

**MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
LAKE COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2007



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, 2007**

Federal Grantor/ Pass Through Grantor Program Title	Pass-Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education:</i>						
Food Donation	N/A	10.550	\$0	\$111,045	\$0	\$111,045
Total Food Donation				\$111,045		\$111,045
Nutrition Cluster:						
School Breakfast Program	05-PU 06	10.553	4,318	0	4,318	0
School Breakfast Program	05-PU 07	10.553	16,787	0	16,787	0
Total School Breakfast Program			21,105	0	21,105	0
National School Lunch Program	LL-P4 06	10.555	132,581	0	132,581	0
National School Lunch Program	LL-P4 07	10.555	300,965	0	300,965	0
Total National School Lunch Program			433,546	0	433,546	0
Total Nutrition Cluster			454,651	0	454,651	0
Total U.S. Department of Agriculture			454,651	111,045	454,651	111,045
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education - Grants to States	6B-SD-06	84.027	3,913	0	4,215	0
Special Education - Grants to States	6B-SF-06	84.027	126,795	0	188,936	0
Special Education - Grants to States	6B-SF-07	84.027	2,072,427	0	1,957,282	0
Total Special Education - Grants to States			2,203,135	0	2,150,433	0
Special Education - Preschool Grants	PG-S1-06	84.173	8,172	0	9,992	0
Special Education - Preschool Grants	PG-S1-07	84.173	68,608	0	58,291	0
Total Special Education - Preschool Grants			76,780	0	68,283	0
Total Special Education Cluster			2,279,915	0	2,218,716	0
Title 1 Grants to Local Educational Agencies	C1-S1-06	84.010	44,898	0	50,613	0
Title 1 Grants to Local Educational Agencies	C1-S1-07	84.010	314,883	0	306,021	0
Total Title 1 Grants to Local Educational Agencies			359,781	0	356,634	0
Vocational Education - Basic Grants to States	20-C1-06	84.048	3,126	0	87,558	0
Vocational Education - Basic Grants to States	20-C1-06	84.048	399,976	0	292,389	0
Total Vocational Education - Basic Grants to States			403,102	0	379,947	0
State Grants for Innovative Programs	C2-S1-06	84.298	19,500	0	33,968	0
State Grants for Innovative Programs	C2-S1-07	84.298	60,342	0	57,198	0
Total State Grants for Innovative Programs			79,842	0	91,166	0
Safe and Drug-Free Schools and Communities State Grants	DR-S1-06	84.186	1,553	0	2,965	0
Safe and Drug-Free Schools and Communities State Grants	DR-S1-07	84.186	15,587	0	6,457	0
Total Safe and Drug-Free Schools and Communities State Grants			17,140	0	9,422	0

**MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
LAKE COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
(Continued)**

Federal Grantor/ Pass Through Grantor Program Title	Pass-Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
Twenty-First Century Community Learning Centers	TJ-S1-06	84.287	13,202	0	31,509	0
Twenty-First Century Community Learning Centers	TJ-S1-07	84.287	<u>246,797</u>	<u>0</u>	<u>239,915</u>	<u>0</u>
Total Twenty-First Century Community Learning Centers			259,999	0	271,424	0
Education Technology State Grant	TJ-S1-06	84.318	224	0	608	0
Education Technology State Grant	TJ-S1-07	84.318	<u>3,604</u>	<u>0</u>	<u>3,363</u>	<u>0</u>
Total Education Technology State Grant			3,828	0	3,971	0
English Language Acquisition Grant	T3-S1-07	84.365	31,073	0	29,660	0
English Language Acquisition Grant	T3-S2-07	84.365	3,652	0	2,811	0
English Language Acquisition Grant	T3-S1-06	84.365	<u>952</u>	<u>0</u>	<u>2,356</u>	<u>0</u>
Total English Language Acquisition Grant			35,677	0	34,827	0
Improving Teacher Quality State Grant	TR-S1-06	84.367	25,309	0	27,980	0
Improving Teacher Quality State Grant	TR-S1-07	84.367	<u>138,734</u>	<u>0</u>	<u>128,719</u>	<u>0</u>
Total Improving Teacher Quality State Grant			164,043	0	156,699	0
Total U.S. Department of Education			<u>3,603,327</u>	<u>0</u>	<u>3,522,806</u>	<u>0</u>
Total Federal Financial Assistance			<u>\$4,057,978</u>	<u>\$111,045</u>	<u>\$3,977,457</u>	<u>\$111,045</u>

See accompanying notes to the Federal Awards Receipts and Expenditures Schedule

**MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
LAKE COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2007**

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.

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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, 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 20, 2007. 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.

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 20, 2007.

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. 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 20, 2007



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH 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 each of its major federal programs for the year ended June 30, 2007. 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 District complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended June 30, 2007.

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, 2007, and have issued our report thereon dated December 20, 2007. 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 provides 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 20, 2007

**MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
LAKE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Education Cluster #84.027 Special Education – Grants to States #84.173 Special Education – Preschool Grants #84.048 Vocational Education – Basic Grants to States
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	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



THE CORNERSTONE OF THE COMMUNITY



Introductory Section

Back of Introductory Tab

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

**Comprehensive Annual
Financial Report For The
Year Ended June 30, 2007**

**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, 2007

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Mentor Exempted Village School District

Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2007

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Mentor Exempted Village School District

Comprehensive Annual Financial Report
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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
Richard D. Cicero, President
Andrew J. Sparacia, Vice President
Gwen J. Corban, Member
Alan J. Mihok, Member
William J. Shaw, Member

December 20, 2007

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, 2007.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that 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, 2007. 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 8,876 students in grades kindergarten through twelve during the 2006-2007 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.

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.

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.

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.

High School The School District has one comprehensive high school serving 2,437 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.

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 16.1 years and 70.8 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.

Long-Term Financial Planning

The theme of the 2006-2007 fiscal year was enhancing fiscal stability. The fiscal management of the School District is being integrated into the School District's Strategic Plan. In addition, the Board of Education, Superintendent and Chief Financial Officer remain committed to managing to long-term plans that include:

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

The diligence of the School District in managing to 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 sixth year. This is especially noteworthy in that the State average life of a new levy is three years. In addition, prudent fiscal management has reduced the projected 2010-2011 general fund deficit from \$9,080,382 to \$3,080,287.

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 2005-2006 school year the Superintendent convened a Facility Task Force comprised of 31 members that included Board of Education members, District Administrators, Mentor Teachers Association representatives, Mentor Classified Employee representatives, parents and community members. The task force was charged with developing a formal facilities plan which had the potential of redistricting and which showed the reconfiguration of facilities to meet the needs of our students while demonstrating fiscal responsibility. The task force also studied enrollment projections commissioned by the Superintendent which predicted continued declines in student enrollment. The task force report was presented to the Board of Education on May 9, 2006 and was adopted by the Board of Education on August 22, 2006. The Board approved task force recommendations which included:

- Not redistricting all the elementary schools at this time;
- Including Dale R. Rice Elementary students in the Ridge Junior High attendance district beginning with the 2007-2008 school year;
- Converting to Kindergarten through fifth grade elementaries, grade six, seven and eight middle schools, and a ninth grade through twelfth grade high school beginning with the 2008-2009 school year; and
- Reviewing and analyzing the elementary school boundaries and the need for three middle schools in the 2009-2010 school year.

The Ohio Department of Education awarded the Mentor Public Schools an "Excellent" rating for achieving 27 of 30 indicators for the 2006-2007 school year.

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, 2006. 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, 2006. 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.

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

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, 2006

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.



President

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, 2006

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

President

Executive Director

Mentor Exempted Village School District

Principal Officials

As of June 30, 2007

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

Elected Officials

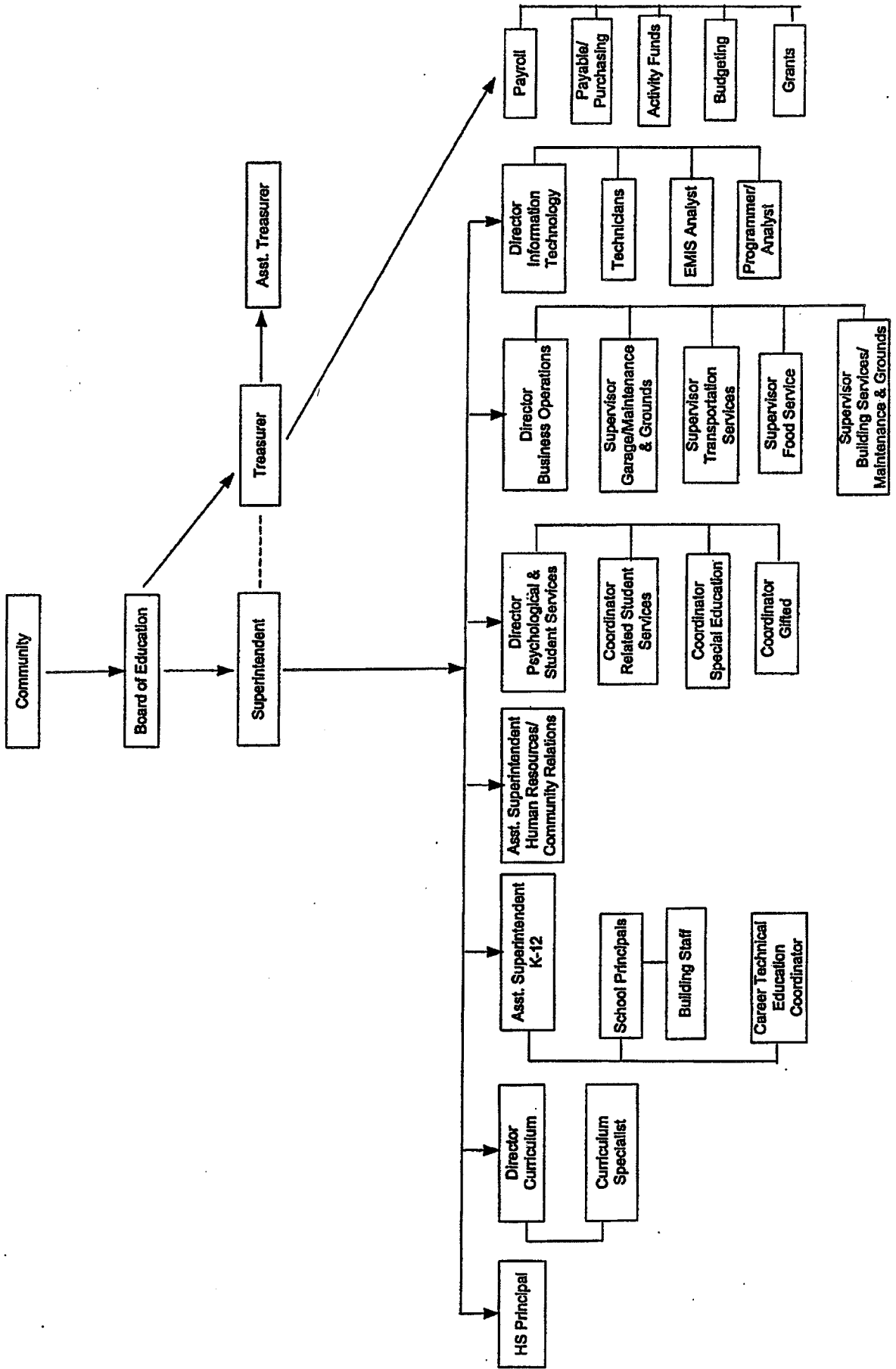
Board of Education

Mr. Richard D. Cicero	President
Mr. Andrew Sparacia	Vice-President
Mrs. Gwen J. Corban	Member
Mr. Alan Mihok	Member
Mr. William J. Shaw	Member

Appointed Officials

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

ORGANIZATION CHART - MENTOR PUBLIC SCHOOLS





**Nathan Mance
Seventh Grade
Ridge Junior High**



Financial Section

Back of Financial Tab



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, 2007, 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, 2007, 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 20, 2007, 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 20, 2007

Mentor Exempted Village School District

Management's Discussion & Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2007

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, 2007. 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 2007 are as follows:

In total, net assets increased \$16,575,759. Net assets of governmental activities increased \$16,741,266 which represents an 145% increase from 2006. Net assets of business-type activities decreased \$165,507 or 137% from 2006.

General revenues accounted for \$101,793,380 in revenue or 90.35% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions and capital grants and contributions accounted for \$10,870,626 or 9.65% of total revenues of \$112,664,006.

The School District had \$93,034,716 in expenses related to governmental activities and only \$7,988,779 of these expenses was offset by program specific charges for services, operating and capital grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$101,787,203 were able to provide for these programs resulting in an increase of net assets of governmental activities from \$11,585,220 to \$28,326,486.

The School District had \$3,053,531 in expenses related to business-type activities; a total of \$2,881,847 was offset by program specific charges for services, operating grants and contributions. General revenues include investment earnings of \$6,177. Total revenues were not adequate to provide for these programs by \$165,507 resulting in a decrease to net assets from \$120,485 to \$(45,022).

The School District's major governmental funds were the General Fund and Debt Service Fund. The General Fund had \$99,895,010 in revenues and other financing sources and \$83,781,015 in expenditures and other financing uses. The General Fund increased \$16,113,995 from \$16,500,087 to \$32,614,082. The Debt Service Fund had \$3,964,672 in revenues and other financing sources and \$3,932,459 in expenditures and other financing uses. The Debt Service Fund increased \$32,213 from \$1,136,473 to \$1,168,686.

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, 2007

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, 2007

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 2007 and 2006.

	Net Assets			
	Governmental Activities <u>2007</u>	Business-Type Activities <u>2007</u>	Governmental Activities <u>2006</u>	Business-Type Activities <u>2006</u>
Assets:				
Current assets	\$ 107,388,600	\$ 227,768	\$ 99,993,777	\$ 260,256
Capital assets	<u>13,098,721</u>	<u>125,194</u>	<u>12,641,913</u>	<u>142,291</u>
Total assets	<u>120,487,321</u>	<u>352,962</u>	<u>112,635,690</u>	<u>402,547</u>
Liabilities:				
Current liabilities	70,695,802	250,346	77,661,957	120,172
Long term liabilities	<u>21,465,033</u>	<u>147,638</u>	<u>23,388,513</u>	<u>161,890</u>
Total liabilities	<u>92,160,835</u>	<u>397,984</u>	<u>101,050,470</u>	<u>282,062</u>
Net assets:				
Invested in capital assets, net of debt	3,991,006	56,113	2,128,472	49,328
Restricted	1,967,518	-	1,615,857	-
Unrestricted (deficit)	<u>22,367,962</u>	<u>(101,135)</u>	<u>7,840,891</u>	<u>71,157</u>
Total net assets	<u>\$ 28,326,486</u>	<u>\$ (45,022)</u>	<u>\$ 11,585,220</u>	<u>\$ 120,485</u>

Total assets increased by \$7,802,046 mainly due to increases in cash and accrued interest receivable offset by a decrease in taxes receivable. Increase in cash is mainly due to management's efforts to reduce increases in expenditures. The District has also taken advantage of the increase in interest rates and has maintained an aggressive investment plan which has increased accrued interest receivable. Decrease in taxes receivable due to a decrease in the County Budget Commission's Certificate of Estimated Resources estimate of property tax collections in fiscal year 2008 that relate to fiscal year 2007. 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.

Mentor Exempted Village School District

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

For the Fiscal Year Ended June 30, 2007

	Changes in Net Assets			
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
	<u>2007</u>	<u>2007</u>	<u>2006</u>	<u>2006</u>
Revenues:				
Program revenues:				
Charges for services	\$ 2,450,621	\$ 2,208,853	\$ 3,226,552	\$ 2,237,812
Operating grants and contributions	5,037,519	672,994	4,861,412	637,414
Capital grants and contributions	500,639	-	550,000	-
Total program revenues	<u>7,988,779</u>	<u>2,881,847</u>	<u>8,637,964</u>	<u>2,875,226</u>
General revenues:				
Property taxes	70,616,294	-	70,396,792	-
Grants and entitlements	28,279,885	-	25,207,274	-
Investment earnings	2,309,938	6,177	1,245,192	3,409
Miscellaneous	581,086	-	477,796	-
Total general revenues	<u>101,787,203</u>	<u>6,177</u>	<u>97,327,054</u>	<u>3,409</u>
Total revenues	<u>109,775,982</u>	<u>2,888,024</u>	<u>105,965,018</u>	<u>2,878,635</u>
Program expenses:				
Instruction:				
Regular education	41,640,058	-	39,940,654	-
Special education	10,390,051	-	10,705,438	-
Vocational education	2,312,758	-	2,168,793	-
Other	801,047	-	616,275	-
Support services:				
Pupil	6,260,266	-	6,038,086	-
Instructional staff	4,140,106	-	4,011,014	-
Board of education	519,445	-	572,005	-
Administration	5,112,076	-	4,998,141	-
Fiscal	2,400,896	-	2,092,249	-
Business	667,976	-	388,929	-
Operation and maintenance - plant	8,111,466	-	8,032,060	-
Pupil transportation	5,679,537	-	4,830,605	-
Central	1,268,216	-	1,607,286	-
Operations of non-instructional services	1,456,883	-	1,286,930	-
Extracurricular activities	1,629,409	-	1,553,679	-
Interest and fiscal charges	644,526	-	567,851	-
Food service	-	2,597,515	-	2,470,584
Uniform supplies	-	432,235	-	382,824
Rotary	-	23,725	-	154,311
Adult education	-	56	-	1,040
Total program expenses	<u>93,034,716</u>	<u>3,053,531</u>	<u>89,409,995</u>	<u>3,008,759</u>
Change in net assets before transfers	16,741,266	(165,507)	16,555,023	(130,124)
Transfers	-	-	(5,566)	5,566
Change in net assets	16,741,266	(165,507)	16,549,457	(124,558)
Net assets at beginning of year	<u>11,585,220</u>	<u>120,485</u>	<u>(4,964,237)</u>	<u>245,043</u>
Net assets at end of year	<u>\$ 28,326,486</u>	<u>\$ (45,022)</u>	<u>\$ 11,585,220</u>	<u>\$ 120,485</u>

Mentor Exempted Village School District

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

For the Fiscal Year Ended June 30, 2007

Governmental Activities

Net assets of the School District's governmental activities increased by \$16,741,266. Program revenues of \$7,988,779 and general revenues of \$101,787,203 were sufficient to offset total governmental expenses of \$93,034,716. Increase in net assets mainly due to increases in grants and entitlements of approximately \$3 million and investment earnings of \$1 million. Property tax revenue increased due to an overall increase in current collections, including delinquent taxes. As mentioned above, increase in investment earnings is due to an aggressive investment plan the School District has implemented. 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 92.72% of total governmental revenue.

Instruction and support services comprise 59.27 and 36.72 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 \$3,624,721, mainly due to an increase in regular education and pupil transportation. Regular education and pupil transportation mainly increased due to a 23 percent increase in premiums and renewal rates related to health care. Pupil transportation also increased due to price increases in contracts for special education transportation services.

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 2007 and 2006. 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, 2007

Governmental Activities

	<u>Total Cost of Services 2007</u>	<u>Net Cost of Services 2007</u>	<u>Total Cost of Services 2006</u>	<u>Net Cost of Services 2006</u>
Program Expenses:				
Instruction:				
Regular education	\$ 41,640,058	\$ 40,593,725	\$ 39,940,654	\$ 38,942,377
Special education	10,390,051	6,768,363	10,705,438	7,586,446
Vocational education	2,312,758	1,609,570	2,168,793	1,545,069
Other	801,047	798,387	616,275	616,275
Support services:				
Pupil	6,260,266	6,260,266	6,038,086	6,038,086
Instructional staff	4,140,106	4,140,106	4,011,014	4,011,014
Board of education	519,445	519,445	572,005	572,005
Administration	5,112,076	4,611,437	4,998,141	3,125,630
Fiscal	2,400,896	2,400,896	2,092,249	2,092,249
Business	667,976	667,976	388,929	388,929
Operation and maintenance - plant	8,111,466	8,111,466	8,032,060	8,032,060
Pupil transportation	5,679,537	5,607,193	4,830,605	4,782,890
Central services	1,268,216	1,143,164	1,607,286	1,457,663
Operation of non-instructional services	1,456,883	269,725	1,286,930	108,366
Extracurricular activities	1,629,409	899,692	1,553,679	905,121
Interest and fiscal charges	<u>644,526</u>	<u>644,526</u>	<u>567,851</u>	<u>567,851</u>
Total expenses	\$ <u>93,034,716</u>	\$ <u>85,045,937</u>	\$ <u>89,409,995</u>	\$ <u>80,772,031</u>

The dependence upon tax revenues during fiscal year 2007 for governmental activities is apparent, as 91.4% of 2007 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 of \$2,888,024 and total expenses of \$3,053,531 for fiscal year 2007. The food service operations had expenses of \$2,597,515 and revenues of \$2,531,472. This resulted in a decrease of net assets for the fiscal year of \$66,043, mainly due to an increase in salaries and wages. The other enterprise funds had expenses of \$456,016 and revenues of \$356,552. This resulted in a decrease of net assets for the fiscal year of \$99,464, mainly due to a decrease in fees collected with an increase in operating 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, 2007

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 \$36,436,637, which is greater than last year's fund balance of \$15,735,099. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2007 and 2006.

	Fund Balance <u>June 30, 2007</u>	Fund Balance <u>June 30, 2006</u>	Increase (Decrease)
General	\$ 32,614,082	\$ 16,500,087	\$ 16,113,995
Debt service	1,168,686	1,136,473	32,213
Nonmajor governmental	<u>2,653,869</u>	<u>3,064,978</u>	<u>(411,109)</u>
Total	<u>\$ 36,436,637</u>	<u>\$ 20,701,538</u>	<u>\$ 15,735,099</u>

General Fund

The School District's General Fund balance increased by \$16,113,995, mainly due to an increase in intergovernmental revenues and earnings on investments. The table that follows assists in illustrating the financial activities and fund balance of the General Fund.

<u>Revenues</u>	2007 <u>Amount</u>	2006 <u>Amount</u>	Percentage <u>Change</u>
Taxes	\$ 67,384,348	\$ 67,212,545	0.26%
Earnings on investments	2,159,681	1,159,060	86.33
Intergovernmental	27,949,890	16,454,452	69.86
Other revenue	<u>2,204,605</u>	<u>1,734,814</u>	27.08
Total	<u>\$ 99,698,524</u>	<u>\$ 86,560,871</u>	

The taxes and intergovernmental revenues increased \$11,667,241 as a result of collection of prior year delinquent real estate taxes, higher than certified current year real estate taxes and higher than certified tangible personal property taxes. The increase in earnings on investments income is due to increases in the interest rates as a result of the Federal Reserve Bank actions throughout the year as well as a significant increase in the School District's cash flow. The other revenue increased as a result of collection of additional tuition reimbursement from other districts in fiscal year 2007 that did not occur in 2006.

The table that follows assists in illustrating the expenditures of the General Fund.

<u>Expenditures by Function</u>	2007 <u>Amount</u>	2006 <u>Amount</u>	Percentage <u>Change</u>
Instruction	\$ 51,387,662	\$ 51,148,508	0.47%
Support services	31,131,885	29,238,179	6.48
Community services	35,876	-	100.00
Extracurricular activities	<u>1,093,681</u>	<u>1,077,262</u>	1.52
Total	<u>\$ 83,649,104</u>	<u>\$ 81,463,949</u>	

Mentor Exempted Village School District

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

For the Fiscal Year Ended June 30, 2007

The primary reason for fiscal year 2007 increased expenditures is that healthcare premiums and renewal rates increased approximately 23 percent. Also, contracts related to special education transportation services increased 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 2007. During the course of fiscal 2007, the total budget was changed several times, mostly for adjustments to property tax and related revenue receipts. For the general fund, original budget revenues and other financing sources were \$102,089,294 and final budgeted revenues and other financing sources were \$99,429,164. Actual revenues and other financing sources for fiscal year 2007 were \$101,392,441. Actual revenues and other financing sources were \$1,963,277 higher than budgeted revenues mainly due to higher than anticipated collection of personal property taxes as well as homestead and rollback reimbursements. The collection of student tuition was greater than budgeted which also contributed to the difference. Also, interest income exceeded budget and the School District received more than anticipated partial state reimbursements for certain special education expenses.

General fund original and final appropriations and other financing uses were \$91,204,406 which included 2005-2006 carryover encumbrances. The actual expenditures and other financing uses for fiscal year 2007 totaled \$87,226,087, which was \$3,978,319 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 2007.

Capital Assets

The School District had \$13,223,915 invested in capital assets net of depreciation, with \$13,098,721 attributed to government activities. Acquisition for government activities totaled \$1,743,889 and depreciation was \$1,226,164. The majority of the additions were represented by acquisition of building improvements. Detailed information regarding capital asset activities is included in the notes to the financial statement (Note 9).

Debt

At June 30, 2007, the School District had \$14,291,463 in an outstanding long-term debt, not including accrued compensated absences and accrued early retirement incentive and \$77,333 in short-term debt. The School District paid \$1,286,690 in principal on bonds outstanding, \$239,585 on capital leases outstanding, and \$2,824,000 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 14, 15 and 16, respectively).

Mentor Exempted Village School District

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

For the Fiscal Year Ended June 30, 2007

Current Financial Related Activities

The theme of the 2006-2007 fiscal year was enhancing fiscal stability. The School District's execution of the theme was first detailed in the September 26, 2005 annual appropriations document which noted that the School District was committed to conducting all fiscal management based on long-term plans.

The following is a list of major long-term plans:

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

As a result of a prudent fiscal management strategy and a successful 2006-2007 fiscal year, the School District announced that the projected \$9,080,382 general fund deficit at the conclusion of the 2010-2011 fiscal year had been reduced to \$3,080,287.

The 2006-2007 budget supported several major priorities identified in the School District's strategic plan, which include:

- Funding annual textbook and curriculum adoption.
- 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 2006-2007 budget prior to adoption by the Board of Education. The Committee determined the budget was within the confines of the five year budget plan. The 2006-2007 fiscal year projects the impact of a change from a bi-weekly employee payroll system (26 pays) to a semi-monthly employee payroll system (24 pays) that changed in April 2007. The 2006-2007 fiscal year funded 8,876 students which was 51 less than budgeted.

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.



**Elizabeth Brolund
Third Grade
Bellflower Elementary**

Mentor Exempted Village School District

Statement of Net Assets

June 30, 2007

	Primary Government		Total
	Governmental Activities	Business - Type Activities	
Assets:			
Equity in pooled cash and investments	\$ 40,473,745	\$ 274,329	\$ 40,748,074
Accounts receivable	32,987	2,284	35,271
Accrued interest receivable	717,780	1,025	718,805
Prepaid items	37,672	-	37,672
Intergovernmental receivable	64,604	76,667	141,271
Internal balances	143,232	(143,232)	-
Materials and supplies inventory	229,102	16,695	245,797
Taxes receivable	65,689,478	-	65,689,478
Nondepreciable capital assets	725,721	-	725,721
Depreciable capital assets, net	<u>12,373,000</u>	<u>125,194</u>	<u>12,498,194</u>
Total assets	<u>120,487,321</u>	<u>352,962</u>	<u>120,840,283</u>
Liabilities:			
Accounts payable	938,776	54,792	993,568
Accrued wages and benefits	6,160,722	109,496	6,270,218
Accrued pension	2,260,766	75,563	2,336,329
Intergovernmental payable	570,078	10,133	580,211
Unearned revenue	60,587,520	-	60,587,520
Accrued interest payable	100,607	362	100,969
Notes payable	77,333	-	77,333
Long-term liabilities:			
Due within one year	4,433,605	30,923	4,464,528
Due in more than one year	<u>17,031,428</u>	<u>116,715</u>	<u>17,148,143</u>
Total liabilities	<u>92,160,835</u>	<u>397,984</u>	<u>92,558,819</u>
Net assets:			
Invested in capital assets, net of related debt	3,991,006	56,113	4,047,119
Restricted for:			
Debt service	1,168,686	-	1,168,686
Special purposes	798,832	-	798,832
Unrestricted	<u>22,367,962</u>	<u>(101,135)</u>	<u>22,266,827</u>
Total net assets (deficit)	\$ <u>28,326,486</u>	\$ <u>(45,022)</u>	\$ <u>28,281,464</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, 2007

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Instruction:				
Regular education	\$ 41,640,058	\$ 636,210	\$ 410,123	\$ -
Special education	10,390,051	682,485	2,939,203	-
Vocational education	2,312,758	300,087	403,101	-
Other	801,047	2,660	-	-
Support services:				
Pupil	6,260,266	-	-	-
Instructional staff	4,140,106	-	-	-
Board of education	519,445	-	-	-
Administration	5,112,076	-	-	500,639
Fiscal	2,400,896	-	-	-
Business	667,976	-	-	-
Operation and maintenance of plant	8,111,466	-	-	-
Pupil transportation	5,679,537	72,344	-	-
Central	1,268,216	27,118	97,934	-
Operation and non-instructional services	1,456,883	-	1,187,158	-
Extracurricular activities	1,629,409	729,717	-	-
Interest and fiscal charges	644,526	-	-	-
Total governmental activities	<u>93,034,716</u>	<u>2,450,621</u>	<u>5,037,519</u>	<u>500,639</u>
Business-type activities:				
Food service	2,597,515	1,852,301	672,994	-
Uniform supplies	432,235	274,797	-	-
Rotary fund	23,725	81,255	-	-
Adult education	56	500	-	-
Total business-type activities	<u>3,053,531</u>	<u>2,208,853</u>	<u>672,994</u>	<u>-</u>
Totals	<u>\$ 96,088,247</u>	<u>\$ 4,659,474</u>	<u>\$ 5,710,513</u>	<u>\$ 500,639</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

Change in net assets

Net assets at beginning of year

Net assets (deficit) at end of year

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

<u>Primary Government</u>		
<u>Governmental</u> <u>Activities</u>	<u>Business -</u> <u>Type</u> <u>Activities</u>	<u>Total</u>
\$ (40,593,725)	\$ -	\$ (40,593,725)
(6,768,363)	-	(6,768,363)
(1,609,570)	-	(1,609,570)
(798,387)	-	(798,387)
(6,260,266)	-	(6,260,266)
(4,140,106)	-	(4,140,106)
(519,445)	-	(519,445)
(4,611,437)	-	(4,611,437)
(2,400,896)	-	(2,400,896)
(667,976)	-	(667,976)
(8,111,466)	-	(8,111,466)
(5,607,193)	-	(5,607,193)
(1,143,164)	-	(1,143,164)
(269,725)	-	(269,725)
(899,692)	-	(899,692)
<u>(644,526)</u>	<u>-</u>	<u>(644,526)</u>
<u>(85,045,937)</u>	<u>-</u>	<u>(85,045,937)</u>
-	(72,220)	(72,220)
-	(157,438)	(157,438)
-	57,530	57,530
-	444	444
<u>-</u>	<u>(171,684)</u>	<u>(171,684)</u>
<u>(85,045,937)</u>	<u>(171,684)</u>	<u>(85,217,621)</u>
65,961,789	-	65,961,789
3,658,620	-	3,658,620
995,885	-	995,885
28,279,885	-	28,279,885
2,309,938	6,177	2,316,115
<u>581,086</u>	<u>-</u>	<u>581,086</u>
<u>101,787,203</u>	<u>6,177</u>	<u>101,793,380</u>
16,741,266	(165,507)	16,575,759
<u>11,585,220</u>	<u>120,485</u>	<u>11,705,705</u>
\$ <u>28,326,486</u>	\$ <u>(45,022)</u>	\$ <u>28,281,464</u>

Mentor Exempted Village School District

Balance Sheet Governmental Funds

June 30, 2007

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in pooled cash and investments	\$ 35,591,561	\$ 1,069,854	\$ 3,643,813	\$ 40,305,228
Taxes receivable	63,291,390	1,487,401	910,687	65,689,478
Accounts receivable	23,876	-	8,986	32,862
Accrued interest receivable	706,788	-	10,992	717,780
Intergovernmental receivable	42,024	-	22,580	64,604
Interfund receivable	833,659	-	43	833,702
Materials and supplies inventory	229,102	-	-	229,102
Prepaid items	37,672	-	-	37,672
Total assets	\$ <u>100,756,072</u>	\$ <u>2,557,255</u>	\$ <u>4,597,101</u>	\$ <u>107,910,428</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ 741,286	\$ -	\$ 197,490	\$ 938,776
Accrued wages and benefits	6,008,251	-	147,788	6,156,039
Accrued pension	2,194,002	-	50,966	2,244,968
Intergovernmental payable	556,014	-	13,676	569,690
Interfund payable	-	-	575,878	575,878
Unearned revenue	58,642,437	1,388,569	845,649	60,876,655
Accrued interest payable	-	-	34,452	34,452
Notes payable	-	-	77,333	77,333
Total liabilities	<u>68,141,990</u>	<u>1,388,569</u>	<u>1,943,232</u>	<u>71,473,791</u>
Fund balances:				
Reserved for inventory	229,102	-	-	229,102
Reserved for prepaid	37,672	-	-	37,672
Reserved for encumbrances	1,810,376	-	827,103	2,637,479
Reserved for property taxes	4,648,953	98,832	65,038	4,812,823
Reserved for debt	-	1,069,854	-	1,069,854
Unreserved; undesignated for:				
General fund	25,887,979	-	-	25,887,979
Special revenue funds	-	-	450,641	450,641
Capital projects funds	-	-	1,311,087	1,311,087
Total fund balances	<u>32,614,082</u>	<u>1,168,686</u>	<u>2,653,869</u>	<u>36,436,637</u>
Total liabilities and fund balances	\$ <u>100,756,072</u>	\$ <u>2,557,255</u>	\$ <u>4,597,101</u>	\$ <u>107,910,428</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, 2007

Total governmental funds balances		\$	36,436,637
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.			13,098,721
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Property and other taxes			289,135
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.			(66,155)
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.			33,181
Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds.			
General obligation debt	\$	(8,013,299)	
Long-term note payable		(6,042,668)	
Capital leases		(166,415)	
Accrued wages and benefits		(1,900,000)	
Compensated absences		<u>(5,342,651)</u>	
Total			<u>(21,465,033)</u>
Net assets of governmental activities		\$	<u>28,326,486</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, 2007

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 67,384,348	\$ 3,658,620	\$ 995,885	\$ 72,038,853
Intergovernmental	27,949,890	198,141	5,169,818	33,317,849
Tuition and fees	1,541,171	-	2,660	1,543,831
Earnings on investments	2,159,681	-	150,257	2,309,938
Extracurricular activities	341,062	-	496,089	837,151
Miscellaneous revenue	322,271	-	802,669	1,124,940
Total revenues	<u>99,698,423</u>	<u>3,856,761</u>	<u>7,617,378</u>	<u>111,172,562</u>
Expenditures:				
Current:				
Instruction:				
Regular education	39,167,375	-	403,167	39,570,542
Special education	9,228,224	-	1,018,678	10,246,902
Vocational education	2,191,016	-	92,734	2,283,750
Other instruction	801,047	-	-	801,047
Support services:				
Pupil	5,030,536	-	1,251,449	6,281,985
Instructional staff	3,796,323	-	226,015	4,022,338
Board of education	519,445	-	-	519,445
Administration	4,657,952	-	454,292	5,112,244
Fiscal	2,407,502	23,812	15,513	2,446,827
Business	680,252	-	-	680,252
Operation and maintenance of				
plant	7,398,339	-	2,167,847	9,566,186
Pupil transportation	5,628,313	-	49,037	5,677,350
Central	1,013,223	-	457,297	1,470,520
Food service operations	-	-	684	684
Community services	35,876	-	1,401,920	1,437,796
Extracurricular activities	1,093,681	-	518,715	1,612,396
Debt services:				
Principal	-	3,182,689	928,001	4,110,690
Interest and fiscal charges	-	618,047	34,367	652,414
Total expenditures	<u>83,649,104</u>	<u>3,824,548</u>	<u>9,019,716</u>	<u>96,493,368</u>
Excess of revenues over (under) expenditures	<u>16,049,319</u>	<u>32,213</u>	<u>(1,402,338)</u>	<u>14,679,194</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, 2007

	<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	22,486	-	20,599	43,085
Inception of capital leases	174,000	-	-	174,000
Issuance of notes	-	-	850,668	850,668
Transfers - in	101	107,911	163,824	271,836
Transfers - out	<u>(131,911)</u>	<u>(107,911)</u>	<u>(43,862)</u>	<u>(283,684)</u>
Total other financing sources (uses)	<u>64,676</u>	<u>-</u>	<u>991,229</u>	<u>1,055,905</u>
Net change in fund balance	16,113,995	32,213	(411,109)	15,735,099
Fund balance at beginning of year	<u>16,500,087</u>	<u>1,136,473</u>	<u>3,064,978</u>	<u>20,701,538</u>
Fund balance at end of year	\$ <u>32,614,082</u>	\$ <u>1,168,686</u>	\$ <u>2,653,869</u>	\$ <u>36,436,637</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

For The Fiscal Year Ended June 30, 2007

Net change in fund balances - total governmental funds \$ 15,735,099

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	\$ 1,743,889	
Depreciation	<u>(1,226,164)</u>	
Total		517,725

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. (60,917)

Delinquent property and other taxes revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (1,422,559)

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 and inception of capital leases. (1,024,668)

Internal Service Fund is 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. 40,550

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	215,703	
Compensated absences	(478,245)	
Accrued interest on bonds	7,888	
Accrued wages and benefits	(900,000)	
General obligation debt	<u>4,110,690</u>	
Total		<u>2,956,036</u>

Change in net assets of governmental activities \$ 16,741,266

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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 77,722,999	\$ 72,881,677	\$ 72,881,677	\$ -
Intergovernmental	21,038,902	23,220,094	24,171,714	951,620
Tuition and fees	1,139,000	1,139,000	1,469,103	330,103
Earnings on investments	1,200,000	1,200,000	1,534,167	334,167
Extracurricular activities	380,000	380,000	341,062	(38,938)
Miscellaneous revenue	85,000	85,000	369,664	284,664
Total revenues	<u>101,565,901</u>	<u>98,905,771</u>	<u>100,767,387</u>	<u>1,861,616</u>
Expenditures:				
Current:				
Instruction:				
Regular education	41,634,417	40,607,559	40,361,662	245,897
Special education	10,830,894	10,501,624	9,885,344	616,280
Vocational education	2,722,541	2,697,522	2,406,438	291,084
Other instruction	445,429	766,144	766,144	-
Support services:				
Pupil	5,211,899	5,384,663	5,054,321	330,342
Instructional staff	4,244,400	4,266,969	3,810,088	456,881
Board of education	705,386	665,961	568,494	97,467
Administration	5,071,761	5,048,160	4,685,129	363,031
Fiscal	2,797,325	2,545,940	2,429,587	116,353
Business	730,026	728,458	648,322	80,136
Operation and maintenance of plant	8,244,928	8,699,671	7,888,922	810,749
Pupil transportation	5,611,464	5,792,205	5,661,969	130,236
Central	1,062,226	1,135,559	1,089,531	46,028
Community services	-	36,251	30,584	5,667
Extracurricular activities:				
Subject oriented activities	221,700	218,113	135,799	82,314
Occupation oriented activities	-	8,882	7,903	979
Sports activities	826,517	864,384	830,468	33,916
Co-curricular activities	198,593	198,593	126,160	72,433
Total expenditures	<u>90,559,506</u>	<u>90,166,658</u>	<u>86,386,865</u>	<u>3,779,793</u>
Excess of revenues over (under) expenditures	<u>11,006,395</u>	<u>8,739,113</u>	<u>14,380,522</u>	<u>5,641,409</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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Sale of capital assets	-	-	21,560	21,560
Advances - in	523,393	523,393	603,393	80,000
Transfers - in	-	-	101	101
Transfers - out	(403,552)	(328,552)	(131,911)	196,641
Advances - out	(241,348)	(709,196)	(707,311)	1,885
Total other financing sources (uses)	<u>(121,507)</u>	<u>(514,355)</u>	<u>(214,168)</u>	<u>300,187</u>
Net change in fund balance	10,884,888	8,224,758	14,166,354	5,941,596
Fund balance at beginning of year	16,472,520	16,472,520	16,472,520	-
Prior year encumbrances appropriated	<u>2,502,641</u>	<u>2,502,641</u>	<u>2,502,641</u>	-
Fund balance at end of year	\$ <u>29,860,049</u>	\$ <u>27,199,919</u>	\$ <u>33,141,515</u>	\$ <u>5,941,596</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, 2007

	Nonmajor Business Type	Governmental Activities Internal Service Fund
Assets:		
Current assets:		
Equity in pooled cash and investments	\$ 274,329	\$ 168,517
Accounts receivable	2,284	125
Accrued interest receivable	1,025	-
Intergovernmental receivable	76,667	-
Materials and supplies inventory	16,695	-
Interfund receivable	<u>6,768</u>	<u>-</u>
Total current assets	377,768	168,642
Non-current assets:		
Depreciable capital assets, net	<u>125,194</u>	<u>-</u>
Total assets	<u>502,962</u>	<u>168,642</u>
Liabilities:		
Current liabilities:		
Accounts payable	54,792	-
Accrued wages and benefits	109,496	4,683
Accrued pension	75,563	15,798
Intergovernmental payable	10,133	388
Interfund payable	150,000	114,592
Accrued interest payable	362	-
Current portion of compensated absences	5,499	-
Current portion of capital lease	<u>25,424</u>	<u>-</u>
Total current liabilities	<u>431,269</u>	<u>135,461</u>
Long-term liabilities:		
Compensated absences	73,058	-
Capital lease	<u>43,657</u>	<u>-</u>
Total long-term liabilities	<u>116,715</u>	<u>-</u>
Total liabilities	<u>547,984</u>	<u>135,461</u>
Net assets:		
Invested in capital assets, net of related debt	56,113	-
Unrestricted (deficit)	<u>(101,135)</u>	<u>33,181</u>
Total net assets (deficit)	<u>\$ (45,022)</u>	<u>\$ 33,181</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, 2007

	Nonmajor Business Type	Governmental Activities Internal Service Fund
Operating revenues:		
Tuition and fees	\$ 80,075	\$ 21,900
Classroom materials and fees	274,613	-
Extracurricular activities	-	539,405
Sales	1,852,301	-
Miscellaneous revenue	<u>1,864</u>	<u>84,656</u>
Total operating revenues	<u>2,208,853</u>	<u>645,961</u>
Operating expenses:		
Salaries and wages	887,510	294,903
Fringe benefits	628,482	75,294
Contractual services	18,669	112,269
Supplies and materials	1,496,738	54,492
Other expenses	-	80,301
Depreciation expense	<u>17,097</u>	<u>-</u>
Total operating expenses	<u>3,048,496</u>	<u>617,259</u>
Operating income (loss)	<u>(839,643)</u>	<u>28,702</u>
Non-operating revenues (expenses):		
Interest income	6,177	-
Federal donated commodities	198,663	-
Grant revenue	474,331	-
Interest and fiscal charges	<u>(5,035)</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>674,136</u>	<u>-</u>
Income (loss) before transfers	(165,507)	28,702
Transfers - in	-	35,297
Transfers - out	<u>-</u>	<u>(23,449)</u>
Change in net assets	(165,507)	40,550
Total net assets (deficit) at beginning of year	<u>120,485</u>	<u>(7,369)</u>
Total net assets (deficit) at end of year	\$ <u><u>(45,022)</u></u>	\$ <u><u>33,181</u></u>

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, 2007

	Nonmajor Business Type	Governmental Activities Internal Service Fund
Increase in cash and cash equivalents:		
Cash flows from operating activities:		
Cash received from customers	\$ 1,846,913	\$ 539,405
Cash received from tuition payments	81,015	21,900
Cash payments received from classroom materials and fees	274,181	-
Cash received from other operating revenues	1,685	86,167
Cash payments for contractual services	(18,669)	(112,336)
Cash payments for materials and supplies	(1,264,591)	(54,492)
Cash payments to employees for services	(830,718)	(287,437)
Cash payments for employee benefits	(580,723)	(71,811)
Cash payments for other operating expenses	-	(80,301)
<i>Net cash provided by (used for) operating activities</i>	<u>(490,907)</u>	<u>41,095</u>
Cash flows from noncapital financing activities:		
Operating grants received	469,394	-
Advances - in	150,000	57,196
Advances - out	-	(92,371)
Transfers - in	-	35,297
Transfers - out	-	(23,449)
<i>Net cash provided by (used for) noncapital financing</i>	<u>619,394</u>	<u>(23,327)</u>
Cash flows from capital and related financing activities:		
Principal payment on capital lease	(23,882)	-
Interest payment on capital lease	(5,159)	-
<i>Net cash used for capital and related financing activities</i>	<u>(29,041)</u>	<u>-</u>
Cash flows from investing activities		
Interest received	<u>5,178</u>	<u>-</u>
Net increase in cash and cash equivalents	104,624	17,768
Cash and cash equivalents at beginning of year	<u>169,705</u>	<u>150,749</u>
Cash and cash equivalents at end of year	\$ <u><u>274,329</u></u>	\$ <u><u>168,517</u></u>
Non-cash noncapital financing and investing activities:		
Federal donated commodities	\$ 198,663	\$ -
Increase in fair value of investments	<u>324</u>	<u>-</u>
Total	\$ <u><u>198,987</u></u>	<u><u>-</u></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, 2007

	Nonmajor Business Type	Governmental Activities Internal Service Fund
	<u> </u>	<u> </u>
<i>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</i>		
Operating income (loss)	\$ (839,643)	\$ 28,702
Adjustments:		
Depreciation expense	17,097	-
Federal donated commodities	198,663	-
Changes in assets/liabilities:		
Increase in interfund receivable	(6,492)	-
Decrease (increase) in accounts receivable	1,433	(125)
Decrease in intergovernmental receivable	-	1,636
Increase in inventory	(1,893)	-
(Decrease) increase in accounts payable	35,377	(89)
Increase in accrued wages and benefits	58,143	91
Increase in accrued pension	30,968	3,482
Increase in intergovernmental payable	5,810	1
Increase in interfund payable	-	7,397
Increase in compensated absences	9,630	-
Total adjustments	<u>348,736</u>	<u>12,393</u>
<i>Net cash provided by (used for) operating activities</i>	<u>\$ (490,907)</u>	<u>\$ 41,095</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, 2007

	<u>Agency</u>
Assets:	
Equity in pooled cash and investments	\$ 390,908
Due from students	<u>204</u>
Total assets	\$ <u><u>391,112</u></u>
Liabilities:	
Accounts payable	\$ 10,306
Due to students	<u>380,806</u>
Total liabilities	\$ <u><u>391,112</u></u>

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



**Lauren Skulina
Fourth Grade
Brentmoor Elementary**

Mentor Exempted Village School District

Notes to the Basic Financial Statements

June 30, 2007

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 fourteen 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, 2007, 8,876 students were enrolled in the School District's 14 schools. The School District employs approximately 596 certified staff and 375 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, 2007

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 17, and in one Related Organization as described in Note 20.

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 fund.

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, 2007

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 "doubling up" revenues and expenses. 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, 2007

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. The trust fund is reported using the economic resources measurement focus.

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, 2007

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 6). 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, 2007, but which were levied to finance fiscal year 2007 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 also been reported as unearned 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, 2007

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 2007 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 2007. 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, 2007

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 2007.
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 5).

In applying GASB Statement No. 31, the School District utilized the following methods and assumptions as of December 31, 2007:

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, 2007

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 2007 amounted to \$2,159,681 which includes \$86,193 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 18 for additional information regarding set-asides.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2007, 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, 2007

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, 2007

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, 2007

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, prepaids, 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. Net assets restricted for other purposes include student activities, public school support, and federal grants.

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, 2007, net assets restricted were \$1,967,518 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 and miscellaneous for adult education, sales and miscellaneous for food service and uniform supplies, and extracurricular 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, 2007

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 2007, 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.

Note 3: Accountability

Deficit Fund Balances The following funds had negative fund balances at June 30, 2007:

	<u>Deficit Fund Balance</u>
Nonmajor Special Revenue Funds:	
Title VI-B	\$ 102,392
LEP/Immigrants Title III	5,562
Title I	22,942
Miscellaneous Federal Grants	445
Nonmajor Capital Projects Funds:	
Building	111,785
Nonmajor Enterprise Funds:	
Food Service	46,280
Uniform Supplies	80,094

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

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 4: 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:

	Net Change In Fund <u>Balance</u>
GAAP Basis	\$ 16,113,995
Net Adjustment for Revenue Accruals	1,497,431
Net Adjustment for Expenditure Accruals	(1,097,294)
Adjustment for Encumbrances	<u>(2,347,778)</u>
Budget Basis	\$ <u>14,166,354</u>

Note 5: 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.

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 5: Deposits and Investments (continued)

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);
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

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 5: Deposits and Investments (continued)

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. 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 \$21,363,492 and the bank balance was \$21,690,821. \$200,021 of the bank balance was covered by federal depository insurance and \$21,490,800 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, 2007, the District had the following investments:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Commercial Paper	\$ 8,887,716	38
Federal National Mortgage Association	7,902,013	63
Federal Home Loan Mortgage Corporation	1,986,262	5
Federal Home Loan Bank	999,499	5
Total Investments	\$ <u>19,775,490</u>	<u>111</u>

Interest Rate Risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The 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 one year.

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.

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 5: Deposits and Investments (continued)

Investments (continued)

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. The School District's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations.

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
Commercial paper	44.94%
Federal National Mortgage Association	39.96
Federal Home Loan Mortgage Corporation	10.04
Federal Home Loan Bank	5.06

Note 6: 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 2007 for real and public utility property taxes represents collections of calendar 2006 taxes. Property tax payments received during calendar 2007 for tangible personal property (other than public utility property) are for calendar 2007 taxes.

2006 real property taxes are levied after April 1, 2006, on the assessed value as of January 1, 2006, 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. 2007 public utility property taxes became a lien December 31, 2005, are levied after April 1, 2006 and are collected in 2007 with real property taxes.

Tangible personal property tax revenue received during calendar 2007 (other than public utility property) represents the collection of 2007 taxes. Tangible personal property taxes received in calendar year 2007 were levied after April 1, 2006, on the value as of December 31, 2006. 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 2007 is 12.5 percent. This will be reduced to 6.25 percent for 2008 and 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

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 6: Property Taxes (continued)

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 2007 taxes were collected are:

	<u>2006 Second-Half Collections</u>		<u>2007 First-Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 1,729,289,390	91%	\$ 1,899,309,090	93%
Public Utility Personal	42,689,040	2%	43,253,080	2%
Tangible Personal Property	<u>129,253,952</u>	<u>7%</u>	<u>97,654,387</u>	<u>5%</u>
	<u>\$ 1,901,232,382</u>	<u>100%</u>	<u>\$ 2,040,216,557</u>	<u>100%</u>
Tax rate per \$1,000 of Assessed Valuation		\$ 77.28		\$ 76.68

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.

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, 2007, are available to finance fiscal year 2007 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, 2007 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, 2007 is recognized as revenue. At June 30, 2007, \$4,648,953 was available as an advance to the general fund, \$98,832 was available to the debt service fund and \$65,038 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.

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 7: Interfund Transactions

A. Interfund transactions for the year ended June 30, 2007 consisted of the following:

	Interfund Payable			
	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	Internal Service Fund	Total
<u>Interfund receivable</u>				
General Fund	\$ 569,067	\$ 150,000	\$ 114,592	\$ 833,659
Nonmajor Governmental Funds	43	-	-	43
Nonmajor Enterprise Funds	<u>6,768</u>	<u>-</u>	<u>-</u>	<u>6,768</u>
	<u>\$ 575,878</u>	<u>\$ 150,000</u>	<u>\$ 114,592</u>	<u>\$ 840,470</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, 2007, all interfund loans outstanding are anticipated to be repaid in the fiscal year 2008.

B. Interfund transfers for the year ended June 30, 2007, consisted of the following:

	Transfer From				
	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Internal Service Fund	Total
<u>Transfer to</u>					
General Fund	\$ -	\$ -	\$ 101	\$ -	\$ 101
Debt Service Fund	107,911	-	-	-	107,911
Nonmajor Governmental Funds	24,000	107,911	8,464	23,449	163,824
Internal Service Fund	-	-	<u>35,297</u>	-	<u>35,297</u>
	<u>\$ 131,911</u>	<u>\$ 107,911</u>	<u>\$ 43,862</u>	<u>\$ 23,449</u>	<u>\$ 307,133</u>

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 8: Receivables

Receivables at June 30, 2007, 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.

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 8: Receivables (continued)

A summary of the principal items of intergovernmental receivables follows:

Governmental activities:

Gas tax reimbursement	\$ 9,523
Tuition	31,924
Unclaimed funds	577
Miscellaneous	416
CAFS refund	<u>22,164</u>
Total governmental activities	<u>64,604</u>

Business-type activities:

Food service reimbursement	<u>76,667</u>
Total intergovernmental receivables	<u>\$ 141,271</u>

Note 9: Capital Assets

Capital asset activity for the fiscal year ended June 30, 2007 was as follows:

	Balance 06/30/06	Additions	Disposals	Balance 06/30/07
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 725,721	\$ -	\$ -	\$ 725,721
Construction in progress	<u>443,660</u>	<u>1,283,696</u>	<u>(1,727,356)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>1,169,381</u>	<u>1,283,696</u>	<u>(1,727,356)</u>	<u>725,721</u>
Capital assets, being depreciated:				
Land improvements	2,830,312	24,061	(33,688)	2,820,685
Buildings and improvements	32,866,115	2,047,614	(49,584)	34,864,145
Furniture and equipment	5,544,920	115,874	-	5,660,794
Vehicles	<u>5,414,046</u>	<u>-</u>	<u>-</u>	<u>5,414,046</u>
Total capital assets, being depreciated	<u>46,655,393</u>	<u>2,187,549</u>	<u>(83,272)</u>	<u>48,759,670</u>
Less accumulated depreciation:				
Land improvements	(2,659,916)	(19,612)	7,676	(2,671,852)
Buildings and improvements	(25,273,144)	(545,950)	14,679	(25,804,415)
Furniture and equipment	(3,813,032)	(254,725)	-	(4,067,757)
Vehicles	<u>(3,436,769)</u>	<u>(405,877)</u>	<u>-</u>	<u>(3,842,646)</u>
Total accumulated depreciation	<u>(35,182,861)</u>	<u>(1,226,164)</u>	<u>22,355</u>	<u>(36,386,670)</u>
Capital assets being depreciated, net	<u>11,472,532</u>	<u>961,385</u>	<u>(60,917)</u>	<u>12,373,000</u>
Total governmental activities capital assets, net	<u>\$ 12,641,913</u>	<u>\$ 2,245,081</u>	<u>\$ (1,788,273)</u>	<u>\$ 13,098,721</u>
Business-type activities:				
Buildings and improvements	\$ 516,825	\$ -	\$ -	\$ 516,825
Less: accumulated depreciation	<u>(374,534)</u>	<u>(17,097)</u>	<u>-</u>	<u>(391,631)</u>
Total business-type activities capital assets, net	<u>\$ 142,291</u>	<u>\$ (17,097)</u>	<u>\$ -</u>	<u>\$ 125,194</u>

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 9: Capital Assets (continued)

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular education	\$ 797,600
Special education	3,007
Vocational education	34,392
Support services:	
Pupil	2,120
Business	451
Operation and maintenance of plant	326,895
Pupil transportation	17,785
Central	35,201
Community services	3,437
Extracurricular activities	<u>5,276</u>
Total depreciation expense	\$ <u>1,226,164</u>

The food service enterprise fund is the only enterprise fund to be charged depreciation.

Note 10: 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 2007, the School District contracted with Indiana Insurance Company for property, building contents, and data processing insurance.

Indiana Insurance Company covers the boiler and machinery, there is a \$2,500 deductible per occurrence. General liability is protected by Indiana Insurance Company with a \$1,000,000 single occurrence limit, a \$5,000,000 aggregate and a \$5,000 deductible. Vehicles are covered by Indiana 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 School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the Ohio School Boards Association. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 10: Risk Management (continued)

B. Workers Compensation (continued)

The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant share equally in the overall performance of the GRP. Participation in the GRP is limited to districts that can meet the GRP's selection criteria. The firm of Compensable Benefits, LLC, provides administrative, cost control and actuarial services to the GRP.

Note 11: Defined Benefit Pension Plans

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit 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, by calling (800) 878-5853 or by visiting the SERS website at ohsers.org, under Forms and Publications

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 2007, 10.68 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, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2007, 2006, and 2005 were \$1,286,683, \$1,305,042, and \$1,237,030, respectively; 54 percent has been contributed for fiscal year 2006 and 100 percent for fiscal years 2006 and 2005.

B. State Teachers Retirement System

The School District participates in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. 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 43215-3771, by calling 1-888-227-7877, or by visiting the STRS Ohio web site at www.strsoh.org.

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 11: Defined Benefit Pension Plans (continued)

B. State Teachers Retirement System (continued)

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 member 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 Combined Plan offers features of both 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 the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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 dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2007, 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 2006, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by 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 members and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2007, 2006, and 2005 were \$5,735,442, \$5,680,350, and \$5,405,965, respectively; 81 percent has been contributed for fiscal year 2007 and 100 percent for fiscal years 2006 and 2005. Contributions to the DC and Combined Plans for fiscal year 2007 were \$64,425 made by the School District and \$61,358 made by the plan members.

Note 12: Postemployment Benefits

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS Ohio), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 12: Postemployment Benefits (continued)

and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are on a pay-as-you-go basis.

All STRS Ohio retirees who participated in the DB or Combined Plans and their dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2007, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. For the School District, this amount equaled \$441,188 for fiscal year 2007.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2006 (the latest information available), the balance in the Fund was \$3.5 billion. For the fiscal year ended June 30, 2006, net health care costs paid by STRS Ohio were \$282,743,000 and STRS had 119,184 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their premium for health care. The portion is based on years of service, Medicare eligibility, and retirement status.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal years ended June 30, 2007 and June 30, 2006, employer contributions to fund health care benefits were 3.32 percent of covered payroll, compared to 3.42 percent of covered payroll for fiscal year 2006. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2007, the minimum pay was established at \$35,800. However, the surcharge is capped at two percent of each employer's SERS salaries. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2007 fiscal year equaled \$637,820.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the projected claims less premium contributions for the next fiscal year. Expenses for health care for the fiscal year ended June 30, 2006 (the latest information available), were \$158,751,207. At June 30, 2006, SERS had net assets available for payment of health care benefits of \$295.6 million. SERS has approximately 59,492 participants eligible to receive health care benefits.

Note 13: 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

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 13: Other Employee Benefits (continued)

A. Compensated Absences (continued)

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, the bonus is as follows:

Any employee who first becomes eligible for SERS retirement before July 1, 2007, 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, 2007. 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. 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 \$1,900,000 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 14: 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

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.

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 14: Long - Term Liabilities (continued)

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>6/30/06</u>	<u>Additions</u>	<u>Reductions</u>	Principal Outstanding <u>6/30/07</u>	Amounts Due in <u>One Year</u>
Governmental activities:					
School improvement refunding bonds 2.20%-11.19%, 12/13 maturity	\$ 3,045,000	\$ -	\$ (226,690)	\$ 2,818,310	\$ 203,303
School improvement refunding bonds 3%, 12/11 maturity	6,254,989	-	(1,060,000)	5,194,989	1,090,000
Long-term notes payable 3.5%, 12/08 maturity	1,488,000	-	(496,000)	992,000	496,000
Long-term energy conservation notes payable 3.05%	928,000	850,668	(928,000)	850,668	-
Long-term notes payable 2.8759%, 9/09 maturity	5,600,000	-	(1,400,000)	4,200,000	1,400,000
Capital lease obligations	208,118	174,000	(215,703)	166,415	61,671
Early retirement incentive	1,000,000	1,375,000	(475,000)	1,900,000	475,000
Compensated absences	<u>4,864,406</u>	<u>4,222,952</u>	<u>(3,744,707)</u>	<u>5,342,651</u>	<u>707,631</u>
Total governmental activities long-term liabilities	\$ <u>23,388,513</u>	\$ <u>6,622,620</u>	\$ <u>(8,546,100)</u>	\$ <u>21,465,033</u>	\$ <u>4,433,605</u>
Business-type activities:					
Capital lease obligations	\$ 92,963	\$ -	\$ (23,882)	\$ 69,081	\$ 25,424
Compensated absences	<u>68,927</u>	<u>32,831</u>	<u>(23,201)</u>	<u>78,557</u>	<u>5,499</u>
Total business-type activities long-term liabilities	\$ <u>161,890</u>	\$ <u>32,831</u>	\$ <u>(47,083)</u>	\$ <u>147,638</u>	\$ <u>30,923</u>

At June 30, 2007, the School District's overall legal debt margin was \$167,266,814 with an unvoted debt margin of \$1,935,670.

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 14: Long - Term Liabilities (continued)

Principal and interest requirements to retire long-term liabilities outstanding at June 30, 2007 are as follows:

	General Obligation Bonds		
	Principal	Interest	Total
	\$	\$	\$
2008	1,293,303	323,722	1,617,025
2009	1,520,000	192,863	1,712,863
2010	1,560,000	141,153	1,701,153
2011	1,620,000	84,455	1,704,455
2012	1,084,989	646,801	1,731,790
2013 - 2015	935,007	38,769	973,776
Total	<u>8,013,299</u>	<u>1,427,763</u>	<u>9,441,062</u>

	Long-term Notes Payable		
	Principal	Interest	Total
	\$	\$	\$
2008	1,896,000	126,665	2,022,665
2009	1,896,000	69,055	1,965,055
2010	1,400,000	20,125	1,420,125
Total	<u>5,192,000</u>	<u>215,845</u>	<u>5,407,845</u>

Note 15: 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 \$17,400 and \$27,700 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 2007 fiscal year totaled \$215,703 and \$23,882, 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, 2007:

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 15: Capital Lease Obligations (continued)

	Governmental Activities Amount	Business-Type Activities Amount
2008	\$ 69,188	\$ 29,040
2009	69,188	29,040
2010	<u>40,360</u>	<u>16,940</u>
Total minimum lease payment	178,736	75,020
Less: amount representing interest	<u>(12,321)</u>	<u>(5,939)</u>
Present value of minimum lease payments	<u>\$ 166,415</u>	<u>\$ 69,081</u>

Note 16: Short-Term Notes Payable

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 Building Capital Projects Fund.

	Interest Rate	Issue Date	Maturity Date	Outstanding Beginning of Year	Addition During Year	Redemption During Year	Outstanding End of Period
Energy conservation note	3.05%	07/08/05	07/07/06	\$ <u>77,333</u>	\$ <u>77,333</u>	\$ <u>(77,333)</u>	\$ <u>77,333</u>

Note 17: 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 2007 the School District paid \$4,632 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, 2007

Note 17: 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 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.

East Shore Regional Transportation System

The East Shore Regional Transportation System (ESRTS) is a jointly governed organization that was formed for the purpose of providing a transportation system for the handicapped children in the sixteen member school districts. The governing board consists of the superintendents of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the governing board. In fiscal year 2007, the School District paid \$207,817 to ESRTS. Financial information can be obtained by writing the fiscal agent, Kirtland Board of Education, 9152 Chillicothe Road, Kirtland, Ohio 44094.

East Shore Center

The East Shore Center is a jointly governed organization that was formed for the purpose of providing special education for the handicapped children in the sixteen member school districts. The governing board consists of the superintendents of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the governing board. In fiscal year 2007, the School District paid \$219,829 to the East Shore Center. Financial information can be obtained by writing the fiscal agent, Lake County Educational Service Center, 30 South Park Place, Suite 320, Painesville, OH 44077.

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 17: Jointly Governed Organizations (continued)

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.

Note 18: 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, 2006	\$ (1,165,760)	\$ -
Current Year Set-Aside Requirements	1,375,242	1,375,242
Offset Credits	-	(1,515,612)
Qualifying Disbursements	<u>(2,383,755)</u>	<u>(2,162,274)</u>
Total	\$ <u>(2,174,273)</u>	\$ <u>(2,302,644)</u>
Set-aside Balance Carried Forward To Future Fiscal Years	\$ <u>(2,174,273)</u>	\$ _____
Set-aside Reserve Balance as of June 30, 2007	\$ _____	\$ _____

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.

Mentor Exempted Village School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 19: 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, 2007.

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.

Note 20: 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, Clerk/Treasurer, at 8215 Mentor Avenue, Mentor, Ohio 44060.

Note 21: Subsequent Event

On July 5, 2007, the School District issued \$850,667 Energy Conservation Improvement Notes at the rate of 4.05% maturing on July 3, 2008.

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.

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.

Summer Intervention Fund This fund accounts for summer intervention services satisfying criteria defined in division (E) of section 3313.608 of the Revised Code.

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/Immigrant 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 fund accounts for financial resources to be used for the purchase of major capital equipment and facilities renovation.

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 district.

Rotary 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, 2007

	Nonmajor Special Revenue	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and investments	\$ 1,111,885	\$ 2,531,928	\$ 3,643,813
Taxes receivable	-	910,687	910,687
Accounts receivable	8,986	-	8,986
Accrued interest receivable	-	10,992	10,992
Intergovernmental receivable	22,580	-	22,580
Interfund receivable	43	-	43
Total assets	<u>\$ 1,143,494</u>	<u>\$ 3,453,607</u>	<u>\$ 4,597,101</u>
Liabilities and fund balances:			
Liabilities:			
Accounts payable	\$ 176,954	\$ 20,536	\$ 197,490
Accrued wages and benefits	147,788	-	147,788
Accrued pension	50,966	-	50,966
Intergovernmental payable	13,676	-	13,676
Interfund payable	75,878	500,000	575,878
Unearned revenue	-	845,649	845,649
Accrued interest payable	-	34,452	34,452
Notes payable	-	77,333	77,333
Total liabilities	<u>465,262</u>	<u>1,477,970</u>	<u>1,943,232</u>
Fund balances:			
Reserve for encumbrances	227,591	599,512	827,103
Reserve for property taxes	-	65,038	65,038
Unreserved; undesignated (deficit)	<u>450,641</u>	<u>1,311,087</u>	<u>1,761,728</u>
Total fund balances	<u>678,232</u>	<u>1,975,637</u>	<u>2,653,869</u>
Total liabilities and fund balances	<u>\$ 1,143,494</u>	<u>\$ 3,453,607</u>	<u>\$ 4,597,101</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, 2007

	Nonmajor Special Revenue	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$ -	\$ 995,885	\$ 995,885
Intergovernmental	5,040,019	129,799	5,169,818
Tuition and fees	2,660	-	2,660
Earnings on investments	19,391	130,866	150,257
Extracurricular activities	496,089	-	496,089
Miscellaneous revenue	<u>297,681</u>	<u>504,988</u>	<u>802,669</u>
Total revenues	<u>5,855,840</u>	<u>1,761,538</u>	<u>7,617,378</u>
Expenditures:			
Current:			
Instruction:			
Regular education	403,167	-	403,167
Special education	1,018,678	-	1,018,678
Vocational education	92,734	-	92,734
Support services:			
Pupil	1,251,449	-	1,251,449
Instructional staff	226,015	-	226,015
Administration	454,292	-	454,292
Fiscal	-	15,513	15,513
Operation and maintenance of plant	71,242	2,096,605	2,167,847
Pupil transportation	49,037	-	49,037
Central	181,110	276,187	457,297
Food service operations	684	-	684
Community services	1,401,920	-	1,401,920
Extracurricular activities	518,715	-	518,715
Debt service:			
Principal	-	928,001	928,001
Interest and fiscal charges	<u>-</u>	<u>34,367</u>	<u>34,367</u>
Total expenditures	<u>5,669,043</u>	<u>3,350,673</u>	<u>9,019,716</u>
Excess of revenues over (under) expenditures	<u>186,797</u>	<u>(1,589,135)</u>	<u>(1,402,338)</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, 2007

	<u>Nonmajor Special Revenue</u>	<u>Nonmajor Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
Other financing sources (uses):			
Sale of capital assets	-	20,599	20,599
Issuance of notes	-	850,668	850,668
Transfers - in	55,913	107,911	163,824
Transfers - out	<u>(43,862)</u>	<u>-</u>	<u>(43,862)</u>
Total other financing sources (uses)	<u>12,051</u>	<u>979,178</u>	<u>991,229</u>
Net change in fund balance	198,848	(609,957)	(411,109)
Fund balance at beginning of year	<u>479,384</u>	<u>2,585,594</u>	<u>3,064,978</u>
Fund balance at end of year	\$ <u><u>678,232</u></u>	\$ <u><u>1,975,637</u></u>	\$ <u><u>2,653,869</u></u>

Mentor Exempted Village School District

Combining Balance Sheet Nonmajor Special Revenue Funds

June 30, 2007

	<u>Other Grants</u>	<u>Athletic DMSA</u>	<u>Auxiliary Services</u>
Assets:			
Equity in pooled cash and investments	\$ 116,636	\$ 138,674	\$ 164,346
Accounts receivable	8,777	140	-
Intergovernmental receivable	-	-	205
Interfund receivable	-	-	-
Total assets	<u>\$ 125,413</u>	<u>\$ 138,814</u>	<u>\$ 164,551</u>
Liabilities and fund balances:			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 57,356
Accrued wages and benefits	-	-	-
Accrued pension	-	-	-
Intergovernmental payable	-	-	-
Interfund payable	-	-	57,946
Total liabilities	<u>-</u>	<u>-</u>	<u>115,302</u>
Fund balances:			
Reserve for encumbrances	935	36,261	48,899
Unreserved; undesignated (deficit)	<u>124,478</u>	<u>102,553</u>	<u>350</u>
Total fund balances (deficit)	<u>125,413</u>	<u>138,814</u>	<u>49,249</u>
Total liabilities and fund balances	<u>\$ 125,413</u>	<u>\$ 138,814</u>	<u>\$ 164,551</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>
\$ 187,563	\$ 4,356	\$ 17,041	\$ 599	\$ 1,254	\$ 2,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 187,563</u>	<u>\$ 4,356</u>	<u>\$ 17,041</u>	<u>\$ 599</u>	<u>\$ 1,254</u>	<u>\$ 2,000</u>

\$ -	\$ -	\$ 11,113	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
74	-	-	-	-	-
<u>74</u>	<u>-</u>	<u>11,113</u>	<u>-</u>	<u>-</u>	<u>-</u>

9,709	230	45	-	-	-
<u>177,780</u>	<u>4,126</u>	<u>5,883</u>	<u>599</u>	<u>1,254</u>	<u>2,000</u>
<u>187,489</u>	<u>4,356</u>	<u>5,928</u>	<u>599</u>	<u>1,254</u>	<u>2,000</u>
<u>\$ 187,563</u>	<u>\$ 4,356</u>	<u>\$ 17,041</u>	<u>\$ 599</u>	<u>\$ 1,254</u>	<u>\$ 2,000</u>

Continued

Mentor Exempted Village School District

Combining Balance Sheet Nonmajor Special Revenue Funds (continued)

June 30, 2007

	<u>Summer Intervention</u>	<u>Miscellaneous State Grants</u>	<u>Title VI-B</u>	<u>Vocational Education</u>
Assets:				
Equity in pooled cash and investments	\$ -	\$ 31,960	\$ 115,145	\$ 107,588
Accounts receivable	-	-	-	-
Intergovernmental receivable	-	-	-	-
Interfund receivable	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 31,960</u>	<u>\$ 115,145</u>	<u>\$ 107,588</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 51,431	\$ 39,192
Accrued wages and benefits	-	1,039	114,103	-
Accrued pension	-	386	41,444	-
Intergovernmental payable	-	96	10,559	-
Interfund payable	-	-	-	17,858
Total liabilities	<u>-</u>	<u>1,521</u>	<u>217,537</u>	<u>57,050</u>
Fund balances:				
Reserve for encumbrances	-	13,825	63,964	42,299
Unreserved; undesignated (deficit)	<u>-</u>	<u>16,614</u>	<u>(166,356)</u>	<u>8,239</u>
Total fund balances (deficit)	<u>-</u>	<u>30,439</u>	<u>(102,392)</u>	<u>50,538</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 31,960</u>	<u>\$ 115,145</u>	<u>\$ 107,588</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>
\$ 2,255	\$ 8,862	\$ 3,144	\$ 9,130	\$ 10,317	\$ 142,183
-	-	-	-	-	69
-	-	-	-	-	22,164
-	-	-	-	-	43
<u>\$ 2,255</u>	<u>\$ 8,862</u>	<u>\$ 3,144</u>	<u>\$ 9,130</u>	<u>\$ 10,317</u>	<u>\$ 164,459</u>

\$ -	\$ -	\$ 886	\$ 9,120	\$ -	\$ -
7,155	22,170	-	-	1,503	-
-	7,582	-	-	503	-
662	2,052	-	-	139	-
-	-	-	-	-	-
<u>7,817</u>	<u>31,804</u>	<u>886</u>	<u>9,120</u>	<u>2,145</u>	<u>-</u>

796	114	1,686	10	3,726	739
<u>(6,358)</u>	<u>(23,056)</u>	<u>572</u>	<u>-</u>	<u>4,446</u>	<u>163,720</u>
<u>(5,562)</u>	<u>(22,942)</u>	<u>2,258</u>	<u>10</u>	<u>8,172</u>	<u>164,459</u>
<u>\$ 2,255</u>	<u>\$ 8,862</u>	<u>\$ 3,144</u>	<u>\$ 9,130</u>	<u>\$ 10,317</u>	<u>\$ 164,459</u>

Continued

Mentor Exempted Village School District

Combining Balance Sheet Nonmajor Special Revenue Funds (continued)

June 30, 2007

	<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	\$ 31,617	\$ 10,015	\$ 7,200	\$ 1,111,885
Accounts receivable	-	-	-	8,986
Intergovernmental receivable	-	-	211	22,580
Interfund receivable	-	-	-	43
Total assets	<u>\$ 31,617</u>	<u>\$ 10,015</u>	<u>\$ 7,411</u>	<u>\$ 1,143,494</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 7,856	\$ 176,954
Accrued wages and benefits	-	1,818	-	147,788
Accrued pension	-	1,051	-	50,966
Intergovernmental payable	-	168	-	13,676
Interfund payable	-	-	-	75,878
Total liabilities	<u>-</u>	<u>3,037</u>	<u>7,856</u>	<u>465,262</u>
Fund balances:				
Reserve for encumbrances	3,431	100	822	227,591
Unreserved; undesignated (deficit)	<u>28,186</u>	<u>6,878</u>	<u>(1,267)</u>	<u>450,641</u>
Total fund balances (deficit)	<u>31,617</u>	<u>6,978</u>	<u>(445)</u>	<u>678,232</u>
Total liabilities and fund balances	<u>\$ 31,617</u>	<u>\$ 10,015</u>	<u>\$ 7,411</u>	<u>\$ 1,143,494</u>



Ben Anderson
Senior
Mentor High

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, 2007

	<u>Other Grants</u>	<u>Athletic DMSA</u>	<u>Auxiliary Services</u>
Revenues:			
Intergovernmental	\$ -	\$ -	\$ 1,187,658
Tuition and fees	-	2,660	-
Earnings on investments	4,222	877	12,221
Extracurricular activities	-	331,112	-
Miscellaneous revenue	<u>114,394</u>	<u>32,179</u>	<u>205</u>
Total revenues	<u>118,616</u>	<u>366,828</u>	<u>1,200,084</u>
Expenditures:			
Current:			
Instruction:			
Regular education	16,881	-	-
Special education	-	-	-
Vocational education	-	-	-
Support services:			
Pupil	-	-	-
Instructional staff	669	-	-
Administration	10,440	-	-
Operation and maintenance of plant	21,898	-	-
Pupil transportation	3,121	-	-
Central	-	-	-
Food service operations	-	-	-
Community services	-	-	1,235,574
Extracurricular activities	<u>-</u>	<u>404,382</u>	<u>-</u>
Total expenditures	<u>53,009</u>	<u>404,382</u>	<u>1,235,574</u>
Excess of revenues over (under) expenditures	<u>65,607</u>	<u>(37,554)</u>	<u>(35,490)</u>
Other financing sources (uses):			
Transfers - in	-	24,826	-
Transfers - out	<u>(7,500)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(7,500)</u>	<u>24,826</u>	<u>-</u>
Net change in fund balance	58,107	(12,728)	(35,490)
Fund balance (deficit) at beginning of year	<u>67,306</u>	<u>151,542</u>	<u>84,739</u>
Fund balance (deficit) at end of year	\$ <u><u>125,413</u></u>	\$ <u><u>138,814</u></u>	\$ <u><u>49,249</u></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>
\$ -	\$ 20,700	\$ 30,303	\$ 42,000	\$ 5,300	\$ 20,000
-	-	-	-	-	-
1,152	-	-	-	-	-
155,084	-	-	-	-	-
85,284	-	-	-	-	-
<u>241,520</u>	<u>20,700</u>	<u>30,303</u>	<u>42,000</u>	<u>5,300</u>	<u>20,000</u>
383	6,907	-	-	-	15,850
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	2,000
-	14,812	-	-	8,124	-
31,152	1,500	-	-	-	-
-	-	-	41,237	-	-
-	-	-	-	-	-
104,682	-	24,375	-	-	-
684	-	-	-	-	-
-	-	-	-	-	-
94,372	-	-	-	-	-
<u>231,273</u>	<u>23,219</u>	<u>24,375</u>	<u>41,237</u>	<u>8,124</u>	<u>17,850</u>
<u>10,247</u>	<u>(2,519)</u>	<u>5,928</u>	<u>763</u>	<u>(2,824)</u>	<u>2,150</u>
31,087	-	-	-	-	-
(751)	-	-	-	(98)	-
<u>30,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(98)</u>	<u>-</u>
40,583	(2,519)	5,928	763	(2,922)	2,150
<u>146,906</u>	<u>6,875</u>	<u>-</u>	<u>(164)</u>	<u>4,176</u>	<u>(150)</u>
\$ <u>187,489</u>	\$ <u>4,356</u>	\$ <u>5,928</u>	\$ <u>599</u>	\$ <u>1,254</u>	\$ <u>2,000</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, 2007

	<u>Summer Intervention</u>	<u>Miscellaneous State Grants</u>	<u>Title VI-B</u>	<u>Vocational Education</u>
Revenues:				
Intergovernmental	\$ -	\$ 50,209	\$ 2,203,135	\$ 403,101
Tuition and fees	-	-	-	-
Earnings on investments	-	-	-	-
Extracurricular activities	-	-	-	-
Miscellaneous revenue	<u>55</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>55</u>	<u>50,209</u>	<u>2,203,135</u>	<u>403,101</u>
Expenditures:				
Current:				
Instruction:				
Regular education	-	265	-	-
Special education	-	-	618,534	-
Vocational education	-	-	-	92,734
Support services:				
Pupil	-	35,308	904,649	226,051
Instructional staff	-	-	52,074	27,702
Administration	-	378	381,728	20,067
Operation and maintenance of plant	-	-	8,107	-
Pupil transportation	-	-	41,525	4,391
Central	-	-	-	-
Food service operations	-	-	-	-
Community services	-	-	155,362	200
Extracurricular activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>35,951</u>	<u>2,161,979</u>	<u>371,145</u>
Excess of revenues over (under) expenditures	<u>55</u>	<u>14,258</u>	<u>41,156</u>	<u>31,956</u>
Other financing sources (uses):				
Transfers - in	-	-	-	-
Transfers - out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	55	14,258	41,156	31,956
Fund balance (deficit) at beginning of year	<u>(55)</u>	<u>16,181</u>	<u>(143,548)</u>	<u>18,582</u>
Fund balance (deficit) at end of year	\$ <u><u>-</u></u>	\$ <u><u>30,439</u></u>	\$ <u><u>(102,392)</u></u>	\$ <u><u>50,538</u></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>
\$ 35,678	\$ 359,781	\$ 69,670	\$ 17,139	\$ 76,781	\$ 34,758
-	-	-	-	-	-
-	-	-	-	-	919
-	-	-	-	-	9,893
-	-	-	-	-	65,353
<u>35,678</u>	<u>359,781</u>	<u>69,670</u>	<u>17,139</u>	<u>76,781</u>	<u>110,923</u>
-	-	21,094	4,569	-	26,440
39,135	335,078	-	-	22,286	3,645
-	-	-	-	-	-
-	2,853	32,415	-	40,456	535
3,509	281	12,189	12,507	1,613	1,711
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	804
-	-	-	-	-	-
-	484	2,036	183	-	710
-	-	-	-	-	19,961
<u>42,644</u>	<u>338,696</u>	<u>67,734</u>	<u>17,259</u>	<u>64,355</u>	<u>53,806</u>
<u>(6,966)</u>	<u>21,085</u>	<u>1,936</u>	<u>(120)</u>	<u>12,426</u>	<u>57,117</u>
-	-	-	-	-	-
-	-	-	-	-	(35,513)
-	-	-	-	-	(35,513)
(6,966)	21,085	1,936	(120)	12,426	21,604
<u>1,404</u>	<u>(44,027)</u>	<u>322</u>	<u>130</u>	<u>(4,254)</u>	<u>142,855</u>
\$ <u>(5,562)</u>	\$ <u>(22,942)</u>	\$ <u>2,258</u>	\$ <u>10</u>	\$ <u>8,172</u>	\$ <u>164,459</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, 2007

	<u>E-Rate Reimbursement</u>	<u>Classroom Reduction</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue</u>
Revenues:				
Intergovernmental	\$ 55,934	\$ 164,044	\$ 263,828	\$ 5,040,019
Tuition and fees	-	-	-	2,660
Earnings on investments	-	-	-	19,391
Extracurricular activities	-	-	-	496,089
Miscellaneous revenue	-	-	211	297,681
Total revenues	<u>55,934</u>	<u>164,044</u>	<u>264,039</u>	<u>5,855,840</u>
Expenditures:				
Current:				
Instruction:				
Regular education	-	69,827	240,951	403,167
Special education	-	-	-	1,018,678
Vocational education	-	-	-	92,734
Support services:				
Pupil	-	-	7,182	1,251,449
Instructional staff	-	87,220	3,604	226,015
Administration	-	-	9,027	454,292
Operation and maintenance of plant	-	-	-	71,242
Pupil transportation	-	-	-	49,037
Central	51,249	-	-	181,110
Food service operations	-	-	-	684
Community services	-	-	7,371	1,401,920
Extracurricular activities	-	-	-	518,715
Total expenditures	<u>51,249</u>	<u>157,047</u>	<u>268,135</u>	<u>5,669,043</u>
Excess of revenues over (under) expenditures	<u>4,685</u>	<u>6,997</u>	<u>(4,096)</u>	<u>186,797</u>
Other financing sources (uses):				
Transfers - in	-	-	-	55,913
Transfers - out	-	-	-	(43,862)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,051</u>
Net change in fund balance	4,685	6,997	(4,096)	198,848
Fund balance (deficit) at beginning of year	<u>26,932</u>	<u>(19)</u>	<u>3,651</u>	<u>479,384</u>
Fund balance (deficit) at end of year	<u>\$ 31,617</u>	<u>\$ 6,978</u>	<u>\$ (445)</u>	<u>\$ 678,232</u>

Mentor Exempted Village School District

Combining Balance Sheet Nonmajor Capital Projects Funds

June 30, 2007

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Total Nonmajor Capital Projects</u>
Assets:			
Equity in pooled cash and investments	\$ 2,531,928	\$ -	\$ 2,531,928
Taxes receivable	910,687	-	910,687
Accrued interest receivable	<u>10,992</u>	<u>-</u>	<u>10,992</u>
Total assets	\$ <u><u>3,453,607</u></u>	\$ <u><u>-</u></u>	\$ <u><u>3,453,607</u></u>
Liabilities and fund balances:			
Liabilities:			
Accounts payable	\$ 20,536	\$ -	\$ 20,536
Interfund payable	500,000	-	500,000
Unearned revenue	845,649	-	845,649
Accrued interest payable	-	34,452	34,452
Notes payable	<u>-</u>	<u>77,333</u>	<u>77,333</u>
Total liabilities	<u><u>1,366,185</u></u>	<u><u>111,785</u></u>	<u><u>1,477,970</u></u>
Fund balances:			
Reserve for encumbrances	599,512	-	599,512
Reserve for property taxes	65,038	-	65,038
Unreserved, undesignated (deficit)	<u>1,422,872</u>	<u>(111,785)</u>	<u>1,311,087</u>
Total fund balances (deficit)	<u><u>2,087,422</u></u>	<u><u>(111,785)</u></u>	<u><u>1,975,637</u></u>
Total liabilities and fund balances	\$ <u><u>3,453,607</u></u>	\$ <u><u>-</u></u>	\$ <u><u>3,453,607</u></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, 2007

	Permanent Improvement	Building	Total Nonmajor Capital Projects
Revenues:			
Taxes	\$ 995,885	\$ -	\$ 995,885
Intergovernmental	129,799	-	129,799
Earnings on investments	130,866	-	130,866
Miscellaneous revenue	<u>504,988</u>	<u>-</u>	<u>504,988</u>
Total revenues	<u>1,761,538</u>	<u>-</u>	<u>1,761,538</u>
Expenditures:			
Current:			
Regular education	-	-	-
Fiscal	15,513	-	15,513
Operations and maintenance of plant	2,096,605	-	2,096,605
Central	276,187	-	276,187
Debt service:			
Principal	-	928,001	928,001
Interest and fiscal charges	<u>-</u>	<u>34,367</u>	<u>34,367</u>
Total expenditures	<u>2,388,305</u>	<u>962,368</u>	<u>3,350,673</u>
Excess of revenues over (under) expenditures	<u>(626,767)</u>	<u>(962,368)</u>	<u>(1,589,135)</u>
Other financing sources (uses):			
Sale of capital assets	20,599	-	20,599
Issuance of notes	-	850,668	850,668
Transfers-in	<u>-</u>	<u>107,911</u>	<u>107,911</u>
Total other financing sources (uses)	<u>20,599</u>	<u>958,579</u>	<u>979,178</u>
Net change in fund balance	(606,168)	(3,789)	(609,957)
Fund balance (deficit) at beginning of year	<u>2,693,590</u>	<u>(107,996)</u>	<u>2,585,594</u>
Fund balance (deficit) at end of year	\$ <u><u>2,087,422</u></u>	\$ <u><u>(111,785)</u></u>	\$ <u><u>1,975,637</u></u>

Mentor Exempted Village School District

Combining Statement of Fund Net Assets Nonmajor Enterprise Funds

June 30, 2007

	<u>Food Service</u>	<u>Uniform Supplies</u>	<u>Rotary Fund</u>	<u>Adult Education</u>	Total Nonmajor Enterprise Funds
Assets:					
Current assets:					
Equity in pooled cash and investments	\$ 64,989	\$ 124,187	\$ 79,682	\$ 5,471	\$ 274,329
Accounts receivable	1,673	511	100	-	2,284
Accrued interest receivable	1,025	-	-	-	1,025
Intergovernmental receivable	76,667	-	-	-	76,667
Materials and supplies inventory	16,695	-	-	-	16,695
Interfund receivable	<u>6,768</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,768</u>
Total current assets	167,817	124,698	79,782	5,471	377,768
Non-current assets:					
Depreciable capital assets, net	<u>125,194</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,194</u>
Total assets	<u>293,011</u>	<u>124,698</u>	<u>79,782</u>	<u>5,471</u>	<u>502,962</u>
Liabilities:					
Current liabilities:					
Accounts payable	-	54,792	-	-	54,792
Accrued wages and benefits	106,825	-	2,671	-	109,496
Accrued pension	74,580	-	983	-	75,563
Intergovernmental payable	9,886	-	247	-	10,133
Interfund payable	-	150,000	-	-	150,000
Accrued interest payable	362	-	-	-	362
Current portion of accrued compensated absences	5,499	-	-	-	5,499
Current portion of capital lease	<u>25,424</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,424</u>
Total current liabilities	<u>222,576</u>	<u>204,792</u>	<u>3,901</u>	<u>-</u>	<u>431,269</u>
Long-term liabilities:					
Compensated absences	73,058	-	-	-	73,058
Capital lease	<u>43,657</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,657</u>
Total long-term liabilities	<u>116,715</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,715</u>
Total liabilities	<u>339,291</u>	<u>204,792</u>	<u>3,901</u>	<u>-</u>	<u>547,984</u>
Net assets:					
Invested in capital assets, net of related debt	56,113	-	-	-	56,113
Unrestricted (deficit)	<u>(102,393)</u>	<u>(80,094)</u>	<u>75,881</u>	<u>5,471</u>	<u>(101,135)</u>
Total net assets (deficit)	<u>\$ (46,280)</u>	<u>\$ (80,094)</u>	<u>\$ 75,881</u>	<u>\$ 5,471</u>	<u>\$ (45,022)</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, 2007

	<u>Food Service</u>	<u>Uniform Supplies</u>	<u>Rotary Fund</u>	<u>Adult Education</u>	Total Nonmajor Enterprise Funds
Operating revenues:					
Tuition and fees	\$ -	\$ -	\$ 80,075	\$ -	\$ 80,075
Classroom materials and fees	-	274,613	-	-	274,613
Sales	1,852,301	-	-	-	1,852,301
Miscellaneous revenue	<u>-</u>	<u>184</u>	<u>1,180</u>	<u>500</u>	<u>1,864</u>
Total operating revenues	<u>1,852,301</u>	<u>274,797</u>	<u>81,255</u>	<u>500</u>	<u>2,208,853</u>
Operating expenses:					
Salaries and wages	864,215	-	23,295	-	887,510
Fringe benefits	628,482	-	-	-	628,482
Contractual services	18,446	-	223	-	18,669
Supplies and materials	1,064,240	432,235	207	56	1,496,738
Depreciation expense	<u>17,097</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,097</u>
Total operating expenses	<u>2,592,480</u>	<u>432,235</u>	<u>23,725</u>	<u>56</u>	<u>3,048,496</u>
Operating income (loss)	<u>(740,179)</u>	<u>(157,438)</u>	<u>57,530</u>	<u>444</u>	<u>(839,643)</u>
Non-operating revenues (expenses):					
Interest income	6,177	-	-	-	6,177
Federal donated commodities	198,663	-	-	-	198,663
Grant revenue	474,331	-	-	-	474,331
Interest and fiscal charges	<u>(5,035)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,035)</u>
Total non-operating revenues (expenses)	<u>674,136</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>674,136</u>
Change in net assets	(66,043)	(157,438)	57,530	444	(165,507)
Net assets at beginning of year	<u>19,763</u>	<u>77,344</u>	<u>18,351</u>	<u>5,027</u>	<u>120,485</u>
Net assets (deficit) at end of year	\$ <u><u>(46,280)</u></u>	\$ <u><u>(80,094)</u></u>	\$ <u><u>75,881</u></u>	\$ <u><u>5,471</u></u>	\$ <u><u>(45,022)</u></u>

Mentor Exempted Village School District

Combining Statement of Cash Flows Nonmajor Enterprise Funds

For The Fiscal Year Ended June 30, 2007

	<u>Food Service</u>	<u>Uniform Supplies</u>	<u>Rotary Fund</u>	<u>Adult Education</u>	<u>Total Nonmajor Enterprise Funds</u>
Increase in cash and cash equivalents:					
Cash flows from operating activities:					
Cash received from customers	\$ 1,846,913	\$ -	\$ -	\$ -	\$ 1,846,913
Cash received from tuition payments	-	-	81,015	-	81,015
Cash payments received from classroom materials and fees	-	274,181	-	-	274,181
Cash received for other operating revenues	-	105	1,080	500	1,685
Cash payments for contractual services	(18,446)	-	(223)	-	(18,669)
Cash payments for materials and supplies	(867,470)	(396,858)	(207)	(56)	(1,264,591)
Cash payments to employees for services	(777,857)	-	(52,861)	-	(830,718)
Cash payments for employee benefits	(571,947)	-	(8,776)	-	(580,723)
<i>Net cash provided by (used for) operating activities</i>	<u>(388,807)</u>	<u>(122,572)</u>	<u>20,028</u>	<u>444</u>	<u>(490,907)</u>
Cash flows from noncapital financing activities:					
Operating grants received	469,394	-	-	-	469,394
Advances - in	-	150,000	-	-	150,000
<i>Net cash provided by noncapital financing activities</i>	<u>469,394</u>	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>619,394</u>
Cash flows from capital and related financing activities:					
Principal payment on capital lease	(23,882)	-	-	-	(23,882)
Interest payment on capital lease	(5,159)	-	-	-	(5,159)
<i>Net cash used for capital and related financing activities</i>	<u>(29,041)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(29,041)</u>
Cash flows from investing activities:					
Interest received	5,178	-	-	-	5,178
Net increase in cash and cash equivalents	56,724	27,428	20,028	444	104,624
Cash and cash equivalents at beginning of year	8,265	96,759	59,654	5,027	169,705
Cash and cash equivalents at end of year	\$ 64,989	\$ 124,187	\$ 79,682	\$ 5,471	\$ 274,329
Non-cash noncapital financing activities:					
Federal donated commodities	\$ 198,663	\$ -	\$ -	\$ -	\$ 198,663
Increase in fair value of investments	324	-	-	-	324
Total	<u>\$ 198,987</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Continued

Mentor Exempted Village School District

Combining Statement of Cash Flows Nonmajor Enterprise Funds (continued)

For The Fiscal Year Ended June 30, 2007

	<u>Food Service</u>	<u>Uniform Supplies</u>	<u>Rotary Fund</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)	\$ (740,179)	\$ (157,438)	\$ 57,530	\$ 444	\$ (839,643)
Adjustments:					
Depreciation expense	17,097	-	-	-	17,097
Federal donated commodities	198,663	-	-	-	198,663
Changes in assets/liabilities:					
Increase in interfund receivable	(6,492)	-	-	-	(6,492)
Decrease (increase) in accounts receivable	1,104	(511)	840	-	1,433
Increase in inventory	(1,893)	-	-	-	(1,893)
Increase in accounts payable	-	35,377	-	-	35,377
Increase (decrease) accrued wages and benefits	86,358	-	(28,215)	-	58,143
Increase (decrease) in accrued pension	38,742	-	(7,774)	-	30,968
Increase (decrease) in intergovernmental payable	8,163	-	(2,353)	-	5,810
Increase in compensated absences	9,630	-	-	-	9,630
Total adjustments	<u>351,372</u>	<u>34,866</u>	<u>(37,502)</u>	<u>-</u>	<u>348,736</u>
<i>Net cash provided by (used for) operating activities</i>	\$ <u>(388,807)</u>	\$ <u>(122,572)</u>	\$ <u>20,028</u>	\$ <u>444</u>	\$ <u>(490,907)</u>

Mentor Exempted Village School District

Combining Statement of Changes in Assets and Liabilities Agency Fund

For The Fiscal Year Ended June 30, 2007

	<u>Balance</u> <u>06/30/06</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/07</u>
Student activities:				
Assets:				
Equity in pooled cash and investments	\$ 412,552	\$ 460,812	\$ 482,456	\$ 390,908
Due from students	-	204	-	204
Total assets	<u>\$ 412,552</u>	<u>\$ 461,016</u>	<u>\$ 482,456</u>	<u>\$ 391,112</u>
Liabilities:				
Accounts payable	\$ 22,699	\$ 10,306	\$ 22,699	\$ 10,306
Due to students	389,853	450,710	459,757	380,806
Total liabilities	<u>\$ 412,552</u>	<u>\$ 461,016</u>	<u>\$ 482,456</u>	<u>\$ 391,112</u>



**Christopher Hasak
Second Grade
Garfield 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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 77,722,999	\$ 72,881,677	\$ 72,881,677	\$ -
Intergovernmental	21,038,902	23,220,094	24,171,714	951,620
Tuition and fees	1,139,000	1,139,000	1,469,103	330,103
Earnings on investments	1,200,000	1,200,000	1,534,167	334,167
Extracurricular activities	380,000	380,000	341,062	(38,938)
Miscellaneous revenue	85,000	85,000	369,664	284,664
Total revenues	<u>101,565,901</u>	<u>98,905,771</u>	<u>100,767,387</u>	<u>1,861,616</u>
Expenditures:				
Current:				
Instruction:				
Regular education:				
Salaries and wages	28,608,472	28,424,647	28,300,689	123,958
Employee benefits	9,440,910	8,856,019	8,855,989	30
Purchased services	1,210,100	1,141,944	1,112,044	29,900
Supplies and materials	2,017,698	1,791,529	1,702,468	89,061
Capital outlay – new	357,237	371,420	368,478	2,942
Capital outlay – replacement	-	22,000	21,994	6
Total regular education	<u>41,634,417</u>	<u>40,607,559</u>	<u>40,361,662</u>	<u>245,897</u>
Special education:				
Salaries and wages	5,545,891	5,494,060	5,326,589	167,471
Employee benefits	2,322,329	2,084,592	1,644,173	440,419
Purchased services	2,936,824	2,915,112	2,907,705	7,407
Supplies and materials	25,850	6,877	6,877	-
Capital outlay – replacement	-	983	-	983
Total special education	<u>10,830,894</u>	<u>10,501,624</u>	<u>9,885,344</u>	<u>616,280</u>
Vocational education:				
Salaries and wages	1,539,554	1,539,554	1,355,139	184,415
Employee benefits	488,977	488,977	387,745	101,232
Purchased services	529,856	508,325	508,325	-
Supplies and materials	38,588	34,550	33,609	941
Capital outlay – new	117,392	118,453	117,852	601
Other	8,174	7,663	3,768	3,895
Total vocational education	<u>2,722,541</u>	<u>2,697,522</u>	<u>2,406,438</u>	<u>291,084</u>
Other instruction:				
Salaries and wages	361,218	631,482	631,482	-
Employee benefits	84,211	134,662	134,662	-
Total other instruction	<u>445,429</u>	<u>766,144</u>	<u>766,144</u>	<u>-</u>
Total instruction	<u>55,633,281</u>	<u>54,572,849</u>	<u>53,419,588</u>	<u>1,153,261</u>

Continued

Mentor Exempted Village School District

General Fund

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

For The Fiscal Year Ended June 30, 2007

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Support services:				
Pupil:				
Salaries and wages	3,500,424	3,505,470	3,505,470	-
Employee benefits	1,680,113	1,680,113	1,358,514	321,599
Purchased services	8,332	176,050	168,664	7,386
Supplies and materials	23,030	19,030	18,688	342
Capital outlay – replacement	-	4,000	2,985	1,015
Total pupil	<u>5,211,899</u>	<u>5,384,663</u>	<u>5,054,321</u>	<u>330,342</u>
Instructional staff:				
Salaries and wages	2,691,047	2,691,047	2,486,920	204,127
Employee benefits	1,397,878	1,397,878	1,178,916	218,962
Purchased services	45,872	62,956	44,193	18,763
Supplies and materials	106,111	113,869	99,340	14,529
Capital outlay – new	3,492	1,219	719	500
Total instructional staff	<u>4,244,400</u>	<u>4,266,969</u>	<u>3,810,088</u>	<u>456,881</u>
Board of education:				
Salaries and wages	8,320	8,320	6,880	1,440
Employee benefits	2,371	2,371	1,054	1,317
Purchased services	379,912	379,912	321,861	58,051
Supplies and materials	200	3,250	2,220	1,030
Capital outlay – new	-	7,525	7,111	414
Other	314,583	264,583	229,368	35,215
Total board of education	<u>705,386</u>	<u>665,961</u>	<u>568,494</u>	<u>97,467</u>
Administration:				
Salaries and wages	3,524,920	3,524,920	3,329,049	195,871
Employee benefits	1,421,606	1,421,606	1,256,299	165,307
Purchased services	94,279	78,120	77,267	853
Supplies and materials	20,156	20,335	19,335	1,000
Capital outlay – new	-	176	176	-
Other	10,800	3,003	3,003	-
Total administration	<u>5,071,761</u>	<u>5,048,160</u>	<u>4,685,129</u>	<u>363,031</u>
Fiscal:				
Salaries and wages	755,088	755,088	728,724	26,364
Employee benefits	306,187	306,187	304,083	2,104
Purchased services	378,540	263,371	236,794	26,577
Supplies and materials	34,128	37,899	31,844	6,055
Capital outlay – replacement	17,966	17,966	13,243	4,723
Other	1,305,416	1,165,429	1,114,899	50,530
Total fiscal	<u>2,797,325</u>	<u>2,545,940</u>	<u>2,429,587</u>	<u>116,353</u>

Continued

Mentor Exempted Village School District

General Fund

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

For The Fiscal Year Ended June 30, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Business:				
Salaries and wages	500,393	500,393	451,349	49,044
Employee benefits	181,156	181,156	164,922	16,234
Purchased services	6,700	2,500	808	1,692
Supplies and materials	41,417	41,417	28,461	12,956
Other	360	2,992	2,782	210
Total business	<u>730,026</u>	<u>728,458</u>	<u>648,322</u>	<u>80,136</u>
Operation and maintenance of plant:				
Salaries and wages	3,222,827	3,222,827	3,019,003	203,824
Employee benefits	1,106,157	1,216,161	1,216,161	-
Purchased services	3,277,237	3,561,781	3,169,121	392,660
Supplies and materials	397,583	385,410	360,080	25,330
Capital outlay – new	2,190	2,190	2,190	-
Capital outlay – replacement	197,000	272,000	98,518	173,482
Other	41,934	39,302	23,849	15,453
Total operation and maintenance of plant	<u>8,244,928</u>	<u>8,699,671</u>	<u>7,888,922</u>	<u>810,749</u>
Pupil transportation:				
Salaries and wages	2,684,651	2,779,449	2,779,449	-
Employee benefits	1,170,585	1,170,585	1,152,406	18,179
Purchased services	1,029,762	1,115,739	1,114,714	1,025
Supplies and materials	726,466	726,432	615,400	111,032
Total pupil transportation	<u>5,611,464</u>	<u>5,792,205</u>	<u>5,661,969</u>	<u>130,236</u>
Central:				
Salaries and wages	440,730	440,730	416,265	24,465
Employee benefits	157,396	157,396	147,719	9,677
Purchased services	327,733	378,111	366,904	11,207
Supplies and materials	90,894	82,139	82,116	23
Capital outlay – new	18,203	30,423	29,767	656
Capital outlay – replacement	-	30,000	30,000	-
Other	27,270	16,760	16,760	-
Total central	<u>1,062,226</u>	<u>1,135,559</u>	<u>1,089,531</u>	<u>46,028</u>
Total support services	<u>33,679,415</u>	<u>34,267,586</u>	<u>31,836,363</u>	<u>2,431,223</u>

Continued

Mentor Exempted Village School District

General Fund

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

For The Fiscal Year Ended June 30, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of non – instructional services:				
Community services:				
Salaries and wages	-	27,923	22,979	4,944
Employee benefits	-	8,188	7,465	723
Purchased services	-	140	140	-
Total community services	-	36,251	30,584	5,667
Total operation of non – instructional services	-	36,251	30,584	5,667
Extracurricular activities:				
Subject oriented activities:				
Salaries and wages	148,228	145,902	116,472	29,430
Employee benefits	73,472	72,211	19,327	52,884
Total subject oriented activities	221,700	218,113	135,799	82,314
Occupation oriented activities:				
Salaries and wages	-	2,326	2,262	64
Employee benefits	-	1,261	348	913
Purchased services	-	1,772	1,772	-
Supplies and materials	-	1,277	1,277	-
Capital outlay – new	-	2,246	2,244	2
Total occupation oriented activities	-	8,882	7,903	979
Sports activities:				
Salaries and wages	657,466	695,333	695,333	-
Employee benefits	169,051	169,051	135,135	33,916
Total sports activities	826,517	864,384	830,468	33,916
Co – curricular activities:				
Salaries and wages	122,078	122,078	96,925	25,153
Employee benefits	76,515	76,515	29,235	47,280
Total co – curricular activities	198,593	198,593	126,160	72,433
Total extracurricular activities:	1,246,810	1,289,972	1,100,330	189,642
Total expenditures	90,559,506	90,166,658	86,386,865	3,779,793
Excess of revenues over (under) expenditures	11,006,395	8,739,113	14,380,522	5,641,409

Continued

Mentor Exempted Village School District

General Fund

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

For The Fiscal Year Ended June 30, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Sale of capital assets	-	-	21,560	21,560
Transfers - in	-	-	101	101
Advances - in	523,393	523,393	603,393	80,000
Transfers - out	(403,552)	(328,552)	(131,911)	196,641
Advances - out	<u>(241,348)</u>	<u>(709,196)</u>	<u>(707,311)</u>	<u>1,885</u>
Total other financing sources (uses)	<u>(121,507)</u>	<u>(514,355)</u>	<u>(214,168)</u>	<u>300,187</u>
Net change in fund balance	10,884,888	8,224,758	14,166,354	5,941,596
Fund balance at beginning of year	16,472,520	16,472,520	16,472,520	-
Prior year encumbrances appropriated	<u>2,502,641</u>	<u>2,502,641</u>	<u>2,502,641</u>	<u>-</u>
Fund balance at end of year	\$ <u>29,860,049</u>	\$ <u>27,199,919</u>	\$ <u>33,141,515</u>	\$ <u>5,941,596</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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,724,173	\$ 3,724,472	\$ 3,730,715	\$ 6,243
Intergovernmental	988,343	138,890	151,638	12,748
Total revenues	<u>2,712,516</u>	<u>3,863,362</u>	<u>3,882,353</u>	<u>18,991</u>
Expenditures:				
Current:				
Support services:				
Fiscal	4,172,690	24,920	23,812	1,108
Debt services:				
Principal	514,771	4,879,072	4,188,022	691,050
Interest and fiscal charges	-	-	648,626	(648,626)
Total expenditures	<u>4,687,461</u>	<u>4,903,992</u>	<u>4,860,460</u>	<u>43,532</u>
Excess of revenues over (under) expenditures	<u>(1,974,945)</u>	<u>(1,040,630)</u>	<u>(978,107)</u>	<u>62,523</u>
Other financing sources (uses):				
Issuance of notes	928,000	928,000	928,001	1
Transfers - in	89,900	89,900	107,911	18,011
Total other financing sources (uses)	<u>1,017,900</u>	<u>1,017,900</u>	<u>1,035,912</u>	<u>18,012</u>
Net change in fund balance	(957,045)	(22,730)	57,805	80,535
Fund balance at beginning of year	<u>1,012,049</u>	<u>1,012,049</u>	<u>1,012,049</u>	<u>-</u>
Fund balance at end of year	\$ <u>55,004</u>	\$ <u>989,319</u>	\$ <u>1,069,854</u>	\$ <u>80,535</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, 2007

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Earnings on investments	\$ -	\$ -	\$ 3,588	\$ 3,588
Miscellaneous revenue	200,000	191,258	106,012	(85,246)
Total revenues	<u>200,000</u>	<u>191,258</u>	<u>109,600</u>	<u>(81,658)</u>
Expenditures:				
Current:				
Instruction:				
Regular education	71,822	50,011	17,281	32,730
Support services:				
Pupil	2,271	2,271	-	2,271
Instructional staff	-	8,618	669	7,949
Administration	49,799	51,549	10,976	40,573
Operations and maintenance of plant	46,600	61,538	61,338	200
Pupil transportation	5,000	3,800	3,121	679
Extracurricular activities:				
Subject oriented activities	<u>3</u>	<u>3</u>	<u>-</u>	<u>3</u>
Total expenditures	<u>175,495</u>	<u>177,790</u>	<u>93,385</u>	<u>84,405</u>
Excess of revenues over expenditures	24,505	13,468	16,215	2,747
Other financing sources (uses):				
Transfers - out	<u>-</u>	<u>(7,500)</u>	<u>(7,500)</u>	<u>-</u>
Net change in fund balance	24,505	5,968	8,715	2,747
Fund balance at beginning of year	60,125	60,125	60,125	-
Prior year encumbrances appropriated	<u>46,622</u>	<u>46,622</u>	<u>46,622</u>	<u>-</u>
Fund balance at end of year	\$ <u>131,252</u>	\$ <u>112,715</u>	\$ <u>115,462</u>	\$ <u>2,747</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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Tuition and fees	\$ -	\$ -	\$ 2,660	\$ 2,660
Earnings on investments	-	-	822	822
Extracurricular activities	500,000	533,777	330,972	(202,805)
Miscellaneous revenue	<u>100,000</u>	<u>105,763</u>	<u>32,179</u>	<u>(73,584)</u>
Total revenues	<u>600,000</u>	<u>639,540</u>	<u>366,633</u>	<u>(272,907)</u>
Expenditures:				
Current:				
Extracurricular activities:				
Subject oriented	695,098	789,701	471,876	317,825
Sports activities	<u>16,800</u>	<u>16,800</u>	<u>9,762</u>	<u>7,038</u>
Total expenditures	<u>711,998</u>	<u>806,501</u>	<u>481,638</u>	<u>324,863</u>
Excess of revenues over (under) expenditures	<u>(111,998)</u>	<u>(166,961)</u>	<u>(115,005)</u>	<u>51,956</u>
Other financing sources (uses):				
Transfers - in	-	3,204	24,826	21,622
Transfers - out	<u>(2,688)</u>	<u>(2,688)</u>	<u>-</u>	<u>2,688</u>
Total other financing sources (uses)	<u>(2,688)</u>	<u>516</u>	<u>24,826</u>	<u>24,310</u>
Net change in fund balance	(114,686)	(166,445)	(90,179)	76,266
Fund balance at beginning of year	110,704	110,704	110,704	-
Prior year encumbrances appropriated	<u>81,830</u>	<u>81,830</u>	<u>81,830</u>	<u>-</u>
Fund balance at end of year	\$ <u>77,848</u>	\$ <u>26,089</u>	\$ <u>102,355</u>	\$ <u>76,266</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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,332,301	\$ 1,187,658	\$ 1,187,658	\$ -
Earnings on investments	-	11,457	11,457	-
Total revenues	<u>1,332,301</u>	<u>1,199,115</u>	<u>1,199,115</u>	<u>-</u>
Expenditures:				
Current:				
Community services	<u>180,418</u>	<u>1,371,532</u>	<u>1,368,145</u>	<u>3,387</u>
Excess of revenues over (under) expenditures	<u>1,151,883</u>	<u>(172,417)</u>	<u>(169,030)</u>	<u>3,387</u>
Other financing sources (uses):				
Transfers - in	67,699	67,699	-	(67,699)
Transfers - out	<u>-</u>	<u>(67,699)</u>	<u>-</u>	<u>67,699</u>
Total other financing sources (uses)	<u>67,699</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,219,582	(172,417)	(169,030)	3,387
Fund balance at beginning of year	67,106	67,106	67,106	-
Prior year encumbrances appropriated	<u>105,311</u>	<u>105,311</u>	<u>105,311</u>	<u>-</u>
Fund balance at end of year	\$ <u>1,391,999</u>	\$ <u>-</u>	\$ <u>3,387</u>	\$ <u>3,387</u>

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, 2007

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Earnings on investments	\$ -	\$ -	\$ 1,080	\$ 1,080
Food services	1,400	1,400	771	(629)
Extracurricular activities	342,681	342,745	155,084	(187,661)
Contributions and donations	18,000	122,818	69,650	(53,168)
Miscellaneous revenue	-	-	522	522
Total revenues	<u>362,081</u>	<u>466,963</u>	<u>227,107</u>	<u>(239,856)</u>
Expenditures:				
Current:				
Instruction:				
Regular education	2,400	2,400	383	2,017
Support services:				
Administration	89,450	98,766	34,429	64,337
Central	126,504	214,064	116,861	97,203
Food services operations	11,904	2,790	719	2,071
Extracurricular activities:				
Subject oriented activities	11,882	11,882	3,637	8,245
Sports activities	17,772	27,386	18,793	8,593
Co-curricular activities	<u>232,307</u>	<u>232,790</u>	<u>73,630</u>	<u>159,160</u>
Total expenditures	<u>492,219</u>	<u>590,078</u>	<u>248,452</u>	<u>341,626</u>
Excess of revenues over (under) expenditures	<u>(130,138)</u>	<u>(123,115)</u>	<u>(21,345)</u>	<u>101,770</u>
Other financing sources and uses:				
Transfers - in	37,919	37,919	45,428	7,509
Transfers - out	<u>(751)</u>	<u>(751)</u>	<u>(751)</u>	<u>-</u>
Total other financing sources and uses	<u>37,168</u>	<u>37,168</u>	<u>44,677</u>	<u>7,509</u>
Net change in fund balance	(92,970)	(85,947)	23,332	109,279
Fund balance at beginning of year	122,352	122,352	122,352	-
Prior year encumbrances appropriated	<u>32,020</u>	<u>32,020</u>	<u>32,020</u>	<u>-</u>
Fund balance at end of year	\$ <u>61,402</u>	\$ <u>68,425</u>	\$ <u>177,704</u>	\$ <u>109,279</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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>50,000</u>	\$ <u>20,700</u>	\$ <u>20,700</u>	\$ <u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular education	-	11,010	6,907	4,103
Support services:				
Instructional staff	6,875	15,065	15,042	23
Administration	-	1,500	1,500	-
Total expenditures	<u>6,875</u>	<u>27,575</u>	<u>23,449</u>	<u>4,126</u>
Net change in fund balance	43,125	(6,875)	(2,749)	4,126
Fund balance at beginning of year	<u>6,876</u>	<u>6,876</u>	<u>6,876</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>50,001</u></u>	\$ <u><u>1</u></u>	\$ <u><u>4,127</u></u>	\$ <u><u>4,126</u></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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>80,000</u>	\$ <u>30,303</u>	\$ <u>30,303</u>	\$ <u>-</u>
Expenditures:				
Current:				
Support services:				
Central	-	46,001	39,951	6,050
Community services	<u>15,699</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>15,699</u>	<u>46,001</u>	<u>39,951</u>	<u>6,050</u>
Net change in fund balance	64,301	(15,698)	(9,648)	6,050
Fund balance at beginning of year	1,827	1,827	1,827	-
Prior year encumbrances appropriated	<u>13,871</u>	<u>13,871</u>	<u>13,871</u>	<u>-</u>
Fund balance at end of year	\$ <u>79,999</u>	\$ <u>-</u>	\$ <u>6,050</u>	\$ <u>6,050</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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>100,000</u>	\$ <u>42,000</u>	\$ <u>42,000</u>	\$ <u>-</u>
Expenditures:				
Current:				
Support services:				
Operation and maintenance of plant		42,000	41,401	599
Central	<u>1,022</u>	<u>1,022</u>	<u>1,022</u>	<u>-</u>
Total expenditures	<u>1,022</u>	<u>43,022</u>	<u>42,423</u>	<u>599</u>
Net change in fund balance	98,978	(1,022)	(423)	599
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>1,022</u>	<u>1,022</u>	<u>1,022</u>	<u>-</u>
Fund balance at end of year	\$ <u>100,000</u>	\$ <u>-</u>	\$ <u>599</u>	\$ <u>599</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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 50,000	\$ 5,300	\$ 5,300	\$ -
Expenditures:				
Support services:				
Instructional staff	<u>4,077</u>	<u>9,378</u>	<u>8,124</u>	<u>1,254</u>
Excess of revenues over (under) expenditures	45,923	(4,078)	(2,824)	1,254
Other financing sources (uses):				
Transfers - out	<u>(98)</u>	<u>(98)</u>	<u>(98)</u>	<u>-</u>
Net change in fund balance	45,825	(4,176)	(2,922)	1,254
Fund balance at beginning of year	2,376	2,376	2,376	-
Prior year encumbrances appropriated	<u>1,800</u>	<u>1,800</u>	<u>1,800</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>50,001</u></u>	\$ <u><u>-</u></u>	\$ <u><u>1,254</u></u>	\$ <u><u>1,254</u></u>

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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 50,000	\$ 20,000	\$ 20,000	\$ -
Expenditures:				
Current:				
Instruction:				
Regular education	-	18,000	16,000	2,000
Support services:				
Pupil	-	2,000	2,000	-
Total expenditures	-	20,000	18,000	2,000
Net change in fund balance	50,000	-	2,000	2,000
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ 50,000	\$ -	\$ 2,000	\$ 2,000

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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 50,000	\$ 53,904	\$ 50,209	\$ (3,695)
Expenditures:				
Current:				
Instruction:				
Regular education	14,985	14,751	841	13,910
Special education	54	54	-	54
Support services:				
Pupil	24,375	48,443	47,037	1,406
Instructional staff	16	5,711	-	5,711
Administration	378	378	378	-
Extracurricular activities:				
Sports activities	748	748	-	748
Total expenditures	40,556	70,085	48,256	21,829
Net change in fund balance	9,444	(16,181)	1,953	18,134
Fund balance at beginning of year	15,856	15,856	15,856	-
Prior year encumbrances appropriated	325	325	325	-
Fund balance at end of year	\$ 25,625	\$ -	\$ 18,134	\$ 18,134

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, 2007

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ <u>2,500,000</u>	\$ <u>2,487,298</u>	\$ <u>2,203,135</u>	\$ <u>(284,163)</u>
Expenditures:				
Current:				
Instruction:				
Special education	822,533	766,054	669,186	96,868
Support services:				
Pupil	899,563	1,042,420	909,910	132,510
Instructional staff	100,825	54,274	53,158	1,116
Administration	495,417	479,363	412,731	66,632
Operation and maintenance of plant	20,250	8,107	8,107	-
Pupil transportation	60,188	42,720	42,266	454
Community services	<u>157,549</u>	<u>156,802</u>	<u>156,620</u>	<u>182</u>
Total expenditures	<u>2,556,325</u>	<u>2,549,740</u>	<u>2,251,978</u>	<u>297,762</u>
Net change in fund balance	(56,325)	(62,442)	(48,843)	13,599
Fund balance at beginning of year	1,267	1,267	1,267	-
Prior year encumbrances appropriated	<u>61,176</u>	<u>61,176</u>	<u>61,176</u>	<u>-</u>
Fund balance at end of year	\$ <u>6,118</u>	\$ <u>1</u>	\$ <u>13,600</u>	\$ <u>13,599</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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>600,000</u>	\$ <u>405,113</u>	\$ <u>403,101</u>	\$ <u>(2,012)</u>
Expenditures:				
Current:				
Instruction:				
Vocational education	172,102	179,901	174,393	5,508
Support services:				
Pupil	241,157	243,914	239,555	4,359
Instructional staff	43,609	39,609	38,243	1,366
Administration	20,878	21,028	21,028	-
Pupil transportation	8,588	4,892	4,865	27
Community services	<u>200</u>	<u>200</u>	<u>200</u>	<u>-</u>
Total expenditures	<u>486,534</u>	<u>489,544</u>	<u>478,284</u>	<u>11,260</u>
Net change in fund balance	113,466	(84,431)	(75,183)	9,248
Fund balance at beginning of year	743	743	743	-
Prior year encumbrances appropriated	<u>83,690</u>	<u>83,690</u>	<u>83,690</u>	<u>-</u>
Fund balance at end of year	\$ <u>197,899</u>	\$ <u>2</u>	\$ <u>9,250</u>	\$ <u>9,248</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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>100,000</u>	\$ <u>43,366</u>	\$ <u>35,678</u>	\$ <u>(7,688)</u>
Expenditures:				
Current:				
Instruction:				
Special education	27,150	38,716	32,085	6,631
Support services:				
Instructional staff	<u>17,621</u>	<u>6,054</u>	<u>3,538</u>	<u>2,516</u>
Total expenditures	<u>44,771</u>	<u>44,770</u>	<u>35,623</u>	<u>9,147</u>
Net change in fund balance	55,229	1,404	55	1,459
Fund balance at beginning of year	<u>1,404</u>	<u>1,404</u>	<u>1,404</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>56,633</u></u>	\$ <u><u>-</u></u>	\$ <u><u>1,459</u></u>	\$ <u><u>1,459</u></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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>500,000</u>	\$ <u>414,807</u>	\$ <u>359,781</u>	\$ <u>(55,026)</u>
Expenditures:				
Current:				
Instruction:				
Special education	410,758	416,777	353,004	63,773
Support services:				
Pupil	2,940	2,910	2,910	-
Instructional staff	1,711	350	350	-
Community services	-	484	484	-
Total expenditures	<u>415,409</u>	<u>420,521</u>	<u>356,748</u>	<u>63,773</u>
Net change in fund balance	84,591	(5,714)	3,033	8,747
Fund balance at beginning of year	4,883	4,883	4,883	-
Prior year encumbrances appropriated	<u>831</u>	<u>831</u>	<u>831</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>90,305</u></u>	\$ <u><u>-</u></u>	\$ <u><u>8,747</u></u>	\$ <u><u>8,747</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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>150,000</u>	\$ <u>96,130</u>	\$ <u>79,842</u>	\$ <u>(16,288)</u>
Expenditures:				
Current:				
Instruction:				
Regular education	37,679	46,004	33,953	12,051
Support services:				
Pupil	30,955	32,430	32,415	15
Instructional staff	29,322	23,254	23,186	68
Administration	-	4,680	-	4,680
Community services	<u>17,941</u>	<u>4,228</u>	<u>3,376</u>	<u>852</u>
Total expenditures	<u>115,897</u>	<u>110,596</u>	<u>92,930</u>	<u>17,666</u>
Excess of revenues over (under) expenditures	34,103	(14,466)	(13,088)	1,378
Other financing sources (uses):				
Advances - out	<u>(10,172)</u>	<u>(10,172)</u>	<u>(10,172)</u>	<u>-</u>
Net change in fund balance	23,931	(24,638)	(23,260)	1,378
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>24,639</u>	<u>24,639</u>	<u>24,639</u>	<u>-</u>
Fund balance at end of year	\$ <u>48,570</u>	\$ <u>1</u>	\$ <u>1,379</u>	\$ <u>1,378</u>

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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>100,000</u>	\$ <u>19,413</u>	\$ <u>17,139</u>	\$ <u>(2,274)</u>
Expenditures:				
Current:				
Instruction:				
Regular education	6,211	6,840	4,570	2,270
Support services:				
Pupil	5,614	-	-	-
Instructional staff	7,000	13,802	13,799	3
Community services	<u>2,000</u>	<u>183</u>	<u>183</u>	<u>-</u>
Total expenditures	<u>20,825</u>	<u>20,825</u>	<u>18,552</u>	<u>2,273</u>
Net change in fund balance	79,175	(1,412)	(1,413)	(1)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>1,413</u>	<u>1,413</u>	<u>1,413</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>80,588</u></u>	\$ <u><u>1</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(1)</u></u>

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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>100,000</u>	\$ <u>98,355</u>	\$ <u>76,781</u>	\$ <u>(21,574)</u>
Expenditures:				
Current:				
Instruction:				
Special education	23,538	28,294	25,340	2,954
Support services:				
Pupil	69,190	65,881	45,017	20,864
Instructional staff	<u>5,947</u>	<u>6,000</u>	<u>1,653</u>	<u>4,347</u>
Total expenditures	<u>98,675</u>	<u>100,175</u>	<u>72,010</u>	<u>28,165</u>
Net change in fund balance	1,325	(1,820)	4,771	6,591
Fund balance at beginning of year	122	122	122	-
Prior year encumbrances appropriated	<u>1,699</u>	<u>1,699</u>	<u>1,699</u>	-
Fund balance at end of year	\$ <u><u>3,146</u></u>	\$ <u><u>1</u></u>	\$ <u><u>6,592</u></u>	\$ <u><u>6,591</u></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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 34,758	\$ 34,758
Earnings on investments	-	-	797	797
Extracurricular activities	200,000	12,800	9,893	(2,907)
Miscellaneous revenue	-	43,100	43,189	89
Total revenues	<u>200,000</u>	<u>55,900</u>	<u>88,637</u>	<u>32,737</u>
Expenditures:				
Current:				
Instruction:				
Regular education	33,385	41,281	27,272	14,009
Special education	2,085	4,528	3,645	883
Support services:				
Pupil	5,490	6,057	535	5,522
Instructional staff	6,887	8,168	1,990	6,178
Administration	-	300	-	300
Operations and maintenance of plant	1,004	1,004	-	1,004
Pupil transportation	923	923	923	-
Central	1,506	2,692	664	2,028
Community services	500	710	710	-
Extracurricular activities:				
Subject oriented activities	20,261	29,876	19,961	9,915
Sports activities	500	-	-	-
Co-curricular activities	5,489	-	-	-
Total expenditures	<u>78,030</u>	<u>95,539</u>	<u>55,700</u>	<u>39,839</u>
Excess of revenues over (under) expenditures	121,970	(39,639)	32,937	72,576
Other financing sources (uses):				
Transfers - out	<u>(875)</u>	<u>(60,180)</u>	<u>(35,706)</u>	<u>24,474</u>
Net change in fund balance	121,095	(99,819)	(2,769)	97,050
Fund balance at beginning of year	142,878	142,878	142,878	-
Prior year encumbrances appropriated	<u>1,282</u>	<u>1,282</u>	<u>1,282</u>	<u>-</u>
Fund balance at end of year	\$ <u>265,255</u>	\$ <u>44,341</u>	\$ <u>141,391</u>	\$ <u>97,050</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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 250,000	\$ 55,933	\$ 55,934	\$ 1
Expenditures:				
Current:				
Support services:				
Central	<u>38,714</u>	<u>94,648</u>	<u>68,062</u>	<u>26,586</u>
Net change in fund balance	211,286	(38,715)	(12,128)	26,587
Fund balance at beginning of year	26,812	26,812	26,812	-
Prior year encumbrances appropriated	<u>13,502</u>	<u>13,502</u>	<u>13,502</u>	-
Fund balance at end of year	\$ <u>251,600</u>	\$ <u>1,599</u>	\$ <u>28,186</u>	\$ <u>26,587</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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>350,000</u>	\$ <u>217,447</u>	\$ <u>164,044</u>	\$ <u>(53,403)</u>
Expenditures:				
Current:				
Instruction:				
Regular education	73,020	69,827	69,827	-
Support services:				
Instructional staff	<u>147,479</u>	<u>150,291</u>	<u>86,973</u>	<u>63,318</u>
Total expenditures	<u>220,499</u>	<u>220,118</u>	<u>156,800</u>	<u>63,318</u>
Net change in fund balance	129,501	(2,671)	7,244	9,915
Fund balance at beginning of year	2,094	2,094	2,094	-
Prior year encumbrances appropriated	<u>577</u>	<u>577</u>	<u>577</u>	-
Fund balance at end of year	\$ <u><u>132,172</u></u>	\$ <u><u>-</u></u>	\$ <u><u>9,915</u></u>	\$ <u><u>9,915</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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>400,000</u>	\$ <u>318,686</u>	\$ <u>263,828</u>	\$ <u>(54,858)</u>
Expenditures:				
Current:				
Instruction:				
Regular education	272,949	286,230	245,125	41,105
Support services:				
Pupil	19,879	15,527	13,119	2,408
Instructional staff	15,644	12,211	3,604	8,607
Administration	14,008	13,058	9,027	4,031
Community services	<u>16,183</u>	<u>10,427</u>	<u>9,889</u>	<u>538</u>
Total expenditures	<u>338,663</u>	<u>337,453</u>	<u>280,764</u>	<u>56,689</u>
Net change in fund balance	61,337	(18,767)	(16,936)	1,831
Fund balance at beginning of year	749	749	749	-
Prior year encumbrances appropriated	<u>18,018</u>	<u>18,018</u>	<u>18,018</u>	<u>-</u>
Fund balance at end of year	\$ <u>80,104</u>	\$ <u>-</u>	\$ <u>1,831</u>	\$ <u>1,831</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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,006,522	\$ 1,070,707	\$ 1,070,707	\$ -
Earnings on investments	91,745	91,745	117,914	26,169
Intergovernmental	63,435	63,435	79,915	16,480
Miscellaneous revenue	300,000	500,000	504,988	4,988
Total revenues	<u>1,461,702</u>	<u>1,725,887</u>	<u>1,773,524</u>	<u>47,637</u>
Expenditures:				
Current:				
Instruction:				
Regular education	-	10,000	9,938	62
Support Services:				
Fiscal	12,000	15,513	15,513	-
Operation and maintenance of plant	<u>4,807,821</u>	<u>5,294,041</u>	<u>3,647,442</u>	<u>1,646,599</u>
Total expenditures	<u>4,819,821</u>	<u>5,319,554</u>	<u>3,672,893</u>	<u>1,646,661</u>
Excess of revenues over (under) expenditures	<u>(3,358,119)</u>	<u>(3,593,667)</u>	<u>(1,899,369)</u>	<u>1,694,298</u>
Other financing sources (uses):				
Sale of capital assets	-	-	20,599	20,599
Transfers - in	1,642,779	1,642,779	-	(1,642,779)
Advances - in	500,000	500,000	500,000	-
Transfers - out	-	(1,737,277)	-	1,737,277
Advances - out	-	(500,000)	(500,000)	-
Total other financing sources (uses)	<u>2,142,779</u>	<u>(94,498)</u>	<u>20,599</u>	<u>115,097</u>
Net change in fund balance	(1,215,340)	(3,688,165)	(1,878,770)	1,809,395
Fund balance at beginning of year	2,099,886	2,099,886	2,099,886	-
Prior year encumbrances appropriated	<u>1,685,124</u>	<u>1,685,124</u>	<u>1,685,124</u>	<u>-</u>
Fund balance at end of year	\$ <u>2,569,670</u>	\$ <u>96,845</u>	\$ <u>1,906,240</u>	\$ <u>1,809,395</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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Sales	\$ 2,009,340	\$ 2,009,340	\$ 1,846,913	\$ (162,427)
Interest income	3,000	3,000	4,854	1,854
Intergovernmental	457,660	457,660	469,394	11,734
Total revenues	<u>2,470,000</u>	<u>2,470,000</u>	<u>2,321,161</u>	<u>(148,839)</u>
Expenses:				
Salaries and wages	943,988	943,988	777,857	166,131
Fringe benefits	616,547	616,547	571,947	44,600
Contractual services	39,919	58,526	45,873	12,653
Supplies and materials	896,837	890,430	867,470	22,960
Capital outlay	<u>25,000</u>	<u>12,800</u>	<u>1,789</u>	<u>11,011</u>
Total expenses	<u>2,522,291</u>	<u>2,522,291</u>	<u>2,264,936</u>	<u>257,355</u>
Excess of revenues over (under) expenses	(52,291)	(52,291)	56,225	108,516
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	77,709	77,709	56,225	(21,484)
Fund equity at beginning of year	7,360	7,360	7,360	-
Prior year encumbrances appropriated	<u>905</u>	<u>905</u>	<u>905</u>	<u>-</u>
Fund equity at end of year	\$ <u>85,974</u>	\$ <u>85,974</u>	\$ <u>64,490</u>	\$ <u>(21,484)</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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Classroom materials and fees	\$ <u>350,000</u>	\$ <u>321,185</u>	\$ <u>274,286</u>	\$ <u>(46,899)</u>
Expenses:				
Contractual services	-	4,600	4,000	600
Supplies and materials	<u>411,620</u>	<u>558,708</u>	<u>497,719</u>	<u>60,989</u>
Total expenditures	<u>411,620</u>	<u>563,308</u>	<u>501,719</u>	<u>61,589</u>
Excess of revenues over (under) expenditures	(61,620)	(242,123)	(227,433)	14,690
Other financing sources (uses):				
Advances - in	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Net change in fund equity	88,380	(92,123)	(77,433)	14,690
Fund equity at beginning of year	6,326	6,326	6,326	-
Prior year encumbrances appropriated	<u>90,435</u>	<u>90,435</u>	<u>90,435</u>	<u>-</u>
Fund equity at end of year	\$ <u><u>185,141</u></u>	\$ <u><u>4,638</u></u>	\$ <u><u>19,328</u></u>	\$ <u><u>14,690</u></u>

Mentor Exempted Village School District

Rotary – 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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Tuition and fees	\$ 150,000	\$ 83,720	\$ 81,015	\$ (2,705)
Miscellaneous revenue	-	1,080	1,080	-
Total revenues	<u>150,000</u>	<u>84,800</u>	<u>82,095</u>	<u>(2,705)</u>
Expenses:				
Salaries and wages	51,421	59,309	52,861	6,448
Fringe benefits	9,108	9,715	8,776	939
Contractual services	250	2,371	223	2,148
Supplies and materials	438	2,501	207	2,294
Other expenses	200	700	-	700
Total expenses	<u>61,417</u>	<u>74,596</u>	<u>62,067</u>	<u>12,529</u>
Net change in fund equity	88,583	10,204	20,028	9,824
Fund equity at beginning of year	59,609	59,609	59,609	-
Prior year encumbrances appropriated	<u>45</u>	<u>45</u>	<u>45</u>	-
Fund equity at end of year	\$ <u>148,237</u>	\$ <u>69,858</u>	\$ <u>79,682</u>	\$ <u>9,824</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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous revenue	\$ 50,000	\$ 5,027	\$ 500	\$ (4,527)
Expenses:				
Other expenses	<u>5,027</u>	<u>5,027</u>	<u>56</u>	<u>4,971</u>
Net change in fund equity	44,973	-	444	444
Fund equity at beginning of year	<u>5,027</u>	<u>5,027</u>	<u>5,027</u>	<u>-</u>
Fund equity at end of year	\$ <u><u>50,000</u></u>	\$ <u><u>5,027</u></u>	\$ <u><u>5,471</u></u>	\$ <u><u>444</u></u>

Mentor Exempted Village School District

Internal Service Fund

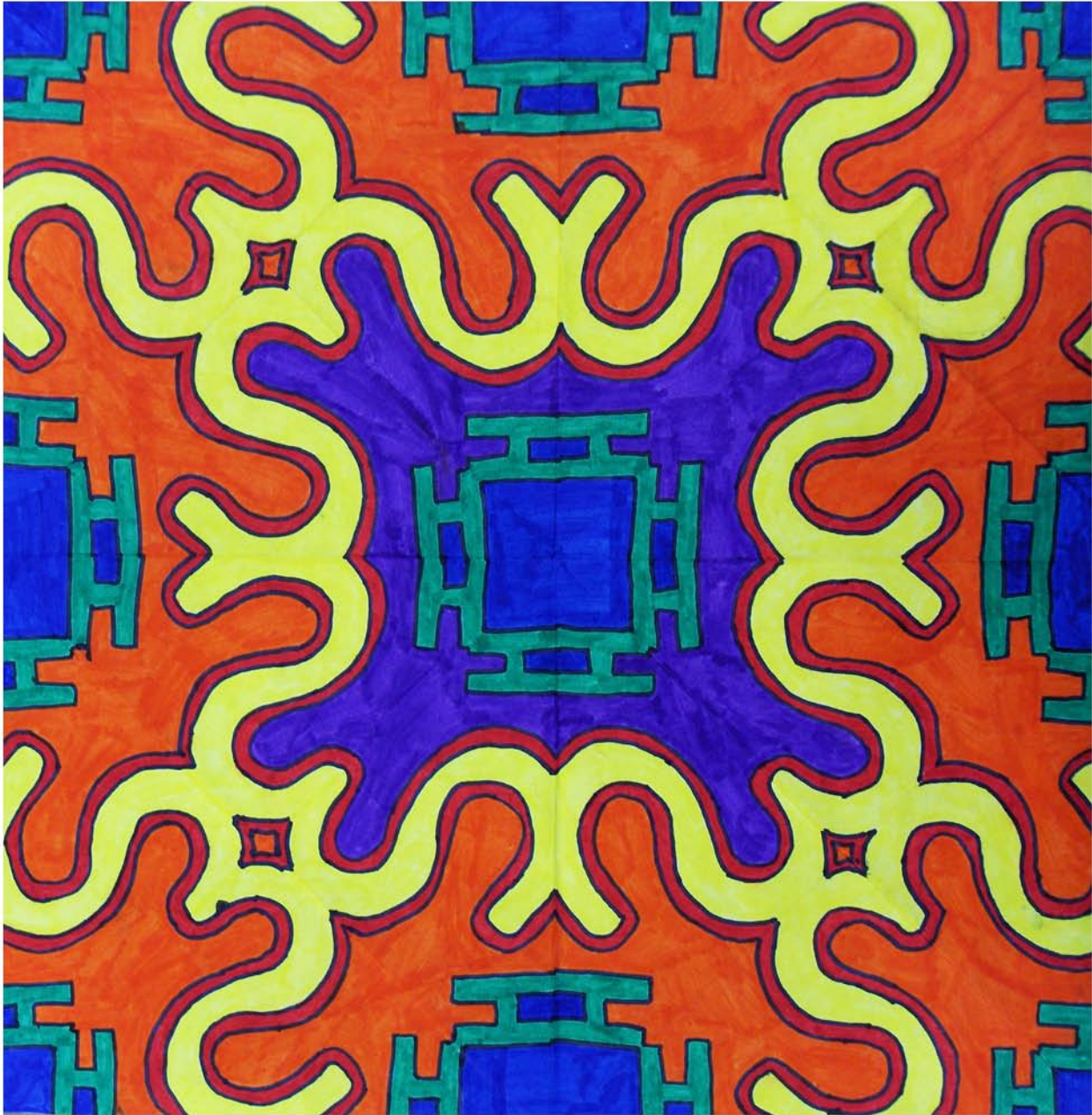
Schedule of Revenues, Expenditures and Changes in Fund Equity – Budget (Non-GAAP Budgetary Basis) and Actual

For The Fiscal Year Ended June 30, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Tuition and fees	\$ 21,900	\$ 21,900	\$ 21,900	\$ -
Extracurricular activities	552,100	580,070	539,405	(40,665)
Miscellaneous revenue	<u>102,000</u>	<u>109,704</u>	<u>67,731</u>	<u>(41,973)</u>
Total revenues	<u>676,000</u>	<u>711,674</u>	<u>629,036</u>	<u>(82,638)</u>
Expenses:				
Current:				
Instruction:				
Regular education:				
Salaries and wages	209,998	357,220	287,462	69,758
Fringe benefits	66,649	86,374	71,811	14,563
Contractual services	82,909	153,037	129,823	23,214
Supplies and materials	71,796	73,486	64,983	8,503
Other expenses	153,451	176,362	80,820	95,542
Capital outlay	<u>17,440</u>	<u>14,299</u>	<u>9,784</u>	<u>4,515</u>
Total expenses	<u>602,243</u>	<u>860,778</u>	<u>644,683</u>	<u>216,095</u>
Excess of revenues over (under) expenses	<u>73,757</u>	<u>(149,104)</u>	<u>(15,647)</u>	<u>133,457</u>
Other financing sources (uses):				
Transfers - in	64,000	63,985	42,082	(21,903)
Advances - in	60,000	57,196	57,196	-
Transfers - out	-	(26,127)	(23,449)	2,678
Advances - out	<u>(32,725)</u>	<u>(92,371)</u>	<u>(92,371)</u>	<u>-</u>
Total other financing sources (uses)	<u>91,275</u>	<u>2,683</u>	<u>(16,542)</u>	<u>(19,225)</u>
Net change in fund equity	165,032	(146,421)	(32,189)	114,232
Fund equity at beginning of year	142,481	142,481	142,481	-
Prior year encumbrances appropriated	<u>4,052</u>	<u>4,052</u>	<u>4,052</u>	<u>-</u>
Fund equity at end of year	\$ <u>311,565</u>	\$ <u>112</u>	\$ <u>114,344</u>	\$ <u>114,232</u>



Stephanie Maniaci
Senior
Mentor High



**Sean Garin
Eighth Grade
Memorial Junior High**



Statistical Section

Back of Statistical Tab

Mentor Exempted Village School District

Statistical Section

June 30, 2007

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.	122-129
Revenue Capacity These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	130-136
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.	137-140
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.	141
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.	142-146

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.

Mentor Exempt Village School District

Net Assets by Component

Last Five Fiscal Years

Table 1

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
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
Restricted for:					
Special purposes	-	765,350	904,526	479,384	798,832
Debt service	-	-	-	1,136,473	1,168,686
Health Care Consortium	1,948,950	2,008,216	-	-	-
Unrestricted (deficit)	<u>(13,852,295)</u>	<u>(25,542,495)</u>	<u>(6,676,763)</u>	<u>7,840,891</u>	<u>22,367,962</u>
Total net assets – governmental activities	<u>(9,420,783)</u>	<u>(21,004,089)</u>	<u>(2,291,794)</u>	<u>11,585,220</u>	<u>28,326,486</u>
Business – type activities:					
Invested in capital assets, net of related debt	286,793	310,861	344,182	49,328	56,113
Unrestricted (deficit)	<u>453,351</u>	<u>218,982</u>	<u>201,050</u>	<u>71,157</u>	<u>(101,135)</u>
Total net assets – business – type activities	<u>740,144</u>	<u>529,843</u>	<u>545,232</u>	<u>120,485</u>	<u>(45,022)</u>
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
Restricted for:					
Special purposes	-	765,350	904,526	479,384	798,832
Debt service	-	-	-	1,136,473	1,168,686
Health Care Consortium	1,948,950	2,008,216	2,008,216	-	-
Unrestricted (deficit)	<u>(13,398,944)</u>	<u>(25,323,513)</u>	<u>(6,475,713)</u>	<u>7,912,048</u>	<u>22,266,827</u>
Total net assets – primary government	\$ <u>(8,680,639)</u>	\$ <u>(20,474,246)</u>	\$ <u>(1,746,562)</u>	\$ <u>11,705,705</u>	\$ <u>28,281,464</u>

Source: School District financial records

Mentor Exempted Village School District

Changes in Net Assets

Last Five Fiscal Years

Table 2

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Expenses:					
Governmental activities:					
Regular education	\$ 40,956,464	\$ 43,134,601	\$ 36,199,146	\$ 39,940,654	\$ 41,640,058
Special education	8,260,968	9,584,464	9,724,457	10,705,438	10,390,051
Vocational education	2,544,369	2,835,166	2,714,935	2,168,793	2,312,758
Adult/continuing education	71,533	4,251	-	-	-
Other	2,298,419	1,513,815	3,238	616,275	801,047
Support services:					
Pupil	5,683,969	6,128,799	5,154,883	6,038,086	6,260,266
Instructional staff	4,816,165	5,393,115	3,704,672	4,011,014	4,140,106
Board of education	629,729	479,902	704,216	572,005	519,445
Administration	6,311,385	6,440,990	5,819,677	4,998,141	5,112,076
Fiscal	1,694,931	2,119,153	2,066,562	2,092,249	2,400,896
Business	23,205	302,004	334,689	388,929	667,976
Operation and maintenance					
of plant	8,766,874	8,494,172	7,174,525	8,032,060	8,111,466
Pupil transportation	5,635,017	5,668,170	4,887,065	4,830,605	5,679,537
Central	1,960,997	1,321,251	712,769	1,607,286	1,268,216
Operation of non-instructional services	1,011,416	1,914,056	1,420,093	1,286,930	1,456,883
Extracurricular activities	2,858,612	1,546,458	1,355,855	1,553,679	1,629,409
Interest and fiscal charges	<u>1,321,916</u>	<u>1,604,865</u>	<u>1,134,454</u>	<u>567,851</u>	<u>644,526</u>
Total governmental activities expenses	<u>94,845,969</u>	<u>98,485,232</u>	<u>83,111,236</u>	<u>89,409,995</u>	<u>93,034,716</u>
Business-type activities:					
Food service	2,712,308	2,703,619	2,355,277	2,470,584	2,597,515
Uniform supplies	297,382	363,205	322,506	382,824	432,235
Adult education	136,412	127,653	-	1,040	56
Rotary	-	12,345	73,116	154,311	23,725
Recreation	<u>187,850</u>	<u>143,733</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities expenses	<u>3,333,952</u>	<u>3,350,555</u>	<u>2,750,899</u>	<u>3,008,759</u>	<u>3,053,531</u>
Total primary government expenses	<u>\$ 98,179,921</u>	<u>\$ 101,835,787</u>	<u>\$ 85,862,135</u>	<u>\$ 92,418,754</u>	<u>\$ 96,088,247</u>

Continued

Mentor Exempted Village School District

Changes in Net Assets

Last Five Fiscal Years

Table 2

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Program revenues:					
Governmental activities:					
Charges for services:					
Regular education	\$ 67,905	\$ 727,349	\$ 1,283,167	\$ 512,113	\$ 636,210
Special education	273,771	234,357	14,495	452,284	682,485
Vocational education	-	-	-	215,703	300,087
Other	-	-	-	-	2,660
Pupil	-	44,399	-	-	-
Administration	841,692	101,073	57,979	1,322,511	-
Pupil transportation	76,840	125,243	92,643	47,715	72,344
Central	-	-	4,275	27,668	27,118
Operation of non-instructional services	89,570	78,968	-	-	-
Extracurricular activities	515,432	586,140	893,328	648,558	729,717
Operating Grants and Contributions:					
Regular education	1,128,057	934,069	1,176,175	486,164	410,123
Special education	1,830,445	2,352,267	2,081,123	2,666,708	2,939,203
Vocational	682,628	865,694	1,243,935	408,021	403,101
Instructional staff	56,000	-	-	-	-
Central	92,021	83,709	74,993	121,955	97,934
Operation of non-instructional services	-	1,135,660	1,147,334	1,178,564	1,187,158
Extracurricular activities	1,064,200	-	-	-	-
Capital Grants and Contributions:					
Administration	-	-	-	550,000	500,639
Total governmental activities program revenues	<u>6,718,561</u>	<u>7,268,928</u>	<u>8,069,447</u>	<u>8,637,964</u>	<u>7,988,779</u>
Business-type activities:					
Charges for Services:					
Food service	1,849,378	1,968,096	1,846,313	1,810,431	1,852,301
Uniform supplies	271,272	288,949	324,785	326,574	274,797
Rotary	-	5,623	68,140	100,307	81,255
Adult education	154,762	118,146	-	500	500
Recreation	197,661	119,121	-	-	-
Operating Grants and Contributions:					
Food service	519,131	602,702	486,760	637,414	672,994
Adult education	-	220	-	-	-
Total business-type activities program revenues	<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>
Total primary government revenues	<u>9,710,765</u>	<u>10,371,785</u>	<u>10,795,445</u>	<u>11,513,190</u>	<u>10,870,626</u>
Net (expenses) revenue:					
Governmental activities	(87,965,777)	(91,216,304)	(75,041,789)	(80,772,031)	(85,045,937)
Business-type activities	(341,748)	(247,698)	(24,901)	(133,533)	(171,684)
Total primary government net expenses	\$ <u>(88,307,525)</u>	\$ <u>(91,464,002)</u>	\$ <u>(75,066,690)</u>	\$ <u>(80,905,564)</u>	\$ <u>(85,217,621)</u>

Continued

Mentor Exempted Village School District

Changes in Net Assets (continued)

Last Five Fiscal Years

Table 2

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
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
Debt service	1,934,762	1,525,603	2,351,745	3,691,781	3,658,620
Capital projects	1,216,247	963,442	994,258	972,153	995,885
Grants and entitlements not restricted to specific programs	21,901,553	23,729,703	24,591,265	25,207,274	28,279,885
Investment earnings	92,578	94,172	751,071	1,245,192	2,309,938
Miscellaneous	267,402	929,112	892,690	477,796	581,086
Transfers	-	(33,724)	31,478	(5,566)	-
Gain on the sale on an asset	<u>13,142</u>	<u>-</u>	<u>5,123</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>80,335,862</u>	<u>79,632,998</u>	<u>93,754,084</u>	<u>97,321,488</u>	<u>101,787,203</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
Miscellaneous	-	2,500	-	-	-
Loss on the sale on an asset	-	-	(1,838)	-	-
Transfers	-	33,724	(31,478)	5,566	-
Total business – type activities	<u>4,170</u>	<u>37,397</u>	<u>40,290</u>	<u>8,975</u>	<u>6,177</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>101,793,380</u>
Change in net assets:					
Governmental activities	(7,629,915)	(11,583,306)	18,712,295	16,549,457	16,741,266
Business – type activities	<u>(337,578)</u>	<u>(210,301)</u>	<u>15,389</u>	<u>(124,558)</u>	<u>(165,507)</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>

Source: School District financial records

Mentor Exempted Village School District

Program Revenues by Function/Program

Last Five Fiscal Years

Table 3

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental activities:					
Regular education	\$ 1,195,962	\$ 1,661,418	\$ 2,459,342	\$ 998,277	\$ 1,046,333
Special education	2,104,216	2,586,624	2,095,618	3,118,992	3,621,688
Vocational	682,628	865,694	1,243,935	623,724	703,188
Other	-	-	-	-	2,660
Pupil	-	44,399	-	-	-
Instructional staff	56,000	-	-	-	-
Administration	841,692	101,073	57,979	1,872,511	500,639
Pupil transportation	76,840	125,243	92,643	47,715	72,344
Central	92,021	83,709	79,268	149,623	125,052
Operation of non-instructional services	89,570	1,214,628	1,147,334	1,178,564	1,187,158
Extracurricular activities	<u>1,579,632</u>	<u>586,140</u>	<u>893,328</u>	<u>648,558</u>	<u>729,717</u>
Total governmental activities	<u>6,718,561</u>	<u>7,268,928</u>	<u>8,069,447</u>	<u>8,637,964</u>	<u>7,988,779</u>
Business-type activities:					
Food service	2,368,509	2,570,798	2,333,073	2,447,845	2,525,295
Uniform supplies	271,272	288,949	324,785	326,574	274,797
Rotary	-	5,623	68,140	100,307	81,255
Adult education	154,762	118,366	-	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>
Total primary government program revenues	\$ <u>9,710,765</u>	\$ <u>10,371,785</u>	\$ <u>10,795,445</u>	\$ <u>11,513,190</u>	\$ <u>10,870,626</u>

Source: School District financial records

Mentor Exempted Village School District

Fund Balances, Governmental Funds

Last Ten Fiscal Years

Table 4

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General fund:										
Reserved	\$ 3,137,809	\$ 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
Unreserved (deficit)	<u>(4,425,311)</u>	<u>(3,563,092)</u>	<u>(1,549,548)</u>	<u>(7,882,059)</u>	<u>(7,931,436)</u>	<u>(19,073,107)</u>	<u>(8,451,274)</u>	<u>(272,828)</u>	<u>7,774,628</u>	<u>25,887,979</u>
Total general fund	<u>(1,287,502)</u>	<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>
All other governmental funds:										
Reserved	2,953,956	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
Unreserved, undesignated, Reported in:										
Special revenue funds	747,166	895,079	163,244	44,574	(50,292)	(397,608)	302,389	477,949	306,393	450,641
Capital projects funds	<u>(3,786,287)</u>	<u>(2,917,530)</u>	<u>(2,556,844)</u>	<u>(1,896,679)</u>	<u>(1,122,171)</u>	<u>(451,078)</u>	<u>(849,791)</u>	<u>390,439</u>	<u>1,414,391</u>	<u>1,311,087</u>
Total all other governmental funds	<u>(85,165)</u>	<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>
Total governmental funds	\$ <u>(1,372,667)</u>	\$ <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>

Source: School District financial records

Mentor Exempted Village School District

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

Table 5

	1998 ⁽¹⁾	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues:										
Taxes	\$ 46,071,361	\$ 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
Intergovernmental	20,330,654	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
Tuition and fees	194,011	163,254	206,366	195,240	230,179	175,267	896,991	1,375,810	1,113,377	1,543,831
Earnings on investments	408,005	578,504	720,286	765,183	252,298	92,509	91,535	415,479	1,245,215	2,309,938
Extracurricular activities	-	199,406	247,783	250,519	250,084	329,170	433,844	782,771	761,198	837,151
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	-	-	-	-	-	-	78,968	-	-	-
Miscellaneous	801,218	544,925	335,102	101,013	214,757	358,067	431,424	426,679	980,878	1,124,940
Total revenues	<u>67,805,249</u>	<u>77,333,263</u>	<u>80,520,099</u>	<u>78,498,571</u>	<u>84,713,803</u>	<u>85,408,302</u>	<u>86,156,556</u>	<u>100,523,502</u>	<u>106,076,363</u>	<u>111,172,562</u>
Expenditures:										
Current:										
Instruction :	44,379,280	43,819,740	44,183,055	47,589,362	48,283,502	-	-	-	-	-
Regular	-	-	-	-	-	39,414,096	40,447,432	35,960,608	39,398,241	39,570,542
Special	-	-	-	-	-	8,274,200	9,366,190	9,753,168	10,568,947	10,246,902
Vocational	-	-	-	-	-	2,584,977	2,727,370	2,739,969	2,331,028	2,283,750
Adult	-	-	-	-	-	71,533	7,046	-	-	-
Other	-	-	-	-	-	2,298,419	1,511,020	3,238	616,275	801,047
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	6,281,985
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	4,022,338
Board of education	443,515	452,184	501,619	614,501	677,709	629,729	479,902	704,216	572,005	519,445
Administration	3,987,373	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
Fiscal	1,321,966	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
Business	464,579	504,930	526,875	674,150	644,005	705,305	636,011	595,051	626,486	680,252
Operation and maintenance										
of plant	6,471,654	7,153,258	8,095,071	8,344,673	9,295,466	9,109,353	9,565,657	7,473,930	8,406,260	9,566,186
Pupil transportation	3,450,259	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
Central	865,654	721,867	728,205	954,721	1,429,671	1,998,367	1,322,314	879,218	1,572,181	1,470,520
Food services	-	22,950	77,621	87,765	87,786	-	-	5,346	961	684
Community services	66,874	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
Extracurricular activities	924,638	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
Capital outlay	780,865	437,935	200,667	-	-	-	-	-	-	-
Miscellaneous	84,764	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
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
Total expenditures	<u>63,241,421</u>	<u>75,278,001</u>	<u>76,851,270</u>	<u>81,937,407</u>	<u>85,950,416</u>	<u>94,221,814</u>	<u>94,763,104</u>	<u>99,172,332</u>	<u>102,384,473</u>	<u>96,493,368</u>

Continued

Mentor Exempted Village School District

Changes in Fund Balances, Governmental Funds (continued)

Last Ten Fiscal Years

Table 5

	<u>1998⁽¹⁾</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Excess of revenues over (under) expenditures	<u>4,563,828</u>	<u>2,055,262</u>	<u>3,668,829</u>	<u>(3,438,836)</u>	<u>(1,236,613)</u>	<u>(8,813,512)</u>	<u>(8,606,548)</u>	<u>1,351,170</u>	<u>3,691,890</u>	<u>14,679,194</u>
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
Inception of capital lease	-	-	-	275,536	328,183	1,007,040	-	-	-	174,000
Proceeds from sale of capital assets	15,664	69,131	12,056	21,322	18,001	13,142	-	12,624	1,286,203	43,085
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
Refund of prior year receipts	-	-	(8,491)	(28,501)	(11,381)	(10,880)	-	(49,781)	(5,521)	-
Transfers out	<u>(1,475,738)</u>	<u>(1,549,475)</u>	<u>(1,230,620)</u>	<u>(1,352,948)</u>	<u>(940,053)</u>	<u>(465,646)</u>	<u>(2,050,814)</u>	<u>(1,128,530)</u>	<u>(298,214)</u>	<u>(283,684)</u>
Total other financing sources (uses)	<u>(1,460,074)</u>	<u>(1,003,431)</u>	<u>(826,412)</u>	<u>(186,827)</u>	<u>(95,085)</u>	<u>1,170,766</u>	<u>18,291,588</u>	<u>14,719,729</u>	<u>2,285,661</u>	<u>1,055,905</u>
Net change in fund balances	\$ <u><u>3,103,754</u></u>	\$ <u><u>1,051,831</u></u>	\$ <u><u>2,842,417</u></u>	\$ <u><u>(3,625,663)</u></u>	\$ <u><u>(1,331,698)</u></u>	\$ <u><u>(7,642,746)</u></u>	\$ <u><u>9,685,040</u></u>	\$ <u><u>16,070,899</u></u>	\$ <u><u>5,977,551</u></u>	\$ <u><u>15,735,099</u></u>
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%

Source: School District financial records

⁽¹⁾ 1998 – only General Fund financial information available.

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		Ratio
	Assessed Value	Estimated Actual Value ⁽¹⁾	Assessed Value	Estimated Actual Value ⁽¹⁾	Assessed Value	Estimated Actual Value ⁽¹⁾	Assessed Value	Estimated Actual Value	
1998	\$ 1,179,758,070	\$ 3,370,737,343	\$ 55,926,310	\$ 223,705,240	\$ 151,200,048	\$ 604,800,192	\$ 1,386,884,428	\$ 4,199,242,775	33.03%
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	33.02
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	32.93
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	33.11
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	33.11
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	33.20
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	33.50
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	33.56
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	32.77
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	31.97

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 2007 property was assessed at 12.5 percent of actual value.

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)
1997/ 1998	Municipality/Township	\$ 9.40	\$ 6.00	\$ 6.29	\$ 24.00	\$ 23.00	\$ 7.70
	School	67.21	67.21	67.21	67.21	67.21	67.21
	Library District	0.50	0.50	0.50	0.50	0.50	0.50
	County	14.10	14.10	14.10	14.10	14.10	9.50
	TOTAL	<u>91.21</u>	<u>87.81</u>	<u>88.10</u>	<u>105.81</u>	<u>104.81</u>	<u>84.91</u>
1998/ 1999	Municipality/Township	9.40	4.50	7.19	24.00	23.00	7.70
	School	67.21	67.21	67.21	67.21	67.21	67.21
	Library District	0.63	0.63	0.63	0.63	0.63	0.63
	County	15.60	15.60	15.60	15.60	15.60	9.50
	TOTAL	<u>92.84</u>	<u>87.94</u>	<u>90.63</u>	<u>107.44</u>	<u>106.44</u>	<u>85.04</u>
1999/ 2000	Municipality/Township	9.40	4.50	7.19	24.00	23.00	7.70
	School	66.87	66.87	66.87	66.87	66.87	66.87
	Library District	0.63	0.63	0.63	0.63	0.63	0.63
	County	15.70	15.70	15.70	15.70	15.70	9.50
	TOTAL	<u>92.60</u>	<u>87.70</u>	<u>90.39</u>	<u>107.20</u>	<u>106.20</u>	<u>84.70</u>
2000/ 2001	Municipality/Township	9.40	4.50	7.19	24.00	23.00	7.70
	School	66.84	66.84	66.84	66.84	66.84	66.84
	Library District	0.63	0.63	0.63	0.63	0.63	0.63
	County	15.70	15.70	15.70	15.70	15.70	9.50
	TOTAL	<u>92.57</u>	<u>87.67</u>	<u>90.36</u>	<u>107.17</u>	<u>106.17</u>	<u>84.67</u>
2001/ 2002	Municipality/Township	9.40	4.50	7.19	24.00	23.00	7.70
	School	66.79	66.79	66.79	66.79	66.79	66.79
	Library District	0.63	0.63	0.63	0.63	0.63	0.63
	County	15.70	15.70	15.70	15.70	15.70	9.50
	TOTAL	<u>92.52</u>	<u>87.62</u>	<u>90.31</u>	<u>107.12</u>	<u>106.12</u>	<u>84.62</u>

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)
2002/ 2003	Municipality/Township	\$ 9.40	\$ 4.50	\$ 7.19	\$ 24.00	\$ 23.00	\$ 7.70
	School	66.77	66.77	66.87	66.77	66.77	66.70
	Library District	0.63	0.63	0.63	0.63	0.63	0.63
	County	15.70	15.70	15.70	15.70	15.70	9.50
	TOTAL	<u>92.50</u>	<u>87.60</u>	<u>90.39</u>	<u>107.10</u>	<u>106.10</u>	<u>84.53</u>
2003/ 2004	Municipality/Township	9.40	4.50	7.19	24.00	20.00	7.70
	School	69.62	69.62	66.87	69.62	69.62	66.70
	Library District	0.63	0.63	0.63	0.63	0.63	0.63
	County	15.70	15.70	15.70	15.70	15.70	9.50
	TOTAL	<u>95.35</u>	<u>90.45</u>	<u>90.39</u>	<u>109.95</u>	<u>105.95</u>	<u>84.53</u>
2004/ 2005	Municipality/Township	9.40	4.50	6.68	24.00	20.00	6.70
	School	77.46	77.46	49.77	77.46	77.46	77.46
	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	<u>103.18</u>	<u>98.28</u>	<u>73.45</u>	<u>117.78</u>	<u>113.78</u>	<u>99.89</u>
2005/ 2006	Municipality/Township	9.40	4.50	6.58	24.00	20.00	6.70
	School	77.28	77.28	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	<u>103.00</u>	<u>98.10</u>	<u>72.98</u>	<u>117.60</u>	<u>113.60</u>	<u>99.71</u>
2006/ 2007	Municipality/Township	9.40	4.50	8.56	24.00	20.00	6.70
	School	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	<u>102.41</u>	<u>97.51</u>	<u>74.08</u>	<u>117.01</u>	<u>113.01</u>	<u>99.11</u>

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

Last Ten Years

Table 8

<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>
1998	\$ 48,182,502	\$ 1,997,729	\$ 50,180,231	\$ 47,087,957	97.73%	\$ 1,094,546	\$ 48,182,503	100.00%
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

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, 2006

Table 9

<u>Name of Taxpayer</u>	<u>December 31, 1999</u>	
	<u>Assessed Value</u>	<u>Percent of Total Assessed Value</u>
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	\$ <u>49,479,320</u>	<u>4.11%</u>

<u>Name of Taxpayer</u>	<u>December 31, 2006</u>	
	<u>Assessed Value</u>	<u>Percent of Total Assessed Value</u>
Simon Property Group LP	\$ 25,180,450	1.33 %
Steris Corporation	10,703,340	.56
Points East	7,223,610	.38
First Interstate	4,850,080	.26
F I Mentor Commons Ltd..	4,603,940	.24
Sears Roebuck Company	4,421,430	.23
Lakeway Harbor	4,189,080	.22
Deepwood North Company	4,140,980	.22
University Hospitals	3,781,130	.20
Lincoln Electric	3,614,080	.19
Total	\$ <u>72,708,120</u>	<u>3.83%</u>

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, 2005 and December 31, 1999

Table 10

<u>Name of Taxpayer</u>	<u>December 31, 1999</u>	
	<u>Assessed Value</u>	<u>Percent of Total Assessed Value</u>
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	<u>2,374,490</u>	<u>1.52</u>
Total	\$ <u><u>38,715,280</u></u>	<u><u>24.78%</u></u>

<u>Name of Taxpayer</u>	<u>December 31, 2006</u>	
	<u>Assessed Value</u>	<u>Percent of Total Assessed Value</u>
Avery Dennison Corporation	\$ 7,869,540	8.06 %
Jim Brown Chevrolet	4,435,050	4.54
Steris Corporation	4,352,050	4.46
Lincoln Electric Company	3,061,700	3.14
Swagelok	2,984,330	3.06
Classic International	2,564,690	2.63
Buyers Products Company	2,537,590	2.60
Polychem Corporation	2,455,910	2.51
Worthington Precision	2,430,060	2.49
Wiseco Piston Company Incorporated	<u>2,417,920</u>	<u>2.48</u>
Total	\$ <u><u>35,108,840</u></u>	<u><u>35.97%</u></u>

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, 2005 and December 31, 1999

Table 11

<u>Name of Taxpayer</u>	<u>December 31, 1999</u>	
	<u>Assessed Value</u>	<u>Percent of Total Assessed Value</u>
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	\$ <u>59,803,430</u>	<u>4.20%</u>

<u>Name of Taxpayer</u>	<u>December 31, 2006</u>	
	<u>Assessed Value</u>	<u>Percent of Total Assessed Value</u>
Cleveland Electric Illuminating Company	\$ 18,977,570	43.88%
Aqua Ohio Inc.	14,318,190	33.10
Ohio Bell Telephone Company	4,732,870	10.94
American Transmission	1,737,200	4.02
East Ohio Gas Company	1,238,710	2.86
Total	\$ <u>41,004,540</u>	<u>94.80%</u>

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, 2006

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	\$ <u>8,013,299</u>	100.00%	\$ <u>8,013,299</u>
Total direct	<u>8,013,299</u>		<u>8,013,299</u>
Overlapping:			
City of Mentor	20,684,064	77.28	15,984,645
City of Mentor-on-the-Lake	1,000,000	77.28	772,800
Lake County	24,708,000	35.73	8,828,168
Geauga County	<u>8,600,000</u>	0.16	<u>13,760</u>
Total overlapping	<u>54,992,064</u>		<u>25,599,373</u>
Total	<u>\$ 63,005,363</u>		<u>\$ 33,612,672</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 2006 collection year.

Mentor Exempted Village School District

Ratio of Outstanding Debt by Type

Last Ten Fiscal Years

Table 13

Fiscal Year	Governmental Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Energy Conservation Notes	Tax Anticipation Notes	Solvency Loan	Purchase Agreements			
1998	\$ 14,659,687	\$ -	\$ -	\$ -	\$ 1,355,945	\$ 16,015,632	2.02%	\$ 338.18
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	19,262,329	1.56	383.12
2004	11,990,000	1,410,000	2,480,000	17,000,000	714,975	33,594,975	2.72	668.18
2005	10,764,989	77,333	2,989,334	8,500,000	447,539	22,779,195	1.84	453.06
2006	9,299,989	77,333	8,016,000	-	208,118	17,601,440	1.42	350.08
2007	8,013,299	77,333	6,042,668	-	166,415	14,299,715	1.16	284.41

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

Last Ten Years

Table 14

<u>Year</u>	<u>Bonded Debt</u>	<u>Assessed Value</u>	<u>Population</u>	<u>Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>
1998	\$ 14,039,991	\$ 1,386,884,428	47,358	1.01%	\$ 296
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

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

Mentor Exempted Village School Distric

Computation of Legal Debt Margin

Last Ten Years

Table 15

	1998	1999	2000	2001	2002	2003	2004	2005	2006 ⁽²⁾	2007
Assessed valuation	\$ <u>1,386,884,428</u>	\$ <u>1,421,336,510</u>	\$ <u>1,457,957,454</u>	\$ <u>1,626,021,781</u>	\$ <u>1,646,967,571</u>	\$ <u>1,661,396,135</u>	\$ <u>1,896,796,309</u>	\$ <u>1,914,853,440</u>	\$ <u>1,768,121,420</u>	\$ <u>1,935,669,540</u>
Debt limit – 9% of assessed value	\$ 124,819,598	\$ 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
Amount of debt applicable to debt limit:										
General obligation bonds	15,279,382	14,175,851	13,732,906	13,316,399	12,921,859	11,360,044	13,400,000	10,764,989	9,299,989	8,013,299
Energy conservation notes	-	-	-	-	-	-	1,410,000	1,082,667	1,005,334	928,001
Less: amount available in debt service fund	-	-	-	-	-	-	(992,110)	(1,212,649)	(1,136,473)	(1,069,854)
total amount of debt Subject to the limit	15,279,382	14,175,851	13,732,906	13,316,399	12,921,859	11,360,044	13,817,890	10,635,007	9,168,850	7,871,446
Exemptions:										
Energy conservation bonds	-	-	-	-	-	-	1,410,000	1,082,667	1,005,334	928,001
Amount of debt subject to the limit	<u>15,279,382</u>	<u>14,175,851</u>	<u>13,732,906</u>	<u>13,316,399</u>	<u>12,921,859</u>	<u>11,360,044</u>	<u>12,407,890</u>	<u>9,552,340</u>	<u>8,163,516</u>	<u>6,943,445</u>
Overall debt margin	\$ <u>109,540,216</u>	\$ <u>113,744,435</u>	\$ <u>117,483,265</u>	\$ <u>133,025,561</u>	\$ <u>135,305,217</u>	\$ <u>138,165,608</u>	\$ <u>158,303,778</u>	\$ <u>162,784,469</u>	\$ <u>150,967,412</u>	\$ <u>167,266,814</u>
Debt limit – .10% of assessed value ⁽¹⁾	\$ 1,386,884	\$ 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
Amount of debt applicable	-	-	-	-	-	-	-	-	-	-
Unvoted debt margin	\$ <u>1,386,884</u>	\$ <u>1,421,337</u>	\$ <u>1,457,957</u>	\$ <u>1,626,022</u>	\$ <u>1,646,968</u>	\$ <u>1,661,396</u>	\$ <u>1,896,796</u>	\$ <u>1,914,853</u>	\$ <u>1,768,121</u>	\$ <u>1,935,670</u>

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 13 due to general tangible personal property values no longer being included in calculation of legal debt margin.

Mentor Exempted Village School Distric

Demographic and Economic Statistics

Last Ten Years

Table 16

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
1998	47,358	\$ 46,589	\$ 16,717	\$ 2.76	\$ 791,683,686	2.9%
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

¹ U. S. Census data

² Ohio Bureau of Employment Statistics

NA - Information is not available

Mentor Exempted Village School District

Principal Employers

December 31, 1997 and December 31, 2006

Table 17

Employer	1997			2006		
	Number of Employees	Rank	Percentage of Total District Employment	Number of Employees	Rank	Percentage of Total District Employment
Mentor Public Schools	1,098	1	3.49%	1,010	1	3.00%
Steris Corp	636	3	2.02	943	2	2.79
City of Mentor	646	2	2.05	941	3	2.80
Deepwood/Lake County MRDD	500	6	1.59	661	4	1.96
Lincoln Electric	529	5	1.68	455	5	1.35
Avery Dennison	-	-	-	400	6	1.19
PCC Airfoil	-	-	-	354	7	1.05
Royal Plastics, Inc.	280	10	0.89	250	8	0.74
Macy's	-	-	-	250	9	0.74
Wiseco Piston Co.,Inc.	300	9	0.95	235	10	0.70
Tridelta	531	4	1.69	-	11	-
Super K-Mart	450	7	1.43	-	12	-
Sear's Roebuck & Co.	375	8	1.19	-	13	-
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, 2007

Table 18

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

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>
1998	\$ 64,717,159	11,018	\$ 5,874	7.99%	N/A	14.85	N/A
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

Source: School District Records

(1) Includes other financing uses. 1999 through 2007 reported on the modified accrual basis of accounting; all others reported on cash basis.

(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 Six 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>
Non-Degree	3	N/A	3	9	9	0
Bachelor's Degree	185	N/A	125	136	151	148
Master's Degree	489	N/A	424	419	432	427
PhD	<u>5</u>	<u>N/A</u>	<u>5</u>	<u>4</u>	<u>8</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>Years of Experience</u>						
0-5	126	N/A	41	129	93	89
6-10	105	N/A	109	118	110	83
11 and over	<u>451</u>	<u>N/A</u>	<u>407</u>	<u>321</u>	<u>397</u>	<u>409</u>
Total	<u>682</u>	<u>N/A</u>	<u>557</u>	<u>568</u>	<u>600</u>	<u>581</u>

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

N/A – Information is not available.

Mentor Exempted Village School District

Full-time School District Employees by Function

Last Three Fiscal Years

Table 21

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

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



**Mason Artino
Fourth Grade
Orchard Hollow Elementary**



**Mentor Public Schools
Treasurer's Office**



Educating students from Mentor, Mentor-on-the-Lake, Concord Township and Kirtland Hills.

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

www.mentorschools.org



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
JANUARY 8, 2008**