



Dave Yost • Auditor of State



**MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT  
LAKE COUNTY**

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**MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT  
LAKE COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2012**

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>					
<i>Passed Through Ohio Department of Education:</i>					
Nutrition Cluster:					
School Breakfast Program	10.553	\$144,053	\$0	\$144,053	\$0
National School Lunch Program	10.555	<u>778,268</u>	<u>69,776</u>	<u>778,268</u>	<u>69,776</u>
Total Nutrition Cluster		<u>922,321</u>	<u>0</u>	<u>922,321</u>	<u>0</u>
Total U.S. Department of Agriculture		<u>922,321</u>	<u>69,776</u>	<u>922,321</u>	<u>69,776</u>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>					
<i>Passed Through Ohio Department of Education:</i>					
Special Education Cluster:					
Special Education: Grants to States	84.027	1,772,618	0	1,768,327	0
ARRA : Grants to States	84.391	59,741	0	119,240	0
Special Education: Preschool Grants	84.173	62,859	0	63,049	0
ARRA : Preschool Grants	84.392	<u>5,233</u>	<u>0</u>	<u>31,657</u>	<u>0</u>
Total Special Education Cluster		<u>1,900,451</u>	<u>0</u>	<u>1,982,273</u>	<u>0</u>
Title I Grants to Local Educational Agencies	84.010	897,249	0	875,912	0
ARRA: Title I	84.389	14,061	0	29,547	0
ARRA: Race to the Top	84.395	105,317	0	148,155	0
Education Technology State Grants	84.318	6,364	0	14,845	0
Vocational Education - Basic Grants to States	84.048	341,551	0	357,624	0
English Language Acquisition Grants	84.365	39,256	0	39,263	0
Improving Teacher Quality State Grants	84.367	265,890	0	262,580	0
Education JOBS	84.410	793,338	0	719,684	0
ARRA - State Fiscal Stabilization Fund	84.394	<u>0</u>	<u>0</u>	<u>208,552</u>	<u>0</u>
Total U.S. Department of Education		<u>4,363,477</u>	<u>0</u>	<u>4,638,435</u>	<u>0</u>
<b>Total Federal Awards Receipts and Expenditures</b>		<u><u>\$ 5,285,798</u></u>	<u><u>\$ 69,776</u></u>	<u><u>\$ 5,560,756</u></u>	<u><u>\$ 69,776</u></u>

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

**MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT  
LAKE COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2012**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - CHILD NUTRITION CLUSTER**

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

**NOTE C – FOOD DONATION PROGRAM**

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



# Dave Yost • Auditor of State

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

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

To the Board of Education:

We have audited the financial statements of the governmental activities, the business-type activities, the major fund, and the aggregate remaining fund information of the Mentor Exempted Village School District, Lake County, (the District) as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

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

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

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

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

### **Compliance and Other Matters**

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

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

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

**Dave Yost**  
Auditor of State

December 14, 2012



# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133, AND ON THE FEDERAL AWARDS RECEIPTS AND EXPENDITURE SCHEDULE

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

To the Board of Education:

### Compliance

We have audited the compliance of the Mentor Exempted Village School District, Lake County, Ohio (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of its major federal programs for the year ended June 30, 2012. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the Mentor Exempted Village School District complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2012.

### Internal Control over Compliance

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

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

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

### **Federal Awards Receipts and Expenditures Schedule**

We have also audited the financial statements of the governmental activities, the business-type activities, the major fund and the aggregate remaining fund information of Mentor Exempted Village School District, Lake County, Ohio, as of and for the year ended June 30, 2012, and have issued our report thereon dated December 14, 2012. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The accompanying federal awards receipts and expenditures schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



**Dave Yost**  
Auditor of State

December 14, 2012

**MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT  
LAKE COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2012**

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Education JOBS CFDA # 84.410 Nutrition Cluster CFDA# 10.553 and 10.555
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	Yes

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

None



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012



The Cornerstone of the Community

Mentor Exempted Village School District  
Mentor, Ohio

Mentor Exempted Village School District  
Mentor, Ohio

**Comprehensive  
Annual Financial Report**  
for the fiscal year ended June 30, 2012

**Prepared by the Chief Financial Officer's Office**  
Daniel L. Wilson, Chief Financial Officer



Introductory Section



**Mentor Exempted Village School District**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2012*  
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**Tyler Music**  
***Bon Voyage***  
**Mentor High School**

## Administration Building

Matthew J. Miller  
Superintendent

Daniel L. Wilson  
Chief Financial Officer

*Board of Education*  
Alan J. Mihok, President  
William J. Shaw, Vice President  
Mary L. Bryner, Member  
Andrew J. Sparacia, Member  
Thomas V. Tuttle, Member

December 14, 2012

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

It is our privilege to present to you the Comprehensive Annual Financial Report (CAFR) of the Mentor Exempted Village School District (“School District”) for the fiscal year ended June 30, 2012. This CAFR enables the School District to comply with the Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires school districts reporting on a GAAP basis to file an unaudited annual report with the Auditor of State within 150 days of fiscal year end.

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

The Ohio Auditor of State’s office has issued an unqualified opinion on the Mentor Exempted Village School District’s financial statements for the fiscal year ended June 30, 2012. The Independent Accountants’ Report is located at the front of the financial section of this report.

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

### **Profile of School District**

The Mentor Exempted Village School District is the twenty-fourth largest of the 612 school districts in the State of Ohio and the second largest of nine school districts in Lake County. The School District provided education to 8,023 students in grades kindergarten through twelve during the 2011-2012 school year. Additionally, the School District provides preschool and after school services to a number of students. The Mentor Exempted Village School District is located in northeastern Ohio, approximately 25 miles east of downtown Cleveland and covers over 35 square miles.

The Mentor Exempted Village School District serves the cities of Mentor, Mentor-on-the-Lake, and portions of the Village of Kirtland Hills, Chardon Township and Concord Township. The School District operates one high school, three middle schools, nine elementary schools and the Dr. Jacqueline A. Hoynes School, home of the Cardinal Autism Resource and Education School (C.A.R.E.S.).

The students enrolled in the Mentor Exempted School District attended classes in the following School District owned buildings during 2011-2012 :

- Mentor High School, constructed in 1965 with additions and renovations in 1993 and 2008, provides instruction for students in grades nine through twelve.
- Memorial Middle School, constructed in 1922 with additions and renovations in 1930 and 1990, provides instruction for students in grades six through eight.
- Ridge Middle School, constructed in 1963, provides instruction for students in grades six through eight.
- Shore Middle School, constructed in 1949 with additions and renovations in 1972, provides instruction for students in grades six through eight.
- Bellflower Elementary School, constructed in 1973, provides instruction for students in grades kindergarten through five.
- Brentmoor Elementary School, constructed in 1954 with additions and renovations in 1966, provides instruction for students in grades pre-kindergarten through five.
- Fairfax Elementary School, constructed in 1967, provides instruction for students in grades pre-kindergarten through five.
- Garfield Elementary School, constructed in 1938 with additions and renovations in 1965, provides instruction for students in grades kindergarten through five.
- Dr. Jacqueline A. Hoynes School (formerly Headlands Elementary School), constructed in 1954 with additions and renovations in 1964 and 2011 for autistic students in grades kindergarten through twelve.
- Hopkins Elementary School, constructed in 1960 with additions and renovations in 1989, provides instruction for students in grades kindergarten through five.
- Lake Elementary School, constructed in 1969, provides instruction for students in grades kindergarten through five.
- Orchard Hollow Elementary School, constructed in 1969 with additions and renovations in 1973, provides instruction for students in grades kindergarten through five.
- Dave R. Rice Elementary School, constructed in 1958 with additions and renovations in 1963, provides instruction for students in grades kindergarten through five.
- Sterling Morton Elementary School, constructed in 1961 with additions and renovations in 1964, provides instruction for students in grades kindergarten through five.

*Kindergarten* The School District operates all day, every day kindergarten programs in all nine elementary school buildings. These programs are designed to prepare children for school, to develop social skills and to promote the foundation for future learning.

*Elementary* The elementary school program provides students with exposure to reading, language arts, mathematics, science, social studies, health, music, art and physical education. Basic skill development is the key, and problem solving has been a focus in mathematics instruction. Science is hands-on in the School District's nine elementary schools, and manipulatives are used extensively in the math classes. Currently, the elementary schools service students in kindergarten through grade five. Three of these schools also receive reading intervention services through Title I staff members. Members of the Central Office staff have been

challenged by the Superintendent to volunteer approximately one hour a week as Ohio Reads Volunteers at a school of their choice within the School District.

*Middle School* Serving students in grades six through eight, the three middle schools offer an extension and continuation of the skill building work done at the elementary level by stressing student achievement in the core academic subjects of English, mathematics, science and social studies. Exploratory reading, keyboarding, exploratory languages and exploratory technology are also required courses depending upon a student's grade level. Electives are offered in music and art. Our middle schools also continue to offer a full extracurricular program of sports, clubs and service groups. Students excel in all areas and benefit from a well-rounded preparation that allows them to be successful at the high school and beyond.

*High School* The School District has one comprehensive high school serving 2,617 students in grades nine through twelve. It is accredited by the North Central Association of Colleges and Schools and by the Ohio Board of Education. Students select from a wide array of courses and electives from basic academic core subjects to advanced placement coursework, which offer the student the opportunity to do college level work. The Career Technical Program also offers the opportunity for students to pursue career objectives while in high school including the opportunity to earn college credit through the completion of college courses. Mentor High School continues to offer a full extracurricular program of sports, clubs and service groups. Students excel in all areas and benefit from a well-rounded preparation that allows them to be successful in whatever career path they choose.

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

*Transportation* The transportation system of the Mentor Exempted Village School District exceeds the State's minimum standards and allows kindergarten through twelfth grade students to ride. The School District maintains a fleet of buses for this purpose and has additional vehicles to transport physically challenged students. A computer program assigns students to the appropriate bus route. Parents and students are informed by mail of appropriate bus number, time and location of street pick-up to school and drop-off for the return trip home. Annually, the Ohio Department of Education measures transportation efficiency. The School District was recognized as providing the most efficient transportation services in Lake County during the 2011-2012 school year.

*Certified Staff* The average experience of the certificated staff is 16.3 years and 82.6 percent of the teaching staff have at least a master's degree. Textbook authors, doctorates, nationally known speakers and recognized experts in specific fields of study are among the School District's teachers and administrators. A blend of experienced staff along with new teachers offers students of the Mentor Exempted Village School District one of the strongest faculties in the area.

## **Economic Condition and Outlook**

The City of Mentor and the surrounding areas have a strong and stable economic base. In the last two decades, homes have been constructed to accommodate the large number of families moving into Mentor out of the more heavily populated Cleveland area. The current economic climate has continued to significantly reduce the construction of new homes.

With major employers including the Steris Corporation, Lincoln Electric Corporation, PCC Airfoil, and Avery Dennison, the area continues to be stable. These major employers continue to remain stable during the current economic climate.

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

Fortunately, the current economic downturn has not severely impacted the local economic base and our major employers' involvement with the School District. City officials remain optimistic regarding future economic growth following the recovery from the recession.

### **Long-Term Financial Planning**

The theme of the 2011-2012 fiscal year was sustaining educational and fiscal management excellence. The fiscal management of the School District has been integrated into the School District's Strategic Plan. In addition, the Board of Education, Superintendent and Chief Financial Officer remain committed to managing long-term plans that include:

- District Strategic Plan
- Enrollment Projections
- Five Year Budget Plan
- Auditor of State Performance Audit
- Capital Repair Plan
- Technology Plan

The diligence of the School District in managing long-term plans has become evident in that the current forecasted future budgets indicate that the 2004 emergency levy, originally planned to support four fiscal years of spending, has been extended for a tenth year. This is especially noteworthy in that the State average life of a new levy is three years. In addition, prudent fiscal management has balanced the projected 2014-2015 budget. In November 2008, the community renewed for an additional five years, a 7.44 mill operating levy that will continue to provide \$15,015,997 annually through calendar year 2014. The 2011-2012 year over year general fund expense increase was 0.2 percent, netting out C.A.R.E.S. advances in 2010-2011 and 2011-2012. The net year over year general fund expense increase has not exceeded one percent for three consecutive years.

### **Relevant Financial Policies**

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

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

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

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

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

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

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

### **Major Initiatives**

As a result of continued declining elementary student enrollment, the Headlands Elementary School was closed at the conclusion of the 2010-2011 school year. This occurrence coupled with the multi-year staffing plan resulted in a staffing reduction of 28.75 full time equivalent administrators, teachers and support staff positions. The Board of Education also agreed to a one-year extension of the collective bargaining agreements with the Mentor Teacher Association and the Mentor Classified Employees. Both extensions include no increase in basic salary schedules.

Beginning in October 2011, the School District began operation of the Cardinal Autism Resource and Education School (C.A.R.E.S.) in the Jacqueline A. Hoynes School (the former Headlands Elementary School). The new program improves the quality of education for our resident students attending this new program; reduces School District tuition and transportation expense to out of school district autism school; and creates new non-tax revenue for the School District.

### **Major Academic Achievements**

The Ohio Department of Education awarded the Mentor Public Schools an "Excellent with Distinction" rating for achieving 26 out of 26 indicators for the 2011-2012 school year. This is the third consecutive year that the School District met all 26 of the State indicators. This the eighth time in the last nine years Mentor Schools has earned at least the "Excellent" rating.

## Awards and Acknowledgements

### *Awards*

**GFOA Certificate of Achievement** The Government Finance Officers Association in the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Mentor Exempted Village School District for its comprehensive annual financial report for the fiscal year ended June 30, 2011. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

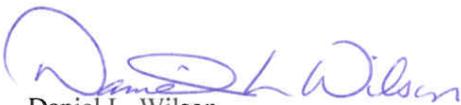
### *Acknowledgements*

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

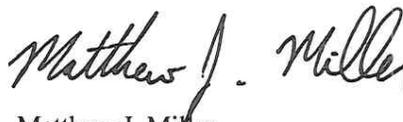
The accomplishment of this report would not have been made possible without the assistance, support and efforts of the Treasurer's Office employees, particularly the Assistant Treasurer, various administrators, employees of the School District, and the Local Government Services Section of Auditor of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

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

Respectfully submitted,



Daniel L. Wilson  
Chief Financial Officer



Matthew J. Miller  
Superintendent

**Mentor Exempted Village School District**

*Principal Officials*

*June 30, 2012*

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***Board of Education***

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

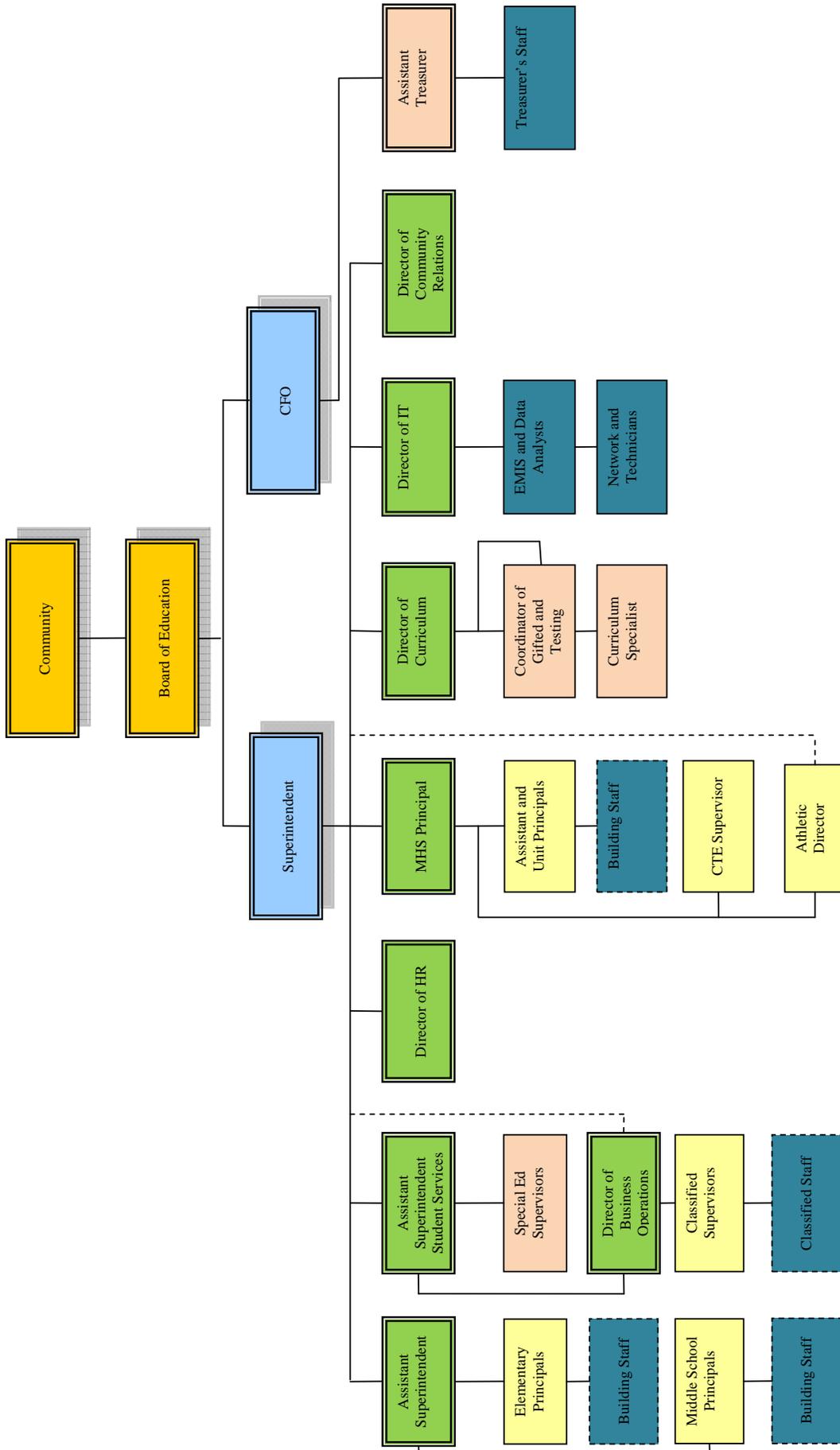
***Superintendent***

Matthew J. Miller

***Chief Financial Officer***

Mr. Daniel L. Wilson

# Mentor Exempted Village School District Organizational Chart



# 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, 2011

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.



*Linda C. Dandison*

President

*Jeffrey R. Emer*

Executive Director





# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the business-type activity, the major fund, and the aggregate remaining fund information of the Mentor Exempted Village School District, Lake County, Ohio, (the District) as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activity, the major fund, and the aggregate remaining fund information of the Mentor Exempted Village School District, Lake County, Ohio, as of June 30, 2012, and the respective changes in financial position, and where applicable, cash flows, thereof and the respective budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2012, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



**Dave Yost**  
Auditor of State

December 14, 2012

## **Mentor Exempted Village School District**

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012  
Unaudited*

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The discussion and analysis of the Mentor Exempted Village School District's (the "School District") financial performance provides an overview of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the transmittal letter, basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

### **Financial Highlights**

Key financial highlights for 2012 are as follows:

- ❖ For the 2011-2012 school year, the School District was designated as "Excellent With Distinction" by the Ohio Department of Education. This was the seventh consecutive year and the eighth year in the last nine years that the School District has been recognized as "Excellent" or above.
- ❖ During fiscal year 2012, the School District operated the Cardinal Autism Resource and Education School (CARES) enterprise fund through advances from the general fund. After ten months of operations, the CARES program has outperformed its first year business plan targets.
- ❖ For the third consecutive year, net year over year general fund expenditure increases were one percent or lower.
- ❖ In total, net assets of governmental activities increased \$2,786,469, which represents a 3.76 percent increase from 2011.
- ❖ Total general revenues accounted for \$90,967,929 in revenue or 88.09 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions and capital grants and contributions accounted for \$12,301,814 or 11.91 percent of total revenues of \$103,269,743.
- ❖ The School District had \$100,430,818 in expenses related to governmental activities. Of these expenses, only \$12,301,814 was offset by program specific charges for services, operating and capital grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$90,967,929 were able to provide for these programs resulting in an increase of net assets of governmental activities from \$74,121,015 to \$76,907,484.
- ❖ The School District's major governmental fund was the general fund. The general fund had \$93,551,252 in revenues and \$94,414,418 in expenditures. The general fund decreased \$1,289,321 from \$53,515,095 to \$52,225,774.

### **Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the School District as a whole, or complete operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

## **Mentor Exempted Village School District**

*Management's Discussion and Analysis*

*For the Fiscal Year Ended June 30, 2012*

*Unaudited*

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The Statement of Net Assets and the Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate and longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements explain how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the School District, the general fund is by far the most significant fund.

### **Reporting the School District as a Whole**

#### *Statement of Net Assets and the Statement of Activities*

While these statements contain information about the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2012?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all non-fiduciary assets and liabilities using the accrual basis of accounting, similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's current property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District is divided into two distinct kinds of activities:

**Governmental Activities** - Most of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, operation of food services and extracurricular activities.

**Business-Type Activities** - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The School District's business-type activity is the Cardinal Autism Resource and Education School.

### **Reporting the School District's Most Significant Funds**

The analysis of the School District's major funds begins on page 8. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental fund is the general fund.

## Mentor Exempted Village School District

*Management's Discussion and Analysis*

*For the Fiscal Year Ended June 30, 2012*

*Unaudited*

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

**Proprietary Funds** The School District maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The School District's enterprise fund accounts for the tuition and fees for the Cardinal Autism Resource and Education School. Internal service funds are an accounting device used to accumulate and allocate costs internally among the School District's various functions. The School District's internal service funds account for medical, prescription drug, dental self-insurance and workers' compensation.

**Fiduciary Funds** Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the School District's programs. These funds use the accrual basis of accounting.

### The School District as a Whole

Recall that the statement of net assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2012 compared to 2011:

**Table 1**  
Net Assets

	Governmental Activities		Business-Type Activity		Total	
	2012	2011	2012	2011	2012	2011
<b>Assets</b>						
Current and Other Assets	\$133,726,458	\$136,346,484	(\$822,778)	(\$11,902)	\$132,903,680	\$136,334,582
Capital Assets, Net	20,089,382	17,320,384	776,333	0	20,865,715	17,320,384
<i>Total Assets</i>	<u>153,815,840</u>	<u>153,666,868</u>	<u>(46,445)</u>	<u>(11,902)</u>	<u>153,769,395</u>	<u>153,654,966</u>
<b>Liabilities</b>						
Current Liabilities	67,859,534	68,636,114	104,277	36,453	67,963,811	68,672,567
Long-Term Liabilities						
Due Within One Year	2,968,420	4,062,511	0	0	2,968,420	4,062,511
Due In More Than One Year	6,080,402	6,847,228	0	0	6,080,402	6,847,228
<i>Total Liabilities</i>	<u>76,908,356</u>	<u>79,545,853</u>	<u>104,277</u>	<u>36,453</u>	<u>77,012,633</u>	<u>79,582,306</u>
<b>Net Assets</b>						
Invested in Capital Assets, Net of Related Debt	18,690,375	14,759,054	0	0	18,690,375	14,759,054
Restricted for:						
Debt Service	399,601	1,291,257	0	0	399,601	1,291,257
Other Purposes	837,355	718,814	0	0	837,355	718,814
Unrestricted (Deficit)	56,980,153	57,351,890	(150,722)	(48,355)	56,829,431	57,303,535
<i>Total Net Assets (Deficit)</i>	<u>\$76,907,484</u>	<u>\$74,121,015</u>	<u>(\$150,722)</u>	<u>(\$48,355)</u>	<u>\$76,756,762</u>	<u>\$74,072,660</u>

**Mentor Exempted Village School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2012*  
*Unaudited*

The School District was able to reduce 21 teaching positions, six support staff and 1.4 full time equivalent administrators, while still funding educational excellence throughout the School District. This is a clear indication of the School District's dedication to providing its students with a top education while still maintaining a positive budget.

In order to further understand what makes up the changes in net assets for the current year, the following table gives further details regarding the results of activities for the current year. Table 2 shows total revenues, expenses and changes in net assets for fiscal year 2012 and 2011.

**Table 2**

	Governmental Activities		Business-Type Activity		Total	
	2012	2011	2012	2011	2012	2011
<b>Program Revenues</b>						
Charges for Services and Sales	\$4,987,274	\$5,138,543	\$712,052	\$0	\$5,699,326	\$5,138,543
Operating Grants, Interest and Contributions	7,091,085	8,000,454	0	0	7,091,085	8,000,454
Capital Grants and Contributions	223,455	297,469	0	0	223,455	297,469
<i>Total Program Revenues</i>	<u>12,301,814</u>	<u>13,436,466</u>	<u>712,052</u>	<u>0</u>	<u>13,013,866</u>	<u>13,436,466</u>
<b>General Revenues</b>						
Property Taxes	56,955,689	63,558,240	0	0	56,955,689	63,558,240
Grants and Entitlements	31,352,133	33,914,434	0	0	31,352,133	33,914,434
Payment in Lieu of Taxes	2,019,534	632,472	0	0	2,019,534	632,472
Investment Earnings	305,946	394,628	0	0	305,946	394,628
Unrestricted Contributions and Donations	58,625	26,800	0	0	58,625	26,800
Miscellaneous	276,002	404,274	0	0	276,002	404,274
<i>Total General Revenues</i>	<u>90,967,929</u>	<u>98,930,848</u>	<u>0</u>	<u>0</u>	<u>90,967,929</u>	<u>98,930,848</u>
<i>Total Revenues</i>	<u>\$103,269,743</u>	<u>\$112,367,314</u>	<u>\$712,052</u>	<u>\$0</u>	<u>\$103,981,795</u>	<u>\$112,367,314</u>
<b>Program Expenses</b>						
Instruction:						
Regular	42,323,557	40,947,715	0	0	42,323,557	40,947,715
Special	12,866,538	12,374,765	0	0	12,866,538	12,374,765
Vocational	1,777,229	2,007,506	0	0	1,777,229	2,007,506
Student Intervention	24,699	157,223	0	0	24,699	157,223
Support Services						
Pupils	6,823,981	6,847,947	0	0	6,823,981	6,847,947
Instructional Staff	6,845,936	6,269,397	0	0	6,845,936	6,269,397
Board of Education	532,055	649,396	0	0	532,055	649,396
Administration	5,640,548	5,699,441	0	0	5,640,548	5,699,441
Fiscal	2,401,316	2,301,863	0	0	2,401,316	2,301,863
Business	580,681	621,092	0	0	580,681	621,092
Operation and Maintenance of Plant	6,103,554	8,708,180	0	0	6,103,554	8,708,180
Pupil Transportation	6,274,223	6,214,657	0	0	6,274,223	6,214,657
Central	1,956,913	2,035,025	0	0	1,956,913	2,035,025
Operation of Non-Instructional Services	1,508,012	1,737,643	0	0	1,508,012	1,737,643
Operation of Food Service	2,666,083	2,599,841	0	0	2,666,083	2,599,841
Extracurricular Activities	1,989,896	2,030,230	0	0	1,989,896	2,030,230
Interest and Fiscal Charges	115,597	230,762	0	0	115,597	230,762
Cardinal Autism Resource and Education School	0	0	866,875	12,409	866,875	12,409
<i>Total Program Expenses</i>	<u>100,430,818</u>	<u>101,432,683</u>	<u>866,875</u>	<u>12,409</u>	<u>101,297,693</u>	<u>101,445,092</u>
<i>Increase (Decrease) in Net Assets before Transfers</i>	<u>2,838,925</u>	<u>10,934,631</u>	<u>(154,823)</u>	<u>(12,409)</u>	<u>2,684,102</u>	<u>10,922,222</u>
Transfers	(52,456)	35,946	52,456	(35,946)	0	0
<i>Change in Net Assets</i>	<u>2,786,469</u>	<u>10,970,577</u>	<u>(102,367)</u>	<u>(48,355)</u>	<u>2,684,102</u>	<u>10,922,222</u>
Net Assets (Deficit) Beginning of Year	74,121,015	63,150,438	(48,355)	0	74,072,660	63,150,438
Net Assets (Deficit) End of Year	<u>\$76,907,484</u>	<u>\$74,121,015</u>	<u>(\$150,722)</u>	<u>(\$48,355)</u>	<u>\$76,756,762</u>	<u>\$74,072,660</u>

**Mentor Exempted Village School District**

*Management's Discussion and Analysis*

*For the Fiscal Year Ended June 30, 2012*

*Unaudited*

**Governmental Activities**

Net assets of the School District's governmental activities increased by \$2,786,469. Program revenues of \$12,301,814 and general revenues of \$90,967,929 were sufficient to offset total governmental expenses of \$100,430,818. An increase in net assets is mainly due to a reduction of full time equivalent positions in the instructional services.

The primary source of revenue for governmental activities is derived from property taxes, homestead and rollback reimbursements, tangible personal property hold harmless payments and grants. These revenue sources represent 88.09 percent of total governmental revenue.

Instruction and support services comprise 56.75 and 37 percent, respectively, of governmental program expenses. Interest expense was less than one percent. Interest expense was attributable to the outstanding bonds and notes for various projects. Overall, governmental program expenses decreased \$1,001,865, mainly due to a decrease in operation and maintenance of plant as a result of lower utility expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3**  
Total and Net Cost of Program Services  
Governmental Activities

	2012		2011	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction:				
Regular	\$42,323,557	(\$40,675,315)	\$40,947,715	(\$37,941,701)
Special	12,866,538	(9,305,795)	12,374,765	(8,575,712)
Vocational	1,777,229	(1,587,827)	2,007,506	(1,751,374)
Student Intervention	24,699	(24,047)	157,223	(152,273)
Support Services:				
Pupils	6,823,981	(5,561,970)	6,847,947	(5,813,837)
Instructional Staff	6,845,936	(6,545,575)	6,269,397	(6,011,705)
Board of Education	532,055	(532,055)	649,396	(649,396)
Administration	5,640,548	(5,605,569)	5,699,441	(5,699,441)
Fiscal	2,401,316	(2,401,316)	2,301,863	(2,301,863)
Business	580,681	(580,681)	621,092	(621,092)
Operation and Maintenance of Plant	6,103,554	(5,873,796)	8,708,180	(8,293,469)
Pupil Transportation	6,274,223	(6,273,093)	6,214,657	(6,213,823)
Central	1,956,913	(1,858,238)	2,035,025	(1,893,146)
Operation of Non-Instructional Services	1,508,012	(111,042)	1,737,643	(384,047)
Operation of Food Service	2,666,083	449,921	2,599,841	88,862
Extracurricular Activities	1,989,896	(1,527,009)	2,030,230	(1,551,438)
Interest and Fiscal Charges	115,597	(115,597)	230,762	(230,762)
<b>Total</b>	<b>\$100,430,818</b>	<b>(\$88,129,004)</b>	<b>\$101,432,683</b>	<b>(\$87,996,217)</b>

## **Mentor Exempted Village School District**

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012  
Unaudited*

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The dependence upon tax revenues during fiscal year 2012 for governmental activities is apparent, as 90.57 percent of 2012 governmental activities are supported through taxes and other general revenues. The School District's taxpayers, as a whole, are by far the primary support for the School District's students.

### ***Business-Type Activities***

During fiscal year 2012, the School District operated a business-type activity for the Cardinal Autism Resource and Education School (C.A.R.E.S.). The School District advanced money to this fund from the general fund for the renovation and furnishing of the Dr. Jacqueline A. Hoynes (formerly Headlands Elementary School), as well as other start-up capital purchases. The C.A.R.E.S. fund returned one third of the advance. The major revenue source for this fund is tuition and fees.

### **The School District's Funds**

The School District's governmental funds (as presented on the balance sheet on page 16) reported a combined fund balance of \$53,529,366, which is less than last year's fund balance of \$55,526,883 by \$1,997,517.

### ***General Fund***

The general fund is the chief operating fund of the School District. At the end of the current fiscal year, total fund balance for the general fund was \$52,225,774, of which \$93,351 was nonspendable because of inventory, \$13,254,424 was assigned to instructional services and contracts, and \$38,877,999 was unassigned. The general fund balance decreased by \$1,289,321, mainly due to a reduction in State Ohio payments for the loss of tangible personal property tax revenue.

### **General Fund Budgeting Highlights**

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant fund to be budgeted is the main operating fund of the School District, the general fund. Board of Education policy establishes the general fund level of control at the first two levels of function and the first level of object. All other funds are controlled at the fund level.

The Lake County Budget Commission approved original and final estimated resources in the amount of \$97,870,545 and \$97,892,002, respectively, not including carryover balances. In an effort to control expenses and preserve carryover balances, the School District budgeted \$91,625,456 in revenues. Actual revenues for fiscal year 2012 fell short of the School District's budgeted revenues by 2.33 percent. This can be primarily attributed to lower than certified property tax collections and lower than budgeted intergovernmental revenue.

General fund original appropriations were \$101,283,875 which included carryover encumbrances. Final appropriations were \$101,650,485 which also included carryover encumbrances. The actual expenditures for fiscal year 2012 totaled \$98,254,092, which was \$3,396,393 less than the final budget appropriations. The difference between original and final appropriations and actual expenditures is due to prudent spending by the Superintendent in fiscal year 2012.

**Mentor Exempted Village School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2012*  
*Unaudited*

**Capital Assets and Debt Administration**

*Capital Assets*

Table 4 shows fiscal 2012 balances compared to 2011:

**Table 4**  
 Capital Assets at June 30  
 (Net of Depreciation)

	Governmental Activities		Business-Type Activities	
	2012	2011	2012	2011
Land	\$725,721	\$725,721	\$0	\$0
Construction in Progress	209,866	238,411	0	0
Land Improvements	1,528,533	1,327,585	0	0
Buildings and Improvements	13,801,785	11,240,517	738,896	0
Furniture and Fixtures	2,087,856	2,063,909	37,437	0
Vehicles	1,735,621	1,724,241	0	0
<i>Total Capital Assets</i>	<u>\$20,089,382</u>	<u>\$17,320,384</u>	<u>\$776,333</u>	<u>\$0</u>

Acquisition for governmental activities totaled \$4,906,848 which included \$739,399 of outstanding projects completed during 2012, as well as \$710,854 of new projects started in 2012. Depreciation of governmental activities totaled \$1,319,246 for the year. Detailed information regarding capital asset activities is included in the notes to the financial statements (Note 10).

**Debt**

Table 5 summarizes the bonds outstanding.

**Table 5**  
 Outstanding Long-term Debt at June 30  
 Governmental Activities

	2012	2011
2001 School Improvements Bonds 2.20-4.15%	\$935,007	\$1,380,007
2005 School Improvements Bonds 3.00%	0	1,189,536
Energy Conservation Notes	464,000	541,334
Total	<u>\$1,399,007</u>	<u>\$3,110,877</u>

At June 30, 2012, the School District had \$1,399,007 in outstanding long-term debt, not including accrued compensated absences and early retirement incentives, claims payable and short-term debt of \$1,247,333. The School District paid \$1,685,000 in bonds outstanding and \$541,334 in long-term notes outstanding. Detailed information regarding short-term notes payables activity, long-term debt activity is included in the notes to the financial statements (Notes 12 and 13, respectively).

The debt limit of the School District as of June 30, 2012 was \$164,429,927. The amount of debt subject to the debt limit was \$1,744,472, leaving an overall debt margin of \$162,685,455.

## **Mentor Exempted Village School District**

*Management's Discussion and Analysis*

*For the Fiscal Year Ended June 30, 2012*

*Unaudited*

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### **Current Financial Related Activities**

The theme for the 2012-2012 budget was “Sustaining Educational and Fiscal Management Excellence” Our plan for executing the theme was detailed in the September 13, 2011 annual appropriations document and noted that we were continuing to manage to our long term plans. We utilized the five year forecasting system, the Strategic Plan, the resources of the Citizens Financial Advisory Committee and the Citizen Audit Committee, the Auditor of State Performance Audit, and most importantly, our strategic plan. The Board of Education’s oversight of the fiscal management throughout the past year and the Superintendents’ prudent management of staffing levels were major factors in the success we have achieved in managing the budget.

The Board of Education, the Superintendent and Chief Financial Officer continued to relentlessly pursue cost reductions without sacrificing the quality of the School District's educational programs. The following cost reduction strategies were instituted in the 2011-2012 budget:

- Reduced 21.35 teacher positions as a result of changes in enrollment.
- Reduced 6.0 classroom assistants as a result of changes in enrollment.
- Reduced 1.4 administrative positions as a result of changes in enrollment and administrative reorganization.
- Negotiated new collective bargaining agreements with increased employee contributions for health insurance and no base salary schedule increase.
- Entered administrative contracts one year with increased employee contributions for health insurance and no base salary increase.

As early as the May 23, 2008 forecast update, we began to identify and adjust to the significant changes in the National and State economies. A special mid-year budget analysis and fiscal projection review was presented to the Board of Education in February 2009. The Superintendent developed and presented to the Board of Education agreed upon staffing adjustments for the 2009-2011 through 2012-2013 in June of 2009. The Superintendent and Chief Financial Officer actively monitor and discuss current developments in school funding and educational reforms as well as the current financial economic climate.

Overall the 2011-2012 original general fund budget was an increase of 4.9 percent over actual 2010-2011 expenses and 1.1 percent over the 2010-2011 budget. The budget was \$1,391,089 less than projected in the five year fiscal projections.

The success of basing the financial management on long term plans and diligently executing our budget theme of “Sustaining Educational and Fiscal Management Excellence” has cushioned the impact of the nation’s economy problems and protected our high quality educational programs. The Board of Education and Superintendent’s success in demonstrating fiscal prudence has allowed the School District to delay the original time frame for future revenue increases.

The 2011-2012 year end over prior year expense increase was 0.2 percent. Netting out the advance to the Cardinal Autism Resource and Education School program, the year over year expense increase has not exceeded one percent for three consecutive years.

**Mentor Exempted Village School District**

*Management's Discussion and Analysis*

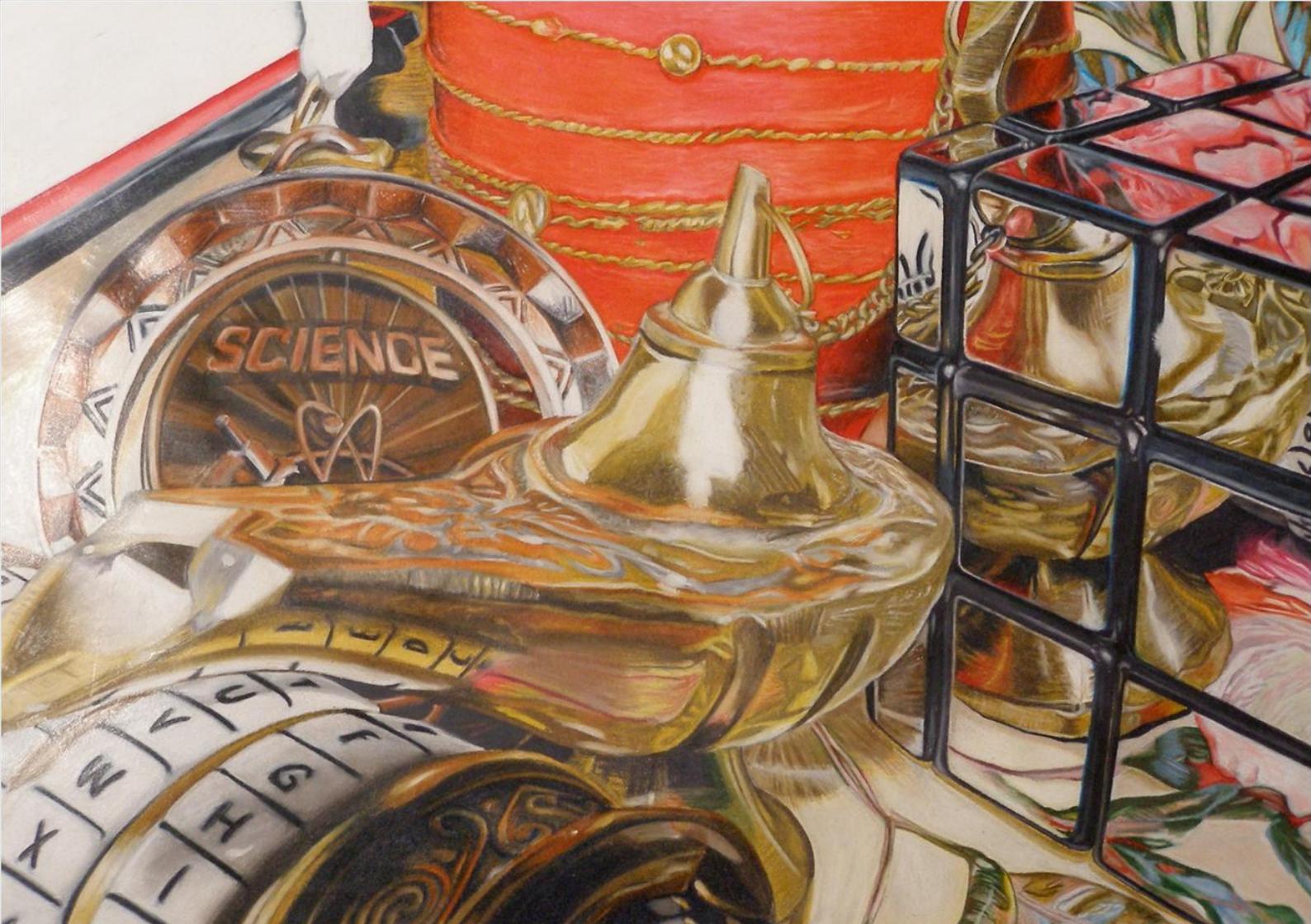
*For the Fiscal Year Ended June 30, 2012*

*Unaudited*

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**Contacting the School District's Financial Management**

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



**Shadia Kawkabani**  
***Still Life***  
**Mentor High School**

## Mentor Exempted Village School District

### Statement of Net Assets

June 30, 2012

	Governmental Activities	Business-Type Activity	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$69,959,802	\$183,755	\$70,143,557
Accounts Receivable	50,519	0	50,519
Accrued Interest Receivable	121,122	0	121,122
Intergovernmental Receivable	475,016	795	475,811
Internal Balances	1,007,328	(1,007,328)	0
Inventory Held for Resale	30,552	0	30,552
Materials and Supplies Inventory	112,587	0	112,587
Property Taxes Receivable	60,801,647	0	60,801,647
Payment in Lieu of Taxes Receivable	1,167,885	0	1,167,885
Nondepreciable Capital Assets	935,587	0	935,587
Depreciable Capital Assets, Net	19,153,795	776,333	19,930,128
<i>Total Assets</i>	153,815,840	(46,445)	153,769,395
<b>Liabilities</b>			
Accounts Payable	671,960	4,786	676,746
Contracts Payable	210,045	0	210,045
Accrued Wages and Benefits	9,191,389	73,186	9,264,575
Intergovernmental Payable	2,387,089	26,305	2,413,394
Deferred Revenue	52,517,242	0	52,517,242
Accrued Interest Payable	12,605	0	12,605
Notes Payable	1,247,333	0	1,247,333
Claims Payable	1,621,871	0	1,621,871
Long-Term Liabilities:			
Due Within One Year	2,968,420	0	2,968,420
Due In More Than One Year	6,080,402	0	6,080,402
<i>Total Liabilities</i>	76,908,356	104,277	77,012,633
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	17,443,042	0	17,443,042
Restricted for:			
Capital Projects	1,093,876	0	1,093,876
Debt Service	399,601	0	399,601
Food Service Operations	379,286	0	379,286
Other Grants	172,063	0	172,063
Athletics	80,152	0	80,152
Other Purposes	205,854	0	205,854
Unrestricted (Deficit)	57,133,610	(150,722)	56,982,888
<i>Total Net Assets (Deficit)</i>	\$76,907,484	(\$150,722)	\$76,756,762

See accompanying notes to the basic financial statements

**Mentor Exempted Village School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2012

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
Current:				
Instruction:				
Regular	\$42,323,557	\$1,481,961	\$166,281	\$0
Special	12,866,538	267,883	3,292,860	0
Vocational	1,777,229	46,693	142,709	0
Student Intervention	24,699	652	0	0
Support Services:				
Pupils	6,823,981	670,465	591,546	0
Instructional Staff	6,845,936	1,158	299,203	0
Board of Education	532,055	0	0	0
Administration	5,640,548	16,140	18,839	0
Fiscal	2,401,316	0	0	0
Business	580,681	0	0	0
Operation and Maintenance of Plant	6,103,554	4,065	2,238	223,455
Pupil Transportation	6,274,223	0	1,130	0
Central	1,956,913	63,026	35,649	0
Operation of Non-Instructional Services	1,508,012	1,211	1,395,759	0
Operation of Food Service	2,666,083	2,014,632	1,101,372	0
Extracurricular Activities	1,989,896	419,388	43,499	0
Interest and Fiscal Charges	115,597	0	0	0
<i>Total Governmental Activities</i>	100,430,818	4,987,274	7,091,085	223,455
<b>Business-Type Activity</b>				
Cardinal Autism Resource and Education School	866,875	712,052	0	0
<i>Total</i>	<u>\$101,297,693</u>	<u>\$5,699,326</u>	<u>\$7,091,085</u>	<u>\$223,455</u>

**General Revenues**

Property Taxes Levied for:

General Purposes

Debt Service

Capital Outlay

Grants and Entitlements not Restricted to Specific Programs

Payment in Lieu of Taxes

Investment Earnings

Unrestricted Contributions and Donations

Gain on Sale of Capital Assets

Miscellaneous

*Total General Revenues*

Transfers

*Total General Revenues and Transfers*

Change in Net Assets

*Net Assets (Deficit) Beginning of Year*

*Net Assets (Deficit) End of Year*

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Businnes-Type Activity	Total
(\$40,675,315)	\$0	(\$40,675,315)
(9,305,795)	0	(9,305,795)
(1,587,827)	0	(1,587,827)
(24,047)	0	(24,047)
(5,561,970)	0	(5,561,970)
(6,545,575)	0	(6,545,575)
(532,055)	0	(532,055)
(5,605,569)	0	(5,605,569)
(2,401,316)	0	(2,401,316)
(580,681)	0	(580,681)
(5,873,796)	0	(5,873,796)
(6,273,093)	0	(6,273,093)
(1,858,238)	0	(1,858,238)
(111,042)	0	(111,042)
449,921	0	449,921
(1,527,009)	0	(1,527,009)
(115,597)	0	(115,597)
(88,129,004)	0	(88,129,004)
0	(154,823)	(154,823)
(88,129,004)	(154,823)	(88,283,827)
55,451,124	0	55,451,124
392,865	0	392,865
1,111,700	0	1,111,700
31,352,133	0	31,352,133
2,019,534	0	2,019,534
305,946	0	305,946
58,625	0	58,625
	0	0
276,002	0	276,002
90,967,929	0	90,967,929
(52,456)	52,456	0
90,915,473	52,456	90,967,929
2,786,469	(102,367)	2,684,102
74,121,015	(48,355)	74,072,660
\$76,907,484	(\$150,722)	\$76,756,762

**Mentor Exempted Village School District**

*Balance Sheet*

*Governmental Funds*

*June 30, 2012*

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$57,661,391	\$3,172,337	\$60,833,728
Accounts Receivable	49,183	1,336	50,519
Accrued Interest Receivable	103,954	17,168	121,122
Intergovernmental Receivable	38,158	436,858	475,016
Interfund Receivable	1,091,307	2,155	1,093,462
Inventory Held for Resale	0	30,552	30,552
Materials and Supplies Inventory	93,351	19,236	112,587
Property Taxes Receivable	59,499,738	1,301,909	60,801,647
Payment in Lieu of Taxes Receivable	1,167,885	0	1,167,885
<i>Total Assets</i>	<u>\$119,704,967</u>	<u>\$4,981,551</u>	<u>\$124,686,518</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$395,304	\$276,656	\$671,960
Contracts Payable	14,853	195,192	210,045
Accrued Wages and Benefits	8,754,676	436,713	9,191,389
Interfund Payable	435,036	113,804	548,840
Intergovernmental Payable	2,100,682	202,387	2,303,069
Deferred Revenue	55,778,642	1,203,340	56,981,982
Accrued Interest Payable	0	2,534	2,534
Notes Payable	0	1,247,333	1,247,333
<i>Total Liabilities</i>	<u>67,479,193</u>	<u>3,677,959</u>	<u>71,157,152</u>
<b>Fund Balances</b>			
Nonspendable	93,351	19,236	112,587
Restricted	0	1,282,675	1,282,675
Committed	0	213,221	213,221
Assigned	13,254,424	0	13,254,424
Unassigned (Deficit)	38,877,999	(211,540)	38,666,459
<i>Total Fund Balances</i>	<u>52,225,774</u>	<u>1,303,592</u>	<u>53,529,366</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$119,704,967</u>	<u>\$4,981,551</u>	<u>\$124,686,518</u>

See accompanying notes to the basic financial statements

**Mentor Exempted Village School District**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 June 30, 2012*

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<b>Total Governmental Fund Balances</b>	<b>\$53,529,366</b>
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*Amounts reported for governmental activities in the statement of  
 net assets are different because*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	20,089,382
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.

Property Taxes	3,241,590
Intergovernmental	6,108
Payment in Lieu of Taxes	1,167,885
Tuition and Fees	<u>49,157</u>

Total	4,464,740
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The internal service funds are used by management to charge the costs of insurance and workers' compensation to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.

Net Assets	6,706,391
Claims Payable	<u>1,176,498</u>

Total	7,882,889
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In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(10,071)
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

General Obligation Bonds	(935,007)
Energy Conservation Notes	(464,000)
Claims Payable	(1,176,498)
Compensated Absences	(5,542,067)
Early Retirement Incentives	<u>(931,250)</u>

Total	<u>(9,048,822)</u>
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<i>Net Assets of Governmental Activities</i>	<u><u>\$76,907,484</u></u>
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See accompanying notes to the basic financial statements

**Mentor Exempted Village School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2012*

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Property Taxes	\$58,279,516	\$1,594,232	\$59,873,748
Intergovernmental	31,494,284	7,004,451	38,498,735
Interest	292,490	8,075	300,565
Tuition and Fees	1,476,891	61,742	1,538,633
Extracurricular Activities	501,021	897,597	1,398,618
Contributions and Donations	58,625	184,724	243,349
Charges for Services	22,664	2,012,883	2,035,547
Rentals	42,593	56,919	99,512
Payment in Lieu of Taxes	1,167,885	0	1,167,885
Miscellaneous	215,283	12,680	227,963
<i>Total Revenues</i>	<u>93,551,252</u>	<u>11,833,303</u>	<u>105,384,555</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	42,954,140	304,889	43,259,029
Special	10,410,617	2,766,336	13,176,953
Vocational	1,718,301	128,384	1,846,685
Student Intervention	56,869	0	56,869
Support Services:			
Pupils	5,903,319	1,034,065	6,937,384
Instructional Staff	6,544,904	312,278	6,857,182
Board of Education	536,533	1,500	538,033
Administration	5,381,181	442,858	5,824,039
Fiscal	2,346,354	76,356	2,422,710
Business	595,192	0	595,192
Operation and Maintenance of Plant	8,199,429	1,343,806	9,543,235
Pupil Transportation	6,229,637	32,303	6,261,940
Central	1,995,622	41,611	2,037,233
Operation of Non-Instructional Services	66,245	1,502,745	1,568,990
Operation of Food Service	0	2,711,502	2,711,502
Extracurricular Activities	1,476,075	441,488	1,917,563
Debt Service:			
Principal Retirement	0	1,626,323	1,626,323
Interest and Fiscal Charges	0	73,412	73,412
Capital Appreciation Bond Interest	0	600,011	600,011
<i>Total Expenditures</i>	<u>94,414,418</u>	<u>13,439,867</u>	<u>107,854,285</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(863,166)</u>	<u>(1,606,564)</u>	<u>(2,469,730)</u>
<b>Other Financing Sources (Uses)</b>			
Sale of Capital Assets	8,213	0	8,213
Energy Conservation Notes Issued	0	464,000	464,000
Transfers In	0	478,157	478,157
Transfers Out	(434,368)	(43,789)	(478,157)
<i>Total Other Financing Sources (Uses)</i>	<u>(426,155)</u>	<u>898,368</u>	<u>472,213</u>
<i>Net Change in Fund Balances</i>	(1,289,321)	(708,196)	(1,997,517)
<i>Fund Balances Beginning of Year</i>	<u>53,515,095</u>	<u>2,011,788</u>	<u>55,526,883</u>
<i>Fund Balances End of Year</i>	<u>\$52,225,774</u>	<u>\$1,303,592</u>	<u>\$53,529,366</u>

See accompanying notes to the basic financial statements

**Mentor Exempted Village School District**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2012*

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**Net Change in Fund Balances - Total Governmental Funds** (\$1,997,517)

*Amounts reported for governmental activities in the statement of activities are different because*

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

Capital Outlay	4,167,449	
Depreciation	<u>(1,319,246)</u>	
Total		2,848,203

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (79,205)

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

Property Taxes	(2,918,059)	
Intergovernmental	(16,786)	
Charges for Services	(406)	
Tuition and Fees	(82,715)	
Rentals	(1,915)	
Payment in Lieu of Taxes	851,649	
Miscellaneous	<u>48,039</u>	
Total		(2,120,193)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

General Obligation Bond Payable	1,685,000	
Energy Conservation Notes Payable	<u>541,334</u>	
Total		2,226,334

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

Accrued Interest	8,279	
Annual Accretion on Capital Appreciation Bonds	<u>(50,464)</u>	
Total		(42,185)

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

Compensated Absences	2,214	
Early Retirement Incentives	<u>493,750</u>	
Total		495,964

The internal service funds used by management are not reported in the district-wide statements of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. 1,919,068

Other financing sources, such as proceeds from an Energy Conservation Note, in the governmental funds increase long-term liabilities in the statement of net assets. (464,000)

*Change in Net Assets of Governmental Activities* \$2,786,469

See accompanying notes to the basic financial statements

**Mentor Exempted Village School District**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2012*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$64,087,630	\$64,087,630	\$60,303,299	(\$3,784,331)
Intergovernmental	28,788,107	28,788,107	31,494,284	2,706,177
Interest	277,158	277,158	323,331	46,173
Tuition and Fees	2,222,965	2,214,634	1,460,724	(753,910)
Extracurricular Activities	654,290	679,963	501,670	(178,293)
Contributions and Donations	138,366	142,481	57,770	(84,711)
Charges for Services	28,151	28,151	26,175	(1,976)
Rentals	36,486	36,486	49,740	13,254
Payment in Lieu of Taxes	1,167,885	1,167,885	1,167,885	0
Miscellaneous	469,507	469,507	219,307	(250,200)
<i>Total Revenues</i>	97,870,545	97,892,002	95,604,185	(2,287,817)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	45,712,610	45,575,723	44,899,733	675,990
Special	10,960,994	10,974,630	10,679,903	294,727
Vocational	2,497,348	2,420,738	2,015,080	405,658
Student Intervention	265,185	265,185	80,507	184,678
Support Services:				
Pupils	6,272,028	6,285,273	5,962,410	322,863
Instructional Staff	6,266,195	6,619,201	6,559,012	60,189
Board of Education	705,618	705,618	671,294	34,324
Administration	5,463,607	5,730,703	5,464,351	266,352
Fiscal	2,637,285	2,508,831	2,472,790	36,041
Business	598,920	673,364	656,624	16,740
Operation and Maintenance of Plant	8,990,661	8,887,754	8,641,157	246,597
Pupil Transportation	7,156,832	6,993,836	6,474,942	518,894
Central	2,071,822	2,330,172	2,108,705	221,467
Operation of Non-Instructional Services	103,535	78,420	69,544	8,876
Operation of Food Service	9,855	9,855	733	9,122
Extracurricular Activities	1,571,380	1,591,182	1,497,307	93,875
<i>Total Expenditures</i>	101,283,875	101,650,485	98,254,092	3,396,393
<i>Excess of Revenues Under Expenditures</i>	(3,413,330)	(3,758,483)	(2,649,907)	1,108,576
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	12,420	12,420	8,213	(4,207)
Advances In	339,737	339,737	344,232	4,495
Advances Out	(507,545)	(432,545)	(275,500)	157,045
Transfers In	104,060	76,985	0	(76,985)
Transfers Out	(561,520)	(442,520)	(434,368)	8,152
<i>Total Other Financing Sources (Uses)</i>	(612,848)	(445,923)	(357,423)	88,500
<i>Net Change in Fund Balance</i>	(4,026,178)	(4,204,406)	(3,007,330)	1,197,076
<i>Fund Balance Beginning of Year</i>	54,950,890	54,950,890	54,950,890	0
Prior Year Encumbrances Appropriated	2,352,027	2,352,027	2,352,027	0
<i>Fund Balance End of Year</i>	\$53,276,739	\$53,098,511	\$54,295,587	\$1,197,076

**Mentor Exempted Village School District**

*Statement of Fund Net Assets*

*Proprietary Funds*

*June 30, 2012*

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	Business Type Activities - Cardinal Autism Resource and Education School Enterprise Fund	Governmental Activities - Internal Service Funds
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$183,755	\$9,126,074
Intergovernmental Receivable	795	0
Interfund Receivable	0	462,706
Capital Assets, Net	776,333	0
<i>Total Assets</i>	<u>960,883</u>	<u>9,588,780</u>
<b>Liabilities</b>		
<i>Current Liabilities:</i>		
Accounts Payable	4,786	0
Accrued Wages and Benefits	73,186	0
Interfund Payable	1,007,328	0
Intergovernmental Payable	26,305	84,020
Claims Payable	0	1,844,040
<i>Total Current Liabilities</i>	<u>1,111,605</u>	<u>1,928,060</u>
<i>Long-Term Liabilities (net of current portion):</i>		
Claims Payable	<u>0</u>	<u>954,329</u>
<i>Total Liabilities</i>	<u>1,111,605</u>	<u>2,882,389</u>
<b>Net Assets</b>		
Unrestricted (Deficit)	<u>(\$150,722)</u>	<u>\$6,706,391</u>

See accompanying notes to the basic financial statements

**Mentor Exempted Village School District**

*Statement of Revenues,*

*Expenses and Changes in Fund Net Assets*

*Proprietary Funds*

*For the Fiscal Year Ended June 30, 2012*

	Business Type Activities - Cardinal Autism Resource and Education School Enterprise Fund	Governmental Activities - Internal Service Funds
<b>Operating Revenues</b>		
Charges for Services	\$712,052	\$15,800,487
<b>Operating Expenses</b>		
Salaries	406,793	0
Fringe Benefits	255,721	0
Purchased Services	80,268	113,050
Materials and Supplies	102,491	0
Claims	0	13,732,889
Other	0	40,861
Depreciation	21,602	0
<i>Total Operating Expenses</i>	866,875	13,886,800
<i>Operating Income (Loss)</i>	(154,823)	1,913,687
<b>Non-Operating Income</b>		
Interest	0	5,381
<i>Income (Loss) Before Transfers</i>	(154,823)	1,919,068
Transfers In	52,456	0
<i>Change in Net Assets</i>	(102,367)	1,919,068
<i>Net Assets (Deficit) Beginning of Year</i>	(48,355)	4,787,323
<i>Net Assets (Deficit) End of Year</i>	(\$150,722)	\$6,706,391

See accompanying notes to the basic financial statements

**Mentor Exempted Village School District**

*Statement of Cash Flows*

*Proprietary Funds*

*For the Fiscal Year Ended June 30, 2012*

	Business Type Activities - Cardinal Autism Resource and Education School Enterprise Fund	Governmental Activities - Internal Service Funds
<b>Increase (Decrease) in Cash and Cash Equivalents</b>		
<b>Cash Flows from Operating Activities</b>		
Cash Received from Interfund Services Provided	\$712,052	\$15,802,270
Cash Payments for Salaries	(333,607)	0
Cash Payments for Employee Benefits	(177,864)	0
Cash Payments for Goods and Services	(216,419)	(196,378)
Cash Payments for Claims	0	(13,471,059)
Cash Payments for Other	0	(40,861)
	<hr/>	<hr/>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<i>(15,838)</i>	<i>2,093,972</i>
<b>Cash Flows from Noncapital Financing Activities</b>		
Advances In	275,000	0
Advances Out	(339,737)	0
	<hr/>	<hr/>
<i>Net Cash Used for Noncapital Financing Activities</i>	<i>(64,737)</i>	<i>0</i>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Payments for Capital Acquisitions	(745,479)	0
	<hr/>	<hr/>
<b>Cash Flows from Investing Activities</b>		
Interest	0	5,381
	<hr/>	<hr/>
<i>Net Increase/(Decrease) in Cash and Cash Equivalents</i>	<i>(826,054)</i>	<i>2,099,353</i>
<i>Cash and Cash Equivalents Beginning of Year</i>	<i>1,009,809</i>	<i>7,026,721</i>
	<hr/>	<hr/>
<i>Cash and Cash Equivalents End of Year</i>	<i>\$183,755</i>	<i>\$9,126,074</i>
	<hr/>	<hr/>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used for) by Operating Activities</b>		
Operating Income (Loss)	(\$154,823)	\$1,913,687
Depreciation	21,602	0
<i>Adjustments:</i>		
<i>(Increase)/Decrease in Assets:</i>		
Intergovernmental Receivable	(795)	0
Interfund Receivable	0	1,783
<i>Increase/(Decrease) in Liabilities:</i>		
Accounts Payable	4,786	(1,000)
Contracts Payable	(35,946)	0
Accrued Wages and Benefits	73,186	0
Interfund Payable	50,354	0
Intergovernmental Payable	25,798	(82,328)
Claims Payable	0	261,830
	<hr/>	<hr/>
<i>Total Adjustments</i>	<i>117,383</i>	<i>180,285</i>
	<hr/>	<hr/>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<i>(\$15,838)</i>	<i>\$2,093,972</i>
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See accompanying notes to the basic financial statements

**Mentor Exempted Village School District**

*Statement of Fiduciary Assets and Liabilities*

*Agency Fund*

*June 30, 2012*

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<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$286,741</u>
<b>Liabilities</b>	
Due to Students	<u>\$286,741</u>

See accompanying notes to the basic financial statements



**Lindsay Gabor**  
***Two Little Oinkers***  
**Mentor High School**

## **Mentor Exempted Village School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012*

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### **Note 1 - Description of the School District and Reporting Entity**

The Mentor Exempted Village School District (the School District) operates under a locally elected five member Board form of government and provides educational services as mandated by State and federal agencies. The Board of Education controls the School District's 14 public instructional facilities, made up of one high school, three middle schools and ten elementary schools.

The School District is located east of Cleveland, Ohio and serves primarily residences of Lake County and a small section of Geauga County. The School District's population is drawn primarily from the cities of Mentor and Mentor-on-the-Lake while also serving sections of the Village of Kirtland Hills, Concord Township and Chardon Township. The School District is staffed by 397 classified employees, 577 certificated teaching personnel, and 36 administrators who provide services to 8,023 students and other community members.

#### *Reporting Entity*

A reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards and agencies that are not legally separate from the School District. For the School District, this includes the agencies and departments that provide the following services: general operations, food service and student related activities of the School District.

Non-public Schools - Within the School District boundaries, there are various non-public schools. Current State legislature provides funding to these non-public schools. These monies are received and disbursed on behalf of the non-public school by the Treasurer of the School District, as directed by the non-public school. These transactions are reported in a special revenue fund and as a governmental activity of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or the levying of taxes. The School District has no component units.

The School District participates in three jointly governed organizations and one related organization. These organizations are the Ohio Schools' Council Association, the Northeast Ohio Network for Educational Technology, the North Coast Council and the Mentor Public Library. These organizations are presented in Notes 19 and 20 to the basic financial statements.

### **Note 2 - Summary of Significant Accounting Policies**

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB)

## **Mentor Exempted Village School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012*

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statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds unless those pronouncements conflict with or contradict GASB pronouncements. The School District has elected not to apply FASB Statements and Interpretations issued after November 30, 1989 to its business-type activity and to its enterprise fund. The more significant of the School District's accounting policies are described below.

### ***Basis of Presentation***

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

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

The statement of net assets presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business-type activity is self-financing or draws from the general revenues of the School District.

***Fund Financial Statements*** During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

### ***Fund Accounting***

The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

***Governmental Funds*** Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The School District's only major fund is the general fund.

## **Mentor Exempted Village School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012*

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

The other governmental funds of the School District account for grants and other resources whose use is restricted, committed or assigned to a particular purpose.

**Proprietary Funds** Proprietary funds reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as enterprise or internal service.

**Enterprise Fund** Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The School District's only enterprise fund accounts for tuition and fees for the Cardinal Autism Resource and Education School.

**Internal Service Fund** Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's internal service funds report on costs of workers' compensation and self insurance programs for employee medical and prescription benefits.

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

### **Measurement Focus**

**Government-wide Financial Statements** The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the Statement of Net Assets. The Statement of Activities presents increases (e.g. revenues) and decreases (e.g. expenditures) in total net assets.

**Fund Financial Statements** All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

## **Mentor Exempted Village School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012*

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### ***Basis of Accounting***

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the statements presented for the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which the taxes are levied (See Note 8). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

Property taxes for which there is an enforceable legal claim as of June 30, 2012, but which were levied to finance fiscal year 2013 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

## **Mentor Exempted Village School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012*

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### ***Budgetary Data***

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. Board of Education policy establishes the general fund level of control at the first two levels of function and the first level of object. All other funds are controlled at the fund level. The Treasurer has been given the authority to allocate appropriations to the function and object levels within all funds but the general fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original and final budgeted amounts in the budgetary statements reflect the amounts in the amended certificate when the original and final appropriations were passed by the Board of Education.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

### ***Cash and Cash Equivalents***

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements.

During fiscal year 2012, investments were limited to nonnegotiable certificates of deposits, federal home loan bank notes, commercial paper and United States treasury obligations. Investments are reported at fair value which is based on quoted market prices. Nonnegotiable certificates of deposits are reported at cost.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2012 amounted to \$292,490, which includes \$40,327 assigned from other School District funds.

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 presented on the financial statements as cash equivalents.

### ***Inventory***

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories consist of donated food, purchased food and school supplies held for resale, and materials and supplies held for consumption.

## Mentor Exempted Village School District

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012

### Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The School District was able to estimate the historical cost for the initial reporting of assets by backtrending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

Description	Governmental	Business-Type
	Activities	Activities
	Estimated Lives	Estimated Lives
Land Improvements	5 - 20 years	5 - 20 years
Buildings and Improvements	10 - 40 years	10 - 40 years
Furniture, Fixtures, and Equipment	5 - 15 years	5 - 15 years
Vehicles	5 - 10 years	n/a

### Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." Interfund balance amounts are eliminated in the statement of net assets.

### Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for all employees who are within five years of retiring.

## **Mentor Exempted Village School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012*

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### ***Accrued Liabilities and Long-term Obligations***

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

In general, governmental fund payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources, and are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Bonds are recognized as a liability on the fund financial statements when due.

### ***Internal Activity***

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental activities are eliminated on the government wide financial statements. Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for services provided and used are not eliminated.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenue/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

### ***Net Assets***

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

The School District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

### ***Fund Balance***

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

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

## **Mentor Exempted Village School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012*

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

**Committed** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned** Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies and authorized purchase commitments by the School District Board of Education or a School District official delegated that authority by resolution or by a State statute.

**Unassigned** Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

### ***Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are tuition and fees for the Cardinal Autism Resource and Education School and charges for services for self-insurance programs and workers' compensation. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Any revenues and expenses not meeting the definitions of operating are reported as nonoperating.

### ***Contributions of Capital***

Contributions of capital in proprietary fund financial statements arise from contributions of capital assets from the permanent improvement governmental fund.

### ***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.

## **Mentor Exempted Village School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012*

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### **Note 3 – Change in Accounting Principle**

For fiscal year 2012, the School District has implemented Governmental Accounting Standard Board (GASB) Statement No. 64, “Derivative Instruments: Application of Hedge Accounting Termination Provisions – and amendment of GASB Statement No. 53” Fund Balance Reporting and Governmental Fund Type Definitions” GASB Statement No. 64 clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider.

This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The implementation of this statement did not result in any change in the School District’s financial statements.

### **Note 4 - Fund Deficits**

At June 30, 2012, the education jobs special revenue fund and the permanent improvement capital projects fund had deficit fund balances, in the amount of \$7,797 and \$125,261, respectively, resulting from adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur.

The building capital projects fund had a deficit fund balance, in the amount of \$78,482, as a result of the issuance of short-term bond anticipations notes which are used to finance the project until bonds are issued. Once the notes are retired or bonds are issued, the deficit will be eliminated.

The enterprise fund Cardinal Autism Resource and Education School (C.A.R.E.S.) had a deficit of \$150,722 at year end. Management is currently analyzing the enterprise operations to determine appropriate steps to alleviate the deficit.

### **Note 5 - Fund Balances**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the government funds.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

**Mentor Exempted Village School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012*

Fund Balances	General	Other Governmental Funds	Total
<b><i>Nonspendable</i></b>			
Inventory	\$93,351	\$19,236	\$112,587
<b><i>Restricted for</i></b>			
Food Service Operations	0	464,658	464,658
Scholarship Awards	0	53,722	53,722
Driver's Training	0	172,063	172,063
Athletics and Music	0	80,152	80,152
Auxiliary Services	0	82,925	82,925
Teacher Development	0	1,606	1,606
Clean Diesel Buses	0	2,258	2,258
Student Intervention	0	27,438	27,438
Vocational Education	0	3,792	3,792
Special Instruction	0	7,596	7,596
Classroom Reduction	0	25,930	25,930
Debt Service Payments	0	360,535	360,535
<b><i>Total Restricted</i></b>	<b>0</b>	<b>1,282,675</b>	<b>1,282,675</b>
<b><i>Committed to</i></b>			
Summer School	0	74,933	74,933
Adult Education	0	5,546	5,546
Other Purposes	0	132,742	132,742
<b><i>Total Committed</i></b>	<b>0</b>	<b>213,221</b>	<b>213,221</b>
<b><i>Assigned to</i></b>			
Instructional Services	13,003,549	0	13,003,549
Other Purposes	250,875	0	250,875
<b><i>Total Assigned</i></b>	<b>13,254,424</b>	<b>0</b>	<b>13,254,424</b>
<b><i>Unassigned (Deficit)</i></b>	<b>38,877,999</b>	<b>(211,540)</b>	<b>38,666,459</b>
<b><i>Total Fund Balances</i></b>	<b>\$52,225,774</b>	<b>\$1,303,592</b>	<b>\$53,529,366</b>

**Note 6 - Budgetary Basis of Accounting**

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

The major differences between the budget basis and GAAP basis are:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).

## Mentor Exempted Village School District

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012*

2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as restricted, committed or assigned fund balance (GAAP).
4. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
5. Unrecorded cash, which consists of unrecorded interest, is not reported by the School District on the budget basis operating statements, but is reported on the GAAP basis operating statements.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements are as follows:

	<u>General</u>
GAAP Basis	(\$1,289,321)
Net Adjustment for Revenue Accruals	2,026,259
Advances In	344,232
Beginning Unrecorded Cash	(26,801)
Ending Unrecorded Cash	346
Net Adjustment for Expenditure Accruals	(421,087)
Advances Out	(275,500)
Encumbrances	<u>(3,365,458)</u>
Budget Basis	<u><u>(\$3,007,330)</u></u>

### **Note 7 - Deposits and Investments**

Monies held by the School District are classified by State statute into three categories.

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

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

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

## Mentor Exempted Village School District

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012*

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Interim monies held by the School District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in securities listed above;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAROhio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

### ***Deposits***

***Custodial Credit Risk.*** Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$17,227,732 of the School District's bank balance of \$70,430,297 was uninsured and uncollateralized. Although the collateral securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

## Mentor Exempted Village School District

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012

### Investments

Investments are reported at fair value. As of June 30, 2012, the School District had the following investments:

	<u>Fair Value</u>	<u>Maturity</u>	<u>Moody Rating</u>	<u>Percent of Total Investments</u>
Federal Home Loan Bank Notes	\$41,875,784	Less Than Six Months	AAA	69.94%
Commercial Paper	12,989,389	Less Than Six Months	AAA	21.69
United States Treasury Obligation	<u>5,010,742</u>	Less Than Six Months	N/A	8.37
Total	<u>\$59,875,915</u>			

### Note 8 – Property Taxes

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2012 represents collections of calendar year 2011 taxes. Real property taxes received in calendar year 2012 were levied after April 1, 2011, on the assessed value listed as of January 1, 2011, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2012 represents collections of calendar year 2011 taxes. Public utility real and tangible personal property taxes received in calendar year 2012 became a lien December 31, 2010, were levied after April 1, 2011 and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Lake County and Geauga County. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2012, are available to finance fiscal year 2012 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2012 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

**Mentor Exempted Village School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012*

The amount available as an advance at June 30, 2012, was \$5,023,336 in the general fund, \$31,814 in the bond retirement fund, and \$72,863 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2011, was \$7,047,119 in the general fund, \$182,391 in the bond retirement fund, and \$100,196 in the permanent improvement capital projects fund.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

The assessed values upon which fiscal year 2012 taxes were collected are:

	2011 Second Half Collections		2012 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$1,784,941,760	97.43%	\$1,779,330,660	97.39%
Public Utility Personal	45,949,360	2.51	47,668,530	2.61
General Business Personal	1,095,740	0.06	0	0.00
<b>Total</b>	<b>\$1,831,986,860</b>	<b>100.00%</b>	<b>\$1,826,999,190</b>	<b>100.00%</b>
 Full Tax Rate per \$1,000 of assessed valuation	 \$77.61		 \$76.96	

**Note 9 - Receivables**

Receivables at June 30, 2012, consisted of taxes, accounts, tuition and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables, except for delinquent property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

Intergovernmental Receivables	Amounts
State of Ohio	\$144,766
Title VI-B	104,268
Education Jobs	64,486
Title I	55,718
School Employees Retirement System	31,970
Classroom Reduction	26,804
Carl Perkins Grant	16,818
Title III	11,015
Tuition	7,965
Technology Title II-D	6,108

*(continued)*

**Mentor Exempted Village School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012*

Intergovernmental Receivables	Amounts
Preschool	\$3,965
City of Mentor	935
Other	198
<b>Total Governmental Funds</b>	<b>475,016</b>
<b>Business-Type Activity:</b>	
City of Mentor	795
<b>Total</b>	<b>\$475,811</b>

***Payments in Lieu of Taxes***

According to state law, the School District has established several tax incremental financing districts within the School District under which the School District has granted property tax exemptions and agreed to construct certain infrastructure improvements. The property owners have agreed to make payments to the School District to help pay the costs of the infrastructure improvements. The amount of those payments generally reflects all or a portion of the property taxes which the property owners would have paid if the property had not been declared exempt. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the costs of the improvement have been paid or the agreement expires, whichever occurs first. Future development by these owners or others may result in subsequent agreements to make payments in lieu of taxes and may therefore spread the costs of the improvements to a larger number of property owners.

**Note 10 – Capital Assets**

Governmental fund capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
<b>Capital Assets Not Being Depreciated</b>				
Land	\$725,721	\$0	\$0	\$725,721
Construction in Progress	238,411	710,854	(739,399)	209,866
<i>Total Capital Assets Not Being Depreciated</i>	<i>964,132</i>	<i>710,854</i>	<i>(739,399)</i>	<i>935,587</i>
<b>Capital Assets Being Depreciated</b>				
Land Improvements	4,231,726	292,218	(6,402)	4,517,542
Buildings and Improvements	39,361,410	3,197,756	(489,210)	42,069,956
Furniture, Fixtures and Equipment	7,034,234	473,845	(214,102)	7,293,977
Vehicles	6,357,971	232,175	0	6,590,146
<i>Total Capital Assets Being Depreciated</i>	<i>56,985,341</i>	<i>4,195,994</i>	<i>(709,714)</i>	<i>60,471,621</i>
Less: Accumulated Depreciation				
Land Improvements	(2,904,141)	(91,271)	6,402	(2,989,010)
Buildings and Improvements	(28,120,893)	(636,488)	489,210	(28,268,171)
Furniture, Fixtures and Equipment	(4,970,325)	(370,693)	134,897	(5,206,121)
Vehicles	(4,633,730)	(220,794)	0	(4,854,524)
<i>Total Accumulated Depreciation</i>	<i>(40,629,089)</i>	<i>(1,319,246)</i>	<i>630,509</i>	<i>(41,317,826)</i>
<i>Capital Assets Being Depreciated, Net</i>	<i>16,356,252</i>	<i>2,876,748</i>	<i>(79,205)</i>	<i>19,153,795</i>
<i>Governmental Activities Capital Assets, Net</i>	<i>\$17,320,384</i>	<i>\$3,587,602</i>	<i>(\$818,604)</i>	<i>\$20,089,382</i>

**Mentor Exempted Village School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012*

Business type capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	Balance			Balance
	June 30, 2011	Additions	Deletions	June 30, 2012
<b>Capital Assets Being Depreciated</b>				
Land Improvements	\$0	\$6,402	\$0	\$6,402
Buildings and Improvements	0	1,245,636	0	1,245,636
Furniture, Fixtures and Equipment	0	86,388	0	86,388
<i>Total Capital Assets Being Depreciated</i>	<u>0</u>	<u>1,338,426</u>	<u>0</u>	<u>1,338,426</u>
 Less: Accumulated Depreciation				
Land Improvements	0	(6,402)	0	(6,402)
Buildings and Improvements	0	(506,740)	0	(506,740)
Furniture, Fixtures and Equipment	0	(48,951)	0	(48,951)
<i>Total Accumulated Depreciation</i>	<u>0</u>	<u>(562,093)</u>	<u>0</u>	<u>(562,093)</u>
 <i>Governmental Activities Capital Assets, Net</i>	<u>\$0</u>	<u>\$776,333</u>	<u>\$0</u>	<u>\$776,333</u>

The capital assets associated with the Headlands Elementary School have been transferred to the Cardinal Autism Education and Resource School fund, and are recorded as business-type capital assets.

Depreciation expense was charged to governmental functions as follows:

Instruction	
Regular	\$223,067
Special	1,126
Vocational	1,674
Support Services	
Pupils	5,290
Instructional Staff	37,832
Board of Education	4,157
Administration	14,030
Fiscal	6,591
Operation and Maintenance of Plant	348,259
Pupil Transportation	406,501
Central	120,446
Operation of Food Service	44,179
Extracurricular Activities	106,094
Total Depreciation Expense	<u>\$1,319,246</u>

**Mentor Exempted Village School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012*

**Note 11 - Interfund Transfers and Balances**

***Interfund Transfers***

Transfers made during the year ended June 30, 2012 were as follows:

<u>Transfers To</u>	<u>Transfers From</u>		
	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Nonmajor Governmental Funds	<u>\$434,368</u>	<u>\$43,789</u>	<u>\$478,157</u>

During the year, the general fund made transfers to nonmajor governmental funds to move unrestricted balances to support programs and projects accounted for in other funds, and to move resources as debt payments came due.

***Interfund Balances***

Interfund balances at June 30, 2012, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting records and (3) payments between funds are made. All advances, except the Cardinal Autism Resource and Education School, are expected to be paid within one year. The Cardinal Autism Resource and Education School will be repaid in installments until fiscal year 2014.

<u>Interfund Payable</u>	<u>Interfund Receivable</u>			<u>Total</u>
	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Internal Service</u>	
General Fund	\$0	\$483	\$434,553	\$435,036
Nonmajor Governmental Funds	<u>87,355</u>	<u>1,672</u>	<u>24,777</u>	<u>113,804</u>
Total Governmental Funds	87,355	2,155	459,330	548,840
Business-Type Activity: Cardinal Autism Resource and Education School	<u>1,003,952</u>	<u>0</u>	<u>3,376</u>	<u>1,007,328</u>
<i>Total</i>	<u>\$1,091,307</u>	<u>\$2,155</u>	<u>\$462,706</u>	<u>\$1,556,168</u>

**Mentor Exempted Village School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012*

**Note 12 – Fund Obligations**

The School District’s note activity, including amounts outstanding and interest rates, are as follows:

	Outstanding June 30, 2011	Additions	Deletions	Outstanding June 30, 2012
4.50% 2010 Energy Conservation Notes				
- Maturing July 2, 2011	\$77,333	\$0	\$77,333	\$0
4.50% 2011 Energy Conservation Notes				
- Maturing July 2, 2012	0	77,333	0	77,333
<i>Total Energy Conservation Notes</i>	<u>77,333</u>	<u>77,333</u>	<u>77,333</u>	<u>77,333</u>
1.51% 2011 School Improvement Notes				
- Maturing June 1, 2012	1,365,000	0	1,365,000	0
1.51% 2012 School Improvement Notes				
- Maturing June 1, 2013	0	1,170,000	0	1,170,000
<i>Total School Improvement Notes</i>	<u>1,365,000</u>	<u>1,170,000</u>	<u>1,365,000</u>	<u>1,170,000</u>
<i>Total Notes</i>	<u>\$1,442,333</u>	<u>\$1,247,333</u>	<u>\$1,442,333</u>	<u>\$1,247,333</u>

The energy conservation notes were issued to refinance previous notes issued to finance installations, modifications and remodeling of school buildings to conserve energy. The energy conservation notes are backed by the full faith and credit of the School District and will mature within one year. The note liability is reflected in the building capital projects fund.

The school improvement notes were issued to refinance previous notes issued to improve School District facilities. The school improvement notes are backed by the full faith and credit of the School District and will mature within one year. The note liability is reflected in the permanent improvement capital projects fund.

**Note 13 – Long-Term Obligations**

Changes in long-term obligations of the School District during fiscal year 2012 were as follows:

	Principal Outstanding June 30, 2011	Additions	Deductions	Principal Outstanding June 30, 2012	Amount Due in One Year
<b>Long-term Notes</b>					
2010 4.50% Energy Conservation Note	\$541,334	\$0	(\$541,334)	\$0	\$0
2012 4.50% Energy Conservation Note	0	464,000	0	464,000	0
<i>Total Long-term Notes</i>	<u>\$541,334</u>	<u>\$464,000</u>	<u>(\$541,334)</u>	<u>\$464,000</u>	<u>\$0</u>

*(continued)*

**Mentor Exempted Village School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012*

	Principal Outstanding June 30, 2011	Additions	Deductions	Principal Outstanding June 30, 2012	Amount Due in One Year
<b>General Obligation Bonds</b>					
2001 2.20-4.15%					
School Improvement Refunding Bonds					
Serial Bonds	\$1,380,007	\$0	(\$445,000)	\$935,007	\$460,000
2005 3.00%					
School Improvement Refunding Bonds					
Capital Appreciation Bonds	639,989	0	(639,989)	0	0
Accretion on Capital Appreciation Bonds	549,547	50,464	(600,011)	0	0
<i>Total General Obligation Bonds</i>	<u>2,569,543</u>	<u>50,464</u>	<u>(1,685,000)</u>	<u>935,007</u>	<u>460,000</u>
<b>Other Long-term Obligations</b>					
Workers Compensation Claims	829,581	651,485	(304,568)	1,176,498	222,169
Compensated Absences	5,544,281	1,333,902	(1,336,116)	5,542,067	1,355,001
Early Retirement Incentive	1,425,000	750,000	(1,243,750)	931,250	931,250
<i>Total Other Long-term Obligations</i>	<u>7,798,862</u>	<u>2,735,387</u>	<u>(2,884,434)</u>	<u>7,649,815</u>	<u>2,508,420</u>
<i>Total Governmental Activities</i>					
<i>Long-Term Liabilities</i>	<u>\$10,909,739</u>	<u>\$3,249,851</u>	<u>(\$5,110,768)</u>	<u>\$9,048,822</u>	<u>\$2,968,420</u>

On July 2, 2011, the School District issued \$464,000 in energy conservation notes to pay the 2010 energy conservation notes which were issued to finance installations, modifications and remodeling of school buildings to conserve energy.

On October 1, 2001, the School District issued \$4,514,993 in school improvement refunding bonds to advance refund bonds previously issued in fiscal year 1991, in the amount of \$8,600,000, for improving school buildings and facilities.

On April 21, 2005, the School District issued \$6,439,989 in school improvement refunding bonds which included serial and capital appreciation bonds in the amount of \$5,800,000 and \$639,989, respectively. The general obligation bonds were issued for the purpose of advance refunding a portion of the 1993 school improvement bonds to take advantage of lower interest rates. The bonds were issued for a eight year period with final maturity at December 1, 2011. The bonds were retired from the debt service fund.

The energy conservation notes will be paid from the building capital projects funds. General obligation bonds will be paid from the general obligation bond retirement fund. Workers' compensation claims will be paid from the workers' compensation internal service fund. Compensated absences will be paid from the general fund and the food service, special rotary, title VI-B, and title I special revenue funds. Early retirement incentives will be paid from the general fund and title IV-B special revenue fund.

The debt limit of the School District as of June 30, 2012 was \$164,429,927. The amount of debt subject to the debt limit was \$1,744,472, leaving an overall debt margin of \$162,685,455.

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2012 are as follows:

**Mentor Exempted Village School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012*

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Fiscal Year Ending June 30	General Obligation Bonds	
	Serial	
	Principal	Interest
2013	\$460,000	\$28,913
2014	475,007	9,856
Total	<u>\$935,007</u>	<u>\$38,769</u>

**Note 14 – Defined Benefit Pension Plans**

***School Employees Retirement System***

Plan Description – The School District participates in the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2012, the allocation to pension and death benefits was 12.70 percent. The remaining 1.30 percent of the 14 percent employer contribution rate is allocated to the Medicare B and Health Care funds. The School District’s required contributions for pension obligations to SERS for the fiscal years ended June 30, 2012, 2011, and 2010 were \$1,728,358, \$1,591,892 and \$1,664,769, respectively. For fiscal year 2012, 87.4 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2011 and 2010.

***State Teachers Retirement System of Ohio***

Plan Description – The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that can be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service, or an allowance based on a member’s lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and

## **Mentor Exempted Village School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012*

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employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50. Benefits are established by Ohio Revised Code Chapter 3307.

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

Funding Policy - Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon the recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. For the fiscal year ended June 30, 2012, plan members were required to contribute 10 percent of their annual covered salary. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

The School District's required contributions to STRS Ohio for the DB Plan and for the defined benefit portion of the Combined Plan were \$5,946,744 and \$118,119 for the fiscal year ended June 30, 2012, \$5,781,531 and \$109,686 for the fiscal year ended June 30, 2011, and \$5,731,098 and \$101,563 for the fiscal year ended June 30, 2010. For fiscal year 2012, 85.58 percent has been contributed for the DB plan and 85.58 percent has been contributed for the Combined Plan, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2011 and 2010.

Contributions made to STRS Ohio for the DC Plan and for fiscal year 2012 were \$97,091 made by the School District and \$69,350 made by the plan members. In addition, member contributions of \$84,371 were made for fiscal year 2012 for the defined contribution portion of the Combined Plan.

### ***Social Security System***

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2012, two members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages.

## **Note 15 – Postemployment Benefits**

### ***School Employee Retirement System***

Plan Description – The School District participates in two cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's,

## **Mentor Exempted Village School District**

*Notes to the Basic Financial Statements  
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PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligation to contribute are established by SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For fiscal year 2012, 0.55 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for fiscal year 2012, this amount was \$35,800. During fiscal year 2012, the School District paid \$266,615 in surcharge.

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

The School District's contributions for health care for the fiscal years ended June 30, 2012, 2011, and 2010 were \$75,146, \$193,407, and \$158,922, respectively. For fiscal year 2012, 87.41 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2011 and 2010.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2012, this actuarially required allocation was 0.75 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2012, 2011, and 2010, were \$102,472, \$102,790, and \$99,000 respectively. For fiscal year 2012, 87.41 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2011 and 2010.

### ***State Teachers Retirement System***

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2012, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to post-employment health care. The School District's contributions for health care for the fiscal years ended June 30, 2012, 2011, and 2010 were \$457,442, \$459,881, and \$456,574 respectively. For fiscal year 2012, 85.58 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2011 and 2010.

## **Mentor Exempted Village School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012*

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### **Note 16 - Other Employee Benefits**

#### ***Compensated Absences***

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty-five days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time. Each employee earns sick leave at the rate of one and one-fourth days per month. The total accumulation of sick leave during any year shall not, however, exceed fifteen days. Upon retirement, classified employees will be paid one fourth of their total unused accumulated sick leave. Teachers will be paid one fourth of the total sick leave accumulation, up to a maximum accumulation of 72 days. Administrators will be paid a total of seventy-three days, not based on unused sick leave, upon retirement. An employee receiving such payment must meet the retirement provisions set by STRS or SERS. The liability of unpaid severance, in the amount of \$5,542,067 has been included as long-term liabilities on the Statement of Net Assets. This obligation will ultimately be paid from the fund which the employee was paid.

#### ***Early Retirement Incentive***

The School District Board of Education offered employees participation in an Early Retirement Incentive program beginning August 1, 2004 through June 30, 2009. Participation was open to classified employees who were eligible for service retirement under SERS before July 1, 2009, and certified employees who were eligible for service retirement under STRS pursuant to O.R.C. 3307.38 and any applicable STRS regulations prior to July 1, 2009. Employees who were not eligible to retire under STRS requirements until July 1, 2009 were also able to participate. The negotiated agreement dated August 1, 2010 through June 30, 2012 does not provide for an early retirement incentive program for classified employees. The previously approved certified employee early retirement incentive programs will be completely paid out in fiscal year 2013. The negotiated agreement with the Mentor Teachers Association dated September 1, 2010 through September 1, 2013 provides certified employees with a retirement incentive plan for employees eligible for service retirement under STRS pursuant to O.R.C. 3307.38 and any applicable STRS regulations prior to July 31, 2011.

### **Note 17 - Contingencies**

#### ***Grants***

The Auditor of State is currently performing a statewide review of supporting documentation for student attendance data reported to the Ohio Department of Education. The results of this review are still pending and will be reported separately to the Ohio Department of Education at a later date.

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is 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. This also encompasses the Auditor of State's ongoing review of student attendance data. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2012, if applicable, cannot be determined at this time.

## Mentor Exempted Village School District

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012

### *Litigation*

The School District is party to legal proceedings. The School District is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the School District.

### **Note 18 - Risk Management**

#### *Property and Liability*

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2012, the School District had the following insurance coverage:

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>
Netherlands Insurance Company	Buildings and Contents	\$200,839,592
	General Liability	
	Per Occurance	1,000,000
	In Aggregate	2,000,000
	Errors and Omissions	
	Per Inquiry	1,000,000
	Commercial Auto Coverage	
	Each Accident	1,000,000
	Uninsured Motorists	1,000,000
	Employee Benefits	
	Each Employee	1,000,000
	Aggregate	3,000,000
	Employers Stop Loss	
	Each Employee	1,000,000
Aggregate	2,000,000	
	Violent Response	1,000,000
Midwestern Indemnity Company	Commercial Umbrella	10,000,000
Chartis-Illinois National Insurance Company	Security and Privacy Liability	1,000,000
	Regulatory Action Sublimit of Liability	1,000,000
	Event Management	500,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in coverage from last year.

#### *Worker's Compensation*

On July 1, 2010, the School District was approved for self-insured status by the Bureau of Workers' Compensation and began to administer its own workers' compensation program (the program). The School District has established a workers' compensation internal service fund to account for assets set aside for claim settlements and related liabilities associated with the program. Liabilities of the fund are reported when an employee injury has occurred, it is probable that a claim will be filed under the program and the amount of the claim can be reasonably estimated. The School District utilizes the services of Compensable

## Mentor Exempted Village School District

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Benefits, the third party administrator, to review, process, and to pay employee claims. The School District also maintains excess insurance coverage which would pay the portion of the claims that exceed \$400,000 per occurrence for all employees.

Incurred but not reported claims and premium of \$1,176,498 have been accrued as a liability at June 30, 2012, based on an estimate by Compensable Benefits. Of this amount, \$222,169 is due within one year. The claims liability reported in the workers' compensation internal service fund at June 30, 2012, is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claims adjustment expenses.

Changes in the fund's claims liability amounts for 2011 and 2012 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2011	\$587,153	\$338,232	\$95,804	\$829,581
2012	829,581	497,710	150,793	1,176,498

### ***Employee Insurance Benefits***

The School District offers medical, prescription drug and dental insurance to employees through a self-insurance internal service fund. Anthem Blue Cross Blue Shield serves as the School District's third party administrator. The School District's monthly premiums are paid to the fiscal agent who in turn pays the claims on the School District's behalf. A specific excess loss coverage (stop-loss) insurance policy covers claims in excess of \$125,000 per employee, per year. The claims liability of \$1,621,871 reported in the internal service fund at June 30, 2012, is based on an estimate by the third party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claims adjustment expenses. In fiscal year 2012, the employee vision program was fully insured. Management's expectation is the claims liabilities will be paid within one year.

Changes in the funds' claims liability amount for 2012 was:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2011	\$1,602,191	\$13,010,710	\$12,905,943	\$1,706,958
2012	1,706,958	13,235,179	13,320,266	1,621,871

### **Note 19 - Jointly Governed Organizations**

***Ohio Schools' Council Association*** The Ohio Schools Council Association (Council) is a jointly governed organization among 161 school districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying

## **Mentor Exempted Village School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012*

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an annual participation fee. Each school district member superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board meets monthly from September through June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2012, the School District paid \$4,403 to the Council. Financial information can be obtained by contacting William Zelei, the Executive Director of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The School District participates in the natural gas purchase program. This program allows the School District to purchase natural gas at reduced rates. Compass Energy has been selected as the new supplier and program manager for the period from October 1, 2010 through March 31, 2013. There are currently 143 participants in the program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

The School District also participates in the Council's electric purchase program. The Council provides 238 school districts and 11 Developmental Disabilities boards in the First Energy territory (Cleveland Electric Illuminating, Ohio Edison, and Toledo Edison) the ability to purchase electricity at reduced rates. The Council's current program, Power 4 Schools, provides for a fixed per kilowatt-hour for electricity generation until May 2014, converting to a new fixed price or percent off the Price to Compare (PTC), whichever provides the greatest savings until December 2019.

***Northeast Ohio Network for Educational Technology*** The Northeast Ohio Network for Educational Technology (NEONET) is the computer service organization or Data Acquisition Site (DAS) used by the School District. NEONET is a jointly governed organization among twenty-seven school districts and the Summit County Educational Service Center. The Summit County Educational Service Center acts as the fiscal agent for the consortium. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The Board of Directors consists of member district superintendents and treasurers. The manager/director is a permanent, non-voting member of the board of directors. Each school district's control is limited to its representation on the board. The Board of Directors exercise total control over the operations of the association including budgeting, appropriating, contracting and designating management. All association revenues are generated from charges for services and State funding. The School District does not retain an ongoing financial interest or an ongoing financial responsibility in NEONET. Payments to NEONET are made from the general fund. During the current fiscal year, the School District paid \$98,175 to NEONET for payroll services. Financial information can be obtained by writing to the Summit County Educational Service Center, 420 Washington Avenue, Suite 200, Cuyahoga Falls, OH 44221.

***North Coast Council*** The North Coast Council (NCC) is a jointly governed computer service bureau owned and operated by eleven public school districts. The primary function of NCC is to provide data services to the thirteen member districts. Major areas of service provided by NCC include accounting, payroll, inventory, career guidance services, handicapped student tracking, pupil scheduling, attendance reporting and grade reporting. Each school is represented on the NCC Board of Directors by its superintendent. Each school district supports NCC based upon a per student charge dependent upon software package used. The

## Mentor Exempted Village School District

*Notes to the Basic Financial Statements  
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School District paid \$32,561 for fiscal year 2012 to purchase EMIS reporting services, internet services and library services. The Cuyahoga County Education Service Center serves as the fiscal agent of NCC. Financial information can be obtained by contacting the Treasurer of the fiscal agent at 5700 West Canal Road, Valleyview, OH 44125.

### Note 20 - Related Organization

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

### Note 21 - Set Asides

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years.

The following cash basis information describes the change in the fiscal year end set aside amounts for capital acquisition. Disclosure of this information is required by State statute.

	<u>Capital Improvements Reserve</u>
Set-Aside Reserve Balance as of June 30, 2011	\$0
Current Year Set-aside Requirement	1,393,516
Qualifying Disbursements	<u>(1,913,629)</u>
Total	<u><u>(\$520,113)</u></u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u><u>\$0</u></u>
Set-aside Reserve Balance as of June 30, 2012	<u><u>\$0</u></u>

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

**Mentor Exempted Village School District**

*Notes to the Basic Financial Statements  
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**Note 22 - Significant Commitments**

*Contractual Commitments*

*Encumbrances*

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year end the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

General fund	\$3,365,458
Nonmajor funds	<u>1,007,082</u>
Total	<u><u>\$4,372,540</u></u>

**Note 23 – Subsequent Event**

On July 19, 2012, the School District issued \$464,000 Energy Conservation Improvement Notes to refinance previously issued notes for the installation, modification and remodeling of school buildings to conserve energy. The notes were issued at the rate of 1.49 percent, with maturity at July 19, 2013.



**Abigail Meinen**  
***Tea Time***  
**Mentor High School**

## ***Combining and Individual Fund Statements and Schedules***

### ***Combining Statements – Nonmajor Governmental Funds***

#### ***Nonmajor Special Revenue Funds***

The Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Following is a description of the School District's nonmajor special revenue funds:

***Food Service Fund*** This fund accounts for and reports charges for services and operating grants restricted to the food service operations of the School District.

***Special Trust Fund*** This fund accounts for and reports donations received that are restricted for purposes that are beneficial to the overall operation of the School District.

***Rotary Special Services Fund*** This fund accounts for and reports tuition and fees charged for summer school that are committed to the costs of running the summer school program.

***Adult Education Fund*** This fund accounts for and reports tuition and fees charged for the adult education program that are committed to the costs of running the adult education program.

***Rotary Fund*** This fund accounts for and reports tuition and fees charged for services and equipment provided by the School District that are committed to the costs of running the We Care program.

***Other Grants Fund*** This fund accounts for and reports the proceeds of specific revenue sources, except for State and Federal grants that are legally restricted to expenditures for driver's training.

***Athletics and Music Fund*** This fund accounts for and reports gate receipts and other revenues from athletic events restricted for the costs (except supplemental coaching contracts) of the School District's athletic program and transportation of the band to and from athletic events.

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

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

***Entry Year Teachers*** This fund accounts for and reports restricted State monies spent on teacher in-service and training for first year teachers.

***OneNet Data Communications Fund*** This fund accounts for and reports restricted State monies to provide for wiring to all classrooms in the State and to provide a computer workstation and related technology for every classroom in Ohio's low-wealth school districts.

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

(continued)

*Combining Statements – Nonmajor Governmental Funds (continued)*

*Nonmajor Special Revenue Funds (continued)*

***Education Jobs Fund*** This fund accounts for and reports restricted Federal grant monies to assist schools in providing educational and related services early childhood, elementary, and secondary education.

***Race to the Top Fund*** This fund accounts for and reports restricted Federal monies used for education innovation and reform, achieving significant improvement in student outcomes, including making substantial gains in student achievement, closing achievement gaps, improving high school graduation rates, and ensuring student preparation for success in college and careers.

***Title VI-B Fund*** This fund accounts for and reports restricted Federal monies used 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.

***Carl Perkins Grant Fund*** This fund accounts for and reports restricted Federal monies used for the development of vocational education programs in the following categories: secondary, post-secondary, adult, disadvantaged and handicapped persons, exemplary programs, cooperative education, ancillary services, research, advisory committees, and work study projects.

***State Fiscal Stabilization Fund*** This fund accounts for and reports restricted Federal grant monies used to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative patterns, provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels, and non-administrative expenditures.

***Technology Title II-D Fund*** This fund accounts for and reports restricted Federal grant monies used for technology.

***Title III Fund*** This fund accounts for and reports restricted Federal monies used for costs associated with English proficiency.

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

***Preschool Grant Fund*** This fund accounts and reports for restricted Federal revenues used for speech therapy services and instructional supplies used in preschool programs.

***Classroom Reduction Fund*** This fund accounts for and reports restricted Federal monies received to encourage and help fund smaller classroom size and additional staffing needs.

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

***Nonmajor Debt Service Fund***

The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

***Bond Retirement Fund*** This fund accounts for and reports property taxes restricted for the retirement of principal and interest on outstanding bonds.

(continued)

*Combining Statements – Nonmajor Governmental Funds (continued)*

*Nonmajor Capital Projects Funds*

The Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary fund or for assets that will be held in trust. Following is a description of the nonmajor capital project funds:

***Permanent Improvement Fund*** This fund accounts for and reports property taxes restricted for various capital improvements within the School District.

***Building Fund*** This fund accounts for and reports bond and note proceeds restricted for the purchase of major capital equipment and facilities renovation. The operations of this fund are not budgeted.

**Mentor Exempted Village School District**

*Combining Balance Sheet*

*Nonmajor Governmental Funds*

*June 30, 2012*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,656,795	\$328,721	\$1,186,821	\$3,172,337
Accounts Receivable	1,336	0	0	1,336
Accrued Interest Receivable	15,256	0	1,912	17,168
Intergovernmental Receivable	436,858	0	0	436,858
Interfund Receivable	2,155	0	0	2,155
Inventory Held for Resale	30,552	0	0	30,552
Materials and Supplies Inventory	19,236	0	0	19,236
Property Taxes Receivable	0	404,608	897,301	1,301,909
<i>Total Assets</i>	<u>\$2,162,188</u>	<u>\$733,329</u>	<u>\$2,086,034</u>	<u>\$4,981,551</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$256,376	\$0	\$20,280	\$276,656
Contracts Payable	0	0	195,192	195,192
Accrued Wages and Benefits	436,713	0	0	436,713
Interfund Payable	113,804	0	0	113,804
Intergovernmental Payable	202,387	0	0	202,387
Deferred Revenue	6,108	372,794	824,438	1,203,340
Accrued Interest Payable	0	0	2,534	2,534
Notes Payable	0	0	1,247,333	1,247,333
<i>Total Liabilities</i>	<u>1,015,388</u>	<u>372,794</u>	<u>2,289,777</u>	<u>3,677,959</u>
<b>Fund Balances</b>				
Nonspendable	19,236	0	0	19,236
Restricted	922,140	360,535	0	1,282,675
Committed	213,221	0	0	213,221
Unassigned (Deficit)	(7,797)	0	(203,743)	(211,540)
<i>Total Fund Balances (Deficit)</i>	<u>1,146,800</u>	<u>360,535</u>	<u>(203,743)</u>	<u>1,303,592</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,162,188</u>	<u>\$733,329</u>	<u>\$2,086,034</u>	<u>\$4,981,551</u>

**Mentor Exempted Village School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Fiscal Year Ended June 30, 2012*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property Taxes	\$0	\$446,847	\$1,147,385	\$1,594,232
Intergovernmental	6,649,534	146,156	208,761	7,004,451
Interest	7,981	0	94	8,075
Tuition and Fees	61,742	0	0	61,742
Extracurricular Activities	897,597	0	0	897,597
Contributions and Donations	170,030	0	14,694	184,724
Charges for Services	2,012,883	0	0	2,012,883
Rentals	54,810	0	2,109	56,919
Miscellaneous	1,550	0	11,130	12,680
<i>Total Revenues</i>	<u>9,856,127</u>	<u>593,003</u>	<u>1,384,173</u>	<u>11,833,303</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	304,889	0	0	304,889
Special	2,766,336	0	0	2,766,336
Vocational	128,384	0	0	128,384
Support Services:				
Pupils	1,034,065	0	0	1,034,065
Instructional Staff	312,278	0	0	312,278
Board of Education	1,500	0	0	1,500
Administration	442,858	0	0	442,858
Fiscal	56,215	8,629	11,512	76,356
Operation and Maintenance of Plant	2,558	0	1,341,248	1,343,806
Pupil Transportation	32,303	0	0	32,303
Central	41,611	0	0	41,611
Operation of Non-Instructional Services	1,502,745	0	0	1,502,745
Operation of Food Service	2,711,502	0	0	2,711,502
Extracurricular Activities	441,488	0	0	441,488
Debt Service:				
Principal Retirement	0	1,685,000	541,334	2,226,334
Interest and Fiscal Charges	0	46,790	26,622	73,412
<i>Total Expenditures</i>	<u>9,778,732</u>	<u>1,740,419</u>	<u>1,920,716</u>	<u>13,439,867</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>77,395</u>	<u>(1,147,416)</u>	<u>(536,543)</u>	<u>(1,606,564)</u>
<b>Other Financing Sources (Uses)</b>				
Energy Conservation Notes Issued	0	0	464,000	464,000
Transfers In	110,905	301,463	65,789	478,157
Transfers Out	(43,789)	0	0	(43,789)
<i>Total Other Financing Sources (Uses)</i>	<u>67,116</u>	<u>301,463</u>	<u>529,789</u>	<u>898,368</u>
<i>Net Change in Fund Balances</i>	144,511	(845,953)	(6,754)	(708,196)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>1,002,289</u>	<u>1,206,488</u>	<u>(196,989)</u>	<u>2,011,788</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$1,146,800</u>	<u>\$360,535</u>	<u>(\$203,743)</u>	<u>\$1,303,592</u>

**Mentor Exempted Village School District**

*Combining Balance Sheet*

*Nonmajor Special Revenue Funds*

*June 30, 2012*

	Food Service	Special Trust	Rotary Special Services	Adult Education	Rotary
<b>Assets</b>					
Equity in Pooled Cash and					
Cash Equivalents	\$426,257	\$56,798	\$82,495	\$5,546	\$183,557
Accounts Receivable	1,180	0	0	0	0
Accrued Interest Receivable	715	35	0	0	0
Intergovernmental Receivable	147,163	0	0	0	81
Interfund Receivable	2,155	0	0	0	0
Inventory Held for Resale	30,552	0	0	0	0
Materials and Supplies Inventory	19,236	0	0	0	0
<i>Total Assets</i>	<u>\$627,258</u>	<u>\$56,833</u>	<u>\$82,495</u>	<u>\$5,546</u>	<u>\$183,638</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$2,592	\$575	\$306	\$0	\$0
Accrued Wages and Benefits	57,889	0	0	0	5,961
Interfund Payable	7,054	2,536	1,762	0	1,358
Intergovernmental Payable	75,829	0	5,494	0	43,577
Deferred Revenue	0	0	0	0	0
<i>Total Liabilities</i>	<u>143,364</u>	<u>3,111</u>	<u>7,562</u>	<u>0</u>	<u>50,896</u>
<b>Fund Balances</b>					
Nonspendable	19,236	0	0	0	0
Restricted	464,658	53,722	0	0	0
Committed	0	0	74,933	5,546	132,742
Unassigned (Deficit)	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>483,894</u>	<u>53,722</u>	<u>74,933</u>	<u>5,546</u>	<u>132,742</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$627,258</u>	<u>\$56,833</u>	<u>\$82,495</u>	<u>\$5,546</u>	<u>\$183,638</u>

<u>Other Grants</u>	<u>Athletics and Music</u>	<u>Auxiliary Services</u>	<u>Entry Year Teachers</u>	<u>OneNet Data Communications</u>	<u>Miscellaneous State Grants</u>
\$183,170	\$89,643	\$301,590	\$1,606	\$12,600	\$7,916
0	0	156	0	0	0
12,356	0	2,150	0	0	0
0	0	0	0	0	59
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$195,526</u>	<u>\$89,643</u>	<u>\$303,896</u>	<u>\$1,606</u>	<u>\$12,600</u>	<u>\$7,975</u>
\$22,707	\$5,984	\$140,238	\$0	\$12,600	\$0
0	0	0	0	0	3,572
756	3,370	58,286	0	0	191
0	137	22,447	0	0	2,032
0	0	0	0	0	0
<u>23,463</u>	<u>9,491</u>	<u>220,971</u>	<u>0</u>	<u>12,600</u>	<u>5,795</u>
0	0	0	0	0	0
172,063	80,152	82,925	1,606	0	2,180
0	0	0	0	0	0
0	0	0	0	0	0
<u>172,063</u>	<u>80,152</u>	<u>82,925</u>	<u>1,606</u>	<u>0</u>	<u>2,180</u>
<u>\$195,526</u>	<u>\$89,643</u>	<u>\$303,896</u>	<u>\$1,606</u>	<u>\$12,600</u>	<u>\$7,975</u>

(continued)

**Mentor Exempted Village School District***Combining Balance Sheet**Nonmajor Special Revenue Funds (continued)**June 30, 2012*

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	Education Jobs Fund	Race to the Top	Title VI-B	Carl Perkins Grant	Technology Title II-D
<b>Assets</b>					
Equity in Pooled Cash and					
Cash Equivalents	\$73,654	\$8,333	\$109,609	\$16,700	\$0
Accounts Receivable	0	0	0	0	0
Accrued Interest Receivable	0	0	0	0	0
Intergovernmental Receivable	64,486	0	104,641	16,818	6,108
Interfund Receivable	0	0	0	0	0
Inventory Held for Resale	0	0	0	0	0
Materials and Supplies Inventory	0	0	0	0	0
<i>Total Assets</i>	<u>\$138,140</u>	<u>\$8,333</u>	<u>\$214,250</u>	<u>\$33,518</u>	<u>\$6,108</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$0	\$8,333	\$48,881	\$2,119	\$0
Accrued Wages and Benefits	126,611	0	132,646	0	0
Interfund Payable	5,553	0	6,697	297	0
Intergovernmental Payable	13,773	0	22,234	3,664	0
Deferred Revenue	0	0	0	0	6,108
<i>Total Liabilities</i>	<u>145,937</u>	<u>8,333</u>	<u>210,458</u>	<u>6,080</u>	<u>6,108</u>
<b>Fund Balances</b>					
Nonspendable	0	0	0	0	0
Restricted	0	0	3,792	27,438	0
Committed	0	0	0	0	0
Unassigned (Deficit)	(7,797)	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>(7,797)</u>	<u>0</u>	<u>3,792</u>	<u>27,438</u>	<u>0</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$138,140</u>	<u>\$8,333</u>	<u>\$214,250</u>	<u>\$33,518</u>	<u>\$6,108</u>

<u>Title III</u>	<u>Title I</u>	<u>Preschool Grant</u>	<u>Classroom Reduction</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$4,326	\$75,295	\$5,780	\$11,842	\$78	\$1,656,795
0	0	0	0	0	1,336
0	0	0	0	0	15,256
11,015	55,718	3,965	26,804	0	436,858
0	0	0	0	0	2,155
0	0	0	0	0	30,552
0	0	0	0	0	19,236
<u>\$15,341</u>	<u>\$131,013</u>	<u>\$9,745</u>	<u>\$38,646</u>	<u>\$78</u>	<u>\$2,162,188</u>
\$0	\$1,850	\$666	\$9,525	\$0	\$256,376
0	104,670	2,767	2,597	0	436,713
14,255	7,404	4,146	139	0	113,804
3	12,305	437	455	0	202,387
0	0	0	0	0	6,108
<u>14,258</u>	<u>126,229</u>	<u>8,016</u>	<u>12,716</u>	<u>0</u>	<u>1,015,388</u>
0	0	0	0	0	19,236
1,083	4,784	1,729	25,930	78	922,140
0	0	0	0	0	213,221
0	0	0	0	0	(7,797)
<u>1,083</u>	<u>4,784</u>	<u>1,729</u>	<u>25,930</u>	<u>78</u>	<u>1,146,800</u>
<u>\$15,341</u>	<u>\$131,013</u>	<u>\$9,745</u>	<u>\$38,646</u>	<u>\$78</u>	<u>\$2,162,188</u>

**Mentor Exempted Village School District**  
*Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2012*

	Food Service	Special Trust	Rotary Special Services	Adult Education	Rotary
<b>Revenues</b>					
Intergovernmental	\$818,298	\$0	\$0	\$0	\$0
Interest	210	16	0	0	0
Tuition and Fees	2,155	0	59,431	0	0
Extracurricular Activities	0	0	0	0	586,004
Contributions and Donations	0	59,088	0	500	27,695
Charges for Services	2,012,883	0	0	0	0
Rentals	0	0	0	0	0
Miscellaneous	1,180	0	0	0	370
<i>Total Revenues</i>	<u>2,834,726</u>	<u>59,104</u>	<u>59,431</u>	<u>500</u>	<u>614,069</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	0	13,438	55,020	0	20,729
Special	0	11,185	0	0	0
Vocational	0	0	0	0	0
Support Services:					
Pupils	0	320	0	0	569,964
Instructional Staff	0	1,655	0	0	0
Board of Education	0	1,500	0	0	0
Administration	0	0	0	0	0
Fiscal	26,436	0	0	0	5,904
Operation and Maintenance of Plant	0	0	0	0	0
Pupil Transportation	0	832	0	0	0
Central	0	10,411	0	0	0
Operation of Non-Instructional Services	0	1,820	0	486	0
Operation of Food Service	2,711,502	0	0	0	0
Extracurricular Activities	0	19,211	0	0	54,871
<i>Total Expenditures</i>	<u>2,737,938</u>	<u>60,372</u>	<u>55,020</u>	<u>486</u>	<u>651,468</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>96,788</u>	<u>(1,268)</u>	<u>4,411</u>	<u>14</u>	<u>(37,399)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	0	0	0	0	61,405
Transfers Out	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>61,405</u>
<i>Net Change in Fund Balances</i>	96,788	(1,268)	4,411	14	24,006
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>387,106</u>	<u>54,990</u>	<u>70,522</u>	<u>5,532</u>	<u>108,736</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$483,894</u>	<u>\$53,722</u>	<u>\$74,933</u>	<u>\$5,546</u>	<u>\$132,742</u>

Other Grants	Athletics and Music	Auxiliary Services	Entry Year Teachers	OneNet Data Communications	Miscellaneous State Grants
\$0	\$0	\$1,393,432	\$2,400	\$25,200	\$24,783
7,755	0	0	0	0	0
0	0	156	0	0	0
0	311,593	0	0	0	0
62,730	20,017	0	0	0	0
0	0	0	0	0	0
54,810	0	0	0	0	0
0	0	0	0	0	0
125,295	331,610	1,393,588	2,400	25,200	24,783
44,408	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	24,735
1,515	0	0	794	0	0
0	0	0	0	0	0
21,110	0	0	0	0	0
0	0	0	0	0	0
2,558	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	31,200	0
0	0	1,353,156	0	0	0
0	0	0	0	0	0
2,097	365,309	0	0	0	0
71,688	365,309	1,353,156	794	31,200	24,735
53,607	(33,699)	40,432	1,606	(6,000)	48
0	49,500	0	0	0	0
(43,789)	0	0	0	0	0
(43,789)	49,500	0	0	0	0
9,818	15,801	40,432	1,606	(6,000)	48
162,245	64,351	42,493	0	6,000	2,132
\$172,063	\$80,152	\$82,925	\$1,606	\$0	\$2,180

(continued)

**Mentor Exempted Village School District**  
*Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds (continued)*  
For the Fiscal Year Ended June 30, 2012

	Education Jobs Fund	Race to the Top	Title VI-B	Carl Perkins Grant	State Fiscal Stabilization
<b>Revenues</b>					
Intergovernmental	\$857,824	\$102,736	\$1,771,467	\$340,946	\$0
Interest	0	0	0	0	0
Tuition and Fees	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Charges for Services	0	0	0	0	0
Rentals	0	0	0	0	0
Miscellaneous	0	0	0	0	0
<i>Total Revenues</i>	<u>857,824</u>	<u>102,736</u>	<u>1,771,467</u>	<u>340,946</u>	<u>0</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	0	145,802	0	0	19,077
Special	865,621	0	1,004,529	0	0
Vocational	0	0	0	128,384	0
Support Services:					
Pupils	0	0	213,861	178,339	0
Instructional Staff	0	0	17,394	3,330	0
Board of Education	0	0	0	0	0
Administration	0	0	371,691	16,696	0
Fiscal	0	0	10,886	0	0
Operation and Maintenance of Plant	0	0	0	0	0
Pupil Transportation	0	0	24,404	6,227	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	0	0	126,451	0	0
Operation of Food Service	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
<i>Total Expenditures</i>	<u>865,621</u>	<u>145,802</u>	<u>1,769,216</u>	<u>332,976</u>	<u>19,077</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(7,797)</u>	<u>(43,066)</u>	<u>2,251</u>	<u>7,970</u>	<u>(19,077)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(7,797)	(43,066)	2,251	7,970	(19,077)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>0</u>	<u>43,066</u>	<u>1,541</u>	<u>19,468</u>	<u>19,077</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$7,797)</u>	<u>\$0</u>	<u>\$3,792</u>	<u>\$27,438</u>	<u>\$0</u>

Technology Title II-D	Title III	Title I	Preschool Grant	Classroom Reduction	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$6,896	\$36,580	\$907,001	\$70,853	\$291,118	\$0	\$6,649,534
0	0	0	0	0	0	7,981
0	0	0	0	0	0	61,742
0	0	0	0	0	0	897,597
0	0	0	0	0	0	170,030
0	0	0	0	0	0	2,012,883
0	0	0	0	0	0	54,810
0	0	0	0	0	0	1,550
<u>6,896</u>	<u>36,580</u>	<u>907,001</u>	<u>70,853</u>	<u>291,118</u>	<u>0</u>	<u>9,856,127</u>
6,415	0	0	0	0	0	304,889
0	31,903	824,425	28,673	0	0	2,766,336
0	0	0	0	0	0	128,384
0	3,338	730	42,778	0	0	1,034,065
1,680	3,115	18,563	0	264,232	0	312,278
0	0	0	0	0	0	1,500
0	0	32,861	500	0	0	442,858
0	0	12,989	0	0	0	56,215
0	0	0	0	0	0	2,558
0	0	438	402	0	0	32,303
0	0	0	0	0	0	41,611
0	0	20,832	0	0	0	1,502,745
0	0	0	0	0	0	2,711,502
0	0	0	0	0	0	441,488
<u>8,095</u>	<u>38,356</u>	<u>910,838</u>	<u>72,353</u>	<u>264,232</u>	<u>0</u>	<u>9,778,732</u>
<u>(1,199)</u>	<u>(1,776)</u>	<u>(3,837)</u>	<u>(1,500)</u>	<u>26,886</u>	<u>0</u>	<u>77,395</u>
0	0	0	0	0	0	110,905
0	0	0	0	0	0	(43,789)
0	0	0	0	0	0	67,116
(1,199)	(1,776)	(3,837)	(1,500)	26,886	0	144,511
1,199	2,859	8,621	3,229	(956)	78	1,002,289
<u>\$0</u>	<u>\$1,083</u>	<u>\$4,784</u>	<u>\$1,729</u>	<u>\$25,930</u>	<u>\$78</u>	<u>\$1,146,800</u>

**Mentor Exempted Village School District**

*Combining Balance Sheet*

*Nonmajor Capital Projects Funds*

*June 30, 2012*

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$1,186,821	\$0	\$1,186,821
Accrued Interest Receivable	1,912	0	1,912
Property Taxes Receivable	<u>897,301</u>	<u>0</u>	<u>897,301</u>
<i>Total Assets</i>	<u><u>\$2,086,034</u></u>	<u><u>\$0</u></u>	<u><u>\$2,086,034</u></u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$20,280	\$0	\$20,280
Contracts Payable	195,192	0	195,192
Deferred Revenue	824,438	0	824,438
Accrued Interest Payable	1,385	1,149	2,534
Notes Payable	<u>1,170,000</u>	<u>77,333</u>	<u>1,247,333</u>
<i>Total Liabilities</i>	2,211,295	78,482	2,289,777
<b>Fund Balances</b>			
Unassigned (Deficit)	<u>(125,261)</u>	<u>(78,482)</u>	<u>(203,743)</u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$2,086,034</u></u>	<u><u>\$0</u></u>	<u><u>\$2,086,034</u></u>

**Mentor Exempted Village School District**  
*Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2012*

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
<b>Revenues</b>			
Property Taxes	\$1,061,475	\$85,910	\$1,147,385
Intergovernmental	208,761	0	208,761
Interest	94	0	94
Contributions and Donations	14,694	0	14,694
Rentals	2,109	0	2,109
Miscellaneous	11,130	0	11,130
<i>Total Revenues</i>	<u>1,298,263</u>	<u>85,910</u>	<u>1,384,173</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Fiscal	11,512	0	11,512
Operation and Maintenance of Plant	1,341,248	0	1,341,248
Debt Service:			
Principal Retirement	0	541,334	541,334
Interest and Fiscal Charges	20,358	6,264	26,622
<i>Total Expenditures</i>	<u>1,373,118</u>	<u>547,598</u>	<u>1,920,716</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(74,855)</u>	<u>(461,688)</u>	<u>(536,543)</u>
<b>Other Financing Sources</b>			
Energy Conservation Notes Issued	0	464,000	464,000
Transfers In	65,789	0	65,789
<i>Total Other Financing Sources</i>	<u>65,789</u>	<u>464,000</u>	<u>529,789</u>
<i>Net Change in Fund Balances</i>	(9,066)	2,312	(6,754)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(116,195)</u>	<u>(80,794)</u>	<u>(196,989)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$125,261)</u>	<u>(\$78,482)</u>	<u>(\$203,743)</u>

### ***Combining Statements - Internal Service Funds***

Internal service funds are used to account for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost-reimbursement basis.

***Employee Benefits Fund*** - To account for claims and administration of the medical and prescription program for covered School District employees and eligible dependents, and the accumulation and allocation of costs associated with the medical and prescription program.

***Workers' Compensation Fund*** - To provide self-insurance to the School District through a retrospective rating plan with the State of Ohio for workers' compensation.

**Mentor Exempted Village School District**

*Combining Statement of Fund Net Assets*

*Internal Service Funds*

*June 30, 2012*

	<u>Employee Benefits</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$6,855,933	\$2,270,141	\$9,126,074
Interfund Receivable	<u>0</u>	<u>462,706</u>	<u>462,706</u>
<i>Total Assets</i>	<u>6,855,933</u>	<u>2,732,847</u>	<u>9,588,780</u>
<b>Liabilities</b>			
<i>Current Liabilities</i>			
Intergovernmental Payable	0	84,020	84,020
Claims Payable	<u>1,621,871</u>	<u>222,169</u>	<u>1,844,040</u>
<i>Total Current Liabilities</i>	<u>1,621,871</u>	<u>306,189</u>	<u>1,928,060</u>
<i>Long-Term Liabilities (net of current portion)</i>			
Claims Payable	<u>0</u>	<u>954,329</u>	<u>954,329</u>
<i>Total Liabilities</i>	<u>1,621,871</u>	<u>1,260,518</u>	<u>2,882,389</u>
<b>Net Assets</b>			
Unrestricted	<u>\$5,234,062</u>	<u>\$1,472,329</u>	<u>\$6,706,391</u>

**Mentor Exempted Village School District**

*Combining Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2012*

	<u>Employee Benefits</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
<b>Operating Revenues</b>			
Charges for Services	<u>\$14,966,247</u>	<u>\$834,240</u>	<u>\$15,800,487</u>
<b>Operating Expenses</b>			
Purchased Services	28,414	84,636	113,050
Claims	13,235,179	497,710	13,732,889
Other	<u>0</u>	<u>40,861</u>	<u>40,861</u>
<i>Total Operating Expenses</i>	<u>13,263,593</u>	<u>623,207</u>	<u>13,886,800</u>
<i>Operating Income</i>	1,702,654	211,033	1,913,687
<b>Non-Operating Income</b>			
Interest	<u>4,307</u>	<u>1,074</u>	<u>5,381</u>
<i>Change in Net Assets</i>	1,706,961	212,107	1,919,068
<i>Net Assets Beginning of Year</i>	<u>3,527,101</u>	<u>1,260,222</u>	<u>4,787,323</u>
<i>Net Assets End of Year</i>	<u>\$5,234,062</u>	<u>\$1,472,329</u>	<u>\$6,706,391</u>

**Mentor Exempted Village School District**

*Combining Statement of Cash Flows*

*Internal Service Funds*

*For the Fiscal Year Ended June 30, 2012*

	<u>Employee Benefits</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
<b><i>Increase (Decrease) in Cash and Cash Equivalents</i></b>			
<b>Cash Flows from Operating Activities</b>			
Cash Received from Interfund			
Services Provided	\$14,966,247	\$836,023	\$15,802,270
Cash Payments for Services	(29,414)	(166,964)	(196,378)
Cash Payments for Claims	(13,320,266)	(150,793)	(13,471,059)
Cash Payments for Other	0	(40,861)	(40,861)
	<u>1,616,567</u>	<u>477,405</u>	<u>2,093,972</u>
<i>Net Cash Provided by Operating Activities</i>			
	1,616,567	477,405	2,093,972
<b>Cash Flows from Investing Activities</b>			
Interest	4,307	1,074	5,381
	<u>4,307</u>	<u>1,074</u>	<u>5,381</u>
<i>Net Increase in Cash and Cash Equivalents</i>	1,620,874	478,479	2,099,353
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>5,235,059</u>	<u>1,791,662</u>	<u>7,026,721</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$6,855,933</u>	<u>\$2,270,141</u>	<u>\$9,126,074</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>			
Operating Income	\$1,702,654	\$211,033	\$1,913,687
<i>Adjustments:</i>			
<i>(Increase)/Decrease in Assets:</i>			
Interfund Receivable	0	1,783	1,783
<i>Increase/(Decrease) in Liabilities:</i>			
Accounts Payable	(1,000)	0	(1,000)
Intergovernmental Payable	0	(82,328)	(82,328)
Claims Payable	(85,087)	346,917	261,830
	<u>(86,087)</u>	<u>266,372</u>	<u>180,285</u>
<i>Total Adjustments</i>			
	(86,087)	266,372	180,285
<i>Net Cash Provided by Operating Activities</i>	<u>\$1,616,567</u>	<u>\$477,405</u>	<u>\$2,093,972</u>

### ***Statement of Changes in Assets and Liabilities - Agency Fund***

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

#### ***Agency Fund***

**Student Managed Activities Fund** – This fund accounts for and reports resources that belong to the student bodies of the various schools, accounting for sales and other revenue generating activities.

**Mentor Exempted Village School District**  
*Statement of Changes in Assets and Liabilities*  
*Agency Fund*  
*For the Fiscal Year Ended June 30, 2012*

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	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>Student Activities Fund</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$320,452</u>	<u>\$305,657</u>	<u>\$339,368</u>	<u>\$286,741</u>
<b>Liabilities</b>				
Due to Students	<u>\$320,452</u>	<u>\$305,657</u>	<u>\$339,368</u>	<u>\$286,741</u>

**Individual Fund Schedules of Revenues,  
Expenditures/Expenses and Change in Fund Balance/Equity –  
Budget (Non-GAAP Basis) and Actual**

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2012*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$64,087,630	\$64,087,630	\$60,303,299	(\$3,784,331)
Intergovernmental	28,788,107	28,788,107	31,494,284	2,706,177
Interest	277,158	277,158	323,331	46,173
Tuition and Fees	2,222,965	2,214,634	1,460,724	(753,910)
Extracurricular Activities	654,290	679,963	501,670	(178,293)
Contributions and Donations	138,366	142,481	57,770	(84,711)
Charges for Services	28,151	28,151	26,175	(1,976)
Rentals	36,486	36,486	49,740	13,254
Payment in Lieu of Taxes	1,167,885	1,167,885	1,167,885	0
Miscellaneous	469,507	469,507	219,307	(250,200)
<i>Total Revenues</i>	<u>97,870,545</u>	<u>97,892,002</u>	<u>95,604,185</u>	<u>(2,287,817)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	30,923,394	30,365,364	30,222,599	142,765
Fringe Benefits	10,655,763	10,640,770	10,341,776	298,994
Purchased Services	1,527,084	1,566,983	1,480,896	86,087
Materials and Supplies	2,361,475	2,485,212	2,352,726	132,486
Capital Outlay	179,186	485,675	479,867	5,808
Other	65,708	31,719	21,869	9,850
Total Regular	<u>45,712,610</u>	<u>45,575,723</u>	<u>44,899,733</u>	<u>675,990</u>
Special:				
Salaries and Wages	5,816,701	5,594,977	5,586,807	8,170
Fringe Benefits	2,149,446	2,149,446	1,950,537	198,909
Purchased Services	2,975,764	3,211,124	3,130,455	80,669
Materials and Supplies	8,193	8,193	2,104	6,089
Capital Outlay	10,890	10,890	10,000	890
Total Special	<u>10,960,994</u>	<u>10,974,630</u>	<u>10,679,903</u>	<u>294,727</u>
Vocational:				
Salaries and Wages	1,281,168	1,281,168	1,089,154	192,014
Fringe Benefits	417,430	388,819	373,266	15,553
Purchased Services	707,356	660,356	505,547	154,809
Materials and Supplies	58,799	57,800	30,447	27,353
Capital Outlay	25,681	25,681	13,062	12,619
Other	6,914	6,914	3,604	3,310
Total Vocational	<u>\$2,497,348</u>	<u>\$2,420,738</u>	<u>\$2,015,080</u>	<u>\$405,658</u>

(continued)

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2012*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Student Intervention:				
Salaries and Wages	\$166,348	\$166,348	\$43,573	\$122,775
Fringe Benefits	45,994	45,994	4,773	41,221
Purchased Services	8,000	8,000	6,150	1,850
Materials and Supplies	44,843	44,843	26,011	18,832
Total Student Intervention	265,185	265,185	80,507	184,678
Total Instruction	59,436,137	59,236,276	57,675,223	1,561,053
Support Services:				
Pupils:				
Salaries and Wages	4,336,336	4,319,631	4,214,700	104,931
Fringe Benefits	1,879,565	1,879,565	1,685,299	194,266
Purchased Services	29,503	55,053	41,430	13,623
Materials and Supplies	22,604	25,104	20,981	4,123
Capital Outlay	1,520	1,920	0	1,920
Other	2,500	4,000	0	4,000
Total Pupils	6,272,028	6,285,273	5,962,410	322,863
Instructional Staff:				
Salaries and Wages	3,533,773	3,862,235	3,862,235	0
Fringe Benefits	2,406,528	2,432,785	2,432,784	1
Purchased Services	99,792	96,504	72,383	24,121
Materials and Supplies	197,414	200,706	189,142	11,564
Capital Outlay	28,688	26,971	2,468	24,503
Total Instructional Staff	6,266,195	6,619,201	6,559,012	60,189
Board of Education:				
Salaries and Wages	12,500	12,500	11,125	1,375
Fringe Benefits	2,626	2,626	2,421	205
Purchased Services	372,058	417,797	402,699	15,098
Materials and Supplies	7,655	1,743	1,089	654
Capital Outlay	30,779	20,952	18,452	2,500
Other	280,000	250,000	235,508	14,492
Total Board of Education	705,618	705,618	671,294	34,324
Administration:				
Salaries and Wages	3,438,547	3,603,470	3,601,850	1,620
Fringe Benefits	1,766,566	1,766,566	1,614,321	152,245
Purchased Services	149,584	227,713	182,750	44,963
Materials and Supplies	44,906	51,220	29,153	22,067
Capital Outlay	18,273	31,673	14,629	17,044
Other	45,731	50,061	21,648	28,413
Total Administration	\$5,463,607	\$5,730,703	\$5,464,351	\$266,352

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Fiscal:</b>				
Salaries and Wages	\$795,616	\$801,130	\$801,130	\$0
Fringe Benefits	427,299	427,299	409,381	17,918
Purchased Services	509,209	513,209	509,910	3,299
Materials and Supplies	24,679	24,679	12,295	12,384
Capital Outlay	13,760	13,760	11,346	2,414
Other	866,722	728,754	728,728	26
<b>Total Fiscal</b>	<b>2,637,285</b>	<b>2,508,831</b>	<b>2,472,790</b>	<b>36,041</b>
<b>Business:</b>				
Salaries and Wages	398,870	462,814	462,814	0
Fringe Benefits	190,497	190,497	182,667	7,830
Purchased Services	2,378	2,378	1,353	1,025
Materials and Supplies	0	10,500	4,837	5,663
Other	7,175	7,175	4,953	2,222
<b>Total Business</b>	<b>598,920</b>	<b>673,364</b>	<b>656,624</b>	<b>16,740</b>
<b>Operation and Maintenance of Plant:</b>				
Salaries and Wages	3,297,349	3,439,517	3,439,517	0
Fringe Benefits	1,812,403	1,809,403	1,778,609	30,794
Purchased Services	3,024,983	2,746,456	2,548,231	198,225
Materials and Supplies	535,221	469,809	467,956	1,853
Capital Outlay	295,824	397,689	385,826	11,863
Other	24,881	24,880	21,018	3,862
<b>Total Operation and Maintenance of Plant</b>	<b>8,990,661</b>	<b>8,887,754</b>	<b>8,641,157</b>	<b>246,597</b>
<b>Pupil Transportation:</b>				
Salaries and Wages	3,277,165	3,254,671	2,933,610	321,061
Fringe Benefits	1,608,811	1,608,811	1,508,897	99,914
Purchased Services	940,825	788,865	721,252	67,613
Materials and Supplies	956,432	954,389	953,898	491
Capital Outlay	373,274	386,775	357,285	29,490
Other	325	325	0	325
<b>Total Pupil Transportation</b>	<b>\$7,156,832</b>	<b>\$6,993,836</b>	<b>\$6,474,942</b>	<b>\$518,894</b>

(continued)

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Central:				
Salaries and Wages	\$515,826	\$560,414	\$548,278	\$12,136
Fringe Benefits	305,320	318,831	256,682	62,149
Purchased Services	630,521	631,896	557,511	74,385
Materials and Supplies	279,625	240,197	212,298	27,899
Capital Outlay	268,411	499,714	481,873	17,841
Other	72,119	79,120	52,063	27,057
Total Central	2,071,822	2,330,172	2,108,705	221,467
Total Support Services	40,162,968	40,734,752	39,011,285	1,723,467
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	66,586	53,860	46,920	6,940
Fringe Benefits	25,223	15,526	15,526	0
Other	11,726	9,034	7,098	1,936
Total Operation of Non-Instructional Services	103,535	78,420	69,544	8,876
Operation of Food Service:				
Materials and Supplies	5,855	5,855	633	5,222
Capital Outlay	2,500	2,500	0	2,500
Other	1,500	1,500	100	1,400
Total Operation of Food Service	9,855	9,855	733	9,122
Extracurricular Activities:				
Academic Oriented Activities:				
Salaries and Wages	213,140	213,140	204,108	9,032
Fringe Benefits	33,872	34,591	34,591	0
Purchased Services	31,606	30,356	24,862	5,494
Materials and Supplies	8,958	5,587	5,587	0
Capital Outlay	9,919	13,549	13,514	35
Other	3,834	4,825	4,384	441
Total Academic Oriented Activities	301,329	302,048	287,046	15,002
Occupation Oriented Activities:				
Salaries and Wages	300	2,553	1,878	675
Fringe Benefits	100	444	286	158
Purchased Services	300	300	0	300
Materials and Supplies	1,767	2,167	1,488	679
Other	600	800	700	100
Total Occupation Oriented Activities	\$3,067	\$6,264	\$4,352	\$1,912

(continued)

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2012*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Athletic Oriented Activities:</b>				
Salaries and Wages	\$802,703	\$802,703	\$786,075	\$16,628
Fringe Benefits	166,470	169,620	169,620	0
Purchased Services	24,000	24,000	22,000	2,000
<b>Total Athletic Oriented Activities</b>	<b>993,173</b>	<b>996,323</b>	<b>977,695</b>	<b>18,628</b>
<b>School and Public Service Co-Curricular Activities:</b>				
Salaries and Wages	127,029	130,526	124,694	5,832
Fringe Benefits	22,746	29,621	27,050	2,571
Purchased Services	10,050	11,250	5,919	5,331
Materials and Supplies	34,986	35,850	14,027	21,823
Capital Outlay	7,000	7,000	2,846	4,154
Other	72,000	72,300	53,678	18,622
<b>Total School and Public Service Co-Curricular Activities</b>	<b>273,811</b>	<b>286,547</b>	<b>228,214</b>	<b>58,333</b>
<b>Total Extracurricular Activities</b>	<b>1,571,380</b>	<b>1,591,182</b>	<b>1,497,307</b>	<b>93,875</b>
<b>Total Expenditures</b>	<b>101,283,875</b>	<b>101,650,485</b>	<b>98,254,092</b>	<b>3,396,393</b>
<b>Excess of Revenues Under Expenditures</b>	<b>(3,413,330)</b>	<b>(3,758,483)</b>	<b>(2,649,907)</b>	<b>1,108,576</b>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	12,420	12,420	8,213	(4,207)
Advances In	339,737	339,737	344,232	4,495
Advances Out	(507,545)	(432,545)	(275,500)	157,045
Transfers In	104,060	76,985	0	(76,985)
Transfers Out	(561,520)	(442,520)	(434,368)	8,152
<b>Total Other Financing Sources (Uses)</b>	<b>(612,848)</b>	<b>(445,923)</b>	<b>(357,423)</b>	<b>88,500</b>
<b>Net Change in Fund Balance</b>	<b>(4,026,178)</b>	<b>(4,204,406)</b>	<b>(3,007,330)</b>	<b>1,197,076</b>
<b>Fund Balance Beginning of Year</b>	<b>54,950,890</b>	<b>54,950,890</b>	<b>54,950,890</b>	<b>0</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>2,352,027</b>	<b>2,352,027</b>	<b>2,352,027</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$53,276,739</b>	<b>\$53,098,511</b>	<b>\$54,295,587</b>	<b>\$1,197,076</b>

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP) and Actual*  
*Cardinal Autism Resource and Education School Fund*  
*For the Fiscal Year Ended June 30, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$1,350,000	\$1,100,000	\$712,052	(\$387,948)
<b>Expenses</b>				
Salaries and Wages	329,053	394,604	394,603	1
Fringe Benefits	227,667	212,794	212,794	0
Purchased Services	154,042	157,238	142,074	15,164
Materials and Supplies	135,238	116,163	104,652	11,511
Other	285,074	236,474	0	236,474
Capital Outlay	865,414	879,214	783,775	95,439
<i>Total Expenses</i>	<u>1,996,488</u>	<u>1,996,487</u>	<u>1,637,898</u>	<u>358,589</u>
<i>Excess of Revenues Under Expenses Before Advances</i>	(646,488)	(896,487)	(925,846)	(29,359)
Advances In	0	250,000	275,000	25,000
Advances Out	<u>(339,737)</u>	<u>(339,737)</u>	<u>(339,737)</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	(986,225)	(986,224)	(990,583)	(4,359)
<i>Fund Equity Beginning of Year</i>	285,074	285,074	285,074	0
Prior Year Encumbrances Appropriated	<u>724,735</u>	<u>724,735</u>	<u>724,735</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$23,584</u></u>	<u><u>\$23,585</u></u>	<u><u>\$19,226</u></u>	<u><u>(\$4,359)</u></u>

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Food Service Fund*  
*For the Fiscal Year Ended June 30, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$946,917	\$946,917	\$850,028	(\$96,889)
Interest	527	527	295	(232)
Charges for Services	2,352,556	2,352,556	2,022,985	(329,571)
<i>Total Revenues</i>	<u>3,300,000</u>	<u>3,300,000</u>	<u>2,873,308</u>	<u>(426,692)</u>
<b>Expenditures</b>				
Support Services:				
Fiscal:				
Other	30,083	30,083	26,385	3,698
Operation of Food Service:				
Salaries and Wages	994,900	994,900	962,190	32,710
Fringe Benefits	809,520	809,520	745,253	64,267
Purchased Services	74,421	74,421	47,192	27,229
Materials and Supplies	1,211,040	1,209,040	1,008,801	200,239
Capital Outlay	95,628	97,628	95,034	2,594
Total Operation of Food Service	<u>3,185,509</u>	<u>3,185,509</u>	<u>2,858,470</u>	<u>327,039</u>
<i>Total Expenditures</i>	<u>3,215,592</u>	<u>3,215,592</u>	<u>2,884,855</u>	<u>330,737</u>
<i>Net Change in Fund Balance</i>	84,408	84,408	(11,547)	(95,955)
<i>Fund Balance Beginning of Year</i>	231,295	231,295	231,295	0
Prior Year Encumbrances Appropriated	<u>175,888</u>	<u>175,888</u>	<u>175,888</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$491,591</u></u>	<u><u>\$491,591</u></u>	<u><u>\$395,636</u></u>	<u><u>(\$95,955)</u></u>

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Special Trust Fund*  
*For the Fiscal Year Ended June 30, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest	\$0	\$0	\$14	\$14
Extracurricular Activities	17,500	17,500	0	(17,500)
Contributions and Donations	132,500	132,500	59,088	(73,412)
<i>Total Revenues</i>	<u>150,000</u>	<u>150,000</u>	<u>59,102</u>	<u>(90,898)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	5,006	9,155	8,367	788
Capital Outlay	375	7,368	6,985	383
Other	9,500	9,500	0	9,500
Total Regular	<u>14,881</u>	<u>26,023</u>	<u>15,352</u>	<u>10,671</u>
Special:				
Purchased Services	2,194	3,172	2,744	428
Materials and Supplies	1,224	3,948	2,698	1,250
Capital Outlay	900	6,474	6,474	0
Other	200	200	200	0
Total Special	<u>4,518</u>	<u>13,794</u>	<u>12,116</u>	<u>1,678</u>
Total Instruction	<u>19,399</u>	<u>39,817</u>	<u>27,468</u>	<u>12,349</u>
Support Services:				
Pupils:				
Materials and Supplies	299	619	320	299
Instructional Staff:				
Purchased Services	330	330	0	330
Materials and Supplies	2,237	4,337	1,211	3,126
Capital Outlay	0	900	0	900
Other	46	46	0	46
Total Instructional Staff	<u>\$2,613</u>	<u>\$5,613</u>	<u>\$1,211</u>	<u>\$4,402</u>

(continued)

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Special Trust Fund (continued)*  
*For the Fiscal Year Ended June 30, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Board of Education:				
Other	\$10,000	\$10,000	\$1,500	\$8,500
Administration:				
Purchased Services	155	155	0	155
Pupil Transportation:				
Purchased Services	276	980	938	42
Central:				
Purchased Services	0	400	0	400
Materials and Supplies	536	7,236	6,592	644
Other	5,825	9,247	3,997	5,250
Total Central	6,361	16,883	10,589	6,294
Total Support Services:	19,704	34,250	14,558	19,692
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	809	1,694	609	1,085
Materials and Supplies	379	2,113	1,211	902
Total Operation of Non-Instructional Services	1,188	3,807	1,820	1,987
Extracurricular Activities:				
Academic Oriented Activities:				
Other	26,000	28,900	9,900	19,000
Sports Oriented Activities:				
Materials and Supplies	0	2,000	1,500	500
Other	500	0	0	0
Total Sports Oriented Activities	\$500	\$2,000	\$1,500	\$500

(continued)

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Special Trust Fund (continued)*  
*For the Fiscal Year Ended June 30, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
School and Public Service				
Co-Curricular Activities:				
Purchased Services	\$0	\$293	\$293	\$0
Materials and Supplies	5,679	9,479	8,547	932
Other	10,986	10,986	1,800	9,186
Total School and Public Service				
Co-Curricular Activities	16,665	20,758	10,640	10,118
Total Extracurricular Activities	43,165	51,658	22,040	29,618
<i>Total Expenditures</i>	83,456	129,532	65,886	63,646
<i>Excess of Revenues Over (Under) Expenditures</i>	66,544	20,468	(6,784)	(27,252)
<b>Other Financing Uses</b>				
Transfers Out	0	(1,300)	0	1,300
<i>Net Change in Fund Balance</i>	66,544	19,168	(6,784)	(25,952)
<i>Fund Balance Beginning of Year</i>	51,585	51,585	51,585	0
Prior Year Encumbrances Appropriated	7,719	7,719	7,719	0
<i>Fund Balance End of Year</i>	\$125,848	\$78,472	\$52,520	(\$25,952)

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Rotary Special Services Fund*  
*For the Fiscal Year Ended June 30, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Tuition and Fees	<u>\$110,000</u>	<u>\$110,000</u>	<u>\$60,491</u>	<u>(\$49,509)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	80,300	87,066	44,830	42,236
Fringe Benefits	14,800	16,100	7,032	9,068
Purchased Services	600	1,500	780	720
Materials and Supplies	2,700	4,134	1,750	2,384
Other	<u>3,250</u>	<u>4,250</u>	<u>650</u>	<u>3,600</u>
<i>Total Expenditures</i>	<u>101,650</u>	<u>113,050</u>	<u>55,042</u>	<u>58,008</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	8,350	(3,050)	5,449	8,499
<i>Fund Balance Beginning of Year</i>	74,696	74,696	74,696	0
Prior Year Encumbrances Appropriated	<u>250</u>	<u>250</u>	<u>250</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$83,296</u></u>	<u><u>\$71,896</u></u>	<u><u>\$80,395</u></u>	<u><u>\$8,499</u></u>

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Adult Education Fund*  
*For the Fiscal Year Ended June 30, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Contributions and Donations	\$10,000	\$10,000	\$500	(\$9,500)
<b>Expenditures</b>				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	300	306	306	0
Materials and Supplies	1,184	1,179	180	999
<i>Total Expenditures</i>	<u>1,484</u>	<u>1,485</u>	<u>486</u>	<u>999</u>
<i>Excess of Revenues Over Expenditures</i>	8,516	8,515	14	(8,501)
<b>Other Financing Uses</b>				
Transfers Out	(4,048)	(4,048)	0	4,048
<i>Net Change in Fund Balance</i>	4,468	4,467	14	(4,453)
<i>Fund Balance Beginning of Year</i>	<u>5,532</u>	<u>5,532</u>	<u>5,532</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$10,000</u></u>	<u><u>\$9,999</u></u>	<u><u>\$5,546</u></u>	<u><u>(\$4,453)</u></u>

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Rotary Fund*  
*For the Fiscal Year Ended June 30, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Extracurricular Activities	\$791,979	\$791,254	\$586,004	(\$205,250)
Contributions and Donations	84,426	85,345	27,695	(57,650)
Miscellaneous	5,025	5,012	4,500	(512)
<i>Total Revenues</i>	<u>881,430</u>	<u>881,611</u>	<u>618,199</u>	<u>(263,412)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	19,600	19,600	17,806	1,794
Fringe Benefits	3,720	3,720	2,763	957
Purchased Services	0	100	83	17
Total Regular	<u>23,320</u>	<u>23,420</u>	<u>20,652</u>	<u>2,768</u>
Vocational:				
Materials and Supplies	103	103	103	0
Total Instruction	<u>23,423</u>	<u>23,523</u>	<u>20,755</u>	<u>2,768</u>
Support Services:				
Pupils:				
Salaries and Wages	311,225	299,471	298,842	629
Fringe Benefits	116,522	114,394	114,189	205
Purchased Services	108,745	111,645	78,220	33,425
Materials and Supplies	71,238	84,431	80,501	3,930
Capital Outlay	10,000	10,689	10,689	0
Other	20,184	20,184	3,590	16,594
Total Pupils	<u>637,914</u>	<u>640,814</u>	<u>586,031</u>	<u>54,783</u>
Fiscal:				
Other	6,900	6,900	5,904	996
Central:				
Purchased Services	4,000	4,000	0	4,000
Total Support Services	<u>\$648,814</u>	<u>\$651,714</u>	<u>\$591,935</u>	<u>\$59,779</u>

(continued)

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Rotary Fund (continued)*  
*For the Fiscal Year Ended June 30, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Extracurricular Activities:				
School and Public Service Co-Curricular Activities:				
Purchased Services	\$13,900	\$13,900	\$7,980	\$5,920
Materials and Supplies	2,000	2,000	132	1,868
Capital Outlay	3,000	3,000	0	3,000
Other	82,554	95,354	50,443	44,911
Total Extracurricular Activities	101,454	114,254	58,555	55,699
<i>Total Expenditures</i>	773,691	789,491	671,245	118,246
<i>Excess of Revenues Over (Under) Expenditures</i>	107,739	92,120	(53,046)	(145,166)
<b>Other Financing Sources (Uses)</b>				
Advances Out	(4,495)	(4,495)	(4,495)	0
Transfers In	68,570	68,389	61,405	(6,984)
Transfers Out	(8,200)	(8,200)	0	8,200
<i>Total Other Financing Sources (Uses)</i>	55,875	55,694	56,910	1,216
<i>Net Change in Fund Balance</i>	163,614	147,814	3,864	(143,950)
<i>Fund Balance Beginning of Year</i>	156,083	156,083	156,083	0
Prior Year Encumbrances Appropriated	20,874	20,874	20,874	0
<i>Fund Balance End of Year</i>	\$340,571	\$324,771	\$180,821	(\$143,950)

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Other Grants Fund*  
*For the Fiscal Year Ended June 30, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Interest	\$106	\$106	\$71	(\$35)
Contributions and Donations	93,339	93,339	62,730	(30,609)
Rentals	81,555	81,555	54,810	(26,745)
<i>Total Revenues</i>	<u>175,000</u>	<u>175,000</u>	<u>117,611</u>	<u>(57,389)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	225	10,050	10,001	49
Materials and Supplies	5,000	5,000	1,000	4,000
Capital Outlay	18,000	43,100	34,553	8,547
Other	26,453	16,628	5,541	11,087
Total Regular Instruction	49,678	74,778	51,095	23,683
Special:				
Materials and Supplies	0	10,000	1,555	8,445
Total Instruction	49,678	84,778	52,650	32,128
Support Services:				
Instructional Staff:				
Materials and Supplies	0	7,500	0	7,500
Other	2,000	2,000	1,515	485
Total Instructional Staff	2,000	9,500	1,515	7,985
Administration:				
Materials and Supplies	10,000	14,783	11,420	3,363
Capital Outlay	31,377	11,135	11,135	0
Other	0	18,418	9,606	8,812
Total Administration	41,377	44,336	32,161	12,175
Operation and Maintenance of Plant:				
Capital Outlay	18,534	43,434	2,558	40,876
Pupil Transportation:				
Other	0	40,000	39,344	656
Total Support Services	\$61,911	\$137,270	\$75,578	\$61,692

(continued)

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Other Grants Fund (continued)  
 For the Fiscal Year Ended June 30, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Extracurricular Activities:				
Academic Oriented Activities:				
Purchased Services	\$20,000	\$12,500	\$0	\$12,500
Materials and Supplies	5,000	5,000	0	5,000
Total Academic Oriented Activities	25,000	17,500	0	17,500
Sport Oriented Activities:				
Materials and Supplies	1,100	2,200	2,097	103
Total Extracurricular Activities	26,100	19,700	2,097	17,603
<i>Total Expenditures</i>	<u>137,689</u>	<u>241,748</u>	<u>130,325</u>	<u>111,423</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	37,311	(66,748)	(12,714)	54,034
<b>Other Financing Uses</b>				
Transfers Out	(95,592)	(43,789)	(43,789)	0
<i>Net Change in Fund Balance</i>	(58,281)	(110,537)	(56,503)	54,034
<i>Fund Balance Beginning of Year</i>	156,084	156,084	156,084	0
Prior Year Encumbrances Appropriated	12,348	12,348	12,348	0
<i>Fund Balance End of Year</i>	<u>\$110,151</u>	<u>\$57,895</u>	<u>\$111,929</u>	<u>\$54,034</u>

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Athletics and Music Fund*  
*For the Fiscal Year Ended June 30, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Extracurricular Activities	\$1,316,280	\$1,316,310	\$312,603	(\$1,003,707)
Contributions and Donations	137,330	138,761	20,017	(118,744)
<i>Total Revenues</i>	<u>1,453,610</u>	<u>1,455,071</u>	<u>332,620</u>	<u>(1,122,451)</u>
<b>Expenditures</b>				
Current:				
Extracurricular Activities:				
Sports Oriented Activities:				
Salaries and Wages	18,555	19,125	13,733	5,392
Fringe Benefits	4,140	3,800	2,220	1,580
Purchased Services	249,542	274,460	189,941	84,519
Materials and Supplies	157,801	177,391	100,465	76,926
Capital Outlay	10,279	10,001	259	9,742
Other	159,240	159,200	78,378	80,822
<i>Total Expenditures</i>	<u>599,557</u>	<u>643,977</u>	<u>384,996</u>	<u>258,981</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>854,053</u>	<u>811,094</u>	<u>(52,376)</u>	<u>(863,470)</u>
<b>Other Financing Sources</b>				
Advances In	0	0	500	500
Transfers In	195,600	194,140	49,500	(144,640)
<i>Total Other Financing Sources</i>	<u>195,600</u>	<u>194,140</u>	<u>50,000</u>	<u>(144,140)</u>
<i>Net Change in Fund Balance</i>	1,049,653	1,005,234	(2,376)	(1,007,610)
<i>Fund Balance Beginning of Year</i>	76,112	76,112	76,112	0
Prior Year Encumbrances Appropriated	8,886	8,886	8,886	0
<i>Fund Balance End of Year</i>	<u>\$1,134,651</u>	<u>\$1,090,232</u>	<u>\$82,622</u>	<u>(\$1,007,610)</u>

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Auxiliary Services Fund*  
*For the Fiscal Year Ended June 30, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$1,400,000	\$1,400,000	\$1,395,143	(\$4,857)
Tuition and Fees	<u>0</u>	<u>0</u>	<u>146</u>	<u>146</u>
<i>Total Revenues</i>	<u>1,400,000</u>	<u>1,400,000</u>	<u>1,395,289</u>	<u>(4,711)</u>
<b>Expenditures</b>				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	930,317	911,266	896,529	14,737
Materials and Supplies	458,703	481,658	464,297	17,361
Capital Outlay	<u>205,906</u>	<u>227,811</u>	<u>212,743</u>	<u>15,068</u>
<i>Total Expenditures</i>	<u>1,594,926</u>	<u>1,620,735</u>	<u>1,573,569</u>	<u>47,166</u>
<i>Net Change in Fund Balance</i>	(194,926)	(220,735)	(178,280)	42,455
<i>Fund Balance Beginning of Year</i>	1,081	1,081	1,081	0
Prior Year Encumbrances Appropriated	<u>224,367</u>	<u>224,367</u>	<u>224,367</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$30,522</u>	<u>\$4,713</u>	<u>\$47,168</u>	<u>\$42,455</u>

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Educational Management Information Systems Fund  
 For the Fiscal Year Ended June 30, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$0</u>	<u>(\$30,000)</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Central:				
Purchased Services	338	338	338	0
Capital Outlay	<u>3,199</u>	<u>3,199</u>	<u>3,199</u>	<u>0</u>
<i>Total Expenditures</i>	<u>3,537</u>	<u>3,537</u>	<u>3,537</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	26,463	26,463	(3,537)	(30,000)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	<u>3,537</u>	<u>3,537</u>	<u>3,537</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$30,000</u></u>	<u><u>\$30,000</u></u>	<u><u>\$0</u></u>	<u><u>(\$30,000)</u></u>

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Entry Year Teachers Fund  
 For the Fiscal Year Ended June 30, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$5,000	\$5,000	\$2,400	(\$2,600)
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Materials and Supplies	0	794	794	0
<i>Net Change in Fund Balance</i>	5,000	4,206	1,606	(2,600)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$5,000	\$4,206	\$1,606	(\$2,600)

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*OneNet Data Communications Fund*  
*For the Fiscal Year Ended June 30, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$50,000	\$50,000	\$25,200	(\$24,800)
<b>Expenditures</b>				
Current:				
Support Services:				
Central:				
Purchased Services	6,000	6,000	6,000	0
Capital Outlay	25,850	51,050	51,050	0
<i>Total Expenditures</i>	31,850	57,050	57,050	0
<i>Net Change in Fund Balance</i>	18,150	(7,050)	(31,850)	(24,800)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	31,850	31,850	31,850	0
<i>Fund Balance End of Year</i>	\$50,000	\$24,800	\$0	(\$24,800)

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Miscellaneous State Grants Fund*  
*For the Fiscal Year Ended June 30, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$50,000	\$50,000	\$24,783	(\$25,217)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	190	190	0	190
Fringe Benefits	124	124	0	124
Purchased Services	350	350	0	350
Materials and Supplies	5,153	5,150	0	5,150
Total Instruction	5,817	5,814	0	5,814
Support Services:				
Pupils:				
Salaries and Wages	25,003	25,003	21,430	3,573
Fringe Benefits	4,164	4,164	3,572	592
Total Support Services	29,167	29,167	25,002	4,165
<i>Total Expenditures</i>	34,984	34,981	25,002	9,979
<i>Net Change in Fund Balance</i>	15,016	15,019	(219)	(15,238)
<i>Fund Balance Beginning of Year</i>	8,135	8,135	8,135	0
<i>Fund Balance End of Year</i>	\$23,151	\$23,154	\$7,916	(\$15,238)

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Education Jobs Fund*  
*For the Fiscal Year Ended June 30, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$835,401	\$885,401	\$793,338	(\$92,063)
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	605,947	624,440	520,926	103,514
Fringe Benefits	229,454	233,384	198,758	34,626
<i>Total Expenditures</i>	<u>835,401</u>	<u>857,824</u>	<u>719,684</u>	<u>138,140</u>
<i>Net Change in Fund Balance</i>	0	27,577	73,654	46,077
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$27,577</u>	<u>\$73,654</u>	<u>\$46,077</u>

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Race to the Top Fund*  
*For the Fiscal Year Ended June 30, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	<u>\$120,000</u>	<u>\$120,000</u>	<u>\$102,736</u>	<u>(\$17,264)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	88,800	103,600	94,403	9,197
Materials and Supplies	<u>53,752</u>	<u>53,752</u>	<u>53,752</u>	<u>0</u>
Total Instruction	142,552	157,352	148,155	9,197
Support Services:				
Administration:				
Purchased Services	<u>14,800</u>	<u>14,800</u>	<u>8,333</u>	<u>6,467</u>
<i>Total Expenditures</i>	<u>157,352</u>	<u>172,152</u>	<u>156,488</u>	<u>15,664</u>
<i>Net Change in Fund Balance</i>	(37,352)	(52,152)	(53,752)	(1,600)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	<u>53,752</u>	<u>53,752</u>	<u>53,752</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$16,400</u>	<u>\$1,600</u>	<u>\$0</u>	<u>(\$1,600)</u>

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Title VI-B Fund*  
*For the Fiscal Year Ended June 30, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$2,064,030	\$2,064,030	\$1,832,359	(\$231,671)
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	743,184	742,690	647,355	95,335
Fringe Benefits	295,622	289,166	251,403	37,763
Purchased Services	221,025	186,191	142,140	44,051
Materials and Supplies	46,171	69,885	67,197	2,688
Capital Outlay	19,599	45,899	36,375	9,524
Total Instruction	<u>1,325,601</u>	<u>1,333,831</u>	<u>1,144,470</u>	<u>189,361</u>
Support Services:				
Pupils:				
Salaries and Wages	74,381	84,875	80,864	4,011
Fringe Benefits	14,048	13,393	12,382	1,011
Purchased Services	127,775	112,047	95,121	16,926
Materials and Supplies	20,038	28,726	27,952	774
Capital Outlay	0	7,000	3,294	3,706
Total Pupils	<u>236,242</u>	<u>246,041</u>	<u>219,613</u>	<u>26,428</u>
Instructional Staff:				
Salaries and Wages	0	2,633	2,633	0
Fringe Benefits	0	439	439	0
Purchased Services	41,373	21,160	17,855	3,305
Total Instructional Staff	<u>41,373</u>	<u>24,232</u>	<u>20,927</u>	<u>3,305</u>
Administration:				
Salaries and Wages	300,339	274,120	245,521	28,599
Fringe Benefits	141,592	153,624	137,580	16,044
Purchased Services	9,859	13,809	8,484	5,325
Materials and Supplies	3,854	3,000	2,754	246
Capital Outlay	1,000	1,000	404	596
Total Administration	<u>\$456,644</u>	<u>\$445,553</u>	<u>\$394,743</u>	<u>\$50,810</u>

(continued)

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Title VI-B Fund (continued)  
For the Fiscal Year Ended June 30, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Fiscal Services:				
Other	\$0	\$10,886	\$10,886	\$0
Pupil Transportation:				
Purchased Services	26,991	26,307	23,978	2,329
Total Support Services	761,250	753,019	670,147	82,872
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	128,341	128,341	128,341	0
<i>Total Expenditures</i>	<u>2,215,192</u>	<u>2,215,191</u>	<u>1,942,958</u>	<u>272,233</u>
<i>Net Change in Fund Balance</i>	(151,162)	(151,161)	(110,599)	40,562
<i>Fund Balance Beginning of Year</i>	120,971	120,971	120,971	0
Prior Year Encumbrances Appropriated	43,847	43,847	43,847	0
<i>Fund Balance End of Year</i>	<u>\$13,656</u>	<u>\$13,657</u>	<u>\$54,219</u>	<u>\$40,562</u>

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Carl Perkins Grant Fund*  
*For the Fiscal Year Ended June 30, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$353,394	\$400,000	\$341,551	(\$58,449)
<b>Expenditures</b>				
Current:				
Instruction:				
Vocational:				
Salaries and Wages	2,000	1,404	1,404	0
Fringe Benefits	350	234	234	0
Purchased Services	40,051	61,500	49,586	11,914
Materials and Supplies	32,006	61,890	60,382	1,508
Capital Outlay	29,786	55,594	43,369	12,225
Total Instruction	104,193	180,622	154,975	25,647
Support Services:				
Pupils:				
Salaries and Wages	48,140	18,140	18,140	0
Fringe Benefits	8,550	3,090	2,952	138
Purchased Services	154,341	154,495	153,820	675
Materials and Supplies	9,150	6,781	5,731	1,050
Other	0	98	98	0
Total Pupils	220,181	182,604	180,741	1,863
Instructional Staff:				
Purchased Services	34,594	4,594	8,254	(3,660)
Administration:				
Salaries and Wages	14,400	13,886	13,886	0
Fringe Benefits	2,398	2,313	2,313	0
Other	0	497	497	0
Total Administration	\$16,798	\$16,696	\$16,696	\$0

(continued)

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Carl Perkins Grant Fund (continued)*  
*For the Fiscal Year Ended June 30, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Pupil Transportation:				
Purchased Services	\$10,400	\$6,627	\$6,627	\$0
Total Support Services	281,973	210,521	212,318	(1,797)
<i>Total Expenditures</i>	<u>386,166</u>	<u>391,143</u>	<u>367,293</u>	<u>23,850</u>
<i>Net Change in Fund Balance</i>	(32,772)	8,857	(25,742)	(34,599)
<i>Fund Balance Beginning of Year</i>	2,312	2,312	2,312	0
Prior Year Encumbrances Appropriated	<u>30,461</u>	<u>30,461</u>	<u>30,461</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1</u></u>	<u><u>\$41,630</u></u>	<u><u>\$7,031</u></u>	<u><u>(\$34,599)</u></u>

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*State Fiscal Stabilization Fund*  
*For the Fiscal Year Ended June 30, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	141,905	141,905	141,905	0
Fringe Benefits	52,793	52,793	52,793	0
Total Regular	<u>194,698</u>	<u>194,698</u>	<u>194,698</u>	<u>0</u>
Special:				
Salaries and Wages	9,361	9,361	9,361	0
Fringe Benefits	4,493	4,493	4,493	0
Total Special	<u>13,854</u>	<u>13,854</u>	<u>13,854</u>	<u>0</u>
<i>Total Expenditures</i>	<u>208,552</u>	<u>208,552</u>	<u>208,552</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(208,552)	(208,552)	(208,552)	0
<i>Fund Balance Beginning of Year</i>	<u>208,552</u>	<u>208,552</u>	<u>208,552</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Technology Title II-D Fund  
 For the Fiscal Year Ended June 30, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$1,045	\$15,000	\$7,153	(\$7,847)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Capital Outlay	307	6,415	6,415	0
Support Services:				
Instructional Staff:				
Purchased Services	6,750	6,750	6,750	0
Capital Outlay	1,680	1,680	1,680	0
Total Support Services	8,430	8,430	8,430	0
<i>Total Expenditures</i>	8,737	14,845	14,845	0
<i>Net Change in Fund Balance</i>	(7,692)	155	(7,692)	(7,847)
<i>Fund Balance Beginning of Year</i>	942	942	942	0
Prior Year Encumbrances Appropriated	6,750	6,750	6,750	0
<i>Fund Balance End of Year</i>	\$0	\$7,847	\$0	(\$7,847)

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Title III Fund*  
*For the Fiscal Year Ended June 30, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$70,845	\$70,845	\$39,256	(\$31,589)
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	36,755	30,995	20,029	10,966
Fringe Benefits	7,177	5,141	3,267	1,874
Materials and Supplies	9,044	9,100	8,826	274
Capital Outlay	3,000	5,000	4,136	864
Total Instruction	55,976	50,236	36,258	13,978
Support Services:				
Pupils:				
Purchased Services	1,000	5,800	3,531	2,269
Instructional Staff:				
Purchased Services	4,310	5,250	3,115	2,135
Total Support Services	5,310	11,050	6,646	4,404
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	2,000	2,000	0	2,000
<i>Total Expenditures</i>	63,286	63,286	42,904	20,382
<i>Net Change in Fund Balance</i>	7,559	7,559	(3,648)	(11,207)
<i>Fund Balance Beginning of Year</i>	804	804	804	0
Prior Year Encumbrances Appropriated	3,529	3,529	3,529	0
<i>Fund Balance End of Year</i>	\$11,892	\$11,892	\$685	(\$11,207)

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Title I Fund*  
*For the Fiscal Year Ended June 30, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$1,125,330	\$1,125,330	\$911,310	(\$214,020)
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	636,323	627,219	511,829	115,390
Fringe Benefits	296,055	245,711	189,263	56,448
Materials and Supplies	62,383	82,774	72,110	10,664
Capital Outlay	0	46,150	37,962	8,188
Total Instruction	994,761	1,001,854	811,164	190,690
Support Services:				
Instructional Staff:				
Salaries and Wages	58,912	26,295	13,295	13,000
Fringe Benefits	9,591	7,126	3,126	4,000
Purchased Services	9,253	20,000	12,616	7,384
Materials and Supplies	11,856	5,581	2,365	3,216
Total Instructional Staff	89,612	59,002	31,402	27,600
Administration:				
Salaries and Wages	28,350	28,305	24,231	4,074
Fringe Benefits	10,031	10,031	8,081	1,950
Total Administration	38,381	38,336	32,312	6,024
Fiscal Services:				
Other	0	12,989	12,989	0
Pupil Transportation:				
Purchased Services	800	1,148	682	466
Total Support Services	\$128,793	\$111,475	\$77,385	\$34,090

(continued)

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Title I Fund (continued)*  
*For the Fiscal Year Ended June 30, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	\$16,035	\$14,021	\$3,026	\$10,995
Materials and Supplies	25,954	35,305	18,931	16,374
Total Operation of Non-Instructional Services	<u>41,989</u>	<u>49,326</u>	<u>21,957</u>	<u>27,369</u>
<i>Total Expenditures</i>	<u>1,165,543</u>	<u>1,162,655</u>	<u>910,506</u>	<u>252,149</u>
<i>Net Change in Fund Balance</i>	(40,213)	(37,325)	804	38,129
<i>Fund Balance Beginning of Year</i>	51,078	51,078	51,078	0
Prior Year Encumbrances Appropriated	<u>18,366</u>	<u>18,366</u>	<u>18,366</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$29,231</u></u>	<u><u>\$32,119</u></u>	<u><u>\$70,248</u></u>	<u><u>\$38,129</u></u>

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Preschool Grant Fund*  
*For the Fiscal Year Ended June 30, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$130,896	\$130,896	\$68,092	(\$62,804)
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	16,269	2,177	1,637	540
Fringe Benefits	2,824	364	249	115
Purchased Services	6,663	5,085	2,013	3,072
Materials and Supplies	26,036	33,161	21,229	11,932
Capital Outlay	14,833	13,500	6,688	6,812
Total Instruction	66,625	54,287	31,816	22,471
Support Services:				
Pupils:				
Salaries and Wages	32,684	42,312	30,283	12,029
Fringe Benefits	8,310	11,288	8,108	3,180
Purchased Services	2,851	6,509	1,757	4,752
Materials and Supplies	9,992	9,971	2,806	7,165
Capital Outlay	3,000	2,000	1,000	1,000
Total Pupils	56,837	72,080	43,954	28,126
Instructional Staff:				
Purchased Services	1,700	2,000	0	2,000
Materials and Supplies	1,000	1,000	0	1,000
Total Instructional Staff	2,700	3,000	0	3,000
Administration:				
Materials and Supplies	1,500	500	500	0
Pupil Transportation:				
Purchased Services	3,203	1,000	982	18
Total Support Services	\$64,240	\$76,580	\$45,436	\$31,144

(continued)

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Preschool Grant Fund (continued)*  
*For the Fiscal Year Ended June 30, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	\$0	\$1,000	\$0	\$1,000
Materials and Supplies	2,000	1,000	0	1,000
Total Operation of Non-Instructional Services	<u>2,000</u>	<u>2,000</u>	<u>0</u>	<u>2,000</u>
Capital Outlay:				
Capital Outlay	<u>21,800</u>	<u>21,800</u>	<u>21,800</u>	<u>0</u>
<i>Total Expenditures</i>	<u>154,665</u>	<u>154,667</u>	<u>99,052</u>	<u>55,615</u>
<i>Net Change in Fund Balance</i>	(23,769)	(23,771)	(30,960)	(7,189)
<i>Fund Balance Beginning of Year</i>	2,371	2,371	2,371	0
Prior Year Encumbrances Appropriated	<u>30,023</u>	<u>30,023</u>	<u>30,023</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$8,625</u></u>	<u><u>\$8,623</u></u>	<u><u>\$1,434</u></u>	<u><u>(\$7,189)</u></u>

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Classroom Reduction Fund*  
*For the Fiscal Year Ended June 30, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$370,232	\$370,232	\$265,102	(\$105,130)
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	109,594	110,696	64,823	45,873
Fringe Benefits	24,601	19,190	10,446	8,744
Purchased Services	130,554	166,698	144,873	21,825
Materials and Supplies	56,399	27,453	20,887	6,566
Capital Outlay	40,619	37,649	31,076	6,573
<i>Total Expenditures</i>	361,767	361,686	272,105	89,581
<i>Net Change in Fund Balance</i>	8,465	8,546	(7,003)	(15,549)
<i>Fund Balance Beginning of Year</i>	1,344	1,344	1,344	0
Prior Year Encumbrances Appropriated	7,976	7,976	7,976	0
<i>Fund Balance End of Year</i>	\$17,785	\$17,866	\$2,317	(\$15,549)

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Miscellaneous Federal Grants Fund*  
*For the Fiscal Year Ended June 30, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	68	68	0	68
Fringe Benefits	10	10	0	10
<i>Total Expenditures</i>	78	78	0	78
<i>Net Change in Fund Balance</i>	(78)	(78)	0	78
<i>Fund Balance Beginning of Year</i>	78	78	78	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$78	\$78

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Bond Retirement Fund*  
*For the Fiscal Year Ended June 30, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$455,726	\$455,726	\$898,888	\$443,162
Intergovernmental	322,831	322,831	148,065	(174,766)
<i>Total Revenues</i>	<u>778,557</u>	<u>778,557</u>	<u>1,046,953</u>	<u>268,396</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Fiscal:				
Purchased Services	4,000	4,000	3,500	500
Other	33,000	33,000	8,629	24,371
Total Support Services	<u>37,000</u>	<u>37,000</u>	<u>12,129</u>	<u>24,871</u>
Debt Service:				
Principal Retirement	3,668,667	3,668,667	3,668,667	0
Interest and Fiscal Charges	75,977	75,977	75,920	57
Total Debt Service	<u>3,744,644</u>	<u>3,744,644</u>	<u>3,744,587</u>	<u>57</u>
<i>Total Expenditures</i>	<u>3,781,644</u>	<u>3,781,644</u>	<u>3,756,716</u>	<u>24,928</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,003,087)</u>	<u>(3,003,087)</u>	<u>(2,709,763)</u>	<u>293,324</u>
<b>Other Financing Sources</b>				
Energy Conservation Notes Issued	471,733	471,733	471,733	0
Notes Issued	2,485,893	2,485,893	1,239,600	(1,246,293)
Transfers In	219,543	219,543	301,463	81,920
<i>Total Other Financing Sources</i>	<u>3,177,169</u>	<u>3,177,169</u>	<u>2,012,796</u>	<u>(1,164,373)</u>
<i>Net Change in Fund Balance</i>	174,082	174,082	(696,967)	(871,049)
<i>Fund Balance Beginning of Year</i>	<u>1,025,688</u>	<u>1,025,688</u>	<u>1,025,688</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,199,770</u>	<u>\$1,199,770</u>	<u>\$328,721</u>	<u>(\$871,049)</u>

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Permanent Improvement Fund*  
*For the Fiscal Year Ended June 30, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$942,816	\$942,816	\$873,254	(\$69,562)
Intergovernmental	532,086	532,086	208,761	(323,325)
Interest	2,046	2,046	863	(1,183)
Contributions and Donations	77,068	77,068	14,694	(62,374)
Rentals	9,953	9,953	4,630	(5,323)
Miscellaneous	19,215	19,215	11,130	(8,085)
<i>Total Revenues</i>	<u>1,583,184</u>	<u>1,583,184</u>	<u>1,113,332</u>	<u>(469,852)</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Fiscal Services:				
Other	14,619	14,619	11,512	3,107
Operation and Maintenance of Plant:				
Purchased Services	484,662	435,912	93,988	341,924
Materials and Supplies	6,304	6,304	2,158	4,146
Capital Outlay	1,712,089	1,806,839	1,798,617	8,222
Other	300	300	144	156
<i>Total Operation and Maintenance of Plant</i>	<u>2,203,355</u>	<u>2,249,355</u>	<u>1,894,907</u>	<u>354,448</u>
Central:				
Capital Outlay	813	813	0	813
<i>Total Expenditures</i>	<u>2,218,787</u>	<u>2,264,787</u>	<u>1,906,419</u>	<u>358,368</u>
<i>Excess of Revenues Under Expenditures</i>	(\$635,603)	(\$681,603)	(\$793,087)	(\$111,484)

(continued)

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Permanent Improvement Fund (continued)*  
*For the Fiscal Year Ended June 30, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Other Financing Sources</b>				
Transfers In	<u>\$109,632</u>	<u>\$95,171</u>	<u>\$65,789</u>	<u>(\$29,382)</u>
<i>Net Change in Fund Balance</i>	(525,971)	(586,432)	(727,298)	(140,866)
<i>Fund Balance Beginning of Year</i>	634,952	634,952	634,952	0
Prior Year Encumbrances Appropriated	<u>753,055</u>	<u>753,055</u>	<u>753,055</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$862,036</u></u>	<u><u>\$801,575</u></u>	<u><u>\$660,709</u></u>	<u><u>(\$140,866)</u></u>

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP) and Actual*  
*Employee Benefits Fund*  
*For the Fiscal Year Ended June 30, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$12,000,000	\$12,000,000	\$14,966,247	\$2,966,247
Interest	0	0	4,635	4,635
<i>Total Revenues</i>	<u>12,000,000</u>	<u>12,000,000</u>	<u>14,970,882</u>	<u>2,970,882</u>
<b>Expenses</b>				
Purchased Services	11,767	11,767	11,767	0
Claims	15,173,281	15,173,281	13,320,266	1,853,015
<i>Total Expenses</i>	<u>15,185,048</u>	<u>15,185,048</u>	<u>13,332,033</u>	<u>1,853,015</u>
<i>Net Change in Fund Equity</i>	(3,185,048)	(3,185,048)	1,638,849	4,823,897
<i>Fund Equity Beginning of Year</i>	<u>5,245,498</u>	<u>5,245,498</u>	<u>5,245,498</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$2,060,450</u>	<u>\$2,060,450</u>	<u>\$6,884,347</u>	<u>\$4,823,897</u>

**Mentor Exempted Village School District**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP) and Actual*  
*Workers' Compensation Fund*  
*For the Fiscal Year Ended June 30, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$2,000,000	\$2,000,000	\$836,023	(\$1,163,977)
Interest	0	0	1,217	1,217
<i>Total Revenues</i>	<u>2,000,000</u>	<u>2,000,000</u>	<u>837,240</u>	<u>(1,162,760)</u>
<b>Expenses</b>				
Purchased Services	151,325	151,325	150,793	532
Claims	2,308,842	2,308,256	173,975	2,134,281
Other	40,275	40,861	40,861	0
<i>Total Expenses</i>	<u>2,500,442</u>	<u>2,500,442</u>	<u>365,629</u>	<u>2,134,813</u>
<i>Net Change in Fund Equity</i>	(500,442)	(500,442)	471,611	972,053
<i>Fund Equity Beginning of Year</i>	1,749,020	1,749,020	1,749,020	0
Prior Year Encumbrances Appropriated	42,499	42,499	42,499	0
<i>Fund Equity End of Year</i>	<u>\$1,291,077</u>	<u>\$1,291,077</u>	<u>\$2,263,130</u>	<u>\$972,053</u>



## Statistical Section

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

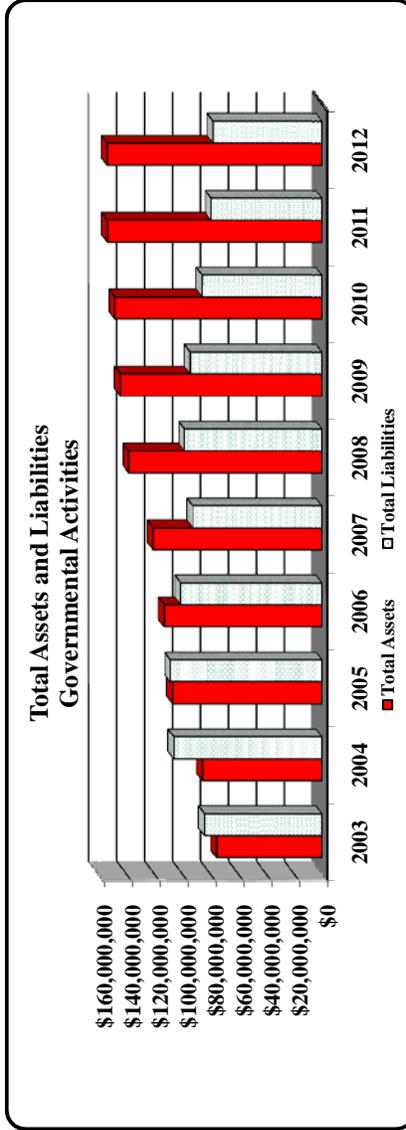
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<b>Contents</b>	<b>Pages(s)</b>
<b><i>Financial Trends</i></b> .....	<b><i>S2 – S7</i></b>
These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	
<b><i>Revenue Capacity</i></b> .....	<b><i>S8 – S14</i></b>
These schedules contain information to help the reader assess the School District's most significant local revenue, the property tax.	
<b><i>Debt Capacity</i></b> .....	<b><i>S15 – S17</i></b>
These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	
<b><i>Economic and Demographic Information</i></b> .....	<b><i>S18 - S19</i></b>
These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	
<b><i>Operating Information</i></b> .....	<b><i>S20 – S24</i></b>
These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

**Mentor Exempted Village School District**  
*Net Assets by Component*  
*Last Ten Fiscal Years*  
*(accrual basis of accounting)*

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental Activities</b>										
Invested in Capital Assets,										
Net of Related Debt	\$2,769,355	\$2,075,701	\$3,824,625	\$2,177,800	\$4,047,119	\$6,090,322	\$9,772,640	\$12,508,243	\$14,759,054	\$18,690,375
Restricted for:										
Capital Projects	0	0	0	0	0	0	762,518	362,698	0	0
Debt Service	0	0	0	1,136,473	1,168,686	1,178,731	1,169,344	1,282,983	1,291,257	399,601
Other Purposes	1,948,950	2,518,126	559,121	314,165	332,212	613,393	1,156,763	816,437	718,814	837,355
Unrestricted (Deficit)	(13,398,944)	(25,068,073)	(6,130,308)	8,077,267	22,733,447	31,985,247	37,551,015	48,180,077	57,351,890	56,980,153
<b>Total Governmental Activities</b>	<b>(\$8,680,639)</b>	<b>(\$20,474,246)</b>	<b>(\$1,746,562)</b>	<b>\$11,705,705</b>	<b>\$28,281,464</b>	<b>\$39,867,693</b>	<b>\$50,412,280</b>	<b>\$63,150,438</b>	<b>\$74,121,015</b>	<b>\$76,907,484</b>
Business-Type Activity										
Unrestricted (Deficit)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$48,355)	(\$150,722)



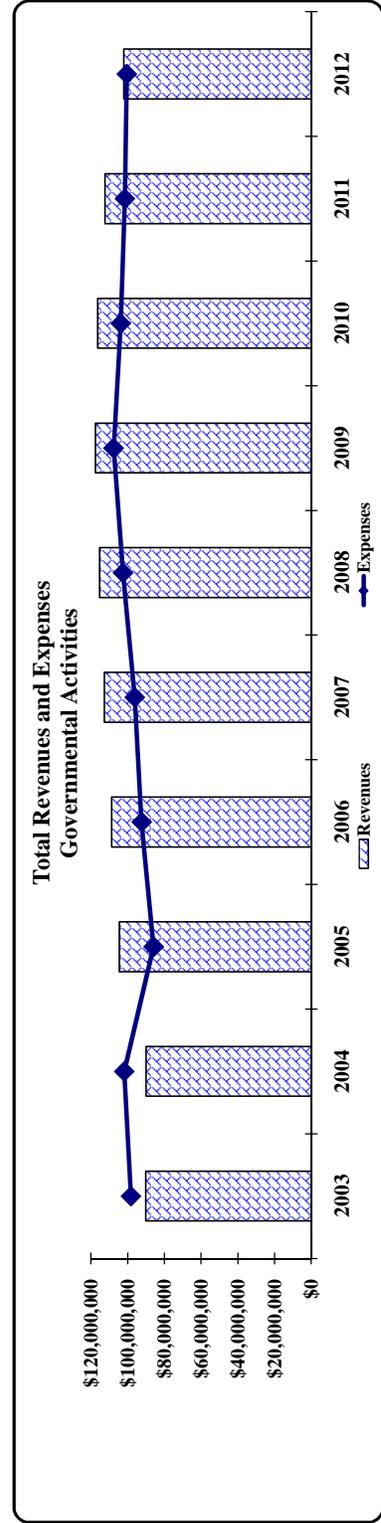
**Mentor Exempted Village School District**  
*Changes in Net Assets of Governmental Activities*  
*Last Ten Fiscal Years*  
*(accrual basis of accounting)*

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
Governmental Activities:										
Regular Instruction	\$41,253,846	\$43,510,151	\$36,594,768	\$40,477,789	\$42,102,682	\$44,945,941	\$46,237,935	\$43,854,284	\$40,947,715	\$42,323,557
Special Instruction	8,260,968	9,584,464	9,724,457	10,705,438	10,390,051	11,212,042	12,369,370	12,494,286	12,374,765	12,866,538
Vocational Instruction	2,544,369	2,835,166	2,714,935	2,168,793	2,312,758	2,316,091	2,400,243	2,115,566	2,007,506	1,777,229
Adult/Continuing Instruction	71,533	4,251	0	0	0	0	0	0	0	0
Student Intervention	2,298,419	1,513,815	3,238	616,275	801,047	797,941	871,025	242,414	157,223	24,699
Pupil Support	5,683,969	6,128,799	5,154,883	6,038,086	6,260,266	6,220,899	6,614,344	7,009,557	6,847,947	6,823,981
Instructional Staff Support	4,816,165	5,393,115	3,704,672	4,011,014	4,140,106	5,264,426	5,431,287	5,508,798	6,269,397	6,845,936
Board of Education	629,729	479,902	704,216	572,005	519,445	629,220	475,375	604,673	649,396	532,055
Administration	6,311,385	6,440,990	5,819,677	4,998,141	5,112,076	5,525,373	6,067,851	5,803,805	5,699,441	5,640,548
Fiscal	1,694,931	2,119,153	2,066,562	2,092,249	2,400,896	2,505,210	2,602,233	2,179,768	2,301,863	2,401,316
Business	23,205	302,004	334,689	388,929	667,976	425,188	600,821	678,606	621,092	580,681
Operation and Maintenance of Plant	8,766,874	8,494,172	7,174,525	8,032,060	8,111,466	8,292,228	9,331,179	8,593,179	8,708,180	6,103,554
Pupil Transportation	5,635,017	5,668,170	4,887,065	4,830,605	5,679,537	6,260,899	6,379,443	6,380,577	6,214,657	6,274,223
Central Support	1,960,997	1,321,251	712,769	1,607,286	1,268,216	1,592,739	1,608,402	2,151,550	2,035,025	1,956,913
Operation of Non-Instructional Services	1,147,828	2,041,709	1,420,093	1,287,970	1,456,939	1,530,928	1,600,570	1,521,042	1,737,643	1,508,012
Operation of Food Services	2,712,308	2,703,619	2,355,277	2,470,584	2,597,515	2,597,209	2,706,117	2,272,614	2,599,841	2,666,083
Extracurricular Activities	3,046,462	1,690,191	1,355,855	1,553,679	1,629,409	1,852,683	1,973,168	1,986,932	2,030,230	1,989,896
Interest and Fiscal Changes	1,321,916	1,604,865	1,134,454	567,851	644,526	590,868	376,700	321,316	230,762	115,597
<b>Total Governmental Activities Expenses</b>	<b>98,179,921</b>	<b>101,835,787</b>	<b>85,862,135</b>	<b>92,418,754</b>	<b>96,094,911</b>	<b>102,559,885</b>	<b>107,646,502</b>	<b>103,718,967</b>	<b>101,432,683</b>	<b>100,430,818</b>
Business-Type Activities:										
Cardinal Autism and Resource	0	0	0	0	0	0	0	0	12,409	866,875
Education School	0	0	0	0	0	0	0	0	0	0
<b>Total Primary Government Expenses</b>	<b>98,179,921</b>	<b>101,835,787</b>	<b>85,862,135</b>	<b>92,418,754</b>	<b>96,094,911</b>	<b>102,559,885</b>	<b>107,646,502</b>	<b>103,718,967</b>	<b>101,445,092</b>	<b>101,297,693</b>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services										
Regular Instruction	339,177	1,021,921	1,676,092	938,994	992,262	1,262,324	1,821,519	1,724,146	1,568,144	1,481,961
Special Instruction	273,771	234,357	14,495	452,284	682,485	361,110	329,952	299,639	307,739	267,883
Vocational Instruction	0	0	0	215,703	300,087	339,466	70,415	86,816	84,300	46,693
Student Intervention	0	0	0	0	2,660	3,540	25,016	7,173	4,950	652
Pupil Support	0	44,399	0	0	0	0	593,183	595,714	668,870	670,465
Instructional Staff	841,692	101,073	57,979	1,322,511	0	0	0	0	0	1,158
Administration	0	0	0	0	0	0	0	0	0	1,158
Operation and Maintenance of Plant	0	0	0	0	0	22,164	63,936	7,894	31,689	4,065
Pupil Transportation	76,840	125,243	92,643	47,715	72,344	64,480	0	0	32	0
Central Support	0	0	4,275	27,668	27,118	17,155	84,230	97,297	98,330	63,026
Operation of Non-Instructional Services	244,332	197,114	0	500	500	500	0	1,818	344	1,211
Operation of Food Service	1,849,378	1,968,096	1,846,313	1,810,431	1,852,301	1,858,070	2,188,505	2,039,957	1,937,715	2,014,632
Extracurricular Activities	713,093	705,261	893,328	648,558	729,717	759,950	792,922	378,119	436,430	419,388
Operating Grants, and Contributions	5,372,482	5,974,321	6,210,320	5,498,826	5,984,274	6,536,486	5,682,667	7,906,021	8,000,454	7,091,085
Capital Grants and Contributions	161,631	0	0	550,000	500,659	500,000	212,228	300,058	297,469	223,455
<b>Total Program Revenues</b>	<b>\$9,872,396</b>	<b>\$10,371,785</b>	<b>\$10,795,445</b>	<b>\$11,513,190</b>	<b>\$11,144,387</b>	<b>\$11,725,245</b>	<b>\$11,864,573</b>	<b>\$13,444,652</b>	<b>\$13,436,466</b>	<b>\$12,301,814</b>
Business-Type Activities:										
Cardinal Autism and Resource	0	0	0	0	0	0	0	0	0	712,052
Education School	0	0	0	0	0	0	0	0	0	0

(continued)

**Mentor Exempted Village School District**  
*Changes in Net Assets of Governmental Activities (continued)*  
*Last Ten Fiscal Years*  
*(accrual basis of accounting)*

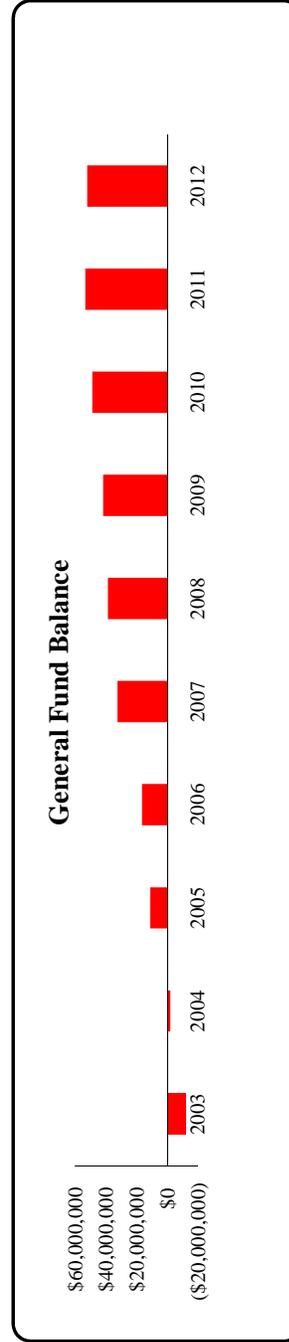
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(\$88,307,525)	(\$91,464,002)	(\$75,066,690)	(\$80,905,564)	(\$84,950,524)	(\$90,834,640)	(\$95,781,929)	(\$90,274,315)	(\$87,996,217)	(\$88,129,004)
Business-Type Activities	0	0	0	0	0	0	0	0	(12,409)	(154,823)
<b>Total Primary Government Net Expense</b>	<b>(88,307,525)</b>	<b>(91,464,002)</b>	<b>(75,066,690)</b>	<b>(80,905,564)</b>	<b>(84,950,524)</b>	<b>(90,834,640)</b>	<b>(95,781,929)</b>	<b>(90,274,315)</b>	<b>(88,008,626)</b>	<b>(88,283,827)</b>
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental Activities:										
Property Taxes Levied for:										
General Purposes	54,910,178	52,424,690	64,136,454	65,732,858	65,961,789	65,257,692	67,927,056	65,057,347	61,170,651	55,451,124
Debt Service	1,934,762	1,525,603	2,351,745	3,691,781	3,658,620	3,557,490	1,178,780	1,271,091	1,189,811	392,865
Capital Outlay	1,216,247	963,442	994,442	972,153	995,885	975,018	1,305,440	1,272,012	1,197,778	1,111,700
Grants and Entitlements not Restricted to Specific Programs	21,901,553	23,729,703	24,665,202	25,207,274	28,279,885	31,027,122	33,523,296	34,257,793	33,914,434	31,352,133
Payment in Lieu of Taxes	0	0	0	0	0	0	0	281,912	632,472	2,019,534
Investment Earnings	96,748	95,345	752,740	1,248,601	2,316,115	2,180,793	1,466,058	624,575	394,628	305,946
Unrestricted Contributions and Donations	0	0	0	0	0	0	0	1,000	26,800	58,625
Gain on Sale of Capital Assets	13,142	0	3,285	0	0	0	6,600	24,547	0	0
Miscellaneous	267,402	931,612	892,690	477,796	313,989	665,328	124,763	222,196	404,274	276,002
Transfers	0	0	0	0	0	0	0	0	35,946	(52,456)
<b>Total Governmental Activities</b>	<b>80,340,032</b>	<b>79,670,395</b>	<b>93,794,374</b>	<b>97,330,463</b>	<b>101,526,283</b>	<b>103,663,443</b>	<b>105,686,527</b>	<b>103,012,473</b>	<b>98,966,794</b>	<b>90,915,473</b>
Business-Type Activities:										
Transfers	0	0	0	0	0	0	0	0	(35,946)	52,456
<b>Total Primary Government</b>	<b>80,340,032</b>	<b>79,670,395</b>	<b>93,794,374</b>	<b>97,330,463</b>	<b>101,526,283</b>	<b>103,663,443</b>	<b>105,686,527</b>	<b>103,012,473</b>	<b>98,930,848</b>	<b>90,967,929</b>
<b>Change in Net Assets</b>										
Governmental Activities	(7,967,493)	(11,793,607)	18,727,684	16,424,899	16,575,759	12,828,803	9,904,598	12,738,158	10,970,577	2,786,469
Business-Type Activities	0	0	0	0	0	0	0	0	(48,355)	(102,367)
<b>Total Primary Government Change in Net Assets</b>	<b>(\$7,967,493)</b>	<b>(\$11,793,607)</b>	<b>\$18,727,684</b>	<b>\$16,424,899</b>	<b>\$16,575,759</b>	<b>\$12,828,803</b>	<b>\$9,904,598</b>	<b>\$12,738,158</b>	<b>\$10,922,222</b>	<b>\$2,684,102</b>



**Mentor Exempted Village School District**  
**Fund Balances, Governmental Funds**  
*Last Ten Fiscal Years*  
*(modified accrual basis of accounting)*

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Fund</b>										
Nonspendable	n/a	n/a	n/a	n/a	n/a	n/a	\$60,329	\$75,796	\$85,245	\$93,351
Assigned	n/a	n/a	n/a	n/a	n/a	n/a	1,724,986	1,317,737	6,443,876	13,254,424
Unassigned	n/a	n/a	n/a	n/a	n/a	n/a	40,083,669	47,579,619	46,985,974	38,877,999
Reserved	7,240,318	6,516,061	11,365,628	8,725,459	6,726,103	6,627,563	n/a	n/a	n/a	n/a
Unreserved (Deficit)	(19,073,107)	(8,451,274)	(272,828)	7,774,628	25,887,979	32,169,530	n/a	n/a	n/a	n/a
<b>Total General Fund</b>	<b>(11,832,789)</b>	<b>(1,935,213)</b>	<b>11,092,800</b>	<b>16,500,087</b>	<b>32,614,082</b>	<b>38,797,093</b>	<b>41,868,984</b>	<b>48,973,152</b>	<b>53,515,095</b>	<b>52,225,774</b>
<b>All Other Governmental Funds</b>										
Nonspendable	n/a	n/a	n/a	n/a	n/a	n/a	46,527	86,912	66,505	19,236
Restricted	n/a	n/a	n/a	n/a	n/a	n/a	2,443,747	2,248,818	1,958,438	1,282,675
Committed	n/a	n/a	n/a	n/a	n/a	n/a	206,629	176,519	184,790	213,221
Assigned	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	0
Unassigned (Deficit)	n/a	n/a	n/a	n/a	n/a	n/a	(86,278)	(122,143)	(197,945)	(211,540)
Reserved	2,115,786	1,601,966	2,298,209	2,480,667	2,060,827	1,570,990	n/a	n/a	n/a	n/a
Unreserved, Undesignated,										
Reported in:										
Special Revenue funds (Deficit)	(397,608)	302,389	477,949	306,393	450,641	568,541	n/a	n/a	n/a	n/a
Debt Service funds	0	0	0	0	0	1,042,860	n/a	n/a	n/a	n/a
Capital Projects funds (Deficit)	(451,078)	(849,791)	390,439	1,414,391	1,311,087	1,034,907	n/a	n/a	n/a	n/a
<b>Total All Other Governmental Funds</b>	<b>1,267,100</b>	<b>1,054,564</b>	<b>3,166,597</b>	<b>4,201,451</b>	<b>3,822,555</b>	<b>4,217,298</b>	<b>2,610,625</b>	<b>2,390,106</b>	<b>2,011,788</b>	<b>1,303,592</b>
<b>Total Governmental Funds</b>	<b>(\$10,565,689)</b>	<b>(\$880,649)</b>	<b>\$14,259,397</b>	<b>\$20,701,538</b>	<b>\$36,436,637</b>	<b>\$43,014,391</b>	<b>\$44,479,609</b>	<b>\$51,363,258</b>	<b>\$55,526,883</b>	<b>\$53,529,366</b>

Note: The School District implemented GASB 54 in 2010.





**Marissa Maio**  
***Headlands Beach Lighthouse***  
**Mentor High School**

**Mentor Exempted Village School District**  
*Changes in Fund Balances, Governmental Funds*  
*Last Ten Fiscal Years*  
*(modified accrual basis of accounting)*

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Property Taxes	\$57,447,184	\$55,371,277	\$66,964,875	\$71,898,835	\$72,038,853	\$69,020,927	\$67,270,002	\$67,177,217	\$62,021,506	\$59,873,748
Intergovernmental	26,916,535	28,852,517	30,553,613	30,076,860	33,317,849	36,092,948	39,365,158	42,170,509	42,025,849	38,498,735
Interest	92,509	91,535	415,479	1,245,215	2,309,938	2,179,248	1,477,837	620,196	380,642	300,565
Tuition and Fees	175,267	975,959	1,375,810	1,113,377	1,543,831	1,494,705	1,844,293	1,930,434	1,883,959	1,538,633
Extracurricular Activities	329,170	433,844	782,771	761,198	837,151	853,846	1,347,160	1,339,049	1,351,003	1,398,618
Contributions and Donations	0	0	0	0	0	0	0	217,593	216,810	243,349
Charges for Services	89,570	0	4,275	0	0	0	2,222,931	2,072,129	1,972,470	2,035,547
Rentals	0	0	0	0	0	0	116,632	98,927	81,653	99,512
Payment in Lieu of Taxes	0	0	0	0	0	0	154,534	281,912	316,236	1,167,885
Miscellaneous	519,531	433,976	820,136	1,095,693	1,124,940	1,857,229	119,918	220,343	410,972	227,963
<b>Total Revenues</b>	<b>85,569,766</b>	<b>86,159,108</b>	<b>100,916,959</b>	<b>106,191,178</b>	<b>111,172,562</b>	<b>111,498,903</b>	<b>114,136,058</b>	<b>116,127,526</b>	<b>110,715,829</b>	<b>105,384,555</b>
<b>Expenditures</b>										
Current:										
Instruction:										
Regular	39,424,976	40,447,432	36,010,389	39,403,762	39,570,542	42,274,204	46,043,804	45,248,495	42,481,866	43,259,029
Special	8,274,200	9,366,190	9,753,168	10,568,947	10,246,902	10,999,145	11,860,208	12,735,967	12,769,094	13,176,953
Vocational	2,584,977	2,721,370	2,739,969	2,331,028	2,283,750	2,248,335	2,229,173	2,115,669	2,103,371	1,846,685
Adult/Continuing	71,533	7,046	0	0	0	0	0	0	0	0
Student Intervention	2,298,419	1,511,020	3,238	616,275	801,047	797,941	785,850	234,632	190,986	56,869
Support Services:										
Pupils	5,709,112	5,803,632	5,386,707	5,962,647	6,278,693	5,869,905	6,933,129	6,987,108	6,976,476	6,937,384
Instructional Staff	4,830,999	5,163,861	3,798,426	4,043,939	4,025,650	5,265,019	5,556,065	5,528,938	6,378,761	6,857,182
Board of Education	629,729	479,902	704,216	572,005	519,445	629,220	485,459	603,120	646,644	538,033
Administration	5,464,582	5,544,785	4,424,330	5,105,722	5,112,244	5,519,624	5,730,195	5,863,641	5,736,156	5,824,039
Fiscal	1,680,799	2,097,989	2,067,938	2,081,479	2,446,827	2,493,429	2,519,317	2,183,528	2,342,920	2,422,710
Business	705,305	636,011	595,051	626,486	680,252	422,564	538,882	672,979	663,067	595,192
Operation and Maintenance of Plant	9,109,353	9,565,657	7,473,930	8,406,260	7,227,783	8,802,705	11,883,307	10,462,819	10,002,493	9,543,235
Pupil Transportation	6,464,715	5,139,482	5,073,907	4,800,294	5,677,350	6,162,044	6,035,216	6,078,092	6,232,988	6,261,940
Central	1,998,367	1,322,314	879,218	1,572,181	1,470,520	1,567,040	1,648,620	2,105,387	1,936,650	2,037,233
Operation of Non-Instructional Services	322,672	1,353,307	1,207,360	1,279,536	1,437,796	1,576,416	1,574,901	1,487,659	1,701,792	1,568,990
Operation of Food Services	0	5,346	0	961	684	1,230	2,648,929	2,349,998	2,639,478	2,711,502
Extracurricular Activities	2,890,030	1,535,319	1,346,644	1,547,156	1,612,396	1,842,457	1,909,087	1,886,480	1,921,630	1,917,563
Capital Outlay	0	0	0	0	2,338,403	1,062,487	0	0	21,800	0
Debt Service:										
Principal Retirement	466,933	464,926	16,661,000	12,866,334	4,110,690	4,101,642	2,385,531	2,312,205	2,238,667	1,626,323
Interest and Fiscal Charges	1,305,993	1,596,861	1,091,276	604,982	652,414	598,562	313,476	222,884	124,207	73,412
Capital Appreciation Bond Interest	0	0	0	0	0	0	0	0	0	600,011
<b>Total Expenditures</b>	<b>94,232,694</b>	<b>94,763,104</b>	<b>99,222,113</b>	<b>102,389,994</b>	<b>96,493,368</b>	<b>102,183,969</b>	<b>111,081,149</b>	<b>109,079,601</b>	<b>107,109,116</b>	<b>107,854,285</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(8,662,928)</b>	<b>(8,603,996)</b>	<b>1,694,846</b>	<b>3,801,184</b>	<b>14,679,194</b>	<b>9,314,934</b>	<b>3,054,909</b>	<b>7,047,925</b>	<b>3,606,713</b>	<b>(2,469,730)</b>
<b>Other Financing Sources (Uses)</b>										
Sale of Capital Assets	13,142	0	12,624	1,286,203	43,085	32,121	0	33,446	15,578	8,213
General Obligation Bonds Issued	0	0	6,439,989	0	0	0	0	0	0	0
General Obligation Notes Issued	0	18,070,000	7,000,000	0	0	0	0	0	0	0
Energy Conservation Notes Issued	1,007,040	1,410,000	1,005,334	928,000	850,668	773,335	696,000	618,667	541,334	464,000
Capital Lease Issued	465,646	859,850	1,046,636	260,378	271,836	361,054	470,543	1,008,373	429,434	478,157
Transfers In	(465,646)	(2,050,814)	(1,128,530)	(298,214)	(283,684)	(551,284)	(2,756,234)	(1,824,762)	(429,434)	(478,157)
Transfers Out	1,020,182	18,289,036	14,376,053	2,176,367	1,055,905	615,226	(1,589,691)	(164,276)	556,912	472,213
<b>Total Other Financing Sources (Uses)</b>	<b>(\$7,642,746)</b>	<b>\$9,685,040</b>	<b>\$16,070,899</b>	<b>\$5,977,551</b>	<b>\$15,735,099</b>	<b>\$9,930,160</b>	<b>\$1,465,218</b>	<b>\$6,883,649</b>	<b>\$4,163,625</b>	<b>(\$1,997,517)</b>
<b>Net Change in Fund Balances</b>	<b>0.50%</b>	<b>0.49%</b>	<b>16.79%</b>	<b>12.57%</b>	<b>4.37%</b>	<b>4.06%</b>	<b>2.50%</b>	<b>2.38%</b>	<b>2.24%</b>	<b>2.22%</b>
Debt Service as a Percentage of Noncapital Expenditures										

**Mentor Exempted Village School District**  
Assessed and Estimated Actual Value of Taxable Property  
Last Ten Years

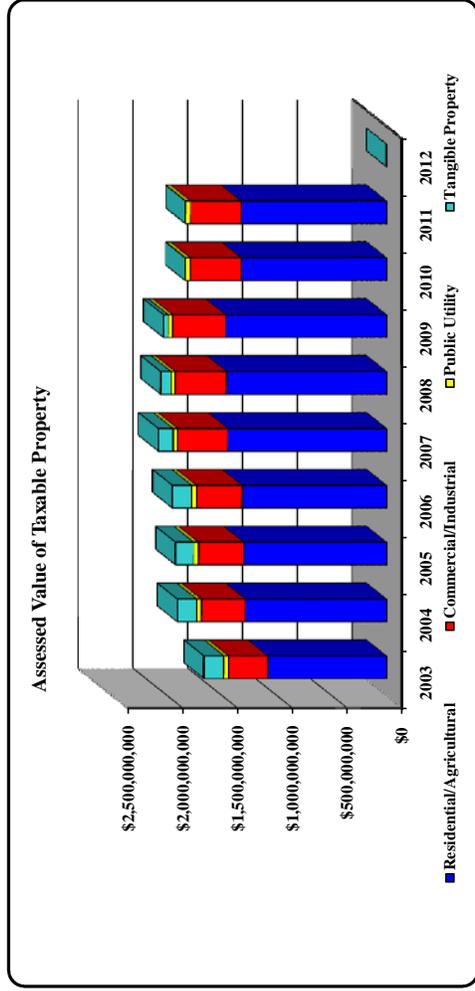
Collection Year	Real Property		Tangible Personal		Public Utility		Total	Full Tax Rate Per \$1,000 of Assessed Valuation	Weighted Average Tax Rate			
	Assessed Value		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value						
	Residential/Agricultural	Commercial/Industrial								Total		
2003	\$1,082,668,730	\$357,639,810	\$1,440,308,540	\$4,115,167,257	\$182,121,185	\$728,484,740	\$42,606,670	\$48,416,670	\$1,665,036,395	\$4,892,068,668	\$66.7700	\$35.2221
2004	1,285,690,270	403,335,090	1,689,025,360	4,825,786,743	175,348,750	701,395,000	43,567,080	49,508,045	1,907,941,190	5,576,689,788	69.6200	34.0841
2005	1,301,630,250	412,470,960	1,714,101,210	4,897,432,029	165,803,385	663,213,540	44,678,810	50,771,375	1,924,583,405	5,611,416,944	77.4600	41.7934
2006	1,316,883,880	416,926,760	1,733,810,640	4,953,744,686	175,597,461	936,519,792	42,829,470	48,669,852	1,952,237,571	5,938,934,330	77.2800	41.7225
2007	1,445,692,450	458,183,160	1,903,875,610	5,439,644,600	132,931,392	1,063,451,136	43,396,780	49,314,523	2,080,203,782	6,552,410,259	76.6800	40.7570
2008	1,456,756,250	469,202,860	1,925,959,110	5,502,740,314	91,698,060	1,467,168,960	40,113,310	45,583,307	2,057,770,480	7,015,492,581	76.7000	37.4902
2009	1,466,659,870	482,612,050	1,949,271,920	5,569,348,343	41,999,485	671,991,760	42,200,590	47,955,216	2,033,471,995	6,289,295,319	76.8900	36.5338
2010	1,323,197,610	464,397,920	1,787,595,530	5,107,415,800	2,163,150	34,610,400	45,020,040	51,159,136	1,834,778,720	5,193,185,336	77.6400	38.4964
2011	1,325,356,150	459,585,610	1,784,941,760	5,099,833,600	1,095,740	17,531,840	45,949,360	52,215,182	1,831,986,860	5,169,580,622	77.6100	38.7075
2012	1,328,950,110	450,380,550	1,779,330,660	5,083,801,886	0	0	47,668,530	54,168,784	1,826,999,190	5,137,970,670	76.9600	38.9856

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 12.5 for 2007, 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax was 2010).

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2.5 percent and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10 percent rollback for commercial/industrial property has been eliminated.

Source: Office of the County Auditor, Lake County, Ohio



**Mentor Exempted Village School District**  
*Property Tax Rates - Direct and Overlapping Governments*  
 (per \$1,000 of assessed value)  
 Last Ten Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Unvoted Millage</b>										
Operating	\$4.8000	\$4.8000	\$4.8000	\$4.8000	\$4.8000	\$4.8000	\$4.8000	\$4.8000	\$4.8000	\$4.8000
<b>Voted Millage - by levy</b>										
1976 Operating - continuing										
Effective Millage Rates										
Residential/Agricultural	5.6633	4.8221	4.8226	4.8172	4.4198	4.4234	4.4191	4.9259	4.9318	4.9336
Commercial/Industrial	8.6801	7.8969	7.9804	8.0124	7.3664	7.4290	7.1919	7.3969	7.5783	7.6202
Tangible/Public Utility Personal	29.8000	29.8000	29.8000	29.8000	29.8000	29.8000	29.8000	29.8000	29.8000	29.8000
1977 Operating - continuing										
Effective Millage Rates										
Residential/Agricultural	1.4905	1.2691	1.2692	1.2678	1.1632	1.1642	1.1630	1.2964	1.2980	1.2985
Commercial/Industrial	1.8854	1.7153	1.7334	1.7404	1.6000	1.6136	1.5621	1.6067	1.6461	1.6552
Tangible/Public Utility Personal	4.9000	4.9000	4.9000	4.9000	4.9000	4.9000	4.9000	4.9000	4.9000	4.9000
1984 Operating - continuing										
Effective Millage Rates										
Residential/Agricultural	4.4566	3.7947	3.7950	3.7908	3.4781	3.4808	3.4774	3.8762	3.8809	3.8823
Commercial/Industrial	6.0911	5.5416	5.6002	5.6226	5.1693	5.2131	5.0468	5.1906	5.3179	5.3473
Tangible/Public Utility Personal	8.9000	8.9000	8.9000	8.9000	8.9000	8.9000	8.9000	8.9000	8.9000	8.9000
1986 Operating - continuing										
Effective Millage Rates										
Residential/Agricultural	3.6318	3.0924	3.0927	3.0892	2.8344	2.8366	2.8339	3.1589	3.1627	3.1638
Commercial/Industrial	5.4381	4.9474	4.9997	5.0197	4.6150	4.6542	4.5057	4.6341	4.7477	4.7740
Tangible/Public Utility Personal	6.9000	6.9000	6.9000	6.9000	6.9000	6.9000	6.9000	6.9000	6.9000	6.9000
1988 Bond (\$9,500,000)	0.5600	0.4900	0.4800	0.4600	0.2500	0.3400	0.3400	0.6700	0.6600	0.0000
1988 Library Bond (\$4,000,000)	0.2000	0.1700	0.1900	0.1900	0.3500	0.2400	0.2600	0.0000	0.0000	0.0000
1988 Permanent Improvement - continuing										
Effective Millage Rates										
Residential/Agricultural	0.5389	0.4589	0.4589	0.4584	0.4206	0.4209	0.4205	0.46870	0.4693	0.4695
Commercial/Industrial	0.7893	0.7181	0.7257	0.7286	0.6698	0.6755	0.6540	0.6726	0.6891	0.6929
Tangible/Public Utility Personal	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
1991 Bond (\$8,600,000)	0.3100	0.2600	0.2600	0.2600	0.2400	0.2300	0.2300	0.2700	0.2600	0.2300
1992 Operating - continuing										
Effective Millage Rates										
Residential/Agricultural	3.2411	2.7597	2.7600	2.7569	2.5295	2.5315	2.5290	2.8190	2.8224	2.8234
Commercial/Industrial	3.9024	3.5503	3.5878	3.6000	3.3118	3.3399	3.2333	3.3255	3.4070	3.4258
Tangible/Public Utility Personal	4.9000	4.9000	4.9000	4.9000	4.9000	4.9000	4.9000	4.9000	4.9000	4.9000
1996 Operating - continuing										
Effective Millage Rates										
Residential/Agricultural	3.3983	2.8936	2.8939	2.8906	2.6522	2.6543	2.6517	2.9558	2.9594	2.9604
Commercial/Industrial	3.7259	3.3897	3.4256	3.4393	3.1620	3.1888	3.0871	3.1751	3.2529	3.2709
Tangible/Public Utility Personal	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000

(continued)

**Mentor-Exempted Village School District**  
*Property Tax Rates - Direct and Overlapping Governments (continued)*  
 (per \$1,000 of assessed value)  
 Last Ten Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>2003 Operating - continuing</b>										
Effective Millage Rates										
Residential/Agricultural	\$0.0000	\$2.5537	\$2.5540	\$2.5511	\$2.3407	\$2.3425	\$2.3402	\$2.6086	\$2.6118	\$2.6127
Commercial/Industrial	0.0000	2.7380	2.7670	2.7780	2.5541	2.5757	2.4935	2.5646	2.6275	2.6420
Tangible/Public Utility Personal	0.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000
<b>2004 Emergency (\$15,015,990)</b>	0.0000	0.0000	7.8300	7.6700	7.1400	7.1900	7.3600	8.0000	7.9900	8.0300
<b>Total Effective Voted Millage by type of property</b>										
Residential/Agricultural	\$23.4905	\$22.5642	\$30.4063	\$30.2020	\$27.8185	\$27.8542	\$28.0248	\$35.2678	\$31.0463	\$30.4042
Commercial/Industrial	31.5823	31.4173	39.5798	39.5210	36.4284	36.6898	35.9644	37.5061	38.1765	37.6883
Tangible/Public Utility Personal	61.9700	64.8200	72.6600	72.4800	71.8800	71.9000	72.0900	72.8400	72.8100	72.1600
<b>Total Millage by type of property</b>										
Residential/Agricultural	\$28.2905	\$27.3642	\$35.2063	\$35.0020	\$32.6185	\$32.6542	\$32.8248	\$40.0678	\$35.8463	\$35.2042
Commercial/Industrial	36.3823	36.2173	44.3798	44.3210	41.2284	41.4898	40.7644	42.3061	42.9765	42.4883
Tangible/Public Utility Personal	66.7700	69.6200	77.4600	77.2800	76.6800	76.7000	76.8900	77.6400	77.6100	76.9600
<b>Total Weighted Average Tax Rate</b>	\$35.2221	\$34.0841	\$41.7934	\$41.7225	\$40.7570	\$37.4902	\$36.5338	\$38.4964	\$38.7075	\$38.9856
<b>Overlapping Rates by Taxing District</b>										
Concord Township Voted Millage										
Effective Millage Rates										
Residential/Agricultural	\$9.0921	\$8.3384	\$8.7563	\$8.7238	\$8.0785	\$8.0667	\$8.0655	\$8.7392	\$9.7413	\$9.7344
Commercial/Industrial	9.0131	8.3144	8.7428	8.6002	8.3470	8.2272	8.2134	8.2516	8.9597	9.8300
Tangible/Public Utility Personal	9.4000	9.4000	9.4000	9.4000	9.4000	9.4000	9.4000	9.4000	10.4000	10.4000
City of Mentor Voted Millage										
Effective Millage Rates										
Residential/Agricultural	3.7555	3.6423	3.6423	3.6414	3.5878	3.5882	3.5875	3.6528	3.6532	3.6533
Commercial/Industrial	4.0360	3.9484	3.9589	3.9616	3.8820	3.8899	3.8607	3.8854	3.9082	3.9132
Tangible/Public Utility Personal	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000
Mentor Public Library										
Effective Millage Rates	0.5569	0.4741	0.4741	0.4736	0.4345	0.4349	1.0989	1.0953	1.1000	1.1000
Residential/Agricultural	0.5394	0.4923	0.4975	0.4995	0.4593	0.4632	1.0649	1.1000	1.1000	1.1000
Commercial/Industrial	0.6250	0.6250	0.6250	0.6250	0.6250	0.6250	1.1000	1.1000	1.1000	1.1000
City of Mentor-on-the-Lake Voted Millage										
Effective Millage Rates	12.9254	11.9564	11.9611	11.9770	11.6233	11.6272	11.6276	12.1447	12.1866	12.1887
Residential/Agricultural	13.8231	13.1237	13.1415	13.3065	12.9483	13.0560	12.8826	13.1061	13.1130	13.1688
Commercial/Industrial	24.0000	24.0000	24.0000	24.0000	24.0000	24.0000	24.0000	24.0000	24.0000	24.0000
Tangible/Public Utility Personal										

(continued)

**Mentor-Exempted Village School District**  
*Property Tax Rates - Direct and Overlapping Governments (continued)*  
 (per \$1,000 of assessed value)  
 Last Ten Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Village of Kirtland Hills Voted Millage</b>										
Effective Millage Rates										
Residential/Agricultural	\$23.0000	\$20.0000	\$20.0000	\$20.0000	\$20.0000	\$18.0000	\$18.0000	\$18.0000	\$18.0000	\$18.0000
Commercial/Industrial	23.0000	20.0000	20.0000	20.0000	20.0000	18.0000	18.0000	18.0000	18.0000	18.0000
Tangible/Public Utility Personal	23.0000	20.0000	20.0000	20.0000	20.0000	18.0000	18.0000	18.0000	18.0000	18.0000
<b>Chardon Township Voted Millage</b>										
Effective Millage Rates										
Residential/Agricultural	5.0165	6.2290	6.6647	6.3308	6.3279	6.3289	6.3295	7.0161	7.0207	7.1243
Commercial/Industrial	5.4828	6.4039	6.6744	6.2408	6.2408	6.2408	6.2408	6.9704	6.9846	6.6004
Tangible/Public Utility Personal	8.7000	6.7000	6.7000	6.7000	6.7000	6.7000	6.7000	7.2000	7.2000	7.2000
<b>Lake County Voted Millage</b>										
Effective Millage Rates										
Residential/Agricultural	8.2778	7.3213	7.3125	7.6276	7.0884	7.2608	7.6470	8.1390	9.6417	9.6430
Commercial/Industrial	9.4029	8.9778	9.0975	9.2551	8.6297	8.7551	8.8311	8.8061	9.7205	9.7979
Tangible/Public Utility Personal	10.3000	10.3000	10.3000	10.3000	10.3000	10.4000	10.4000	10.4000	10.4000	10.4000
<b>Metropolitan Park District Voted Millage</b>										
Effective Millage Rates										
Residential/Agricultural	1.2538	1.0564	1.0547	2.0838	1.8767	1.8762	1.8752	2.0872	2.0893	2.0895
Commercial/Industrial	1.8585	1.7488	1.7797	2.1575	1.9663	1.9616	1.9321	1.9248	1.9488	1.9932
Tangible/Public Utility Personal	2.2000	2.2000	2.2000	2.2000	2.2000	2.2000	2.2000	2.2000	2.2000	2.2000
<b>Lakeland Community College Voted Millage</b>										
Effective Millage Rates										
Residential/Agricultural	1.8254	1.5381	1.5355	1.5313	1.3792	1.3787	1.3781	1.5338	2.9574	2.9582
Commercial/Industrial	2.1308	2.0050	2.0403	2.0492	1.8676	1.8632	1.8352	1.8283	2.9844	3.0137
Tangible/Public Utility Personal	3.2000	3.2000	3.2000	3.2000	3.2000	3.2000	3.2000	3.2000	3.2000	3.2000
<b>Geauga County Voted Millage</b>										
Effective Millage Rates										
Residential/Agricultural	10.3876	10.8587	11.8767	10.8912	10.8750	10.8584	10.9013	11.2064	11.6098	11.9674
Commercial/Industrial	11.2985	11.7554	12.6037	11.4143	11.5035	11.4913	11.5893	12.0949	12.4349	12.5853
Tangible/Public Utility Personal	14.6000	15.1000	15.1000	15.1000	15.1000	15.1000	15.1000	15.1000	15.1000	15.1000

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes.

Overlapping rates are those of local and county governments that apply to property owners with the School District.

**Source:** Ohio Department of Taxation

Note: Emergency and Debt Service levies are designed to raise a fixed amount of revenue each year. A rate is set each year so that when it is applied to the total assessed value, that fixed amount is generated.

**Mentor Exempted Village School District**

*Property Tax Levies and Collections (1)*

*Last Ten Years*

<u>Collection Year (2)</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collections to Current Tax Levy</u>	<u>Delinquent Tax Collections (3)</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Current Tax Levy</u>
2002	\$58,892,070	\$56,889,448	96.60%	\$1,022,971	\$57,912,419	98.34%
2003	59,032,060	57,073,211	96.68	1,606,667	58,679,878	99.40
2004 (4)	58,608,457	56,910,391	97.10	1,719,718	58,630,109	100.04
2005	64,618,639	63,309,098	97.97	1,268,514	64,577,612	99.94
2006	81,991,123	79,113,652	96.49	1,699,737	80,813,389	98.56
2007	77,912,807	74,325,101	95.40	1,844,777	76,169,878	97.76
2008 (4)	73,884,407	72,084,664	97.56	2,362,672	74,447,336	100.76
2009	71,372,380	68,620,175	96.14	2,166,834	70,787,009	99.18
2010	70,676,697	68,485,489	96.90	2,007,550	70,493,039	99.74
2011	71,265,980	69,128,830	97.00	1,727,567	70,856,397	99.43

**Source:** Office of the County Auditor, Lake, Ohio

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.
- (2) The 2012 information cannot be presented because all collections have not been made by June 30, 2012.
- (3) The County does not maintain delinquency information by tax year.
- (4) The County was able to collect on prior year delinquencies.

**Mentor Exempted Village School District**

*Principal Taxpayers*

*Real Estate Tax*

*2012 and 2003*

Name of Taxpayer	Line of Business	2012	
		Assessed Value	Percent of Real Property Assessed Value
Simon Property Group, LP	Retail Mall	\$27,416,950	1.54%
Steris Corporation	Medical Equipment	9,539,770	0.54
Points East	Retail Sales	7,307,240	0.41
First Interstate	Holding Company	4,579,600	0.26
Lake Hospital System	Hospital	4,126,310	0.23
Harbour Run Apartments	Apartment Rental	4,116,060	0.23
F I Mentor Commons Limited	Retail Sales	3,901,060	0.22
Michaels, Incorporated	Retail Sales	3,259,690	0.18
Optimus Erie Commons LLC	Retail Sales	3,182,550	0.18
FI Mentor II LLC	Retail Sales	3,150,000	0.18
Totals		<u>\$70,579,230</u>	<u>3.97%</u>
Real Property Assessed Valuation		<u>\$1,779,330,660</u>	

Name of Taxpayer	Line of Business	2003	
		Assessed Value	Percent of Real Property Assessed Value
Simon Property Group, LP	Retail Mall	\$22,677,960	1.57%
Steris Corporation	Medical Equipment	7,863,490	0.55
Points East	Retail Sales	6,151,250	0.43
Euclid Clinic Foundation	Medical	4,005,170	0.28
Summerville at Mentor, Incorporated	Assisted Living	3,760,740	0.26
F I Mentor Commons Limited	Retail Sales	3,717,760	0.26
Royal Appliance Mfg Co	Appliance Manufacturer	3,668,320	0.25
Deepwood North Company	Condominiums	3,584,460	0.25
Osair	Manufacturing	3,537,390	0.24
Avery International Corporation	Retail Branding	3,469,110	0.24
Totals		<u>\$62,435,650</u>	<u>4.33%</u>
Real Property Assessed Valuation		<u>\$1,440,308,540</u>	

**Source:** Office of the County Auditor, Lake County, Ohio

**Mentor Exempted Village School District**

*Principal Taxpayers*

*Public Utilities Tax*

*2012 and 2003*

Name of Taxpayer	2012	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$23,619,890	49.55%
Aqua Ohio, Inc.	20,263,450	42.51
American Transmission	1,653,360	3.47
<b>Total</b>	<b>\$45,536,700</b>	<b>95.53%</b>
Public Utility Assessed Valuation	<b>\$47,668,530</b>	
Name of Taxpayer	2003	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$18,553,960	43.55%
Consumers Ohio Water Company	11,086,800	26.06
Ohio Bell Telephone Company	7,895,170	18.49
<b>Total</b>	<b>\$37,535,930</b>	<b>88.10%</b>
Public Utility Assessed Valuation	<b>\$42,606,670</b>	

**Source:** Office of the County Auditor, Lake County, Ohio

**Mentor Exempted Village School District**  
*Ratio of General Bonded Debt to Estimated Actual  
 Value, Ratio of General Debt to Personal Income and Debt per Capita  
 Last Ten Fiscal Years*

Fiscal Year	General Bonded Debt		Other General Debt				Total Debt	Ratio of General Debt to Personal Income (3)	
	General Bonded Debt	Ratio of Bonded Debt to Estimated Actual Value (1)	Bonded Debt per Capita (2)	Energy Conservation Notes	Capital Leases	General Debt per Capita (2)			
2003	\$12,454,926	0.25	\$247.72	\$500,000	\$1,213,657	\$14,168,583	1.15	\$281.80	
2004	11,990,000	0.22	238.47	1,410,000	851,439	14,251,439	1.15	283.45	
2005	10,764,989	0.19	214.11	1,005,334	562,934	12,333,257	1.00	245.30	
2006	9,299,989	0.16	184.97	928,000	301,081	10,529,070	0.85	209.42	
2007	8,013,299	0.12	159.38	850,668	235,496	9,099,463	0.74	180.98	
2008	6,719,996	0.10	133.66	773,335	148,401	7,641,732	0.62	151.99	
2009	5,533,952	0.09	110.07	696,000	56,205	6,286,157	0.51	125.03	
2010	4,076,194	0.08	81.07	618,667	0	4,694,861	0.38	93.38	
2011	2,569,543	0.05	54.49	541,334	0	3,110,877	0.27	65.97	
2012	935,007	0.02	19.84	464,000	0	1,399,007	0.10	29.69	

(1) The Estimated Actual Value can be found on S8

(2) The population can be found on S19

(3) The personal income can be found on S19

**Mentor Exempted Village School District**  
*Computation of Legal Debt Margin*  
 Last Ten Fiscal Years

	2003	2004	2005	2006 (1)	2007 (1)	2008 (1)	2009 (1)	2010 (1)	2011 (1)	2012 (1)
Residential/Agricultural Real Property	\$1,082,668,730	\$1,285,690,270	\$1,301,630,250	\$1,316,883,880	\$1,445,692,450	\$1,456,756,250	\$1,466,659,870	\$1,323,197,610	\$1,325,356,150	\$1,328,950,110
Commercial/Industrial Real Property	357,639,810	403,535,090	412,470,960	416,926,760	458,183,160	469,202,860	482,612,050	464,397,920	459,585,610	450,380,550
Tangible Personal Property	182,121,185	175,348,750	165,803,385	0	0	0	0	2,163,150	1,095,740	0
Public Utility Tangible	42,606,670	43,567,080	44,678,810	42,829,470	43,396,780	40,113,310	42,200,590	45,020,040	45,949,360	47,668,530
Less: Rail Road and Telephone Tangible Property	0	0	0	(8,518,690)	(11,602,850)	(4,757,030)	(3,299,460)	(2,163,150)	(1,095,740)	0
<b>Total Assessed Valuation</b>	<b>\$1,665,036,395</b>	<b>\$1,907,941,190</b>	<b>\$1,924,583,405</b>	<b>\$1,768,121,420</b>	<b>\$1,935,669,540</b>	<b>\$1,961,315,390</b>	<b>\$1,988,173,050</b>	<b>\$1,832,615,570</b>	<b>\$1,830,891,120</b>	<b>\$1,826,999,190</b>
Debt Limit - 9% of Assessed Value (2)	\$149,853,276	\$171,714,707	\$173,212,506	\$159,130,928	\$174,210,259	\$176,518,385	\$178,935,575	\$164,935,401	\$164,780,201	\$164,429,927
Amount of Debt Applicable to Debt Limit										
General Obligation Bonds	12,454,926	11,990,000	10,764,989	9,299,989	8,013,299	6,719,996	5,199,996	3,639,996	2,019,996	955,007
Energy Conservation Notes	500,000	1,410,000	1,082,667	1,005,334	928,001	850,668	773,333	696,000	618,667	541,333
Tax Anticipation Notes	5,000,000	2,480,000	1,984,000	7,088,000	5,192,000	3,296,000	1,400,000	0	0	0
School Improvement Note	0	0	0	0	0	1,950,000	1,755,000	1,560,000	1,365,000	1,170,000
Less: Amount Available in Debt Service	(1,094,882)	(992,110)	(1,212,649)	(1,136,473)	(1,069,854)	(1,156,701)	(1,131,247)	(1,230,644)	(1,206,488)	(360,535)
<b>Total</b>	<b>16,860,044</b>	<b>14,887,890</b>	<b>12,619,007</b>	<b>16,256,850</b>	<b>13,063,446</b>	<b>11,679,963</b>	<b>7,997,082</b>	<b>4,665,352</b>	<b>2,797,175</b>	<b>2,285,805</b>
Exemptions:										
Energy Conservation Notes	(500,000)	(1,410,000)	(1,082,667)	(1,005,334)	(928,001)	(850,668)	(773,333)	(696,000)	(618,667)	(541,333)
Tax Anticipation Notes	(5,000,000)	(2,480,000)	(1,984,000)	(7,088,000)	(5,192,000)	(3,296,000)	(1,400,000)	0	0	0
Amount of Debt Subject to Limit	11,360,044	10,997,890	9,552,340	8,163,516	6,943,445	7,533,295	5,823,749	3,969,352	2,178,508	1,744,472
Legal Debt Margin	\$138,493,232	\$160,716,817	\$163,660,166	\$150,967,412	\$167,266,814	\$168,985,090	\$173,111,826	\$160,966,049	\$162,601,693	\$162,685,455
Legal Debt Margin as a Percentage of the Debt Limit	92.42%	93.60%	94.49%	94.87%	96.01%	95.73%	96.75%	97.59%	98.68%	98.94%
Unvoted Debt Limit - .10% of Assessed Value (2)	\$1,665,036	\$1,907,941	\$1,924,583	\$1,768,121	\$1,935,670	\$1,961,315	\$1,988,173	\$1,832,616	\$1,830,891	\$1,826,999
Amount of Debt Applicable	0	0	0	0	0	0	0	0	0	0
Unvoted Legal Debt Margin	\$1,665,036	\$1,907,941	\$1,924,583	\$1,768,121	\$1,935,670	\$1,961,315	\$1,988,173	\$1,832,616	\$1,830,891	\$1,826,999
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**Source:** Lake County Auditor and School District Financial Records

(1) HBS30 changed the assessed valuation utilized in the legal debt margin calculation to exclude tangible personal property as well as railroad and telephone tangible property.

(2) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.

**Mentor Exempted Village School District**

*Computation of Direct and Overlapping*

*Governmental Activities Debt*

*December 31, 2011*

	<u>Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount of Direct and Overlapping Debt</u>
Direct:			
Mentor Exempted Village School District			
General Obligation Bonds	\$935,007	100.00%	\$935,007
Energy Conservation Note	541,333	100.00%	541,333
School Improvement Note	<u>1,170,000</u>	100.00%	<u>1,170,000</u>
 Total Direct	 <u>2,646,340</u>	 100.00%	 <u>2,646,340</u>
Overlapping:			
City of Mentor			
General Obligation Bonds	20,854,387	76.68%	15,991,144
Special Assessment Bonds	10,730,613	76.68%	8,228,234
OWDA Loans	224,774	76.68%	172,357
OPWC Loans	347,434	76.68%	266,412
 City of Mentor-on-the-Lake			
Various Purpose Notes	1,000,000	76.68%	766,800
OPWC Loans	343,399	76.68%	263,318
State Infrastructure Loans	2,466,405	76.68%	1,891,239
 Lake County			
General Obligation Bonds	16,425,000	29.51%	4,847,018
Special Assessment Bonds	9,445,000	29.51%	2,787,220
OWDA Loans	21,615,857	29.51%	6,378,839
OPWC Loans	1,032,091	29.51%	304,570
 Geauga County			
Revenue Bonds	3,446,000	23.00%	792,580
General Obligation Bonds	520,000	23.00%	119,600
Special Assessment Bonds	1,637,562	23.00%	376,639
Various Purpose Notes	2,694,646	23.00%	619,769
OWDA Loans	11,824,536	23.00%	2,719,643
OPWC Loans	<u>750,912</u>	23.00%	<u>172,710</u>
 Total Overlapping	 <u>105,358,616</u>		 <u>46,698,092</u>
 Total	 <u>\$108,004,956</u>		 <u>\$49,344,432</u>

**Source:** Office of the Auditor, Lake County, Ohio

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2011 collection year.

**Mentor Exempted Village School District**

*Principal Employers*

*Current Year and Nine Years Ago*

Employer	2012		
	Number of Employees	Rank	Percent of Employment
Mentor Public Schools	999	1	2.96%
Steris Corporation	980	2	2.54
City of Mentor	816	3	2.42
Deepwood/Lake County Developmental Disabilities	460	4	1.37
Avery Dennison	450	5	1.33
PCC Airfoil	425	6	1.26
U.S. Endoscopy	385	7	1.14
Component Repair Technologies	375	8	1.11
Lincoln Electric	357	9	1.06
Beech Technologies	250	10	0.74
<b>Total</b>	<b>5,497</b>		<b>15.93%</b>
<b>Total Employment within the School District</b>	<b>33,696</b>		

Employer	2003		
	Number of Employees	Rank	Percent of Employment
Mentor Public Schools	1,202	1	4.19%
City of Mentor	788	2	2.75
Steris Corporation	700	3	2.44
Lincoln Electric	515	4	1.79
Deepwood/Lake County Developmental Disabilities	500	5	1.74
PCC Airfoil	480	6	1.67
Super K-Mart	400	7	1.39
Sear's Roebuck & Company	375	8	1.30
Mag-Nif Corporation	350	9	1.22
J C Penney Company	310	10	1.08
<b>Total</b>	<b>5,620</b>		<b>19.57%</b>
<b>Total Employment within the School District</b>	<b>28,713</b>		

**Source:** City of Mentor, Department of Economic Development

**Mentor Exempted Village School District**  
*Demographic and Economic Statistics*  
*Last Ten Years*

Year	Population	Total Personal Income	Personal Income Per Capita	Median Household Income	Median Age	Median Value of Residential Property	Lake County Unemployment Rate	Total Assessed Property Value
2003	50,278	\$1,236,436,576	\$24,592	\$57,230	38.90	\$147,400	4.9%	\$1,665,036,395
2004	50,278	1,236,436,576	24,592	57,230	38.90	147,400	4.7	1,907,941,190
2005	50,278	1,236,436,576	24,592	57,230	38.90	147,400	4.5	1,924,583,405
2006	50,278	1,236,436,576	24,592	57,230	38.90	147,400	4.2	1,952,237,571
2007	50,278	1,236,436,576	24,592	57,230	38.90	147,400	4.7	2,080,203,782
2008	50,278	1,236,436,576	24,592	57,230	38.90	147,400	5.8	2,057,770,480
2009	50,278	1,236,436,576	24,592	57,230	38.90	147,400	8.3	2,033,471,995
2010	50,278	1,236,436,576	24,592	57,230	38.90	147,400	9.6	1,834,778,720
2011	47,159	1,159,734,128	24,592	65,322	38.90	147,400	7.4	1,831,986,860
2012	47,126	1,421,131,656	30,156	62,546	44.80	172,600	6.5	1,826,999,190

Source: U.S. Census  
Year 2011 - 2012 The 2010 Federal Census  
Years 2001 - 2010 The 2000 Federal Census

**Mentor Exempted Village School District***Building Statistics by Function/Program**Last Five Fiscal Years (1)*

	2008	2009	2010	2011	2012
<b>Mentor High School</b>					
Constructed in 1965					
Total Building Square Footage	364,490	364,490	364,490	364,490	364,490
Enrollment Grades 9-12	2,917	2,838	2,780	2,700	2,617
<b>Memorial Middle School</b>					
Constructed in 1922					
Total Building Square Footage	144,787	144,787	144,787	144,787	144,787
Enrollment Grades 6-8	731	763	754	718	793
<b>Mentor Ridge Middle School</b>					
Constructed in 1963					
Total Building Square Footage	87,865	87,865	87,865	87,865	87,865
Enrollment Grades 6-8	535	543	536	514	514
<b>Mentor Shore Middle School</b>					
Constructed in 1949					
Total Building Square Footage	118,450	118,450	118,450	118,450	118,450
Enrollment Grades 6-8	702	695	685	670	684
<b>Bellflower Elementary School</b>					
Constructed in 1973					
Total Building Square Footage	40,552	40,552	40,552	40,552	40,552
Enrollment Grades K-5	425	444	438	439	434
<b>Brentmoor Elementary School</b>					
Constructed in 1954					
Total Building Square Footage	35,276	35,276	35,276	35,276	35,276
Enrollment Grades K-5	294	281	277	279	282
<b>Fairfax Elementary School</b>					
Constructed in 1967					
Total Building Square Footage	33,770	33,770	33,770	33,770	33,770
Enrollment Grades K-5	278	285	281	277	281
<b>Garfield Elementary School</b>					
Constructed in 1938					
Total Building Square Footage	40,909	40,909	40,909	40,909	40,909
Enrollment Grades K-5	410	449	442	445	456
<b>Cardinal Autism Resource and Education School</b>					
Constructed in 1954					
Total Building Square Footage	28,167	28,167	28,167	28,167	28,167
Enrollment Grades K-5	210	195	196	165	18

(continued)

**Mentor Exempted Village School District**  
*Building Statistics by Function/Program (continued)*  
*Last Five Fiscal Years (1)*

	2008	2009	2010	2011	2012
<b>Hopkins Elementary School</b>					
Constructed in 1960					
Total Building Square Footage	41,706	41,706	41,706	41,706	41,706
Enrollment Grades K-5	509	496	489	531	528
<b>Lake Elementary School</b>					
Constructed in 1969					
Total Building Square Footage	40,559	40,559	40,559	40,559	40,559
Enrollment Grades K-5	334	348	345	314	302
<b>Sterling Morton Elementary School</b>					
Constructed in 1961					
Total Building Square Footage	34,589	34,589	34,589	34,589	34,589
Enrollment Grades K-5	313	296	291	276	355
<b>Orchard Hollow Elementary School</b>					
Constructed in 1969					
Total Building Square Footage	48,157	48,157	48,157	48,157	48,157
Enrollment Grades K-5	420	417	412	412	444
<b>Dale R. Rice Elementary School</b>					
Constructed in 1958					
Total Building Square Footage	31,621	31,621	31,621	31,621	31,621
Enrollment Grades K-5	299	323	319	305	315

**Source:** School District Records

(1) Information prior to 2008 is not available.

**Mentor Exempted Village School District**  
*Per Pupil Cost*  
*Last Ten Fiscal Years*

Fiscal Year	Student Enrollment		General Government		Governmental Activities		Food Service Operations			
	Average Enrollment	Percentage Change	Total Expenditures (1)	Cost Per Pupil	Total Expenses (1)(2)	Cost Per Pupil	Teaching Staff	Pupil/Teacher Ratio	Number of Students Receiving Free or Reduced Lunch	Percentage of Free or Reduced Lunches to Total Enrollment
2003	9,825	(2.1%)	\$92,460,768	\$9,411	\$96,858,005	\$9,858	765	12.84	786	8.00%
2004	9,678	(1.50)	92,701,317	9,579	100,230,922	10,357	757	12.78	610	6.30
2005	9,407	(2.80)	81,469,837	8,661	84,727,681	9,007	618	15.22	1,157	12.30
2006	9,077	(3.51)	88,918,678	9,796	91,850,903	10,119	634	14.32	1,225	13.50
2007	8,876	(2.21)	91,730,264	10,335	95,450,385	10,754	632	14.04	1,296	14.60
2008	8,495	(4.29)	97,483,765	11,475	102,330,377	12,046	627	13.55	1,359	16.00
2009	8,373	(1.44)	108,382,142	12,944	107,269,802	12,811	637	13.14	1,340	16.00
2010	8,245	(1.53)	106,544,512	12,922	103,397,651	12,541	599	13.76	1,319	16.00
2011	8,045	(2.43)	104,746,242	13,020	101,201,921	12,579	594	13.54	1,287	16.00
2012	8,023	(0.27)	105,554,539	13,156	100,315,221	12,503	577	13.90	1,856	23.00

**Source:** School District Records  
Ohio Department of Education

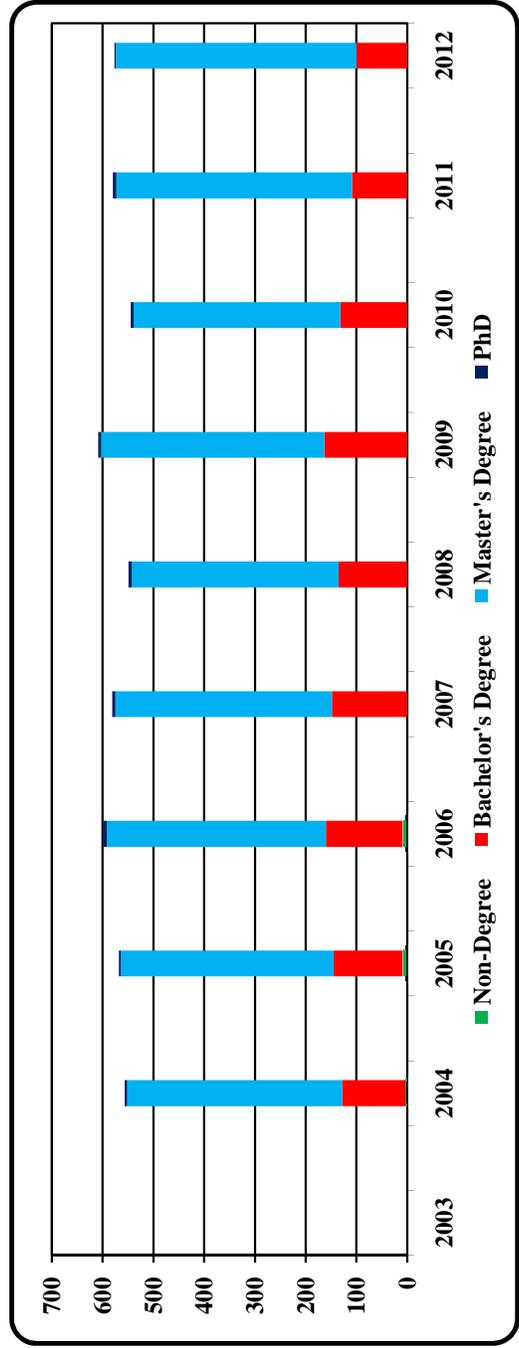
(1) Debt Service totals have been excluded.

(2) The School District implemented GASB-34 in fiscal year 2003.

**Mentor Exempted Village School District**  
*Full-Time Equivalent School District Teachers by Education*  
 Last Ten Fiscal Years

Degree	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Non-Degree	n/a	3	9	9	0	0	0	0	0	0
Bachelor's Degree	n/a	125	136	151	148	135	163	132	109	100
Master's Degree	n/a	424	419	432	427	408	440	407	464	474
PhD	n/a	5	4	8	6	6	6	6	7	3
<b>Total</b>	<b>0</b>	<b>557</b>	<b>568</b>	<b>600</b>	<b>581</b>	<b>549</b>	<b>609</b>	<b>545</b>	<b>580</b>	<b>577</b>
<b>Years of Experience</b>										
0 - 5	n/a	41	129	93	89	76	152	112	141	128
6 - 10	n/a	109	118	110	83	61	67	56	63	79
11 and over	n/a	407	321	397	409	412	390	377	376	370
<b>Total</b>	<b>0</b>	<b>557</b>	<b>568</b>	<b>600</b>	<b>581</b>	<b>549</b>	<b>609</b>	<b>545</b>	<b>580</b>	<b>577</b>

Source: School District Records



**Mentor Exempted Village School District**  
*School District Employees by Function/Program*  
*Last Eight Fiscal Years (1)*

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012
Current:								
Instruction:								
Regular	539	563	545	538	504	494	453	398
Special	6	6	24	25	116	34	121	108
Vocational	23	24	18	16	17	16	16	14
Student Intervention	8	7	4	11	9	11	9	11
Support Services:								
Pupils	106	91	96	96	113	102	116	74
Instructional Staff	61	52	50	41	49	48	55	124
Board of Education	1	1	1	1	0	1	0	0
Administration	38	35	45	45	57	46	57	51
Fiscal	18	15	17	17	11	17	11	14
Business	12	10	7	6	6	6	6	7
Operation and Maintenance of Plant	76	65	66	66	45	65	44	72
Pupil Transportation	69	59	58	58	6	56	6	81
Central	11	9	3	3	7	3	7	9
Operation of Non-Instructional Services	1	1	1	1	1	1	1	1
Operation of Food Service	21	18	25	25	14	24	13	44
Extracurricular Activities	22	19	11	11	12	11	11	2
Totals	1,012	975	971	960	967	935	926	1,010

**Method:** Using 1.0 for each full-time equivalent at fiscal year end.

(1) Information prior to 2005 is not available



**Madeline Cooper**  
***Paper Crane on Water***  
**Mentor High School**



**Treasurer's Office**  
**Mentor Public Schools**



*Cardinal*  
**PRIDE**

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Facsimile: (440)255-4622



# Dave Yost • Auditor of State

**MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT**

**LAKE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
DECEMBER 31, 2012**