,976	860,998
Total governmental activities	<u>6,880,192</u>	<u>7,268,928</u>	<u>8,069,447</u>	<u>8,637,964</u>	<u>8,262,540</u>	<u>8,877,873</u>
Business-type activities:						
Food service	2,368,509	2,570,798	2,333,073	2,447,845	2,525,295	2,429,498
Uniform supplies	271,272	288,949	324,785	326,574	274,797	280,833
Rotary-special services	-	5,623	68,140	100,307	81,255	69,866
Adult education	154,762	118,366	-	500	500	500
Recreation	197,661	119,121	-	-	-	-
Total business-type activities	<u>2,992,204</u>	<u>3,102,857</u>	<u>2,725,998</u>	<u>2,875,226</u>	<u>2,881,847</u>	<u>2,847,372</u>
Total primary government program revenues	\$ <u>9,872,396</u>	\$ <u>10,371,785</u>	\$ <u>10,795,445</u>	\$ <u>11,513,190</u>	\$ <u>11,144,387</u>	\$ <u>11,725,245</u>

Source: School District financial records. The School District implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

Mentor Exempted Village School District

Fund Balances, Governmental Funds

Last Ten Fiscal Years Table 4

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General fund:										
Reserved	\$ 2,033,599	\$ 2,559,934	\$ 1,846,769	\$ 1,771,250	\$ 7,240,318	\$ 6,516,061	\$ 11,365,628	\$ 8,725,459	\$ 6,726,103	\$ 6,627,563
Unreserved (deficit)	(3,563,092)	(1,549,548)	(7,882,059)	(7,931,436)	(19,073,107)	(8,451,274)	(272,828)	7,774,628	25,887,979	35,465,530
Total general fund	<u>(1,529,493)</u>	<u>1,010,386</u>	<u>(6,035,290)</u>	<u>(6,160,186)</u>	<u>(11,832,789)</u>	<u>(1,935,213)</u>	<u>11,092,800</u>	<u>16,500,087</u>	<u>32,614,082</u>	<u>42,093,093</u>
All other governmental funds:										
Reserved	3,231,108	3,840,764	2,733,932	2,015,652	2,115,786	1,601,966	2,298,209	2,480,667	2,060,827	2,613,850
Unreserved, undesignated, Reported in:										
Special revenue funds	895,079	163,244	44,574	(50,292)	(397,608)	302,389	477,949	306,393	450,641	624,947
Capital projects funds	(2,917,530)	(2,556,844)	(1,896,679)	(1,122,171)	(451,078)	(849,791)	390,439	1,414,391	1,311,087	1,034,907
Total all other governmental funds	<u>1,208,657</u>	<u>1,447,164</u>	<u>881,827</u>	<u>843,189</u>	<u>1,267,100</u>	<u>1,054,564</u>	<u>3,166,597</u>	<u>4,201,451</u>	<u>3,822,555</u>	<u>4,273,704</u>
Total governmental funds	\$ <u>(320,836)</u>	\$ <u>2,457,550</u>	\$ <u>(5,153,463)</u>	\$ <u>(5,316,997)</u>	\$ <u>(10,565,689)</u>	\$ <u>(880,649)</u>	\$ <u>14,259,397</u>	\$ <u>20,701,538</u>	\$ <u>36,436,637</u>	\$ <u>46,366,797</u>

Source: School District financial records.

Mentor Exempted Village School District

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years **Table 5**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues:										
Taxes	\$ 49,703,326	\$ 53,131,605	\$ 50,558,752	\$ 55,537,652	\$ 57,447,184	\$ 55,371,277	\$ 66,964,875	\$ 71,898,835	\$ 72,038,853	\$ 69,020,927
Intergovernmental	26,143,848	25,582,794	26,290,117	27,870,998	26,916,535	28,852,517	30,553,613	30,076,860	33,317,849	36,092,948
Tuition and fees	163,254	206,366	195,240	230,179	175,267	896,991	1,375,810	1,113,377	1,543,831	1,494,705
Earnings on investments	578,504	720,286	765,183	720,298	92,509	91,535	415,479	1,245,215	2,309,938	2,179,248
Extracurricular activities	199,406	247,783	250,519	250,084	329,170	433,844	782,771	761,198	837,151	853,846
Contributions and donations	-	190,893	232,435	254,724	-	-	-	-	-	-
Charges for services	-	105,270	105,312	103,111	89,570	-	4,275	-	-	-
Classroom materials and fees	-	-	-	-	358,067	78,968	-	-	-	-
Miscellaneous revenue	544,925	335,102	101,013	214,757	358,067	431,424	426,679	980,878	1,124,940	1,857,229
Total revenues	77,333,263	80,520,099	78,498,571	84,713,803	85,408,302	86,156,556	100,523,502	106,076,363	111,172,562	111,498,903
Expenditures:										
Current:										
Instruction	43,819,740	44,183,055	47,589,362	48,283,502	-	-	-	-	-	-
Regular education	-	-	-	-	39,414,096	40,447,432	35,960,608	39,398,241	39,570,542	42,274,204
Special education	-	-	-	-	8,274,200	9,366,190	9,753,168	10,568,947	10,246,902	10,999,145
Vocational education	-	-	-	-	2,584,977	2,727,370	2,739,969	2,331,028	2,283,750	2,248,335
Adult	-	-	-	-	71,533	7,046	-	-	-	-
Other	-	-	-	-	2,298,419	1,511,020	3,238	616,275	801,047	797,941
Support Services:										
Pupil	4,484,734	4,621,957	4,679,347	4,901,974	5,709,112	5,803,632	5,386,707	5,962,647	6,278,693	5,869,905
Instructional staff	2,847,225	3,214,204	3,500,607	4,043,172	4,830,999	5,163,861	3,798,426	4,043,939	4,025,630	5,265,019
Board of education	452,184	501,619	614,501	677,709	629,729	479,902	704,216	572,005	519,445	629,220
Administration	5,034,343	4,821,304	4,953,635	5,085,796	5,464,582	5,544,785	4,424,330	5,105,722	5,112,244	5,519,624
Fiscal	1,582,396	1,636,206	1,742,146	2,336,762	1,680,799	2,097,989	2,067,938	2,081,479	2,446,827	2,493,429
Business	504,930	526,875	674,150	644,005	705,305	636,011	595,051	626,486	680,252	422,564
Operation and maintenance of plant	7,153,258	8,095,071	8,344,673	9,295,466	9,109,353	9,565,657	7,473,930	8,406,260	7,227,783	8,802,705
Pupil transportation	4,058,486	4,100,279	4,389,336	4,669,889	6,464,715	5,139,482	5,073,907	4,800,294	5,677,350	6,162,044
Central	721,867	728,205	954,721	1,429,671	1,998,367	1,322,314	879,218	1,572,181	1,470,520	1,567,040
Food service operations	22,950	77,621	87,765	87,786	-	-	5,346	961	684	1,230
Community services	953,782	1,017,397	1,169,267	1,199,116	322,672	1,353,307	1,207,360	1,279,536	1,437,796	1,526,416
Extracurricular activities	1,299,060	1,251,397	1,359,030	1,500,117	2,890,030	1,535,319	1,346,644	1,547,156	1,612,396	1,842,457
Capital outlay	437,935	200,667	-	-	-	-	-	-	2,338,403	1,062,487
Miscellaneous	4,138	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal retirement	483,836	442,945	416,507	394,540	466,933	464,926	16,661,000	12,866,334	4,110,690	4,101,642
Interest and fiscal charges	1,417,137	1,432,468	1,462,360	1,400,911	1,305,993	1,596,861	1,091,276	604,982	652,414	598,562
Total expenditures	75,278,001	76,851,270	81,937,407	85,950,416	94,221,814	94,763,104	99,172,332	102,384,473	96,493,368	102,183,969

Continued

Mentor Exempted Village School District

Changes in Fund Balances, Governmental Funds (continued)

Last Ten Fiscal Years **Table 5**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Excess of revenues over (under) expenditures	2,055,262	3,668,829	(3,438,836)	(1,236,613)	(8,813,512)	(8,606,548)	1,351,170	3,691,890	14,679,194	9,314,934
Other financing sources (uses):										
Other sources	-	-	-	-	-	2,552	335,592	-	-	-
Issuance of bonds	-	-	-	-	-	-	6,439,989	-	-	-
Issuance of notes	-	-	-	-	-	19,480,000	8,005,334	928,000	850,668	773,335
Inception of capital lease	-	-	275,536	328,183	1,007,040	-	-	-	174,000	-
Proceeds from sale of capital assets	69,131	12,056	21,322	18,001	13,142	-	12,624	1,286,203	43,085	32,121
Refund of prior year expenditures	-	18,019	336,312	142,998	161,464	-	57,865	114,815	-	-
Transfers in	476,913	382,624	561,452	367,167	465,646	859,850	1,046,636	260,378	271,836	361,054
Refund of prior year receipts	-	(8,491)	(28,501)	(11,381)	(10,880)	-	(49,781)	(5,521)	-	-
Transfers out	(1,549,475)	(1,230,620)	(1,352,948)	(940,053)	(465,646)	(2,050,814)	(1,128,530)	(298,214)	(283,684)	(551,284)
Total other financing sources (uses)	(1,003,431)	(826,412)	(186,827)	(95,085)	1,170,766	18,291,588	14,719,729	2,285,661	1,055,905	615,226
Net change in fund balances	\$ 1,051,831	\$ 2,842,417	\$ (3,625,663)	\$ (1,331,698)	\$ (7,642,746)	\$ 9,685,040	\$ 16,070,899	\$ 5,977,551	\$ 15,735,099	\$ 9,930,160

Debt service as a percentage of noncapital expenditures 2.60% 2.49% 2.33% 2.17% 1.92% 2.21% 18.15% 13.24% 5.12% 4.70%

Source: School District financial records

Mentor Exempted Village School District

Assessed and Estimated Actual Value of Taxable Property

Last Ten Years

Table 6

Year	Real Property		Public Utility Property		Tangible Personal Property		Total		
	Assessed Value	Estimated Actual Value(1)	Assessed Value	Estimated Actual Value(1)	Assessed Value	Estimated Actual Value(1)	Assessed Value	Estimated Actual Value	
1999	\$ 1,207,740,240	\$ 3,450,686,400	\$ 57,296,770	\$ 229,187,080	\$ 156,299,500	\$ 625,198,000	\$ 1,421,336,510	\$ 4,305,071,480	\$ 67.21
2000	1,228,998,710	3,511,424,886	53,714,800	214,859,200	175,243,944	700,975,776	1,457,957,454	4,427,259,862	66.87
2001	1,394,604,940	3,984,585,543	51,031,770	204,127,080	180,385,071	721,540,284	1,626,021,781	4,910,252,907	66.84
2002	1,412,020,610	4,034,344,600	45,017,670	180,070,680	189,929,231	759,716,924	1,646,967,511	4,974,132,204	66.79
2003	1,436,430,740	4,104,087,829	42,734,840	170,939,360	182,230,555	728,922,220	1,661,396,135	5,003,949,409	66.70
2004	1,685,185,080	4,814,814,514	43,693,710	174,774,840	167,917,519	671,670,076	1,896,796,309	5,661,259,430	66.70
2005	1,709,904,170	4,885,440,486	44,533,230	178,132,920	160,416,040	641,664,160	1,914,853,440	5,705,237,566	77.46
2006	1,729,289,390	4,940,826,829	42,689,040	170,756,160	129,253,952	689,354,411	1,901,232,382	5,800,937,400	77.28
2007	1,899,309,090	5,426,597,400	43,253,080	173,012,320	97,654,387	781,235,096	2,040,216,557	6,380,844,816	76.68
2008	1,921,324,500	5,489,498,571	39,990,890	159,963,560	67,732,977	1,083,727,632	2,029,048,367	6,733,189,763	76.70

Source: Lake County Auditor. Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

(1) This amount is calculated based on the following percentages:

Real Property - Assessed at 35 percent of actual value.

Public utility personal is assessed at 25 percent of actual value.

Tangible Personal Property - Tax year 1983 begins a 1% reduction of assessed valuation for 10 year period.

Prior to 1983 property was assessed at 25 percent of actual value. For 2006, property was assessed at 18.75 percent, reduced to 12.5 percent of actual value for 2007.

For 2008, property was assessed at 6.25 percent.

Property in Lake County is reassessed once every three years on average. Tax rates are per \$1,000 of assessed value.

Mentor Exempted Village School District

Property Tax Rates – Direct and Overlapping Governments

Last Ten Years Table 7

Tax Year/ Collection Year	Concord Township	City of Mentor	City of Willoughby	City of Mentor-on the-Lake	Village of Kirtland Hills	Chardon Township (a)
1998/ 1999	\$ 9.40	\$ 4.50	7.19	\$ 24.00	\$ 23.00	\$ 7.70
Municipality/Township	67.21	67.21	67.21	67.21	67.21	67.21
School District	0.63	0.63	0.63	0.63	0.63	0.63
Library District	15.60	15.60	15.60	15.60	15.60	9.50
County	92.84	87.94	90.63	107.44	106.44	85.04
TOTAL						
1999/ 2000	9.40	4.50	7.19	24.00	23.00	7.70
Municipality/Township	66.87	66.87	66.87	66.87	66.87	66.87
School District	0.63	0.63	0.63	0.63	0.63	0.63
Library District	15.70	15.70	15.70	15.70	15.70	9.50
County	92.60	87.70	90.39	107.20	106.20	84.70
TOTAL						
2000/ 2001	9.40	4.50	7.19	24.00	23.00	7.70
Municipality/Township	66.84	66.84	66.84	66.84	66.84	66.84
School District	0.63	0.63	0.63	0.63	0.63	0.63
Library District	15.70	15.70	15.70	15.70	15.70	9.50
County	92.57	87.67	90.36	107.17	106.17	84.67
TOTAL						
2001/ 2002	9.40	4.50	7.19	24.00	23.00	7.70
Municipality/Township	66.79	66.79	66.79	66.79	66.79	66.79
School District	0.63	0.63	0.63	0.63	0.63	0.63
Library District	15.70	15.70	15.70	15.70	15.70	9.50
County	92.52	87.62	90.31	107.12	106.12	84.62
TOTAL						
2002/ 2003	9.40	4.50	7.19	24.00	23.00	7.70
Municipality/Township	66.77	66.77	66.87	66.77	66.77	66.70
School District	0.63	0.63	0.63	0.63	0.63	0.63
Library District	15.70	15.70	15.70	15.70	15.70	9.50
County	92.50	87.60	90.39	107.10	106.10	84.53
TOTAL						

Continued

Mentor Exempted Village School District

Property Tax Rates – Direct and Overlapping Governments (continued)

Last Ten Years Table 7

Tax Year/ Collection Year	Concord Township	City of Mentor	City of Willoughby	City of Mentor-on the-Lake	Village of Kirtland Hills	Chardon Township (a)
2003/ 2004	\$ 9.40	\$ 4.50	\$ 7.19	\$ 24.00	\$ 20.00	\$ 7.70
Municipality/Township	9.40	4.50	6.68	24.00	20.00	6.70
School District	69.62	77.46	49.77	77.46	77.46	77.46
Library District	0.63	0.62	1.30	0.62	0.62	0.63
County	15.70	15.70	15.70	15.70	15.70	15.10
TOTAL	95.35	90.45	73.45	117.78	113.78	99.89
2004/ 2005	\$ 9.40	\$ 4.50	\$ 6.58	\$ 24.00	\$ 20.00	\$ 6.70
Municipality/Township	9.40	4.50	6.58	24.00	20.00	6.70
School District	77.46	77.46	49.40	77.28	77.28	77.28
Library District	0.62	0.62	1.30	0.62	0.62	0.63
County	15.70	15.70	15.70	15.70	15.70	15.10
TOTAL	103.18	98.28	72.98	117.60	113.60	99.71
2005/ 2006	\$ 9.40	\$ 4.50	\$ 8.56	\$ 24.00	\$ 20.00	\$ 6.70
Municipality/Township	9.40	4.50	8.56	24.00	20.00	6.70
School District	76.68	76.68	48.52	76.68	76.68	76.68
Library District	0.63	0.63	1.30	0.63	0.63	0.63
County	15.70	15.70	15.70	15.70	15.70	15.10
TOTAL	102.41	97.51	74.08	117.01	113.01	99.11
2006/ 2007	\$ 9.40	\$ 4.50	\$ 8.54	\$ 24.00	\$ 18.00	\$ 6.70
Municipality/Township	9.40	4.50	8.54	24.00	18.00	6.70
School District	76.70	76.70	48.64	76.70	76.70	76.70
Library District	0.63	0.63	1.30	0.63	0.63	0.63
County	15.80	15.80	15.80	15.80	15.80	15.10
TOTAL	102.53	97.63	74.28	117.13	111.13	99.13
2007/ 2008	\$ 9.40	\$ 4.50	\$ 8.54	\$ 24.00	\$ 18.00	\$ 6.70
Municipality/Township	9.40	4.50	8.54	24.00	18.00	6.70
School District	76.70	76.70	48.64	76.70	76.70	76.70
Library District	0.63	0.63	1.30	0.63	0.63	0.63
County	15.80	15.80	15.80	15.80	15.80	15.10
TOTAL	102.53	97.63	74.28	117.13	111.13	99.13

Source: Lake and Geauga County Auditors - Data is presented on a calendar year basis consistent with the County Auditor's method of maintaining the information.

(a) Located in Geauga County

Mentor Exempted Village School District

Property Tax – Levies and Collections – Real and Tangible Personal Property

<u>Last Ten Years</u>		<u>Table 8</u>						
<u>Year</u>	<u>Current Levy</u>	<u>Delinquent Levy</u>	<u>Total Levy</u>	<u>Current Collection</u>	<u>Percent of Current Levy Collected</u>	<u>Delinquent Collection</u>	<u>Total Collections</u>	<u>Total Collection as a Percent of Current Levy</u>
1999	\$ 49,280,143	\$ 1,998,079	\$ 51,278,222	\$ 48,117,168	97.64%	\$ 1,162,974	\$ 49,280,142	100.00%
2000	56,626,512	2,353,769	58,980,281	54,995,114	97.12	1,631,398	56,626,512	100.00
2001	56,704,322	2,675,288	59,379,610	55,441,703	97.77	1,262,619	56,704,322	100.00
2002	58,892,070	2,581,368	61,473,438	56,889,448	96.60	1,022,971	57,912,419	98.34
2003	59,032,060	3,711,131	62,743,191	57,073,211	96.68	1,606,667	58,679,878	99.40
2004	58,608,457	3,680,538	62,288,995	56,910,391	97.10	1,719,718	58,630,109	100.04
2005	64,618,639	3,890,196	68,508,835	63,309,098	97.97	1,268,514	64,577,612	99.94
2006	81,991,123	4,175,061	86,166,184	79,113,652	96.49	1,699,737	80,813,389	98.56
2007	77,912,807	4,787,931	82,700,738	74,325,101	95.40	1,844,777	76,169,878	97.76
2008	73,884,407	6,170,292	80,054,699	72,084,664	97.56	2,362,672	74,447,336	100.76

Source: Lake County Auditor – Data is presented on a calendar year basis, consistent with the County Auditor’s method of maintaining the information.

Mentor Exempted Village School District

Principal Tax Payers – Real Estate Property Tax

As of December 31, 1999 and December 31, 2007

Table 9

Name of Taxpayer	December 31, 1999	
	Assessed Value	Percent of Total Assessed Value
DeBartolo Realty Partnership	\$ 18,203,360	1.51%
Fashion Square Associates	5,037,240	.42
Lake Hospital Systems, Inc.	4,085,400	.34
Euclid Clinic Foundation	3,611,960	.30
Michael E. Osborne	3,406,390	.28
Deepwood North Company	3,233,370	.27
Creekside Commons Ltd.	3,116,260	.26
Mentor Commons Ltd.	2,962,810	.25
James A. Brown	2,929,370	.24
Lincoln Electric Company	2,893,160	.24
Total	\$ 49,479,320	4.11%

Name of Taxpayer	December 31, 2007	
	Assessed Value	Percent of Total Assessed Value
Simon Property Group LP	\$ 27,595,230	1.44%
Steris Corporation	10,703,340	0.56
Cleveland Cuyahoga	7,339,250	0.38
Points East	7,223,610	0.38
First Interstate	4,861,210	0.25
F I Mentor Commons Ltd..	4,603,940	0.24
Harbour Run Apartments	4,189,080	0.22
Deepwood North Company	3,785,250	0.20
Michaels Inc.	3,466,810	0.18
F I Mentor II Ltd.	3,444,680	0.18
Total	\$ 77,212,400	4.03%

Source: Lake County Auditor – Data presented on a calendar year basis, consistent with the County Auditor’s method of maintaining the information.

Note: Information prior to 1999 was not available.

Mentor Exempted Village School District

Principal Taxpayers – Tangible Personal Property Tax

As of December 31, 1999 and December 31, 2007

Table 10

Name of Taxpayer	December 31, 1999	
	Assessed Value	Percent of Total Assessed Value
Lincoln Electric Company	\$ 7,358,490	4.71%
Avery Dennison Corporation	5,517,380	3.53
Buckeye Steel Casting Corporation	4,903,780	3.14
Jim Brown Chevrolet	3,692,900	2.36
Higbee Company	3,528,020	2.26
Polychem Corporation	3,243,220	2.08
Nupro Company.	3,222,550	2.06
Eye Lighting	2,479,240	1.59
Wiseco Piston Company	2,395,210	1.53
Minnesota Mining & Manufacturing	2,374,490	1.52
Total	\$ 38,715,280	24.78%

Name of Taxpayer	December 31, 2007	
	Assessed Value	Percent of Total Assessed Value
Lincoln Electric Company	\$ 12,266,200	18.11%
Avery Dennison Corporation	7,883,350	11.64
Steris Corporation	3,851,540	5.69
PCC Airfoils	3,665,100	5.41
Ohio Bell Telephone	2,583,790	3.81
Henkel Consumer Adhesives	2,465,160	3.64
Jim Brown Chevrolet	2,073,760	3.06
Buyers Products Company	1,784,490	2.63
Swagelok	1,771,110	2.61
Polychem Corporation	1,527,070	2.25
Total	\$ 39,871,570	58.85%

Source: Lake County Auditor – Data presented on a calendar year basis, consistent with the County Auditor’s method of maintaining the information.

Note: Information prior to 1999 was not available.

Mentor Exempted Village School District

Principal Tax Payers – Public Utilities Tax

As of December 31, 1999 and December 31, 2007

Table 11

Name of Taxpayer	December 31, 1999	
	Assessed Value	Percent of Total Assessed Value
Cleveland Electric Illuminating Company	\$ 28,579,860	2.01%
Consumer Ohio Water	14,656,120	1.03
Ohio Bell Telephone Company	13,129,720	.92
East Ohio Gas Company	3,437,730	.24
Total	\$ 59,803,430	4.20%

Name of Taxpayer	December 31, 2007	
	Assessed Value	Percent of Total Assessed Value
Cleveland Electric Illuminating Company	\$ 19,437,060	48.60%
Aqua Ohio Inc.	16,917,910	42.30
American Transmission	1,719,510	4.30
East Ohio Gas Company	1,252,900	3.13
Total	\$ 39,327,380	98.33%

Source: Lake County Auditor – Data presented on a calendar year basis, consistent with the County Auditor’s method of maintaining the information.

Note: Information prior to 1999 was not available.

Mentor Exempted Village School District

Computation of Direct and Overlapping General Obligation Bonded Debt

As of December 31, 2007

Table 12

<u>Jurisdiction</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to School District⁽¹⁾</u>	<u>Amount Applicable to School District</u>
Direct:			
Mentor Exempted Village School District	\$ 8,669,996	100.00%	\$ 8,669,996
Total direct	<u>8,669,996</u>		<u>8,669,996</u>
Overlapping:			
City of Mentor	19,244,376	76.68	14,756,588
City of Mentor-on-the-Lake	900,000	76.68	690,120
Lake County	23,999,000	29.51	7,082,105
Geauga County	<u>6,746,025</u>	23.00	<u>1,551,586</u>
Total overlapping	<u>50,889,401</u>		<u>24,080,399</u>
Total	\$ <u>59,559,397</u>		\$ <u>32,750,395</u>

Source: Lake and Geauga County Auditors, City of Mentor and City of Mentor-on-the-Lake.

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2007 collection year.

Mentor Exempted Village School District

Ratio of Outstanding Debt by Type

Table 13

Fiscal Year	Governmental Activities							Business Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Energy Conservation Notes	Long-Term Notes	Solvency Loan	Bond Anticipation Note	Capital Lease	Capital Lease	Capital Lease				
1999	\$ 14,175,851	\$ 1,500,000	-	\$ -	\$ -	\$ 1,054,098	-	\$ -	16,729,949	2.11%	\$ 353.27	
2000	13,732,906	1,250,000	-	-	-	848,488	-	-	15,831,394	1.28	314.88	
2001	13,316,399	1,000,000	-	-	-	858,023	-	-	15,174,422	1.23	301.81	
2002	12,921,859	750,000	-	-	-	733,869	-	-	14,405,728	1.17	286.52	
2003	12,454,926	750,000	5,000,000	-	-	1,057,403	156,254	156,254	19,418,583	1.57	386.22	
2004	11,990,000	1,410,000	2,480,000	17,000,000	-	714,975	136,464	136,464	33,731,439	2.73	670.90	
2005	10,764,989	77,333	2,989,334	8,500,000	-	447,539	115,395	115,395	22,894,590	1.85	455.36	
2006	9,299,989	77,333	8,016,000	-	-	208,118	92,963	92,963	17,694,403	1.43	351.93	
2007	8,013,299	77,333	6,042,668	-	-	166,415	69,081	69,081	14,368,796	1.16	285.79	
2008	6,719,996	77,333	4,069,335	-	1,950,000	104,744	43,657	43,657	12,965,065	1.05	257.87	

Source: School District Financial Records and the U.S. Census Bureau. See the schedule of Demographic and Economic Statistics for personal income and population data.

Mentor Exempted Village School District

Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita

Table I 4

<u>Last Ten Years</u>	<u>Bonded Debt</u>	<u>Assessed Value</u>	<u>Population</u>	<u>Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>
1999	\$ 13,301,168	\$ 1,421,336,510	47,358	0.94%	\$ 281
2000	12,722,120	1,457,957,454	50,278	0.87	253
2001	12,838,681	1,626,021,781	50,278	0.79	255
2002	12,083,311	1,646,967,511	50,278	0.73	240
2003	11,826,977	1,661,396,135	50,278	0.71	235
2004	11,990,000	1,896,796,309	50,278	0.63	238
2005	10,764,989	1,914,853,440	50,278	0.56	214
2006	9,299,989	1,901,232,382	50,278	0.49	185
2007	8,013,299	2,040,216,557	50,278	0.39	159
2008	8,669,996	2,029,048,367	50,278	0.43	172

Source: Lake County Auditor, School District Financial Records, and the U.S. Census Bureau

Mentor Exempted Village School District

Computation of Legal Debt Margin

Last Ten Years Table 15

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Assessed valuation (2)	\$ 1,421,336,510	\$ 1,457,957,454	\$ 1,626,021,781	\$ 1,646,967,571	\$ 1,661,396,135	\$ 1,896,796,309	\$ 1,914,853,440	\$ 1,768,121,420	\$ 1,935,669,540	\$ 1,961,315,390
Debt limit - 9% of assessed value	\$ 127,920,286	\$ 131,216,171	\$ 146,341,960	\$ 148,227,076	\$ 149,525,652	\$ 170,711,668	\$ 172,336,809	\$ 159,130,928	\$ 174,210,259	\$ 176,518,385
Amount of debt applicable to debt limit:										
General obligation bonds	14,175,851	13,732,906	13,316,399	12,921,859	12,454,926	11,990,000	10,764,989	9,299,989	8,013,299	6,719,996
Bond anticipation note	-	-	-	-	-	-	-	-	-	1,950,000
Energy conservation notes	-	-	-	-	-	1,410,000	1,082,667	1,005,334	928,001	850,668
Less: amount available in debt service fund	-	-	-	-	(1,094,882)	(992,110)	(1,212,649)	(1,136,473)	(1,069,854)	(1,042,860)
Total amount of debt subject to the limit	14,175,851	13,732,906	13,316,399	12,921,859	11,360,044	12,407,890	10,635,007	9,168,850	7,871,446	8,477,804
Exemptions:										
Energy conservation bonds	-	-	-	-	-	1,410,000	1,082,667	1,005,334	928,001	850,668
Amount of debt subject to the limit	14,175,851	13,732,906	13,316,399	12,921,859	11,360,044	10,997,890	9,552,340	8,163,516	6,943,445	7,627,136
Overall debt margin	\$ 113,744,435	\$ 117,483,265	\$ 133,025,561	\$ 135,305,217	\$ 138,165,608	\$ 159,713,778	\$ 162,784,469	\$ 150,967,412	\$ 167,266,814	\$ 168,891,249
Debt limit - .10% of assessed value (1)	\$ 1,421,337	\$ 1,457,957	\$ 1,626,022	\$ 1,646,968	\$ 1,661,396	\$ 1,896,796	\$ 1,914,853	\$ 1,768,121	\$ 1,935,670	\$ 1,961,315
Amount of debt applicable	-	-	-	-	-	-	-	-	-	-
Unvoted debt margin	\$ 1,421,337	\$ 1,457,957	\$ 1,626,022	\$ 1,646,968	\$ 1,661,396	\$ 1,896,796	\$ 1,914,853	\$ 1,768,121	\$ 1,935,670	\$ 1,961,315

Source: Lake County Auditor and School District Financial Records

- (1) Ohio Bond law sets an overall limit of 9% for total debt and 1/10 of 1% for unvoted debt.
- (2) Assessed valuation does not equal the assessed value in Table 6 and 14 due to general tangible personal property values no longer being included in calculation of legal debt margin.

Mentor Exempted Village School District

Demographic and Economic Statistics

Table 16
Last Ten Years

Year	City of Mentor Population ¹	Median Family Income ¹	Per Capita Income ¹	Person per Household ¹	Total Personal Income ¹	Unemployment Rate ²
1999	47,358	\$ 46,589	\$ 16,717	2.76	\$ 791,683,686	3.1%
2000	50,278	65,322	24,592	2.65	1,236,436,576	2.7
2001	50,278	65,322	24,592	2.65	1,236,436,576	3.2
2002	50,278	65,322	24,592	2.65	1,236,436,576	4.0
2003	50,278	65,322	24,592	2.65	1,236,436,576	4.9
2004	50,278	65,322	24,592	2.65	1,236,436,576	4.7
2005	50,278	65,322	24,592	2.65	1,236,436,576	4.5
2006	50,278	65,322	24,592	2.65	1,236,436,576	4.2
2007	50,278	65,322	24,592	2.65	1,236,436,576	4.7
2008	50,278	65,322	24,592	2.65	1,236,436,576	5.8

¹ U. S. Census data

² Ohio Bureau of Employment Statistics

Mentor Exempted Village School District

Principal Employers

December 31, 1998 and December 31, 2007

Table 17

Employer	1998			2007		
	Number of Employees	Rank	Percentage of Total District Employment	Number of Employees	Rank	Percentage of Total District Employment
Mentor Public Schools (a)	1,160	1	3.69%	1,004	1	2.98%
Steris Corp	502	5	1.60	954	2	2.83
City of Mentor (a)	665	2	2.11	937	3	2.78
Lincoln Electric	529	4	1.68	455	4	1.35
PCC Airfoil	-	-	-	430	5	1.28
Avery Dennison	-	-	-	400	6	1.19
Deepwood/Lake County MRDD	500	6	1.59	340	7	1.01
Macy's	-	-	-	250	8	0.74
Wiseco Piston Co.,Inc.	-	-	-	235	9	0.70
Royal Plastics Inc.	-	-	-	230	10	0.68
Hospice of Western Reserve	300	9	.95	-	-	-
Royal Appliance Mfg. Co.	300	10	.95	-	-	-
Sear's Roebuck & Co.	375	8	1.19	-	-	-
Super K-Mart	450	7	1.43	-	-	-
Tridelta	<u>555</u>	3	<u>1.76</u>	<u>-</u>	-	<u>-</u>
Total	<u>5,336</u>	3	<u>16.95</u>	<u>5,235</u>	-	<u>15.54</u>
Total employees within the School District:	<u>31,460</u>			<u>33,696</u>		

Source: City of Mentor financial records
(a) including part-time employees

Mentor Exempted Village School District

Building Statistics by Function/Program

June 30, 2008

Table 18

Mentor High School		Garfield Elementary School	
Total Building Square Footage	364,490	Total Building Square Footage	40,909
Enrollment Grades 10-12		Enrollment Grades K-6	
Memorial Junior High School		Headlands Elementary School	
Total Building Square Footage	144,787	Total Building Square Footage	28,167
Enrollment Grades 7-9		Enrollment Grades K-6	
Mentor Ridge Junior High School		Hopkins Elementary School	
Total Building Square Footage	87,865	Total Building Square Footage	41,706
Enrollment Grades 7-9		Enrollment Grades K-6	
Mentor Shore Junior High School		Lake Elementary School	
Total Building Square Footage	118,450	Total Building Square Footage	40,559
Enrollment Grades 7-9		Enrollment Grades K-6	
Bellflower Elementary School		Morton Elementary School	
Total Building Square Footage	40,552	Total Building Square Footage	34,589
Enrollment Grades K-6		Enrollment Grades K-6	
Brentmoor Elementary School		Orchard Hollow Elementary School	
Total Building Square Footage	35,276	Total Building Square Footage	48,157
Enrollment Grades K-6		Enrollment Grades K-6	
Fairfax Elementary School		Rice Elementary School	
Total Building Square Footage	33,770	Total Building Square Footage	31,621
Enrollment Grades K-6		Enrollment Grades K-6	

Mentor Exempted Village School District

Per Pupil Cost

Last Ten Fiscal Years Table 19

<u>Year</u>	<u>General Fund Expenditures (1)</u>	<u>Average Daily Student Enrollment (2)</u>	<u>Per Pupil Cost</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio</u>	<u>Percentage of Students who Receive Free or Reduced Lunch (3)</u>
1999	\$ 69,753,580	10,466	\$ 6,665	13.47%	680	15.39	N/A
2000	70,384,603	10,261	6,859	2.91	691	14.85	N/A
2001	73,378,904	10,272	7,144	4.16	682	15.06	N/A
2002	78,325,635	10,154	7,714	7.98	682	14.88	N/A
2003	86,100,976	9,887	8,709	12.90	765	12.92	8.0%
2004	87,359,953	9,759	8,952	2.79	557	17.52	6.3
2005	75,445,009	9,407	8,020	(10.41)	568	16.56	12.3
2006	81,655,645	9,077	8,966	11.80	600	15.13	13.5
2007	83,781,015	8,876	9,439	5.28	581	15.28	14.6
2008	90,704,184	8,495	10,677	13.12	549	15.47	16.0

Source: School District Records

- (1) Includes other financing uses. Reported on the modified accrual basis of accounting.
 - (2) Based upon EMIS information provided to the Ohio Department of Education.
 - (3) Information provided by School District's Food Service Department
- N/A – Information prior to 2003 is not available.

Mentor Exempted Village School District

Teacher Education and Experience

Last Seven Fiscal Years

Table 20

<u>Degree</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008(1)</u>
Non-Degree	3	N/A	3	9	9	-	-
Bachelor's Degree	185	N/A	125	136	151	148	135
Master's Degree	489	N/A	424	419	432	427	408
PhD	<u>5</u>	<u>N/A</u>	<u>5</u>	<u>4</u>	<u>8</u>	<u>6</u>	<u>6</u>
Total	<u>682</u>	<u>N/A</u>	<u>557</u>	<u>568</u>	<u>600</u>	<u>581</u>	<u>549</u>
<u>Years of Experience</u>							
0-5	126	N/A	41	129	93	89	76
6-10	105	N/A	109	118	110	83	61
11 and over	<u>451</u>	<u>N/A</u>	<u>407</u>	<u>321</u>	<u>397</u>	<u>409</u>	<u>412</u>
Total	<u>682</u>	<u>N/A</u>	<u>557</u>	<u>568</u>	<u>600</u>	<u>581</u>	<u>549</u>

Source: School District Personnel Records. Information prior to 2001 was not available.

(1) 2008 figure excludes tutors and assistants reported on Table 21.

N/A – Information is not available.

Mentor Exempted Village School District

Full-time School District Employees by Function

Last Four Fiscal Years

Table 21

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Function:				
Instruction:				
Regular	539	563	545	538
Special	6	6	24	25
Vocational	23	24	18	16
Other	8	7	4	11
Support services:				
Pupil	106	91	96	96
Instructional staff	61	52	50	41
Board of education	1	1	1	1
Administration	38	35	45	45
Fiscal	18	15	17	17
Business	12	10	7	6
Operation of maintenance of plant	76	65	66	66
Pupil transportation	69	59	58	58
Central	11	9	3	3
Operations of non-instructional services:				
Community services	22	19	26	26
Extracurricular activities	<u>22</u>	<u>19</u>	<u>11</u>	<u>11</u>
Total	<u>1,012</u>	<u>975</u>	<u>971</u>	<u>960</u>

Source: School District personnel records. Information prior to 2005 was not available.



**Alicia Rapini
Eighth Grade
Shore Middle**



Mary Taylor, CPA
Auditor of State

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
LAKE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
DECEMBER 31, 2008