

MENTOR EXEMPTED VILLAGE
SCHOOL DISTRICT

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2002***

LAKE COUNTY, OHIO

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**Auditor of State
Betty Montgomery**

88 East Broad Street
P. O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490
www.auditor.state.oh.us

Board of Education
Mentor Exempted Village School District
Mentor, Ohio

We have reviewed the Independent Auditor's Report of the Mentor Exempted Village School District, Lake County, prepared by Ciuni & Panichi, Inc., for the audit period July 1, 2001 through June 30, 2002. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Failing to certify appropriations, qualifying contracts or salary schedules is a condition sufficient for the Ohio Department of Education to place the District in a Fiscal Caution Status. This status requires the District to submit a corrective action plan to the Department. The Auditor of State is referring this report to the Ohio Department of Education.

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

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

February 10, 2003

**MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2002**

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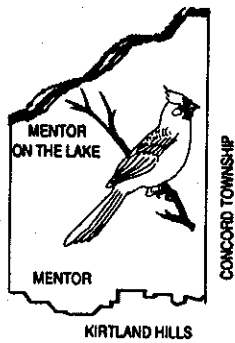
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**INTRODUCTORY
SECTION**



Mentor Public Schools
COMMITTED TO EXCELLENCE

Mentor Public Schools

Helen H. "Sue" Osborn Administration Building

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

ROBERT A. HARVEY, PH.D., SUPERINTENDENT

JACQUELINE A. HOYNES, PH.D.
SUPERINTENDENT PRO TEMPORE

JAMES C. METZ, TREASURER

BOARD OF EDUCATION

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December 31, 2002

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

Members of the Board:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Mentor Exempted Village School District for the fiscal year ended June 30, 2002. This CAFR, which includes financial statements and other financial and statistical data, conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for both the accuracy of the data presented, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

This report is divided into the following sections:

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

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The School District

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

The District, one of 613 in the State and 9 in the County, provides education to 10,154 students in grades preschool through twelve. The District is located in Lake and Geauga Counties in northeastern Ohio, approximately 25 miles east of the downtown area of the City of Cleveland.

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

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

The Reporting Entity

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

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

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

Major Initiatives and Events - Fiscal Year 2002

In 2002, there were a number of important initiatives and events that took place in the District. The following is a brief summary of the more noteworthy:

- * Lubrizol Lake County Science Teachers of the Year Awards were presented to Mr. James Capel, winner of the Elementary Division; Ms. Laurie Eppler, runner-up of the Elementary Division; and Ms. Amy Roediger, winner of the High School Division.

- * Ms. Amy Harker was a State finalist for the National Science Foundation's Presidential Awards for Excellence in Mathematics and Science Teaching Program.
- * Mrs. Becky Adams, Food Service Supervisor, was named Ohio School Food Service Association's Director of the Year for the State of Ohio.
- * Mentor High School Wind Ensemble and Mannheim Orchestra earned superior ratings at the National Adjudicators Invitational in Virginia Beach, Virginia.
- * Fourteen students in the Mentor High School Tech Prep Information Technology class at the annual Tech Prep showcase competition earned a first place award.
- * Dr. Robert Harvey, the Superintendent of the District, was diagnosed with a serious illness during the reporting year. Dr. Jacqueline Hoynes was appointed Superintendent Pro Tempore in May of 2002.

Financial Information

Basis of Accounting

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

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

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

Internal Control

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

Budgetary Control

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

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

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

General Government Functions

The following schedule represents a summary of revenues for the governmental funds, which include general, special revenue, debt service, and capital projects fund types for the fiscal year ended June 30, 2002.

	<u>Fiscal Year 2002</u>	<u>Fiscal Year 2001</u>	<u>Change</u>	<u>% Change</u>
Taxes	\$55,537,652	\$50,558,752	\$4,978,900	9.85%
Tuition and fees	230,179	195,240	34,939	17.90%
Earnings on investments	251,101	763,319	(512,218)	-67.10%
Intergovernmental	27,870,998	26,290,117	1,580,881	6.01%
Extracurricular activities	207,612	227,311	(19,699)	-8.67%
Refund of prior year expenditures	142,871	336,312	(193,441)	-57.52%
Miscellaneous revenue	<u>214,757</u>	<u>101,013</u>	<u>113,744</u>	112.60%
	<u>\$84,455,170</u>	<u>\$78,472,064</u>	<u>\$5,983,106</u>	7.62%

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

<u>Fund</u>	Percent of <u>Total</u>
General	95.36%
Bond Retirement	2.91
Permanent Improvement	<u>1.73</u>
Total	<u>100.00%</u>

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

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

Interest decreased as the result of lower interest rates.

Intergovernmental revenues include the Homestead Rollback reimbursements from the State of Ohio, the State Foundation receipts, State and Federal grants, and other reimbursements from the State. The Homestead Rollback funds are based on local tax collection efforts. Commercial and residential property owners in the State of Ohio are given a 10 percent and 12.5 percent reduction in real property taxes, respectively. The State reimburses those funds to school districts. The Homestead Rollback funds provide about 6.2 percent of the District's general fund revenues. The State Legislature controls the State Foundation funds. These funds provide about 23.7 percent of the District's General Fund revenues, and the expectation is that minimal increases will be available for future reporting periods.

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

The following schedule represents a summary of all governmental expenditures of general, special revenue, debt service, and capital projects fund types for the fiscal year ended June 30, 2002:

	<u>Fiscal Year 2002</u>	<u>Fiscal Year 2001</u>	<u>Change</u>	<u>% Change</u>
Instruction	\$48,146,735	47,522,157	\$624,578	1.31%
Support services:				
Pupil	4,889,752	4,664,488	225,264	4.83%
Instructional staff	4,003,897	3,466,640	537,257	15.50%
Board of Education	677,709	614,501	63,208	10.29%
Administration	5,078,236	4,951,244	126,992	2.56%
Fiscal	2,336,762	1,742,146	594,616	34.13%
Business	644,005	674,150	(30,145)	-4.47%
Operation & maintenance of plant	9,295,466	8,344,673	950,793	11.39%
Pupil transportation	4,669,889	4,389,336	280,553	6.39%
Central	1,377,052	891,720	485,332	54.43%
Food service	0	350	(350)	-100.00%
Community services	1,197,206	1,169,267	27,939	2.39%
Extracurricular activities	1,477,074	1,340,470	136,604	10.19%
Debt Service:				
Principal	394,540	416,507	(21,967)	-5.27%
Interest	1,400,911	1,462,360	(61,449)	-4.20%
Refund of prior receipts	<u>8,609</u>	<u>27,669</u>	<u>(19,060)</u>	-68.89%
Total	<u>\$85,597,843</u>	<u>\$81,677,678</u>	<u>\$3,920,165</u>	4.80%

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

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

Administration expenses increased as the result of salary adjustments.

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

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

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

Central expenses increased as the result of salary adjustments.

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

Extracurricular activity expenses increased because of additional after school activities.

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

Enterprise

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

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

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

The Adult Education program experienced net income of \$4,679 for the year.

The Food Service program experienced a net loss of \$103,803 for the year. Lunch prices will be reviewed and adjusted in the future to eliminate the operating loss.

The Recreation Fund program experienced a net loss of \$2,554 for the year. Fees and services for community recreation will be reviewed and adjusted in the future to eliminate the operating loss.

Internal Service

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

Trust Operations

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

Debt Administration

At June 30, 2002, the District had general obligation bonds outstanding of \$12,921,859. At June 30, 2002, \$750,000 of bond anticipation notes is recorded as a liability of the Capital Projects Fund.

Under the Ohio Revised Code, total general obligation bonded debt is subject to a legal limitation on both voted and unvoted debt. The limitation is based on 9% and .1% of the total assessed value of real and personal tangible property, respectively. The District's total general obligation debt of \$12,921,859 is below the legal limit of \$148,227,076 (voted and unvoted). All bonds outstanding are general obligations of the District for which the full faith and credit of the District is pledged for repayment.

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

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

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

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

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

Additional information regarding the debt of the District is available by reviewing the footnotes of the Comprehensive Annual Financial Report as of June 30, 2002.

Cash Management

Cash not needed for immediate use during the year was invested in interest bearing demand deposit accounts, an open repurchase agreement and the State Treasurer's Asset Reserve of Ohio (STAR Ohio) program administered by the Office of the Treasurer of the State of Ohio. STAR Ohio is an investment pool offered to political subdivisions of the State of Ohio for the investment of funds. STAR Ohio's investment portfolio consists of investments authorized by the Ohio Revised Code including instruments of the Federal government and its agencies collateralized certificates of deposits and repurchase agreements. This investment pool offers daily liquidity of all funds, no minimum balance requirements and no service charges. Total interest earnings for the District during the year were \$252,298. Of that total, \$245,068 was credited to the General Fund, \$3,852 was credited to the Special Revenue Fund, \$2,181 was credited to the Capital Projects Funds, and \$1,197 to the Expendable Trust Fund. These amounts are lower than previous years due to the significant decrease of interest rates. The crediting of interest earnings to particular funds are directed by the Ohio Revised Code and Board of Education policy.

Risk Management

The District protects its assets through a comprehensive insurance program. A schedule of insurance in force at June 30, 2002 is included in the Statistical Section of this report.

To control health insurance cost, the District participates in a consortium of school districts in northeast Ohio. The consortium provides eligible employees basic medical coverage along with dental, vision and life insurance. The consortium contracts with a third party administrator for the processing of claims. Since joining the consortium in 1995, the District's medical rate adjustments have averaged approximately 7.5% per year. This program has allowed the District to control fringe benefit costs representing a significant portion of the District's annual cost of operating.

Economic Condition and Outlook

Growth of the community is the primary issue of concern. The number of students has decreased from 10,670 in fiscal 1992 to 10,154 in fiscal 2002, representing a decrease of 516 students or an average of approximately 52 per year. Single-family housing units in the City of Mentor for the same period grew a total of 1,610, or 161 per year at an average cost of \$168,544. The tax duplicate continues to increase but the cost of providing services clearly indicates that additional operating revenues will be required to maintain services at current levels. The community is expected to grow at the same rate as property is available to build and the community is extremely attractive to the upper to middle income homeowner.

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

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

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

Prospects for the Future

The funding structure of public education in Ohio poses a challenge to school districts. There is very little in the funding structure, which allows districts to receive additional revenues relative to inflationary pressures. Boards of education throughout Ohio must propose issues on the ballot for voter approval in order to receive significant additional revenues. The District placed a 4.5 mill operating levy on the March, 1996 ballot and the voters approved the request. Collections began in January 1997. Fiscal 1998 was the first year for 100 percent collections of the new monies. As of the end of the reporting period no new operating levies are being considered. Of particular concern in the State of Ohio is the issue of "equity in school funding." Significant changes in the public school funding structure, either through the legislative or judicial process, may be enacted which will effectively redistribute revenues from wealthier school districts to poorer school districts.

The District is anticipating placing an operating levy on the ballot in calendar year 2003.

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

The employment agreements currently in place with the Mentor Teachers Association and the Mentor Classified Employees, covering members of the teaching staff and non-teaching staff, expires in August, 2005.

Other Information

Independent Audit

The Ohio Revised Code requires an annual audit of the District's financial statements and its compliance with certain section of the Ohio Revised Code. The accounting firm of Ciuni & Panichi was engaged to perform the audit for the 2001 fiscal year. In addition, the audit was designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and OMB Circular A-133. The independent auditors' report on the general purpose financial statements and combining and individual fund statements and schedules is included in the Financial Section of this report. The independent auditors' reports relating to the Single Audit and Ohio Revised Code compliance have been issued under separate cover.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2001. This was the ninth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principals and applicable legal requirements.

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

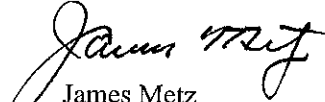
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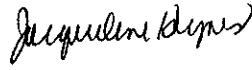
The publication of this report is a significant step toward professionalizing the District's financial reporting. It can only enhance the District's accountability to our investors, the residents of the Mentor Exempted Village School District, and to our customers, the students.

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

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

Respectfully submitted,


James Metz
Treasurer


Jacqueline Hoynes, Ph.D.
Superintendent Pro Tempore

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

Elected Officials

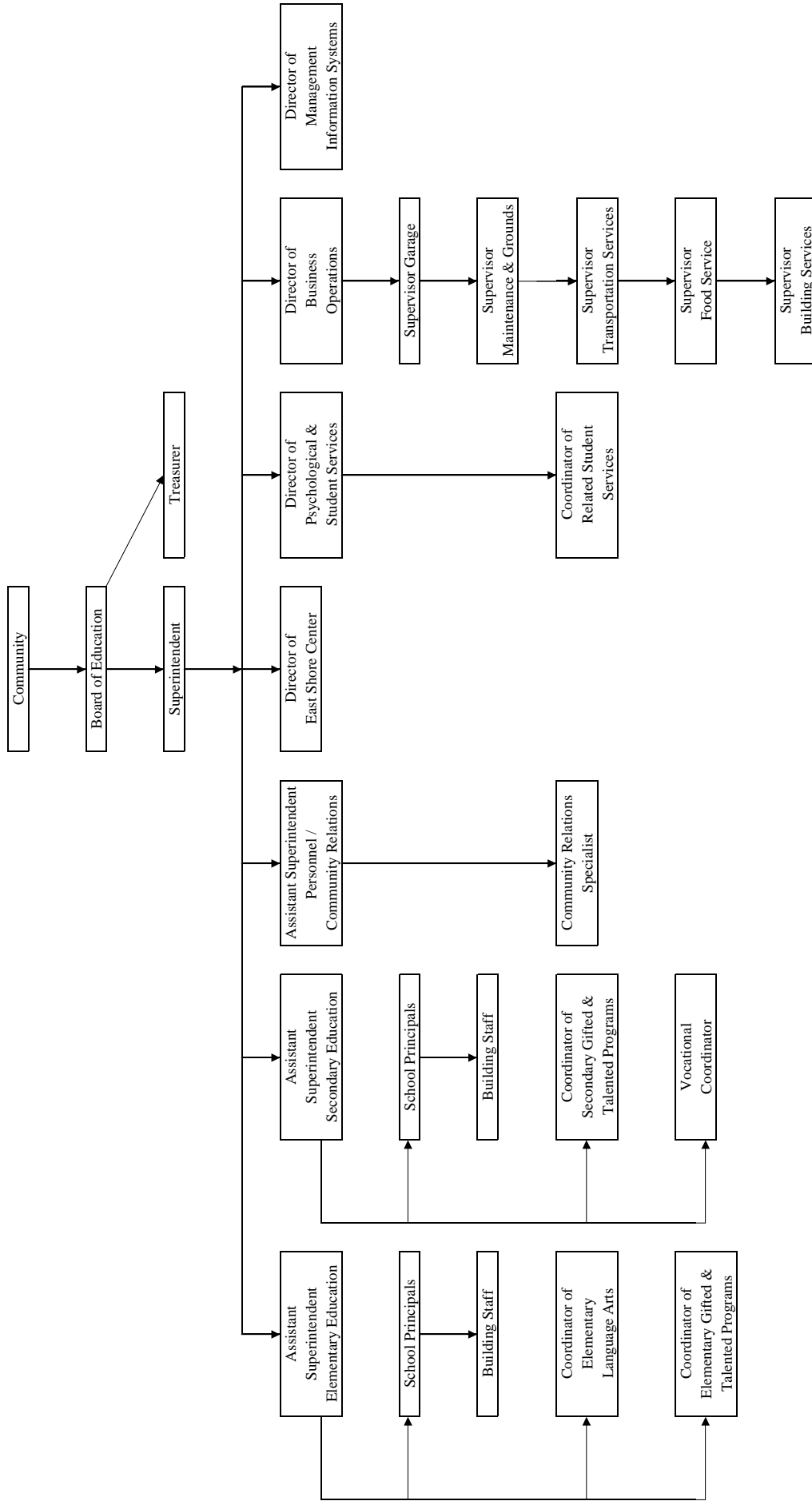
Board of Education

Mrs. Charleen Gawronski	President
Mrs. Valerie Federico	Vice-President
Mr. Arthur Kless	Member
Mrs. Deborah Lucci	Member
Mr. Edward Spondike	Member

Appointed Officials

Dr. Robert Harvey	Superintendent
Dr. Jacqueline Hoynes	Superintendent Pro Tempore
Mr. James Metz	Treasurer
Mr. William Parkinson	Assistant Treasurer
Dr. John Rose	Director of Business Operations
Dr. Joffrey Jones	Assistant Superintendent / Secondary Education
Dr. Linda Williams	Assistant Superintendent / Elementary Education
Dr. Larry Disbro	Assistant Superintendent / Personnel / School and Community Relations

**Mentor Public Schools
Organization 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, 2001

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.



William Patrick Pate
President

Jeffrey L. Esser
Executive Director

**FINANCIAL
SECTION**

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*Creating economic value through
knowledge, innovation, commitment, and service*

CIUNI & PANICHI
INC.
CERTIFIED PUBLIC ACCOUNTANTS
AND BUSINESS CONSULTING FIRM
a C&P Advisors Company

Independent Auditor's Report

Board of Education
Mentor Exempted Village School District
Mentor, Ohio

We have audited the accompanying general-purpose financial statements of the Mentor Exempted Village School District (the "District") as of and for the year ended June 30, 2002, as listed in the *Table of Contents*. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund types for the years 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 5, 2002 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

We did not audit the introductory and statistical information as listed in the table of contents and therefore express no opinion thereon.

Cusi & Panichi, Inc.

Cleveland, Ohio
December 5, 2002

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Combined Balance Sheet-
 All Fund Types and Account Groups
 June 30, 2002
 (With Comparative Totals for 2001)

GOVERNMENTAL FUND TYPES

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>
ASSETS				
Equity in pooled cash and investments	\$0	1,053,775	838,548	271,421
Restricted cash	793	0	0	0
Receivables				
Taxes - current	52,572,104	0	1,665,652	1,022,938
Accounts	11,254	0	0	9,450
Due from other governments	0	21,080	0	0
Due from other funds	3,449,595	43,303	0	4,392
Materials and supplies inventories	153,349	0	0	0
Prepays and other assets	114,112	1,496	0	0
Fixed assets net (where applicable) of accumulated depreciation	0	0	0	0
Amount available for retirement of general long-term obligations	0	0	0	0
Amount to be provided for retirement of general long-term obligations				
Debt	0	0	0	0
Other obligations	0	0	0	0
 Total assets and other debits	 <u>\$56,301,207</u>	 <u>1,119,654</u>	 <u>2,504,200</u>	 <u>1,308,201</u>
LIABILITIES				
Accounts payable	\$573,980	152,057	0	330,512
Accrued wages and benefits	6,710,963	107,121	0	0
Pension obligation payable	1,256,700	12,891	0	0
Due to other governments	0	0	0	0
Due to other funds	464,590	36,913	0	10,782
Due to students	0	0	0	0
Claims payable	883,056	0	0	0
Deferred revenue				
Taxes	52,572,104	0	1,665,652	1,022,938
Bond anticipation notes	0	0	0	750,000
Capital lease obligation	0	0	0	0
General obligation bonds payable	0	0	0	0
 Total liabilities	 <u>62,461,393</u>	 <u>308,982</u>	 <u>1,665,652</u>	 <u>2,114,232</u>
FUND EQUITY (DEFICIT) AND OTHER CREDITS				
Investment in general fixed assets	0	0	0	0
Retained earnings-unreserved	0	0	0	0
Fund balances (deficit)				
Capital maintenance reserve	0	0	0	0
Reserve for technology/electrical upgrades	793	0	0	0
Reserve for textbooks	0	0	0	0
Reserved for inventory	153,349	0	0	0
Reserved for prepaids	114,112	0	0	0
Reserved for encumbrances	1,502,996	860,964	0	316,140
Reserved for debt	0	0	838,548	0
Unreserved-undesignated	(7,931,436)	(50,292)	0	(1,122,171)
 Total fund balances (deficit)	 <u>(6,160,186)</u>	 <u>810,672</u>	 <u>838,548</u>	 <u>(806,031)</u>
 Total fund equity (deficit) and other credits	 <u>(6,160,186)</u>	 <u>810,672</u>	 <u>838,548</u>	 <u>(806,031)</u>
 Total liabilities, fund equity and other credits	 <u>\$56,301,207</u>	 <u>1,119,654</u>	 <u>2,504,200</u>	 <u>1,308,201</u>

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

(continued)

<u>PROPRIETARY FUND TYPES</u>		<u>FIDUCIARY FUND TYPES</u>		<u>ACCOUNT GROUPS</u>		<u>2002 TOTALS</u>	<u>2001 TOTALS</u>
<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	<u>EXPENDABLE TRUST AND AGENCY</u>	<u>GENERAL FIXED ASSETS</u>	<u>GENERAL LONG-TERM DEBT</u>	<u>(MEMORANDUM ONLY)</u>	<u>(MEMORANDUM ONLY)</u>	
936,545	0	6,487,901	0	0	\$9,588,190	\$9,187,736	
0	0	0	0	0	793	470,275	
0	0	0	0	0	55,260,694	53,434,419	
46,235	10,219	5,207	0	0	82,365	322,109	
0	2,454,054	0	0	0	2,475,134	4,309,382	
0	464,590	0	0	0	3,961,880	2,305,415	
77,293	0	0	0	0	230,642	305,076	
0	0	0	0	0	115,608	89,473	
173,405	119,736	0	57,802,175	0	58,095,316	54,930,665	
0	0	0	0	838,548	838,548	815,490	
0	0	0	0	12,083,311	12,083,311	12,500,909	
0	0	0	0	5,550,987	5,550,987	6,581,279	
<u>1,233,478</u>	<u>3,048,599</u>	<u>6,493,108</u>	<u>57,802,175</u>	<u>18,472,846</u>	<u>\$148,283,468</u>	<u>\$145,252,228</u>	
46,936	7,131	32,489	0	0	\$1,143,105	\$692,739	
91,105	17,390	0	0	4,117,893	11,044,472	11,591,391	
17,715	3,413	0	0	699,225	1,989,944	1,969,530	
0	0	1,122,555	0	0	1,122,555	1,439,676	
0	1,597,131	1,852,464	0	0	3,961,880	4,309,382	
0	0	416,623	0	0	416,623	382,299	
0	0	2,722,954	0	0	3,606,010	2,778,838	
0	0	0	0	0	55,260,694	53,434,419	
0	0	0	0	0	750,000	1,000,000	
0	0	0	0	733,869	733,869	858,023	
0	0	0	0	12,921,859	12,921,859	13,316,399	
<u>155,756</u>	<u>1,625,065</u>	<u>6,147,085</u>	<u>0</u>	<u>18,472,846</u>	<u>92,951,011</u>	<u>91,772,696</u>	
0	0	0	57,802,175	0	57,802,175	54,621,539	
1,077,722	1,423,534	0	0	0	2,501,256	2,497,269	
0	0	0	0	0	0	35,111	
0	0	0	0	0	793	83,715	
0	0	0	0	0	0	351,449	
0	0	0	0	0	153,349	257,634	
0	0	0	0	0	114,112	84,406	
0	0	85,702	0	0	2,765,802	3,010,218	
0	0	0	0	0	838,548	815,490	
0	0	260,321	0	0	(8,843,578)	(8,277,299)	
0	0	346,023	0	0	(4,970,974)	(3,639,276)	
<u>1,077,722</u>	<u>1,423,534</u>	<u>346,023</u>	<u>57,802,175</u>	<u>0</u>	<u>55,332,457</u>	<u>53,479,532</u>	
<u>1,233,478</u>	<u>3,048,599</u>	<u>6,493,108</u>	<u>57,802,175</u>	<u>18,472,846</u>	<u>\$148,283,468</u>	<u>\$145,252,228</u>	

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MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Combined Statement of Revenues, Expenditures and Changes in Fund Balances-
 All Governmental Fund Types and Expendable Trust Fund
 For The Year Ended June 30, 2002
 (With Comparative Totals for 2001)

	<u>GOVERNMENTAL FUND TYPES</u>				<u>FIDUCIARY</u> <u>FUND TYPE</u>	<u>TOTALS 2002</u>	<u>TOTALS 2001</u>
	<u>GENERAL</u>	<u>SPECIAL</u> <u>REVENUE</u>	<u>DEBT</u> <u>SERVICE</u>	<u>CAPITAL</u> <u>PROJECTS</u>	<u>EXPENDABLE</u> <u>TRUST</u>	<u>(MEMORANDUM</u> <u>ONLY)</u>	<u>(MEMORANDUM</u> <u>ONLY)</u>
Revenues							
Taxes	\$52,958,493	0	1,616,996	962,163	0	\$55,537,652	\$50,558,752
Tuition and fees	209,099	21,080	0	0	0	230,179	195,240
Sales	0	0	0	0	103,111	103,111	105,312
Earnings on investments	245,068	3,852	0	2,181	1,197	252,298	765,183
Intergovernmental	22,985,526	4,581,706	182,690	121,076	0	27,870,998	26,290,117
Extracurricular activities	0	198,162	0	9,450	42,472	250,084	250,519
Contributions	0	0	0	0	254,724	254,724	232,435
Refund of prior year expenditures	141,635	963	147	126	127	142,998	336,312
Miscellaneous revenue	106,073	39,946	2,883	65,855	0	214,757	101,013
Total revenues	<u>76,645,894</u>	<u>4,845,709</u>	<u>1,802,716</u>	<u>1,160,851</u>	<u>401,631</u>	<u>84,856,801</u>	<u>78,834,883</u>
Expenditures							
Current							
Instruction	46,721,187	1,371,025	0	54,523	136,767	48,283,502	46,775,008
Support services							
Pupil	4,479,292	403,639	0	6,821	12,222	4,901,974	4,555,316
Instructional staff	3,593,936	409,562	0	399	39,275	4,043,172	3,438,287
Board of Education	677,709	0	0	0	0	677,709	614,501
Administration	4,172,450	905,786	0	0	7,560	5,085,796	4,853,934
Fiscal	2,257,246	50,000	18,172	11,344	0	2,336,762	1,742,146
Business	593,821	8,400	0	41,784	0	644,005	674,150
Operation and maintenance of plant	7,988,028	28,085	0	1,279,353	0	9,295,466	8,277,630
Pupil transportation	4,659,453	0	0	10,436	0	4,669,889	4,351,333
Central	1,031,226	209,765	0	136,061	52,619	1,429,671	954,721
Food service operation	0	0	0	0	87,786	87,786	87,765
Community services	87,280	1,109,926	0	0	1,910	1,199,116	1,169,267
Extracurricular activities	1,124,107	352,967	0	0	23,043	1,500,117	1,359,030
Capital outlay	0	0	0	0	0	0	0
Debt service							
Principal	0	0	394,540	0	0	394,540	416,507
Interest	0	0	1,366,946	33,965	0	1,400,911	1,462,360
Refund of prior year receipts	236	8,150	0	223	2,772	11,381	28,501
Total expenditures	<u>77,385,971</u>	<u>4,857,305</u>	<u>1,779,658</u>	<u>1,574,909</u>	<u>363,954</u>	<u>85,961,797</u>	<u>80,760,456</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(740,077)</u>	<u>(11,596)</u>	<u>23,058</u>	<u>(414,058)</u>	<u>37,677</u>	<u>(1,104,996)</u>	<u>(1,925,573)</u>
Other financing sources (uses)							
Operating transfers in	3,209	79,993	0	283,965	0	367,167	561,452
Operating transfers out	(939,664)	0	0	0	(389)	(940,053)	(1,352,948)
Inception of capital lease	328,183	0	0	0	0	328,183	275,536
Proceeds from sale of assets	18,001	0	0	0	0	18,001	21,322
Total other financing sources (uses)	<u>(590,271)</u>	<u>79,993</u>	<u>0</u>	<u>283,965</u>	<u>(389)</u>	<u>(226,702)</u>	<u>(494,638)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>(1,330,348)</u>	<u>68,397</u>	<u>23,058</u>	<u>(130,093)</u>	<u>37,288</u>	<u>(1,331,698)</u>	<u>(2,420,211)</u>
Fund balances (deficit), beginning of year	<u>(4,829,838)</u>	<u>742,275</u>	<u>815,490</u>	<u>(675,938)</u>	<u>308,735</u>	<u>(3,639,276)</u>	<u>(1,219,065)</u>
Fund balances (deficit), end of year	<u>(\$6,160,186)</u>	<u>810,672</u>	<u>838,548</u>	<u>(806,031)</u>	<u>346,023</u>	<u>(\$4,970,974)</u>	<u>(\$3,639,276)</u>

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

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
 Budget (Non-GAAP Basis) and Actual -
 All Governmental Fund Types and Expendable Trust Fund
 For The Year Ended June 30, 2002

	<u>General Fund</u>		Variance
	Revised Budget	Actual	Favorable (Unfavorable)
Revenues:			
Taxes	\$52,958,493	52,958,493	\$0
Tuition and fees	178,737	139,187	(39,550)
Interest	852,041	274,067	(577,974)
Intergovernmental	23,362,444	22,985,526	(376,918)
Extracurricular activities	0	0	0
Contributions	0	0	0
Miscellaneous revenue	202,437	172,318	(30,119)
Total revenue	77,554,152	76,529,591	(1,024,561)
Expenditures:			
Current:			
Instruction	46,977,957	46,977,957	0
Support services:			
Pupil	4,468,894	4,468,894	0
Instructional Staff	3,639,283	3,639,283	0
Board of Education	773,546	773,546	0
Administration	4,254,690	4,254,690	0
Fiscal	1,989,058	1,989,058	0
Business	615,596	615,596	0
Operation and maintenance of plant	8,109,916	8,109,916	0
Pupil transportation	4,951,553	4,951,553	0
Central	1,244,643	1,244,643	0
Community services	86,450	86,450	0
Extracurricular activities	1,125,090	1,125,090	0
Debt service:			
Principal	0	0	0
Interest	0	0	0
Total expenditures	78,236,676	78,236,676	0
Excess (deficiency) of revenues over (under) expenditures	(682,524)	(1,707,085)	(1,024,561)
Other financing sources (uses):			
Advances / transfers in	0	342,642	342,642
Sale of notes	0	0	0
Other sources	0	294,808	294,808
Advances / transfers out	(1,372,702)	(1,372,702)	0
Other uses	(272)	(235)	37
Total other financing sources (uses)	(1,372,974)	(735,487)	637,487
Excess (deficiency) of revenue and other sources over (under) expenditures and other uses	(2,055,498)	(2,442,572)	(387,074)
Fund balances, beginning of year	737,719	737,719	0
Expenditures against prior year's encumbrances	1,317,779	1,317,779	0
Fund balances, end of year	\$0	(387,074)	(\$387,074)

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

(continued)

<u>Special Revenue Funds</u>			<u>Debt Service Fund</u>		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	0	\$0	\$1,616,996	1,616,996	\$0
0	0	0	0	0	0
2,321	3,926	1,605	0	0	0
5,778,023	4,657,283	(1,120,740)	149,920	182,690	32,770
423,521	198,162	(225,359)	0	0	0
0	14,446	14,446	0	0	0
0	25,500	25,500	2,909,391	2,884	(2,906,507)
6,203,865	4,899,317	(1,304,548)	4,676,307	1,802,570	(2,873,737)
2,417,753	2,058,835	358,918	0	0	0
732,019	593,613	138,406	0	0	0
620,725	461,036	159,689	0	0	0
0	0	0	0	0	0
1,318,042	1,089,239	228,803	0	0	0
85,401	50,000	35,401	2,684,644	18,173	2,666,471
18,768	17,100	1,668	0	0	0
30,981	29,077	1,904	0	0	0
0	0	0	0	0	0
285,942	284,691	1,251	0	0	0
1,256,787	1,232,272	24,515	0	0	0
511,545	439,056	72,489	0	0	0
0	0	0	1,394,540	1,394,540	0
0	0	0	1,407,428	1,395,725	11,703
7,277,963	6,254,919	1,023,044	5,486,612	2,808,438	2,678,174
(1,074,098)	(1,355,602)	(281,504)	(810,305)	(1,005,868)	(195,563)
0	78,158	78,158	283,965	283,965	0
0	0	0	750,000	750,000	0
0	962	962	121	147	26
(182,642)	(182,642)	0	0	0	0
(8,151)	(8,151)	0	0	0	0
(190,793)	(111,673)	79,120	1,034,086	1,034,112	26
(1,264,891)	(1,467,275)	(202,384)	223,781	28,244	(195,537)
275,845	275,845	0	810,304	810,304	0
989,336	989,336	0	0	0	0
\$290	(202,094)	(\$202,384)	\$1,034,085	838,548	(\$195,537)

(continued)

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MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
 Budget (Non-GAAP Basis) and Actual -
 All Governmental Fund Types and Expendable Trust Fund (continued)
 For The Year Ended June 30, 2002

	<u>Capital Projects Funds</u>		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
Revenues:			
Taxes	\$962,163	962,163	\$0
Tuition and fees	0	0	0
Interest	2,181	2,181	0
Intergovernmental	104,499	104,499	0
Extracurricular activities	0	0	0
Contributions	0	0	0
Miscellaneous revenue	450,012	65,855	(384,157)
Total revenue	<u>1,518,855</u>	<u>1,134,698</u>	<u>(384,157)</u>
Expenditures:			
Current:			
Instruction	31,556	31,556	0
Support services:			
Pupil	6,821	6,821	0
Instructional Staff	399	399	0
Board of Education	0	0	0
Administration	1,583	1,583	0
Fiscal	14,563	11,344	3,219
Business	41,784	41,784	0
Operation and maintenance of plant	1,736,164	1,715,549	20,615
Pupil transportation	10,158	10,158	0
Central	136,000	111,115	24,885
Community services	0	0	0
Extracurricular activities	0	0	0
Debt service:			
Principal	0	0	0
Interest	0	0	0
Total expenditures	<u>1,979,028</u>	<u>1,930,309</u>	<u>48,719</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(460,173)</u>	<u>(795,611)</u>	<u>(335,438)</u>
Other financing sources (uses):			
Advances / transfers in	0	0	0
Sale of notes	0	0	0
Other sources	127	127	0
Advances / transfers out	(160,000)	(160,000)	0
Other uses	(223)	(223)	0
Total other financing sources (uses)	<u>(160,096)</u>	<u>(160,096)</u>	<u>0</u>
Excess (deficiency) of revenue and other sources over (under) expenditures and other uses	<u>(620,269)</u>	<u>(955,707)</u>	<u>(335,438)</u>
Fund balances, beginning of year	288,542	288,542	0
Expenditures against prior year's encumbrances	331,786	331,786	0
Fund balances, end of year	<u>\$59</u>	<u>(335,379)</u>	<u>(\$335,438)</u>

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

(continued)

Expendable Trust Fund			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	0	\$0	\$55,537,652	55,537,652	\$0
0	0	0	178,737	139,187	(39,550)
1,325	1,221	(104)	857,868	281,395	(576,473)
0	0	0	29,394,886	27,929,998	(1,464,888)
46,102	42,472	(3,630)	469,623	240,634	(228,989)
187,275	172,531	(14,744)	187,275	186,977	(298)
205,482	189,304	(16,178)	3,767,322	455,861	(3,311,461)
440,184	405,528	(34,656)	90,393,363	84,771,704	(5,621,659)
266,653	147,230	119,423	49,693,919	49,215,578	478,341
39,653	14,283	25,370	5,247,387	5,083,611	163,776
94,321	43,483	50,838	4,354,728	4,144,201	210,527
0	0	0	773,546	773,546	0
25,319	15,650	9,669	5,599,634	5,361,162	238,472
0	0	0	4,773,666	2,068,575	2,705,091
0	0	0	676,148	674,480	1,668
0	0	0	9,877,061	9,854,542	22,519
0	0	0	4,961,711	4,961,711	0
125,882	68,914	56,968	1,792,467	1,709,363	83,104
145,652	125,207	20,445	1,488,889	1,443,929	44,960
47,415	33,500	13,915	1,684,050	1,597,646	86,404
0	0	0	1,394,540	1,394,540	0
0	0	0	1,407,428	1,395,725	11,703
744,895	448,267	296,628	93,725,174	89,678,609	4,046,565
(304,711)	(42,739)	261,972	(3,331,811)	(4,906,905)	(1,575,094)
0	0	0	283,965	704,765	420,800
0	0	0	750,000	750,000	0
0	127	127	248	296,171	295,923
0	(389)	(389)	(1,715,344)	(1,715,733)	(389)
0	(2,772)	(2,772)	(8,646)	(11,381)	(2,735)
0	(3,034)	(3,034)	(689,777)	23,822	713,599
(304,711)	(45,773)	258,938	(4,021,588)	(4,883,083)	(861,495)
247,389	247,389	0	2,359,799	2,359,799	0
57,322	57,322	0	2,696,223	2,696,223	0
\$0	258,938	\$258,938	\$1,034,434	172,939	(\$861,495)

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MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Combined Statement of Revenues, Expenses, and Changes in Retained Earnings -
 All Proprietary Fund Types
 For The Year Ended June 30, 2002
 (With Comparative Totals for 2001)

	ENTERPRISE	INTERNAL SERVICE	2002 TOTALS (MEMORANDUM ONLY)	2001 TOTALS (MEMORANDUM ONLY)
Operating revenues				
Tuition and fees	\$422,082	2,959,494	\$3,381,576	\$3,980,111
Sales	1,774,044	203,166	1,977,210	2,110,771
Charges for services	194,772	742,740	937,512	978,277
Total operating revenues	<u>2,390,898</u>	<u>3,905,400</u>	<u>6,296,298</u>	<u>7,069,159</u>
Operating expenses				
Salaries and wages	834,792	1,614,009	2,448,801	2,871,886
Fringe benefits	359,742	532,910	892,652	673,670
Contractual services	114,850	1,809,035	1,923,885	2,289,866
Materials and supplies	1,267,276	128,821	1,396,097	1,428,950
Other expenses	195,304	374,030	569,334	358,492
Depreciation	32,147	29,045	61,192	54,375
Total operating expenses	<u>2,804,111</u>	<u>4,487,850</u>	<u>7,291,961</u>	<u>7,677,239</u>
Operating loss	<u>(413,213)</u>	<u>(582,450)</u>	<u>(995,663)</u>	<u>(608,080)</u>
Non-operating revenues (expenses)				
Grant revenue	355,212	67,621	422,833	527,062
Interest	11,256	915	12,171	42,950
Proceeds from sale of assets	248	63	311	2,500
Other non-operating expenses	(554)	(2,997)	(3,551)	(3,044)
Total non-operating revenues (expenses)	<u>366,162</u>	<u>65,602</u>	<u>431,764</u>	<u>569,468</u>
Net loss before operating transfers	<u>(47,051)</u>	<u>(516,848)</u>	<u>(563,899)</u>	<u>(38,612)</u>
Operating transfers in	55,438	516,628	572,066	791,496
Operating transfers out	<u>0</u>	<u>(4,180)</u>	<u>(4,180)</u>	<u>0</u>
Net income (loss)	8,387	(4,400)	3,987	752,884
Retained earnings, beginning of year	1,069,335	1,427,934	2,497,269	1,744,385
Retained earnings, end of year	<u>\$1,077,722</u>	<u>1,423,534</u>	<u>\$2,501,256</u>	<u>\$2,497,269</u>

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

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Combined Statement of Cash Flows-
 All Proprietary Fund Types
 For The Year Ended June 30, 2002
 (With Comparative Totals for 2001)

	ENTERPRISE	INTERNAL SERVICE	2002 TOTALS (MEMORANDUM ONLY)	2001 TOTALS (MEMORANDUM ONLY)
Cash flows from operating activities:				
Operating loss	(\$413,213)	(582,450)	(\$995,663)	(\$608,080)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation	32,147	29,045	61,192	54,375
(Increase) decrease in:				
Accounts receivable	6,051	34,428	40,479	(20,855)
Due from other governments	0	1,840,825	1,840,825	(653,335)
Due from other funds	0	(1,550,432)	(1,550,432)	97,451
Materials and supplies inventory	(29,851)	0	(29,851)	7,730
Increase (decrease) in:				
Accounts payable	(20,230)	2,043	(18,187)	(30,767)
Accrued wages and benefits	(4,226)	(165,478)	(169,704)	(145,109)
Pension obligation payable	(949)	(33,076)	(34,025)	45,035
Due to other governments	(580)	(13,892)	(14,472)	(18,473)
Due to other funds	0	(103,031)	(103,031)	93,858
Total adjustments	(17,638)	40,432	22,794	(570,090)
Net cash used in operating activities	(430,851)	(542,018)	(972,869)	(1,178,170)
Cash flows from noncapital financing activities:				
Operating grants received	355,212	67,621	422,833	527,062
Proceeds from sale of assets	0	0	0	2,500
Operating transfers-in	55,438	516,628	572,066	791,496
Operating transfers-out	0	(4,180)	(4,180)	0
Other non-operating	(306)	(2,997)	(3,303)	(3,044)
Net cash provided by noncapital financing activities	410,344	577,072	987,416	1,318,014
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(9,175)	(35,969)	(45,144)	(88,785)
Cash flows from investing activities:				
Interest received	11,256	915	12,171	42,950
Net increase (decrease) in cash and cash equivalents	(18,426)	0	(18,426)	94,009
Cash and cash equivalents at beginning of year	954,971	0	954,971	860,962
Cash and cash equivalents at end of year	\$936,545	0	\$936,545	\$954,971

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

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MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Notes to General Purpose Financial Statements
June 30, 2002

(1) **Description of the District**

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

The District is located east of Cleveland, Ohio and serves primarily residences of Lake County and a small section of Geauga County. The District's population is drawn primarily from the cities of Mentor and Mentor-on-the Lake but also serves portions of the Village of Kirtland Hills and Concord Township. The District's population according to the Ohio Department of Taxation was 63,182 and its area covers approximately 34.5 square miles.

As of October 2002, 10,154 students were enrolled in the District's 16 schools. The average pupil/teacher ratio was 16.3. The District employs approximately 764 professional staff and 432 non-teaching and support staff employees.

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

A. The Reporting Entity

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

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

B. Basis of Presentation

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

The financial transactions of the District are recorded in individual funds and account groups. The various funds and account groups are reported by type in the general purpose financial statements. Amounts in the “total—memorandum only” columns in the general purpose financial statements represent a summation of the combined financial statement line items of the fund types and account groups and are presented only for analytical purposes. The summation includes fund types and account groups that use different basis of accounting, interfund transactions that have not been eliminated, and the caption “amounts to be provided,” which does not represent an asset. Consequently, amounts shown in the “total—memorandum only” columns are not comparable to a consolidation and do not represent the total resources available or total revenues and expenditures/expenses of the District.

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

Governmental Funds:

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

General Fund

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

Special Revenue Funds

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

Debt Service Fund

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

Capital Projects Funds

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

Proprietary Funds:

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

Enterprise Funds

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

Internal Service Fund

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

Fiduciary Funds

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

Account Groups:

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

General Fixed Assets Account Group

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

General Long-Term Debt Account Group

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

C. Basis of Accounting

Governmental and fiduciary fund types are accounted for on the modified accrual basis of accounting. Governmental revenues are recognized when they become measurable and available to finance expenditures of the current period. Revenue items, which are susceptible to accrual and therefore are

recorded as receivables, include investment income and reimbursable-type grants. Expenditures are recognized when the related fund liability is incurred, with the exception of accumulated unpaid employee compensation which is not payable from current expendable financial resources, and general long-term obligation interest which is reported when due.

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

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

D. Budgetary Basis of Accounting

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

1. Prior to January 15 of the preceding fiscal year, the Treasurer submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers comments. The expressed purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the board-adopted budget is filed with the Lake County Budget Commission (the Commission) for tax rate determination.
3. Prior to March 15, the Board of Education accepts by formal resolution, the tax rates as determined by the Commission and receives the Commission's certificate of estimated resources, which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year as reported by the District's Treasurer. The certificate may be further amended during the year if

projected increases or decreases in revenue are identified by the District's Treasurer. The amounts reported in the budgetary statement reflect the amounts set forth in the final amended certificate of estimated resources.

4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. State statute permits a temporary appropriation to be effective until no later than October 1 of each year. Resolution appropriations by fund must be within the estimated resources as certified by the Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.
5. Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter object appropriations within functions must be approved by the Board of Education.
6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with statutory provisions.
7. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. The Board legally enacted all supplemental appropriations during fiscal 2001-02 and none were significant.
8. Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund, function and/or object level.

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

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

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>
Budget Basis	(\$2,442,572)	(1,467,275)	28,244	(955,707)	(\$45,773)
Adjustments for GAAP basis					
Accrued revenues/prepaid items at June 30, 2002	(171,754)	(27,235)	(1,045,668)	309,991	(4,024)
Accrued expenditures/deferred revenue at June 30, 2002	(639,194)	307,038	1,040,482	(91,176)	0
Encumbrances outstanding At June 30, 2002 (budget basis)	<u>1,923,172</u>	<u>1,255,869</u>	<u>0</u>	<u>606,799</u>	<u>87,085</u>
GAAP Basis	<u>(\$1,330,348)</u>	<u>68,397</u>	<u>23,058</u>	<u>(130,093)</u>	<u>\$37,288</u>

E. Encumbrances

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

F. Cash and Cash Equivalents

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

During fiscal year 2002, investments were limited to STAR Ohio, the State Treasurer's Investment Pool and repurchase agreements. All investments of the School District had a maturity of two years or less. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements are reported at cost.

The School District has invested funds in the State Treasury Assets Reserve (STAR Ohio) during fiscal year 2002. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the state to pool their funds for investment purposes. STAR Ohio is not registered with SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of The Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2002.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest. Interest revenue credited to the general fund during fiscal year 2002 amounted to \$245,068.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an original maturity of more than three months that are not made from the pool are considered to be investments.

G. Restricted Assets

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

During 1998, the District entered into a five-year lease agreement for technology/electrical upgrades. The unspent portion at June 30, 2002, of \$793 is held in a restricted trust account for future expenditures and is recorded as a fund balance reserve.

The capital maintenance reserve is required by State statute and can be used solely for the acquisition, replacement, enhancement, maintenance and repair of permanent improvements. A fund balance reserve has not been established due to the General Fund not having enough cash to meet this reserve requirement. See Note 13 for further detail on the Statutory Reserves.

The textbook reserve is also required by State statute and can be used for acquisition of textbooks and instructional materials. A fund balance reserve has not been established due to the General Fund not having enough cash to meet this reserve requirement. See Note 13 for further detail on the Statutory Reserves.

In accordance with the reserve requirements, the total amount of restricted cash should be \$970,074; however, the general fund did not have enough cash to meet the reserve requirements. Although the general fund cash balance did not meet the reserve requirements, the entire balance of \$793 is reported as restricted cash, leaving \$969,281 of the reserves unfunded.

H. Inventory

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

I. Prepays and Other Assets

Payments made to vendors for services that will benefit periods beyond June 30, 2002 are recorded as prepaid items.

J. Fixed Assets and Depreciation

1. General Fixed Assets Account Group

General fixed assets are capitalized at historical cost (or estimated historical cost) and updated for the cost of additions and retirements during the year in the general fixed assets account group. Contributed fixed assets are recorded at their fair market values as of the date donated. The District follows the policy of not capitalizing assets with a cost of less than \$1,000 and a useful life of less than one year. No depreciation is recognized for assets in the general fixed assets account group.

2. Proprietary Funds

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

K. Interfund Transactions

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

L. Fund Balance Reserves

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

M. Estimates

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

N. Reclassifications

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

(3) Deficit Fund Balance / Retained Earnings

Fund balances/retained earnings at June 30, 2002, included the following individual fund deficits:

	<u>Deficit Fund Balance/ Retained Earnings</u>
General Fund	\$ (6,160,186)
Special Revenue Funds:	
Miscellaneous Federal Grants	\$ (9,669)
Title I	\$ (56,914)
Goals 2000 Title III	\$ (17,437)
Capital Projects Fund:	
Permanent Improvement	\$ (45,218)
Building	\$ (749,970)
Replacement	\$ (4,392)
Vocational Education Equipment	\$ (6,390)
SchoolNet Plus	\$ (61)

The deficits in the General Fund, Miscellaneous Federal Grants, Title I, and Goals 2000 Title III are due to timing differences in accruing revenues and expenditures.

The deficits in the Permanent Improvement, Building, Replacement, Vocational Education, and SchoolNet Funds are due to timing differences in expenditures.

(4) Equity in Pooled Cash and Investments

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

Legal Requirements

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

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the District Treasury, in commercial

accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

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

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

7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time. Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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

(a) Deposits

At year end, the carrying amount of the District's deposits was \$258,983 and the bank balance was \$884,486. The bank balance is categorized as follows:

Amount insured by the FDIC (Category 1)	\$ 243,190
Collateralized with securities held by the pledging financial institution's trust department but not in the name of the District. (Category 3)	\$ 641,296

(b) Investments

Investments made by the District as of June 30, 2002, are summarized below. The investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

- Category 1 Insured or registered, or investments held by the District or its agents in the District's name.
- Category 2 Uninsured and unregistered, with investments held by the counterparty's trust department or agent in the District's name.
- Category 3 Uninsured and unregistered, with investments held by the counterparty or by its trust department or agent but not in the District's name.

	<u>Carrying Value</u>	<u>Fair Value</u>
Repurchase Agreements (Category 3)	\$ 1,630,000	\$ 1,630,000
STAR Ohio (Non-Categorized)	<u>7,700,000</u>	<u>7,700,000</u>
	<u>\$ 9,330,000</u>	<u>\$ 9,330,000</u>

(5) **Interfund Transactions**

Interfund balances at June 30, 2002 consist of the following individual fund receivables and payables:

	<u>Receivables</u>	<u>Payables</u>
General fund	\$ 3,449,595	\$ 464,590
Special revenue funds:		
Miscellaneous federal grants		9,669
Title I		9,807
Goals 2000		17,437
Auxiliary services	43,303	
Total special revenue funds	<u>43,303</u>	<u>36,913</u>
Capital projects funds:		
Permanent improvement	4,392	
Replacement		4,392
Vocational education equipment		6,390
Total capital projects funds	<u>4,392</u>	<u>10,782</u>
Internal service fund	464,590	1,597,131
Agency fund:		
Employee benefits	<u>0</u>	<u>1,852,464</u>
Total	<u>\$ 3,961,880</u>	<u>\$ 3,961,880</u>

The District's board approved operating transfers are as follows:

<u>Fund</u>	<u>Transfers-In</u>	<u>Transfers-Out</u>
General Fund	\$ 3,209	\$ 939,664
Special revenue funds:		
Athletic	77,699	
Education for economic security	2,294	
	<u>79,993</u>	<u>-</u>
Capital projects funds		
Building	283,965	
Enterprise funds		
Rotary	42,791	
Adult education	12,647	
Total enterprise funds	<u>55,438</u>	<u>-</u>
Internal service fund	516,628	4,180
Special expendable trust fund		389
Student activity agency fund	<u>5,000</u>	
Total	<u>\$ 944,233</u>	<u>\$ 944,233</u>

(6) Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible (used in business) property located in the District. Real property taxes and public utility taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by State law at 35% of appraised market value. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value (normally 50% of cost). Tangible personal property taxes attach as a lien and are levied on January 1 of the current year. Tangible personal property assessments are 25% of market value. The assessed value upon which the 2002 taxes were collected was \$1,646,967,511. Agricultural/Residential and Other Real Estate represented \$1,412,020,610 (86%) of this total; Public utility tangible \$45,017,670 (2%); General tangible property \$180,544,110 (11%); and Exempt tangible personal property \$9,385,121 (1%). The general tax rate for operations for the fiscal year ended June 30, 2002, was \$64.70 per \$1,000 of assessed valuation, \$1.09 per \$1,000 of assessed valuation for debt retirement, and \$1.00 per \$1,000 of assessed valuation for permanent improvement purposes.

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

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

Accrued taxes receivable represent delinquent taxes outstanding and real property, personal property, and public utility taxes, which became measurable as of June 30, 2002. Although total property tax (other than personal property) collections for the next fiscal year are measurable, they are not intended to finance current year operations. The receivable is, therefore, offset by a credit to deferred revenue. The amount available to the District as an advance at June 30, 2002 was \$2,870,777 in the General Fund, \$90,834 in the Debt Service Fund and \$55,828 in the Capital Projects Fund.

(7) **Fixed Assets**

A summary of the changes in the general fixed asset account group for 2002 is as

	Balance June 30, 2001	Additions	Disposals	Balance June 30, 2002
Land & improvements	\$ 725,721			\$ 725,721
Buildings	33,274,656			33,274,656
Vehicles	4,459,571	472,910		4,932,481
Furniture & equipment	16,161,591	2,713,555	5,829	18,869,317
Total	<u>\$54,621,539</u>	<u>3,186,465</u>	<u>5,829</u>	<u>\$ 57,802,175</u>

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

	Furniture and Equipment	Less Accumulated Depreciation	Carrying Value
Enterprise funds			
Food service	\$ 572,045	401,102	\$ 170,943
Recreation	6,234	3,772	2,462
Total	<u>\$ 578,279</u>	<u>404,874</u>	<u>\$ 173,405</u>

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

	Furniture and Equipment	Less Accumulated Depreciation	Carrying Value
Internal service fund			
Balance, June 30, 2001	\$ 246,058	133,309	\$ 112,749
Additions and current year depreciation	<u>36,032</u>	<u>29,045</u>	<u>6,987</u>
Balance, June 30, 2002	<u>\$ 282,090</u>	<u>162,354</u>	<u>\$ 119,736</u>

(8) **Long-Term Debt**

A. **Bonded Debt**

All bonds outstanding are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Accordingly, such unmatured obligations of the District are accounted for in the general long-term obligations account group. Payments of principal and interest relating to these liabilities are recorded as expenditures in the debt service fund. The source of payment is derived from a current 1.14 mill bonded-debt tax levy.

<u>Taxing Authority</u>	<u>Original Bond Issue</u>	<u>Voter Approval</u>	<u>Millage</u>	<u>Issue Date</u>
Mentor Exempted Village Board of Education	\$ 9,500,000	11/07/84	0.33	04/30/85
Mentor Public Library	4,000,000	05/02/84	0.20	04/30/85
Mentor Exempted Village Board of Education	<u>8,600,000</u>	05/06/87	<u>0.61</u>	11/30/87
	<u>\$ 22,100,000</u>		<u>1.14</u>	

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

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

The following is a schedule of bonds outstanding as of June 30, 2002 for the District:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Amount Outstanding Beginning of Year</u>	<u>Principal Redemption During Year</u>	<u>Amount Outstanding End of Period</u>
School Construction	6.38	12/01/91	12/01/13	\$ 4,760,000	245,000	\$ 4,515,000
School Improvement Refunding Bonds	7.13	03/01/93	12/01/11	8,556,399	149,540	8,406,859
				<u>\$ 13,316,399</u>	<u>394,540</u>	<u>\$ 12,921,859</u>

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

<u>Year Ending June 30</u>	<u>Principal on General Obligation Bonds</u>	<u>Interest on General Obligation Bonds</u>	<u>Total</u>
2003	381,934	1,441,021	1,822,955
2004	374,925	1,451,842	1,826,767
2005	1,145,000	663,549	1,808,549
2006	1,210,000	601,565	1,811,565
2007	1,270,000	533,219	1,803,219
2008	1,345,000	458,660	1,803,660
2009	1,420,000	379,757	1,799,757
2010	1,500,000	296,375	1,796,375
2011	1,585,000	208,247	1,793,247
2012	1,680,000	114,938	1,794,938
2013	490,000	50,681	540,681
2014	520,000	17,225	537,225
Total	<u>\$ 12,921,859</u>	<u>6,217,079</u>	<u>\$ 19,138,938</u>

B. Compensated Balances

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

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

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

The following is a schedule of compensated absences at June 30, 2002:

	Balance July 1, 2001, restated	Increase (Decrease)	Balance June 30, 2002
Compensated Absences	\$ 3,835,190	282,703	\$ 4,117,893

C. Changes in the General Long-Term Debt Account Group

During the year ended June 30, 2002, the following changes occurred in the General Long Term Debt Account Group. Compensated absences will be paid from the fund in which the employee is paid.

	Balance July 1, 2001 (restated)	Increase	(Decrease)	Balance June 30, 2002
Compensated Absences	\$ 3,835,190	282,703	0	\$ 4,117,893
Pension Obligation Payable	682,614	16,611	0	699,225
Capital Lease Payable	858,023	328,183	(452,337)	733,869
General Obligation Debt Notes Payable	13,316,399	0	(394,540)	12,921,859
	<u>\$ 18,692,226</u>	<u>627,497</u>	<u>(846,877)</u>	<u>\$ 18,472,846</u>

D. Capital Lease Obligations

The District has entered into six capital leases for technology/electrical upgrades and acquisition of equipment. The terms of the agreement provide ownership of the equipment. The lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one, which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term.

The assets acquired through capital leases at June 30, 2002 are as follows:

<u>Asset</u>	<u>General Fixed Assets</u>
Building improvements	984,716
Equipment	1,098,937

The following is a schedule of future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2002:

Year Ending June 30,	
2003	\$ 523,594
2004	179,352
2005	81,351
2006	40,872
Total Payments	<u>825,169</u>
Less amount representing interest	91,300
	<u><u>\$ 733,869</u></u>

(9) Notes Payable

In accordance with Ohio law, general obligation note debt service (interest and fiscal charges) was recorded in the Debt Service Fund. GASB Codification B50.101 requires the Debt Service Fund present general obligation long-term debt principal and interest retirement only and that anticipation notes payable be shown as liabilities of the funds which receive the note proceeds. Accordingly, bond anticipation notes have been reported in the capital projects fund.

	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Outstanding Beginning of Year</u>	<u>Redemption During Year</u>	<u>Outstanding End of Period</u>
Bond Anticipation	3.35%	05/03/01	05/02/02	\$ 1,000,000	(1,000,000)	\$ -
Bond Anticipation	2.90%	05/04/00	05/03/01	-	750,000	750,000
				<u>\$ 1,000,000</u>	<u>(250,000)</u>	<u>\$ 750,000</u>

(10) Segment Information for Enterprise Funds

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

Function	Food Service	Uniform School Supply	Rotary	Adult Education	Recreation	Total Enterprise Funds
Operating Revenues	\$1,774,644	\$300,294	\$124,912	\$21,948	\$169,100	\$2,390,898
Operating Expenses						
before depreciation	2,213,392	255,488	102,212	29,842	171,030	2,771,964
Depreciation	31,523				624	32,147
Operating income (loss)	(470,271)	44,806	22,700	(7,894)	(2,554)	(413,213)
Non-operating grant						
revenue	355,212	0	0	0	0	355,212
Other non-operating						
revenue (expense)	11,256	238	(470)	(74)	0	10,950
Transfers/Advances in	0	0	42,791	12,647	0	55,438
Net income (loss)	(103,803)	45,044	65,021	4,679	(2,554)	8,387
Fixed assets additions	9,175	0	0	0	0	9,175
Net working capital	585,714	232,569	66,594	5,263	14,177	904,317
Total assets	815,743	279,505	116,328	5,263	16,639	1,233,478
Total Liabilities	59,086	46,936	49,734	0	0	155,756
Total equity	\$756,657	\$232,569	\$66,594	\$5,263	\$16,639	\$1,077,722

(11) Defined Benefit Pension Plans

A. School Employees Retirement System

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the School Employees Retirement System, 300 East Board St, Suite 100, Columbus, Ohio 43215-3746, or by calling (614) 222-5853.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions to SERS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$1,666,054, \$1,690,356 and \$1,461,968 respectively; 48 percent has been contributed for fiscal year 2002 and 100 percent for the fiscal years 2001 and 2000. \$862,428, which represents the unpaid contribution for fiscal year 2002, is recorded as a liability within the respective funds and the General Long-Term Debt Account Group.

B. State Teachers Retirement System

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

For the fiscal year ended June 30, 2001, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$6,165,629, \$5,952,243, and \$5,502,691, respectively; 84 percent has been contributed for fiscal year 2002 and 100 percent for the fiscal years 2001 and 2000. \$1,003,244, which represents the unpaid contribution for fiscal year 2002, is recorded as a liability within the respective funds.

(12) Postemployment Benefits

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certificated employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the School District this amount equaled \$1,981,809 during the 2002 fiscal year.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$3.256 billion at June 30, 2001. For the year ended June 30, 2001, net health care costs paid by STRS were \$300,772,000 and STRS had 102,132 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2001, employer contributions to fund health care benefits were 9.8 percent of the covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2001, the minimum pay was established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2002 fiscal year equaled \$1,290,511.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for the fiscal year ended June 30, 2001 (the latest information available), were \$161,439,934 and the target level was \$242.2 million. At June 30, 2001, SERS had net assets available for payment of health care benefits of \$315.7 million. SERS has approximately 50,000 participants currently receiving health care benefits.

(13) Statutory Reserves

The District is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 2002, the reserve activity was as follows:

	<u>Textbook Reserve</u>	<u>Capital Maintenance Reserve</u>
Balance, July 1, 2001	\$ 351,449	\$ 624,120
Required Set-Aside	1,255,825	1,255,825
Offset Credits	-	(962,163)
Qualifying Expenditures	<u>(637,993)</u>	<u>(921,731)</u>
Balance, June 30, 2002	<u>\$ 969,281</u>	<u>\$ (3,949)</u>
Set-Aside Balance Carried Forward to Future Fiscal Years	<u>\$ -</u>	<u>\$ (3,949)</u>
Balance Reserved, June 30, 2002	<u>\$ -</u>	<u>\$ -</u>

(14) Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2002, the District contracted with Indiana Insurance Company for property, building contents, and data processing insurance. Indiana Insurance Company covers the boiler and machinery. There is a \$1,000 and \$500 deductible per occurrence.

School District umbrella policies are with Indiana Insurance Company and have a \$1,000,000 limit and up to \$5,000,000 aggregate. Vehicles are covered by Indiana Insurance Company and have a \$500 deductible for comprehensive collision. Automobile liability has a \$1,000,000 combined single limit of liability. There were no reductions in insurance coverage from the previous year, nor have settled claims exceeded this commercial coverage in any of the past three years.

The School District has elected to provide medical coverage through a self-insured program. The School District uses the general fund to account for and finance its uninsured risks of loss in this program. The claims are serviced through the Lake County Council of Governments Health Care Benefits Program. The Lake County Council of Governments Health Care Benefits Program has stop loss coverage of 110% of expected claims. The claims liability of \$883,056 reported in the general fund at June 30, 2002 is based on the requirements of Government Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund's claims liability amount was:

	<u>Beginning of Year</u>	<u>Claims</u>	<u>Payments</u>	<u>End of Year</u>
2001	\$ 408,060	4,675,289	4,461,221	\$ 622,128
2002	\$ 622,128	6,416,086	6,155,158	\$ 883,056

(15) Claims Servicing Pool

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

(16) OSBA Group Rating Program

The District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the Ohio School Boards Association. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

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

(17) Jointly Governed Organization

The Ohio Schools Council (Council) is a jointly governed organization among seventy School Districts. The jointly governed organization was formed to bring quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual fee of \$700 and an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. Financial information can be obtained by contacting Albert Vasek, Executive Secretary/Treasurer at the Ohio Schools Council at Rockside Square #2, 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

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

Energy Acquisition Corporation, a non-profit corporation with a self-appointing board, issued \$119,140,000 in debt to prepurchase eight years of electricity from Cleveland Electric Illuminating (CEI) for the participants. The participating school district is not obligated in any manner for this debt. If a participating school district terminates their agreement, they are required to repay the savings to CEI and CEI will refund the remaining prepayment related to that participant to Energy Acquisition Corp. Financial information can be obtained by contacting Albert Vasek, Executive Secretary/Treasurer at the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

(18) Contingency Liabilities

A. Grants

The District receives financial assistance from numerous federal, state, and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at June 30, 2002.

B. Litigation

The District was named as defendant in several court actions during the period ended June 30, 2002. Management does not believe that the ultimate resolution of these cases will have a material impact on the general purpose financial statements of the District.

C. State School Funding Decision

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

- A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

The State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the basis for determining the base amount and the requirement that changes be made retroactive to July 1, 2001. In November 2001, the Court granted the request for reconsideration, but also ordered the parties to participate in a settlement conference with a court appointed mediator. On March 21, 2002, the mediator issued his final report indicating that the conference was unable to produce a settlement. The case is now under reconsideration by the Court.

The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

D. Property Tax Refunds

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

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

(19) Changes in Accounting Principals and Restatement of Fund Balance

For fiscal year 2001, the District implemented GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. At June 30, 2001 the prior period amounts were restated as a result of implementing GASB 33.

(20) **Restatement of Fund Balances**

It was determined in the current year that accruals were recorded in the General Fund balance that should have been recorded in the General Fund Long-Term Debt Account Group. It was also noted that accrued wages and benefits in the General Fund was overstated in 2001.

<u>General Fund</u>	<u>Amount</u>
Fund balance (deficit) at June 30, 2001	(\$6,035,290)
Adjustment	<u>1,205,452</u>
Fund balance (deficit) at June 30, 2001, restated	<u>(\$4,829,838)</u>
 <u>General Long-Term Debt Account Group</u>	
Accrued wages and benefits at June 30, 2001	\$4,516,459
Adjustment	<u>(681,269)</u>
Accrued wages and benefits at June 30, 2001, restated	<u>\$3,835,190</u>

**MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
SUPPLEMENTAL DATA**

GENERAL FUND

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

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Comparative Balance Sheet -
General Fund
June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
ASSETS		
Restricted cash	\$793	\$470,275
Receivables		
Taxes - current	52,572,104	50,738,714
Accounts	11,254	192,325
Due from other funds	3,449,595	3,405,760
Materials and supplies inventories	153,349	257,634
Prepays and other assets	114,112	84,406
Total assets	<u>\$56,301,207</u>	<u>\$55,149,114</u>
LIABILITIES		
Accounts payable	\$573,980	\$294,949
Accrued wages and benefits	6,710,963	6,176,086
Pension obligation payable	1,256,700	1,213,273
Due to other governments	0	30,180
Due to other funds	464,590	903,622
Claims payable	883,056	622,128
Deferred revenue - taxes	52,572,104	50,738,714
Total liabilities	<u>62,461,393</u>	<u>59,978,952</u>
FUND DEFICIT		
Fund balances (deficit)		
Capital maintenance reserve	0	35,111
Reserve for technology / electrical upgrade	793	83,715
Reserve for textbooks	0	351,449
Reserved for inventory	153,349	257,634
Reserved for prepaids	114,112	84,406
Reserved for encumbrances	1,502,996	1,034,454
Unreserved-undesignated (deficit)	(7,931,436)	(6,676,607)
Total fund deficit	<u>(6,160,186)</u>	<u>(4,829,838)</u>
Total liabilities and fund balance	<u>\$56,301,207</u>	<u>\$55,149,114</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Comparative Statements of Revenues, Expenditures and
Changes in Fund Balances -
General Fund
For The Years Ended June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Revenues		
Taxes	\$52,958,493	\$48,042,371
Tuition and fees	209,099	195,240
Earnings on investments	245,068	743,950
Intergovernmental	22,985,526	21,531,337
Refund of prior year expenditures	141,635	333,595
Miscellaneous revenue	106,073	86,642
Total revenues	<u>76,645,894</u>	<u>70,933,135</u>
Expenditures		
Current		
Instruction	46,721,187	44,156,768
Support services		
Pupil	4,479,292	4,109,794
Instructional staff	3,593,936	3,166,994
Board of Education	677,709	614,501
Administration	4,172,450	4,068,479
Fiscal	2,257,246	1,639,639
Business	593,821	608,986
Operation and maintenance of plant	7,988,028	7,485,661
Pupil transportation	4,659,453	4,327,853
Central	1,031,226	797,597
Community services	87,280	78,896
Extracurricular activities	1,124,107	1,022,947
Refund of prior year receipts	236	0
Total expenditures	<u>77,385,971</u>	<u>72,078,115</u>
Deficiency of revenues under expenditures	<u>(740,077)</u>	<u>(1,144,980)</u>
Other financing sources (uses)		
Operating transfers in	3,209	103,509
Operating transfers out	(939,664)	(1,300,789)
Inception of capital lease	328,183	197,701
Proceeds from sale of assets	18,001	21,322
Total other financing uses	<u>(590,271)</u>	<u>(978,257)</u>
Deficiency of revenue and other sources under expenditures and other uses	<u>(1,330,348)</u>	<u>(2,123,237)</u>
Fund deficit, beginning of year	<u>(4,829,838)</u>	<u>(2,706,601)</u>
Fund deficit, end of year	<u><u>(\$6,160,186)</u></u>	<u><u>(\$4,829,838)</u></u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget (Non-GAAP) and Actual -
 General Fund
 Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$52,958,493	52,958,493	\$0
Tuition and fees	178,737	139,187	(39,550)
Interest	852,041	274,067	(577,974)
Intergovernmental	23,362,444	22,985,526	(376,918)
Miscellaneous revenue	202,437	172,318	(30,119)
Total revenues	77,554,152	76,529,591	(1,024,561)
Expenditures:			
Instruction:			
Regular instruction:			
Salaries and wages	28,574,509	28,574,509	0
Fringe benefits	7,378,267	7,378,267	0
Contract services	81,139	81,139	0
Supplies	927,186	927,186	0
Equipment	259,959	259,959	0
Other	6,825	6,825	0
Total regular instruction	37,227,885	37,227,885	0
Special instruction:			
Salaries and wages	4,245,544	4,245,544	0
Fringe benefits	1,175,298	1,175,298	0
Contract services	247,402	247,402	0
Supplies	87,680	87,680	0
Equipment	279	279	0
Total special instruction	5,756,203	5,756,203	0
Other instruction:			
Salaries and wages	1,744,028	1,744,028	0
Fringe benefits	428,535	428,535	0
Contract services	1,568,537	1,568,537	0
Supplies	37,514	37,514	0
Equipment	212,326	212,326	0
Other	2,929	2,929	0
Total other instruction	3,993,869	3,993,869	0
Total instruction	46,977,957	46,977,957	0

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget (Non-GAAP) and Actual -
 General Fund (continued)
 Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Support services:			
Pupils:			
Salaries and wages	3,369,830	3,369,830	0
Fringe benefits	1,043,983	1,043,983	0
Contract services	4,312	4,312	0
Supplies	36,054	36,054	0
Equipment	14,715	14,715	0
Total pupils	<u>4,468,894</u>	<u>4,468,894</u>	<u>0</u>
Instructional staff:			
Salaries and wages	2,561,899	2,561,899	0
Fringe benefits	766,855	766,855	0
Contract services	62,535	62,535	0
Supplies	190,425	190,425	0
Equipment	57,319	57,319	0
Other	250	250	0
Total instructional staff	<u>3,639,283</u>	<u>3,639,283</u>	<u>0</u>
Board of education:			
Salaries and wages	5,600	5,600	0
Fringe benefits	837	837	0
Contract services	356,245	356,245	0
Supplies	184	184	0
Other	410,680	410,680	0
Total board of education	<u>773,546</u>	<u>773,546</u>	<u>0</u>
Administration			
Salaries and wages	3,063,580	3,063,580	0
Fringe benefits	1,004,564	1,004,564	0
Contract services	133,410	133,410	0
Supplies	23,760	23,760	0
Equipment	5,811	5,811	0
Other	23,565	23,565	0
Total administration	<u>4,254,690</u>	<u>4,254,690</u>	<u>0</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget (Non-GAAP) and Actual -
 General Fund (continued)
 Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Fiscal:			
Salaries and wages	663,803	663,803	0
Fringe benefits	206,279	206,279	0
Contract services	465,680	465,680	0
Supplies	27,638	27,638	0
Equipment	5,540	5,540	0
Other	620,118	620,118	0
Total fiscal	1,989,058	1,989,058	0
Business:			
Salaries and wages	402,773	402,773	0
Fringe benefits	109,343	109,343	0
Contract services	1,701	1,701	0
Supplies	100,659	100,659	0
Other	1,120	1,120	0
Total business	615,596	615,596	0
Operation and maintenance of plant:			
Salaries and wages	3,375,886	3,375,886	0
Fringe benefits	883,148	883,148	0
Contract services	3,253,713	3,253,713	0
Supplies	540,727	540,727	0
Equipment	19,117	19,117	0
Other	37,325	37,325	0
Total operation and maintenance of plant	8,109,916	8,109,916	0
Pupil transportation:			
Salaries and wages	2,673,618	2,673,618	0
Fringe benefits	793,506	793,506	0
Contract services	350,134	350,134	0
Supplies	665,345	665,345	0
Equipment	468,790	468,790	0
Other	160	160	0
Total pupil transportation	4,951,553	4,951,553	0

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP) and Actual -
General Fund (continued)
Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Central:			
Salaries and wages	339,902	339,902	0
Fringe benefits	88,333	88,333	0
Contract services	359,820	359,820	0
Supplies	138,652	138,652	0
Equipment	290,436	290,436	0
Other	27,500	27,500	0
Total central	1,244,643	1,244,643	0
Total support services	30,047,179	30,047,179	0
Community services:			
Salaries and wages	60,226	60,226	0
Fringe benefits	16,224	16,224	0
Other	10,000	10,000	0
Total community services	86,450	86,450	0
Extracurricular activities:			
Salaries and wages	903,220	903,220	0
Fringe benefits	158,019	158,019	0
Contract services	7,465	7,465	0
Supplies	10,178	10,178	0
Equipment	46,208	46,208	0
Total extracurricular activities	1,125,090	1,125,090	0
Total expenditures	78,236,676	78,236,676	0
Excess (deficiency) of revenues over (under) expenditures	(682,524)	(1,707,085)	(1,024,561)
Other financing sources (uses):			
Advance/transfers in	0	342,642	342,642
Other sources	0	294,808	294,808
Advances/transfers out	(1,372,702)	(1,372,702)	0
Other uses	(272)	(235)	37
Total other financing sources (uses)	(1,372,974)	(735,487)	637,487
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(2,055,498)	(2,442,572)	(387,074)
Fund balance, beginning of year	737,719	737,719	0
Expenditures against prior year's encumbrances	1,317,779	1,317,779	0
Fund balance, end of year	\$0	(387,074)	(\$387,074)

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

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

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

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

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

Auxiliary Services Fund -- A fund used to account for monies, which provide services and materials to pupils attending non-public schools within the district. During Fiscal 2002 Lake Catholic (ADM 851) St. Gabriel (ADM 702) and St. Mary (ADM 451) received \$519.30/student.

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

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

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

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

Emergency Immigrant Education Assistance Grant -- To provide financial assistance to state educational agencies for educational services and costs for eligible immigrant children enrolled in elementary and secondary public and nonprofit private schools.

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

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

OhioReads Classroom Grant – A fund used to improve the reading skills of Ohio's K-4th grade students so they can pass the Fourth Grade Reading Proficiency Test.

E-Rate Reimbursement Grant – A fund used to account for a federal grant that is paid directly to the telecommunication service provider.

Goals 2000 – A fund used to account for monies to support a broad range of education improvement goals. Competitive grants are used to establish network of schools that have developed a systematic improvement plan. Funding is targeted at school districts where student performance on the fourth and ninth grade State Proficiency test are significantly below the State average. Competitive grants are used to support partnerships between school districts and colleges of education to improve teacher education and school instruction simultaneously

Reducing Class Size – A fund used to account for monies to hire additional classroom teachers in grades 1 through 3, so that the number of students per teacher will be reduced.

ONenet Ohio Program – A fund provided to account 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.

Summer Intervention -- A fund used to account for summer intervention services satisfying criteria defined in division (E) of section 3313.608 of the Revised Code.

Disability Access Grant -- A fund used for reading, including extended day, extended year, after school, Saturday and/or summer school for kindergarten through third grade students. This includes the ability to pay for transportation and other related expenses.

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MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Combining Balance Sheet -
 All Special Revenue Funds
 June 30, 2002
 (With Comparative Totals for 2001)

	OTHER GRANTS	ATHLETIC	CAREER DEVELOPMENT OVEP	EARLY CHILDHOOD EDUCATION	MANAGEMENT INFORMATION SYSTEMS
ASSETS					
Equity in pooled cash and investments	\$183,583	39,876	0	239	68,864
Accounts receivable - other	0	0	0	0	0
Due from other funds	0	0	0	0	0
Prepaid items	0	0	0	0	0
Total assets	<u>\$183,583</u>	<u>39,876</u>	<u>0</u>	<u>239</u>	<u>68,864</u>
LIABILITIES					
Accounts payable	\$69,242	14,157	0	0	0
Accrued wages and benefits	0	0	0	0	0
Pension obligation payable	0	0	0	0	0
Due to other governments	0	0	0	0	0
Due to other funds	0	0	0	0	0
Total liabilities	<u>69,242</u>	<u>14,157</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND EQUITY (DEFICIT)					
Fund balances (deficits)					
Reserved for encumbrances	383,956	96,246	0	0	0
Unreserved-undesignated	(269,615)	(70,527)	0	239	68,864
Total fund balances (deficits)	<u>114,341</u>	<u>25,719</u>	<u>0</u>	<u>239</u>	<u>68,864</u>
Total liabilities and fund balances	<u>\$183,583</u>	<u>39,876</u>	<u>0</u>	<u>239</u>	<u>68,864</u>

(continued)

MISCELLANEOUS STATE GRANTS	EDUCATION FOR ECONOMIC SECURITY	TITLE VI-B SPECIAL EDUCATION	VOCATIONAL EDUCATION	VENTURE CAPITAL GRANT	PROFESSIONAL DEVELOPMENT	PRESCHOOL GRANT FOR HANDICAPPED	MISCELLANEOUS FEDERAL GRANTS
74,688	9,980	222,461	92,962	42	0	34,271	0
0	0	0	21,080	0	0	0	0
0	0	0	0	0	0	0	0
0	0	1,496	0	0	0	0	0
<u>74,688</u>	<u>9,980</u>	<u>223,957</u>	<u>114,042</u>	<u>42</u>	<u>0</u>	<u>34,271</u>	<u>0</u>
1,000	0	27,195	14,119	0	0	0	0
0	0	55,178	0	0	0	0	0
0	0	2,697	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	9,669
<u>1,000</u>	<u>0</u>	<u>85,070</u>	<u>14,119</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,669</u>
1,388	2,695	91,664	79,887	0	0	43,857	0
72,300	7,285	47,223	20,036	42	0	(9,586)	(9,669)
<u>73,688</u>	<u>9,980</u>	<u>138,887</u>	<u>99,923</u>	<u>42</u>	<u>0</u>	<u>34,271</u>	<u>(9,669)</u>
<u>74,688</u>	<u>9,980</u>	<u>223,957</u>	<u>114,042</u>	<u>42</u>	<u>0</u>	<u>34,271</u>	<u>0</u>

(continued)

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Combining Balance Sheet -
 All Special Revenue Funds (continued)
 June 30, 2002
 (With Comparative Totals for 2001)

	AUXILIARY SERVICES	HEAD START DISABILITY	SCHOOLNET PROFESSIONAL DEVELOPMENT	TITLE I	CHAPTER II	EMERGENCY IMMIGRANT EDUCATION ASSISTANCE GRANT
ASSETS						
Equity in pooled cash and investments	79,230	0	1,278	0	17,682	1,968
Accounts receivable - other	0	0	0	0	0	0
Due from other funds	43,303	0	0	0	0	0
Prepaid items	0	0	0	0	0	0
Total assets	122,533	0	1,278	0	17,682	1,968
LIABILITIES						
Accounts payable	4,584	0	0	5,000	0	0
Accrued wages and benefits	0	0	0	35,199	0	0
Pension obligation payable	0	0	0	6,908	0	0
Due to other governments	0	0	0	0	0	0
Due to other funds	0	0	0	9,807	0	0
Total liabilities	4,584	0	0	56,914	0	0
FUND EQUITY (DEFICIT)						
Fund balances (deficits)						
Reserved for encumbrances	60,454	0	1,278	10,726	32,232	1,525
Unreserved-undesignated	57,495	0	0	(67,640)	(14,550)	443
Total fund balances (deficits)	117,949	0	1,278	(56,914)	17,682	1,968
Total liabilities and fund balances	122,533	0	1,278	0	17,682	1,968

(continued)

DRUG FREE SCHOOL GRANT	OHIOREADS CLASSROOM GRANT	E-RATE REIMBURSEMENT GRANT	GOALS 2000	REDUCING CLASS SIZE	ONEnet OHIO PROGRAM	SUMMER INTERVENTION	DISABILITY ACCESS GRANT	2002 TOTALS	2001 TOTALS
7,865	59,389	62,012	0	39,570	56,000	0	1,815	\$1,053,775	\$1,372,583
0	0	0	0	0	0	0	0	21,080	8,477
0	0	0	0	0	0	0	0	43,303	5,067
0	0	0	0	0	0	0	0	1,496	0
<u>7,865</u>	<u>59,389</u>	<u>62,012</u>	<u>0</u>	<u>39,570</u>	<u>56,000</u>	<u>0</u>	<u>1,815</u>	<u>\$1,119,654</u>	<u>\$1,386,127</u>
0	16,760	0	0	0	0	0	0	\$152,057	\$152,765
0	0	0	0	16,744	0	0	0	107,121	96,464
0	0	0	0	3,286	0	0	0	12,891	18,490
0	0	0	0	0	0	0	0	0	193,491
0	0	0	17,437	0	0	0	0	36,913	182,642
<u>0</u>	<u>16,760</u>	<u>0</u>	<u>17,437</u>	<u>20,030</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>308,982</u>	<u>643,852</u>
250	40,042	0	3,090	10,000	0	0	1,674	860,964	697,701
7,615	2,587	62,012	(20,527)	9,540	56,000	0	141	(50,292)	44,574
<u>7,865</u>	<u>42,629</u>	<u>62,012</u>	<u>(17,437)</u>	<u>19,540</u>	<u>56,000</u>	<u>0</u>	<u>1,815</u>	<u>810,672</u>	<u>742,275</u>
<u>7,865</u>	<u>59,389</u>	<u>62,012</u>	<u>0</u>	<u>39,570</u>	<u>56,000</u>	<u>0</u>	<u>1,815</u>	<u>\$1,119,654</u>	<u>\$1,386,127</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
All Special Revenue Funds
Year Ended June 30, 2002
(With Comparative Totals for 2001)

	OTHER GRANTS	ATHLETIC	CAREER DEVELOPMENT OVEP	EARLY CHILDHOOD EDUCATION	MANAGEMENT INFORMATION SYSTEMS
Revenues					
Tuition and fees	\$0	0	0	0	0
Earnings on investments	0	257	0	0	0
Intergovernmental	325,559	0	0	0	35,401
Extracurricular activities	0	198,162	0	0	0
Refund of prior year expenditures	868	95	0	0	0
Miscellaneous revenue	0	14,446	25,500	0	0
Total revenues	<u>326,427</u>	<u>212,960</u>	<u>25,500</u>	<u>0</u>	<u>35,401</u>
Expenditures					
Current					
Instruction	448,669	0	0	0	239
Support Services					
Pupil	0	0	0	0	0
Instructional staff	0	0	0	0	0
Administration	0	0	0	0	13,790
Fiscal services	0	0	0	0	50,000
Business	0	0	0	0	0
Operation and maintenance of plant	0	0	0	0	0
Pupil transportation	0	0	0	0	0
Central	0	0	0	0	0
Community Services	0	0	0	0	0
Extracurricular Activities	0	352,967	0	0	0
Refund of prior year receipts	0	0	0	0	0
Total expenditures	<u>448,669</u>	<u>352,967</u>	<u>0</u>	<u>0</u>	<u>64,029</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(122,242)</u>	<u>(140,007)</u>	25,500	0	<u>(28,628)</u>
Other financing sources (uses)					
Operating transfers in	0	77,699	0	0	0
Operating transfers out	0	0	0	0	0
Total other financing sources (uses)	<u>0</u>	<u>77,699</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>(122,242)</u>	<u>(62,308)</u>	25,500	0	<u>(28,628)</u>
Fund balance (deficit), beginning of year	236,583	88,027	(25,500)	239	97,492
Fund balance (deficit), end of year	<u>\$114,341</u>	<u>25,719</u>	<u>0</u>	<u>239</u>	<u>68,864</u>

(continued)

MISCELLANEOUS STATE GRANTS	EDUCATION FOR ECONOMIC SECURITY	TITLE VI-B SPECIAL EDUCATION	VOCATIONAL EDUCATION	VENTURE CAPITAL GRANT	PROFESSIONAL DEVELOPMENT	PRESCHOOL GRANT FOR HANDICAPPED	MISCELLANEOUS FEDERAL GRANTS
0	0	0	21,080	0	0	0	0
0	0	0	0	0	0	0	0
50,162	26,712	1,537,874	350,561	0	0	182,570	159,485
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
50,162	26,712	1,537,874	371,641	0	0	182,570	159,485
49,143	6,075	124,648	14,044	0	3,547	29,167	172,950
0	0	269,191	98,795	0	577	1,593	18
4,550	16,144	156,349	74,770	0	10,894	24,022	0
545	0	770,126	840	0	196	90,137	0
0	0	0	0	0	0	0	0
0	0	8,400	0	0	0	0	0
0	0	18,038	0	0	0	2,500	0
0	0	0	0	0	0	0	0
0	0	0	161,265	0	0	0	0
7,660	0	70,513	0	0	0	0	0
0	0	0	0	0	0	0	0
379	0	0	0	0	0	0	0
62,277	22,219	1,417,265	349,714	0	15,214	147,419	172,968
(12,115)	4,493	120,609	21,927	0	(15,214)	35,151	(13,483)
0	2,294	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	2,294	0	0	0	0	0	0
(12,115)	6,787	120,609	21,927	0	(15,214)	35,151	(13,483)
85,803	3,193	18,278	77,996	42	15,214	(880)	3,814
73,688	9,980	138,887	99,923	42	0	34,271	(9,669)

(continued)

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
All Special Revenue Funds (continued)
Year Ended June 30, 2002
(With Comparative Totals for 2001)

	AUXILIARY SERVICES	HEAD START DISABILITY	SCHOOLNET PROFESSIONAL DEVELOPMENT	TITLE I	CHAPTER II	EMERGENCY IMMIGRANT EDUCATION ASSISTANCE GRANT	DRUG FREE SCHOOL GRANT
Revenues							
Tuition and fees	\$0	0	0	0	0	0	0
Earnings on investments	3,595	0	0	0	0	0	0
Intergovernmental	1,044,397	10,000	5,142	346,632	67,573	4,100	28,700
Extracurricular activities	0	0	0	0	0	0	0
Refund of prior year expenditures	0	0	0	0	0	0	0
Miscellaneous revenue	0	0	0	0	0	0	0
Total revenues	1,047,992	10,000	5,142	346,632	67,573	4,100	28,700
Expenditures							
Current							
Instruction	0	0	4,175	271,620	2,300	2,132	2,262
Support Services							
Pupil	0	0	0	28,308	3,219	0	0
Instructional staff	0	0	6,265	40,288	0	0	0
Administration	0	10,719	0	5,763	0	0	0
Fiscal services	0	0	0	0	0	0	0
Business	0	0	0	0	0	0	0
Operation and maintenance of plant	0	0	0	0	0	0	0
Pupil transportation	0	0	0	0	0	0	0
Central	0	0	500	0	0	0	0
Community Services	1,024,888	0	0	0	6,865	0	0
Extracurricular Activities	0	0	0	0	0	0	0
Refund of prior year receipts	0	0	0	0	0	0	0
Total expenditures	1,024,888	10,719	10,940	345,979	12,384	2,132	2,262
Excess (deficiency) of revenues over (under) expenditures	23,104	(719)	(5,798)	653	55,189	1,968	26,438
Other financing sources (uses)							
Operating transfers in	0	0	0	0	0	0	0
Operating transfers out	0	0	0	0	0	0	0
Total other financing sources (uses)	0	0	0	0	0	0	0
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	23,104	(719)	(5,798)	653	55,189	1,968	26,438
Fund balance (deficit), beginning of year	94,845	719	7,076	(57,567)	(37,507)	0	(18,573)
Fund balance (deficit), end of year	117,949	0	1,278	(56,914)	17,682	1,968	7,865

(continued)

OHIOREADS CLASSROOM GRANT	E-RATE REIMBURSEMENT	GOALS 2000	REDUCING CLASS SIZE	ONenet OHIO PROGRAM	SUMMER INTERVENTION	DISABILITY ACCESS GRANT	2002 TOTALS	2001 TOTALS
0	0	0	0	0	0	0	\$21,080	\$0
0	0	0	0	0	0	0	3,852	10,681
209,500	64,079	34,875	42,384	56,000	0	0	4,581,706	4,161,422
0	0	0	0	0	0	0	198,162	227,311
0	0	0	0	0	0	0	963	2,717
0	0	0	0	0	0	0	39,946	14,246
209,500	64,079	34,875	42,384	56,000	0	0	4,845,709	4,416,377
189,702	0	0	22,844	0	22,068	5,440	1,371,025	2,288,215
195	0	0	0	0	0	1,743	403,639	430,663
36,093	0	38,642	0	0	0	1,545	409,562	237,326
0	0	13,670	0	0	0	0	905,786	783,064
0	0	0	0	0	0	0	50,000	0
0	0	0	0	0	0	0	8,400	8,257
0	7,547	0	0	0	0	0	28,085	18,215
0	0	0	0	0	0	0	0	22,956
0	0	0	0	48,000	0	0	209,765	69,348
0	0	0	0	0	0	0	1,109,926	1,091,522
0	0	0	0	0	0	0	352,967	317,522
7,771	0	0	0	0	0	0	8,150	27,669
233,761	7,547	52,312	22,844	48,000	22,068	8,728	4,857,305	5,294,757
(24,261)	56,532	(17,437)	19,540	8,000	(22,068)	(8,728)	(11,596)	(878,380)
0	0	0	0	0	0	0	79,993	119,101
0	0	0	0	0	0	0	0	(50,146)
0	0	0	0	0	0	0	79,993	68,955
(24,261)	56,532	(17,437)	19,540	8,000	(22,068)	(8,728)	68,397	(809,425)
66,890	5,480	0	0	48,000	22,068	10,543	742,275	1,551,700
42,629	62,012	(17,437)	19,540	56,000	0	1,815	\$810,672	\$742,275

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MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual -
Other Grants Fund
Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$593,261	325,559	(\$267,702)
Total revenues	<u>593,261</u>	<u>325,559</u>	<u>(267,702)</u>
Expenditures:			
Instruction			
Supplies and materials	971,241	971,241	0
Total expenditures	<u>971,241</u>	<u>971,241</u>	<u>0</u>
Deficiency of revenue under expenditures	<u>(377,980)</u>	<u>(645,682)</u>	<u>(267,702)</u>
Other financing sources (uses):			
Other sources	0	867	867
Advances/transfers out	<u>(80,000)</u>	<u>(80,000)</u>	<u>0</u>
Total other financing sources (uses)	<u>(80,000)</u>	<u>(79,133)</u>	<u>867</u>
Deficiency of revenue and other sources under expenditures and other uses	<u>(457,980)</u>	<u>(724,815)</u>	<u>(266,835)</u>
Fund balance, beginning of year	239	239	0
Expenditures against prior year encumbrances	457,741	457,741	0
Fund balance, end of year	<u>\$0</u>	<u>(266,835)</u>	<u>(\$266,835)</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual -
 Athletic Fund
 Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Earnings on investments	\$0	259	\$259
Extracurricular activities	423,521	198,162	(225,359)
Contributions	0	14,446	14,446
Total revenues	423,521	212,867	(210,654)
Expenditures:			
Extracurricular			
Salaries	9,256	8,456	800
Benefits	366	96	270
Contract services	157,206	100,517	56,689
Supplies and materials	142,051	133,570	8,481
Equipment	19,836	17,122	2,714
Other	182,830	179,295	3,535
Total extracurricular	511,545	439,056	72,489
Total expenditures	511,545	439,056	72,489
Deficiency of revenue under expenditures	(88,024)	(226,189)	(138,165)
Other financing sources			
Advances/transfers in	0	77,699	77,699
Other sources	0	95	95
Total other financing sources	0	77,794	77,794
Deficiency of revenues and other sources under expenditures and other uses	(88,024)	(148,395)	(60,371)
Fund balance, beginning of year	18,395	18,395	0
Expenditures against prior year encumbrances	69,632	69,632	0
Fund balance, end of year	\$3	(60,368)	(\$60,371)

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual -
 Career Development OVEP Fund
 Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$27,642	0	(\$27,642)
Miscellaneous revenue	0	25,500	25,500
Total revenues	<u>27,642</u>	<u>25,500</u>	<u>(2,142)</u>
Expenditures:			
Instruction			
Contract services	1,558	0	1,558
Equipment	584	0	584
Total expenditures	<u>2,142</u>	<u>0</u>	<u>2,142</u>
Excess of revenue over expenditures	<u>25,500</u>	<u>25,500</u>	<u>0</u>
Other financing sources (uses):			
Advances / transfers out	(27,642)	(27,642)	0
Total other financing sources (uses)	<u>(27,642)</u>	<u>(27,642)</u>	<u>0</u>
Excess (deficiency) of revenue and other sources over (under) expenditures and other uses	(2,142)	(2,142)	0
Fund balance, beginning of year	0	0	0
Expenditures against prior year encumbrances	2,142	2,142	0
Fund balance, end of year	<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 Basis) and Actual -
 Early Childhood Education Fund
 Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$0	0	\$0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Instruction			
Contract services	0	0	0
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	0	0	0
Fund balance, beginning of year	239	239	0
Expenditures against prior year encumbrances	0	0	0
Fund balance, end of year	<u><u>\$239</u></u>	<u><u>239</u></u>	<u><u>\$0</u></u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual -
Management Information Systems Fund
Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$35,401	35,401	\$0
Total revenues	<u>35,401</u>	<u>35,401</u>	<u>0</u>
Expenditures:			
Instruction			
Supplies and materials	241	241	0
Equipment	22,597	0	22,597
Total instruction	<u>22,838</u>	<u>241</u>	<u>22,597</u>
Support services			
Contract services	85,401	50,000	35,401
Supplies and materials	95	0	95
Equipment	24,559	13,790	10,769
Total support services	<u>110,055</u>	<u>63,790</u>	<u>46,265</u>
Total expenditures	<u>132,893</u>	<u>64,031</u>	<u>68,862</u>
Excess (deficiency) of revenues over (under) expenditures	(97,492)	(28,630)	68,862
Fund balance, beginning of year	97,492	97,492	0
Expenditures against prior year encumbrances	0	0	0
Fund balance, end of year	<u>\$0</u>	<u>68,862</u>	<u>\$68,862</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual -
 Miscellaneous State Grants Fund
 Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$53,162	53,162	\$0
Total revenues	53,162	53,162	0
Expenditures:			
Instruction			
Salaries	21,973	19,296	2,677
Benefits	5,582	5,534	48
Contract services	8,102	6,076	2,026
Supplies and materials	41,147	9,109	32,038
Equipment	12,328	10,506	1,822
Other	11	11	0
Total instruction	89,143	50,532	38,611
Support services			
Salaries	1,000	538	462
Benefits	15	8	7
Contract services	1,650	1,650	0
Supplies and materials	2,900	2,900	0
Total support services	5,565	5,096	469
Community service			
Contract services	10,162	10,162	0
Supplies and materials	80	80	0
Total community service	10,242	10,242	0
Total expenditures	104,950	65,870	39,080
Excess (deficiency) of revenues over (under) expenditures	(51,788)	(12,708)	39,080
Other financing sources (uses):			
Other uses	(379)	(379)	0
Total other financing sources (uses)	(379)	(379)	0
Excess (deficiency) of revenue and other sources over (under) expenditures and other uses	(52,167)	(13,087)	39,080
Fund balance, beginning of year	85,097	85,097	0
Expenditures against prior year encumbrances	3,288	3,288	0
Fund balance, end of year	\$36,218	75,298	\$39,080

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual -
 Education for Economic Security Fund
 Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$50,004	26,712	(\$23,292)
Total revenues	<u>50,004</u>	<u>26,712</u>	<u>(23,292)</u>
Expenditures:			
Instruction			
Supplies and materials	5,750	5,670	80
Total instruction	<u>5,750</u>	<u>5,670</u>	<u>80</u>
Support services			
Salaries	10,914	1,703	9,211
Benefits	2,455	483	1,972
Contract services	15,456	6,717	8,739
Supplies and materials	18,216	9,936	8,280
Total support services	<u>47,041</u>	<u>18,839</u>	<u>28,202</u>
Total expenditures	<u>52,791</u>	<u>24,509</u>	<u>28,282</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,787)</u>	<u>2,203</u>	<u>4,990</u>
Other financing sources:			
Advances/transfers in	0	459	459
Total other financing sources	<u>0</u>	<u>459</u>	<u>459</u>
Excess (deficiency) of revenue and other sources over (under) expenditures and other uses	<u>(2,787)</u>	<u>2,662</u>	<u>5,449</u>
Fund balance, beginning of year	1,225	1,225	0
Expenditures against prior year encumbrances	1,563	1,563	0
Fund balance, end of year	<u>\$1</u>	<u>5,450</u>	<u>\$5,449</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual -
 Title VI-B Special Education Fund
 Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$1,966,369	1,537,874	(\$428,495)
Total revenues	<u>1,966,369</u>	<u>1,537,874</u>	<u>(428,495)</u>
Expenditures:			
Instruction			
Salaries	12,276	6,946	5,330
Contract services	29,400	24,612	4,788
Supplies and materials	101,297	87,622	13,675
Equipment	51,117	27,730	23,387
Total instruction	<u>194,090</u>	<u>146,910</u>	<u>47,180</u>
Support services			
Salaries	1,037,430	847,760	189,670
Benefits	289,581	198,300	91,281
Contract services	355,432	237,745	117,687
Supplies and materials	72,946	58,977	13,969
Equipment	53,709	40,221	13,488
Total support services	<u>1,809,098</u>	<u>1,383,003</u>	<u>426,095</u>
Community service			
Contract services	70,513	70,513	0
Total community service	<u>70,513</u>	<u>70,513</u>	<u>0</u>
Total expenditures	<u>2,073,701</u>	<u>1,600,426</u>	<u>473,275</u>
Excess (deficiency) of revenues over (under) expenditures	(107,332)	(62,552)	44,780
Fund balance, beginning of year	12,662	12,662	0
Expenditures against prior year encumbrances	94,674	94,674	0
Fund balance, end of year	<u>\$4</u>	<u>44,784</u>	<u>\$44,780</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual -
Vocational Education Fund
Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$399,557	350,561	(\$48,996)
Total revenues	<u>399,557</u>	<u>350,561</u>	<u>(48,996)</u>
Expenditures:			
Instruction			
Salaries			0
Contract services	1,106	1,106	0
Supplies and materials	6,396	6,394	2
Equipment	23,717	23,396	321
Total instruction	<u>31,219</u>	<u>30,896</u>	<u>323</u>
Support services			
Salaries	63,802	63,802	0
Benefits	5,030	5,027	3
Contract services	159,729	159,720	9
Supplies and materials	55,466	55,308	158
Equipment	166,305	165,309	996
Total support services	<u>450,332</u>	<u>449,166</u>	<u>1,166</u>
Total expenditures	<u>481,551</u>	<u>480,062</u>	<u>1,489</u>
Deficiency of revenues under expenditures	<u>(81,994)</u>	<u>(129,501)</u>	<u>(47,507)</u>
Fund balance, beginning of year	2,704	2,704	0
Expenditures against prior year encumbrances	79,292	79,292	0
Fund balance, end of year	<u>\$2</u>	<u>(47,505)</u>	<u>(\$47,507)</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual -
 Venture Capital Fund
 Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$0	0	\$0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Instruction			
Contract services	0	0	0
Supplies and materials			0
Equipment			0
Other			0
Total instruction	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	0	0	0
Fund balance, beginning of year	42	42	0
Expenditures against prior year encumbrances	0	0	0
Fund balance, end of year	<u>\$42</u>	<u>42</u>	<u>\$0</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual -
Professional Development Fund
Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$0	0	\$0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Instruction			
Contract services	3,546	3,546	0
Total instruction	<u>3,546</u>	<u>3,546</u>	<u>0</u>
Support services			
Salaries	11,177	11,177	0
Benefits	3,815	3,815	0
Contract services	45	45	0
Supplies and materials	707	707	0
Total support services	<u>15,744</u>	<u>15,744</u>	<u>0</u>
Total expenditures	<u>19,290</u>	<u>19,290</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	(19,290)	(19,290)	0
Fund balance, beginning of year	12,750	12,750	0
Expenditures against prior year encumbrances	6,540	6,540	0
Fund balance, end of year	<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 Basis) and Actual -
Preschool Grant for the Handicapped Fund
Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$196,381	182,570	(\$13,811)
Total revenues	<u>196,381</u>	<u>182,570</u>	<u>(13,811)</u>
Expenditures:			
Instruction			
Contract services	4,491	4,491	0
Supplies and materials	22,811	22,319	492
Equipment	9,009	6,100	2,909
Total instruction	<u>36,311</u>	<u>32,910</u>	<u>3,401</u>
Support services			
Salaries	142,850	142,850	0
Benefits	34,257	33,434	823
Contract services	26,153	26,153	0
Total support services	<u>203,260</u>	<u>202,437</u>	<u>823</u>
Total expenditures	<u>239,571</u>	<u>235,347</u>	<u>4,224</u>
Deficiency of revenues under expenditures	(43,190)	(52,777)	(9,587)
Fund balance, beginning of year	255	255	0
Expenditures against prior year encumbrances	42,935	42,935	0
Fund balance, end of year	<u>\$0</u>	<u>(9,587)</u>	<u>(9,587)</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual -
 Miscellaneous Federal Grants Fund
 Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$170,283	159,485	(\$10,798)
Total revenues	<u>170,283</u>	<u>159,485</u>	<u>(10,798)</u>
Expenditures:			
Instruction			
Salaries	105,345	105,345	0
Benefits	25,248	24,118	1,130
Contract services	1,285	1,285	0
Supplies and materials	1,998	1,998	0
Equipment	57,976	57,976	0
Total instruction	<u>191,852</u>	<u>190,722</u>	<u>1,130</u>
Support services			
Supplies and materials	80	80	0
Total support services	<u>80</u>	<u>80</u>	<u>0</u>
Community service			
Other	0	0	0
Total community service	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>191,932</u>	<u>190,802</u>	<u>1,130</u>
Deficiency of revenues under expenditures	(21,649)	(31,317)	(9,668)
Fund balance, beginning of year	12,814	12,814	0
Expenditures against prior year encumbrances	8,835	8,835	0
Fund balance, end of year	<u>\$0</u>	<u>(9,668)</u>	<u>(\$9,668)</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual -
Auxiliary Services Fund
Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Earnings on investments	\$2,321	3,667	\$1,346
Intergovernmental	1,054,161	1,044,397	(9,764)
Total revenues	1,056,482	1,048,064	(8,418)
Expenditures:			
Community service			
Salaries	25,363	24,893	470
Contract services	746,832	739,499	7,333
Supplies and materials	332,876	322,746	10,130
Equipment	54,300	54,282	18
Total community service	1,159,371	1,141,420	17,951
Total expenditures	1,159,371	1,141,420	17,951
Excess (deficiency) of revenues over (under) expenditures	(102,889)	(93,356)	9,533
Fund balance, beginning of year	24,109	24,109	0
Expenditures against prior year encumbrances	101,965	101,965	0
Fund balance, end of year	\$23,185	32,718	\$9,533

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual -
Head Start Disabilities Grant Fund
Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$10,000	10,000	\$0
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Expenditures:			
Support services			
Benefits	13,165	13,165	0
Contract services	4,358	4,358	0
Supplies and materials	0	0	0
Total support services	<u>17,523</u>	<u>17,523</u>	<u>0</u>
Total expenditures	<u>17,523</u>	<u>17,523</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	(7,523)	(7,523)	0
Fund balance, beginning of year	0	0	0
Expenditures against prior year encumbrances	7,523	7,523	0
Fund balance, end of year	<u><u>\$0</u></u>	<u><u>0</u></u>	<u><u>\$0</u></u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual -
 SchoolNet Professional Development Fund
 Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$5,142	5,142	\$0
Total revenues	<u>5,142</u>	<u>5,142</u>	<u>0</u>
Expenditures:			
Instruction			
Contract services	5,192	5,192	0
Total instruction	<u>5,192</u>	<u>5,192</u>	<u>0</u>
Support services			
Salaries	264	264	0
Fringe benefits	4	4	0
Contract services	4,442	4,442	0
Supplies and materials	2,316	2,316	0
Total support services	<u>7,026</u>	<u>7,026</u>	<u>0</u>
Total expenditures	<u>12,218</u>	<u>12,218</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	(7,076)	(7,076)	0
Fund balance, beginning of year	6,936	6,936	0
Expenditures against prior year encumbrances	140	140	0
Fund balance, end of year	<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 Basis) and Actual -
 Title I Fund
 Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$489,044	346,632	(\$142,412)
Total revenues	<u>489,044</u>	<u>346,632</u>	<u>(142,412)</u>
Expenditures:			
Instruction			
Salaries	249,203	191,979	57,224
Benefits	113,528	103,967	9,561
Contract services	7,300	5,959	1,341
Supplies and materials	13,942	4,635	9,307
Equipment	0	0	0
Total instruction	<u>383,973</u>	<u>306,540</u>	<u>77,433</u>
Support services			
Salaries	38,200	33,910	4,290
Benefits	8,921	6,899	2,022
Contract services	37,439	35,557	1,882
Supplies and materials	2,965	2,965	0
Equipment	5,210	4,596	614
Total support services	<u>92,735</u>	<u>83,927</u>	<u>8,808</u>
Total expenditures	<u>476,708</u>	<u>390,467</u>	<u>86,241</u>
Excess (deficiency) of revenue over (under) expenditures	<u>12,336</u>	<u>(43,835)</u>	<u>(56,171)</u>
Other financing sources (uses):			
Advances / transfers out	<u>(42,000)</u>	<u>(42,000)</u>	<u>0</u>
Total other financing sources (uses)	<u>(42,000)</u>	<u>(42,000)</u>	<u>0</u>
Deficiency of revenue and other sources under expenditures and other uses	<u>(29,664)</u>	<u>(85,835)</u>	<u>(56,171)</u>
Fund balance, beginning of year	114	114	0
Expenditures against prior year encumbrances	29,550	29,550	0
Fund balance, end of year	<u>\$0</u>	<u>(56,171)</u>	<u>(\$56,171)</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual -
 Chapter II Fund
 Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$127,764	67,573	(\$60,191)
Total revenues	<u>127,764</u>	<u>67,573</u>	<u>(60,191)</u>
Expenditures:			
Instruction			
Salaries	10,190	7,760	2,430
Benefits	245	0	245
Contract services	18,000	0	18,000
Supplies and materials	247	0	247
Total instruction	<u>28,682</u>	<u>7,760</u>	<u>20,922</u>
Support services			
Salaries	65,407	51,470	13,937
Benefits	9,146	4,988	4,158
Total support services	<u>74,553</u>	<u>56,458</u>	<u>18,095</u>
Community service			
Contract services	7,584	4,500	3,084
Equipment	9,137	5,597	3,540
Total community service	<u>16,721</u>	<u>10,097</u>	<u>6,624</u>
Total expenditures	<u>119,956</u>	<u>74,315</u>	<u>45,641</u>
Excess (deficiency) of revenue over (under) expenditures	<u>7,808</u>	<u>(6,742)</u>	<u>(14,550)</u>
Other financing sources (uses):			
Advances / transfers out	<u>(33,000)</u>	<u>(33,000)</u>	<u>0</u>
Total other financing sources (uses)	<u>(33,000)</u>	<u>(33,000)</u>	<u>0</u>
Deficiency of revenue and other sources under expenditures and other uses	<u>(25,192)</u>	<u>(39,742)</u>	<u>(14,550)</u>
Fund balance, beginning of year	953	953	0
Expenditures against prior year encumbrances	24,240	24,240	0
Fund balance, end of year	<u>\$1</u>	<u>(14,549)</u>	<u>(\$14,550)</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual -
Emergency Immigrant Education Assistance Grant Fund
Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$4,100	4,100	\$0
Total revenues	<u>4,100</u>	<u>4,100</u>	<u>0</u>
Expenditures:			
Instruction			
Salaries	300	0	300
Supplies and materials	1,852	1,710	142
Equipment	1,948	1,948	0
Total instruction	<u>4,100</u>	<u>3,658</u>	<u>442</u>
Total expenditures	<u>4,100</u>	<u>3,658</u>	<u>442</u>
Excess of revenues over expenditures	0	442	442
Fund balance, beginning of year	0	0	0
Expenditures against prior year encumbrances	0	0	0
Fund balance, end of year	<u><u>\$0</u></u>	<u><u>442</u></u>	<u><u>\$442</u></u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual -
Drug Free School Grant Fund
Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$67,257	36,700	(\$30,557)
Total revenues	<u>67,257</u>	<u>36,700</u>	<u>(30,557)</u>
Expenditures:			
Instruction			
Salaries	1,000	200	800
Benefits	952	52	900
Contract services	3,908	1,473	2,435
Supplies and materials	1,550	786	764
Total instruction	<u>7,410</u>	<u>2,511</u>	<u>4,899</u>
Support services			
Salaries	67,446	67,446	0
Total support services	<u>67,446</u>	<u>67,446</u>	<u>0</u>
Total expenditures	<u>74,856</u>	<u>69,957</u>	<u>4,899</u>
Deficiency of revenues under expenditures	(7,599)	(33,257)	(25,658)
Fund balance, beginning of year	7,521	7,521	0
Expenditures against prior year encumbrances	79	79	0
Fund balance, end of year	<u>\$1</u>	<u>(25,657)</u>	<u>(\$25,658)</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual -
OhioReads Classroom Fund
Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$209,500	209,500	\$0
Total revenues	<u>209,500</u>	<u>209,500</u>	<u>0</u>
Expenditures:			
Instruction			
Salaries	50,652	50,652	0
Benefits	1,029	1,029	0
Contract services	26,876	24,629	2,247
Supplies and materials	136,053	135,766	287
Equipment	13,962	13,962	0
Other	248	248	0
Total instruction	<u>228,820</u>	<u>226,286</u>	<u>2,534</u>
Support services			
Salaries	18,841	18,765	76
Benefits	1,032	1,032	0
Contract services	14,709	14,709	0
Supplies and materials	894	894	0
Equipment	3,204	3,198	6
Other	1,118	1,107	11
Total support services	<u>39,798</u>	<u>39,705</u>	<u>93</u>
Total expenditures	<u>268,618</u>	<u>265,991</u>	<u>2,627</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(59,118)</u>	<u>(56,491)</u>	<u>2,627</u>
Other financing sources (uses):			
Advances / transfers in			0
Other uses	(7,772)	(7,772)	0
Total other financing sources	<u>(7,772)</u>	<u>(7,772)</u>	<u>0</u>
Excess (deficiency) of revenue and other sources over (under) expenditures and other uses	<u>(66,890)</u>	<u>(64,263)</u>	<u>2,627</u>
Fund balance, beginning of year	17,535	17,535	0
Expenditures against prior year encumbrances	49,355	49,355	0
Fund balance, end of year	<u>\$0</u>	<u>2,627</u>	<u>\$2,627</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual -
E-Rate Reimbursement Grant Fund
Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$3,792	64,079	\$60,287
Total revenues	<u>3,792</u>	<u>64,079</u>	<u>60,287</u>
Expenditures:			
Support services			
Contract services	9,272	7,547	1,725
Total support services	<u>9,272</u>	<u>7,547</u>	<u>1,725</u>
Total expenditures	<u>9,272</u>	<u>7,547</u>	<u>1,725</u>
Excess (deficiency) of revenue over (under) expenditures	(5,480)	56,532	62,012
Fund balance, beginning of year	1,398	1,398	0
Expenditures against prior year encumbrances	4,082	4,082	0
Fund balance, end of year	<u>\$0</u>	<u>62,012</u>	<u>\$62,012</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual -
Goals 2000
Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$90,875	34,875	(\$56,000)
Total revenues	<u>90,875</u>	<u>34,875</u>	<u>(56,000)</u>
Expenditures:			
Support services			
Salaries	18,000	15,941	2,059
Contract services	72,875	39,551	33,324
Total support services	<u>90,875</u>	<u>55,492</u>	<u>35,383</u>
Total expenditures	<u>90,875</u>	<u>55,492</u>	<u>35,383</u>
Excess (deficiency) of revenues over (under) expenditures	0	(20,617)	(20,617)
Fund balance, beginning of year	0	0	0
Expenditures against prior year encumbrances	0	0	0
Fund balance, end of year	<u>\$0</u>	<u>(20,617)</u>	<u>(\$20,617)</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual -
 Reducing Class Size Fund
 Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$151,125	42,384	(\$108,741)
Total revenues	<u>151,125</u>	<u>42,384</u>	<u>(108,741)</u>
Expenditures:			
Instruction			
Salaries	127,579	2,814	124,765
Benefits	23,546	13,391	10,155
Total instruction	<u>151,125</u>	<u>16,205</u>	<u>134,920</u>
Total expenditures	<u>151,125</u>	<u>16,205</u>	<u>134,920</u>
Excess of revenues over expenditures	0	26,179	26,179
Fund balance, beginning of year	0	0	0
Expenditures against prior year encumbrances	0	0	0
Fund balance, end of year	<u>\$0</u>	<u>26,179</u>	<u>\$26,179</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual -
ONenet Ohio Program Fund
Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$0	0	\$0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Instruction			
Supplies and materials	0	0	0
Total instruction	<u>0</u>	<u>0</u>	<u>0</u>
Support services			
Contract services	0	0	0
Supplies and materials	0	0	0
Total support services	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenue over (under) expenditures	0	0	0
Fund balance, beginning of year	48,000	48,000	0
Expenditures against prior year encumbrances	0	0	0
Fund balance, end of year	<u>\$48,000</u>	<u>48,000</u>	<u>\$0</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual -
Summer Intervention Fund
Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$0	0	\$0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Instruction			
Salaries	7,789	7,789	0
Benefits	136	136	0
Supplies and materials	9,513	9,513	0
Equipment	4,630	4,630	0
Total instruction	<u>22,068</u>	<u>22,068</u>	<u>0</u>
Support services			
Contract services	0	0	0
Supplies and materials	0	0	0
Total support services	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>22,068</u>	<u>22,068</u>	<u>0</u>
Excess (deficiency) of revenue over (under) expenditures	(22,068)	(22,068)	0
Fund balance, beginning of year	22,068	22,068	0
Expenditures against prior year encumbrances	0	0	0
Fund balance, end of year	<u><u>\$0</u></u>	<u><u>0</u></u>	<u><u>\$0</u></u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual -
Disability Access Grant Fund
Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$0	0	\$0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Instruction			
Benefits	5,915	5,915	0
Contract services	7,065	7,065	0
Total instruction	<u>12,980</u>	<u>12,980</u>	<u>0</u>
Support services			
Salaries	1,717	1,717	0
Benefits	215	215	0
Contract services	1,545	1,545	0
Total support services	<u>3,477</u>	<u>3,477</u>	<u>0</u>
Total expenditures	<u>16,457</u>	<u>16,457</u>	<u>0</u>
Excess (deficiency) of revenue over (under) expenditures	(16,457)	(16,457)	0
Fund balance, beginning of year	10,698	10,698	0
Expenditures against prior year encumbrances	5,760	5,760	0
Fund balance, end of year	<u>\$1</u>	<u>1</u>	<u>\$0</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

DEBT SERVICE FUND

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

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

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Comparative Balance Sheet -
Debt Service Fund
June 30, 2002 and 2001

	2002	2001
ASSETS		
Cash and cash equivalents	\$838,548	\$810,304
Taxes receivable - current	1,665,652	1,705,994
Accounts receivable	0	5,186
Total assets	\$2,504,200	\$2,521,484
LIABILITIES		
Deferred revenue		
Taxes	\$1,665,652	\$1,705,994
Total liabilities	1,665,652	1,705,994
FUND BALANCES		
Reserved for debt	838,548	815,490
Total fund balances	838,548	815,490
Total liabilities and fund equity	\$2,504,200	\$2,521,484

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Comparative Statements of Revenues, Expenditures and
Changes in Fund Balances -
Debt Service Fund
For The Years Ended June 30, 2002 and 2001

	2002	2001
Revenues		
Taxes	\$1,616,996	\$1,576,727
Earnings on investments	0	5,186
Intergovernmental	182,690	177,068
Refund of prior year expenditures	147	0
Miscellaneous revenue	2,883	0
Total revenues	<u>1,802,716</u>	<u>1,758,981</u>
Expenditures		
Current		
Support services		
Fiscal	18,172	15,691
Debt service		
Principal	394,540	416,507
Interest	<u>1,366,946</u>	<u>1,403,518</u>
Total expenditures	<u>1,779,658</u>	<u>1,835,716</u>
Excess (deficiency) of revenue over (under) expenditures	23,058	(76,735)
Other financing sources (uses)		
Operating transfers out	<u>0</u>	<u>(2,000)</u>
Excess (deficiency) of revenue and other sources over (under) expenditures and other uses	23,058	(78,735)
Fund balance, beginning of year	815,490	894,225
Fund balance, end of year	<u><u>\$838,548</u></u>	<u><u>\$815,490</u></u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

CAPITAL PROJECT FUNDS

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

Permanent Improvement -- Fund established from revenue received from sale of Board owned property and the transfer of board funds. One mill permanent improvement levy renewal passed in 1998 began to generate funds for this District starting in 1999 and will continue for 5 years. The funds will be used for acquisition, construction, or improvement of the District's facilities.

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

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

Vocational Education Equipment -- A fund provided to account for receipts and expenditures involved in the replacement or updating of equipment essential for the instruction of students in job skills.

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

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Combining Balance Sheet -
All Capital Project Funds
June 30, 2002
(With Comparative Totals for 2001)

	PERMANENT IMPROVEMENT FUND	BUILDING FUND	REPLACEMENT FUND	VOCATIONAL EDUCATION EQUIPMENT	SCHOOLNET PLUS FUND	2002 TOTALS	2001 TOTALS
ASSETS							
Equity in pooled cash and investments	\$246,506	30	0	0	24,885	\$271,421	\$620,328
Taxes receivable - current	1,022,938	0	0	0	0	1,022,938	989,711
Accounts receivable	9,450	0	0	0	0	9,450	0
Due from other funds	4,392	0	0	0	0	4,392	0
Total assets	\$1,283,286	30	0	0	24,885	\$1,308,201	\$1,610,039
LIABILITIES							
Accounts payable	\$305,566	0	0	0	24,946	\$330,512	\$136,266
Due to other funds	0	0	4,392	6,390	0	10,782	160,000
Deferred revenue							
Taxes	1,022,938	0	0	0	0	1,022,938	989,711
Bond anticipation notes	0	750,000	0	0	0	750,000	1,000,000
Total liabilities	1,328,504	750,000	4,392	6,390	24,946	2,114,232	2,285,977
FUND BALANCES							
Reserved for encumbrances	316,140	0	0	0	0	316,140	1,220,741
Unreserved-undesignated (deficit)	(361,358)	(749,970)	(4,392)	(6,390)	(61)	(1,122,171)	(1,896,679)
Total fund balances (deficits)	(45,218)	(749,970)	(4,392)	(6,390)	(61)	(806,031)	(675,938)
Total liabilities and fund balances	\$1,283,286	30	0	0	24,885	\$1,308,201	\$1,610,039

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 All Capital Project Funds
 Year Ended June 30, 2002
 (With Comparative Totals for 2001)

	PERMANENT IMPROVEMENT FUND	BUILDING FUND	REPLACEMENT FUND	VOCATIONAL EDUCATION EQUIPMENT	SCHOOLNET PLUS FUND	2002 TOTALS	2001 TOTALS
Revenues:							
Taxes	\$962,163	0	0	0	0	\$962,163	\$939,654
Earnings on investments	2,181	0	0	0	0	2,181	3,502
Intergovernmental	104,499	0	0	16,577	0	121,076	421,441
Extracurricular activities	9,450	0	0	0	0	9,450	0
Refund of prior year expenditures	126	0	0	0	0	126	0
Miscellaneous revenue	65,855	0	0	0	0	65,855	125
Total revenues	<u>1,144,274</u>	<u>0</u>	<u>0</u>	<u>16,577</u>	<u>0</u>	<u>1,160,851</u>	<u>1,364,722</u>
Expenditures:							
Current							
Instruction:	7,227	0	0	22,967	24,329	54,523	262,820
Support services:							
Pupil	6,821	0	0	0	0	6,821	0
Instructional staff	399	0	0	0	0	399	0
Administration	0	0	0	0	0	0	0
Fiscal	11,344	0	0	0	0	11,344	86,816
Business	41,784	0	0	0	0	41,784	56,907
Operation and maintenance of plant	1,279,353	0	0	0	0	1,279,353	773,754
Pupil transportation	6,017	0	4,419	0	0	10,436	525
Central	0	0	0	0	136,061	136,061	24,775
Food service	0	0	0	0	0	0	350
Debt service interest	0	33,965	0	0	0	33,965	58,842
Refund of prior year receipts	0	0	0	0	223	223	0
Total expenditures	<u>1,352,945</u>	<u>33,965</u>	<u>4,419</u>	<u>22,967</u>	<u>160,613</u>	<u>1,574,909</u>	<u>1,264,789</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(208,671)</u>	<u>(33,965)</u>	<u>(4,419)</u>	<u>(6,390)</u>	<u>(160,613)</u>	<u>(414,058)</u>	99,933
Other financing sources							
Operating transfers in	0	283,965	0	0	0	283,965	338,842
Inception of capital lease	0	0	0	0	0	0	77,835
Total other financing sources	<u>0</u>	<u>283,965</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>283,965</u>	<u>416,677</u>
Excess (deficiency) of revenue and other sources over (under) expenditures and other uses	<u>(208,671)</u>	250,000	<u>(4,419)</u>	<u>(6,390)</u>	<u>(160,613)</u>	<u>(130,093)</u>	516,610
Fund balance (deficit), beginning of year	163,453	(999,970)	27	0	160,552	(675,938)	(1,192,548)
Fund balance (deficit), end of year	<u>(\$45,218)</u>	<u>(749,970)</u>	<u>(4,392)</u>	<u>(6,390)</u>	<u>(61)</u>	<u>(\$806,031)</u>	<u>(\$675,938)</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual -
Permanent Improvement Fund
Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$962,163	962,163	\$0
Earnings on investments	2,181	2,181	0
Intergovernmental	104,499	104,499	0
Miscellaneous revenue	450,012	65,855	(384,157)
Total revenues	1,518,855	1,134,698	(384,157)
Expenditures:			
Current:			
Instruction:			
Other instruction	7,227	7,227	0
Support services:			
Pupil	6,821	6,821	0
Instructional staff	399	399	0
Administration	1,583	1,583	0
Fiscal	14,563	11,344	3,219
Business	41,784	41,784	0
Operation and maintenance of plant	1,736,164	1,715,549	20,615
Pupil transportation	10,158	10,158	0
Total expenditures	1,818,699	1,794,865	23,834
Deficiency of revenues under expenditures	(299,844)	(660,167)	(360,323)
Other financing sources (uses):			
Other financing sources	127	127	0
Advances / transfers out	(160,000)	(160,000)	0
Total other financing sources (uses)	(159,873)	(159,873)	0
Deficiency of revenue and other sources under expenditures and other uses	(459,717)	(820,040)	(360,323)
Fund balance, beginning of year	239,447	239,447	0
Expenditures against prior year encumbrances	220,272	220,272	0
Fund balance, end of year	\$2	(360,321)	(\$360,323)

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual -
 Building Fund
 Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Earnings on investments	\$0	0	\$0
Total revenues	0	0	0
Expenditures:			
Current:			
Support service	0	0	0
Extracurricular activities	0	0	0
Total expenditures	0	0	0
Excess (deficiency) of revenue over (under) expenditures	0	0	0
Fund balance, beginning of year	0	0	0
Expenditures against prior year encumbrances	0	0	0
Fund balance, end of year	\$0	0	\$0

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual -
 Replacement Fund
 Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Miscellaneous revenue	\$0	0	\$0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current			
Support services			
Pupil transportation	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenue over (under) expenditures	0	0	0
Fund balance, beginning of year	27	27	0
Expenditures against prior year encumbrances	0	0	0
Fund balance, end of year	<u><u>\$27</u></u>	<u><u>27</u></u>	<u><u>\$0</u></u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual -
 Vocational Equipment Fund
 Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$25,203	16,577	(\$8,626)
Total revenues	<u>25,203</u>	<u>16,577</u>	<u>(8,626)</u>
Expenditures:			
Instruction			
Equipment	25,203	22,967	2,236
Total instruction	<u>25,203</u>	<u>22,967</u>	<u>2,236</u>
Total expenditures	<u>25,203</u>	<u>22,967</u>	<u>2,236</u>
Excess (deficiency) of revenues over (under) expenditures	0	(6,390)	(6,390)
Fund balance, beginning of year	0	0	0
Expenditures against prior year encumbrances	0	0	0
Fund balance, end of year	<u>\$0</u>	<u>(6,390)</u>	<u>(\$6,390)</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual -
 Schoolnet Plus Fund
 Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$0	0	\$0
Total revenues	0	0	0
Expenditures:			
Current:			
Instruction	24,329	24,329	0
Support services			
Central	136,000	111,115	24,885
Total expenditures	160,329	135,444	24,885
Excess (deficiency) of revenue over (under) expenditures	(160,329)	(135,444)	24,885
Other financing uses			
Other uses	(223)	(223)	0
Total other financing uses	(223)	(223)	0
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(160,552)	(135,667)	24,885
Fund balance, beginning of year	49,038	49,038	0
Expenditures against prior year encumbrances	111,514	111,514	0
Fund balance, end of year	\$0	24,885	\$24,885

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

ENTERPRISE FUNDS

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

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

Uniform School Supply -- A rotary fund provided under the authority of Section 3313.811, Ohio Revised Code, for the purchase and sale of school supplies as adopted by the Board of Education for use in the schools of the district.

Rotary Fund -- A fund provided to account for income and expenses made in connection with goods and services provided by a school district.

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

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

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Combining Balance Sheet -
 All Enterprise Funds
 June 30, 2002
 (With Comparative Totals for 2001)

	FOOD SERVICE	UNIFORM SUPPLY	ROTARY	ADULT EDUCATION	RECREATION FUND	2002 TOTALS	2001 TOTALS
ASSETS							
Equity in pooled cash and investments	\$521,272	279,505	116,328	5,263	14,177	\$936,545	\$954,971
Accounts receivable	46,235	0	0	0	0	46,235	52,286
Materials and supplies inventories	77,293	0	0	0	0	77,293	47,442
Fixed assets, net of accumulated depreciation	170,943	0	0	0	2,462	173,405	196,377
Total assets	\$815,743	279,505	116,328	5,263	16,639	\$1,233,478	\$1,251,076
LIABILITIES							
Accounts payable	\$0	46,936	0	0	0	\$46,936	\$67,166
Accrued wages and benefits	49,530	0	41,575	0	0	91,105	95,331
Pension obligation payable	9,556	0	8,159	0	0	17,715	18,664
Due to other governments	0	0	0	0	0	0	580
Total liabilities	59,086	46,936	49,734	0	0	155,756	181,741
FUND EQUITY							
Retained earnings - unreserved	756,657	232,569	66,594	5,263	16,639	1,077,722	1,069,335
Total fund equity	756,657	232,569	66,594	5,263	16,639	1,077,722	1,069,335
Total liabilities and fund equity	\$815,743	279,505	116,328	5,263	16,639	\$1,233,478	\$1,251,076

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings -
All Enterprise Funds
Year Ended June 30, 2002
(With Comparative Totals for 2001)

	FOOD SERVICE	UNIFORM SUPPLY	ROTARY	ADULT EDUCATION	RECREATION FUND	2002 TOTALS	2001 TOTALS
Operating revenues							
Tuition and fees	\$0	276,262	123,872	21,948	0	\$422,082	\$411,609
Sales	1,774,044	0	0	0	0	1,774,044	1,808,976
Charges for services	600	24,032	1,040	0	169,100	194,772	303,500
Total operating revenues	<u>1,774,644</u>	<u>300,294</u>	<u>124,912</u>	<u>21,948</u>	<u>169,100</u>	<u>2,390,898</u>	<u>2,524,085</u>
Operating expenses							
Salaries and wages	760,482	0	62,239	12,071	0	834,792	865,811
Fringe benefits	347,813	0	10,085	1,844	0	359,742	290,705
Contractual services	96,560	0	6,012	12,278	0	114,850	281,434
Materials and supplies	1,008,537	254,260	830	3,649	0	1,267,276	1,305,564
Other expenses	0	1,228	23,046	0	171,030	195,304	87,863
Depreciation	31,523	0	0	0	624	32,147	30,837
Total operating expenses	<u>2,244,915</u>	<u>255,488</u>	<u>102,212</u>	<u>29,842</u>	<u>171,654</u>	<u>2,804,111</u>	<u>2,862,214</u>
Operating income (loss)	<u>(470,271)</u>	<u>44,806</u>	<u>22,700</u>	<u>(7,894)</u>	<u>(2,554)</u>	<u>(413,213)</u>	<u>(338,129)</u>
Non-operating revenues (expenses)							
Grant revenue	355,212	0	0	0	0	355,212	439,585
Interest	11,256	0	0	0	0	11,256	39,874
Proceeds from sale of assets	0	0	0	0	0	0	2,500
Other non-operating revenues	0	238	10	0	0	248	0
Other non-operating expenses	0	0	(480)	(74)	0	(554)	(400)
Total non-operating revenues (expenses)	<u>366,468</u>	<u>238</u>	<u>(470)</u>	<u>(74)</u>	<u>0</u>	<u>366,162</u>	<u>481,559</u>
Net income (loss) before operating transfers	<u>(103,803)</u>	<u>45,044</u>	<u>22,230</u>	<u>(7,968)</u>	<u>(2,554)</u>	<u>(47,051)</u>	<u>143,430</u>
Operating transfer-in	<u>0</u>	<u>0</u>	<u>42,791</u>	<u>12,647</u>	<u>0</u>	<u>55,438</u>	<u>110,000</u>
Net income (loss)	<u>(103,803)</u>	<u>45,044</u>	<u>65,021</u>	<u>4,679</u>	<u>(2,554)</u>	<u>8,387</u>	<u>253,430</u>
Retained earnings beginning of year	<u>860,460</u>	<u>187,525</u>	<u>1,573</u>	<u>584</u>	<u>19,193</u>	<u>1,069,335</u>	<u>815,905</u>
Retained earnings end of year	<u>\$756,657</u>	<u>232,569</u>	<u>66,594</u>	<u>5,263</u>	<u>16,639</u>	<u>\$1,077,722</u>	<u>\$1,069,335</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS -
 All Enterprise Funds
 For The Year Ended June 30, 2002
 (With Comparative Totals for 2001)

	<u>FOOD SERVICE</u>	<u>UNIFORM SUPPLY</u>	<u>ROTARY</u>	<u>ADULT EDUCATION</u>	<u>RECREATION FUND</u>	<u>2002 TOTALS</u>	<u>2001 TOTALS</u>
Cash flows from operating activities:							
Operating income (loss)	(\$470,271)	44,806	22,700	(7,894)	(2,554)	(\$413,213)	(\$338,129)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	31,523	0	0	0	624	32,147	30,837
(Increase) decrease in:							
Accounts receivable	6,051	0	0	0	0	6,051	20,460
Materials and supplies inventory	(29,851)	0	0	0	0	(29,851)	7,730
Increase (decrease) in:							
Accounts payable	(34,562)	14,332	0	0	0	(20,230)	1,334
Accrued wages and benefits	(823)	0	(3,403)	0	0	(4,226)	(71,136)
Pension obligation payable	(133)	0	(816)	0	0	(949)	18,664
Due to other governments	0	0	(580)	0	0	(580)	(32,277)
Due to other funds	0	0	0	0	0	0	(70,146)
Total adjustments	(27,795)	14,332	(4,799)	0	624	(17,638)	(94,534)
Net cash provided by (used in) operating activities	(498,066)	59,138	17,901	(7,894)	(1,930)	(430,851)	(432,663)
Cash flows from noncapital financing activities:							
Operating grants received	355,212	0	0	0	0	355,212	439,585
Proceeds from sale of assets	0	0	0	0	0	0	2,500
Operating transfers - in	0	0	42,791	12,647	0	55,438	110,000
Other non-operating	0	238	(470)	(74)	0	(306)	(400)
Net cash provided by noncapital financing activities	355,212	238	42,321	12,573	0	410,344	551,685
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	(9,175)	0	0	0	0	(9,175)	(64,887)
Cash flows from investing activities:							
Interest received	11,256	0	0	0	0	11,256	39,874
Net increase (decrease) in cash and cash equivalents	(140,773)	59,376	60,222	4,679	(1,930)	(18,426)	94,009
Cash and cash equivalents at beginning of year	662,045	220,129	56,106	584	16,107	954,971	860,962
Cash and cash equivalents at end of year	\$521,272	279,505	116,328	5,263	14,177	\$936,545	\$954,971

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

INTERNAL SERVICE FUND

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

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

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Comparative Balance Sheet -
Internal Service Fund
June 30, 2002 and 2001

	2002	2001
ASSETS		
Accounts receivable	\$10,219	\$44,647
Due from other governments	2,454,054	2,305,415
Due from other funds	464,590	903,622
Fixed assets net of accumulated depreciation	119,736	112,749
Total assets	\$3,048,599	\$3,366,433
LIABILITIES		
Accounts payable	\$7,131	\$5,088
Accrued wages and benefits	17,390	182,868
Pension obligation payable	3,413	36,489
Due to other governments	0	13,892
Due to other funds	1,597,131	1,700,162
Total liabilities	1,625,065	1,938,499
FUND EQUITY		
Retained earnings	1,423,534	1,427,934
Total fund equity	1,423,534	1,427,934
Total liabilities and fund equity	\$3,048,599	\$3,366,433

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Comparative Statements of Revenues, Expenses and Changes
in Retained Earnings -
Internal Service Fund
For The Years Ended June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Operating revenues		
Tuition and fees	\$2,959,494	\$3,568,502
Sales	203,166	301,795
Charges for services	742,740	674,777
Total operating revenues	<u>3,905,400</u>	<u>4,545,074</u>
Operating expenses		
Salaries and wages	1,614,009	2,006,075
Fringe benefits	532,910	382,965
Contractual services	1,809,035	2,008,432
Materials and supplies	128,821	123,386
Other expenses	374,030	270,629
Depreciation	29,045	23,538
Total operating expenses	<u>4,487,850</u>	<u>4,815,025</u>
Operating loss	<u>(582,450)</u>	<u>(269,951)</u>
Non-operating revenues (expenses)		
Grant revenue	67,621	87,477
Earnings on investments	915	3,076
Other non-operating revenues	63	0
Other non-operating expenses	(2,997)	(2,644)
Total non-operating revenues (expenses)	<u>65,602</u>	<u>87,909</u>
Net loss before operating transfers	<u>(516,848)</u>	<u>(182,042)</u>
Operating transfers in	516,628	681,496
Operating transfers out	(4,180)	0
Net income (loss)	<u>(4,400)</u>	499,454
Retained earnings beginning of year	1,427,934	928,480
Retained earnings, end of year	<u><u>\$1,423,534</u></u>	<u><u>\$1,427,934</u></u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Comparative Statement of Cash Flows -
Internal Service Fund
For The Year Ended June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Cash flows from operating activities:		
Operating loss	(\$582,450)	(\$269,951)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	29,045	23,538
(Increase) decrease in:		
Accounts receivable	34,428	(41,315)
Due from other governments	1,840,825	(653,335)
Due from other funds	(1,550,432)	97,451
Increase (decrease) in:		
Accounts payable	2,043	(32,101)
Accrued wages and benefits	(165,478)	(73,973)
Pension obligation payable	(33,076)	26,371
Due to other governments	(13,892)	13,804
Due to other funds	(103,031)	164,004
Total adjustments	<u>40,432</u>	<u>(475,556)</u>
Net cash used in operating activities	<u>(542,018)</u>	<u>(745,507)</u>
Cash flows from noncapital financing activities:		
Operating grants received	67,621	87,477
Operating transfers-in	516,628	681,496
Operating transfers-out	(4,180)	0
Other non-operating	(2,997)	(2,644)
Net cash provided by noncapital financing activities	<u>577,072</u>	<u>766,329</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	<u>(35,969)</u>	<u>(23,898)</u>
Cash flows from investing activities:		
Interest received	<u>915</u>	<u>3,076</u>
Net increase in cash and cash equivalents	0	0
Cash and cash equivalents at beginning of year	0	0
Cash and cash equivalents at end of year	<u>\$0</u>	<u>\$0</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

FIDUCIARY FUNDS

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

Expendable Trust Fund

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

Agency Funds

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

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

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 Combining Balance Sheet -
 All Expendable Trust and Agency Funds
 June 30, 2002
 (With Comparative Totals for 2001)

	AGENCY FUNDS				
	SPECIAL TRUST FUNDS	STUDENT ACTIVITY FUNDS	EMPLOYEE BENEFITS	2002 TOTALS	2001 TOTALS
ASSETS					
Equity in pooled cash and investments	\$346,023	429,698	5,712,180	\$6,487,901	\$5,429,550
Accounts receivable	0	0	5,207	5,207	19,188
Total assets	\$346,023	429,698	5,717,387	\$6,493,108	\$5,448,738
LIABILITIES					
Accounts payable	\$0	13,075	19,414	\$32,489	\$36,505
Due to other governments	0	0	1,122,555	1,122,555	1,201,533
Due to other funds	0	0	1,852,464	1,852,464	1,362,956
Due to students	0	416,623	0	416,623	382,299
Claims payable	0	0	2,722,954	2,722,954	2,156,710
Total liabilities	0	429,698	5,717,387	6,147,085	5,140,003
FUND EQUITY					
Fund balances					
Reserved for encumbrances	85,702	0	0	85,702	57,322
Unreserved - undesignated	260,321	0	0	260,321	251,413
Total fund balances	346,023	0	0	346,023	308,735
Total liabilities and fund balances	\$346,023	429,698	5,717,387	\$6,493,108	\$5,448,738

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Comparative Statements of Revenues, Expenditures and
Changes in Fund Balances -
Expendable Trust Fund
For The Fiscal Years Ended June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Revenues		
Sales	\$103,111	\$105,312
Earnings on investments	1,197	1,864
Extracurricular activities	42,472	23,208
Contributions	254,724	232,435
Refund of prior year expenditures	127	0
Total revenues	<u>401,631</u>	<u>362,819</u>
Expenditures		
Current		
Instruction	136,767	67,205
Support services		
Pupil	12,222	14,859
Instructional staff	39,275	33,967
Administration	7,560	2,391
Central	52,619	63,001
Food service operation	87,786	87,415
Community service	1,910	0
Extracurricular activities	23,043	18,560
Refund of prior year receipts	2,772	832
Total expenditures	<u>363,954</u>	<u>288,230</u>
Excess of revenues over expenditures	<u>37,677</u>	<u>74,589</u>
Other financing sources (uses)		
Operating transfers out	(389)	(13)
Total other financing sources (uses)	<u>(389)</u>	<u>(13)</u>
Excess (deficiency) of revenue and other sources over (under) expenditures and other uses	37,288	74,576
Fund balance, beginning of year	308,735	234,159
Fund balance, end of year	<u><u>\$346,023</u></u>	<u><u>\$308,735</u></u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Combining Statement of Changes in Assets and Liabilities -
Agency Fund
For The Year Ended June 30, 2002

	Beginning Balance 07/01/01	Additions	Deletions	Ending Balance 06/30/02
STUDENT ACTIVITY FUNDS				
ASSETS				
Equity in pooled cash and investments	\$399,923	933,048	903,273	\$429,698
Total assets	<u>\$399,923</u>	<u>933,048</u>	<u>903,273</u>	<u>\$429,698</u>
LIABILITIES				
Accounts payable	\$17,624	13,075	17,624	\$13,075
Due to students	382,299	919,973	885,649	416,623
Total liabilities	<u>\$399,923</u>	<u>933,048</u>	<u>903,273</u>	<u>\$429,698</u>
EMPLOYEE BENEFITS FUNDS				
ASSETS				
Equity in pooled cash and investments	\$4,724,916	19,560,010	18,572,746	\$5,712,180
Accounts receivable	15,164	5,207	15,164	5,207
Total assets	<u>\$4,740,080</u>	<u>19,565,217</u>	<u>18,587,910</u>	<u>\$5,717,387</u>
LIABILITIES				
Accounts payable	\$18,881	19,414	18,881	\$19,414
Due to other governments	1,201,533	1,122,555	1,201,533	1,122,555
Due to other funds	1,362,956	1,852,464	1,362,956	1,852,464
Claims payable	2,156,710	16,570,784	16,004,540	2,722,954
Total liabilities	<u>\$4,740,080</u>	<u>19,565,217</u>	<u>18,587,910</u>	<u>\$5,717,387</u>
ALL AGENCY FUNDS				
ASSETS				
Equity in pooled cash and investments	\$5,124,839	20,493,058	19,476,019	\$6,141,878
Accounts receivable	15,164	5,207	15,164	5,207
Total assets	<u>\$5,140,003</u>	<u>20,498,265</u>	<u>19,491,183</u>	<u>\$6,147,085</u>
LIABILITIES				
Accounts payable	\$36,505	32,489	36,505	\$32,489
Due to other governments	1,201,533	1,122,555	1,201,533	1,122,555
Due to other funds	1,362,956	1,852,464	1,362,956	1,852,464
Due to students	382,299	919,973	885,649	416,623
Claims payable	2,156,710	16,570,784	16,004,540	2,722,954
Total liabilities	<u>\$5,140,003</u>	<u>20,498,265</u>	<u>19,491,183</u>	<u>\$6,147,085</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

GENERAL FIXED ASSETS ACCOUNT GROUP

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

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND TYPE
JUNE 30, 2002

<u>Function</u>	<u>Land and Improvements</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Furniture and Equipment</u>	<u>Total</u>
Instruction	\$725,721	29,222,278	0	13,735,126	\$43,683,125
Support Services:					
Administration	0	471,425	0	2,558,711	3,030,136
Operations and maintenance of plant services	0	882,333	0	1,541,420	2,423,753
Pupil transportation	0	1,106,212	4,932,481	696,818	6,735,511
Extracurricular activities	0	1,592,408	0	337,242	1,929,650
Total general fixed assets	<u>\$725,721</u>	<u>33,274,656</u>	<u>4,932,481</u>	<u>18,869,317</u>	<u>\$57,802,175</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
 BY FUNCTION
 FOR THE YEAR ENDED
 JUNE 30, 2002

<u>Function</u>	General Fixed Assets June 30, 2001	Increases	Decreases	General Fixed Assets June 30, 2002
Instruction	\$42,172,634	1,510,491	0	\$43,683,125
Support Services:				
Administration	2,380,835	655,130	5,829	3,030,136
Operations and maintenance of plant services	2,211,476	212,277	0	2,423,753
Pupil transportation	6,041,773	693,738	0	6,735,511
Extracurricular activities	1,814,821	114,829	0	1,929,650
Total general fixed assets	<u>\$54,621,539</u>	<u>3,186,465</u>	<u>5,829</u>	<u>\$57,802,175</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN GENERAL
 FIXED ASSETS BY SOURCE
 JUNE 30, 2002

General fixed assets	
Land and improvements	\$725,721
Buildings	33,274,656
Vehicles	4,932,481
Furniture and equipment	18,869,317
Total general fixed assets	\$57,802,175
Investments in general fixed assets, including acquisitions and disposals made after June 30, 1999	
General Fund	\$3,608,711
Capital Projects Funds	1,237,398
Special Revenue Funds	536,182
Expendable Trust Funds	123,827
	5,506,118
Acquisitions prior to June 30, 1999	52,296,057
Total investment in general fixed assets	\$57,802,175

**STATISTICAL
SECTION**

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

Year Ended June 30

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Expenditures										
Instructional Staff	\$54,794,415	\$51,433,556	\$49,888,750	\$48,814,644	\$44,379,280	\$42,461,201	\$39,730,709	\$40,127,479	\$37,298,342	\$35,045,654
Board of Education Services	677,709	614,501	501,619	452,184	443,515	502,075	477,207	469,059	449,744	450,975
Administration Services	4,172,450	4,068,479	3,993,159	4,286,549	3,987,373	3,810,039	3,133,921	3,753,592	3,595,948	3,321,249
Fiscal Services	2,257,246	1,639,639	1,604,864	1,540,286	1,321,966	1,117,029	1,126,747	1,060,877	1,123,693	948,008
Business Services	593,821	608,986	518,860	496,820	464,579	461,529	496,366	616,370	530,293	520,844
Operation & Maintenance	7,988,028	7,485,661	6,740,570	6,397,565	6,471,654	5,660,774	5,576,331	5,754,487	5,744,015	5,290,001
Pupil Transportation	4,659,453	4,327,853	4,002,300	4,009,118	3,450,259	3,118,878	3,042,095	3,398,761	2,907,777	2,566,657
Central Support Services	1,031,226	797,597	670,483	683,873	865,654	485,377	410,800	472,296	408,974	310,236
Community Services	87,280	78,896	75,307	70,978	66,874	74,449	61,582	56,768	55,670	10,727
Extracurricular Activities	1,124,107	1,022,947	906,986	1,020,920	924,638	866,678	854,019	809,438	766,229	701,849
Capital Outlay	0	0	200,667	362,235	780,865	0	0	0	0	0
Non-Program Services	0	0	50,418	68,933	84,764	101,814	187,918	104,031	0	0
Refund of prior year receipts	236	0	0	0	0	0	0	0	0	0
Other financing uses	939,664	1,300,789	1,230,620	1,549,475	1,475,738	1,469,290	1,212,210	1,077,207	4,478,305	613,713
Total Expenditures	\$78,325,635	\$73,378,904	\$70,384,603	\$69,753,580	\$64,717,159	\$60,129,133	\$56,309,905	\$57,700,365	\$57,358,990	\$49,779,913

SOURCE: School District Financial Records

(1) GAAP basis

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
General Fund - Revenues and Other Financing Sources -
Last Ten Years (1)
(Unaudited)

Year Ended June 30

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>
Taxes	\$52,958,493	\$48,042,371	\$46,640,454	\$46,881,050	\$46,071,361	\$41,147,629	\$37,356,211	\$38,288,012	\$35,812,618	\$32,178,444
Tuition and fees	209,099	195,240	206,366	163,254	194,011	190,352	190,745	44,966	125,717	800,271
Earnings on investments	245,068	743,950	701,218	562,731	408,005	247,071	231,226	206,453	154,549	137,264
Intergovernmental	22,985,526	21,531,337	21,367,997	21,390,073	20,330,654	18,699,863	19,160,209	18,787,128	17,694,705	16,999,131
Refund of Prior Year Expenditures	141,635	333,595	0	0	0	0	0	0	0	0
Miscellaneous revenue from local sources	106,073	86,642	280,673	504,318	801,218	308,016	438,064	269,826	407,034	662,745
Other financing sources	349,393	322,532	10,787	10,163	15,664	14,038	8,994	0	11,413	7,566
TOTAL	<u>\$76,995,287</u>	<u>\$71,255,667</u>	<u>\$69,207,495</u>	<u>\$69,511,589</u>	<u>\$67,820,913</u>	<u>\$60,606,969</u>	<u>\$57,385,449</u>	<u>\$57,596,385</u>	<u>\$54,206,036</u>	<u>\$50,785,421</u>

Source: School Districts Financial Records

(1) GAAP basis

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Property Tax Levies and Collections
Real and Tangible Personal Property
Last Ten Calendar Years
(Unaudited)

Collection Year	Current Levy (2)	Current Tax Collections	Percent Collected	Delinquent Tax Collections	Delinquent Taxes As A Percent Of Collected
2001	\$58,892,070	\$56,889,448	96.60	\$1,022,971	1.80
2000	56,704,322	55,441,703	97.77	1,262,619	2.28
1999	56,626,512	54,995,114	97.12	1,631,398	2.97
1998	49,280,143	48,117,168	97.64	1,162,974	2.42
1997	48,182,502	47,087,957	97.73	1,094,546	2.32
1996	41,817,576	41,035,072	98.13	782,504	1.91
1995	36,418,241	35,525,994	97.55	892,247	2.51
1994	34,816,674	33,859,457	97.25	957,217	2.83
1993	32,217,145	30,516,014	94.72	1,894,365	6.21
1992	31,992,656	31,613,349	98.81	735,433	2.33

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

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

Tax Year/ Collection Year	Agricultural & Residential Real Estate	Other Real Estate	Public Utility Personal	Tangible Personal	Total Assessed Valuation	Estimated Actual Value	Ratio
2001 / 2002	\$1,066,066,230	\$345,954,380	\$45,017,670	\$189,929,231	\$1,646,967,511	\$4,839,079,194	34.03
2000 / 2001	1,055,582,340	339,022,600	51,031,770	180,385,071	1,626,021,781	4,718,846,384	34.46
1999 / 2000	939,282,020	289,716,690	53,714,800	175,243,944	1,457,957,454	4,266,111,950	34.18
1998 / 1999	921,590,470	286,149,770	57,296,770	156,299,500	1,421,336,510	4,133,196,170	34.39
1997 / 1998	908,504,040	271,254,030	55,926,310	151,200,048	1,386,884,428	4,005,621,308	34.62
1996 / 1997	767,359,710	250,903,590	57,392,890	144,752,054	1,220,408,244	3,505,681,780	34.81
1995 / 1996	753,671,650	236,676,120	57,895,210	127,189,351	1,175,432,331	3,396,274,262	34.61
1994 / 1995	736,052,460	221,889,530	60,700,710	115,665,542	1,134,308,242	3,260,394,732	34.79
1993 / 1994	641,916,770	205,011,690	59,894,180	105,566,298	1,012,388,938	2,904,215,241	34.86
1992 / 1993	623,045,220	202,259,250	59,894,180	104,610,936	989,809,586	2,837,058,099	34.89

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

Real Property - Assessed value represents 35.0% of actual value.

Tangible Personal Property - Tax year 1983 begins a 1% reduction of assessed valuation for 10 year period. Prior to 1983 property was appraised at 35% of true value.

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

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

Tax Year/ Collection Year		Concord Township	City of Mentor	City of Willoughby	Mentor-on the-Lake	Village Of Kirtland Hills	Chardon Township (a)	School	Debt Service Included in Total Levy		Total
									Lake County	Geauga County	
2001 / 2002	Municipality/Township	9.40	4.50	6.91	24.00	11.05	7.70				
	School	66.79	66.79	66.79	66.79	66.79	66.79				
	Library District	0.63	0.63	0.63	0.63	0.63	0.63				
	County	15.70	15.70	15.70	15.70	15.70	15.70				
	TOTAL	92.52	87.62	90.03	107.12	94.17	90.82	1.09	0.00	0.00	1.09
2000 / 2001	Municipality/Township	9.40	4.50	6.91	24.00	23.00	7.70				
	School	66.84	66.84	66.84	66.84	66.84	66.84				
	Library District	0.63	0.63	0.63	0.63	0.63	0.63				
	County	15.70	15.70	15.70	15.70	15.70	15.70				
	TOTAL	92.57	87.67	90.08	107.17	106.17	90.87	1.14	0.00	0.00	1.14
1999 / 2000	Municipality/Township	9.40	4.50	7.19	24.00	23.00	7.70				
	School	66.87	66.87	66.87	66.87	66.87	66.87				
	Library District	0.63	0.63	0.63	0.63	0.63	0.63				
	County	15.70	15.70	15.70	15.70	15.70	9.50				
	TOTAL	92.60	87.70	90.39	107.20	106.20	84.70	1.17	0.00	0.00	1.17
1998 / 1999	Municipality/Township	9.40	4.50	7.19	24.00	23.00	7.70				
	School	67.21	67.21	67.21	67.21	67.21	67.21				
	Library District	0.63	0.63	0.63	0.63	0.63	0.63				
	County	15.60	15.60	15.60	15.60	15.60	9.50				
	TOTAL	92.84	87.94	90.63	107.44	106.44	85.04	1.51	0.00	0.00	1.51
1997 / 1998	Municipality/Township	9.40	6.00	6.29	24.00	23.00	7.70				
	School	67.21	67.21	67.21	67.21	67.21	67.21				
	Library District	0.50	0.50	0.50	0.50	0.50	0.50				
	County	14.10	14.10	14.10	14.10	14.10	9.50				
	TOTAL	91.21	87.81	88.10	105.81	104.81	84.91	1.51	0.00	0.00	1.51
1996 / 1997	Municipality/Township	9.40	6.05	6.55	24.00	23.00	7.70				
	School	67.45	67.45	67.45	67.45	67.45	67.45				
	Library District	0.50	0.50	0.50	0.50	0.50	0.50				
	County	14.00	14.00	14.00	14.00	14.00	9.70				
	TOTAL	91.35	88.00	88.50	105.95	104.95	85.35	1.75	0.00	0.00	1.75
1995 / 1996	Municipality/Township	9.40	6.05	6.55	19.50	23.00	7.70				
	School	62.95	62.95	62.95	62.95	62.95	62.95				
	Library District	0.50	0.50	0.50	0.50	0.50	0.50				
	County	14.00	14.00	14.00	14.00	14.00	9.70				
	TOTAL	86.85	83.50	84.00	96.95	100.45	80.85	1.75	0.00	0.30	2.05
1994 / 1995	Municipality/Township	9.40	6.10	6.55	19.50	23.00	7.70				
	School	62.95	62.95	62.95	62.95	62.95	62.95				
	Library District	0.50	0.50	0.50	0.50	0.50	0.50				
	County	14.00	14.00	14.00	14.00	14.00	8.70				
	TOTAL	86.85	83.55	84.00	96.95	100.45	79.85	1.75	0.00	0.30	2.05
1993 / 1994	Municipality/Township	9.40	6.15	6.55	19.50	23.00	7.70				
	School	63.24	63.24	63.24	63.24	63.24	63.24				
	Library District	0.50	0.50	0.50	0.50	0.50	0.50				
	County	13.90	13.90	13.90	13.90	13.90	8.70				
	TOTAL	87.04	83.79	84.19	97.14	100.64	80.14	2.04	0.00	0.30	2.34
1992 / 1993	Municipality/Township	9.40	6.10	6.55	19.50	23.00	7.70				
	School	63.24	63.24	63.24	63.24	63.24	63.24				
	Library District	0.50	0.50	0.50	0.50	0.50	0.50				
	County	13.90	13.90	13.90	13.90	13.90	8.70				
	TOTAL	87.04	83.74	84.19	97.14	100.64	80.14	2.04	0.00	0.30	2.34

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

(a) Located in Geauga County

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Ratio of Net General Bonded Debt to Assessed Value
and Net Bonded Debt Per Capita
Last Ten Years
(Unaudited)

Year	Gross General Bonded Debt	Less Debt Service Fund	Net General Bonded Debt	Assessed Value	Population (1)	Ratio of Net Debt to Assessed Value	Net Debt Per Capita
2002	\$12,921,859	\$838,548	\$12,083,311	\$1,646,967,511	63,182	0.73%	\$191
2001	13,316,399	815,490	12,500,909	1,626,021,781	63,461	0.77%	197
2000	13,732,906	894,225	12,838,681	1,457,957,454	63,742	0.88%	201
1999	14,175,851	874,683	13,301,168	1,421,336,510	64,025	0.94%	208
1998	14,659,687	619,696	14,039,991	1,386,884,428	64,314	1.01%	218
1997	15,679,687	213,226	15,466,461	1,220,408,244	62,848	1.27%	246
1996	16,664,687	5,529	16,659,158	1,176,966,661	62,690	1.42%	266
1995	18,224,687	364,351	17,860,336	1,134,308,242	62,655	1.57%	285
1994	19,694,687	822,526	18,872,161	1,012,388,938	62,247	1.86%	303
1993	20,734,687	850,783	19,883,904	989,809,586	62,896	2.01%	316

(1) SOURCE: Ohio Department of Taxation Ohio Personal Income Tax Returns by School District 1993 through 1999. Years 2000 through 2002 are estimated based on the 1998/1999 percentage change.

**MENTOR EXEMPTED VILLAGE
SCHOOL DISTRICT**

**Computation of Legal Debt Margin
For the Year Ended June 30, 2002
(Unaudited)**

Assessed Valuation		<u>\$1,646,967,511</u>
Overall Direct Debt Limitation:		
Direct debt limitation		
9% of assessed valuation		\$148,227,076
Gross indebtedness (all bonds and tax anticipation notes outstanding)	12,921,859	
Less debt exempt from limitation	<u>0</u>	
Debt subject to 9% limitation		(12,921,859)
Legal debt margin within 9% limitation		<u><u>\$135,305,217</u></u>
Unvoted Direct Debt Limitation:		
Unvoted debt limitation		
0.1% of assessed valuation		\$1,646,968
Amount available in Debt Service Fund related to unvoted debt	\$0	
Gross indebtedness authorized by the Board		
Less: debt exempt from limitation	<u>0</u>	
Debt subject to 0.1% limitation		0
Legal debt margin within 0.1% limitation		<u><u>\$1,646,968</u></u>
Energy Conservation Measure Limitation		
Unvoted debt limitation		
0.9% of assessed valuation		\$14,822,708
Amount available in Debt Service Fund related to unvoted debt	838,548	
Gross indebtedness authorized by the Board		
Less: debt exempt from limitation	<u>0</u>	
Debt subject to 0.9% limitation		(838,548)
Legal debt margin within 0.9% limitation		<u><u>\$13,984,160</u></u>

SOURCE: Lake County Auditor

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

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

**Computation of Direct and Overlapping Debt -
General Obligation
As of December 31, 2001
(Unaudited)**

Jurisdiction	General Obligation Debt Outstanding	Percentage Applicable To School District (1)	Amount Applicable To School District
Mentor Exempted Village S.D.	\$13,921,853	100.00%	\$13,921,853
City of Mentor	20,455,634	82.30%	16,834,987
City of Mentor-on-the-Lake	470,000	7.08%	33,276
Lake County	18,630,000	25.74%	4,795,362
Geauga County	1,250,000	0.10%	1,250
Total	<u><u>\$54,727,487</u></u>		<u><u>\$35,586,728</u></u>

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

(1) Percentages were determined by dividing the assessed valuation of the political subdivision by the total assessed valuation, which includes all overlapping valuation. The valuations used were for the 2002 collection year.

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
Ratio of Annual Debt Service Expenditures for
General Bonded Debt to Total General Fund Expenditures -
Last Ten Years
(Unaudited)

Year (1)	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures (Percentage)
2002	\$1,394,540	\$1,395,725	\$2,790,265	\$78,325,635	3.56%
2001	1,666,507	1,462,360	3,128,867	73,378,904	4.26%
2000	1,942,945	1,432,468	3,375,413	70,384,603	4.80%
1999	2,233,836	1,417,137	3,650,973	69,753,580	5.23%
1998	3,020,000	799,315	3,819,315	64,717,159	5.90%
1997	3,785,000	945,603	4,730,603	60,129,133	7.87%
1996	4,860,000	1,079,759	5,939,759	56,309,905	10.55%
1995	4,570,000	1,081,174	5,651,174	57,700,365	9.79%
1994	6,290,000	1,124,526	7,414,526	57,358,990	12.93%
1993	1,250,000	1,312,881	2,562,881	49,779,913	5.15%

SOURCE: School District financial records

(1) 2002, 2001, 2000, 1999, 1998, 1997 payments include bonds and notes

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

Fiscal Year	Number of Commercial Units	Construction Value (a)	Number of Residential Units (a)	Construction Value (a)	Lake County Bank Deposits (b)	Tax Valuation Residential Agriculture (c)	Commercial Other (c)	Total Assets
2001 / 2002	11	\$15,357,931	86	\$18,356,344	\$63,893,769,000	\$1,066,066,230	\$580,901,281	\$1,646,967,511
2000 / 2001	12	13,225,000	82	16,232,180	61,942,764,000	1,055,582,340	570,439,441	1,626,021,781
1999 / 2000	11	17,378,000	117	23,725,985	57,816,942,000	939,282,020	518,675,434	1,457,957,454
1998 / 1999	12	15,078,600	139	26,604,085	58,904,596,000	921,590,470	499,746,040	1,421,336,510
1997 / 1998	12	10,169,455	166	31,586,070	53,941,971,000	908,504,040	478,380,388	1,386,884,428
1996 / 1997	13	6,005,000	190	33,557,135	27,068,211,000	767,359,710	453,048,534	1,220,408,244
1995 / 1996	12	5,131,000	169	26,788,600	22,458,573,000	753,671,650	423,295,011	1,176,966,661
1994 / 1995	15	6,885,000	219	34,699,230	20,885,453,000	736,052,460	398,255,782	1,134,308,242
1993 / 1994	14	14,295,000	226	31,031,135	21,009,421,000	641,916,770	370,472,168	1,012,388,938
1992 / 1993	9	6,290,000	216	28,774,300	19,379,280,000	623,045,220	366,764,366	989,809,586

SOURCE:

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

**MENTOR EXEMPTED VILLAGE
SCHOOL DISTRICT**

**Principal Property Taxpayers -
Real Estate Tax
December 31, 2001
(Unaudited)**

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation (1)</u>	<u>Percent of total Assessed Value (2)</u>
DeBartolo Realty Partnership	Shopping Center	\$ 20,163,060	1.43
Steris Corporation	Medical Equipment Mfg	7,510,120	0.53
Points East	Retail Sales	6,151,250	0.44
Euclid Clinic Foundation	Medical	4,005,170	0.28
Deepwood North Co.	Condominiums	3,584,460	0.25
First Interstate	Holding Company	3,446,690	0.24
Brown, James A.	Automobile Dealership	3,430,730	0.24
Mentor Commons Limited	Retail Sales	3,343,650	0.24
Royal Appliance Mfg. Co.	Appliance Manufacturer	3,262,290	0.23
Lincoln Electric Co.	Welding Equipment	3,198,160	0.23
TOTAL		<u>\$ 58,095,580</u>	<u>4.11</u>

SOURCE: Lake County Auditor

(1) Assessed values are for the 2001 collection year.

(2) Total Assessed Real Estate Valuation is \$1,412,020,610

**MENTOR EXEMPTED VILLAGE
SCHOOL DISTRICT**

**Principal Property Taxpayers -
Tangible Personal Property Tax
December 31, 2001
(Unaudited)**

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation (1)</u>	<u>Percent of total Assessed Value (2)</u>
Nupro Company	Manufacturing	\$9,395,120	4.95
Avery Dennison Corp	Adhesive Labels	7,878,810	4.15
Jim Brown Chevrolet Inc.	Automobile Dealership	4,729,420	2.49
Lincoln Electric Company	Welding Equipment	4,128,890	2.17
Steris Corporation	Medical Equipment Mfg	3,734,750	1.97
Polychem Corp	Plastic Strapping	3,554,340	1.87
Worthington Precision Metals	Mfg of Parts & Components	3,460,480	1.82
Wiseco Piston Co.	High Performance Pistons	3,421,440	1.80
MediaOne of Ohio	Cable Company	3,218,370	1.69
Classic International, Inc.	Automobile Dealership	2,805,950	1.48
	TOTAL	\$46,327,570	24.39

SOURCE: Lake County Auditor

(1) Assessed values are for the 2001 collection year.

(2) Total Assessed Personal Property Valuation is \$189,929,231

**MENTOR EXEMPTED VILLAGE
SCHOOL DISTRICT**

**Principal Property Taxpayers -
Public Utility Tax
December 31, 2001
(Unaudited)**

Name of Taxpayer	Nature of Business	Assessed Valuation (3)	Percentage of Valuation
Cleveland Electric Illuminating Co. (1)	Electricity	\$28,141,620	1.71
Ohio Bell Telephone Co. (2)	Telephone	7,705,120	0.47
Consumer Ohio Water	Water	9,599,420	0.58
East Ohio Gas Company	Natural Gas	3,768,210	0.23
Total		\$49,214,370	2.99

(1) Subsidiary of Centerior Energy Corporation

(2) Subsidiary of Ameritech

(3) Total Assessed Valuation is \$1,646,967,511

**MENTOR EXEMPTED VILLAGE
SCHOOL DISTRICT**

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

<u>Year (1)</u>	<u>General Fund Expenditures</u>	<u>Average Daily Membership (2)</u>	<u>Per Pupil Cost (3)</u>
Fiscal 2002	\$78,325,635	10,154	\$7,714
Fiscal 2001	73,378,904	10,272	7,144
Fiscal 2000	70,384,603	10,261	6,859
Fiscal 1999	69,753,580	10,466	6,665
Fiscal 1998	64,717,159	11,018	5,874
Fiscal 1997	60,129,133	11,055	5,439
Fiscal 1996	56,309,905	11,182	5,036
Fiscal 1995	57,700,365	11,154	5,173
Fiscal 1994	57,358,990	11,028	5,201
Fiscal 1993	49,779,913	10,825	4,599

SOURCE: School District financial records

(1) Fiscal Year - July - June

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

(3) Per Pupil Cost = General Fund Expenditures / Average Daily Membership

**MENTOR EXEMPTED VILLAGE
SCHOOL DISTRICT**

**Certified Staff Education and Experience
June 30, 2002
(Unaudited)**

Degree	Number of Staff	Percent of Total
Non Degree	3	0.44
Bachelor's Degree	83	12.17
Bachelor's + 15 Hours	102	14.96
Master's Degree	179	26.25
Master's Degree + 15 Hours	117	17.16
Master's + 30 Hours	61	8.94
Master's + 45 Hours	132	19.35
Doctorate Degree (Ph.D.)	5	0.73
Total	682	100.00

Years of Experience	Number of Staff	Percent of Total
0 - 5 Years	126	18.48
6 - 10 Years	105	15.39
11 and over	451	66.13
Total	682	100.00

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

**MENTOR EXEMPTED VILLAGE
SCHOOL DISTRICT**

**Student Demographic Information
June 30, 2002
(Unaudited)**

<u>Grade</u>	<u>Total (1)</u>
Preschool	159
K	597
1	656
2	703
3	738
4	759
5	801
6	818
7	869
8	829
9	842
10	829
11	790
12	764
	<u>10,154</u>

STUDENT DATA (2)

<u>GRADE</u>	<u>ENROLLMENT</u>	<u>PERCENT</u>
Elementary (Pre-6)	5,231	51.52
Secondary (High School, Junior High Schools)	4,923	48.48
Total	<u>10,154</u>	<u>100.00</u>

<u>Ethnic</u>	<u>Total</u>	<u>Percent</u>
Caucasian	9,875	97.25
Asian American	99	0.97
Black American	89	0.88
Hispanic/Latino	64	0.63
American Indian/Alaskan Native	6	0.06
Multi - Racial	21	0.21

MALE/FEMALE RATIO (2)

<u>GRADE</u>	<u>MALE</u>	<u>FEMALE</u>
Elementary & Secondary	5,194	4,960
PERCENT	51.15	48.85

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

**MENTOR EXEMPTED VILLAGE
SCHOOL DISTRICT
BUILDING PERMITS
Last Ten Calendar Years
(Unaudited)**

<u>Year</u>	<u>NUMBER</u>	<u>Value of Building Permits Issued</u>
2001	2,936	\$80,145,984
2000	2,773	67,992,590
1999	2,180	101,108,667
1998	2,232	122,313,391
1997	1,996	90,142,361
1996	1,865	87,314,175
1995	1,857	66,297,183
1994	1,849	81,074,563
1993	1,747	85,328,460
1992	1,653	71,826,534

SOURCE: CITY OF MENTOR -
DEPARTMENT OF BUILDING AND ENGINEERING

**MENTOR EXEMPTED VILLAGE
SCHOOL DISTRICT**

**Ten Largest Employers
December 31, 2001
(Unaudited)**

<u>Name of Employer</u>	<u>Nature of Activity or Business</u>	<u>Approximate Number of Employees</u>
Mentor Exempted Village SD	Public Education	1,202
City of Mentor	Municipal Government	788
Steris Corporation	Manufacturing	700
Lincoln Electric Co.	Welding Equipment	515
Deepwood Industries	Social Services	500
PCC Airfoil	Investment Cast Manufacturing	480
Super K-Mart	Discount Retail Center	400
Sears, Roebuck & Co.	Retail Department Store	375
Mag-Nif, Co.	Automation - Banks, Games	350
J.C. Penny Co.	Retail Department Store	310

SOURCE: City of Mentor, Department of Community Development

**MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
SCHEDULE OF INSURANCE POLICIES IN FORCE
AS OF JUNE 30, 2002
(Unaudited)**

COMPANY	POLICY NUMBER	POLICY PERIOD	DETAILS OF COVERAGE	LIABILITY LIMITS	DEDUCTIBLE	ANNUAL PREMIUM
Indiana Insurance	CBP 9449987	10/01/2002 10/01/2003	Boiler and Machinery	Blanket	\$2,500	Included
Fidelity & Deposit Companies	CCP 97259972	10/01/2002 10/01/2003	Crime Policy	5,000 Forgery 15,000 Theft Inside 15,000 Theft Outside 50,000 Public Employees Dishonesty Coverage	500 500	1,466
Indiana Insurance	CBP 9449987	10/01/2002 10/01/2003	Liability	1,000,000 /Occurrence 5,000,000 /Aggregate 1,000,000 Each Loss 3,000,000 Aggregate 1,000,000 Each accident 1,000,000 By Disease 2,000,000 Aggregate 1,000,000 Each Wrongful Act 1,000,000 Aggregate 1,000,000 Each Loss Limit 1,000,000 Aggregate	1,000	64,570
Indiana Insurance	CU 9604683	10/01/2002 10/01/2003	Commercial Umbrella Liability	5,000,000 /Occurrence 5,000,000 /Aggregate	10,000	21,204

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
SCHEDULE OF INSURANCE POLICIES IN FORCE
AS OF JUNE 30, 2002
(Unaudited)

COMPANY	POLICY NUMBER	POLICY PERIOD	DETAILS OF COVERAGE	LIABILITY LIMITS	DEDUCTIBLE	ANNUAL PREMIUM
Indiana Insurance	CBP 9449987	10/01/2002 10/01/2003	Buildings, Contents	166,946,942	2,500	104,466
		10/01/2002 10/01/2003	Musical Instruments Contents, Equipment	1,022,751 111,092	250 100	1,792 597
Indiana Insurance	CBP 9449987	10/01/2002 10/01/2003	Electronic Data Processing	6,597,159	1,000	5,542
			In Transit	10,000	500	Included
Indiana Insurance	BA 9640831	10/01/2002 10/01/2003	Bus Fleet	1,000,000	/Combined Single Limit	97,991
			Medical	5,000	Each Person	Included
			Uninsured Motorist	1,000,000		Included
			Physical Damage		Comprehensive Collision	500 500
			Hired and Non-Owned Cars Garage Liability	1,000,000		361
Indiana Insurance	AGN 9444186	10/01/2002 10/01/2003	Garage Keepers Legal Liability	1,000,000 3,000,000 75,000	Each Accident Aggregate Each Auto	Comprehensive 100/Auto 500/Max/Loss
					Collision 250/Auto 500/Max/Loss	
Peerless Insurance	M25162	01/01/2002 01/01/2003	Public Official Bond Treasurer	50,000		245

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

SINGLE AUDIT REPORTS

JUNE 30, 2002

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

FOR THE YEAR ENDED JUNE 30, 2002

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**Report On Compliance And On Internal Control Over
Financial Reporting Based On An Audit Of Financial Statements
Performed In Accordance With *Government Auditing Standards***

Board of Education
Mentor Exempted Village School District
Mentor, Ohio

We have audited the general-purpose financial statements of the Mentor Exempted Village School District as of and for the year ended June 30, 2002, and have issued our report thereon dated December 5, 2002. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Mentor Exempted Village School District's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2002-1. We also noted certain immaterial instances of noncompliance, which we have reported to management of the Mentor Exempted Village School District in a separate letter dated December 5, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Mentor Exempted Village School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the Mentor Exempted Village School District in a separate letter dated December 5, 2002.

This report is intended solely for the information and use of the Mentor Exempted Village School District's Board of Education, the District's Management, The Auditor of State, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cini & Parichi, Inc.

Cleveland, Ohio
December 5, 2002

**Report On Compliance with Requirements Applicable to Each
Major Program and Internal Control Over Compliance in
Accordance with OMB Circular A-133**

Board of Education
Mentor Exempted Village School District

Compliance

We have audited the compliance of the Mentor Exempted Village School District, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2002. The Cleveland Heights-University Heights School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Mentor Exempted Village School District's management. Our responsibility is to express an opinion on the Mentor Exempted Village School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Mentor Exempted Village School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Mentor Exempted Village School 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 are applicable to each of its major federal programs for the year ended June 30, 2002.

Internal Control Over Compliance

The management of the Mentor Exempted Village School District 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 Mentor Exempted Village School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the Mentor Exempted Village School District in a separate letter dated December 5, 2002.

Schedule of Expenditures of Federal Awards

We have audited the general-purpose financial statements of the Mentor Exempted Village School District as of and for the year ended June 30, 2002, and have issued our report there dated December 5, 2002. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

This report is intended solely for the information and use of the Mentor Exempted Village School District's Board of Education, the District's Management, the Auditor of State, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cini & Parichi, Inc.

Cleveland, Ohio
December 5, 2002

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2002

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Number</u>	<u>Receipts</u>	<u>Non-cash Receipts</u>	<u>Disbursements</u>	<u>Non-Cash Disbursements</u>
U.S. Department of Agriculture:						
Passed-Through State Department of Education:						
Child Nutrition Cluster						
Food Distribution Program	10.550	N/A	\$ -	\$ 124,536	\$ -	\$ 125,534
School Lunch Program	10.555	045492-LL-P1-01	31,660	-	31,660	-
	10.555	045492-LL-P4-01	58,870	-	58,870	-
	10.555	045492-LL-P4-02	294,657	-	294,657	-
			<u>385,187</u>	<u>-</u>	<u>385,187</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>385,187</u>	<u>124,536</u>	<u>385,187</u>	<u>125,534</u>
U.S. Department of Education:						
Passed-Through State Department of Education:						
Special Education Cluster						
Special Education – Title VI-B	84.027	045492-6B-SF-02P	9,000	-	9,809	-
	84.027	045492-6B-SF-01P	219,434	-	237,565	-
	84.027	045492-6B-SI-02P	525,136	-	415,124	-
	84.027	045492-6B-SI-01P	181,801	-	271,002	-
	84.027	045492-6B-SI-02P	602,503	-	489,246	-
			<u>1,537,874</u>	<u>-</u>	<u>1,422,746</u>	<u>-</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2002

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Number</u>	<u>Receipts</u>	<u>Non-cash Receipts</u>	<u>Disbursements</u>	<u>Non-Cash Disbursements</u>
U.S. Department of Education:						
Passed-Through State Department of Education:						
Special Education Cluster (Continued)						
Special Education – Preschool	84.173	045492-PG-S1-01P	3,769	-	16,596	-
	84.173	045492-PG-S1-02P	54,627	-	47,483	-
	84.173	045492-PG-S3-01P	52,185	-	74,550	-
	84.173	045492-PG-S3-02P	60,739	-	47,982	-
	84.173	045492-PG-S7-02	11,250	-	4,879	-
			-	-	-	-
Total Special Education Cluster			<u>182,570</u>	<u>-</u>	<u>191,490</u>	<u>-</u>
Title I						
	84.010	045492-C1-S1-01C	35,932	-	35,932	-
	84.010	045492-C1-S1-02	163,522	-	177,544	-
	84.010	045492-RF-S1-01	51,979	-	47,764	-
	84.010	045492-C1-S1-01	<u>95,198</u>	<u>-</u>	<u>124,863</u>	<u>-</u>
			<u>346,631</u>	<u>-</u>	<u>386,103</u>	<u>-</u>
VOCED Basic Grant						
	84.048	045492-20-C1-02	299,679	-	254,375	-
	84.048	045492-20-C1-01	<u>50,617</u>	<u>-</u>	<u>85,220</u>	<u>-</u>
			<u>350,296</u>	<u>-</u>	<u>339,595</u>	<u>-</u>
Chapter 2 – Innovative Education Program Strategy						
	84.298	045492-C2-S1-00	18,167	-	39,432	-
	84.298	045492-C2-S1-01	31,346	-	25,695	-
	84.298	045492-C2-S1-02	<u>18,060</u>	<u>-</u>	<u>9,955</u>	<u>-</u>
			<u>67,573</u>	<u>-</u>	<u>75,082</u>	<u>-</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2002

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Number</u>	<u>Receipts</u>	<u>Non-cash Receipts</u>	<u>Disbursements</u>	<u>Non-Cash Disbursements</u>
Eisenhower Math/Science	84.281	045492-MS-S1-02	15,100	-	8,488	-
	84.281	045492-MS-S1-01	<u>11,612</u>	<u>-</u>	<u>13,326</u>	<u>-</u>
			<u>26,712</u>	<u>-</u>	<u>21,814</u>	<u>-</u>
Drug-Free Education	84.186	045492-DR-S1-02	8,619	-	754	-
	84.186	045492-DR-S1-01	<u>28,081</u>	<u>-</u>	<u>35,680</u>	<u>-</u>
			<u>36,700</u>	<u>-</u>	<u>36,434</u>	<u>-</u>
Goals 2000	84.276	045492-G2-A2-01	10,875	-	10,875	-
	84.276	045492-G2-S8-00	<u>24,000</u>	<u>-</u>	<u>41,437</u>	<u>-</u>
			<u>34,875</u>	<u>-</u>	<u>52,312</u>	<u>-</u>
Class Size Reduction Subsidy	84.340	045492-CR-S1-02	42,384	-	2,814	-
	84.340	045492-CR-S1-00	24,510	-	34,510	-
	84.350	045492-TF-V1-00	63,633	-	63,651	-
	84.340	045492-CR-S1-01	<u>68,126</u>	<u>-</u>	<u>89,425</u>	<u>-</u>
			<u>198,653</u>	<u>-</u>	<u>190,400</u>	<u>-</u>
School Renovation Grant	84.352	045492-AT-S1-02	<u>3,216</u>	<u>-</u>	<u>3,233</u>	<u>-</u>
Emergency Immigrant Program	84.162	045492-EI-S1-02	<u>4,100</u>	<u>-</u>	<u>2,132</u>	<u>-</u>
Total U.S. Department of Education			<u>2,789,200</u>	<u>-</u>	<u>2,721,341</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 3,174,387</u>	<u>\$ 124,536</u>	<u>\$ 3,106,528</u>	<u>\$ 125,534</u>

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2002

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

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

NON-CASH SUPPORT

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

CFDA – Catalog of Federal Domestic Assistance

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

SCHEDULE OF FINDINGS OMB CIRCULAR A-133 SECTION .505

JUNE 30, 2002

1. SUMMARY OF AUDITOR'S RESULTS

(d)(I)(i)	Type of Financial Statement Opinion	Unqualified
(d)(I)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(I)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(I)(iii)	Was there any material reported noncompliance at the financial statement level (GAGAS)?	Yes
(d)(I)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(I)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(I)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(I)(vi)	Are there any reportable findings under Section .501?	No
(d)(I)(vii)	Major Programs	Special Education Cluster CFDA Nos. 84.027, 84.173 Child Nutrition Cluster CFDA Nos. 10.550, 10.555
(d)(I)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All Others
(d)(I)(ix)	Low Risk Auditee?	Yes

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

2002-1	Per ORC Section 3315.18, the District is required to restrict cash in an amount equal to the applicable reserves. The District restricts cash and cash equivalents for the purchase of technology/electrical upgrades and for the establishment of a capital maintenance reserve and a textbook reserve. The total amount of the restricted cash should be \$970,074 at June 30, 2002; however, the general fund did not have enough cash to meet the reserve requirements. The general fund's entire cash balance of \$793 was recorded as restricted cash, leaving an unfunded balance of \$969,281.
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MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

**SCHEDULE OF FINDINGS (CONTINUED)
OMB CIRCULAR A-133 SECTION .505**

JUNE 30, 2002

3. FINDINGS FOR FEDERAL AWARDS

There were no findings for federal awards to report in 2002.

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT

SCHEDULE OF PRIOR AUDIT FINDINGS OMB CIRCULAR A-133 SECTION .315(b)

JUNE 30, 2002

Findings No.	Findings Summary	Fully Corrected	Explanation
2001-1	<p>Per ORC Section 5705.41(D), no orders or contracts involving the expenditure of money is to be made unless there is attached a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from previous encumbrances.</p> <p>During our testing of expenditures, Ciuni & Panichi, Inc. noted several instances where purchase orders were either issued after the District received the invoice or issued for less than the total expenditure.</p>	Yes	The District corrected this area at June 30, 2002.
2001-2	<p>Per ORC Section 3315.18, the District is required to restrict cash in an amount equal to the applicable reserves. The District restricts cash and cash equivalents for the purchase of technology/electrical upgrades and for the establishment of a capital maintenance reserve and a textbook reserve. The total amount of the restricted cash should be \$1,059,284 at June 30, 2001; however, the general fund did not have enough cash to meet the reserve requirements. The general fund's entire cash balance of \$470,275 was recorded as restricted cash, leaving an unfunded balance of \$589,009.</p>	No	The District had non-compliance in this area again at June 30, 2002.

MENTOR EXEMPTED VILLAGE SCHOOL DISTRICT
6451 CENTER STREET
MENTOR, OHIO 44060
(440) 255-4444

**Response To Findings Associated With Audit Conducted
In Accordance With *Government Auditing Standards*
For The Year Ended June 30, 2002**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2002-1	The district will monitor the General Funds cash balance to ensure the reserve requirements are met at all times during the year.	N/A	James Metz, Treasurer



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

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
FEBRUARY 20, 2003**