

MENTOR
EXEMPTED
VILLAGE
SCHOOLS

*Comprehensive Annual
Financial Report*

for the Fiscal Year Ended June 30, 1999

**MENTOR EXEMPTED VILLAGE
SCHOOL DISTRICT**

LAKE COUNTY
OHIO

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT
FOR THE YEAR
ENDED
JUNE 30,
1999

**JAMES METZ
TREASURER**

PREPARED BY THE TREASURER'S OFFICE

**MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 1999**

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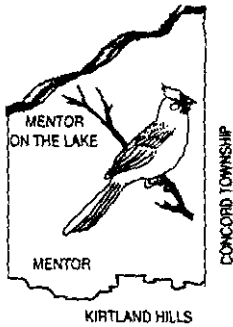
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INTRODUCTORY SECTION



Mentor Public Schools
COMMITTED TO EXCELLENCE

Mentor Public Schools

Helen H. "Sue" Osborn Administration Building

6451 Center Street • Mentor, Ohio 44060 • 440-255-4444 / FAX 440-255-4622

WILLIAM T. HILLER, PH.D., SUPERINTENDENT

JAMES C. METZ, TREASURER

BOARD OF EDUCATION

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December 17, 1999

Mentor Exempted Village Board of Education
6451 Center Street
Mentor, Ohio 44060

Members of the Board:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Mentor Exempted Village School District for the fiscal year ended June 30, 1999. This CAFR, which includes financial statements and other financial and statistical data, conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for both the accuracy of the data presented, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The report provides the community of the Mentor Exempted Village School District, bond rating agencies and other interested parties with comprehensive financial information, enabling them to gain a clear understanding of the District's finances. This report is intended to contribute to meeting the accountability requirements of the public. Copies will be made available to all residents of the Mentor Exempted Village School District and any other interested parties.

This report is divided into the following sections:

- o The Introductory Section, which includes this transmittal letter, a list of principal officials, and the District's organizational chart.
- o The Financial Section, which includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the independent auditors' report on the financial statements and schedules.
- o The Statistical Section, which includes related financial and demographic information, generally presented on a multiyear basis.

Educating Students from Mentor, Mentor on the Lake, Concord Township, Kirtland Hills.

The School District

The Mentor Exempted Village School District is governed by the Constitution of the State of Ohio and various statutes enacted by the Ohio General Assembly through the State Department of Education. Under Ohio Law, the School District is a separate and distinct unit of government with its own taxing authority. The Mentor Exempted Village Board of Education is a five-member board, elected at large, with staggered four-year terms.

The District, one of 611 in the State and 9 in the County, provides education to 10,466 students in grades preschool through twelve. The District is located in Lake and Geauga Counties in northeastern Ohio, approximately 20 miles east of the downtown area of the City of Cleveland.

While most of the District's population is located in the City of Mentor and the City of Mentor-on-the-Lake, included in the District's territory are all or portions of the following cities, townships and villages:

City of Mentor	Village of Kirtland Hills
City of Mentor-on-the-Lake	Chardon Township
	Concord Township

The Reporting Entity

This report includes all funds and account groups of the District. The District provides a full range of traditional and non-traditional educational programs and services. These include elementary and secondary curriculum offerings at the general, college preparatory and vocational levels; a broad range of co-curricular and extra curricular activities; adult and community education offerings; special education programs and facilities and community recreation facilities.

In addition to providing these general activities, the District acts as a primary recipient for State funds distributed to parochial schools located within the District boundaries; therefore this fiduciary responsibility is included in the reporting entity as a special revenue fund. The parochial schools served are St. Mary, St. Gabriel and Lake Catholic. While these organizations share operational and service similarity with the District, all are separate and distinct entities. Because of their independent nature, none of these organizations' financial statements are included in this report.

The District's Board of Education also serves as the statutory overseer of the Mentor Public Library (the Library). As provided by Ohio Law, the Board of Education appoints trustees to the Library and approves the Library's annual tax budget; however, the District is not financially accountable for the activities of the Library. Furthermore, the District has only ministerial approval of the Library's tax budget and cannot amend the budget. The trustees are charged with the responsibility to manage the Library's overall operations, and the Library is a separate entity for financial reporting purposes. Accordingly, the Library's financial position is not included in this report.

Major Initiatives and Events - Fiscal Year 1999

In 1999, there were a number of important initiatives and events that took place in the District. The following is a brief summary of the more noteworthy:

- The June issue of Cleveland Magazine rated Mentor Public Schools in the top 10 of local school districts with a grade of A+
- 638 students received their diploma at graduation ceremonies held on June 12 at Cleveland State Convocation Center
- The senior class at Mentor High School was offered approximately \$5.9 million dollars in scholarships
- Mentor High School Thespians announced that the 1999 Rotary Drama Awards were given to Krista Galante, Tony Gonzalez, Jennifer Zappola and Mathew Rodríguez and West Side Story was "Best Musical"
- Dr. Lynda Sadowski was recognized as the Ohio Association of Secondary School Administrators Assistant Principal of the Year
- Phillip Metz, a senior at Mentor High School was the 1999 State of Ohio Division I Boys' Singles Tennis Champion
- The Memorial Junior High Knowledge Master Teams won first place at the State of Ohio Competition
- Mr. Ken Buckley, Principal of Center Street Village Elementary School, was recognized as Ohio Association of Elementary School Administrators Principal of the Year
- The Tech Prep horticulture students placed fourth in the National Competition
- The School Match program awarded the District the 1999 Eighth Annual School System What Parents Want Award
- Mentor High School was presented with the Helen "Sue" Osborne Humanitarian Award sponsored by United Way
- The Mentor High School Mock Trial Team placed first in the District Competition
- Memorial Junior High School Band students raised \$11, 718 for the News Herald newspaper Clothe-A-Child Program
- Mrs. Tammi Bender, a teacher at Hopkins Elementary School, was recognized as the District's first recipient of the National Teacher Certification
- Brentmoor Elementary School was recognized at an Ohio State Department of Education Dinner for being one of eleven schools in the state selected as a "Transforming Learning Community"

Financial Information

Basis of Accounting

The District's accounting system is organized on a "fund basis" where each fund or account group is a distinct, self-balancing accounting entity.

Governmental and fiduciary fund types are accounted for on the modified accrual basis of accounting. Governmental revenues are recognized when they become measurable and available to finance expenditures of the current period. Revenue items, which are susceptible to accrual, are recorded as receivables. Expenditures are recognized when the related fund liability is incurred, with the exception of accumulated unpaid employee compensation which is not payable from current expendable financial resources, and general long term obligation interest which is reported when due.

Proprietary fund types are accounted for on the accrual basis of accounting. Their revenues are recognized in the period earned and expenses are recognized in the period incurred. Proprietary fund unbilled services receivables are recognized as revenue in the period when the services are provided.

Internal Control

In developing and evaluating the District's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are in place and are designed to provide reasonable, but not absolute assurance regarding: (1) the safeguarding against loss of assets; and (2) the reliability of financial data used in preparing the financial statements and maintaining the accountability of assets. The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefits likely to be gained from the implementation of the controls. Management believes that the District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Control

The District also maintains a series of budgetary controls. These controls are in place to ensure compliance with legal requirements of the District's annual appropriation measure. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function and object within each fund.

One such budgetary control is the encumbrance accounting system utilized by the District. Encumbrances are made when the District makes an obligation to purchase an item or service and are not relieved until payment is made or the District revokes that obligation. Open encumbrances are reviewed at fiscal year end, and if determined to be still valid, are carried over to the succeeding fiscal year. Special attention is given to encumbrances, which have been in effect for a long period of time. Encumbrances are reported as a reservation of fund balance at year end.

Budgets are legally adopted and controlled on a cash basis, including encumbrances. For that reason, the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual reports actual cash revenues and expenditures (including encumbrances) compared to budget amounts. Unencumbered appropriations terminate at year end.

General Government Functions

The following schedule represents a summary of revenues for the governmental funds, which include general, special revenue, debt service, and capital projects fund types for the fiscal year ended June 30, 1999.

Revenues	1999	1998	Change	Percent of Change
Taxes	\$49,703,326	\$49,078,376	\$ 624,950	1.27%
Tuition and fees	163,254	194,011	(30,757)	(15.85)%
Earnings on investments	578,504	421,156	157,348	37.36%
Intergovernmental	26,143,848	23,785,057	2,358,791	9.92%
Extracurricular activities	199,406	193,554	5,852	3.02%
Miscellaneous revenue	<u>544,925</u>	<u>1,273,257</u>	<u>(728,332)</u>	<u>(57.20)%</u>
	<u>\$77,333,263</u>	<u>\$74,945,411</u>	<u>\$2,387,852</u>	<u>3.19%</u>

Local property tax revenues are the major source of operating funds for the District. The following represents a distribution of the tax revenues to the various funds:

Fund	Percent of Total
General	94.32%
Bond Retirement	3.83
Permanent Improvement	<u>1.85</u>
Total	<u>100.00%</u>

Tax revenues increased as a result of growth of the tax duplicate.

Tuition and fees revenue include charges for students living out of the District, tuition charged to other districts for vocational and special education programs and other court ordered placements.

Interest increased as the result of higher interest rates, a stronger cash flow, and the issuance of tax advances from the Lake County Auditor on a more timely basis.

Intergovernmental revenues include the Homestead Rollback reimbursements from the State of Ohio, the State Foundation receipts, State and Federal grants, and other reimbursements from the State. The Homestead Rollback funds are based on local tax collection efforts. Commercial and residential property owners in the State of Ohio are given a 10 percent and 12.5 percent reduction in real property taxes, respectively. The State reimburses those funds to school districts. The Homestead Rollback funds provide about 6.3 percent of the District's general fund revenues. The State Foundation funds are controlled by the State Legislature. These funds provide about 23.9 percent of the District's General Fund revenues, and the expectation is that minimal increases will be available for future reporting periods.

Extracurricular and miscellaneous revenues include rental fees, donations and various fee payments from students.

The following schedule represents a summary of all governmental expenditures of general, special revenue, debt service, and capital projects fund types for the fiscal year ended June 30, 1999:

<u>Expenditures</u>	<u>1999 Amount</u>	<u>1998 Amount</u>	<u>Change</u>	<u>Percent of Change</u>
Instruction	\$43,819,740	\$39,725,593	\$4,094,147	10.31%
Support services:				
..Pupil	4,484,734	4,483,138	1,596	0.04%
..Instructional staff	2,847,225	2,208,926	638,299	28.90%
..Board of Education	452,184	443,515	8,669	1.95%
..Administration	5,034,343	4,733,752	300,591	6.35%
..Fiscal	1,582,396	1,358,557	223,839	16.48%
..Business	504,930	469,579	35,351	7.53%
..Operation & maintenance of ..plant	7,153,258	7,289,944	(136,686)	(1.87)%
..Pupil transportation	4,058,486	3,565,531	492,955	13.83%
..Central	721,867	896,364	(174,497)	(19.47)%
..Food service	22,950	10,000	12,950	129.50%
Community services	953,782	74,997	878,785	1171.76%
Extracurricular activities	1,299,060	1,887,582	(588,522)	(31.18)%
Capital outlay	437,935	784,349	(346,414)	(44.17)%
Miscellaneous	4,138	831	3,307	397.95%
Debt Service:				
..Principal	483,836	1,020,000	(536,164)	(52.57)%
..Interest	<u>1,417,137</u>	<u>887,751</u>	<u>529,386</u>	<u>59.63%</u>
Total	<u>\$75,278,001</u>	<u>\$69,840,409</u>	<u>\$5,437,592</u>	<u>7.79%</u>

Instruction and support services reflect increases as the result of salary adjustments and the hiring of additional staff.

Instructional staff expenses increase caused by salary and staff adjustment to meet student and community needs.

Administration expenses increased due to payments associated with the early retirement incentive program and salary adjustments.

Fiscal expenses increase caused by salary adjustments for staff and maintenance and repair needs of the buildings.

Pupil transportation expenses increased because of salary adjustments and increased field trips and substitute charges.

Central expenses decreased because of one-time charges.

Community services increased as the result of changes making additional funds available.

Extracurricular activity expenses decreased because of less additional after school activities.

Capital outlay expenses decreased due to budget decisions and management analysis of district needs.

Debt service decreased due to the payment of principle and interest payments associated with the House Bill 264 project and construction at Memorial Junior High and Mentor High School.

Enterprise

The District operates several enterprise activities including the Food Service Program, Uniform School Supply, Rotary, Adult Education and Recreation Programs. It is the District's intent to operate these programs on a self-supporting basis. Therefore, profit/loss measures must be maintained. These operations are classified and accounted for as enterprise funds.

The Food Service program provides lunches and other food related services to students and staff of the District and represents the largest enterprise operation.

The Uniform School Supply program accounts for materials provided to students for which fees are charged. Due to the fact that eligible families qualify for fees to be waived and others fail to pay the District supports the program.

The Adult Education program experienced an operating loss of \$14,658 for the year. Course offerings will be reviewed and tuition and fees will be adjusted and supplemented in the future to eliminate the operating loss.

The Enterprise Funds experienced an operating gain of \$118,374 for the year.

Internal Service

Internal Service Funds are used to account 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.

Trust Operations

The District acts in a trustee capacity for various scholarship and award programs along with student activity funds for those activities managed by students.

Debt Administration

At June 30, 1999, the District had general obligation bonds outstanding of \$14,175,851. At June 30, 1999, \$1,500,000 of bond anticipation notes is recorded as a liability of the Capital Projects Fund.

Under the Ohio Revised Code, total general obligation bonded debt is subject to a legal limitation on both voted and unvoted debt. The limitation is based on 9% and .1% of the total assessed value of real and personal tangible property, respectively. The District's total general obligation debt of \$14,175,851 is below the legal limit of \$127,920,286 (voted and unvoted). All bonds outstanding are general obligations of the District for which the full faith and credit of the District is pledged for repayment.

The District general obligation debt is made up of the following original issues:

- A) \$9,500,000 approved by the voters in November of 1988 for the renovation, rehabilitating, remodeling, improving, and adding to, furnishing and equipping Memorial Junior High School and improving its site.
- B) \$4,000,000 approved by the voters in May of 1988 for the purpose of enlarging, rehabilitating, improving, adding to, furnishing and equipping the Mentor Public Library and improving the site and parking facilities thereof.

Bonds totaling \$13,500,000 were issued in May of 1989. The District services the debt for both bond issues as required by the Ohio Revised Code.

On March 1, 1993, the District refinanced the outstanding balance of the original issue reducing the aggregate debt service payments by \$573,050 over the next 19 years.

- C) The voters approved \$8,600,000 issue in May of 1991 with the actual sale of the bond occurring in December of 1991. The purpose of the issue was to construct an auditorium, renovate science facilities, and remodeling, adding to, rehabilitating, improving, furnishing and equipping facilities at Mentor High School and improving its site.

Additional information regarding the debt of the District is available by reviewing the footnotes of the Comprehensive Annual Financial Report as of June 30, 1999.

Cash Management

Cash not needed for immediate use during the year was invested in interest bearing demand deposit accounts, an open repurchase agreement and the State Treasurer's Asset Reserve of Ohio (STAR Ohio) program administered by the Office of the Treasurer of the State of Ohio. STAR Ohio is an investment pool offered to political subdivisions of the State of Ohio for the investment of funds. STAR Ohio's investment portfolio consists of investments authorized by the Ohio Revised Code including instruments of the Federal government and its agencies collateralized certificates of deposits and repurchase agreements. This investment pool offers daily liquidity of all funds, no minimum balance requirements and no service charges. Total interest earnings for the District during the year was \$578,586. Of that total, \$562,731 was credited to the General Fund, \$4,984 was credited to the Special Revenue Fund, \$10,789 was credited to the Capital Projects Funds, and \$82 to the Expendable Trust Fund. These amounts are higher than previous years due to the increase of interim monies held from the tax anticipation bonds and higher interest rates. The crediting of interest earnings to particular funds are directed by the Ohio Revised Code and Board of Education policy.

Risk Management

The District protects its assets through a comprehensive insurance program. A schedule of insurance in force at June 30, 1999 is included in the Statistical Section of this report.

To control health insurance cost, the District participates in a consortium of school districts in northeast Ohio. The consortium provides eligible employees basic medical coverage along with dental, vision and life insurance. The consortium contracts with a third party administrator for the processing of claims. Since joining the consortium in 1995, the District's medical rate adjustments have averaged approximately 5.0% per year. This program has allowed the District to control fringe benefit costs representing a significant portion of the District's annual cost of operating.

Economic Condition and Outlook

Growth of the community is the primary issue of concern. The number of students has increased from 10,220 in fiscal 1990 to 10,466 in fiscal 1999, representing an increase of 246 students or an average of approximately 27 per year. Single family housing units in the City of Mentor for the same period grew a total of 2,318, or 257 per year at an average cost of \$140,142. The tax duplicate continues to increase but the cost of providing services clearly indicates that additional operating revenues will be required to maintain services at current levels. The community is expected to grow at the same rate as property is available to build and the community is extremely attractive to the upper to middle income homeowner.

The demand for technology and the cost to provide service to the students is also a demand, which needs to be addressed. The private sector already demands that students of the 90's be able to cope with the technology available. The demands that this brings to the educational community will continue to put strains on the funds available to maintain high standards for the current student population and those to come.

The State is faced with difficult problems to fund public education at an adequate level. The courts have ruled the State must replace the current system of funding public education and develop a system to allow all students to receive an appropriate education.

Classroom space is also approaching the point that all available classrooms are being utilized. The rapid growth of the community and the demands for space and technology clearly indicate that the future for the District will be exciting, but also costly, if the current expectations of education are to be maintained and revised to meet tomorrow's expectations.

Prospects for the Future

The funding structure of public education in Ohio poses a challenge to school districts. There is very little in the funding structure which allows districts to receive additional revenues relative to inflationary pressures. Boards of education throughout Ohio must propose issues on the ballot for voter approval in order to receive significant additional revenues. The District placed a 4.5 mill operating levy on the March, 1996 ballot and the voters approved the request. Collections began in January 1997. Fiscal 1998 was the first year for 100 percent collections of the new monies. As of the end of the reporting period no new operating levies are being considered.

Of particular concern in the State of Ohio is the issue of "equity in school funding." Significant changes in the public school funding structure, either through the legislative or judicial process, may be enacted which will effectively redistribute revenues from wealthier school districts to poorer school districts.

The granting of tax abatement to new companies moving into the City of Mentor or existing companies expanding has impacted local tax revenues. Unless legislation is put in place in the future to limit abatements or create greater accountability to those companies granted abatement, the community and the District will be negatively impacted. The District has an agreement with the City of Mentor to share income tax generated by employees of companies who have been granted tax abatement.

The employment agreements currently in place with the Mentor Teachers Association and the Mentor Classified Employees, covering members of the teaching staff and non-teaching staff, expired in August, 1999. Negotiations commenced between the team representing the Board of Education and the employee groups, represented by the Ohio Education Association, in early 1999.

Other Information

Year 2000 Issue

The District has completed an inventory of computer systems and other equipment necessary to conducting District operations and has identified such systems as being financial reporting, payroll, and management and information reporting.

- The financial reporting and payroll systems have been assessed, remediated, tested and validated.
- The management and financial reporting systems have been remediated by a vendor. Testing and validation has occurred prior to the system being used for processing.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the District is or will be Year 2000 ready, that the District's remediation efforts will be successful in whole or in part, or that parties with whom the District does business will be year 2000 ready.

Independent Audit

The Ohio Revised Code requires an annual audit of the District's financial statements and its compliance with certain section of the Ohio Revised Code. The accounting firm of S.R. Snodgrass was engaged to perform the audit for the 1999 fiscal year. In addition, the audit was designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and OMB Circular A-133. The independent auditors' report on the general purpose financial statements and *combining and individual fund statements and schedules is included in the Financial Section of this report.* The independent auditors' reports relating to the Single Audit and Ohio Revised Code compliance have been issued under separate cover.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 1998. This was the sixth consecutive year that the District has achieved this prestigious award. 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 principals and applicable legal requirements.

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


Acknowledgments

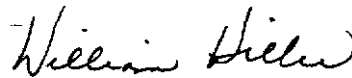
The publication of this report is a significant step toward professionalizing the District's financial reporting. It can only enhance the District's accountability to our investors, the residents of the Mentor Exempted Village School District, and to our customers, the students.

We would like to express appreciation to the many persons in the office of the Treasurer who have assisted in preparing this report with special thanks to the Assistant Treasurer, Mr. William Parkinson and Mrs. Nancy Leonard. Also, the help of S. R. Snodgrass, Certified Public Accountants and the examiners from the State Auditors office have been greatly appreciated.

Further, the support of the Board of Education, where the commitment to excellence begins, is sincerely appreciated.

Respectfully submitted,


James Metz
Treasurer


William T. Hiller, Ph.D.
Superintendent

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

Elected Officials

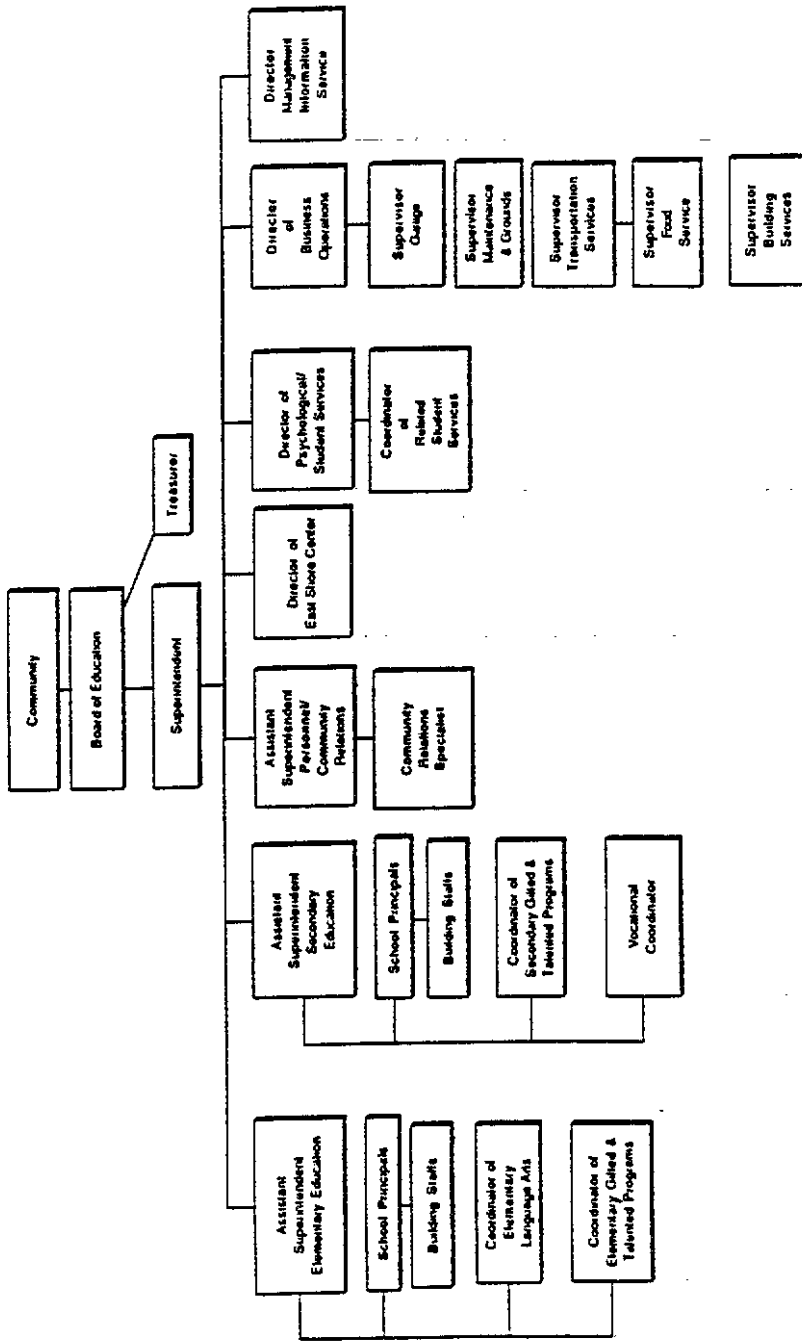
Board of Education

Mr. Patrick Hanrahan	President
Mr. Arthur Kless	Vice-President
Mrs. Valerie Federico	Member
Mrs. Charleen Gawronski	Member
Mrs. Judith B. Keller	Member

Appointed Officials

Dr. William T. Hiller	Superintendent
Mr. James Metz	Treasurer
Mr. William Parkinson, Jr.	Assistant Treasurer
Dr. John Rose	Director of Business Operations
Dr. Joff Jones	Assistant Superintendent/ Secondary Education
Dr. Linda Williams	Assistant Superintendent/ Elementary Education
Dr. Larry Disbro	Assistant Superintendent/ Personnel/School and Community Relations

ORGANIZATION CHART -- MENTOR PUBLIC SCHOOLS



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, 1998

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.



Cary Bruecker
President

Jeffrey L. Essler
Executive Director

**FINANCIAL
SECTION**



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 1st Floor
Columbus, Ohio 43215


Telephone 614-466-4514
800-282-0370

Facsimile 614-728-7398

Board of Education
Mentor Exempted Village School District
Mentor, Ohio

We have reviewed the Independent Auditor's Report of the Mentor Exempted Village School District, Lake County, prepared by Snodgrass CPAs, for the audit period July 1, 1998 through June 30, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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



JIM PETRO
Auditor of State

January 10, 2000

SNODGRASS

Certified Public Accountants and Consultants

Independent Auditors' Report



Board of Education
Mentor Exempted Village School District - Lake County
Mentor, Ohio

We have audited the accompanying general purpose financial statements of Mentor Exempted Village School District (the "District"), as of and for the year ended June 30, 1999. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 1999, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 7, 1999 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

We did not audit the data included in the statistical section of this report and, therefore, express no opinion thereon.

S.R. Snodgrass, A.C.

Mentor, Ohio
December 7, 1999

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MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Combined Balance Sheet
 All Fund Types and Account Groups
 June 30, 1999
 (With Comparative Totals for 1998)

GOVERNMENTAL FUND TYPES

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>
ASSETS				
Equity in pooled cash and investments	\$1,258,577	1,505,934	769,833	451,017
Restricted cash	854,907	0	0	0
Receivables				
Taxes - current	45,691,457	0	1,249,688	903,344
Accounts	325,649	115,534	0	3,672
Due from other funds	2,156,657	22,633	0	0
Due from other governments	0	0	0	0
Materials and supplies inventories	99,852	0	0	0
Prepays and other assets	63,014	0	0	0
Fixed assets net (where applicable) of accumulated depreciation	0	0	0	0
Amount available for retirement of general long-term obligations	0	0	0	0
Amount to be provided for retirement of general long-term obligations				
Debt	0	0	0	0
Other obligations	0	0	0	0
Total assets and other debits	<u>\$50,450,113</u>	<u>1,644,101</u>	<u>2,019,521</u>	<u>1,358,033</u>
LIABILITIES				
Accounts payable	\$227,366	129,911	0	25,144
Accrued wages and benefits	7,275,964	55,035	0	0
Pension obligation payable	160,976	0	0	0
Due to other governments	39,594	46,481	0	0
Due to other funds	1,001,073	64,099	0	0
Due to students	0	0	0	0
Claims payable	389,070	0	0	0
Deferred revenue				
Taxes	42,885,563	0	1,144,838	843,818
Other	0	0	0	3,672
General obligation bonds payable	0	0	0	0
Capital lease obligation	0	0	0	0
Bond anticipation notes	0	0	0	1,500,000
Total liabilities	<u>51,979,606</u>	<u>295,526</u>	<u>1,144,838</u>	<u>2,372,634</u>
FUND EQUITY (DEFICIT) AND OTHER CREDITS				
Investment in general fixed assets	0	0	0	0
Retained earnings-unreserved	0	0	0	0
<i>Fund balances (deficit)</i>				
Budget stabilization reserve	970,064	0	0	0
Reserve for technology/electrical upgrades	308,164	0	0	0
Reserved for inventory	99,852	0	0	0
Reserved for prepaids	63,014	0	0	0
Reserved for encumbrances	592,505	453,496	0	1,902,929
Reserved for debt	0	0	874,683	0
Unreserved-undesignated	(3,563,092)	885,079	0	(2,917,530)
Total fund balances (deficit)	<u>(1,529,493)</u>	<u>1,348,575</u>	<u>874,683</u>	<u>(1,014,601)</u>
Total fund equity (deficit) and other credits	<u>(1,529,493)</u>	<u>1,348,575</u>	<u>874,683</u>	<u>(1,014,601)</u>
Total liabilities, fund equity and other credits	<u>\$50,450,113</u>	<u>1,644,101</u>	<u>2,019,521</u>	<u>1,358,033</u>

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

(continued)

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		ACCOUNT GROUPS		1998 TOTALS	1998 TOTALS
ENTERPRISE	INTERNAL SERVICE	EXPENDABLE TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	(MEMORANDUM ONLY)	(MEMORANDUM ONLY)	
700,214	0	4,298,291	0	0	\$8,983,866	\$5,917,233	
0	0	0	0	0	854,907	1,135,017	
0	0	0	0	0	47,844,489	47,617,751	
75,217	123,680	0	0	0	643,752	258,462	
0	1,001,073	0	0	0	3,180,363	3,328,739	
0	1,258,677	0	0	0	1,258,677	1,390,848	
53,248	0	0	0	0	153,100	210,586	
0	0	0	0	0	63,014	64,117	
174,515	111,212	0	52,296,057	0	52,581,784	50,446,765	
0	0	0	0	874,683	874,683	619,616	
0	0	0	0	13,301,168	13,301,168	14,040,071	
0	0	0	0	5,170,284	5,170,284	6,258,009	
<u>1,003,194</u>	<u>2,494,642</u>	<u>4,298,291</u>	<u>52,296,057</u>	<u>19,346,135</u>	<u>\$134,910,087</u>	<u>\$131,285,214</u>	
12,178	23,368	46,460	0	0	464,427	\$640,071	
92,056	242,708	0	0	3,506,028	11,171,791	10,386,700	
0	4,979	0	0	610,158	776,113	1,062,796	
33,086	7,271	1,711,523	0	0	1,837,955	2,805,522	
0	957,412	1,157,779	0	0	3,180,363	3,326,739	
0	0	361,800	0	0	361,800	308,069	
0	0	850,601	0	0	1,239,671	1,151,836	
0	0	0	0	0	44,874,219	43,733,263	
0	0	0	0	0	3,672	822,253	
0	0	0	0	14,175,851	14,175,851	14,668,359	
0	0	0	0	1,054,098	1,054,098	1,355,945	
0	0	0	0	0	1,500,000	1,750,000	
<u>137,320</u>	<u>1,235,738</u>	<u>4,128,163</u>	<u>0</u>	<u>19,346,135</u>	<u>80,639,960</u>	<u>82,011,553</u>	
0	0	0	52,296,057	0	52,296,057	50,187,871	
865,874	1,258,904	0	0	0	2,124,778	265,506	
0	0	0	0	0	970,064	423,321	
0	0	0	0	0	308,164	711,696	
0	0	0	0	0	99,852	147,749	
0	0	0	0	0	63,014	64,117	
0	0	46,026	0	0	2,994,956	4,145,626	
0	0	0	0	0	874,683	619,696	
0	0	124,102	0	0	(5,461,441)	(7,291,921)	
0	0	170,128	0	0	(150,708)	(1,179,716)	
<u>865,874</u>	<u>1,258,904</u>	<u>170,128</u>	<u>52,296,057</u>	<u>0</u>	<u>54,270,127</u>	<u>49,273,661</u>	
<u>1,003,194</u>	<u>2,494,642</u>	<u>4,298,291</u>	<u>52,296,057</u>	<u>19,346,135</u>	<u>\$134,910,087</u>	<u>\$131,285,214</u>	

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MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Combined Statement of Revenues, Expenditures and Changes in Fund Balances-
 All Governmental Fund Types and Expendable Trust Fund
 For The Year Ended June 30, 1999
 (With Comparative Totals for 1998)

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE		TOTALS 1999	TOTALS 1998
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	EXPENDABLE TRUST	(MEMORANDUM ONLY)	(MEMORANDUM ONLY)	
Revenues								
Taxes	\$46,881,050	0	1,902,117	920,159	0	\$49,703,326	\$49,078,376	
Tuition and fees	163,254	0	0	0	0	163,254	194,011	
Sales	0	0	0	0	103,067	103,067	101,808	
Earnings on investments	562,731	4,984	0	10,789	32	578,586	421,916	
Intergovernmental	21,390,073	3,414,558	213,161	1,126,036	0	26,143,848	23,785,057	
Extracurricular activities	0	199,406	0	0	30,492	229,898	208,809	
Contributions	0	0	0	0	160,925	160,925	145,705	
Miscellaneous revenue	504,318	25,219	0	15,388	0	544,925	1,273,257	
Total revenues	69,501,426	3,644,167	2,115,298	2,072,372	284,866	77,627,829	75,208,939	
Expenditures								
Current								
Instruction	41,919,028	909,793	0	990,919	132,705	43,952,445	39,789,627	
Support services								
Pupil	4,233,954	241,703	0	9,077	5,155	4,489,889	4,495,344	
Instructional staff	2,661,662	185,563	0	0	13,681	2,861,106	2,212,394	
Board of Education	452,184	0	0	0	0	452,184	444,368	
Administration	4,286,549	747,794	0	0	3,630	5,037,973	4,737,654	
Fiscal	1,540,286	0	28,271	13,839	0	1,582,396	1,358,557	
Business	495,820	8,110	0	0	0	504,930	469,579	
Operation and maintenance of plant	6,397,565	19,363	0	736,310	0	7,153,258	7,289,944	
Pupil transportation	4,009,118	2,417	0	46,951	0	4,058,486	3,565,531	
Central	683,873	20,113	0	17,881	70,529	792,396	944,678	
Food service operation	0	0	0	22,950	76,603	99,553	84,010	
Community services	70,978	682,804	0	0	0	953,782	75,997	
Extracurricular activities	1,020,920	278,140	0	0	14,866	1,313,946	1,904,048	
Capital outlay	362,235	0	0	75,700	0	437,935	784,349	
Miscellaneous	0	4,138	0	0	0	4,138	831	
Debt service								
Principal	0	0	483,836	0	0	483,836	1,020,000	
Interest	68,933	0	1,344,204	0	0	1,417,137	887,751	
Total expenditures	68,204,105	3,299,959	1,868,311	1,913,627	917,399	75,595,390	70,064,662	
Excess (deficiency) of revenues over (under) expenditures	1,297,321	344,209	254,987	158,745	(22,823)	2,032,439	5,144,277	
Other financing sources (uses)								
Operating transfers in	0	70,000	0	406,913	0	476,913	430,298	
Operating transfers out	(1,549,475)	0	0	0	0	(1,549,475)	(1,579,968)	
Sale of assets	10,163	0	0	58,968	0	69,131	17,221	
Capital lease	0	0	0	0	0	0	1,400,000	
Total other financing sources (uses)	(1,539,312)	70,000	0	465,881	0	(1,003,431)	267,531	
Excess of revenues and other sources over expenditures and other uses	(241,991)	414,209	254,987	624,626	(22,823)	1,029,008	5,411,808	
Fund balances (deficit), beginning of year	(1,287,502)	934,366	619,696	(1,639,227)	192,951	(1,179,716)	(6,591,524)	
Fund balances (deficit), end of year	(\$1,529,493)	1,348,575	874,683	(1,014,601)	170,128	(\$150,708)	(\$1,179,716)	

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

Mentor Exempted Village School District
 Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
 Budget (Non - GAAP Basis) and Actual
 All Governmental Fund Types and Expendable Trust Fund
 For the Year Ended June 30, 1999

	<u>GENERAL FUND</u>		
	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Taxes	\$46,967,592	46,967,592	\$0
Tuition and fees	150,000	86,120	(63,880)
Sales	0	0	0
Interest	450,000	542,671	92,671
Intergovernmental	21,881,460	21,441,660	(439,800)
Extracurricular activities	0	0	0
Contributions	2,146	5,709	3,563
Restricted Grants	0	0	0
Miscellaneous revenue	(1,699,382)	197,475	1,896,857
Total revenues	<u>67,751,816</u>	<u>69,241,227</u>	<u>1,489,411</u>
Expenditures:			
Current			
Instruction	41,976,056	41,552,734	423,322
Support services:			
Pupil	4,107,180	4,107,180	0
Instructional staff	2,665,013	2,662,711	2,302
Board of Education	496,914	496,914	0
Administration	4,203,974	4,203,974	0
Fiscal	1,547,540	1,547,540	0
Business	484,239	484,239	0
Operation and maintenance of plant	6,558,555	6,558,555	0
Pupil transportation	4,233,577	4,085,562	148,015
Central	748,350	748,350	0
Food service operation	0	0	0
Community services	71,248	71,248	0
Extracurricular activities	982,761	982,761	0
Capital outlay	0	0	0
Miscellaneous	0	0	0
Debt service:			
Principal	0	0	0
Interest	0	0	0
Total expenditures	<u>68,075,407</u>	<u>67,501,768</u>	<u>573,639</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(323,591)</u>	<u>1,739,459</u>	<u>2,063,050</u>
Other financing sources (uses):			
Advances / transfers in	1,000	1,412	412
Sale of notes	0	0	0
Other sources	328,427	161,907	(166,520)
Advances / transfers out	(1,659,874)	(1,659,874)	0
Other uses	(266)	(266)	0
Total other financing sources (uses)	<u>(1,330,713)</u>	<u>(1,496,821)</u>	<u>(166,108)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>(1,654,304)</u>	<u>242,638</u>	<u>1,896,942</u>
Fund balance (deficit), beginning of year	(484,226)	(484,226)	0
Expenditures against prior year's encumbrances	2,138,518	2,138,518	0
Fund balance (deficit), end of year	<u>(\$12)</u>	<u>1,896,930</u>	<u>\$1,896,942</u>

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

(continued)

SPECIAL REVENUE FUNDS			DEBT SERVICE FUND		
REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$0	0	\$0	\$3,650,978	1,905,752	(\$1,745,226)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
3,508,628	2,903,679	(604,949)	0	213,181	213,181
281,218	199,406	(81,812)	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
36,014	419,772	383,758	0	5	5
<u>3,825,860</u>	<u>3,522,857</u>	<u>(303,003)</u>	<u>3,650,978</u>	<u>2,118,938</u>	<u>(1,532,040)</u>
1,434,866	1,141,480	293,386	0	0	0
634,017	217,712	416,305	0	0	0
335,400	228,656	106,744	0	0	0
0	0	0	0	0	0
1,068,430	853,740	214,690	0	0	0
0	0	0	511,211	28,271	482,940
17,431	17,017	414	0	0	0
22,923	20,336	2,587	0	0	0
23,377	18,670	4,707	0	0	0
49,462	24,647	24,815	0	0	0
0	0	0	0	0	0
944,917	936,506	8,411	0	0	0
355,841	334,084	21,757	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	2,233,836	2,233,836	0
0	0	0	1,417,142	1,417,142	0
<u>4,886,664</u>	<u>3,792,848</u>	<u>1,093,816</u>	<u>4,162,188</u>	<u>3,679,249</u>	<u>482,940</u>
<u>(1,060,804)</u>	<u>(269,991)</u>	<u>790,813</u>	<u>(511,211)</u>	<u>(1,560,311)</u>	<u>(1,049,100)</u>
18,285	110,683	92,398	0	318,933	318,933
0	0	0	0	1,500,000	1,500,000
0	4,493	4,493	0	0	0
(176)	0	176	0	0	0
(4,255)	(4,255)	0	0	0	0
<u>13,854</u>	<u>110,921</u>	<u>97,067</u>	<u>0</u>	<u>1,818,933</u>	<u>1,818,933</u>
(1,046,950)	(159,070)	887,880	(511,211)	258,622	769,833
750,678	750,678	0	511,211	511,211	0
270,852	270,852	0	0	0	0
<u>(\$25,420)</u>	<u>882,460</u>	<u>\$887,880</u>	<u>\$0</u>	<u>769,833</u>	<u>\$769,833</u>

(continued)

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Mentor Exempted Village School District
 Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
 Budget (Non - GAAP Basis) and Actual
 All Governmental Fund Types and Expendable Trust Fund
 For the Year Ended June 30, 1999

	<u>CAPITAL PROJECTS FUND</u>		
	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Taxes	\$940,562	920,159	(\$20,403)
Tuition and fees	0	0	0
Sales	0	0	0
Interest	17,204	10,789	(6,415)
Intergovernmental	241,784	94,830	(146,954)
Extracurricular activities	0	0	0
Contributions	0	0	0
Restricted Grants	1,031,591	1,031,206	(385)
Miscellaneous revenue	13,859	18,850	5,191
Total revenues	2,244,800	2,075,834	(168,966)
EXPENDITURES			
Current			
Instruction	1,186,186	1,027,477	158,709
Support services			
Pupil	27,732	27,732	0
Instructional staff	0	0	0
Board of Education	0	0	0
Administration	0	0	0
Fiscal	13,839	13,839	0
Business	0	0	0
Operation and Maintenance of Plant	1,164,273	1,095,962	68,311
Pupil transportation			
Central	20,815	19,442	1,373
Food service operation	0	0	0
Community services	22,950	22,950	0
Extracurricular activities	25	0	25
Capital outlay	335,149	255,143	80,006
Miscellaneous	0	0	0
Debt service			
Principal	0	0	0
Interest	0	0	0
Total expenditures	2,867,339	2,558,915	308,424
Excess (deficiency) of revenues over (under) expenditures	<u>(622,539)</u>	<u>(483,081)</u>	<u>139,458</u>
Other financing sources (uses)			
Advances / transfers in	335,143	156,913	(178,230)
Sale of notes	0	0	0
Other sources	0	0	0
Advances / transfers out	0	0	0
Other uses	0	0	0
Total other financing sources (uses)	335,143	156,913	(178,230)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>(287,396)</u>	<u>(326,168)</u>	<u>(38,772)</u>
Fund balance (deficit), beginning of year	(127,645)	(127,645)	0
Expenditures against prior year's encumbrances	453,565	453,565	0
Fund balance (deficit), end of year	\$38,524	(248)	(\$38,772)

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

(continued)

EXPENDABLE TRUST FUND			TOTALS (MEMORANDUM ONLY)		
REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$0	0	\$0	\$51,559,132	49,793,503	(\$1,765,629)
0	0	0	150,000	86,120	(63,880)
179,280	103,067	(76,213)	179,280	103,067	(76,213)
(500)	82	582	466,704	553,542	86,838
0	0	0	25,631,872	24,653,350	(978,522)
16,143	30,492	14,349	297,361	229,898	(67,463)
160,236	107,745	(52,491)	162,382	113,454	(48,928)
0	0	0	1,031,591	1,031,206	(385)
21,815	53,130	31,315	(1,627,894)	689,232	2,317,126
<u>376,974</u>	<u>294,516</u>	<u>(82,458)</u>	<u>77,850,428</u>	<u>77,253,372</u>	<u>(597,056)</u>
245,459	150,149	95,310	44,842,567	43,871,840	970,727
7,851	6,425	1,426	4,776,780	4,359,049	417,731
18,855	14,983	3,872	3,019,268	2,906,350	112,918
0	0	0	496,914	496,914	0
5,029	4,283	746	5,277,433	5,061,997	215,436
0	0	0	2,072,590	1,589,650	482,940
0	0	0	501,670	501,256	414
0	0	0	7,745,751	7,674,853	70,898
0	0	0	4,353,324	4,200,602	152,722
121,560	81,097	40,463	940,187	873,536	66,651
122,903	95,004	27,899	122,903	95,004	27,899
28	0	28	1,039,143	1,030,704	8,439
48,655	16,128	32,527	1,387,282	1,332,973	54,309
0	0	0	335,149	255,143	80,006
0	0	0	0	0	0
0	0	0	2,233,836	2,233,836	0
0	0	0	1,417,142	1,417,142	0
<u>570,340</u>	<u>368,069</u>	<u>202,271</u>	<u>80,561,939</u>	<u>77,900,849</u>	<u>2,661,090</u>
<u>(193,366)</u>	<u>(73,553)</u>	<u>119,813</u>	<u>(2,711,511)</u>	<u>(647,477)</u>	<u>2,064,034</u>
0	0	0	354,428	587,941	233,513
0	0	0	0	1,500,000	1,500,000
0	0	0	328,427	166,400	(162,027)
0	50	50	(1,660,050)	(1,659,824)	226
(399)	(399)	0	(4,920)	(4,920)	0
<u>(399)</u>	<u>(349)</u>	<u>50</u>	<u>(982,115)</u>	<u>589,597</u>	<u>1,571,712</u>
(193,765)	(73,902)	119,863	(3,693,626)	(57,880)	3,635,746
172,531	172,531	0	822,549	822,549	0
21,230	21,230		2,884,165	2,884,165	0
<u>(\$4)</u>	<u>119,859</u>	<u>\$119,863</u>	<u>\$13,088</u>	<u>3,648,834</u>	<u>\$3,635,746</u>

(continued)

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings -
All Proprietary Fund Types
For The Year Ended June 30,1999
(With Comparative Totals For 1998)

	ENTERPRISE	INTERNAL SERVICE	TOTALS 1999 (MEMORANDUM ONLY)	TOTALS 1998 (MEMORANDUM ONLY)
<i>Operating revenues</i>				
Tuition and fees	\$420,896	2,539,061	\$2,959,957	\$2,451,885
Sales	1,588,113	338,234	1,926,347	1,808,320
Charges for services	262,474	644,388	906,862	819,201
<i>Total operating revenues</i>	<u>2,271,483</u>	<u>3,521,683</u>	<u>5,793,166</u>	<u>5,079,406</u>
<i>Operating expenses</i>				
Salaries and wages	740,034	1,664,034	2,404,068	2,481,305
Fringe benefits	315,919	493,980	809,899	938,305
Contractual services	245,325	224,044	469,369	1,440,135
Materials and supplies	1,279,138	135,867	1,415,005	1,331,028
Other expenses	19,361	351,997	371,358	311,309
Depreciation	25,946	19,365	45,311	36,442
<i>Total operating expenses</i>	<u>2,625,723</u>	<u>2,889,287</u>	<u>5,515,010</u>	<u>6,538,524</u>
<i>Operating gain (loss)</i>	<u>(354,240)</u>	<u>632,396</u>	<u>278,156</u>	<u>(1,459,118)</u>
<i>Non-operating revenues</i>				
Grant revenue	411,733	72,377	484,110	382,777
Interest	24,012	432	24,444	26,794
Subsidy for Lake County	0	0	0	47,907
<i>Total non-operating revenues</i>	<u>435,745</u>	<u>72,809</u>	<u>508,554</u>	<u>457,478</u>
<i>Net gain (loss) before operating transfers</i>	<u>81,505</u>	<u>705,205</u>	<u>786,710</u>	<u>(1,001,640)</u>
<i>Operating transfers in</i>	<u>36,869</u>	<u>1,035,693</u>	<u>1,072,562</u>	<u>1,149,690</u>
<i>Net income</i>	<u>118,374</u>	<u>1,740,898</u>	<u>1,859,272</u>	<u>148,050</u>
<i>Retained earnings (deficit), beginning of year</i>	<u>747,500</u>	<u>(481,994)</u>	<u>265,506</u>	<u>117,456</u>
<i>Retained earnings, end of year</i>	<u>\$865,874</u>	<u>1,258,904</u>	<u>\$2,124,778</u>	<u>\$265,506</u>

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

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Combined Statement of Cash Flows-
 All Proprietary Fund Types
 For The Year Ended June 30, 1999
 (With Comparative Totals For 1998)

	ENTERPRISE	INTERNAL SERVICE	TOTALS 1999 (MEMORANDUM ONLY)	TOTALS 1998 (MEMORANDUM ONLY)
Cash flows from operating activities:				
Operating gain (loss)	(\$354,240)	632,396	\$278,156	(\$1,459,118)
Adjustments to reconcile operating gain (loss) to net cash used in operating activities:				
Depreciation	25,946	19,365	45,311	36,442
(Increase) decrease in:				
Accounts receivable	(10,145)	(96,931)	(107,076)	(48,808)
Due from other governments	0	132,171	132,171	504,979
Due from other funds	21,483	0	21,483	(21,483)
Materials and supplies inventory	9,589	0	9,589	8,647
Increase (decrease) in:				
Accounts payable	5,794	18,496	24,290	(32,907)
Accrued wages and benefits	(28,790)	(67,017)	(95,807)	9,156
Pension obligation payable	0	(3,424)	(3,424)	874
Due to other governments	(19,158)	(1,386,173)	(1,405,331)	(469,377)
Due to other funds	(21,483)	(344,930)	(366,413)	(30,276)
Total adjustments	(16,764)	(1,728,443)	(1,745,207)	(42,753)
Net cash used in operating activities	(371,004)	(1,096,047)	(1,467,051)	(1,501,871)
Cash flows from noncapital financing activities:				
Operating grants received	411,733	72,377	484,110	382,777
Subsidy from Lake County	0	0	0	47,907
Operating transfers-in	36,869	1,035,693	1,072,562	1,149,690
Net cash provided by noncapital financing activities	448,602	1,108,070	1,556,672	1,580,374
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(59,689)	(12,455)	(72,144)	(107,322)
Cash flows from investing activities:				
Interest received	24,012	432	24,444	26,794
Net increase (decrease) in cash and cash equivalents	41,921	0	41,921	(2,025)
Cash and cash equivalents at beginning of year	658,293	0	658,293	660,318
Cash and cash equivalents at end of year	\$700,214	0	\$700,214	\$658,293

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

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MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Notes to General Purpose Financial Statements
June 30, 1999

(1) Description of the District

The Mentor Exempted Village School District (the "District") operates under a locally elected, five member Board and provides educational services as authorized by its charter or further mandated by state and/or federal agencies. The Board controls sixteen public schools including one high school consisting of grades ten, eleven and twelve; three junior high schools with grades seven, eight, and nine; and twelve elementary schools, grades kindergarten through six. The District also acts as the fiscal agent for a special education service center for children having severe and multiple handicaps from Lake and Geauga Counties, and for the Lake County Council of Governments Health Care Consortium.

The District is located east of Cleveland, Ohio and serves primarily residences of Lake County and a small section of Geauga County. The 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 and Concord Township. The District's population as of December 31, 1990 was 56,654 and its area covers approximately 34.5 square miles.

As of October 1999, 10,466 students were enrolled in the District's 16 schools. The average class size for the year was 21.75 students, and the average pupil/teacher ratio was 18.1. The District employs approximately 680 professional staff and 383 non-teaching and support staff employees.

(2) Description of Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies

A. The Reporting Entity

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, the financial reporting entity consists of a primary government and its component units. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and it is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds and account groups of those organizational entities for which its elected governing body is financially accountable. The District's major operations include education, pupil transportation, food service, and maintenance of District facilities.

The District participates in one Jointly Governed Organization that is further described in the notes to the financial statements.

B. Basis of Presentation

The accounting policies of the District conform to generally accepted accounting principles (GAAP) as applicable to governments.

The financial transactions of the District are recorded in individual funds and account groups. The various funds and account groups are reported by type in the general purpose financial statements. Amounts in the "total--memorandum only" columns in the general purpose financial statements represent a summation of the combined financial statement line items of the fund types and account groups and are presented only for analytical purposes. The summation includes fund types and account groups

(continued)

that use different basis of accounting, interfund transactions that have not been eliminated, and the caption "amounts to be provided," which does not represent an asset. Consequently, amounts shown in the "total-memorandum only" columns are not comparable to a consolidation and do not represent the total resources available or total revenues and expenditures/expenses of the District.

The District uses the following fund categories, fund types, and account groups:

Governmental Funds

Governmental Funds are accounted for on a flow of current financial resources measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Their operating statements present sources (revenues and other financing sources) and uses (expenditures and other financing uses) of "available spendable resources" during a period.

General Fund

The general fund is the general operating fund of the District and is used to account for all revenues and expenditures except those required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for revenue from specific revenue sources (other than expendable trust, or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest and related cost; and for the payment of interest on general obligation notes payable, as required by Ohio Law.

Capital Projects Funds

Capital projects funds are used to account for revenues and expenditures related to the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Proprietary Funds:

Proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund measurement focus is upon determination of net income, financial position and cash flows.

Enterprise Funds

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises -- where the intent of the governing body is that the cost (i.e., expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Fund

Internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governments on a cost reimbursement basis.

Fiduciary Funds

Fiduciary funds are used to account for the assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include expendable trust and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups:

Account groups are used to establish accounting control and accountability for the District's general fixed assets and general long-term debt.

General Fixed Assets Account Group

This account is used to account for all fixed assets of the District, other than those accounted for in proprietary funds.

General Long-Term Debt Account Group

This account is used to account for all long-term obligations of the District, except those accounted for in proprietary funds. These obligations are secured by the credit of the District as a whole and are payable from general government resources or assessments against property owners.

C. Basis of Accounting

Governmental and fiduciary fund types are accounted for on the modified accrual basis of accounting. Governmental revenues are recognized when they become measurable and available to finance expenditures of the current period. Revenue items, which are susceptible to accrual and therefore are recorded as receivables, include investment income and reimbursable-type grants. Expenditures are recognized when the related fund liability is incurred, with the exception of accumulated unpaid employee compensation which is not payable from current expendable financial resources, and general long-term obligation interest which is reported when due.

Proprietary funds are accounted for on the accrual basis of accounting. Their revenues are recognized in the period earned and expenses are recognized in the period incurred. Proprietary funds' unbilled services receivables are recognized as revenue in the period when the service is provided.

Pursuant to GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting", the District follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

(continued)

D. Budgetary Basis of Accounting

The District is required by State Statute to adopt an annual appropriated budget for all governmental fund types, fiduciary fund types except agency fund, and proprietary funds. The specific timetable is as follows:

1. Prior to January 15 of the preceding fiscal year, the Treasurer submits 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 (the Commission) for tax rate determination.
3. Prior to March 15, the Board of Education accepts by formal resolution, the tax rates as determined by the Commission and receives the Commission's certificate of estimated resources, which states the projected revenue of each fund. Prior to June 30, the 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 of estimated resources is amended to include any unencumbered balances from the preceding year as reported by the District's Treasurer. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District's Treasurer. The amounts reported in the budgetary statement reflect the amounts set forth in the final amended certificate of estimated resources.
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, 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 Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.
5. Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter object appropriations within functions must be approved by the Board of Education.
6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with statutory provisions.
7. 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. The Board legally enacted all supplemental appropriations during fiscal 1998-99 and none were significant.
8. Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund, function and/or object level.

The District's budgetary process accounts for certain transactions on a basis other than GAAP. The major difference between the budget basis and the GAAP basis are:

(continued)

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when encumbered or paid in cash (budget), as opposed to when susceptible to accrual (GAAP).

	General Fund	Special Revenue Funds	Debt Service	Capital Projects	Expendable Trust
GAAP basis - fund balance (deficit)	\$ (1,529,493)	1,348,575	874,683	(1,014,601)	\$ 170,128
Adjustments for GAAP basis -					
Accrued revenues/prepaid items at June 30, 1999	(4,768,393)	(138,167)	(1,249,688)	(907,016)	0
Accrued expenditures/deferred revenue at June 30, 1999	51,979,606	254,060	1,144,838	2,372,634	13,039
Encumbrances outstanding at June 30, 1999 (budget basis)	(865,790)	(602,008)	0	(451,265)	(63,308)
Budget basis - fund balance (deficit)	<u>\$ 1,896,930</u>	<u>862,460</u>	<u>769,833</u>	<u>(248)</u>	<u>\$ 119,859</u>

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control. Encumbrances outstanding as of year-end are reported as a reservation of fund balances.

F. Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the combined balance sheet.

During fiscal year 1999, investments were limited to STAR Ohio, the State Treasurer's Investment Pool and repurchase agreements. All investments of the School District had a maturity of two years or less. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements are reported at cost.

The School District has invested funds in the State Treasury Assets Reserve (STAR Ohio) during fiscal year 1999. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the state to pool their funds for investment purposes. STAR Ohio is not registered with SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of The Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 1999.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest. Interest revenue credited to the general fund during fiscal year 1999 amounted to \$562,731.

(continued)

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and 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 original maturity of more than three months that are not made from the pool are considered to be investments.

G. Restricted Assets

Restricted assets in the general fund represents cash and cash equivalents restricted for the purchase of technology/electrical upgrades and the establishment of a budget stabilization reserve.

During 1998, the District entered into a five-year lease agreement for technology/electrical upgrades. The unspent portion at June 30, 1999, of \$308,164 is held in a restricted trust account for future expenditures and is recorded as a fund balance reserve.

The budget stabilization reserve of \$970,064 is required by State statute and can be used only after receiving approval from the State. A fund balance reserve has also been established.

H. Inventory

Inventories are valued at cost, which approximates market, using the first-in, first-out method (FIFO) and are determined by physical count. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recognized as an expenditure when used (consumption method). Reported inventories in the general fund are equally offset by a fund balance reserve, which indicates they are unavailable for appropriation.

I. Prepays and Other Assets

Payments made to vendors for services that will benefit periods beyond June 30, 1999 are recorded as prepaid items.

J. Fixed Assets and Depreciation

1. General Fixed Assets Account Group

General fixed assets are capitalized at historical cost (or estimated historical cost) and updated for the cost of additions and retirements during the year in the general fixed assets account group. Contributed fixed assets are recorded at their fair market values as of the date donated. The District follows the policy of not capitalizing assets with a cost of less than \$500 and a useful life of less than one year. No depreciation is recognized for assets in the general fixed assets account group.

2. Proprietary Funds

Property, plant, and equipment reflected in the proprietary funds are stated at historical cost (or estimated historical cost) and updated for the cost of additions and retirements during the year. Contributed fixed assets are recorded at their fair market values as of the date donated. Depreciation has been provided on a straight-line basis for all property, plant, and equipment based on estimated useful lives ranging from 5 to 15 years for vehicles, furniture and equipment.

(continued)

K. Interfund Transactions

During the course of normal operations, the District has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. Operating subsidies are recorded as operating transfers. The classification of amounts recorded as subsidies, advances, or equity contributions is based on the intent of the District at the time of the transaction.

L. Fund Balance Reserves

Reserved fund balances indicate that portion of fund equity, which is not available for current appropriation or is legally segregated for a specific use. Fund balances are reserved for prepaid items, materials and supplies inventory, payment of debt, legislative mandated budget reserve, and encumbrances. The unreserved portions of fund equity reflected for the governmental funds are available for use within the specific purposes of those funds.

M. Estimates

The preparation of 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.

N. Reclassifications

Certain reclassifications of prior year amounts have been made in order to make the financial statements comparative.

(3) Deficit Fund Balance/Retained Earnings

Fund balances/retained earnings at June 30, 1999, included the following individual fund deficits:

<u>Deficit Fund Balance/Retained Earnings</u>	
<u>General Fund</u>	\$ (1,529,493)
<u>Special Revenue Funds:</u>	
Early Childhood	\$ (2,124)
Career Development OVEP	\$ (30,455)
Title I	\$ (41,382)
Drug Free School	\$ (24,493)
<u>Capital Projects Fund:</u>	
Building	\$ (1,499,970)

(continued)

The deficit in the general fund is the result of a significant increase in students and staff and the cost associated to meet these needs and also the timing involved with the recognition of certain revenues and expenditures as a result of converting to an accrual basis of accounting. An operating levy was approved to address this issue.

The deficits in the Career Development OVEP, Title I, Drug Free School, and Early Childhood Education, are due to timing differences in accruing revenues and expenditures.

The deficit in the building fund is due to timing differences in expenditures.

(4) **Equity in Pooled Cash and Investments**

The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in pooled cash and investments". In addition, investments are pooled for all funds and summarized on the balance sheet at cost.

Legal Requirements

State statutes classify monies held by the 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 District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, as security for repayment by surety company, bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States.
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National 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;

(continued)

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), and
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time.

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 that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

GASB Statement 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements", requires disclosures to help assess actual and potential future deposit and investment market and credit risks. The following information regarding deposits and investments is presented using the categories of risk identified in GASB Statement 3.

(a) Deposits

At year end, the carrying amount of the District's deposits was \$(1,864,391) and the bank balance was \$1,807,264. The bank balance is categorized as follows:

Amount insured by the FDIC (Category 1)	\$ 299,993
Collateralized with securities held by the pledging financial institution's trust department but not in the name of the District. (Category 3)	\$ 1,507,271

(b) Investments

Investments made by the District as of June 30, 1999, are summarized below. The investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

Category 1	Insured or registered, or investments held by the District or its agents in the District's name.
Category 2	Uninsured and unregistered, with investments held by the counterparty's trust department or agent in the District's name.

(continued)

Category 3 Uninsured and unregistered, with investments held by the counterparty, or by its trust department or agent but not in the District's name.

	<u>Carrying Value</u>	<u>Fair Value</u>
U.S. Treasury Obligation Fund (Category 3) \$	308,164	\$ 308,164
Corporate Cash (Category 3)	3,295,000	3,295,000
STAR Ohio	<u>8,100,000</u>	<u>8,100,000</u>
	<u>\$11,703,164</u>	<u>\$11,703,164</u>

STAR Ohio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

(5) Interfund Transactions

Interfund balances at June 30, 1999, consist of the following individual fund receivables and payables:

	<u>Receivables</u>	<u>Payables</u>
General fund	\$ 2,156,657	\$ 1,001,073
Special revenue funds:		
Early Childhood		2,004
Vocational Education	22,633	
Title I		16,389
Career Development OVEP		22,633
Drug Free School		<u>23,073</u>
Total special revenue funds	22,633	64,099
Internal service fund	1,001,073	957,412
Agency fund		
Employee Benefits		<u>1,157,779</u>
Total	<u>\$ 3,180,363</u>	<u>\$ 3,180,363</u>

A summary of interfund transfers made during 1999 by fund is as follows:

(continued)

	<u>Transferred To</u>	<u>Transferred From</u>
General fund	\$	\$ 1,549,475
Special revenue funds:		
Athletic	70,000	
Capital projects funds:		
Building	406,913	
Enterprise fund		
Adult education	36,869	
Internal service fund	1,035,693	
	<hr/>	<hr/>
Total	<u>\$ 1,549,475</u>	<u>\$ 1,549,475</u>

(6) **Property Taxes**

Property taxes include amounts levied against all real, public utility, and tangible (used in business) property located in the District. Real property taxes and public utility taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by State law at 35% of appraised market value. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value (normally 50% of cost). Tangible personal property taxes attach as a lien and are levied on January 1 of the current year. Tangible personal property assessments are 25% of market value. The assessed value upon which the 1999 taxes were collected was \$1,421,336,510. Agricultural/Residential and Other Real Estate represented \$1,207,740,240 (85%) of this total; Public utility tangible \$57,296,770 (4%) and General tangible property \$156,299,500 (11%). The general tax rate for operations for the fiscal year ended June 30, 1999, was \$64.70 per \$1,000 of assessed valuation, \$1.17 per \$1,000 of assessed valuation for debt retirement, and \$1.00 per \$1,000 of assessed valuation for permanent improvement purposes.

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

The Lake County Treasurer collects property taxes on behalf of the District. The County Auditor periodically remits to the District its portions of the taxes collected.

Accrued taxes receivable represent delinquent taxes outstanding and real property, personal property, and public utility taxes, which became measurable as of June 30, 1999. Although total property tax (other than personal property) collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is, therefore, offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30 is recognized as revenue. The amount available to the District as an advance at June 30, 1999 was \$2,805,892 in the General Fund,

(continued)

\$104,850 in the Debt Service Fund, and \$59,526 in the Capital Projects Fund. Personal property taxes are measurable and available to finance current operations and a portion is therefore reported as current receivables.

(7) **Fixed Assets**

A summary of the changes in the general fixed asset account group for 1999 is as follows:

	Balance June 30, 1998	Additions	Disposals	Balance June 30, 1999
Land & improvements	\$ 725,721	0	0	\$ 725,721
Buildings	32,852,189	422,467	0	33,274,656
Vehicles	3,762,650	331,826	0	4,094,476
Furniture & equipment	<u>12,847,311</u>	<u>1,415,732</u>	<u>61,839</u>	<u>14,201,204</u>
Total	<u>\$50,187,871</u>	<u>2,170,025</u>	<u>61,839</u>	<u>\$52,296,057</u>

A summary of the enterprise fund fixed assets is as follows:

	Furniture and Equipment	Less Accumulated Depreciation	Carrying Value
Enterprise funds			
Food service	\$ 483,534	313,353	\$ 170,181
Recreation	<u>6,234</u>	<u>1,900</u>	<u>4,334</u>
Total	<u>\$ 489,768</u>	<u>315,253</u>	<u>\$ 174,515</u>

A summary of the internal service fund fixed assets is as follows:

	Furniture and Equipment	Less Accumulated Depreciation	Carrying Value
Internal service fund			
Balance, June 30, 1998	\$ 187,426	69,304	\$ 118,122
Additions and current year depreciation	<u>12,455</u>	<u>19,365</u>	<u>(6,910)</u>
Balance, June 30, 1999	<u>\$ 199,881</u>	<u>88,669</u>	<u>\$ 111,212</u>

(continued)

(8) Long-Term Debt

A. Bonded Debt

All bonds outstanding are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Accordingly, such unmatured obligations of the District are accounted for in the general long-term obligations account group. 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 1.51 mill bonded-debt tax levy.

<u>Taxing Authority</u>	<u>Original Bond Issue</u>	<u>Voter Approval</u>	<u>Millage</u>	<u>Issue Date</u>
Mentor Exempted Village Board of Education	\$ 9,500,000	11/08/88	.45	05/01/89
Mentor Public Library	4,000,000	05/03/88	.34	05/01/89
Mentor Exempted Village Board of Education	<u>8,600,000</u>	05/07/91	<u>.72</u>	12/01/91
Total	<u>\$ 22,100,000</u>		<u>1.51</u>	

The District services the debt of the Mentor Public Library as required by law serving as the taxing authority but does not participate in any other manner regarding the use of the funds.

On March 1, 1993, the District issued \$12,729,687 in school improvement refunding bonds with interest rates ranging from 2.30% to 5.375% to advance refund \$12,730,000 of outstanding School Improvement Bonds, Series 1989 with interest rates ranging from 7.00% to 7.40%. The proceeds of the Bonds plus an original issue premium were used to purchase State and Local Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 1989 bonds. As a result, the Series 1989 bonds are considered to be defeased and the liability for those bonds were removed in 1993. As of June 30, 1999, the Series 1989 school improvement bonds outstanding are considered defeased by assets of \$10,475,000 held in an irrevocable trust.

The following is a schedule of bonds outstanding as of June 30, 1999, for the District:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Amount Outstanding Beginning Of Year</u>	<u>Principal Redemption/ Issued During Year</u>	<u>Amount Outstanding End of Period</u>
School Construction	6.38	12/01/91	12/01/13	\$ 5,425,000	210,000	\$ 5,215,000
School Improvement Refunding Bonds	7.13	03/01/93	12/01/11	<u>9,234,687</u>	<u>273,836</u>	<u>8,960,851</u>
Total				<u>\$14,659,687</u>	<u>483,836</u>	<u>\$14,175,851</u>

(continued)

The District's future annual debt service requirements for bonded debt is as follows:

Year Ending June 30	Principal on General Obligation Bonds	Interest on General Obligation Bonds	Total
2000	\$ 442,945	1,382,111	\$1,825,056
2001	416,506	1,405,517	1,822,023
2002	394,540	1,428,443	1,822,983
2003	381,934	1,441,021	1,822,955
2004	374,926	1,451,842	1,826,768
2005	1,145,000	663,549	1,808,549
2006	1,210,000	601,565	1,811,565
2007	1,270,000	533,219	1,803,219
2008	1,345,000	458,660	1,803,660
2009	1,420,000	379,757	1,799,757
2010	1,500,000	296,375	1,796,375
2011	1,585,000	208,247	1,793,247
2012	1,680,000	114,938	1,794,938
2013	490,000	50,681	540,681
2014	<u>520,000</u>	<u>17,225</u>	<u>537,225</u>
Total	<u>\$14,175,851</u>	<u>10,433,150</u>	<u>\$24,609,001</u>

B. Compensated Absences

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn up to twenty days of vacation per year depending upon length of service. Vacation days are credited to classified employees on the anniversary of their employment and must be used within the next twenty-four months. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. A percentage of unused sick time is paid at retirement or death at rates depending on an employee's classification. The number of unused sick days, which can accumulate, is determined by the number of workdays specified in the employees' employment contract.

Accumulated vacation and sick leave of governmental fund type employees meeting the eligibility requirements have been recorded in the appropriate governmental fund as a current liability to the extent that the amounts are expected to be payable within the current period. The balance of the liability is recorded in the general long-term debt account group. Vacation and sick leave for employees paid from the proprietary funds are recorded as an expense when earned.

The following is a schedule of compensated absences at June 30, 1999:

	Balance July 1, 1998	(Decrease)	Balance June 30, 1999
Compensated Absences	<u>\$ 4,119,348</u>	<u>\$ (613,320)</u>	<u>\$3,506,028</u>

(continued)

C. Changes in the General Long Term Debt Account Group

During the year ended June 30, 1999, the following changes occurred in the General Long Term Debt Account Group. Compensated absences will be paid from the fund in which the employee is paid.

	Balance July 1, 1998	Increase (Decrease)	Balance June 30, 1999
Compensated Absences	\$ 4,119,348	(613,320)	\$ 3,506,028
Pension Obligation Payable	782,716	(172,558)	610,158
Capital Lease Obligation	1,355,945	(301,847)	1,054,098
General Obligation Debt Notes Payable	<u>14,659,687</u>	<u>(483,836)</u>	<u>14,175,851</u>
	<u>\$20,917,696</u>	<u>(1,571,561)</u>	<u>\$19,346,135</u>

D. Capital Lease Obligations

The District has entered into two capital leases for technology/electrical upgrades and acquisition of equipment. The terms of the agreement provide ownership of the equipment. The lease meets 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.

The assets acquired through capital leases at June 30, 1999 are as follows:

<u>Asset</u>	<u>General Fixed Assets</u>
Building improvements	\$ 772,833
Equipment	445,114

The following is a schedule of future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 1999:

Year Ending June 30,

2000	\$ 362,899
2001	326,990
2002	326,990
2003	<u>163,495</u>
Total payments	1,180,374
Less amount representing interest	<u>126,276</u>
	<u>\$ 1,054,098</u>

(continued)

(9) **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 anticipation notes payable be shown as liabilities of the funds which receive the note proceeds. Accordingly, bond anticipation notes have been reported in the capital projects fund.

	Interest Rate	Issue Date	Maturity Date	Balance July 1, 1998	Issued/ (Retired)	Balance June 30, 1999
Bond Anticipation	3.95%	05-07-98	05-06-99	\$ 1,750,000	\$(1,750,000)	\$ 0
Bond Anticipation	3.38%	05-06-99	05-04-00	0	1,500,000	1,500,000
				<u>\$ 1,750,000</u>	<u>\$ (250,000)</u>	<u>\$ 1,500,000</u>

(10) **Segment Information for Enterprise Funds**

The District maintains five enterprise funds to account for food service operations, uniform school supplies, rotary accounts, adult education and recreation fund. The more significant financial information for those funds is as follows:

Function	Uniform		Adult		Recreation	Total Enterprise Funds
	Food Service	School Supply	Rotary	Education		
Operating revenues	\$1,588,113	\$321,210	\$118,064	\$15,083	\$229,013	\$2,271,483
Operating expenses						
before depreciation	1,871,086	399,527	82,798	29,741	216,625	2,599,777
Depreciation	25,397	0	0	0	549	25,946
Operating income (loss)	(308,370)	(78,317)	35,266	(14,658)	11,839	(354,240)
Operating grants and other	435,745	0	0	0	0	435,745
Transfers in	0	0	0	36,869	0	36,869
Net income (loss)	127,375	(78,317)	35,266	22,211	11,839	118,374
Fixed assets additions	58,190	0	0	0	0	58,190
Net working capital	555,798	34,107	71,239	2,121	28,094	691,359
Total assets	846,974	40,046	72,954	6,155	37,065	1,003,194
Total liabilities	120,995	5,939	1,715	4,034	4,637	137,320
Total equity	\$725,979	\$34,107	\$71,239	\$2,121	\$32,428	\$865,874

(continued)

(11) **Defined Benefit Pension Plans**

A. School Employees Retirement System

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost sharing multiple employer public employee retirement system administered by the School Employees Retirement Board. SERS provides basic retirement benefits, disability, survivor and health care benefits based on eligible service credit to members and beneficiaries. Chapter 3309 of the Ohio Revised Code establishes benefits. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. The report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634, or by calling (614) 222-5853.

Plan members are required to contribute 9% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$1,387,215, \$1,302,948 and \$1,227,031, respectively, equal to the required contributions for each year.

B. State Teachers Retirement System

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor and health care benefits based on eligible service credit to members and beneficiaries. Chapter 3307 of the Ohio Revised Code establishes benefits. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$5,365,154, \$5,110,709 and \$5,067,180, respectively, equal to the required contributions for each year.

(12) **Postemployment Benefits**

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certificated 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 and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

(continued)

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The board allocated employer contributions equal to two percent of covered payroll to the Health Care Reserve Fund. Beginning July 1, 1999, this allocation was increased to 8.0 percent. For the School District this amount equaled \$1,341,288.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$2.156 million at June 30, 1998. For the year ended June 30, 1998, net health care costs paid by STRS were \$219,224,000 and STRS had 91,999 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

For this fiscal year, employer contributions to fund health care benefits were 6.3 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 1999, the minimum pay has been established at \$12,400. 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 125 percent of annual health care expenses. Expenses for health care at June 30, 1998, were \$111,900,575 and the target level was \$139.9 million. At June 30, 1999, SERS had net assets available for payment of health care benefits of \$160.3 million. SERS has approximately 50,000 participants currently receiving health care benefits. For the School District, the amount to fund health care benefits, including surcharge equaled \$610,454 during the 1999 fiscal year.

(13) **Statutory Reserves**

The District is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 1999, the reserve activity was as follows:

	Textbook Reserve	Capital Maintenance Reserve	Budget Stabilization Reserve
Balance, July 1, 1998 \$	0	\$ 0	\$ 423,321
Required Set-Aside	1,093,487	1,093,487	546,743
Offset Credits	(163,365)	(920,159)	0
Qualifying Expenditures	<u>(930,122)</u>	<u>(173,328)</u>	<u>0</u>
Balance, June 30, 1999\$	<u>0</u>	<u>\$ 0</u>	<u>\$ 970,064</u>

(continued)

Expenditures for textbooks / instructional materials and capital activities during the school year were \$1,035,855 and \$5,363,165 respectively, which exceeded set-aside and reserve balances.

(14) Risk Management

The 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 1999, the 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 \$1,000 and \$500 deductible per occurrence.

School District umbrella policies are with Nationwide Mutual Insurance Company and have a \$1,000,000 limit and up to \$5,000,000 aggregate. Vehicles are covered by Indiana Insurance Company and have a \$100 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.

The School District has elected to provide medical coverage through a self-insured program. The School District uses the general fund to account for and finance its uninsured risks of loss in this program. The claims are serviced through the Lake County Council of Governments Health Care Benefits Program. The Lake County Council of Governments Health Care Benefits Program has stop loss coverage of 110% of expected claims. The claims liability of \$389,070 reported in the general fund at June 30, 1999 is based on the requirements of Government Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund's claims liability amount in 1999 was:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
1999	\$343,755	\$3,979,756	\$3,934,441	\$389,070

(15) Claims Servicing Pool

Lake County Council of Governments Health Care Benefits Program (HCBP) Self Insurance Program – The School District participates in Lake County Council of Governments Health Care Benefits Program (HCBP) Self Insurance Program, a claim servicing pool, comprised of eleven members. Each member pays an administrative fee to the pool. The Plan's business and affairs are conducted by a five member Board of Directors elected from the HCBP's assembly. All participating members retain their risk and the Plan acts as the claims servicing agent.

(16) OSBA Group Rating Program

The 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.

(continued)

The intent of the GRP is to achieve the benefit of a reduced premium for the 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 Gates McDonald & Company provides administrative, cost control and actuarial services to the GRP.

(17) **Jointly Governed Organization**

The Ohio Schools Council (Council) is a jointly governed organization among seventy School Districts. The jointly governed organization was formed to bring quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual fee of \$700 and 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. Financial information can be obtained by contacting Joseph Lesak, Executive Director at the Ohio Schools Council at 6376 Mill Road, Broadview Heights, Ohio 44147.

The School District participates in the Council's electric purchase program, which was implemented during fiscal year 1999. This program allows school districts to purchase electricity at reduced rates, if the school districts 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.

Energy Acquisition Corporation, 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 district is not obligated in any manner for this debt. If a participating school district terminates their agreement, they are required to repay the savings to CEI and CEI will refund the remaining prepayment related to that participant to Energy Acquisition Corp. Financial information can be obtained by contacting Joseph Lesak, Executive Director at the Ohio Schools Council at 6376 Mill Road, Broadview Heights, Ohio 44147.

(18) **Contingent Liabilities**

A. Grants

The District receives financial assistance from numerous federal, state, and local 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 effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at June 30, 1999.

(continued)

B. Litigation

The District was named as defendant in several court actions during the period ended June 30, 1999. Management does not believe that the ultimate resolution of these cases will have a material impact on the general purpose financial statements of the District.

C. State School Funding Decision

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to this District. During the fiscal year ended June 30, 1999, the District received \$16,600,472 of school foundation support for its general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the Ohio General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient," clause of the Ohio Constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. At this time, the Ohio Supreme Court has not rendered an opinion on this issue. The decision of the Court of Common Pleas in Perry County has been stayed by the Ohio Supreme Court, and, as such, school districts are still operating under the laws that the Common Pleas Court declared unconstitutional.

As of the date of these financial statements, the School District is unable to determine what effect, if any, this ongoing litigation will have on its future State funding under this program and on its financial operations.

D. Property Tax Refunds

On November 6, 1998, the Ohio Board of Tax Appeals issued its decision in the case of Duquesne Light Company, an electric utility and part owner of the Perry Nuclear Power Plant. The decision ordered personal property refunds based on reductions in taxable value of about \$145 million. This decision was immediately appealed to the Ohio Supreme Court.

The implications raised by Duquesne are far reaching and can result in refund claims for 1988-93 and additional claims being filed by other electric companies and other utilities. As of the date of these financial statements, the District is unable to determine what effect, if any, this decision will have on tax revenue or possible payments of tax refunds.

(19) Year 2000 Issue

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the District's operations as early as fiscal 1999.

The District has completed an inventory of computer systems and other equipment necessary to conducting District operations and has identified such systems as being financial reporting, payroll, and management and information reporting.

(continued)

- The financial reporting and payroll systems have been assessed, remediated, tested and validated.
- The management and financial reporting systems have been remediated, tested, and validated by the vendor.

Lake County collects property taxes for distribution to the District. Lake County is responsible for remediating the tax collection system.

The State of Ohio distributes a substantial sum of money to the District in the form of "Foundation" and federal and state grants payments. Further, the State processes a significant amount of financial and nonfinancial information about the District through the State's Education Management and Information System (EMIS). The State is responsible for remediating these systems.

The County is solely responsible for any costs associated with the tax collection system project. The State is solely responsible for any costs associated with the Foundation processing and EMIS systems.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the District is or will be Year 2000 ready, that the District's remediation efforts will be successful in whole or in part, or that parties with whom the District does business will be year 2000 ready.

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
SUPPLEMENTAL DATA

GENERAL FUND

The General Fund is used to account for all activities of the District not included in other specified funds. This includes, but is not limited to, general instruction, pupil services, operation and maintenance of buildings and grounds, pupil transportation, and the administration of District functions.

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

Comparative Balance Sheet -
General Fund
June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
Equity in pooled cash and investments	\$1,258,577	\$423,827
Restricted cash	854,907	1,135,017
Receivables		
Taxes - current	45,691,457	44,892,213
Accounts	325,649	155,168
Due from other funds	2,156,657	1,691,554
Materials and supplies inventories	99,852	147,749
Prepays and other assets	63,014	64,117
	<u>\$50,450,113</u>	<u>\$48,509,645</u>
LIABILITIES		
Accounts payable	\$227,366	\$358,662
Accrued wages and benefits	7,275,964	5,754,897
Pension obligation payable	160,976	266,078
Due to other governments	39,594	72,903
Due to other funds	1,001,073	1,001,073
Claims payable	389,070	343,755
Deferred revenue - taxes	42,885,563	41,999,779
Total liabilities	<u>51,979,606</u>	<u>49,797,147</u>
FUND DEFICIT		
Fund balances (deficit)		
Budget stabilization reserve	970,064	423,321
Reserve for technology/electrical upgrade	308,164	711,696
Reserved for inventory	99,852	147,749
Reserved for prepaids	63,014	64,117
Reserved for encumbrances	592,505	1,790,926
Unreserved-undesignated	<u>(3,563,092)</u>	<u>(4,425,311)</u>
Total fund deficit	<u>(1,529,493)</u>	<u>(1,287,502)</u>
	<u>(1,529,493)</u>	<u>(1,287,502)</u>
	<u>\$50,450,113</u>	<u>\$48,509,645</u>
Total liabilities and fund deficit		

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Comparative Statements of Revenues, Expenditures and
 Changes in Fund Balances -
 General Fund
 For the years ended June 30, 1999 and 1998

	1999	1998
Revenues		
Taxes	\$46,881,050	\$46,071,361
Tuition and fees	163,254	194,011
Earnings on investments	562,731	408,005
Intergovernmental	21,390,073	20,330,654
Miscellaneous revenue	504,318	801,218
Total revenues	<u>69,501,426</u>	<u>67,805,249</u>
Expenditures		
Current		
Instruction	41,919,028	38,179,004
Support services		
Pupil	4,233,954	4,160,991
Instructional staff	2,661,662	2,039,285
Board of Education	452,184	443,515
Administration	4,286,549	3,987,373
Fiscal	1,540,286	1,321,966
Business	496,820	464,579
Operation and maintenance of plant	6,397,565	6,471,654
Pupil transportation	4,009,118	3,450,259
Central	683,873	865,654
Community services	70,978	66,874
Extracurricular activities	1,020,920	924,638
Capital outlay	362,235	780,865
Debt service interest	68,933	84,764
Total expenditures	<u>68,204,105</u>	<u>63,241,421</u>
Excess of revenues over expenditures	1,297,321	4,563,828
Other financing sources (uses)		
Operating transfers out	(1,549,475)	(1,475,738)
Sale of assets	10,163	15,624
Capital lease	0	1,400,000
Total other financing uses	<u>(1,539,312)</u>	<u>(60,114)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(241,991)	4,503,714
Fund deficit beginning of year	(1,287,502)	(5,791,216)
Fund deficit, end of year	<u>(\$1,529,493)</u>	<u>(\$1,287,502)</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP) and Actual -
General Fund
Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$46,967,592	46,967,592	\$0
Tuition and fees	150,000	86,120	(63,880)
Interest	450,000	542,671	92,671
Intergovernmental	21,881,460	21,441,660	(439,800)
Contributions	2,146	5,709	3,563
Miscellaneous revenue	(1,699,382)	197,475	1,896,857
Total revenues	67,751,816	69,241,227	1,489,411
Expenditures:			
Instruction:			
Regular instruction:			
Salaries and wages	25,540,956	25,540,956	0
Fringe benefits	7,249,874	7,249,874	0
Contract services	215,946	215,946	0
Supplies	756,314	756,314	0
Equipment	538,851	115,529	423,322
Total regular instruction	34,301,941	33,878,619	423,322
Special instruction:			
Salaries and wages	3,060,549	3,060,549	0
Fringe benefits	743,512	743,512	0
Contract services	145,766	145,766	0
Supplies	19,502	19,502	0
Other	688	688	0
Total special instruction	3,970,017	3,970,017	0
Other instruction:			
Salaries and wages	1,461,657	1,461,657	0
Fringe benefits	456,110	456,110	0
Contract services	1,665,618	1,665,618	0
Supplies	19,119	19,119	0
Equipment	101,594	101,594	0
Total other instruction	3,704,098	3,704,098	0
Total instruction	41,976,056	41,552,734	423,322
Support services:			
Pupils:			
Salaries and wages	2,918,018	2,918,018	0
Fringe benefits	1,028,115	1,028,115	0
Contract services	24,430	24,430	0
Supplies	36,525	36,525	0
Equipment	100,092	100,092	0
Total pupils	4,107,180	4,107,180	0
Instructional staff:			
Salaries and wages	1,928,901	1,928,901	0
Fringe benefits	579,210	579,210	0
Contract services	10,730	10,730	0
Supplies	128,520	126,218	2,302
Equipment	17,652	17,652	0
Total instructional staff	2,665,013	2,662,711	2,302

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget (Non-GAAP) and Actual -
 General Fund
 Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Board of education:			
Salaries and wages	9,520	9,520	0
Fringe benefits	1,507	1,507	0
Contract services	235,018	235,018	0
Supplies	289	289	0
Other	<u>250,580</u>	<u>250,580</u>	<u>0</u>
Total board of education	<u>496,914</u>	<u>496,914</u>	<u>0</u>
Administration			
Salaries and wages	2,798,791	2,798,791	0
Fringe benefits	1,253,330	1,253,330	0
Contract services	111,872	111,872	0
Supplies	21,406	21,406	0
Equipment	6,975	6,975	0
Other	<u>11,600</u>	<u>11,600</u>	<u>0</u>
Total administration	<u>4,203,974</u>	<u>4,203,974</u>	<u>0</u>
Fiscal:			
Salaries and wages	570,622	570,622	0
Fringe benefits	155,055	155,055	0
Contract services	52,790	52,790	0
Supplies	34,526	34,526	0
Equipment	8,013	8,013	0
Other	<u>726,534</u>	<u>726,534</u>	<u>0</u>
Total fiscal	<u>1,547,540</u>	<u>1,547,540</u>	<u>0</u>
Business:			
Salaries and wages	306,793	306,793	0
Fringe benefits	89,492	89,492	0
Contract services	15,349	15,349	0
Supplies	72,480	72,480	0
Other	<u>125</u>	<u>125</u>	<u>0</u>
Total business	<u>484,239</u>	<u>484,239</u>	<u>0</u>
Operation and maintenance of plant:			
Salaries and wages	2,950,368	2,950,368	0
Fringe benefits	784,535	784,535	0
Contract services	2,279,064	2,279,064	0
Supplies	506,305	506,305	0
Equipment	400	400	0
Other	<u>37,883</u>	<u>37,883</u>	<u>0</u>
Total operation and maintenance of plant	<u>6,558,555</u>	<u>6,558,555</u>	<u>0</u>
Pupil transportation:			
Salaries and wages	2,291,040	2,291,040	0
Fringe benefits	740,168	740,168	0
Contract services	145,601	145,601	0
Supplies	446,608	446,608	0
Equipment	<u>610,160</u>	<u>462,145</u>	<u>148,015</u>
Total pupil transportation	<u>4,233,577</u>	<u>4,085,562</u>	<u>148,015</u>

(continued)

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP) and Actual -
General Fund
Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Central:			
Salaries and wages	261,804	261,804	0
Fringe benefits	66,153	66,153	0
Contract services	108,818	108,818	0
Supplies	130,297	130,297	0
Equipment	135,599	135,599	0
Other	45,679	45,679	0
Total central	748,350	748,350	0
Total support services	25,045,342	24,895,025	150,317
Community services:			
Salaries and wages	54,474	54,474	0
Fringe benefits	15,180	15,180	0
Contract services	1,594	1,594	0
Total community services	71,248	71,248	0
Extracurricular activities:			
Salaries and wages	786,029	786,029	0
Fringe benefits	164,831	164,831	0
Contract services	19,254	19,254	0
Supplies	5,016	5,016	0
Equipment	4,147	4,147	0
Other	3,484	3,484	0
Total extracurricular activities	982,761	982,761	0
Total expenditures	68,075,407	67,501,768	573,639
Excess (deficiency) of revenues over (under) expenditures	(323,591)	1,739,459	2,063,050
Other financing sources (uses):			
Advance/transfers in	1,000	1,412	412
Other sources	328,427	161,907	(166,520)
Advances/transfers out	(1,659,874)	(1,659,874)	0
Other uses	(266)	(266)	0
Total other financing uses	(1,330,713)	(1,496,821)	(166,108)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(1,654,304)	242,638	1,896,942
Fund deficit, beginning of year	(484,226)	(484,226)	0
Expenditures against prior year's encumbrances	2,138,518	2,138,518	0
Fund balance (deficit), end of year	(\$12)	1,896,930	\$1,896,942

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for revenues from specified sources which legally, or otherwise, are restricted to expenditures for specific purposes. A description of the District's Special Revenue Funds follows:

Other Grants -- A fund used to account for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specified purposes.

Athletic Fund -- Consists of those programs which have student participation in the activity but do not have student management of the programs - Athletics.

Career Development OVEP -- A fund provided to account for monies received and expended in conjunction with vocational education.

Early Childhood Education -- This fund is used for Preschool enrichment by identifying and individualizing programming for the young gifted student.

Management Information Systems -- A fund provided for hardware and software development, or other costs associated with the requirements of the management information system. (Senate Bill 140)

Miscellaneous State Grants -- A fund used to account for various monies received from state agencies, which are not classified elsewhere.

Education for Economic Security -- The fund is used to strengthen instruction in science, mathematics, modern foreign languages, English, the arts, and computer learning.

Title VI-B Special Education -- The purpose of this federal program is to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least-restrictive, alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

Vocational Education -- The fund is used 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.

Venture Capital -- The fund is used to account for monies received from the State for the purpose of promoting reform in teaching and learning, improvement of the professional development of educators, improvements in the quality of schools as organizations, and developing ways to bring it all together to achieve and sustain high performance.

Professional Development Block Grant -- This fund is used to provide assistance in development of inservice programs.

SPECIAL REVENUE FUNDS (continued)

Preschool Grant for the Handicapped -- The purpose of this fund is to address the improvement and expansion of services for handicapped children ages 3-5 years.

Miscellaneous Federal Grants -- A fund used to account for various monies received from federal agencies, which are not classified elsewhere.

Auxiliary Services Fund -- A fund used to account for monies, which provide services and materials to pupils attending non-public schools within the district. During Fiscal 1999 Lake Catholic (ADM 918) St. Gabriel (ADM 622) and St. Mary (ADM 435) received \$425.79/student.

Head Start Disability -- A fund to distribute monies to Head Start agencies to expand their programs to serve more eligible children, including to lease additional classroom space, to acquire materials, to pay license fees, and to hire and train Head Start agency staff.

Textbook/Instructional Material -- A fund provided by the state for textbooks, instructional software, instructional materials, and any other materials the district deems to be helpful in providing appropriate instruction to students in the following subject areas: reading, writing, mathematics, science and citizenship.

SchoolNet Professional Development -- A fund provided to account for a limited number of professional development subsidy grants.

Title I -- The purpose of this federal program is to provide financial assistance to state and local educational agencies to meet the special needs of educationally deprived children.

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

Drug-Free School Grant -- To provide financial assistance for programs of drug abuse education and prevention.

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MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Combining Balance Sheet -
 All Special Revenue Funds
 June 30, 1999
 (With Comparative Totals for 1998)

	OTHER GRANTS	ATHLETIC	CAREER DEVELOPMENT QVEP	EARLY CHILDHOOD EDUCATION	MANAGEMENT INFORMATION SYSTEMS
ASSETS					
Equity in pooled cash and investments	\$646,301	55,265	0	177	43,547
Accounts receivable - other	0	0	0	0	0
Due from other funds	0	0	0	0	0
Total assets	\$646,301	55,265	0	177	43,547
LIABILITIES					
Accounts payable	\$34,527	6,558	7,822	297	0
Accrued wages and benefits	0	0	0	0	0
Pension obligation payable	0	0	0	0	0
Due to other governments	0	0	0	0	0
Due to other funds	0	0	22,633	2,004	0
Total liabilities	34,527	6,558	30,455	2,301	0
FUND EQUITY (DEFICIT)					
<i>Fund balances (deficits)</i>					
Reserved for encumbrances	100,868	51,024	334	1,180	1,829
Unreserved-undesignated	510,906	(2,317)	(30,789)	(3,304)	41,718
Total fund balances (deficits)	611,774	48,707	(30,455)	(2,124)	43,547
Total liabilities and fund balances	\$646,301	55,265	0	177	43,547

(continued)

MISCELLANEOUS STATE GRANTS	EDUCATION FOR ECONOMIC SECURITY	TITLE VI-B SPECIAL EDUCATION	VOCATIONAL EDUCATION	VENTURE CAPITAL GRANT	PROFESSIONAL DEVELOPMENT
35,599	26,113	76,678	55,497	5,628	28,698
0	0	115,534	0	0	0
0	0	0	22,633	0	0
<u>35,599</u>	<u>26,113</u>	<u>192,212</u>	<u>78,130</u>	<u>5,628</u>	<u>28,698</u>
0	0	38,908	11,398	210	105
0	0	29,106	0	0	936
0	0	0	0	0	0
0	0	0	2,695	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>68,014</u>	<u>14,093</u>	<u>210</u>	<u>1,041</u>
9,864	2,580	25,564	90,221	5,392	17,029
<u>25,735</u>	<u>23,533</u>	<u>98,634</u>	<u>(26,164)</u>	<u>26</u>	<u>10,628</u>
<u>35,599</u>	<u>26,113</u>	<u>124,198</u>	<u>64,037</u>	<u>5,418</u>	<u>27,657</u>
<u>35,599</u>	<u>26,113</u>	<u>192,212</u>	<u>78,130</u>	<u>5,628</u>	<u>28,698</u>
(continued)					(continued)

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Combining Balance Sheet -
 All Special Revenue Funds
 June 30, 1999
 (With Comparative Totals for 1998)

	PRESCHOOL GRANT FOR HANDICAPPED	MISCELLANEOUS FEDERAL GRANTS	AUXILIARY SERVICES	HEAD START DISABILITY	TEXTBOOK INSTRUCTIONAL MATERIAL
ASSETS					
Equity in pooled cash and investments	38,634	20,191	107,848	3,952	326,337
Accounts receivable - other	0	0	0	0	0
Due from other funds	0	0	0	0	0
Total assets	38,634	20,191	107,848	3,952	326,337
LIABILITIES					
Accounts payable	4,517	735	23,045	369	0
Accrued wages and benefits	0	0	0	0	0
Pension obligation payable	0	0	0	0	0
Due to other governments	13,646	0	30,140	0	0
Due to other funds	0	0	0	0	0
Total liabilities	18,163	735	53,185	369	0
FUND EQUITY (DEFICIT)					
Fund balances (deficits)					
Reserved for encumbrances	2,590	8,945	61,341	3,952	0
Unreserved-undesignated	17,881	10,511	(6,678)	(369)	326,337
Total fund balances (deficits)	20,471	19,456	54,663	3,583	326,337
Total liabilities and fund balances	38,634	20,191	107,848	3,952	326,337
	(continued)				(continued)

SCHOOLNET PROFESSIONAL DEVELOPMENT	TITLE I	CHAPTER II	DRUG FREE SCHOOL GRANT	1999 TOTALS	1998 TOTALS
500	0	34,969	0	\$1,505,934	\$551,769
0	0	0	0	115,534	2,801
0	0	0	0	22,633	612,629
<u>500</u>	<u>0</u>	<u>34,969</u>	<u>0</u>	<u>\$1,644,101</u>	<u>\$1,167,199</u>
0	0	0	1,420	\$129,911	\$27,868
0	24,993	0	0	55,035	81,884
0	0	0	0	0	5,598
0	0	0	0	46,481	40
0	16,389	0	23,073	64,099	117,442
<u>0</u>	<u>41,382</u>	<u>0</u>	<u>24,493</u>	<u>295,526</u>	<u>232,833</u>
0	35,201	26,300	9,282	453,496	187,200
500	(76,583)	8,669	(33,775)	895,079	747,166
<u>500</u>	<u>(41,382)</u>	<u>34,969</u>	<u>(24,493)</u>	<u>1,348,575</u>	<u>934,366</u>
<u>500</u>	<u>0</u>	<u>34,969</u>	<u>0</u>	<u>\$1,644,101</u>	<u>\$1,167,199</u>

(continued)

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
 All Special Revenue Funds
 Year Ended June 30, 1999
 (With Comparative Totals for 1998)

	OTHER GRANTS	ATHLETIC	CAREER DEVELOPMENT QVEP	EARLY CHILDHOOD EDUCATION	MANAGEMENT INFORMATION SYSTEMS
Revenues					
Earnings on investments	\$0	0	0	0	0
Intergovernmental	398,146	0	64,750	8,035	29,263
Extracurricular activities	0	199,406	0	0	0
Miscellaneous revenue	0	26,119	0	0	0
Total revenues	398,146	225,525	64,750	8,035	29,263
Expenditures					
<i>Current</i>					
Instruction	214,485	0	54,342	7,941	2,699
Support services					
Pupil	0	0	0	0	0
Instructional staff	0	0	0	0	1,500
Administration	0	0	0	0	2,529
Fiscal	0	0	0	0	0
Business	0	0	0	0	0
Operation and maintenance of plant	0	0	0	0	0
Pupil transportation	0	0	0	0	0
Central	0	0	0	0	7,399
Community services	0	0	0	0	0
Extracurricular activities	0	278,140	0	0	0
Miscellaneous	0	0	0	0	0
Total expenditures	214,485	278,140	54,342	7,941	14,127
Excess (deficiency) of revenues over (under) expenditures	183,661	(52,615)	10,408	94	15,136
Other financing sources					
Operating transfers in	0	70,000	0	0	0
Total other financing sources	0	70,000	0	0	0
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	183,661	17,385	10,408	94	15,136
Fund balance (deficit), beginning of year	428,113	31,322	(40,863)	(2,218)	28,411
Fund balance (deficit), end of year	\$611,774	48,707	(30,455)	(2,124)	43,547

(continued)

MISCELLANEOUS STATE GRANTS	EDUCATION FOR ECONOMIC SECURITY	TITLE VI-B SPECIAL EDUCATION	VOCATIONAL EDUCATION	VENTURE CAPITAL GRANT	PROFESSIONAL DEVELOPMENT
0	0	0	0	0	0
48,500	30,936	966,326	223,706	0	54,692
0	0	0	0	0	0
0	(900)	0	0	0	0
<u>48,500</u>	<u>30,036</u>	<u>966,326</u>	<u>223,706</u>	<u>0</u>	<u>54,692</u>
17,201	21,808	97,978	84,836	85,170	34,215
0	65	94,603	68,563	0	5,109
23,995	827	87,035	25,587	0	6,946
0	0	659,014	616	0	8,485
0	0	0	0	0	0
0	0	8,110	0	0	0
0	0	12,344	0	0	1,830
0	0	0	1,817	0	600
0	0	0	12,714	0	0
14	0	0	0	0	8,474
0	0	0	0	0	0
0	0	0	3,355	0	0
<u>41,210</u>	<u>22,700</u>	<u>959,084</u>	<u>197,488</u>	<u>85,170</u>	<u>65,659</u>
<u>7,290</u>	<u>7,336</u>	<u>7,242</u>	<u>26,218</u>	<u>(85,170)</u>	<u>(10,967)</u>
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
7,290	7,336	7,242	26,218	(85,170)	(10,967)
<u>28,309</u>	<u>18,777</u>	<u>116,956</u>	<u>37,819</u>	<u>90,588</u>	<u>38,624</u>
<u>35,599</u>	<u>26,113</u>	<u>124,198</u>	<u>64,037</u>	<u>5,418</u>	<u>27,657</u>
(continued)					(continued)

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
 All Special Revenue Funds
 Year Ended June 30, 1999
 (With Comparative Totals for 1998)

	PRESCHOOL GRANT FOR HANDICAPPED	MISCELLANEOUS FEDERAL GRANTS	AUXILIARY SERVICES	HEAD START DISABILITY	TEXTBOOK INSTRUCTIONAL MATERIAL
Revenues					
Earnings on investments	0	0	4,984	0	0
Intergovernmental	131,608	32,902	840,935	10,000	163,365
Extracurricular activities	0	0	0	0	0
Miscellaneous revenue	0	0	0	0	0
Total revenues	131,608	32,902	845,919	10,000	163,365
Expenditures					
Current					
Instruction	33,780	3,506	0	0	0
Support services					
Pupil	0	606	0	0	0
Instructional staff	28,183	8,235	0	3,255	0
Administration	73,141	700	0	3,309	0
Fiscal	0	0	0	0	0
Business	0	0	0	0	0
Operation and maintenance of plant	4,810	399	0	0	0
Pupil transportation	0	0	0	0	0
Central	0	0	0	0	0
Community services	0	0	870,100	0	0
Extracurricular activities	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Total expenditures	139,914	13,446	870,100	6,564	0
Excess (deficiency) of revenues over (under) expenditures	(8,306)	19,456	(24,181)	3,436	163,365
Other financing sources					
Operating transfers in	0	0	0	0	0
Total other financing sources	0	0	0	0	0
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(8,306)	19,456	(24,181)	3,436	163,365
Fund balance (deficit), beginning of year	28,777	0	78,844	147	162,972
Fund balance (deficit), end of year	20,471	19,456	54,663	3,583	326,337

(continued)

(continued)

SCHOOLNET PROFESSIONAL DEVELOPMENT	TITLE I	CHAPTER II	DRUG FREE SCHOOL GRANT	1999 TOTALS	1998 TOTALS
0	0	0	0	\$4,984	\$11,972
0	314,407	48,142	48,845	3,414,558	3,149,340
0	0	0	0	199,406	193,554
0	0	0	0	25,219	365,422
0	<u>314,407</u>	<u>48,142</u>	<u>48,845</u>	<u>3,644,167</u>	<u>3,720,288</u>
0	242,671	0	9,181	909,793	1,262,716
0	27,729	4,014	41,014	241,703	301,290
0	0	0	0	185,563	169,641
0	0	0	0	747,794	746,379
0	0	0	0	0	4,549
0	0	0	0	8,110	5,000
0	0	0	0	19,383	16,109
0	0	0	0	2,417	29,801
0	0	0	0	20,113	29,155
0	0	4,216	0	882,804	8,123
0	0	0	0	278,140	962,944
0	0	783	0	4,138	831
0	<u>270,400</u>	<u>9,013</u>	<u>50,175</u>	<u>3,299,958</u>	<u>3,536,538</u>
0	<u>44,007</u>	<u>39,129</u>	<u>(1,330)</u>	<u>344,209</u>	<u>183,750</u>
0	0	0	0	70,000	76,048
0	0	0	0	70,000	76,048
0	44,007	39,129	(1,330)	414,209	259,798
500	<u>(85,389)</u>	<u>(4,160)</u>	<u>(23,163)</u>	<u>934,366</u>	<u>674,568</u>
500	<u>(41,382)</u>	<u>34,969</u>	<u>(24,493)</u>	<u>\$1,348,575</u>	<u>\$934,366</u>

(continued)

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual -
Other Grants Fund
Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Miscellaneous revenue	<u>\$17,259</u>	<u>398,146</u>	<u>\$380,887</u>
Total revenues	<u>17,259</u>	<u>398,146</u>	<u>380,887</u>
Expenditures:			
Instruction			
Supplies and materials	406,105	271,166	134,939
Equipment	<u>56,875</u>	<u>56,875</u>	<u>0</u>
Total expenditures	<u>462,980</u>	<u>328,041</u>	<u>134,939</u>
Excess (deficiency) of revenue over (under) expenditures	(445,721)	70,105	515,826
Fund balance, beginning of year	425,876	425,876	0
Expenditures against prior year encumbrances	<u>19,843</u>	<u>19,843</u>	<u>0</u>
Fund balance (deficit), end of year	<u>(\$2)</u>	<u>515,824</u>	<u>\$515,826</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual -
Athletic Fund
Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Extracurricular activities	\$281,218	199,406	(\$81,812)
Contributions	18,755	21,626	2,871
Total revenues	299,973	221,032	(78,941)
Expenditures:			
Extracurricular			
Salaries	9,335	9,335	0
Benefits	418	408	10
Contract services	59,984	52,583	7,401
Supplies and materials	121,514	118,931	2,583
Equipment	6,633	6,633	0
Other	152,743	141,864	10,879
Total extracurricular	350,627	329,754	20,873
Total expenditures	350,627	329,754	20,873
Deficiency of revenue under expenditures	(50,654)	(108,722)	(58,068)
Other financing sources			
Advances/transfers in	19,068	70,000	50,932
Other sources	0	4,493	4,493
Total other financing sources	19,068	74,493	55,425
Deficiency of revenues and other sources under expenditures and other uses	(31,586)	(34,229)	(2,643)
Fund deficit, beginning of year	(25,045)	(25,045)	0
Expenditures against prior year encumbrances	56,632	56,632	0
Fund balance (deficit), end of year	\$1	(2,642)	(\$2,643)

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual -
 Career Development OVEP Fund
 Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$53,104	64,750	\$11,646
Total revenues	<u>53,104</u>	<u>64,750</u>	<u>11,646</u>
Expenditures:			
Instruction			
Salaries	33,750	33,250	500
Benefits	5,214	482	4,732
Contract services	5,971	5,971	0
Supplies and materials	11,671	11,671	0
Equipment	61,859	58,651	3,208
Other	12	0	12
Total expenditures	<u>118,477</u>	<u>110,025</u>	<u>8,452</u>
Deficiency of revenue under expenditures	(65,373)	(45,275)	20,098
Fund deficit, beginning of year	(43,277)	(43,277)	0
Expenditures against prior year encumbrances	<u>6,840</u>	<u>6,840</u>	<u>0</u>
Fund deficit, end of year	<u>(\$101,810)</u>	<u>(81,712)</u>	<u>\$20,098</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual -
Early Childhood Education Fund
Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	<u>\$14,885</u>	<u>10,836</u>	<u>(\$4,049)</u>
Total revenues	<u>14,885</u>	<u>10,836</u>	<u>(4,049)</u>
Expenditures:			
Instruction			
Contract services	9,125	9,121	4
Equipment	<u>564</u>	<u>0</u>	<u>564</u>
Total expenditures	<u>9,689</u>	<u>9,121</u>	<u>568</u>
 Excess of revenue over expenditures	 <u>5,196</u>	 <u>1,715</u>	 <u>(3,481)</u>
Other financing sources (uses):			
Advances / transfers in	0	2,004	2,004
Advances / transfers out	<u>(176)</u>	<u>0</u>	<u>176</u>
Total other financing sources	<u>(176)</u>	<u>2,004</u>	<u>2,180</u>
 Excess of revenue and other sources over expenditures and other uses	 5,020	 3,719	 (1,301)
Fund deficit, beginning of year	(5,663)	(5,663)	0
 Expenditures against prior year encumbrances	 <u>645</u>	 <u>645</u>	 <u>0</u>
Fund balance (deficit), end of year	<u>\$2</u>	<u>(1,299)</u>	<u>(\$1,301)</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual -
 Management Information Systems Fund
 Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 0	29,263	\$29,263
Total revenues	<u>0</u>	<u>29,263</u>	<u>29,263</u>
Expenditures:			
Instruction			
Salaries	2,242	1,500	742
Equipment	1,199	1,199	0
Total instruction	<u>3,441</u>	<u>2,699</u>	<u>742</u>
Support Services			
Contract services	6,500	6,500	0
Supplies and materials	448	448	0
Equipment	18,472	7,126	11,346
Total support services	<u>25,420</u>	<u>14,074</u>	<u>11,346</u>
Total expenditures	<u>28,861</u>	<u>16,773</u>	<u>12,088</u>
Excess (deficiency) of revenues over (under) expenditures	(28,861)	12,490	41,351
Fund balance, beginning of year	23,421	23,421	0
Expenditures against prior year encumbrances	<u>5,440</u>	<u>5,440</u>	<u>0</u>
Fund balance, end of year	<u>\$ 0</u>	<u>41,351</u>	<u>\$41,351</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual -
 Miscellaneous State Grants Fund
 Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$48,498	48,500	\$2
Total revenues	48,498	48,500	2
Expenditures:			
Instruction			
Salaries	5,900	5,789	111
Benefits	534	527	7
Contract services	3,188	3,188	0
Supplies and materials	13,863	13,562	301
Equipment	0	0	0
Other	1,000	1,000	0
Total instruction	24,485	24,066	419
Support Services			
Salaries	45,199	19,966	25,233
Benefits	2,557	2,557	0
Contract services	3,440	3,440	0
Supplies and materials	1,031	1,031	0
Total support services	52,227	26,994	25,233
Community Service			
Supplies and materials	94	14	80
Total community service	94	14	80
Total expenditures	76,806	51,074	25,732
Deficiency of revenue under expenditures	(28,308)	(2,574)	25,734
Fund balance, beginning of year	25,172	25,172	0
Expenditures against prior year encumbrances	3,137	3,137	0
Fund balance, end of year	\$1	25,735	\$25,734

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual -
Education for Economic Security Fund
Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$76,560	30,936	(\$45,624)
Total revenues	<u>76,560</u>	<u>30,936</u>	<u>(45,624)</u>
Expenditures:			
Instruction			
Salaries	32,612	3,717	28,895
Benefits	2,215	280	1,935
Contract services	13,567	3,171	10,396
Supplies and materials	35,449	13,373	22,076
Equipment	3,848	3,848	0
Total instruction	<u>87,691</u>	<u>24,389</u>	<u>63,302</u>
Support Services			
Salaries	548	548	0
Benefits	279	279	0
Contract services	5,800	65	5,735
Supplies and materials	117	0	117
Total support services	<u>6,744</u>	<u>892</u>	<u>5,852</u>
Total expenditures	<u>94,435</u>	<u>25,281</u>	<u>69,154</u>
Excess (deficiency) of revenue over (under) expenditures	(17,875)	5,655	23,530
Other financing uses:			
Other uses	(900)	(900)	0
Total other financing uses	<u>(900)</u>	<u>(900)</u>	<u>0</u>
Fund balance, beginning of year	16,407	16,407	0
Expenditures against prior year encumbrances	<u>2,369</u>	<u>2,369</u>	<u>0</u>
Fund balance, end of year	<u>\$1</u>	<u>23,531</u>	<u>\$23,530</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual -
Title VI-B Special Education Fund
Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$1,255,087	850,792	(\$404,295)
Total revenues	<u>1,255,087</u>	<u>850,792</u>	<u>(404,295)</u>
Expenditures:			
Instruction			
Salaries	16,000	16,000	0
Contract services	42,200	40,325	1,875
Supplies and materials	34,056	24,939	9,117
Equipment	20,589	20,267	322
Total instruction	<u>112,845</u>	<u>101,531</u>	<u>11,314</u>
Support Services			
Salaries	769,733	502,035	267,698
Benefits	292,156	176,219	115,937
Contract services	189,234	174,028	15,206
Supplies and materials	33,073	26,643	6,430
Equipment	24,956	24,956	0
Total support services	<u>1,309,152</u>	<u>903,881</u>	<u>405,271</u>
Total expenditures	<u>1,421,997</u>	<u>1,005,412</u>	<u>416,585</u>
Deficiency of revenues under expenditures	(166,910)	(154,620)	12,290
Fund balance, beginning of year	132,623	132,623	0
Expenditures against prior year encumbrances	<u>34,286</u>	<u>34,286</u>	<u>0</u>
Fund balance (deficit), end of year	<u>(\$1)</u>	<u>12,289</u>	<u>\$12,290</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual -
 Vocational Education Fund
 Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	<u>\$379,693</u>	<u>223,706</u>	<u>(\$155,987)</u>
Total revenues	<u>379,693</u>	<u>223,706</u>	<u>(155,987)</u>
Expenditures:			
Instruction			
Salaries	60,564	55,000	5,564
Contract services	20,039	14,222	5,817
Supplies and materials	<u>13,438</u>	<u>11,580</u>	<u>1,858</u>
Total instruction	<u>94,041</u>	<u>80,802</u>	<u>13,239</u>
Support Services			
Salaries	68,721	43,198	25,523
Benefits	7,293	5,861	1,432
Contract services	118,622	87,396	31,226
Supplies and materials	13,559	8,219	5,340
Equipment	<u>4,935</u>	<u>3,269</u>	<u>1,666</u>
Total support services	<u>213,130</u>	<u>147,943</u>	<u>65,187</u>
Extracurricular activities			
Contract services	4,330	4,330	0
Supplies and materials	<u>884</u>	<u>0</u>	<u>884</u>
Total extracurricular activities	<u>5,214</u>	<u>4,330</u>	<u>884</u>
Total expenditures	<u>312,385</u>	<u>233,075</u>	<u>79,310</u>
Excess (deficiency) of revenue over (under) expenditures	<u>67,308</u>	<u>(9,369)</u>	<u>(76,677)</u>
Other financing uses:			
Other uses	<u>(3,355)</u>	<u>(3,355)</u>	<u>0</u>
Total other financing uses	<u>(3,355)</u>	<u>(3,355)</u>	<u>0</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	63,953	(12,724)	(76,677)
Fund balance, beginning of year	8,154	8,154	0
Expenditures against prior year encumbrances	<u>29,702</u>	<u>29,702</u>	<u>0</u>
Fund balance, end of year	<u>\$101,809</u>	<u>25,132</u>	<u>(\$76,677)</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual -
 Venture Capital Fund
 Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$0	0	\$0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
<i>Instruction</i>			
Salaries	14,092	14,092	0
Benefits	1,476	1,476	0
Contract services	30,533	30,502	31
Supplies and materials	27,794	27,788	6
Equipment	11,946	11,944	2
Other	5,300	5,300	0
Total instruction	<u>91,141</u>	<u>91,102</u>	<u>39</u>
Total expenditures	<u>91,141</u>	<u>91,102</u>	<u>39</u>
Deficiency of revenue under expenditures	(91,141)	(91,102)	39
 Fund balance, beginning of year	 84,072	 84,072	 0
 Expenditures against prior year encumbrances	 <u>7,068</u>	 <u>7,068</u>	 <u>0</u>
 Fund balance, end of year	 <u><u>(\$1)</u></u>	 <u><u>38</u></u>	 <u><u>\$39</u></u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual -
Professional Development Fund
Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$46,219	54,692	\$8,473
Total revenues	46,219	54,692	8,473
Expenditures:			
Instruction			
Salaries	18,386	16,008	2,378
Benefits	2,363	2,363	0
Contract services	28,667	28,642	25
Supplies and materials	791	791	0
Total instruction	50,207	47,804	2,403
Support Services			
Salaries	3,044	2,841	203
Benefits	339	339	0
Contract services	19,893	19,527	366
Supplies and materials	4,036	3,906	130
Total support services	27,312	26,613	699
Community services			
Contract services	8,474	8,474	0
Total community services	8,474	8,474	0
Total expenditures	85,993	82,891	3,102
Deficiency of revenue under expenditures	(39,774)	(28,199)	11,575
Fund balance, beginning of year	8,494	8,494	0
Expenditures against prior year encumbrances	31,281	31,281	0
Fund balance, end of year	\$1	11,576	\$11,575

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual -
Preschool Grant for the Handicapped Fund
Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	<u>\$136,627</u>	<u>131,608</u>	<u>(\$5,019)</u>
Total revenues	<u>136,627</u>	<u>131,608</u>	<u>(5,019)</u>
Expenditures:			
Instruction			
Contract services	21,899	7,234	14,665
Supplies and materials	<u>15,673</u>	<u>15,164</u>	<u>509</u>
Total instruction	<u>37,572</u>	<u>22,398</u>	<u>15,174</u>
Support Services			
Salaries	77,016	75,706	1,310
Benefits	17,815	17,815	0
Contract services	30,268	23,874	6,394
Supplies and materials	<u>3,190</u>	<u>3,134</u>	<u>56</u>
Total support services	<u>128,289</u>	<u>120,529</u>	<u>7,760</u>
Total expenditures	<u>165,861</u>	<u>142,927</u>	<u>22,934</u>
Deficiency of revenue under expenditures	(29,234)	(11,319)	17,915
 Fund balance, beginning of year	 25,993	 25,993	 0
 Expenditures against prior year encumbrances	 <u>3,241</u>	 <u>3,241</u>	 <u>0</u>
 Fund balance, end of year	 <u>\$0</u>	 <u>17,915</u>	 <u>\$17,915</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual -
Miscellaneous Federal Grants Fund
Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$32,902	32,902	\$0
Total revenues	32,902	32,902	0
Expenditures:			
Instruction			
Contract services	4,295	3,474	821
Supplies and materials	1,402	1,402	0
Equipment	0	0	0
Total instruction	5,697	4,876	821
Support Services			
Salaries	4,462	112	4,350
Benefits	611	2	609
Contract services	17,016	12,255	4,761
Supplies and materials	4,417	4,417	0
Equipment	699	699	0
Total support services	27,205	17,485	9,720
Total expenditures	32,902	22,361	10,541
Excess of revenue over expenditures	0	10,541	10,541
Fund balance, beginning of year	0	0	0
Expenditures against prior year encumbrances	0	0	0
Fund balance, end of year	\$0	10,541	\$10,541

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual -
 Auxiliary Services Fund
 Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Earnings on investments	\$ 0	4,984	\$4,984
Intergovernmental	<u>840,935</u>	<u>840,935</u>	<u>0</u>
Total revenues	<u>840,935</u>	<u>845,919</u>	<u>4,984</u>
Expenditures:			
Community service			
Salaries	9,998	9,998	0
Contract services	624,895	624,895	0
Supplies and materials	282,239	282,239	0
Equipment	<u>6,410</u>	<u>6,410</u>	<u>0</u>
Total community service	<u>923,542</u>	<u>923,542</u>	<u>0</u>
Total expenditures	<u>923,542</u>	<u>923,542</u>	<u>0</u>
Deficiency of revenue under expenditures	(82,607)	(77,623)	4,984
Fund balance, beginning of year	25,418	25,418	0
Expenditures against prior year encumbrances	<u>57,190</u>	<u>57,190</u>	<u>0</u>
Fund balance, end of year	<u>\$ 1</u>	<u>4,985</u>	<u>\$4,984</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual -
 Head Start Disabilities Grant Fund
 Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$10,000	10,000	\$ 0
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Support Services			
Benefits	6,509	6,509	0
Contract services	3,135	3,135	0
Supplies and materials	503	503	0
Total support services	<u>10,147</u>	<u>10,147</u>	<u>0</u>
Total expenditures	<u>10,147</u>	<u>10,147</u>	<u>0</u>
Deficiency of revenue under expenditures	(147)	(147)	0
Fund balance, beginning of year	0	0	0
Expenditures against prior year encumbrances	<u>147</u>	<u>147</u>	<u>0</u>
Fund balance, end of year	<u><u>\$ 0</u></u>	<u><u>0</u></u>	<u><u>\$ 0</u></u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual -
Textbook Instructional Material Fund
Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 0	163,365	\$163,365
Total revenues	0	163,365	163,365
Instruction			
Supplies and materials	162,972	0	162,972
Total instruction	162,972	0	162,972
Total expenditures	162,972	0	162,972
Excess (deficiency) of revenue over (under) expenditures	(162,972)	163,365	326,337
Fund balance, beginning of year	162,972	162,972	0
Expenditures against prior year encumbrances	0	0	0
Fund balance, end of year	\$ 0	326,337	\$326,337

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual -
 SchoolNet Professional Development Fund
 Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$ 0	0	\$ 0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Instruction			
Supplies and materials	500	0	500
Total instruction	<u>500</u>	<u>0</u>	<u>500</u>
Total expenditures	<u>500</u>	<u>0</u>	<u>500</u>
Deficiency of revenue under expenditures	(500)	0	500
Fund balance, beginning of year	500	500	0
Expenditures against prior year encumbrances	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, end of year	<u><u>\$ 0</u></u>	<u><u>500</u></u>	<u><u>\$500</u></u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual -
Title 1 Fund
Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$407,936	314,407	(\$93,529)
Total revenues	<u>407,936</u>	<u>314,407</u>	<u>(93,529)</u>
Expenditures:			
Instruction			
Salaries	195,634	195,634	0
Benefits	78,088	75,981	2,107
Contract services	4,467	3,457	1,010
Supplies and materials	12,462	8,840	3,622
Equipment	996	0	996
Total instruction	<u>291,647</u>	<u>283,912</u>	<u>7,735</u>
Support Services			
Salaries	56,170	24,359	31,811
Benefits	9,434	8,804	630
Total support services	<u>65,604</u>	<u>33,163</u>	<u>32,441</u>
Community service			
Salaries	1,762	0	1,762
Benefits	260	260	0
Total community service	<u>2,022</u>	<u>260</u>	<u>1,762</u>
Total expenditures	<u>359,273</u>	<u>317,335</u>	<u>41,938</u>
Excess (deficiency) of revenue over (under) expenditures	<u>48,663</u>	<u>(2,928)</u>	<u>(51,591)</u>
Other financing sources:			
Advances / transfers in	0	16,389	16,389
Total other financing sources	<u>0</u>	<u>16,389</u>	<u>16,389</u>
Excess of revenue and other sources over expenditures and other uses	48,663	13,461	(35,202)
Fund deficit, beginning of year	(53,693)	(53,693)	0
Expenditures against prior year encumbrances	<u>5,031</u>	<u>5,031</u>	<u>0</u>
Fund balance (deficit), end of year	<u>\$1</u>	<u>(35,201)</u>	<u>(\$35,202)</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual -
 Chapter II Fund
 Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$109,111	48,142	(\$60,969)
Total revenues	109,111	48,142	(60,969)
Expenditures:			
Instruction			
Salaries	19,788	0	19,788
Contract services	5,500	0	5,500
Total instruction	25,288	0	25,288
Support Services			
Salaries	67,281	29,500	37,781
Benefits	14	14	0
Contract services	800	800	0
Total support services	68,095	30,314	37,781
Community Service			
Contract services	3,458	2,000	1,458
Supplies and materials	2,762	587	2,175
Equipment	4,565	1,629	2,936
Total community service	10,785	4,216	6,569
Total expenditures	104,168	34,530	69,638
Excess of revenue over expenditures	4,943	13,612	8,669
Other financing uses:			
Other uses	(783)	(783)	0
Total other financing uses	(783)	(783)	0
Excess of revenue and other sources over expenditures and other uses	4,160	12,829	8,669
Fund deficit, beginning of year	(4,161)	(4,161)	0
Expenditures against prior year encumbrances	0	0	0
Fund balance (deficit), end of year	(\$1)	8,668	\$8,669

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual -
Drug Free School Grant Fund
Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	<u>\$97,071</u>	<u>48,845</u>	<u>(\$48,226)</u>
Total revenues	<u>97,071</u>	<u>48,845</u>	<u>(48,226)</u>
Expenditures:			
Instruction			
Salaries	2,415	1,498	917
Benefits	679	431	248
Contract services	7,931	7,137	794
Supplies and materials	8,140	1,648	6,492
Total instruction	<u>19,165</u>	<u>10,714</u>	<u>8,451</u>
Support Services			
Salaries	54,743	48,743	6,000
Total support services	<u>54,743</u>	<u>48,743</u>	<u>6,000</u>
Total expenditures	<u>73,908</u>	<u>59,457</u>	<u>14,451</u>
Excess (deficiency) of revenue over (under) expenditures	<u>23,163</u>	<u>(10,612)</u>	<u>(33,775)</u>
Other financing sources:			
Advances / transfers in	0	23,073	23,073
Total other financing sources	<u>0</u>	<u>23,073</u>	<u>23,073</u>
Excess of revenue and other sources over expenditures and other uses	23,163	12,461	(10,702)
Fund deficit, beginning of year	(31,164)	(31,164)	0
Expenditures against prior year encumbrances	<u>8,000</u>	<u>8,000</u>	<u>0</u>
Fund deficit, end of year	<u>(\$1)</u>	<u>(10,703)</u>	<u>(\$10,702)</u>

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MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the government is obligated in some manner for the payment. It is also used to account for the accumulation of resources and payment of general obligation notes payable, as required by Ohio Law.

Since there is only one Debt Service Fund and the level of budgetary control is not greater than that presented in the Combined Financial Statements, no additional financial statements are presented here.

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Comparative Balance Sheet -
Debt Service Fund
June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
Equity in pooled cash and investments	\$769,833	\$511,211
Taxes receivable - current	<u>1,249,688</u>	<u>1,841,969</u>
Total assets and other debits	<u>\$2,019,521</u>	<u>\$2,353,180</u>
LIABILITIES		
Deferred revenue		
Taxes	\$1,144,838	\$1,733,484
Total liabilities	<u>1,144,838</u>	<u>1,733,484</u>
FUND BALANCES		
Reserved for debt	<u>874,683</u>	<u>619,696</u>
Total fund balances	<u>874,683</u>	<u>619,696</u>
 Total liabilities and fund equity	 <u>\$2,019,521</u>	 <u>\$2,353,180</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Comparative Statements of Revenues, Expenditures and
 Changes in Fund Balances -
 Debt Service Fund
 For the years ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Revenues		
Taxes	\$1,902,117	\$2,035,205
Intergovernmental	213,181	211,600
Total revenues	<u>2,115,298</u>	<u>2,246,805</u>
Expenditures		
Current		
Support services		
Fiscal	28,271	21,598
Debt service		
Principal	483,836	1,020,000
Interest	<u>1,348,204</u>	<u>802,987</u>
Total expenditures	<u>1,860,311</u>	<u>1,844,585</u>
Excess of revenues over expenditures	<u>254,987</u>	<u>402,220</u>
Other financing sources		
Operating transfers in	<u>0</u>	<u>4,250</u>
Total other financing sources	<u>0</u>	<u>4,250</u>
Excess of revenues over expenditures and other financing sources	254,987	406,470
Fund balance, beginning of year	619,696	213,226
Fund balance, end of year	<u>\$874,683</u>	<u>\$619,696</u>

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MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings or additions to existing buildings, or for major renovation projects. A description of the District's Capital Projects Funds follows:

Permanent Improvement -- Fund established from revenue received from sale of Board owned property and the transfer of board funds. One mill permanent improvement levy renewal passed in 1993 began to generate funds for this District starting in 1994 and will continue for 5 years. The funds will be used for acquisition, construction, or improvement of the District's facilities.

Building -- A fund used to account for receipts and expenditures related to all special bond funds in the District. All proceeds from the sale of bonds, notes, or certificate of indebtedness, except premium and accrued interest, must be paid into this fund. Expenditures recorded here represent the costs for acquiring capital facilities including real property.

Replacement -- A fund provided to account for monies used in the rebuilding, restoration, repair or improvement of property which has been totally or partially destroyed from any cause. Such property may have become unfit for use, necessitating its demolition in whole or in part, and require repair or restoration before it can again be used.

SchoolNet Plus -- The purpose of this fund is to increase the academic levels of each Ohio K-4 student.

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Combining Balance Sheet -
 All Capital Project Funds
 June 30, 1999
 (With Comparative Totals for 1998)

	PERMANENT IMPROVEMENT FUND	BUILDING FUND	REPLACEMENT FUND
ASSETS			
Equity in pooled cash and investments	\$374,822	30	4,446
Taxes receivable - current	903,344	0	0
Accounts receivable	3,672	0	0
Due from other funds	0	0	0
Total assets	\$1,281,838	30	4,446
LIABILITIES			
Accounts payable	\$25,144	0	0
Bond anticipation notes	0	1,500,000	0
Deferred revenue			
Taxes	843,818	0	0
Other	3,672	0	0
Total liabilities	872,634	1,500,000	0
FUND BALANCES			
Reserved for encumbrances	390,897	1,500,000	0
Unreserved-undesignated	18,307	(2,999,970)	4,446
Total fund balances (deficits)	409,204	(1,499,970)	4,446
Total liabilities and fund balances	\$1,281,838	30	4,446

(continued)

SCHOOLNET PLUS FUND	1999 TOTALS	1998 TOTALS
71,719	\$451,017	\$287,395
0	903,344	883,569
0	3,672	8,672
0	0	0
<u>71,719</u>	<u>\$1,358,033</u>	<u>\$1,179,636</u>
0	\$25,144	\$237,938
0	1,500,000	1,750,000
0	843,818	822,253
0	3,672	8,672
<u>0</u>	<u>2,372,634</u>	<u>2,818,863</u>
12,032	1,902,929	2,147,060
<u>59,687</u>	<u>(2,917,530)</u>	<u>(3,786,287)</u>
<u>71,719</u>	<u>(1,014,601)</u>	<u>(1,639,227)</u>
<u>71,719</u>	<u>\$1,358,033</u>	<u>\$1,179,636</u>

(continued)

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
All Capital Project Funds
Year Ended June 30, 1999
(With Comparative Totals for 1998)

	PERMANENT IMPROVEMENT FUND	BUILDING FUND	REPLACEMENT FUND
Revenues:			
Taxes	\$920,159	0	0
Earnings on investments	10,789	0	0
Intergovernmental	94,830	0	0
Miscellaneous revenue	15,319	0	69
Total revenues	<u>1,041,097</u>	<u>0</u>	<u>69</u>
Expenditures:			
Current			
Instruction	20,456	0	0
Support services			
Pupil	9,077	0	0
Fiscal	13,839	0	0
Operation and maintenance of plant	736,310	0	0
Pupil transportation	46,951	0	0
Central	17,881	0	0
Food service	22,950	0	0
Capital outlay	0	75,700	0
Total expenditures	<u>867,464</u>	<u>75,700</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>173,633</u>	<u>(75,700)</u>	<u>69</u>
Other financing sources (uses)			
Operating transfers in	0	406,913	0
Operating transfers out	0	0	0
Sale of assets	55,575	0	3,393
Total other financing sources (uses)	<u>55,575</u>	<u>406,913</u>	<u>3,393</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>229,208</u>	<u>331,213</u>	<u>3,462</u>
Fund balance (deficit), beginning of year	<u>179,996</u>	<u>(1,831,183)</u>	<u>984</u>
Fund balance (deficit), end of year	<u>\$409,204</u>	<u>(1,499,970)</u>	<u>4,446</u>

(continued)

SCHOOLNET PLUS FUND	1999 TOTALS	1998 TOTALS
0	\$920,159	\$971,810
0	10,789	1,179
1,031,206	1,126,036	93,463
0	15,388	106,617
<u>1,031,206</u>	<u>2,072,372</u>	<u>1,173,069</u>
 970,463	 990,919	 283,873
0	9,077	20,857
0	13,839	10,444
0	736,310	802,181
0	46,951	85,471
0	17,881	1,555
0	22,950	10,000
0	75,700	3,484
<u>970,463</u>	<u>1,913,627</u>	<u>1,217,865</u>
 60,743	 158,745	 (44,796)
0	406,913	350,000
0	0	(104,250)
0	58,968	1,597
<u>0</u>	<u>465,881</u>	<u>247,347</u>
 60,743	 624,626	 202,551
<u>10,976</u>	<u>(1,639,227)</u>	<u>(1,841,778)</u>
<u>71,719</u>	<u>(\$1,014,601)</u>	<u>(\$1,639,227)</u>

(continued)

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Budget (Non-GAAP Basis) and Actual -
 Permanent Improvement Fund
 Year Ended June 30, 1999

	Revised <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues:			
Taxes	\$940,562	921,949	(\$18,613)
Earnings on investments	17,204	10,789	(6,415)
Intergovernmental	241,784	94,830	(146,954)
Miscellaneous revenue	<u>10,225</u>	<u>70,894</u>	<u>60,669</u>
Total revenues	<u>1,209,775</u>	<u>1,098,462</u>	<u>(111,313)</u>
Expenditures:			
Current:			
Instruction	24,998	24,591	407
Support services:			
Pupil	27,732	27,732	0
Fiscal	13,839	13,839	0
Operation and maintenance of plant	1,164,273	1,095,962	68,311
Pupil transportation	91,951	91,951	0
Central	20,815	19,442	1,373
Community services	<u>22,950</u>	<u>22,950</u>	<u>0</u>
Total expenditures	<u>1,366,558</u>	<u>1,296,467</u>	<u>70,091</u>
Deficiency of revenue under expenditures	(156,783)	(198,005)	(41,222)
Fund deficit, beginning of year	(12,378)	(12,378)	0
Expenditures against prior year encumbrances	<u>169,162</u>	<u>169,162</u>	<u>0</u>
Fund balance (deficit), end of year	<u>\$1</u>	<u>(41,221)</u>	<u>(\$41,222)</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual -
Building Fund
Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Earnings on investments	\$ 0	0	\$ 0
Miscellaneous revenue	<u>0</u>	<u>0</u>	<u>0</u>
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current:			
Instruction	98,230	0	98,230
Community services	25	0	25
Extracurricular activities	<u>335,149</u>	<u>255,143</u>	<u>80,006</u>
Total expenditures	<u>433,404</u>	<u>255,143</u>	<u>178,261</u>
Deficiency of revenue Under expenditures	<u>(433,404)</u>	<u>(255,143)</u>	<u>178,261</u>
Other financing sources:			
Advances/transfers in	<u>335,143</u>	<u>156,913</u>	<u>(178,230)</u>
Total other financing sources	<u>335,143</u>	<u>156,913</u>	<u>(178,230)</u>
<i>Deficiency of revenues and other sources under expenditures and other uses</i>	(98,261)	(98,230)	31
Fund deficit, beginning of year	(161,186)	(161,186)	0
Expenditures against prior year encumbrances	<u>259,443</u>	<u>259,443</u>	<u>0</u>
Fund balance (deficit), end of year	<u><u>(\$ 4)</u></u>	<u><u>27</u></u>	<u><u>\$ 31</u></u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual -
Replacement Fund
Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Earnings on investments	\$ 0	0	\$ 0
Miscellaneous revenue	<u>3,434</u>	<u>3,462</u>	<u>28</u>
Total revenues	<u>3,434</u>	<u>3,462</u>	<u>28</u>
Expenditures:			
<i>Current</i>			
Support services			
Pupil transportation	<u>4,419</u>	<u>4,419</u>	<u>0</u>
Total Expenditures	<u>4,419</u>	<u>4,419</u>	<u>0</u>
Deficiency of revenue under expenditures	(985)	(957)	28
Fund balance, beginning of year	<u>39,512</u>	<u>39,512</u>	<u>0</u>
Fund balance, end of year	<u>\$38,527</u>	<u>38,555</u>	<u>\$28</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual -
 Schoolnet Plus Fund
 Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	<u>\$1,031,591</u>	<u>1,031,206</u>	<u>(\$385)</u>
Total revenues	<u>1,031,591</u>	<u>1,031,206</u>	<u>(385)</u>
 Expenditures:			
Current:			
Instruction	<u>1,062,958</u>	<u>1,002,886</u>	<u>60,072</u>
Total expenditures	<u>1,062,958</u>	<u>1,002,886</u>	<u>60,072</u>
Excess (deficiency) of revenue over (under) expenditures	(31,367)	28,320	59,687
Fund balance, beginning of year	6,407	6,407	0
Expenditures against prior year encumbrances	<u>24,960</u>	<u>24,960</u>	<u>0</u>
Fund balance, end of year	<u>\$ 0</u>	<u>59,687</u>	<u>\$59,687</u>

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MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

ENTERPRISE FUNDS

Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private sector businesses where the intent is that the expense (including depreciation) of providing goods or services primarily or solely to the general public be financed or recovered primarily through user charges. A description of the District's Enterprise Funds follows:

Food Service -- A fund used to record financial transactions related to food service operations.

Uniform School Supply -- A rotary fund provided 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 -- A fund provided to account for income and expenses made in connection with goods and services provided by a school district.

Adult Education Fund -- A fund provided to account for monies received and expended in connection with adult education classes.

Recreation Fund -- A fund provided to account for monies received and expended in connection with a Community Recreation Program.

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Combining Balance Sheet -
All Enterprise Funds
June 30, 1999
(With Comparative Totals for 1998)

	FOOD SERVICE	UNIFORM SUPPLY	ROTCARY	ADULT EDUCATION	RECREATION FUND	1999 TOTALS	1998 TOTALS
ASSETS							
Equity in pooled cash and investments	\$549,984	40,046	72,954	4,499	32,731	\$700,214	\$658,293
Accounts receivable	73,561	0	0	1,656	0	75,217	60,072
Due from other funds	0	0	0	0	0	0	21,483
Materials and supplies inventories	53,248	0	0	0	0	53,248	62,837
Fixed assets, net of accumulated depreciatio	170,181	0	0	0	4,334	174,515	140,772
Total assets	<u>\$846,974</u>	<u>40,046</u>	<u>72,954</u>	<u>6,155</u>	<u>37,065</u>	<u>\$1,003,194</u>	<u>\$948,457</u>
LIABILITIES							
Accounts payable	\$0	5,939	1,715	491	4,033	\$12,178	\$6,384
Accrued wages and benefits	88,513	0	0	3,543	0	92,056	120,846
Due to other funds	0	0	0	0	0	0	21,483
Due to other governments	32,482	0	0	0	604	33,086	52,244
Total liabilities	<u>120,995</u>	<u>5,939</u>	<u>1,715</u>	<u>4,034</u>	<u>4,637</u>	<u>137,320</u>	<u>200,957</u>
FUNDEQUITY							
Retained earnings - unreserved	<u>725,979</u>	<u>34,107</u>	<u>71,239</u>	<u>2,121</u>	<u>32,428</u>	<u>865,874</u>	<u>747,500</u>
Total fund equity	<u>725,979</u>	<u>34,107</u>	<u>71,239</u>	<u>2,121</u>	<u>32,428</u>	<u>865,874</u>	<u>747,500</u>
Total liabilities and fund equity	<u>\$846,974</u>	<u>40,046</u>	<u>72,954</u>	<u>6,155</u>	<u>37,065</u>	<u>\$1,003,194</u>	<u>\$948,457</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Combining Statement of Revenues, Expenses, and Changes in Retained Earnings -
 All Enterprise Funds
 Year Ended June 30, 1999
 (With Comparative Totals for 1998)

	FOOD SERVICE	UNIFORM SCHOOL SUPPLY	ROTARY	ADULT EDUCATION	RECREATION FUND	1999 TOTALS	1998 TOTALS
Operating revenues							
Tuition and fees	\$0	287,749	118,064	15,083	0	\$420,896	\$410,393
Sales	1,588,113	0	0	0	0	1,588,113	1,536,386
Charges for services	0	33,461	0	0	229,013	262,474	229,441
Total operating revenues	1,588,113	321,210	118,064	15,083	229,013	2,271,453	2,376,220
Operating expenses							
Salaries and wages	678,210	0	48,330	13,494	0	740,034	730,208
Fringe benefits	306,096	0	7,786	2,037	0	315,919	369,769
Contractual services	18,789	0	5,111	8,161	213,264	245,325	246,976
Materials and supplies	867,973	397,467	4,268	6,049	3,361	1,279,138	1,202,044
Other expenses	18	2,040	17,303	0	0	19,361	20,825
Depreciation	25,397	0	0	0	549	25,946	19,362
Total operating expenses	1,896,483	399,527	82,798	29,741	217,174	2,625,723	2,589,184
Operating gain (loss)	(308,370)	(78,317)	35,266	(14,658)	11,839	(354,240)	(412,964)
Non-operating revenues							
Grant revenue	411,733	0	0	0	0	411,733	284,038
Interest	24,012	0	0	0	0	24,012	25,459
Total non-operating revenues	435,745	0	0	0	0	435,745	309,497
Net gain (loss) before operating transfers	127,375	(78,317)	35,266	(14,658)	11,839	81,505	(103,467)
Operating transfer-in	0	0	0	36,669	0	36,669	100,000
Net income (loss)	127,375	(78,317)	35,266	22,211	11,839	118,374	(3,467)
Retained earnings (deficit) beginning of year	598,604	112,424	35,973	(20,090)	20,589	747,500	750,957
Retained earnings end of year	\$725,979	\$4,107	71,239	2,121	32,428	\$865,874	\$747,500

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS -
 All Enterprise Funds
 For The Year Ended June 30, 1999
 (With Comparative Totals For 1998)

	<u>FOOD SERVICE</u>	<u>UNIFORM SUPPLY</u>	<u>ROTARY</u>	<u>ADULT EDUCATION</u>	<u>RECREATION FUND</u>	<u>1999 TOTALS</u>	<u>1998 TOTALS</u>
Cash flows from operating activities:							
Operating gain (loss)	(\$308,370)	(78,317)	35,266	(14,658)	11,839	(\$354,240)	(\$412,964)
Adjustments to reconcile operating gain (loss) to net cash provided by (used in) operating activities:							
Depreciation	25,397	0	0	0	549	25,946	19,362
(Increase) decrease in:							
Accounts receivable	(9,882)	0	0	(263)	0	(10,145)	(29,657)
Due from other funds	21,483	0	0	0	0	21,483	(21,483)
Materials and supplies inventory	9,589	0	0	0	0	9,589	8,647
Increase (decrease) in:							
Accounts payable	(5,778)	5,918	1,130	491	4,033	5,794	(9,536)
Accrued wages and benefits	(32,333)	0	0	3,543	0	(28,790)	46,301
Due to other governments	(19,708)	0	0	0	548	(19,158)	40,393
Due to other funds	0	0	0	(21,483)	0	(21,483)	21,483
Total adjustments	(11,230)	5,918	1,130	(17,712)	5,130	(16,764)	75,510
Net cash provided by (used in) operating activities	(319,600)	(72,399)	36,396	(32,370)	16,969	(371,004)	(337,454)
Cash flows from noncapital financing activities:							
Operating grants received	411,733	0	0	0	0	411,733	284,038
Operating transfers - in	0	0	0	36,869	0	36,869	100,000
Net cash provided by noncapital financing activities	411,733	0	0	36,869	0	448,602	384,038
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	(58,190)	0	0	0	(1,499)	(59,689)	(74,068)
Cash flows from investing activities:							
Interest received	24,012	0	0	0	0	24,012	25,459
Net increase (decrease) in cash and cash equivalents	57,955	(72,399)	36,396	4,499	15,470	41,921	(2,025)
Cash and cash equivalents at beginning of year	492,029	112,445	36,558	0	17,261	658,293	660,318
Cash and cash equivalents at end of year	\$549,984	40,046	72,954	4,499	32,731	\$700,214	\$658,293

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

INTERNAL SERVICE FUND

The Internal Service Fund is used to account for the financing of services provided by one department to other departments of the government or to other Districts on a cost reimbursement basis. A description of the District's Internal Service Fund follows:

Special Rotary Fund -- A fund provided to carry out a cycle of operations. The fund has been established for the Elementary Camp Program, We Care Program, Special Education Program involving excess cost billings to participating districts and, also, as of July 1, 1982, we have been required to use this fund for certain monies previously handled under student activity accounts.

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Comparative Balance Sheet -
 Internal Service Fund
 June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
Accounts receivable	\$123,680	\$26,749
Due from other funds	1,001,073	1,001,073
Due from other governments	1,258,677	1,390,848
Fixed assets net of accumulated depreciation	111,212	118,122
Total assets	<u><u>\$2,494,642</u></u>	<u><u>\$2,536,792</u></u>
LIABILITIES		
Accounts payable	\$23,368	\$4,872
Accrued wages and benefits	242,708	309,725
Pension obligation payable	4,979	8,403
Due to other governments	7,271	1,393,444
Due to other funds	<u>957,412</u>	<u>1,302,342</u>
Total liabilities	<u><u>1,235,738</u></u>	<u><u>3,018,786</u></u>
FUND EQUITY		
Retained earnings (deficit)	<u>1,258,904</u>	<u>(481,994)</u>
Total fund equity (deficit)	<u><u>1,258,904</u></u>	<u><u>(481,994)</u></u>
Total liabilities and fund equity	<u><u>\$2,494,642</u></u>	<u><u>\$2,536,792</u></u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Comparative Statements of Revenues, Expenses and Changes
 in Retained Earnings -
 Internal Service Fund
 For the years ended June 30, 1999 and 1998

	1999	1998
Operating revenues		
Tuition and fees	\$2,539,061	\$2,041,492
Sales	338,234	271,934
Charges for services	644,388	589,760
Total operating revenues	3,521,683	2,903,186
Operating expenses		
Salaries and wages	1,664,034	1,751,097
Fringe benefits	493,980	568,536
Contractual services	224,044	1,193,159
Materials and supplies	135,867	128,984
Other expenses	351,997	290,484
Depreciation	19,365	17,080
Total operating expenses	2,889,287	3,949,340
Operating gain (loss)	632,396	(1,046,154)
Non-operating revenues		
Grant revenue	72,377	98,739
Subsidy for Lake County	0	47,907
Earnings on investments	432	1,335
Total non-operating revenues	72,809	147,981
Net gain (loss) before operating transfers	705,205	(898,173)
Operating transfers in	1,035,693	1,049,690
Net income (loss)	1,740,898	151,517
Retained earnings (deficit) beginning of year	(481,994)	(633,511)
Retained earnings, (deficit) end of year	\$1,258,904	(\$481,994)

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Comparative Statement of Cash Flows -
 Internal Service Fund
 For The Year Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Cash flows from operating activities:		
Operating gain (loss)	\$632,396	(\$1,046,154)
Adjustments to reconcile operating gain (loss) to net cash used in operating activities:		
Depreciation	19,365	17,080
(Increase) decrease in:		
Accounts receivable	(96,931)	(19,151)
Due from other governments	132,171	504,979
Increase (decrease) in:		
Accounts payable	18,496	(23,371)
Accrued wages and benefits	(67,017)	(37,145)
Pension obligation payable	(3,424)	874
Due to other governments	(1,386,173)	(509,770)
Due to other funds	(344,930)	(51,759)
Total adjustments	(1,728,443)	(118,263)
Net cash used in operating activities	(1,096,047)	(1,164,417)
 Cash flows from noncapital financing activities:		
Operating grants received	72,377	98,739
Subsidy from Lake County	0	47,907
Operating transfers-in	1,035,693	1,049,690
Net cash provided by noncapital financing activities	1,108,070	1,196,336
 Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(12,455)	(33,254)
 Cash flows from investing activities:		
Interest received	432	1,335
Net decrease in cash and cash equivalents	0	0
Cash and cash equivalents at beginning of year	0	0
Cash and cash equivalents at end of year	\$0	\$0

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets when a governmental unit is functioning either as a trustee or an agent for another party. Because the governmental unit is functioning in a fiduciary capacity, the authority to employ, dispose of, or otherwise use the assets is determined not by a legislative body or oversight board but by the public laws and private agreements that created the trustee or agency relationship.

Expendable Trust Fund

Special Trust Funds -- This fund is used to account for money and property held in trust by a school system for individuals, government entities, or non-public organizations.

Agency Funds

Student Activity Funds -- Those student activity programs which have student participation in the activity and have students involved in the management of the programs.

Employee Benefits Funds -- A fund provided to account for monies received from Employee Benefits self-insurance funds of school districts forming an insurance pool for Employee Benefits.

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Combining Balance Sheet -
 All Expendable Trust and Agency Funds
 June 30, 1999
 (With Comparative Totals for 1998)

	<u>AGENCY FUNDS</u>			1999 TOTALS	1998 TOTALS
	SPECIAL TRUST FUNDS	STUDENT ACTIVITY FUNDS	EMPLOYEE BENEFITS		
ASSETS					
Equity in pooled cash and investments	\$183,167	379,691	3,735,433	\$4,298,291	\$3,484,738
Total assets	<u>\$183,167</u>	<u>379,691</u>	<u>3,735,433</u>	<u>\$4,298,291</u>	<u>\$3,484,738</u>
LIABILITIES					
Accounts payable	\$13,039	17,366	16,055	\$46,460	\$4,347
Due to other governments	0	525	1,710,998	1,711,523	1,286,891
Due to other funds	0	0	1,157,779	1,157,779	884,399
Due to students	0	361,800	0	361,800	308,069
Claims payable	0	0	850,601	850,601	808,081
Total liabilities	<u>13,039</u>	<u>379,691</u>	<u>3,735,433</u>	<u>4,128,163</u>	<u>3,291,787</u>
FUND EQUITY					
Fund balances					
Reserved for encumbrances	46,026	0	0	46,026	20,440
Unreserved - undesignated	124,102	0	0	124,102	172,511
Total fund balances	<u>170,128</u>	<u>0</u>	<u>0</u>	<u>170,128</u>	<u>192,951</u>
Total liabilities and fund balances	<u>\$183,167</u>	<u>379,691</u>	<u>3,735,433</u>	<u>\$4,298,291</u>	<u>\$3,484,738</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Comparative Statements of Revenues, Expenditures and
Changes in Fund Balances -
Expendable Trust Fund
For the fiscal years ended June 30, 1999 and 1998

	1999	1998
Revenues		
Earnings on investments	\$82	\$760
Sales	103,067	101,808
Extracurricular activities	30,492	15,255
Contributions	160,925	145,705
	294,566	263,528
Expenditures		
Current		
Instruction	132,705	64,034
Support services		
Pupil	5,155	12,206
Instructional staff	13,881	3,468
Board of education	0	853
Administration	3,630	3,902
Central	70,529	48,314
Food service operation	76,603	74,010
Community services	0	1,000
Extracurricular activities	14,886	16,466
	317,389	224,253
Excess (deficiency) of revenues over (under) expenditures	(22,823)	39,275
Fund balance, beginning of year	192,951	153,676
Fund balance, end of year	\$170,128	\$192,951

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Combining Statement of Changes in Assets and Liabilities -
Agency Fund
For The Year Ended June 30, 1999

	Beginning Balance 7/1/98	Additions	Deletions	Ending Balance 6/30/99
STUDENT ACTIVITY FUNDS				
ASSETS				
Equity in pooled cash and investments	\$312,639	872,987	805,935	\$379,691
Total assets	\$312,639	872,987	805,935	\$379,691
LIABILITIES				
Accounts payable	\$3,615	17,366	3,615	\$17,366
Due to other governments	955	525	955	525
Due to students	308,069	855,096	801,365	361,800
Total liabilities	\$312,639	872,987	805,935	\$379,691
EMPLOYEE BENEFITS FUNDS				
ASSETS				
Equity in pooled cash and investments	\$2,978,334	12,647,755	11,890,656	\$3,735,433
Total assets	\$2,978,334	12,647,755	11,890,656	\$3,735,433
LIABILITIES				
Accounts payable	\$0	16,055	0	\$16,055
Due to other governments	1,285,854	1,710,998	1,285,854	1,710,998
Due to other funds	884,399	1,157,779	884,399	1,157,779
Claims payable	808,081	9,762,923	9,720,403	850,601
Total liabilities	\$2,978,334	12,647,755	11,890,656	\$3,735,433
ALL AGENCY FUNDS				
ASSETS				
Equity in pooled cash and investments	\$3,290,973	13,520,742	12,696,591	\$4,115,124 0
Total assets	\$3,290,973	13,520,742	12,696,591	\$4,115,124
LIABILITIES				
Accounts payable	3,615	33,421	3,615	33,421
Due to students	308,069	855,096	801,365	361,800
Due to other governments	1,286,809	1,711,523	1,286,809	1,711,523
Due to other funds	884,399	1,157,779	884,399	1,157,779
Claims payable	808,081	9,762,923	9,720,403	850,601
Total liabilities	\$3,290,973	13,520,742	12,696,591	\$4,115,124

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

GENERAL FIXED ASSETS ACCOUNT GROUP

This group of accounts is used to account for all sites, buildings, equipment and vehicles not used in the operations of the Proprietary Funds.

**MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 SCHEDULE OF GENERAL FIXED ASSETS
 BY FUNCTION AND TYPE
 JUNE 30, 1999**

<u>Function</u>	<u>Land and Improvements</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Furniture and Equipment</u>	<u>Total</u>
Instruction	\$725,721	29,222,278	0	11,542,789	\$41,490,788
Support Services:					
Administration	0	471,425	0	1,648,434	2,119,859
Operations and maintenance of plant services	0	882,333	0	482,257	1,364,590
Pupil transportation	0	1,106,212	4,094,476	475,990	5,676,678
Extracurricular activities	0	1,592,408	0	51,734	1,644,142
 Total general fixed assets	 <u>\$725,721</u>	 <u>33,274,656</u>	 <u>4,094,476</u>	 <u>14,201,204</u>	 <u>\$52,296,057</u>

**MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION
FOR THE YEAR ENDED
JUNE 30,1999**

<u>Function</u>	<u>General Fixed Assets June 30, 1998</u>	<u>Increases</u>	<u>Decreases</u>	<u>General Fixed Assets June 30, 1999</u>
Instruction	\$40,296,671	1,255,956	61,839	\$41,490,788
Support Services:				
Administration	2,056,429	63,430	0	2,119,859
Operations and maintenance of plant services	892,439	472,151	0	1,364,590
Pupil transportation	5,298,190	378,488	0	5,676,678
Extracurricular activities	1,644,142	0	0	1,644,142
 Total general fixed assets	 <u>\$50,187,871</u>	 <u>2,170,025</u>	 <u>61,839</u>	 <u>\$52,296,057</u>

**MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
SCHEDULE OF CHANGES IN GENERAL
FIXED ASSETS BY SOURCE
JUNE 30,1999**

General fixed assets	
Land and improvements	\$ 725,721
Buildings	33,274,656
Vehicles	4,094,476
Furniture and equipment	<u>14,201,204</u>
Total general fixed assets	<u>\$ 52,296,057</u>
Investments in general fixed assets from acquisitions during 1998-99	
General Fund	\$ 865,637
Capital Projects Funds	1,168,121
Special Revenue Funds	62,440
Expendable Trust Funds	<u>73,827</u>
	 2,170,025
Aquisitions prior to June 30, 1998	50,187,871
Less: removals 1998-99	<u>61,839</u>
Total investment in general fixed assets	<u>\$ 52,296,057</u>

STATISTICAL
SECTION

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
General Fund - Expenditures and Other Uses -
Last Ten Years (1)
(Unaudited)

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Expenditures										
Instructional Staff	\$ 48,814,844	\$ 44,379,280	\$ 42,461,201	\$ 39,730,709	\$ 40,127,479	\$ 37,298,342	\$ 35,045,654	\$ 36,134,601	\$ 33,355,407	\$ 30,507,541
Board of Education Services	452,184	443,515	502,075	477,207	469,059	449,744	450,975	468,773	436,659	263,863
Administration Services	4,286,549	3,987,373	3,810,039	3,133,821	3,753,592	3,595,948	3,321,249	3,128,912	3,148,265	3,028,884
Fiscal Services	1,540,288	1,321,966	1,117,029	1,126,747	1,060,877	1,123,693	948,008	1,109,226	1,040,876	990,985
Business Services	496,820	464,579	461,529	496,366	616,370	530,293	520,844	392,389	376,141	356,380
Operation & Maintenance	6,397,565	6,471,654	5,690,774	5,576,331	5,754,487	5,744,015	5,290,001	5,182,327	4,968,909	4,503,567
Pupil Transportation	4,009,118	3,450,259	3,118,878	3,042,895	3,398,781	2,907,777	2,566,657	3,044,327	2,596,875	2,455,410
Central Support Services	683,873	865,854	485,377	410,890	472,296	408,974	310,236	453,505	480,459	436,486
Food Services	0	0	0	0	0	0	0	0	0	0
Community Services	70,978	66,874	74,449	61,682	56,788	55,670	10,727	8,718	8,408	8,410
Extracurricular Activities	1,020,920	924,638	866,678	854,019	809,438	766,229	701,848	681,290	630,206	576,307
Capital Outlay	382,235	780,865	0	0	0	0	0	0	0	0
Non-Program Services	68,933	84,764	101,814	187,918	104,031	0	0	0	0	126
Facilities Acquisition	0	0	0	0	0	0	0	0	11,181	8,929
Transfers	1,549,475	1,475,738	1,469,290	1,212,210	1,077,207	4,476,305	613,713	425,922	122,518	527,373
Advances	0	0	0	0	0	0	0	0	0	236,500
Total Expenditures	\$ 59,753,580	\$ 64,717,159	\$ 60,129,133	\$ 56,309,905	\$ 57,700,355	\$ 57,358,990	\$ 49,779,813	\$ 51,027,890	\$ 47,175,902	\$ 43,901,751

SOURCE: School District Financial Records
(1) 1999, 1998, 1997, 1996, 1995, 1994, 1993, 1992 and 1991 on GAAP basis, all other years cash basis

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 General Fund - Revenues by Source -
 Last Ten Years (1)
 (Unaudited)

	Year Ended June 30									
	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980
Taxes	\$46,881,050	\$46,071,361	\$41,147,629	\$37,356,211	\$38,288,012	\$35,812,618	\$32,178,444	\$30,127,019	\$28,645,292	\$27,155,854
Tuition and fees	163,254	194,011	190,352	190,745	44,966	125,717	800,271	890,271	825,430	611,119
Interest	562,731	408,005	247,071	231,226	206,453	154,549	137,264	137,395	270,595	461,788
Intergovernmental	21,390,073	20,330,654	18,699,863	19,160,209	18,787,128	17,694,705	16,999,131	16,066,264	16,349,584	14,923,402
Sale of notes	0	0	0	0	0	0	0	0	0	0
Miscellaneous revenue from local sources	504,318	801,218	308,016	438,084	269,826	407,034	682,745	99,778	389,764	908,712
Sale of Assets	10,163	15,664	14,038	8,984	0	0	0	0	0	0
Other financing sources	0	0	0	0	0	11,413	7,566	38,086	114,046	187,037
TOTAL	\$69,511,569	\$67,820,913	\$60,606,369	\$57,385,449	\$57,599,385	\$54,208,036	\$50,785,421	\$47,360,813	\$48,394,651	\$44,257,812

SOURCE: School District Financial Records
 (1) 1989, 1988, 1987, 1986, 1985, 1984, 1983, 1982 and 1981 GAAP basis, all other years cash basis

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Property Tax Levies and Collections
Real and Public Utility Taxes (1)
Last Ten Calendar Years
(Unaudited)

Collection Year	Current Tax		Percent Collected	Delinquent Tax		Delinquent Tax As A Percent Of Collected
	Levy (2)	Collections		Tax Collections (3)		
1998	\$ 49,280,143.00	\$ 48,117,168.00	97.64	\$ 713,885.00	1.52	
1997	48,182,502.00	47,087,957.00	97.73	812,475.00	1.73	
1996	41,817,576.00	41,035,082.00	98.13	1,114,221.00	2.72	
1995	36,418,241.00	35,525,994.00	97.55	892,247.00	2.52	
1994	34,816,674.00	33,859,457.00	97.26	957,217.00	2.83	
1993	32,217,145.00	30,516,014.00	94.72	1,894,365.00	6.21	
1992	31,992,656.00	31,613,349.00	98.81	735,433.00	2.33	
1991	25,738,767.00	24,094,060.00	93.61	897,171.00	3.72	
1990	24,705,101.00	23,425,377.00	94.82	685,445.00	2.93	
1989	23,713,273.00	22,368,730.00	94.33	732,206.00	3.27	

SOURCE: Lake County Auditor - Data is presented on a calendar year basis, consistent with the County Auditor's method of maintaining the information.

- (1) Excludes Homestead/Rollback Taxes assessed locally but distributed through the State and reported as intergovernmental revenues.
- (2) 1992 increase due to the passage of a 4.9 mill operating levy
- 1993 increase the result of collection efforts by the County Treasurer
- 1996 increase due to growth in the tax duplicate
- 1997 increase due to passage of 4.5 mill operating levy

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Assessed and Estimated Actual Value of Taxable Property -
Last Ten Calendar Years
(Unaudited)

Tax Year/ Collection Year	Agricultural & Residential Real Estate	Other Real Estate	Public Utility Personal	Tangible Personal	Total Assessed Valuation	Estimated Actual Value	Ratio
1998 / 1999	\$921,590,470	\$288,149,770	\$57,296,770	\$156,299,500	\$1,421,336,510	\$4,133,196,170	34.99
1997 / 1998	908,504,040	271,254,030	55,926,310	151,200,048	1,386,884,428	4,005,621,308	34.62
1996 / 1997	767,359,710	250,903,590	57,392,890	144,752,054	1,220,408,244	3,505,661,780	34.81
1995 / 1996	753,671,650	236,676,120	57,895,210	127,189,351	1,175,432,331	3,396,274,262	34.61
1994 / 1995	736,052,460	221,889,530	60,700,710	115,665,542	1,134,308,242	3,260,394,732	34.79
1993 / 1994	641,916,770	205,011,690	59,894,180	105,566,298	1,012,388,938	2,904,215,241	34.86
1992 / 1993	623,045,220	202,259,250	59,894,180	104,610,936	989,809,586	2,837,058,099	34.89
1991 / 1992	603,878,710	202,243,530	59,002,850	106,670,224	971,796,314	2,779,263,422	35.04
1990 / 1991	526,320,140	189,704,060	54,451,130	101,680,015	872,155,345	2,463,418,385	35.40
1989 / 1990	505,373,680	178,341,890	53,614,850	85,437,063	822,767,483	2,301,737,539	35.75

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

Real Property - Assessed value represents 35.0% 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 appraised at 35% of true value.

Public Utility - Personal - Assessed value represents 100% of true value.

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Property Tax Rates - All Overlapping Governments
(per \$1,000 Assessed Valuation)
Last Ten Calendar Years
(Unaudited)

Tax Year/ Collection Year	Concord Township	City of Mentor	City of Willoughby	Mentor-on the-Lake	Village Of Kirtland Hills	Chardon Township	School	Debt Service Included in Total Levy			
								Lake County	Geauga County	Total	
1998/1999	Municipality/Township	4.50	7.19	24.00	23.00	7.70					
	School	67.21	67.21	67.21	67.21	67.21					
	Library District	.63	.63	.63	.63	.63					
	County TOTAL	15.60	15.60	107.44	15.60	85.04	1.51	0	0	1.51	
1997/1998	Municipality/Township	6.00	6.29	24.00	23.00	7.70					
	School	67.21	67.21	67.21	67.21	67.21					
	Library District	.50	.50	.50	.50	.50					
	County TOTAL	14.10	14.10	105.81	14.10	84.91	1.51	0	0	1.51	
1996/1997	Municipality/Township	6.05	6.55	24.00	23.00	7.70					
	School	67.45	67.45	67.45	67.45	67.45					
	Library District	.50	.50	.50	.50	.50					
	County TOTAL	14.00	14.00	105.95	14.00	86.35	1.75	0	0	1.75	
1995/1996	Municipality/Township	6.05	6.55	19.50	23.00	7.70					
	School	62.95	62.95	62.95	62.95	62.95					
	Library District	.50	.50	.50	.50	.50					
	County TOTAL	14.00	14.00	96.95	14.00	80.85	1.75	0	.30	2.05	
1994/1995	Municipality/Township	6.10	6.55	19.50	23.00	7.70					
	School	62.95	62.95	62.95	62.95	62.95					
	Library District	.50	.50	.50	.50	.50					
	County TOTAL	14.00	14.00	96.95	14.00	80.85	1.75	0	.30	2.05	
1993/1994	Municipality/Township	6.15	6.55	19.50	23.00	7.70					
	School	63.24	63.24	63.24	63.24	63.24					
	Library District	.50	.50	.50	.50	.50					
	County TOTAL	13.90	13.90	97.14	13.90	80.14	2.04	0	.30	2.34	
1992/1993	Municipality/Township	6.10	6.55	19.50	23.00	7.70					
	School	63.24	63.24	63.24	63.24	63.24					
	Library District	.50	.50	.50	.50	.50					
	County TOTAL	13.90	13.90	97.14	13.90	80.14	2.04	0	.30	2.34	
1991/1992	Municipality/Township	6.40	6.55	19.60	23.00	7.70					
	School	58.81	58.81	58.81	58.81	58.81					
	Library District	.50	.50	.50	.50	.50					
	County TOTAL	12.70	12.70	91.61	12.70	75.86	2.51	0	.55	3.06	
1990/1991	Municipality/Township	6.40	6.55	19.70	13.00	7.70					
	School	57.98	57.98	57.98	57.98	57.98					
	Library District	.50	.50	.50	.50	.50					
	County TOTAL	12.70	12.70	90.88	12.70	76.95	1.69	0	.45	2.14	
1989/1990	Municipality/Township	6.40	6.55	19.75	13.00	7.70					
	School	57.98	57.98	57.98	57.98	57.98					
	Library District	.50	.50	.50	.50	.50					
	County TOTAL	12.70	12.70	90.84	12.70	73.95	1.69	0	.45	2.14	

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
Ratio of Net General Bonded Debt to Assessed Value
and Net Bonded Debt Per Capita
 Last Ten Years
 (Unaudited)

Year	Gross General Bonded Debt	Less Debt Service Fund	Net General Bonded Debt	Assessed Value	Population (1)	Ratio of Net Debt to Assessed Value	Net Debt Per Capita
1999	\$14,175,851	\$874,683	\$13,301,168	\$1,421,336,510	58,026	0.94%	\$229
1998	14,659,687	619,696	14,039,991	1,386,884,428	61,080	1.01%	230
1997	15,679,687	213,226	15,466,461	1,220,408,244	61,282	1.27%	252
1996	16,664,687	5,529	16,659,158	1,175,432,331	61,989	1.42%	269
1995	18,224,687	364,351	17,860,336	1,134,308,242	61,834	1.58%	289
1994	19,694,687	822,526	18,872,161	1,013,923,268	61,131	1.87%	309
1993	20,734,687	850,783	19,883,904	989,809,586	60,003	2.00%	331
1992	21,610,000	679,080	20,930,920	971,796,314	59,145	2.15%	354
1991	13,265,000	265,387	12,999,613	872,155,345	57,832	1.49%	225
1990	13,500,000	98,735	13,401,265	822,767,483	56,654	1.63%	237

(1) SOURCE: Ohio Department of Taxation

1991 Estimated Population Increased by 2.18% which reflects same increase as student enrollment growth for the 1990/91 school year.
 1992 Estimated Population Increased by 2.17% which reflects same increase as student enrollment growth for the 1991/92 school year.
 1993 Estimated Population Increased by 1.45% which reflects same increase as student enrollment growth for the 1992/93 school year.
 1994 Estimated Population Increased by 1.88% which reflects same increase as student enrollment growth for the 1993/94 school year.
 1995 Estimated Population Increased by 1.14% which reflects same increase as student enrollment growth for the 1994/95 school year.
 1996 Estimated Population Increased by .25% which reflects same increase as student enrollment growth for the 1995/96 school year.
 1997 Estimated Population Decreased by 1.14% which reflects same decrease as student enrollment growth for the 1996/97 school year.
 1998 Estimated Population Decreased by .33% which reflects same decrease as student enrollment growth for the 1997/98 school year.
 1999 Estimated Population Decreased by 5.00% which reflects same decrease as student enrollment growth for the 1998/99 school year.

**MENTOR EXEMPTED VILLAGE
SCHOOL DISTRICT**

**Computation of Legal Debt Margin
For the Year Ended June 30, 1999
(Unaudited)**

Assessed Valuation		<u>\$1,421,336,510</u>
Overall Direct Debt Limitation:		
Direct debt limitation		
9% of assessed valuation		\$127,920,286
Gross indebtedness (all bonds and tax anticipation notes outstanding)	\$14,175,851	
Less debt exempt from limitation	<u>0</u>	
Debt subject to 9% limitation		<u>(14,175,851)</u>
Legal debt margin within 9% limitation		<u>\$113,744,435</u>
Unvoted Direct Debt Limitation:		
Unvoted debt limitation		
0.1% of assessed valuation		\$1,421,337
Amount available in Debt Service Fund related to unvoted debt	\$0	
Gross indebtedness authorized by the Board Less: debt exempt from limitation	<u>0</u>	
Debt subject to 0.1% limitation		<u>0</u>
Legal debt margin within 0.1% limitation		<u>\$1,421,337</u>
Energy Conservation Measure Limitation		
Unvoted debt limitation		
0.9% of assessed valuation		\$12,792,029
Amount available in Debt Service Fund related to unvoted debt	\$1,500,000	
Gross indebtedness authorized by the Board Less: debt exempt from limitation	<u>0</u>	
Debt subject to 0.9% limitation		<u>1,500,000</u>
Legal debt margin within 0.9% limitation		<u>\$11,292,029</u>

SOURCE: Lake County Auditor

Ohio Bond Law established a limit of 9% for voted debt;
1/10th of 1% for unvoted debt; and,
9/10th of 1% for energy conservation measure debt.

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

**Computation of Direct and Overlapping Debt -
General Obligation
As of December 31, 1998
(Unaudited)**

<u>Jurisdiction</u>	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable To School District (1)</u>	<u>Amount Applicable To School District</u>
Mentor Exempted Village S.D.	\$ 15,925,851	100.00	\$ 15,925,851
City of Mentor	23,555,672	82.30	19,386,318
City of Mentor-on-the-Lake	1,225,000	7.08	86,730
City of Willoughby	8,000,000	.13	10,400
Lake County	11,795,000	25.74	3,036,033
Geauga County	<u>3,407,513</u>	.10	<u>3,408</u>
Total	<u>\$ 63,909,036</u>		<u>\$ 38,448,740</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.

(1) Percentages were determined by dividing the assessed valuation of the political subdivision by the total assessed valuation, which includes all overlapping valuation. The valuations used were for the 1999 collection year.

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

Ratio of Annual Debt Service Expenditures for
General Bonded Debt to Total General Fund Expenditures -
Last Ten Years
(Unaudited)

Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures (Percentage)
1999 (1)	\$ 2,233,836	\$ 1,417,137	\$ 3,650,975	\$ 69,753,580	5.23
1998	3,020,000	799,315	3,819,315	64,717,159	5.90
1997	3,785,000	945,603	4,730,603	60,129,133	7.87
1996	4,860,000	1,079,759	5,939,759	56,309,905	10.55
1995	4,570,000	1,081,174	5,651,174	57,700,365	9.79
1994	6,290,000	1,124,526	7,414,526	57,358,990	12.93
1993	1,250,000	1,312,881	2,562,881	49,779,913	5.15
1992	605,000	1,339,473	1,944,473	51,027,990	3.81
1991	235,000	1,019,478	1,254,478	47,053,386	2.67
1990	1,078,488	1,027,586	2,106,069	43,901,751	4.80

SOURCE: School District financial records

(1) 1999, 1998, 1997, 1996, 1995 payments include bonds and notes

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Property Value, Construction and Bank Deposits -
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Number of Commercial Units	Construction Value (a)	Number of Residential Units (a)	Construction Value (a)	Lake County Bank Deposits (b)	Tax Valuation		Commercial Other (c)	Total Assets
						Agriculture (c)	Residential		
1998/99	12	\$15,078,600	139	\$26,694,085	\$58,904,596,000	\$921,590,470		\$499,748,040	\$1,421,336,510
1997/98	12	10,169,455	166	31,586,070	53,941,971,000	908,504,040		478,380,388	1,386,884,428
1996/97	13	6,005,000	190	33,557,135	27,068,211,000	767,359,710		453,048,534	1,220,408,244
1995/96	12	5,131,000	169	26,788,600	22,458,573,000	753,671,650		421,760,881	1,175,432,331
1994/95	15	6,885,000	219	34,699,230	20,885,453,000	736,052,460		398,255,782	1,134,308,242
1993/94	14	14,295,000	226	31,031,135	21,009,421,000	641,916,770		372,006,498	1,013,923,268
1992/93	9	6,290,000	216	28,774,300	19,379,280,000	623,045,220		366,764,366	989,809,586
1991/92	8	2,084,000	281	32,669,055	18,392,243,000	603,879,710		367,916,604	971,796,314
1990/91	9	5,081,978	288	33,147,195	19,188,641,000	526,320,140		345,835,205	872,155,345
1989/90	14	6,678,000	424	45,992,324	18,850,225,000	505,373,680		317,393,803	822,767,483

SOURCE:

- (a) Mentor City Building Department
- (b) Federal Reserve Bank of Cleveland (total demand, time and savings deposits) for Lake County, Ohio Banks at December 31
- (c) Lake County Auditor

**MENTOR EXEMPTED VILLAGE
SCHOOL DISTRICT**

**Principal Property Taxpayers -
Real Estate Tax
December 31, 1998
(Unaudited)**

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation (1)</u>	<u>Percent of total Assessed Value (2)</u>
DeBartolo Realty Partnership	Shopping Center	\$ 18,203,360	1.51
Fashion Square Assoc	Developer	5,037,240	.42
Lake Hospital Systems, Inc.	Medical	4,085,400	.34
Euclid Clinic Foundation	Medical	3,611,960	.30
Michael E. Osborne	Real Estate Developer	3,406,390	.28
Deepwood North Co.	Condominiums	3,233,370	.27
Creekside Commons Ltd.	Retail Sales	3,116,260	.26
Mentor Commons Limited	Retail Sales	2,962,810	.25
Brown, James A.	Automobile Dealership	2,929,370	.24
Lincoln Electric Co.	Welding Equipment	<u>2,893,160</u>	<u>.24</u>
TOTAL		<u>\$ 49,479,320</u>	<u>4.11</u>

SOURCE: Lake County Auditor

(1) Assessed values are for the 1998 collection year.

(2) Total Assessed Real Estate Valuation is \$1,207,740,240

**MENTOR EXEMPTED VILLAGE
SCHOOL DISTRICT**

**Principal Property Taxpayers -
Tangible Personal Property Tax
December 31, 1998
(Unaudited)**

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation (1)</u>	<u>Percent of total Assessed Value (2)</u>
Lincoln Electric Company	Welding Equipment	\$ 7,358,490	4.71
Avery Dennison Corp.	Adhesive Labels	5,517,380	3.53
Buckeye Steel Castings Co.	Steel Fabricator	4,903,780	3.14
Jim Brown Chevrolet Inc.	Automobile Dealership	3,692,900	2.36
Higbee Co.	Retail Department Store	3,528,020	2.26
Polychem Corp.	Plastic Strapping	3,243,220	2.08
Nupro Company	Manufacturing	3,222,550	2.06
Eye Lighting	Manufacturing	2,479,240	1.59
Wiseco Piston Company	High Performance Piston	2,395,210	1.53
Minnesota Mining & Mfg	Mining Equipment	<u>2,374,490</u>	<u>1.52</u>
TOTAL		<u>\$38,715,280</u>	<u>24.78</u>

SOURCE: Lake County Auditor

- (1) Assessed values are for the 1998 collection year.
- (2) Total assessed personal property valuation is \$156,299,500

**MENTOR EXEMPTED VILLAGE
SCHOOL DISTRICT**

**Principal Property Taxpayers -
Public Utility Tax
December 31, 1998
(Unaudited)**

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation (3)</u>	<u>Percentage of Valuation</u>
Cleveland Electric Illuminating Co. (1)	Electricity	\$ 28,579,860	2.01
Consumer Ohio Water	Water	14,656,120	1.03
Ohio Bell Telephone Co. (2)	Telephone	13,129,720	.92
East Ohio Gas Company	Natural Gas	<u>3,437,730</u>	<u>.24</u>
Total		<u>\$ 59,803,430</u>	<u>4.20</u>

- (1) Subsidiary of Centerior Energy Corporation
- (2) Subsidiary of Ameritech
- (3) Total Assessed Valuation is \$1,421,336,510

**MENTOR EXEMPTED VILLAGE
SCHOOL DISTRICT**

**Enrollment Statistics
Last Ten Years
(Unaudited)**

<u>Year (1)</u>	<u>General Fund Expenditures</u>	<u>Average Daily Membership (2)</u>	<u>Per Pupil Cost (3)</u>
Fiscal 1999	\$ 69,753,580	10,466	\$ 6,665
Fiscal 1998	64,717,159	11,018	5,874
Fiscal 1997	60,129,133	11,055	5,439
Fiscal 1996	56,309,905	11,182	5,036
Fiscal 1995	57,700,365	11,154	5,173
Fiscal 1994	57,358,990	11,028	5,201
Fiscal 1993	49,779,913	10,825	4,599
Fiscal 1992	51,027,990	10,670	4,791
Fiscal 1991	47,175,902	10,443	4,517
Fiscal 1990	43,901,751	10,220	4,296

SOURCE: School District financial records

(1) Fiscal Year - July - June

(2) Average Daily Membership includes all full time kindergarten students

(3) Per Pupil Cost = $\frac{\text{General Fund Expenditures}}{\text{Average Daily Membership}}$

**MENTOR EXEMPTED VILLAGE
SCHOOL DISTRICT**

**Certified Staff Education and Experience
June 30, 1999
(Unaudited)**

<u>Degree</u>	<u>Number of Staff</u>	<u>Percent of Total</u>
Non Degree	0	0
Bachelor's Degree	98	14.41
Bachelor's + 15 Hours	100	14.71
Master's Degree	199	29.26
Master's Degree + 15 Hours	99	14.56
Master's + 30 Hours	54	7.94
Master's + 45 Hours	125	18.38
Doctorate Degree (Ph.D.)	<u>5</u>	<u>.74</u>
TOTAL	<u>680</u>	<u>100.00</u>

<u>Years Of Experience</u>	<u>Number of Staff</u>	<u>Percent of Total</u>
0 - 5	133	19.56
6 - 10	123	18.09
11 and over	<u>424</u>	<u>62.35</u>
TOTAL	<u>680</u>	<u>100.00</u>

SOURCE: School District Personnel Records
(Excludes Administrators and Psychologists)

**MENTOR EXEMPTED VILLAGE
SCHOOL DISTRICT**

**Student Demographic Information
June 30, 1999
(Unaudited)**

<u>Grade</u>	<u>Total (1)</u>
Preschool	107
K	707
1	739
2	753
3	812
4	846
5	785
6	858
7	812
8	836
9	794
10	822
11	839
12	<u>756</u>
	10,466

STUDENT DATA (2)

<u>GRADE</u>	<u>ENROLLMENT</u>	<u>PERCENT</u>
Elementary (Pre-6)	5,607	53.57
Secondary (High School, Junior High Schools)	<u>4,859</u>	<u>46.43</u>
Total	<u>10,466</u>	<u>100.00</u>

<u>Ethnic</u>	<u>Total</u>	<u>Percent</u>
Caucasian	10,277	98.20
Asian American	84	.80
Black American	60	.57
Hispanic/Latino	39	.37
American Indian/Alaskan Native	4	.04
Multi - Racial	2	.02

MALE/FEMALE RATIO (2)

	<u>MALE</u>	<u>FEMALE</u>
Elementary (Pre-6)	2,813	2,687
Secondary (High School, Junior High Schools)	2,571	2,395
PERCENT	51.14	48.86

- (1) Ohio Department of Education, Division of Information Management Services
(2) School District Records

**MENTOR EXEMPTED VILLAGE
SCHOOL DISTRICT**

**BUILDING PERMITS
Last Ten Calendar Years
(Unaudited)**

<u>Year</u>	<u>NUMBER</u>	<u>Value of Building Permits Issued</u>
1998	2,232	\$ 122,313,391
1997	1,996	90,142,361
1996	1,865	87,314,175
1995	1,857	66,297,183
1994	1,849	81,074,563
1993	1,747	85,328,460
1992	1,653	71,826,534
1991	1,775	55,769,951
1990	1,735	66,389,596
1989	1,831	93,776,247

SOURCE: CITY OF MENTOR -
DEPARTMENT OF BUILDING AND ENGINEERING

**MENTOR EXEMPTED VILLAGE
SCHOOL DISTRICT**

**Ten Largest Employers
December 31, 1998
(Unaudited)**

Name of Employer	Nature of Activity or Business	Approximate Number of Employees
Mentor Exempted Village SD	Public Education	1,160
City of Mentor	Municipal Government	665
Tri Delta Industries	Industrial Controls	555
Lincoln Electric	Welding Equipment	529
Steris Corporation	Sterile Processing	502
The County (Deepwood)	Mental Retardation Center	500
Super K-Mart	Discount Retail Center	450
Sears, Roebuck & Co.	Retail Department Store	375
Hospice of Western Reserve	Hospice Counseling	300
Royal Appliance Mfg. Co.	Vacuum Cleaner Distribution	300

SOURCE: City of Mentor, Department of Community Development

**MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
SCHEDULE OF INSURANCE POLICIES IN FORCE
AS OF JUNE 30, 1999
(Unaudited)**

COMPANY	POLICY NUMBER	POLICY PERIOD	DETAILS OF COVERAGE	LIABILITY LIMITS	DEDUCTIBLE	ANNUAL PREMIUM
Indiana Insurance	42-174-145	10-01-98 10-01-99	Boiler and Machinery	\$ 10,000,000	\$ 500	\$ 6,177
Fidelity & Deposit Companies	CCP97259972	10-01-98 10-01-99	Crime Policy	5,000 Forgery 15,000 Theft Inside 15,000 Theft Outside 50,000 Public Employees Dishonesty Coverage	500 500	1,466
Nationwide Ins.	EGL0007447	05-29-99 05-29-00	Liability	1,000,000 /Occurrence 5,000,000 /Aggregate		36,778
Nationwide Ins.	EUL0007447	05-29-99 05-29-00	Commercial Umbrella Liability	1,000,000 /Occurrence 1,000,000 /Aggregate	10,000	10,511
Indiana Ins.	42-174-145	10-01-98 10-01-99	Buildings, Contents and Audio Visual	145,308,678 191,759	1,000 100	46,063
			Musical Instruments	901,563	100	1,603
			Contents, Equipment	52,834	100	155
Indiana Ins.	42-174-145	10-01-98 10-01-99	Electronic Data Processing (Blanket)	5,597,609	1,000	2,534
			In Transit	10,000	500	0

**MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 SCHEDULE OF INSURANCE POLICIES IN FORCE
 AS OF JUNE 30, 1999
 (Unaudited)**

COMPANY	POLICY NUMBER	POLICY PERIOD	DETAILS OF COVERAGE	LIABILITY LIMITS	DEDUCTIBLE	ANNUAL PREMIUM
Indiana Ins.	AGN9263724	10-01-98	Bus Fleet	1,000,000 /Combined	Comprehensive)
		10-01-99		Single Limit	100/Auto	
			Medical	5,000 Each Person)	
			Uninsured Motorist	1,000,000	Collision)
					250/Auto)
					500 Maximum)
					Per Loss)
					Comprehensive)
					100)
					Collision)
					250)
						30,186
			Hired and Non-owned Car			
			Garage Liability	1,000,000		351
Indiana Ins.	AGN9263724	10-01-98	Garage Keepers	15,000 /Vehicle	Comprehensive	522
		10-01-99	Legal Liability	75,000 Max/Loss	100/Auto	
					500/Max/Loss	
					Collision	
					250/Auto	
					500/Max/Loss	
GRE Insurance Grp.	52-941749-0099	05-31-99	Auxiliary Service Mobile Units All Risk		250	3,733
		05-31-00				
Peerless Ins.	M25162	01-01-99	Public Official Bond Treasurer	50,000		245
		01-01-00				

**MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
LAKE COUNTY**

MENTOR, OHIO

SINGLE AUDIT REPORTS

JUNE 30, 1999

**MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
LAKE COUNTY
SINGLE AUDIT REPORTS**

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SNODGRASS

Certified Public Accountants and Consultants

Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards



Board of Education
Mentor Exempted Village School District - Lake County
Mentor, Ohio

We have audited the financial statements of Mentor Exempted Village School District (the "District") as of and for the year ended June 30, 1999, and have issued our report thereon dated December 7, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated December 7, 1999.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the District in a separate letter dated December 7, 1999.

This report is intended solely for the information and use of management, federal awarding agencies and passthrough entities and is not intended to be and should not be used by anyone other than these specified parties.

S.R. Snodgrass A.C.

Mentor, Ohio
December 7, 1999

SNODGRASS

Certified Public Accountants and Consultants

Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133



Board of Education
Mentor Exempted Village School District - Lake County
Mentor, Ohio

Compliance

We have audited the compliance of Mentor Exempted Village School District (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 are applicable to each of its major federal programs for the year ended June 30, 1999. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grant applicable to each of its major federal programs is the responsibility of the District's management. 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 generally accepted auditing standards; 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 obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, Mentor Exempted Village School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with 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 have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the general purpose financial statements of Mentor Exempted Village School District as of and for the year ended June 30, 1999, and have issued our report thereon dated December 7, 1999. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements of the District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

This report is intended solely for the information and use of management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

S. R. Snodgrass A.C.

Mentor, Ohio
December 7, 1999

**MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT - LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 1999**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Reportable conditions identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

<i>Internal control over major programs:</i>	
• Material weaknesses identified?	No
• Reportable conditions identified that are not considered to be material weaknesses?	None Reported
Type of auditors' report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.550, 10.555	Child Nutrition Cluster
84.027, 84.173	Special Education Cluster

Dollar threshold used to distinguish between type A and type B programs:	\$ 300,000
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

**MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH
FOR THE YEAR ENDED JUNE 30, 1999**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE		Federal CFDA Number	Pass-Through Entity Number	Receipts	Non-cash Receipts	Disbursements	Non-cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE							
Passed-Through State Department of Education:							
Child Nutrition Cluster							
Food Distribution Program		10.550	N/A	\$ -	\$ 96,778	\$ -	\$ 96,778
School Lunch Program		10.555	045492-03-PU-98	26,734	-	26,734	-
		10.555	045492-03-PU-99	73,555	-	73,555	-
		10.555	045492-04-PU-98	48,065	-	48,065	-
		10.555	045492-04-PU-99	137,658	-	137,658	-
				<u>286,012</u>		<u>286,012</u>	
Total U.S. Department of Agriculture Child Nutrition Cluster				286,012	96,778	286,012	96,778
U.S. DEPARTMENT OF EDUCATION							
Passed Through State Department of Education							
Special Education Cluster							
Special Education - Title VIB		84.027	045492-6B-SI-98	112,041	-	185,498	-
		84.027	045492-6B-SF-97P	87,984	-	153,732	-
		84.027	045492-6B-SF-98P	284,334	-	177,896	-
		84.027	045492-6B-SI-98P	362,933	-	392,696	-
		84.027	045492-6B	-	-	107	-
		84.027	045492-6B-1I-98	-	-	21,850	-
				<u>847,292</u>		<u>931,779</u>	
Special Education - Preschool		84.173	045492-PG-S1-97P	5,434	-	15,953	-
		84.173	045492-PG-S3-98P	71,000	-	52,822	-
		84.173	045492-PG-S1-98P	45,174	-	26,516	-
		84.173	045492-PG-S7-99	10,000	-	8,203	-
		84.173	045492-PG-S7-98	-	-	3,884	-
		84.173	045492-PG-S3-98P	-	-	14,831	-
				<u>131,608</u>		<u>122,209</u>	
Total Special Education Cluster				978,900	-	1,053,988	-
Title I		84.010	045492-C1-S1-98	109,413	-	60,750	-
		84.010	045492-C1-S1-99	204,994	-	221,363	-
				<u>314,407</u>		<u>282,133</u>	

See accompanying notes to Schedule of Expenditures of Federal Awards - Cash.

**MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH
FOR THE YEAR ENDED JUNE 30, 1999**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Number	Receipts	Non-cash Receipts	Disburse- ments	Non-cash Disburse- ments
Special Education - Handicapped Pers. Prep. Intv.	84.029	045492-PD-A1-98	-	-	5,748	-
VOCED Basic Grant	84.048	045492-20-C1-98	19,542	-	9,742	-
	84.048	045492-20-C1-99	204,164	-	170,339	-
			<u>223,706</u>	-	<u>180,081</u>	-
Chapter 2 - Innovative Education Program Strategy	84.298	045492-C2-S1-99	14,519	-	3,629	-
	84.298	045492-C2-S1-97C	(783)	-	87	-
	84.298	045492-C2-S1-98	6,531	-	3,412	-
	84.298	045492-C2-S1-98C	27,092	-	1,102	-
			<u>47,359</u>	-	<u>8,230</u>	-
Eisenhower Math/Science	84.281	045492-MS-S1-97C	(900)	-	10,987	-
	84.281	045492-MS-S1-98C	21,480	-	28,868	-
	84.281	045492-MS-S1-99	9,455	-	5,093	-
			<u>30,035</u>	-	<u>44,948</u>	-
Drug-Free Education	84.186	045492-DR-S1-98	32,169	-	9,006	-
	84.186	045492-DR-S1-99	16,676	-	39,749	-
			<u>48,845</u>	-	<u>48,755</u>	-
Goals 2000	84.276	045492-G2-S4-98	3,000	-	2,800	-
	84.276	045492-G2-S2-99	20,000	-	2,200	-
	84.276	045492-G2-SP-99	3,902	-	1,711	-
			<u>26,902</u>	-	<u>6,711</u>	-
Handicapped Youth Transfer	84.158	045492-PF-S1-98P	6,000	-	6,000	-
Telecommunications Act Grant	84.000		59,694	-	59,694	-
Total - U.S. Department of Education			<u>1,735,848</u>	-	<u>1,696,288</u>	-
Total Expenditures of Federal Awards			<u>\$ 2,021,860</u>	<u>\$ 96,778</u>	<u>\$ 1,982,300</u>	<u>\$ 96,778</u>

See accompanying notes to Schedule of Expenditures of Federal Awards - Cash.

**MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
LAKE COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH
FOR THE YEAR ENDED JUNE 30, 1999**

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards - cash includes the federal grant activity of the District and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

NONCASH SUPPORT

The District receives noncash support in the form of food subsidies from the National School Lunch Program (NSLP), CFDA 10.550. The value of the food subsidies is determined by using the fair market value of the food items as quoted by local food suppliers.

**MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT - LAKE COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 1999**

None



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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800-282-0370
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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.

By: Susan Babbitt

Date: JAN 18 2000