



**CHAGRIN FALLS EXEMPTED VILLAGE SCHOOL DISTRICT
CUYAHOGA COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED JUNE 30, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

CHAGRIN FALLS EXEMPTED VILLAGE SCHOOL DISTRICT
CUYAHOGA COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Report on compliance and on Internal Control Required by <i>Government Auditing Standards</i>	1

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

Lausche Bldg
615 W Superior Ave
Floor 12
Cleveland OH 44113 - 1801
Telephone 216-787-3665
800-626-2297
Facsimile 216-787-3361
www.auditor.state.oh.us

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

Chagrin Falls Exempted Village School District
Cuyahoga County
77 East Washington Street
Chagrin Falls, Ohio 44022

We have audited the financial statements of the Chagrin Falls Exempted Village School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2000, and have issued our report thereon dated November 17, 2000, in which we noted the District restated the General, Special Revenue, Enterprise, and Expendable Trust Fund Types and the General Long-Term Obligations and General Fixed Assets Account Groups. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

However, we noted an immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated November 17, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated November 17, 2000.

Chagrin Falls Exempted Village School District
Cuyahoga County
Report on Compliance and on Internal Control Required by
Government Auditing Standards
Page 2

This report is intended for the information and use of the audit committee, management and the Board of Education and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

November 17, 2000

CHAGRIN FALLS EXEMPTED VILLAGE SCHOOL DISTRICT

CHAGRIN FALLS, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2000

Chagrin Falls Exempted Village School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2000
Table of Contents

	Page
I. Introductory Section	
Table of Contents	i
Letter of Transmittal	v
List of Principal Officials	xv
Organizational Chart	xvi
GFOA Certificate of Achievement	xvii
 II. Financial Section	
Report of Independent Accountants	1
 General Purpose Financial Statements (Combined Statements--Overview)	
Combined Balance Sheet--All Fund Types and Account Groups	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances--All Governmental Fund Types	8
Combined Statement of Revenues, Expenditures and Changes in Fund Balances--Budget (Non-GAAP Basis) and Actual--All Governmental Fund Types	10
Combined Statement of Revenues, Expenses and Changes in Fund Equity--All Proprietary Fund Types	14
Combined Statement of Cash Flows--All Proprietary Fund Types	15
Combined Statement of Revenues, Expenses and Changes in Fund Equity-- Budget (Non-GAAP Basis) and Actual--All Proprietary Fund Types	17
Notes to the General Purpose Financial Statements	20
 Combining, Individual Fund and Account Group Statements and Schedules	
 <i>Governmental Funds:</i>	
 <i>General Fund:</i>	
Description of Fund	48
Schedule of Revenues, Expenditures and Changes in Fund Balance--Budget (Non-GAAP Basis) and Actual	49

Special Revenue Funds:

Description of Funds	53
Combining Balance Sheet	55
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	58
Schedule of Revenues, Expenditures and Changes in Fund Balance--Budget (Non-GAAP Basis) and Actual	
Special Trust Fund	61
Public School Support Fund	62
Athletic/District Managed Fund	63
Professional Development Grant Fund	64
Educational Management Information Systems Fund	65
Ohio Reads Grant Fund	66
Title II Fund	67
Title VI-B Fund	68
Title VI Fund	69
Drug Free Schools Fund	70
Auxiliary Services Fund	71
E-Rate Grant Fund	72
Classroom Size Reduction Fund	73
Preschool Handicapped Grant Fund	74
Textbook Subsidy Fund	75
Total--All Special Revenue Funds	76

Debt Service Fund:

Description of Fund	79
-------------------------------	----

Capital Projects Funds:

Description of Funds	79
Combining Balance Sheet	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	81
Schedule of Revenues, Expenditures and Changes in Fund Balance--Budget (Non-GAAP Basis) and Actual	
Permanent Improvement Fund	82
SchoolNet Fund	84
Power Up Capacity Fund	85
Total--All Capital Projects Funds	86

Proprietary Funds:

Enterprise Funds:

Description of Funds	88
Combining Balance Sheet	89
Combining Statement of Revenues, Expenses and Changes in Fund Equity	90
Combining Statement of Cash Flows	91
Schedule of Revenues, Expenses and Changes in Fund Equity--Budget (Non-GAAP Basis) and Actual	
Food Service Fund	92
Uniform School Supplies Fund	93
Adult Education Fund	94
Total--All Enterprise Funds	95

Internal Service Fund:

Description of Fund	96
-------------------------------	----

Fiduciary Fund:

Agency Funds:

Description of Funds	97
Combining Statement of Changes in Assets and Liabilities--All Agency Funds	98

General Fixed Assets Account Group:

Description of Account Group	99
Schedule of General Fixed Assets By Function and Type	100
Schedule of Changes in General Fixed Assets By Function	101
Schedule of General Fixed Assets--By Source	102

III. Statistical Section

General Fund Expenditures by Function and Other Financing Uses-- Last Ten Fiscal Years	S1
General Fund Revenues by Source and Other Financing Sources-- Last Ten Fiscal Years	S2
Property Tax Levies and Collections--Last Eight Years	S3

Assessed and Estimated Actual Value of Taxable Property--Last Eight Years	S4
Property Tax Rates--Direct and Overlapping Governments--Last Ten Years	S5
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita--Last Ten Years	S6
Computation of Legal Debt Margin	S7
Computation of Direct and Overlapping General Obligation Bonded Debt	S8
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to General Fund Expenditures-- Last Ten Fiscal Years	S9
Demographic Statistics--Last Ten Years	S10
Property Value, Financial Institution Deposits and Building Permits--Last Ten Years	S11
Principal Taxpayers: Real Estate Tax	S12
Tangible Personal Property Tax	S13
Public Utilities Tax	S14
Cost Per Pupil --Last Ten Fiscal Years	S15
Teacher Education and Experience	S16



Chagrin Falls Exempted Village Schools

77 EAST WASHINGTON STREET • CHAGRIN FALLS, OHIO 44022
PHONE (440) 247-4388 • FAX (440) 247-1415

DAVID E. AXNER, Ed D.
Superintendent

ANNETTE MORUD
Business Manager

PAMELA A. HOLDEN
Director of Curriculum and Personnel

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Treasurer

November 17, 2000

Board of Education Members and Residents of the Chagrin Falls Exempted Village School District:

We are pleased to submit to you the Chagrin Falls Exempted Village School District's Comprehensive Annual Financial Report (CAFR). This report provides full disclosure of the financial operation of the School District for the fiscal year ended June 30, 2000. This CAFR includes an audit opinion from the State Auditor and 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 School District. To the best of our knowledge and belief, the enclosed data is 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 School District. This report will provide the taxpayers of the Chagrin Falls Exempted Village School District with comprehensive financial data in a format which will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the local villages and cities comprising the School District, the Cuyahoga and Geauga County Public Libraries, major taxpayers, financial rating services, and other interested parties.

The comprehensive annual financial report is presented in three sections as follows:

1. The Introductory Section, which contains a Table of Contents, Letter of Transmittal, List of Principal Officials, an Organizational Chart of the School District and the GFOA Certificate of Achievement.
2. The Financial Section, which begins with the Report of Independent Accountants and includes the General Purpose Financial Statements and Notes which provide an overview of the School District's financial position and operating results, the Combining Statements by Fund Type, and other schedules that provide detailed information relative to the General Purpose Financial Statements.
3. The Statistical Section, which presents social and economic data, financial trends and the fiscal capacity of the Chagrin Falls Exempted Village School District.

The School District

The Chagrin Falls Exempted Village School District is located in both Cuyahoga and Geauga counties in northeastern Ohio, approximately thirteen miles east of the City of Cleveland. The School District's territory encompasses the entire territory of Chagrin Falls Township and the Villages of Chagrin Falls, Bentleyville, South Russell and a portion of the territories of the Village of Moreland Hills and the Townships of Bainbridge and Russell.

Statutorily, the School District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 of the Ohio Revised Code, to provide education services authorized by charter and further mandated by State and/or Federal agencies.

The Reporting Entity

The School District has reviewed its reporting entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments and organizations making up the Chagrin Falls Exempted Village School District (the primary government) and its potential component units.

The Lake Geauga Computer Association and the Ohio Schools Council are jointly governed organizations whose relationship to the School District is described in Note 9 to the general purpose financial statements.

Major Initiatives

During the 1999-2000 school year, the staff and community celebrated the completion of the \$21,800,000 construction project that included a 28,000 square foot addition to Gurney Elementary School, construction of a new Middle School and the refurbishment of the Intermediate School. A combined High School/Middle School campus now allows for a shared curriculum to better serve the educational needs of students. As a result of the new and refurbished buildings, the grade configuration of each building was changed. Preschool through grade three are housed in Gurney School, grades four through six are located at the Intermediate School, grades seven and eight are housed at the new Middle School, and grades nine through twelve are located at the High School.

The Ohio Department of Education published its rating of school districts based on academic performance. The Chagrin Falls Exempted Village School District was among the top fourteen districts (out of 611 districts statewide) that met all twenty-seven criteria assessed by the State in 1999 - an "effective" rating. The School District also met these criteria in the prior fiscal year.

Gurney Elementary School had the opportunity to convert a classroom into a science lab. Teachers rotated their classes through this lab, which features hands-on science lessons and labs. The 1999-2000 school year was the pilot year for a new preschool. The program served the needs of twenty-four (24) three to five year olds in our district and was very successful.

The Intermediate School planned for a new technology lab for the 2000-2001 school year, and saw more computers added to each classroom during the 1999-2000 school year. Our sixth grade class boasted the highest score in the State of Ohio on the math proficiency tests. Foreign Languages were highlighted by the addition of a French classroom, and all students in grades 4-6 attended French class at least once a week. The school hosted their first art show, and many other activities (vegetable derby, rocket launches) took place.

Academic and extracurricular excellence continued to be demonstrated at the new Middle School facility. Noteworthy accomplishments included a National History Day competitor, a state-level Power of the Pen student, a strong showing at the local spelling bee, as well as numerous art awards. Seventh graders took their annual trip to Toronto in November, while the eighth-grade class traveled to Gettysburg and Washington, D.C. in April.

Newsweek once again recognized Chagrin Falls High School as one of the top 100 high schools in the nation. Chagrin Falls ranked 49th among 25,000 high schools across the country. The rating, which was based on the number of advanced placement courses offered and the successful scores of advance placement tests taken, placed Chagrin Falls High School first in Northeastern Ohio and third in Ohio. Students continue to be recognized for excellence in academic and extra-curricular activities. Nine students were recognized as students of the month. Four students participated in the 2000 Ohio Governor's Youth Art Exhibition and two students were honored with the Scholastic Art and Writing Awards of 2000. The results of the senior proficiency tests taken in February ranked our seniors third in the state of Ohio passing all five tests and number one in both Geauga and Cuyahoga counties. Student honors also included one National Merit Finalist and six National Merit Commended students. Athletics boasted several All-Ohio athletes and academic All-Ohio athletes. Diana Munz, a member of the Class of 2000, participated in the 2000 Summer Olympic games in Sydney, Australia, receiving both a gold and silver medal in swimming events.

The Chagrin Falls Parent Teacher Organization (PTO), Dad's Club, the Chagrin Falls Education Foundation, Music Lovers and the Chagrin Falls Athletic Boosters continue to be major support groups to the School District. During the 1999-2000 school year, these volunteer groups provided many dollars and volunteer hours to support educational programs and enhancements. Projects included funding for playground equipment, musical instruments, audio-visual equipment, classroom supplies, field trips and assemblies for students. The Chagrin Falls Educational Foundation supported the after-school study program entitled "Program for Academic Student Success (PASS). The PASS program enabled students to receive academic tutoring and study time twice each week at the Middle School level. The Foundation also provided several thousand dollars in grants to several of our teachers for special projects.

Future Projects

The 1999-2000 school year culminated three years of planning and constructing a new middle school, a new wing at Gurney Elementary School, and additions and renovations at the High School and Intermediate School. The project was completed on time and within the constraints of the budget due to prudent construction and financial management. With the facilities in place, the District looks to continue to strive to improve curriculum and staff development

The District continues to concentrate on curriculum growth and development. In the next year, the District will review the science curriculum and the utilization of the new laboratories now available. The State of Ohio has mandated changes to the gifted program, and those changes will be implemented.

Staff development programs will continue to be reviewed and offered by the District. The end of the 1999-2000 school year brought a great deal of faculty turnover (10 retirements and 6 resignations). Mentoring programs will be expanded and refined to assist new staff to the District. Professional development classes will also continue to be offered to our staff in areas of interest and need.

Economic Outlook

The Chagrin Falls Exempted Village School District area is a residential community encompassing 27.5 square miles. The School District is rich in heritage, while maintaining an "old time" atmosphere with specialty shopping. Approximately 85 percent of the area is residential and 15 percent of the area is business in valuation. Personal income levels average above \$110,000 based on the 1998 Ohio Department of Taxation records, which maintains the Chagrin Falls Exempted Village School District as eighth in the State among 611 school districts. The School District has been ranked among the top eight school districts for the past twelve years.

Property values have continued to grow within the School District since 1980. Economic conditions are strong and are projected to continue well into the fiscal year 2001. Enrollment has increased at a manageable rate. New families moving into the School District and the construction of new homes contribute to our steady growth. The 1999-00 enrollment of 1,935 students reflects an increase of 69 students compared to the 1998-99 school year, and an increase of 443 students compared to the 1990-91 school year.

The School District's general area is served by diversified transportation facilities. School District residents have convenient access to four State and United States highways and two interstate highways. The School District is adjacent to areas served by Conrail, Amtrak and Norfolk and Western Railroads, and is served by passenger air service at Cleveland Hopkins International Airport. The City of Cleveland is easily accessible within a half-hour's drive of the School District.

The funding structure of public education in Ohio is such that school districts receive very little revenue growth as a result of inflationary increases in their tax base. As a result, school districts throughout Ohio must place funding issues on the ballot to receive significant revenue growth. Chagrin Falls Exempted Village School District garners excellent levy support from its constituents. An operating levy of 4.2 mills was submitted to the voters in November, 1999, and passed with 66 percent of the vote. This levy is expected to keep the School District in good financial condition for the next four years, provided there are no significant changes in State funding. Constituents of the School District have approved all operating levies that have been submitted to the voters, in advance of the School District experiencing financial shortcomings.

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the Ohio General Assembly to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program". Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State legislature in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. See Note 19.

Financial Information

Internal Accounting and Budgetary Control

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

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

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

At the beginning of each fiscal year, the Board of Education adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation is first adopted, a permanent appropriation measure must be adopted upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates, which is usually within three months after the start of the fiscal year.

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

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the object account level within a function and fund in the general and debt service funds and at the fund level for all other funds. All purchase order requests must be approved by the Building Principal and certified by the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests which exceed the available appropriation are rejected until additional appropriations are secured.

The accounting system used by the School District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. In addition to interim financial statements, each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible.

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

General Governmental Functions

The following schedule presents a summary of governmental funds' revenues for the fiscal years ended June 30, 1999 and 2000, and the amount and percentage of increases and decreases in relation to the prior year's revenues.

	1999 Amount	2000 Amount	Percent of Total	Change	Percent Change
Revenues					
Taxes	\$12,475,336	\$13,065,299	72.50 %	589,963	4.73 %
Intergovernmental	3,649,354	3,896,047	21.62	246,693	6.76
Interest	985,389	462,074	2.56	(523,315)	(53.11)
Tuition and Fees	16,012	140,660	0.78	124,648	778.47
Extracurricular Activities	281,422	309,015	1.72	27,593	9.80
Contributions and					
Donations	25,711	108,254	0.60	82,543	321.04
Rentals	10,029	15,781	0.09	5,752	57.35
Miscellaneous	88,707	24,027	0.13	(64,680)	(72.91)
<i>Total Revenues</i>	<u>\$17,531,960</u>	<u>\$18,021,157</u>	<u>100.00 %</u>	<u>\$489,197</u>	

The most significant continuing revenue source is taxes. During fiscal year 2000, there was a \$589,963 increase due to the first half collection of real property tax proceeds from the 4.2 mills operating levy approved in November, 1999.

Intergovernmental revenues reflect an increase in three additional grants received by the School District during the fiscal year 2000 – E Rate Grant, Classroom Size Reduction and Ohio Reads Grant. There was also an increase in school foundation funding.

Interest revenues reflect a decrease of \$523,315, as the interest earned from the proceeds of the 1997 bond issuance decreased significantly as payments were made during the completion of the construction project.

Contributions and Donations reflect an increase of \$82,543 due to additional donations to the special trust fund for scholarships and the reclassification of the special trust fund from an expendable trust to a special revenue fund.

The following schedule presents a summary of governmental funds' expenditures for the fiscal years ended June 30, 1999 and 2000, and the amount and percentage of increases and decreases in relation to the prior year's expenditures.

	1999 Amount	2000 Amount	Percent of Total	Change	Percent Change
Expenditures:					
Current:					
Instruction:					
Regular	\$7,333,117	\$7,591,192	35.36 %	\$258,075	3.52%
Special	740,261	935,067	4.36	194,806	26.32
Vocational	50,860	93,237	0.43	42,377	83.32
Support Services:					
Pupils	690,586	828,402	3.86	137,816	19.96
Instructional Staff	652,231	805,682	3.75	153,451	23.53
Board of Education	73,104	69,321	0.32	(3,783)	(5.17)
Administration	1,202,036	1,449,521	6.75	247,485	20.59
Fiscal	449,769	426,562	1.99	(23,207)	(5.16)
Business	700	17,726	0.08	17,026	2,432.29
Operation and					
Maintenance of Plant	1,650,103	1,937,576	9.03	287,473	17.42
Pupil Transportation	858,975	942,333	4.39	83,358	9.70
Central	19,903	20,571	0.10	668	3.36
Operation of Non-					
Instructional Services	116,903	142,115	0.66	25,212	21.57
Extracurricular Activities	549,811	621,872	2.90	72,061	13.11
Capital Outlay	12,876,362	3,742,530	17.43	(9,133,832)	(70.93)
Debt Service:					
Principal Retirement	283,101	439,058	2.05	155,957	55.09
Interest and					
Fiscal Charges	1,448,710	1,404,466	6.54	(44,244)	(3.05)
Total Expenditures	<u>\$28,996,532</u>	<u>\$21,467,231</u>	<u>100.00 %</u>	<u>(\$7,529,301)</u>	

Special education and Vocational instruction expenditures increased by \$237,183. Vocational expenditures increased as a result of an increase in the number of students who participated in vocational programs in other school districts (Beachwood and Mayfield City Schools). The number of students who required special education services also increased, resulting in additional staffing and outsourcing some services to other districts and service providers.

Support Service Instructional Staff increased as a result of more students requiring special education services. An additional High School Guidance Counselor was also hired to respond to additional student needs and State mandates.

Support Service Administration costs increased as a portion of two administrators salaries that had been charged to the building construction fund (to oversee the construction project) were charged once again to the general fund as the project was completed.

Support Service Operations and Maintenance of Plant expenditures increased as building expenditures for utilities and personnel increased from additional space made available from the construction project. A great deal of overtime was paid to maintenance/custodial staff to prepare for the opening of school in the new facilities.

Capital Outlay decreased by \$9,133,832, as the majority of the building construction expenditures occurred during the 1999 fiscal year.

Principal retirement increased by \$155,957 primarily due to the debt structure approved with the May 1997 bond issue.

General Fund Balance

The fund balance of the general fund decreased from \$2,699,539 at June 30, 1999 to \$2,437,404 at June 30, 2000. The decrease is primarily due to an increase in salaries and fringe benefits.

Financial Highlights – Enterprise Funds

Food service and uniform school supplies are classified as enterprise operations since they resemble those activities found in private industry; management periodically desires to determine the amount of profit/loss resulting from these operations that are significantly financed from user fees. In total, the enterprise funds had a net loss of (\$39,561) for the fiscal year ended June 30, 2000. Of the proprietary funds, the uniform school supplies enterprise fund had deficit retained earnings at June 30, 2000, of \$1,546. Management is analyzing uniform school supplies fund operations to determine appropriate action to alleviate the deficit.

Financial Highlights – Internal Service Fund

At the conclusion of fiscal year 2000, the only internal service fund carried on the financial records related to self-insurance. This fund accounts for the revenues and expenses related to the provision of prescription drug benefits to the School District employees. The internal service fund had deficit retained earnings of \$40,970 at June 30, 2000, compared with retained earnings of \$1,618 at June 30, 1999, reflecting a net loss of (\$42,588). The Board has increased charged premiums in fiscal year 2001 to alleviate the deficit.

Financial Highlights – Fiduciary Fund

The School District functions as fiscal agent for student funds, representing a variety of student groups. The agency funds had assets totaling \$64,963 at fiscal year end.

General Fixed Assets

The general fixed assets of the School District are used to carry on the main education and support function of the School District and are not financial resources available for expenditure. The total general fixed assets at June 30, 2000 were \$33,669,247. Such assets are accounted for at historical cost. Depreciation is not recognized on general fixed assets.

Debt Administration

At June 30, 2000, general obligation bonds outstanding totaled \$24,450,000. During fiscal year 2000, \$390,000 of general obligation bonds were retired. As of June 30, 2000, the overall debt margin was \$9,441,138 and the unvoted debt margin was \$364,497. The School District's bond rating is AA3.

Cash Management

The Board of Education has an active cash management program which consists of expediting the receipt of revenues and prudently depositing cash which is insured by the Federal Deposit Insurance corporation as well as investing available cash in instruments issued by the United States Government. The total amount of interest earned was \$463,941 for the year ended June 30, 2000, \$312,237 being credited directly to the

general fund, the remainder of which was credited to the scholarship, building and food service funds. The program is beneficial because of access to daily balances which enables the Board of Education to maintain minimum account balances and invest to the maximum extent.

Protection of the School District's deposits is provided by the federal deposit insurance corporation as well as by qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 105 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Risk Management

All employees of the Chagrin Falls Exempted Village School District are covered by a blanket bond while certain positions in decision/policy making roles are covered by separate, higher bond coverage.

The School District contracts for general liability insurance with a \$1,000 deductible and a ninety percent coinsurance. The School District also carries a single occurrence \$2,000,000 limit for professional liability with no deductible and automobile liability which has a \$2,000,000 combined single limit of liability.

The Chagrin Falls Exempted Village School District has insurance contracts for vehicle insurance, underground storage tanks, and crime protection. The School District participates in the Ohio Schools Board Association Workers' Compensation Group Rating Program.

Pension Plans

All School District employees are covered by the state-wide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS). The School District's employer contributions to both systems are based on a percentage of employees' salaries. State law requires the School District to pay the employer share as determined by each retirement system. See Note 14 to the general purpose financial statements for complete details.

Independent Audit

State statutes require the School District to be subjected to an annual audit by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent auditor Jim Petro, Auditor of State, was selected to render an opinion on the School District's financial statements as of and for the year ended June 30, 2000. The opinion appears at the beginning of the financial section of this report.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all governments in Ohio. The School District adopted and has been in conformance with that system beginning with its financial report for the 1979 year.

Awards

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Chagrin Falls Exempted Village School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 1999. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments

The publication of this report significantly increases the accountability of the School District to the taxpayers. This accomplishment would not have been possible without the support and efforts of the staff of the Treasurer's office and various administrators and employees of the School District. Assistance of the Cuyahoga and Geauga County Auditors' office staff and other outside agencies made possible the fair presentation of statistical data.

Special appreciation is expressed to the Local Government Services Division of State Auditor Jim Petro's office for assistance in planning, designing and reviewing this financial report.

Finally, sincere appreciation is extended to the Board of Education for its interest in and support of this project.

Respectfully,

Dr. David E. Axner
Superintendent

Mr. Stephen Osborne
Treasurer

*Chagrin Falls Exempted Village School District
Principal Officials
June 30, 2000*

Board of Education

Ms. Tamilyn Munson President
Mr. Jack Schron, Jr Vice President
Ms. Melinda Smith Member
Ms. Bethany Hurtuk Ph.D Member
Mr. Pearce Leary Member

Treasurer

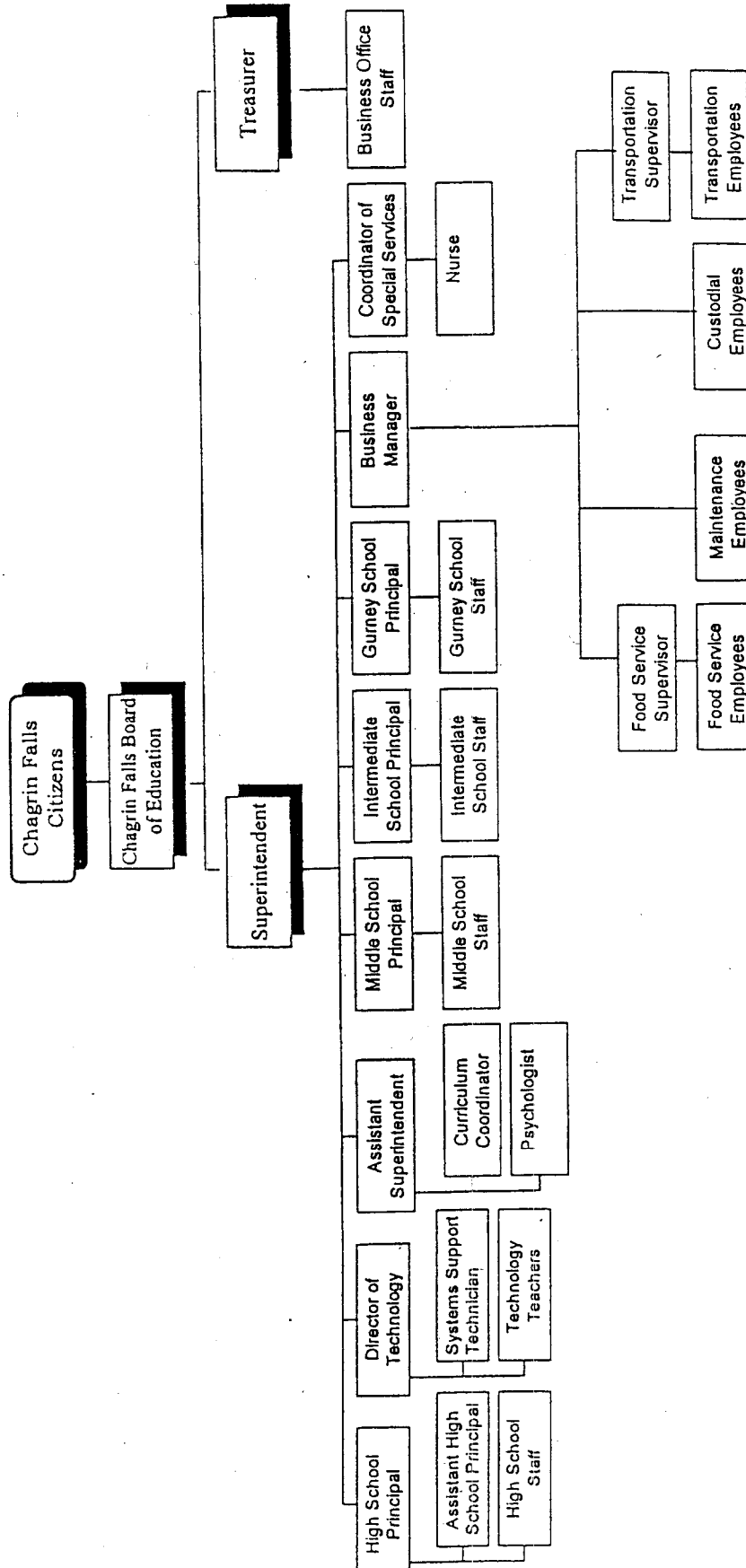
Mr. Stephen L. Osborne

Administration

Dr. David Axner, Ed D. Superintendent

CHAGRIN FALLS EXEMPTED VILLAGE SCHOOLS

ORGANIZATIONAL CHART



[Adoption Date: November 17, 1997]

[Re-adoption Date: September 28, 1998]

[Re-adoption Date: January 19, 2000]

CROSS REF.: CCB, Line and Employees Relations

Chagrin Falls Exempted Village School District, Chagrin Falls, OH

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Chagrin Falls, Ohio Exempted
Village School District

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1999

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.



Anne Spray Kinsey
President

Jeffrey L. Esser
Executive Director

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Lausche Bldg
615 W Superior Ave
Floor 12
Cleveland OH 44113 - 1801
Telephone 216-787-3665
800-626-2297
Facsimile 216-787-3361
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Chagrin Falls Exempted Village School District
Cuyahoga County
77 East Washington Street
Chagrin Falls, Ohio 44022

We have audited the accompanying general-purpose financial statements of the Chagrin Falls Exempted Village School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2000, 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 generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe 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 Chagrin Falls Exempted Village School District, Cuyahoga County, Ohio, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

As described in Note 3 to the accompanying financial statements, the District restated the General, Special Revenue, Enterprise, and Expendable Trust Fund Types and the General Long-Term Obligations and General Fixed Assets Account Groups.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2000 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the District, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. 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 presented, in all material respects, in relation to the general-purpose financial statements taken as a whole.

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

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, sweeping flourish at the end.

Jim Petro
Auditor of State

November 17, 2000

**General Purpose
Financial Statements**

Chagrin Falls Exempted Village School District

Combined Balance Sheet

All Fund Types and Account Groups

June 30, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,309,747	\$257,032	\$825,349	\$1,522,315
Receivables:				
Taxes	12,548,727	0	1,977,020	0
Accounts	3,034	464	0	0
Interfund Receivable	47,754	105	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	204,185	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	12,467	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
Other Debits				
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
Total Assets and Other Debits	\$15,125,914	\$257,601	\$2,802,369	\$1,522,315

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Obligations	
\$27,485	\$0	\$64,963	\$0	\$0	\$5,006,891
0	0	0	0	0	14,525,747
0	0	0	0	0	3,498
1,204	0	0	0	0	49,063
0	0	0	0	0	204,185
12,616	0	0	0	0	12,616
1,063	0	0	0	0	13,530
106,087	0	0	33,669,247	0	33,775,334
0	0	0	0	1,086,369	1,086,369
0	0	0	0	24,771,387	24,771,387
<u>\$148,455</u>	<u>\$0</u>	<u>\$64,963</u>	<u>\$33,669,247</u>	<u>\$25,857,756</u>	<u>\$79,448,620</u>

(continued)

Chagrin Falls Exempted Village School District

Combined Balance Sheet

All Fund Types and Account Groups (continued)

June 30, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities, Fund Equity and Other Credits				
Liabilities				
Accounts Payable	\$110,942	\$24,820	\$0	\$0
Contracts Payable	0	0	0	94,469
Accrued Wages and Benefits	1,253,634	13,250	0	0
Compensated Absences Payable	59,159	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	301,437	884	0	0
Deferred Revenue	10,963,338	0	1,716,000	0
Undistributed Monies	0	0	0	0
Due to Students	0	0	0	0
Claims Payable	0	0	0	0
Capital Leases Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
<i>Total Liabilities</i>	<u>12,688,510</u>	<u>38,954</u>	<u>1,716,000</u>	<u>94,469</u>
Fund Equity and Other Credits				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Unreserved (Deficit)	0	0	0	0
Fund Balance:				
Reserved for Property Taxes	1,443,438	0	251,120	0
Reserved for Encumbrances	143,892	5,318	0	64,173
Reserved for Inventory	12,467	0	0	0
Reserved for Textbooks	4,405	0	0	0
Reserved for Budget Stabilization	199,780	0	0	0
Unreserved, Undesignated	633,422	213,329	835,249	1,363,673
<i>Total Fund Equity (Deficit) and Other Credits</i>	<u>2,437,404</u>	<u>218,647</u>	<u>1,086,369</u>	<u>1,427,846</u>
<i>Total Liabilities, Fund Equity and Other Credits</i>	<u>\$15,125,914</u>	<u>\$257,601</u>	<u>\$2,802,369</u>	<u>\$1,522,315</u>

See accompanying notes to the general purpose financial statements

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Obligations	
\$0	\$0	\$0	\$0	\$0	\$135,762
0	0	0	0	0	94,469
20,028	0	0	0	0	1,286,912
1,554	0	0	0	1,091,832	1,152,545
11,337	37,726	0	0	0	49,063
17,516	0	0	0	127,857	447,694
497	0	0	0	0	12,679,835
0	0	5,750	0	0	5,750
0	0	59,213	0	0	59,213
0	3,244	0	0	0	3,244
0	0	0	0	188,067	188,067
0	0	0	0	24,450,000	24,450,000
<u>50,932</u>	<u>40,970</u>	<u>64,963</u>	<u>0</u>	<u>25,857,756</u>	<u>40,552,554</u>
0	0	0	33,669,247	0	33,669,247
98,090	0	0	0	0	98,090
(567)	(40,970)	0	0	0	(41,537)
0	0	0	0	0	1,694,558
0	0	0	0	0	213,383
0	0	0	0	0	12,467
0	0	0	0	0	4,405
0	0	0	0	0	199,780
0	0	0	0	0	3,045,673
<u>97,523</u>	<u>(40,970)</u>	<u>0</u>	<u>33,669,247</u>	<u>0</u>	<u>38,896,066</u>
<u>\$148,455</u>	<u>\$0</u>	<u>\$64,963</u>	<u>\$33,669,247</u>	<u>\$25,857,756</u>	<u>\$79,448,620</u>

Chagrin Falls Exempted Village School District
*Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Fund Types
For the Fiscal Year Ended June 30, 2000*

	Governmental	
	General	Special Revenue
Revenues		
Taxes	\$11,260,565	\$0
Intergovernmental	3,395,414	266,662
Interest	312,237	3,077
Tuition and Fees	139,810	850
Extracurricular Activities	0	309,015
Contributions and Donations	7,750	100,504
Rentals	15,781	0
Miscellaneous	10,977	13,050
<i>Total Revenues</i>	<u>15,142,534</u>	<u>693,158</u>
Expenditures		
Current:		
Instruction:		
Regular	7,504,857	86,335
Special	935,067	0
Vocational	93,237	0
Support Services:		
Pupils	638,631	189,771
Instructional Staff	717,882	87,800
Board of Education	69,321	0
Administration	1,443,945	5,576
Fiscal	426,562	0
Business	17,726	0
Operation and Maintenance of Plant	1,924,526	13,050
Pupil Transportation	942,333	0
Central	20,571	0
Operation of Non-Instructional Services	9,753	132,362
Extracurricular Activities	440,744	181,128
Capital Outlay	0	0
Debt Service:		
Principal Retirement	49,058	0
Interest and Fiscal Charges	3,499	0
<i>Total Expenditures</i>	<u>15,237,712</u>	<u>696,022</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(95,178)</u>	<u>(2,864)</u>
Other Financing Sources (Uses)		
Sale of Fixed Assets	8,469	0
Inception of Capital Lease	142,726	0
Operating Transfers In	24,500	22,985
Operating Transfers Out	(346,600)	(885)
<i>Total Other Financing Sources (Uses)</i>	<u>(170,905)</u>	<u>22,100</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	(266,083)	19,236
<i>Fund Balances Beginning of Year (Restated - Note 3)</i>	2,699,539	199,411
Increase in Reserve for Inventory	3,948	0
<i>Fund Balances End of Year</i>	<u>\$2,437,404</u>	<u>\$218,647</u>

See accompanying notes to the general purpose financial statements

Fund Types		Totals (Memorandum Only)
Debt Service	Capital Projects	
\$1,804,734	\$0	\$13,065,299
233,971	0	3,896,047
0	146,760	462,074
0	0	140,660
0	0	309,015
0	0	108,254
0	0	15,781
0	0	24,027
<u>2,038,705</u>	<u>146,760</u>	<u>18,021,157</u>
0	0	7,591,192
0	0	935,067
0	0	93,237
0	0	828,402
0	0	805,682
0	0	69,321
0	0	1,449,521
0	0	426,562
0	0	17,726
0	0	1,937,576
0	0	942,333
0	0	20,571
0	0	142,115
0	0	621,872
0	3,742,530	3,742,530
390,000	0	439,058
1,400,967	0	1,404,466
<u>1,790,967</u>	<u>3,742,530</u>	<u>21,467,231</u>
<u>247,738</u>	<u>(3,595,770)</u>	<u>(3,446,074)</u>
0	0	8,469
0	0	142,726
0	300,000	347,485
0	0	(347,485)
<u>0</u>	<u>300,000</u>	<u>151,195</u>
247,738	(3,295,770)	(3,294,879)
838,631	4,723,616	8,461,197
0	0	3,948
<u>\$1,086,369</u>	<u>\$1,427,846</u>	<u>\$5,170,266</u>

Chagrin Falls Exempted Village School District
*Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Governmental Fund Types
For the Fiscal Year Ended June 30, 2000*

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$10,859,000	\$11,247,062	\$388,062
Intergovernmental	3,271,079	3,395,414	124,335
Interest	230,000	315,253	85,253
Tuition and Fees	42,500	139,810	97,310
Extracurricular Activities	0	0	0
Contributions and Donations	7,500	7,750	250
Rentals	10,000	15,781	5,781
Miscellaneous	17,499	8,697	(8,802)
<i>Total Revenues</i>	<u>14,437,578</u>	<u>15,129,767</u>	<u>692,189</u>
Expenditures			
Current:			
Instruction:			
Regular	7,514,669	7,507,045	7,624
Special	973,488	967,244	6,244
Vocational	115,171	115,123	48
Support Services:			
Pupils	640,103	634,663	5,440
Instructional Staff	706,067	702,430	3,637
Board of Education	100,915	97,374	3,541
Administration	1,383,491	1,369,527	13,964
Fiscal	460,632	456,744	3,888
Business	750	750	0
Operation and Maintenance of Plant	1,976,434	1,975,057	1,377
Pupil Transportation	951,841	949,272	2,569
Central	20,605	20,605	0
Operation of Non-Instructional Services	9,305	9,294	11
Extracurricular Activities	439,855	439,814	41
Capital Outlay	0	0	0
Debt Services:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>15,293,326</u>	<u>15,244,942</u>	<u>48,384</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(855,748)</u>	<u>(115,175)</u>	<u>740,573</u>
Other Financing Sources (Uses)			
Sale of Fixed Assets	1,000	8,469	7,469
Advances Out	(36,417)	(36,417)	0
Operating Transfers In	0	0	0
Operating Transfers Out	(346,613)	(346,600)	13
<i>Total Other Financing Sources (Uses)</i>	<u>(382,030)</u>	<u>(374,548)</u>	<u>7,482</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(1,237,778)</u>	<u>(489,723)</u>	<u>748,055</u>
<i>Fund Balances Beginning of Year</i>	2,484,561	2,484,561	0
Prior Year Encumbrances Appropriated	269,750	269,750	0
<i>Fund Balances End of Year</i>	<u>\$1,516,533</u>	<u>\$2,264,588</u>	<u>\$748,055</u>

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$1,683,000	\$1,792,525	\$109,525
370,228	266,662	(103,566)	261,921	233,971	(27,950)
1,000	3,077	2,077	0	0	0
850	850	0	0	0	0
291,020	308,551	17,531	0	0	0
99,753	100,504	751	0	0	0
0	0	0	0	0	0
13,300	13,050	(250)	0	0	0
<u>776,151</u>	<u>692,694</u>	<u>(83,457)</u>	<u>1,944,921</u>	<u>2,026,496</u>	<u>81,575</u>
111,840	91,031	20,809	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
248,933	213,205	35,728	0	0	0
94,954	83,689	11,265	0	0	0
0	0	0	0	0	0
5,585	5,576	9	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
13,050	13,050	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
245,935	143,323	102,612	0	0	0
204,292	185,698	18,594	0	0	0
0	0	0	0	0	0
0	0	0	411,003	411,003	0
0	0	0	1,404,997	1,404,464	533
<u>924,589</u>	<u>735,572</u>	<u>189,017</u>	<u>1,816,000</u>	<u>1,815,467</u>	<u>533</u>
<u>(148,438)</u>	<u>(42,878)</u>	<u>105,560</u>	<u>128,921</u>	<u>211,029</u>	<u>82,108</u>
0	0	0	0	0	0
(105)	(105)	0	0	0	0
29,153	22,985	(6,168)	24,500	24,500	0
(885)	(885)	0	0	0	0
<u>28,163</u>	<u>21,995</u>	<u>(6,168)</u>	<u>24,500</u>	<u>24,500</u>	<u>0</u>
(120,275)	(20,883)	99,392	153,421	235,529	82,108
167,702	167,702	0	589,820	589,820	0
80,712	80,712	0	0	0	0
<u>\$128,139</u>	<u>\$227,531</u>	<u>\$99,392</u>	<u>\$743,241</u>	<u>\$825,349</u>	<u>\$82,108</u>

(continued)

Chagrin Falls Exempted Village School District
*Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Governmental Fund Types (continued)
For the Fiscal Year Ended June 30, 2000*

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$0	\$0	\$0
Intergovernmental	5,448	0	(5,448)
Interest	175,000	165,294	(9,706)
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Contributions and Donations	0	0	0
Rentals	0	0	0
Miscellaneous	0	0	0
<i>Total Revenues</i>	<u>180,448</u>	<u>165,294</u>	<u>(15,154)</u>
Expenditures			
Current:			
Instruction:			
Regular	2,644	0	2,644
Special	0	0	0
Vocational	0	0	0
Support Services:			
Pupils	0	0	0
Instructional Staff	16,693	2,373	14,320
Board of Education	0	0	0
Administration	113,600	50	113,550
Fiscal	11,100	1,884	9,216
Business	0	0	0
Operation and Maintenance of Plant	0	0	0
Pupil Transportation	0	0	0
Central	0	0	0
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	0	0	0
Capital Outlay	5,546,026	4,825,194	720,832
Debt Services:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>5,690,063</u>	<u>4,829,501</u>	<u>860,562</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(5,509,615)</u>	<u>(4,664,207)</u>	<u>845,408</u>
Other Financing Sources (Uses)			
Sale of Fixed Assets	0	0	0
Advances Out	0	0	0
Operating Transfers In	330,000	300,000	(30,000)
Operating Transfers Out	(490,143)	0	490,143
<i>Total Other Financing Sources (Uses)</i>	<u>(160,143)</u>	<u>300,000</u>	<u>460,143</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(5,669,758)</u>	<u>(4,364,207)</u>	<u>1,305,551</u>
<i>Fund Balances Beginning of Year</i>	2,465,153	2,465,153	0
Prior Year Encumbrances Appropriated	<u>3,267,141</u>	<u>3,267,141</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$62,536</u>	<u>\$1,368,087</u>	<u>\$1,305,551</u>

See accompanying notes to the general purpose financial statements

Totals (Memorandum Only)

Revised Budget	Actual	Variance Favorable (Unfavorable)
\$12,542,000	\$13,039,587	\$497,587
3,908,676	3,896,047	(12,629)
406,000	483,624	77,624
43,350	140,660	97,310
291,020	308,551	17,531
\$107,253	\$108,254	\$1,001
10,000	15,781	5,781
30,799	21,747	(9,052)
<u>17,339,098</u>	<u>18,014,251</u>	<u>675,153</u>
7,629,153	7,598,076	31,077
973,488	967,244	6,244
115,171	115,123	48
889,036	847,868	41,168
817,714	788,492	29,222
100,915	97,374	3,541
1,502,676	1,375,153	127,523
471,732	458,628	13,104
750	750	0
1,989,484	1,988,107	1,377
951,841	949,272	2,569
20,605	20,605	0
255,240	152,617	102,623
644,147	625,512	18,635
5,546,026	4,825,194	720,832
411,003	411,003	0
<u>1,404,997</u>	<u>1,404,464</u>	<u>533</u>
<u>23,723,978</u>	<u>22,625,482</u>	<u>1,098,496</u>
<u>(6,384,880)</u>	<u>(4,611,231)</u>	<u>1,773,649</u>
1,000	8,469	7,469
(36,522)	(36,522)	0
383,653	347,485	(36,168)
<u>(837,641)</u>	<u>(347,485)</u>	<u>490,156</u>
<u>(489,510)</u>	<u>(28,053)</u>	<u>461,457</u>
(6,874,390)	(4,639,284)	2,235,106
5,707,236	5,707,236	0
3,617,603	3,617,603	0
<u>\$2,450,449</u>	<u>\$4,685,555</u>	<u>\$2,235,106</u>

Chagrin Falls Exempted Village School District

*Combined Statement of Revenues,
Expenses and Changes in Fund Equity
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 2000*

	Enterprise	Internal Service	Totals (Memorandum Only)
Operating Revenues			
Sales	\$419,496	\$0	\$419,496
Tuition	108	0	108
Charges for Services	0	109,984	109,984
<i>Total Operating Revenues</i>	<u>419,604</u>	<u>109,984</u>	<u>529,588</u>
Operating Expenses			
Salaries	139,233	0	139,233
Fringe Benefits	48,052	0	48,052
Purchased Services	6,840	1,920	8,760
Materials and Supplies	171,754	0	171,754
Cost of Sales	127,592	0	127,592
Depreciation	1,924	0	1,924
Claims	0	150,652	150,652
<i>Total Operating Expenses</i>	<u>495,395</u>	<u>152,572</u>	<u>647,967</u>
<i>Operating Loss</i>	<u>(75,791)</u>	<u>(42,588)</u>	<u>(118,379)</u>
Non-Operating Revenues			
Federal Donated Commodities	17,115	0	17,115
Operating Grants	17,248	0	17,248
Interest	1,867	0	1,867
<i>Total Non-Operating Revenues</i>	<u>36,230</u>	<u>0</u>	<u>36,230</u>
<i>Net Loss</i>	<u>(39,561)</u>	<u>(42,588)</u>	<u>(82,149)</u>
<i>Retained Earnings Beginning of Year (Restated - Note 3)</i>	<u>38,994</u>	<u>1,618</u>	<u>40,612</u>
<i>Retained Earnings (Deficit) End of Year</i>	<u>(567)</u>	<u>(40,970)</u>	<u>(41,537)</u>
Contributed Capital Beginning and End of Year	<u>98,090</u>	<u>0</u>	<u>98,090</u>
<i>Total Fund Equity (Deficit) End of Year</i>	<u><u>\$97,523</u></u>	<u><u>(\$40,970)</u></u>	<u><u>\$56,553</u></u>

See accompanying notes to the general purpose financial statements

Chagrin Falls Exempted Village School District

Combined Statement of Cash Flows

All Proprietary Fund Types

For the Fiscal Year Ended June 30, 2000

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only)</u>
<i>Increase (Decrease) in Cash and Cash Equivalents:</i>			
Cash Flows from Operating Activities			
Cash Received from Customers	\$419,541	\$0	\$419,541
Cash Received from Tuition Payments	108	0	108
Cash Received from Quasi-External Transactions with Other Funds	0	109,984	109,984
Cash Payments to Suppliers for Goods and Services	(273,111)	(1,920)	(275,031)
Cash Payments to Employees for Services	(141,460)	0	(141,460)
Cash Payments for Employee Benefits	(43,178)	0	(43,178)
Cash Payments for Claims	0	(149,671)	(149,671)
<i>Net Cash Used for Operating Activities</i>	<u>(38,100)</u>	<u>(41,607)</u>	<u>(79,707)</u>
Cash Flows from Noncapital Financing Activities			
Operating Grants Received	17,248	0	17,248
Advances In	0	37,726	37,726
Advances Out	(1,204)	0	(1,204)
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>16,044</u>	<u>37,726</u>	<u>53,770</u>
Cash Flows from Investing Activities			
Interest on Investments	1,867	0	1,867
<i>Net Decrease in Cash and Cash Equivalents</i>	(20,189)	(3,881)	(24,070)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>47,674</u>	<u>3,881</u>	<u>51,555</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$27,485</u></u>	<u><u>\$0</u></u>	<u><u>\$27,485</u></u>

(continued)

Chagrin Falls Exempted Village School District
Combined Statement of Cash Flows
All Proprietary Fund Types (continued)
For the Fiscal Year Ended June 30, 2000

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only)</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:			
<i>Operating Loss</i>	<u>(\$75,791)</u>	<u>(\$42,588)</u>	<u>(\$118,379)</u>
<i>Adjustments</i>			
Depreciation	1,924	0	1,924
Donated Commodities Used During Year	17,115	0	17,115
(Increase) Decrease in Assets:			
Accounts Receivable	45	0	45
Inventory Held for Resale	16,929	0	16,929
Materials and Supplies Inventory	(411)	0	(411)
Increase (Decrease) in Liabilities:			
Accounts Payable	(558)	0	(558)
Accrued Wages and Benefits	4,647	0	4,647
Compensated Absences Payable	(5,478)	0	(5,478)
Intergovernmental Payable	3,478	0	3,478
Claims Payable	0	981	981
<i>Total Adjustments</i>	<u>37,691</u>	<u>981</u>	<u>38,672</u>
<i>Net Cash Used for Operating Activities</i>	<u><u>(\$38,100)</u></u>	<u><u>(\$41,607)</u></u>	<u><u>(\$79,707)</u></u>

See accompanying notes to the general purpose financial statements

Chagrin Falls Exempted Village School District
*Combined Statement of Revenues, Expenses and
Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 2000*

	Enterprise Funds		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
Revenues			
Sales	\$435,600	\$419,541	(\$16,059)
Tuition	1,200	108	(1,092)
Charges for Services	0	0	0
Interest	0	1,867	1,867
Operating Grants	17,000	17,248	248
<i>Total Revenues</i>	453,800	438,764	(15,036)
Expenses			
Salaries	155,299	141,460	13,839
Fringe Benefits	43,415	43,178	237
Purchased Services	8,500	6,840	1,660
Materials and Supplies	277,205	266,671	10,534
Claims	0	0	0
<i>Total Expenses</i>	484,419	458,149	26,270
<i>Excess of Revenues Under Expenses</i>	(30,619)	(19,385)	11,234
Advances In	7,400	0	(7,400)
Advances Out	(1,204)	(1,204)	0
<i>Excess of Revenues Over (Under) Expenses and Advances</i>	(24,423)	(20,589)	3,834
<i>Fund Equity Beginning of Year</i>	47,051	47,051	0
Prior Year Encumbrances Appropriated	623	623	0
<i>Fund Equity End of Year</i>	\$23,251	\$27,085	\$3,834

(continued)

Chagrin Falls Exempted Village School District
*Combined Statement of Revenues, Expenses and
 Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual
 All Proprietary Fund Types (continued)
 For the Fiscal Year Ended June 30, 2000*

	Internal Service Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sales	\$0	\$0	\$0
Tuition	0	0	0
Charges for Services	122,274	109,984	(12,290)
Interest	0	0	0
Operating Grants	0	0	0
	<u>122,274</u>	<u>109,984</u>	<u>(12,290)</u>
Expenses			
Salaries	0	0	0
Fringe Benefits	0	0	0
Purchased Services	1,920	1,920	0
Materials and Supplies	0	0	0
Claims	152,080	149,671	2,409
	<u>154,000</u>	<u>151,591</u>	<u>2,409</u>
<i>Excess of Revenues</i>			
<i>Under Expenses</i>	(31,726)	(41,607)	(9,881)
Advances In	37,726	37,726	
Advances Out	0	0	0
	<u>37,726</u>	<u>37,726</u>	<u>0</u>
<i>Excess of Revenues Over (Under)</i>			
<i>Expenses and Advances</i>	6,000	(3,881)	(9,881)
<i>Fund Equity Beginning of Year</i>	3,881	3,881	0
Prior Year Encumbrances Appropriated	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$9,881</u>	<u>\$0</u>	<u>(\$9,881)</u>

See accompanying notes to the general purpose financial statements

Totals
(Memorandum Only)

Revised Budget	Actual	Variance Favorable (Unfavorable)
\$435,600	\$419,541	(\$16,059)
1,200	108	(1,092)
122,274	109,984	(12,290)
0	1,867	1,867
17,000	17,248	248
<u>576,074</u>	<u>548,748</u>	<u>(27,326)</u>
155,299	141,460	13,839
43,415	43,178	237
10,420	8,760	1,660
277,205	266,671	10,534
152,080	149,671	2,409
<u>638,419</u>	<u>609,740</u>	<u>28,679</u>
(62,345)	(60,992)	1,353
45,126	37,726	(7,400)
(1,204)	(1,204)	0
<u>(18,423)</u>	<u>(24,470)</u>	<u>(6,047)</u>
50,932	50,932	0
623	623	0
<u>\$33,132</u>	<u>\$27,085</u>	<u>(\$6,047)</u>

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

Note 1 - Description of the School

The Chagrin Falls Exempted Village School District (School District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District operates under a locally elected five-member Board form of government. Each member is elected to a four year term. The School District provides educational services as mandated by State and/or federal agencies. The Board of Education controls the School District's four instructional support facilities staffed by 83 classified employees, 146 certified full-time teaching personnel and 13 administrators who provide services to 1,935 students and other community members.

The Chagrin Falls Exempted Village School District is located in both Cuyahoga and Geauga counties in northeastern Ohio. The District operates two elementary schools (pre-school-3) and (4-6), one middle school (7-8) and a high school (9-12).

Reporting Entity

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

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

The School District is associated with the Lake Geauga Computer Association (LGCA) and the Ohio Schools Council, jointly governed organizations, and the Ohio School Boards Association Workers' Compensation Group Rating Plan, an insurance purchasing pool. These organizations are presented in Notes 9 and 10 to the general purpose financial statements.

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

Note 2 - Summary of Significant Accounting Policies

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

A. Basis Of Presentation - Fund Accounting

The School District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

For financial statement presentation purposes, the various funds of the School District are grouped into the following generic fund types under the broad fund categories governmental, proprietary and fiduciary.

Governmental Fund Types Governmental funds are those through which most governmental functions of the School District are financed. The acquisition, use and balances of the School District's expendable financial resources and the related current liabilities (except those accounted for in proprietary or fiduciary funds) are accounted for through governmental funds. The following are the School District's governmental fund types:

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

Special Revenue Funds Special revenue funds are established to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditure 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 obligation principal, interest, and related costs.

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

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

Proprietary Fund Types Proprietary funds are used to account for the School District's ongoing activities which are similar to those found in the private sector. The following are the School District's proprietary fund types:

Enterprise Funds Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the Board of Education is that the costs (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 where the Board of Education 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 This fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis.

Fiduciary Fund Types Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments and other funds. The School District's only fiduciary funds are agency funds. Agency funds are purely custodial in nature (assets equal liabilities) and thus do not involve measurement of results of operations.

Account Groups To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group This account group is established to account for all fixed assets of the School District, other than those accounted for in the proprietary funds.

General Long-Term Obligations Account Group This account group is established to account for all long-term obligations of the School District except those accounted for in the proprietary funds.

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

The modified accrual basis of accounting is followed for the governmental and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: interest, tuition, grants and student fees.

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2000, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2001 operations, have been recorded as deferred revenue.

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

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund types. Revenues are recognized when they are earned and become measurable, and expenses are recognized when they are incurred, if measurable. There were no unbilled service charges receivable at year end. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

C. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations can not exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each fund and function for the general and debt service funds; all other funds are at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education. Budgetary statements for all funds except the general and debt service funds are presented beyond that legal level of control for informational purposes only.

Tax Budget Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

By no later than January 20, the Board-adopted budget is filed with the Cuyahoga County Budget Commission for rate determination.

Estimated Resources Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statement reflect the amounts in the final amended certificate issued during fiscal year 2000.

Appropriations Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is enacted by the Board of Education at the fund, function, and object level of expenditures for the general fund and debt service fund. The legal level of control for all other funds is at the fund level. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation, or alter total function appropriations, or alter object appropriations within functions in the general fund and debt service fund, must be approved by the Board of Education. The Treasurer maintains budgetary information at the object level for all other funds and has the authority to allocate appropriations at the object level without resolution by the Board of Education for all funds other than the general and debt service funds. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, other than agency funds, consistent with statutory provisions.

Encumbrances As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for proprietary funds.

Lapsing of Appropriations At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

D. 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. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the balance sheet.

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

During fiscal year 2000, investments were limited to Bankers' Acceptances, Commercial Paper, U.S. Treasury Notes, Federal National Mortgage Association Notes, Federal Home Loan Bank Notes, STAROhio and Victory Federal Mutual Funds.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the state to pool their funds for investment purposes. STAROhio 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 STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2000.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest. Interest revenue credited to the general fund during fiscal year 2000 amounted to \$312,237 which includes \$223,815 assigned from other School District funds.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, funds included within the Treasurer's cash management pool and investments with original maturities of three months or less are considered to be cash and cash equivalents.

E. Inventory

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets. Inventories of proprietary funds consist of donated food, purchased food and school supplies held for resale and are expensed when used.

F. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include unexpended revenues restricted for amounts required by statute to be set-aside by the School District for the purchase of textbooks and other instructional material and the creation of a reserve for budget stabilization. See Note 22 for additional information regarding set-asides.

G. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five hundred dollars. The School District does not possess any infrastructure.

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of fund fixed assets.

Assets in the general fixed assets account group are not depreciated. Interest incurred during construction is not capitalized on the general fixed assets. Depreciation of furniture and equipment in the enterprise funds is computed using the straight-line method over an estimated useful life that ranges from five to twenty years.

H. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

The School District currently participates in several State and Federal programs, categorized as follows:

Entitlements

General Fund

- State Foundation Program
- School Bus Purchase Reimbursement

Non-Reimbursable Grants

Special Revenue Funds

- Special Trust
- Auxiliary Services
- Education Management Information Systems
- Title II
- Title VI-B
- Drug Free Schools
- Title VI
- Ohio Reads Grant
- Professional Development Grant
- Class Reduction Grant
- Preschool Handicapped Grant

Capital Projects Fund

- School Net

Reimbursable Grants

General Fund

- Driver Education Reimbursement

Proprietary Funds

- National School Lunch Program
- Government Donated Commodities

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

Grants and entitlements received in governmental funds amounted to approximately twenty-one percent of governmental fund revenue during the 2000 fiscal year.

I. Interfund

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as “due from other funds” or “due to other funds” on the balance sheet. Short-term interfund loans are classified as “interfund receivables / payables.”

J. Compensated Absences

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

Sick leave benefits are accrued as a liability using the termination method. An accrual for sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the School District’s past experience of making termination payments.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. Contributed Capital

Contributed capital represents resources from other funds, other governments, and private sources provided to proprietary funds that are not subject to repayment. These assets are recorded at their fair market value on the date donated. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year end.

L. Accrued Liabilities and Long-term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, contractually required pension contributions and special termination benefits are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current expendable available financial resources. Payments made more than sixty days after year end are generally considered not to have been paid with current available financial resources. Capital leases and general obligation bonds are recognized as a liability of the general long-term obligations account group until due or until resources have been accumulated in the fund for payment early in the following year.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

M. Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

N. Fund Balance Reserves

The School District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for property taxes, encumbrances, inventories of supplies and materials, textbook purchases and budget stabilization.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents money required to be set-aside by the statute to protect against cyclical changes in revenues and expenditures.

O. Estimates

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

P. Memorandum Only - Totals Columns

Total columns on the general purpose financial statements are captioned "Totals-(Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Chagrin Falls Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

Note 3 - Restatement of Prior Year Balances

Restatements were made in the general, special revenue, enterprise and expendable trust funds. The effect of these changes on the fund balance/retained earnings as it was previously reported as of June 30, 1999 is as follows:

	General	Special Revenue	Enterprise	Expendable Trust
Fund Balance at June 30, 1999	\$2,713,120	\$142,623	\$25,413	\$56,788
Fund Reclassification	0	56,788	0	(56,788)
Overstatement of Interfund Payable	0	0	13,581	0
Overstatement of Interfund Receivable	(13,581)	0	0	0
Restated Fund Balances at June 30, 1999	<u>\$2,699,539</u>	<u>\$199,411</u>	<u>\$38,994</u>	<u>\$0</u>

The above changes have the following effects on the excess of revenues and other financing sources over (under) expenditures and other financing uses/net income as previously reported for the year ended June 30, 1999 as follows:

	General	Special Revenue	Enterprise	Expendable Trust
Excess/Net Income as Previously Reported	\$88,392	\$22,395	\$5,786	\$20,236
Fund Reclassification	0	20,236	0	(20,236)
Overstatement of Interfund Payable	0	0	13,581	0
Overstatement of Interfund Receivable	(13,581)	0	0	0
Restated Amounts for the Year Ended June 30, 1999	<u>\$74,811</u>	<u>\$42,631</u>	<u>\$19,367</u>	<u>\$0</u>

Due to an understatement of capital leases payable at June 30, 1999, the balances in the general long-term and general fixed assets account group increased from \$26,024,872 and \$30,568,132 to \$26,052,937 and \$30,615,071, respectively.

Note 4- Budgetary Basis of Accounting

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

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosures in the proprietary fund types (GAAP basis).
4. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements by fund type.

Excess of Revenues and Other Financing Sources
Over (Under) Expenditures and Other Financing Uses
All Governmental Fund Types

	General	Special Revenue	Debt Service	Capital Projects
GAAP Basis	(\$266,083)	\$19,236	\$247,738	(\$3,295,770)
Revenue Accruals	(340,440)	(464)	36,791	22,543
Fair Value Adjustment for Investments	(6,779)	0	0	(4,009)
Transfers In	24,500	0	(24,500)	0
Expenditure Accruals	353,561	(10,049)	0	(936,753)
Advance Out	(36,417)	(105)	0	0
Principal Retirement	21,003	0	(21,003)	0
Interest and Fiscal Charges	3,497	0	(3,497)	0
Encumbrances	(242,565)	(29,501)	0	(150,218)
Budget Basis	(\$489,723)	(\$20,883)	\$235,529	(\$4,364,207)

Chagrin Falls Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

	Enterprise	Internal Service
GAAP Basis	(\$39,561)	(\$42,588)
Revenue Accrual	45	0
Advance In	0	37,726
Expense Accruals	18,607	981
Advance Out	(1,204)	0
Depreciation Expense	1,924	0
Encumbrances	(400)	0
Budget Basis	(\$20,589)	(\$3,881)

Note 5- Fund Deficits

The following funds had fund deficit balances/retained earnings as of June 30, 2000:

Fund	Amount
Special Revenue	
Educational Management Information Systems	\$30
Classroom Size Reduction	59
Preschool Handicapped Grant	50
Enterprise	
Uniform School Supplies	1,546
Internal Service	
Self Insurance	40,970

The fund deficits are due to adjustments for accrued liabilities. The general fund is liable for any deficit and provides operating transfers when cash is required, not when accruals occur.

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

Note 6 - Deposits and Investments

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

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

Inactive deposits are public deposits that the School District's Board of Education 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 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 Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held until 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, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Cash on Hand: At year end, the School District had \$3,900 in undeposited cash on hand which is included on the balance sheet of the School District as part of equity in pooled cash and cash equivalents.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments and Repurchase Agreements".

Deposits At fiscal year-end, the carrying amount of the School District's deposits was \$345,102 and the bank balance was \$572,667. \$200,000 of the bank balance was covered by federal depository insurance. \$372,667 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institutions trust department or agent in the School District's name and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

Investments GASB Statement No. 3 requires that the School District's investments be categorized to give an indication of the level of risk assumed by the School District at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. Investments in the Victory Federal Money Markets and the STAROhio, the State Treasurer's Investment Pool are not classified by degree of credit risk since they are not evidenced by securities that exist in physical or book entry form.

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

	Category 1	Category 2	Fair Value
Bankers' Acceptances	\$316,477	\$0	\$316,477
U.S. Treasury Notes		50,754	50,754
Federal National Mortgage Association Notes		1,287,780	1,287,780
Federal Home Loan Bank Notes		450,129	450,129
Star Ohio			2,680,905
Victory Federal Money Market Closed End	51,718		51,718
Victory Federal Money Market Mutual Fund			24,311
<i>Total Investments</i>	<u>\$368,195</u>	<u>\$1,788,663</u>	<u>\$4,862,074</u>

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$5,211,076	\$0
Investments which are part of a cash management pool:		
Cash on Hand	(3,900)	0
Bankers' Acceptances	(316,477)	316,477
U. S. Treasury Notes	(50,754)	50,754
Federal National Mortgage Association Notes	(1,287,780)	1,287,780
Federal Home Loan Bank Notes	(450,129)	450,129
Star Ohio	(2,680,905)	2,680,905
Victory Federal Market Closed End	(51,718)	51,718
Victory Federal Market Mutual Fund	(24,311)	24,311
GASB Statement 3	<u>\$345,102</u>	<u>\$4,862,074</u>

Note 7 - Property Taxes

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

Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Property tax revenue received during calendar 2000 for real and public utility property taxes represents collections of calendar 1999 taxes. Property tax payments received during calendar 2000 for tangible personal property (other than public utility property) is for calendar 2000 taxes.

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

2000 real property taxes are levied after April 1, 2000, on the assessed value listed as of January 1, 2000, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value: public utility real property is assessed at thirty-five percent of true value. 2000 public utility property taxes became a lien December 31, 1999, are levied after April 1, 2000, and are collected in 2001 with real property taxes.

2000 tangible personal property taxes are levied after April 1, 2000, on the value as of December 31, 1999. Collections are made in 2000. Tangible personal property assessments are twenty-five percent of true value.

The assessed values upon which the fiscal year 2000 taxes were collected are:

	1999 Second- Half Collections		2000 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$322,021,960	94.62%	\$345,547,240	94.80%
Public Utility Personal	8,789,110	2.58	8,504,240	2.33
Tangible Personal Property	9,536,826	2.80	10,445,953	2.87
	<u>\$340,347,896</u>	<u>100.00%</u>	<u>\$364,497,433</u>	<u>100.00%</u>
Tax Rate per \$1,000 of assessed valuation:	\$88.00		\$92.80	

The School District passed a 4.2 mills continuing operating levy in November 1999. The collection on this levy began in January 2000.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. This year, the June 2000 tangible personal property tax settlement was not received until July of 2000.

The School District receives property taxes from Cuyahoga and Geauga County. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2000, are available to finance fiscal year 2001 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding, real property, personal property and public utility taxes which became measurable as of June 30, 2000 and a delayed personal property settlement made in July. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 and the delayed settlement is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2000, was \$1,694,558; \$1,443,438 was available to the general fund and \$251,120 was available to the debt service fund.

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

Note 8 - Receivables

Receivables at June 30, 2000, consisted of taxes and accounts (rent and student fees). All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds.

Note 9 - Jointly Governed Organizations

A. Lake Geauga Computer Association

The Lake Geauga Computer Association (LGCA) is a jointly governed organization that was formed for the purpose of providing computer services for accounting, grading, scheduling, EMIS and other applications to its 18 member school districts. Each of the districts supports LGCA based upon a per pupil charge. The executive committee (governing board) consists of the superintendents and treasurers of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the governing board. LGCA's continued existence is not dependent on Chagrin Falls Exempted Village School District's continued participation. To obtain financial information, write to Lake Geauga Computer Association, 8140 Auburn Road, Painesville, Ohio 44077.

B. Ohio Schools Council

The Ohio Schools' Council Association (Council) is a jointly governed organization among eighty-three school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2000, the School District paid \$750 to the Council. Financial information can be obtained by contacting Albert G. Vasek, the Executive Secretary of the Ohio Schools Council at 155 Center Road, Bedford, Ohio 44146.

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

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

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

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

Note 10 - Insurance Purchasing Pool

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP's business affairs are conducted by a three member Board of directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. 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.

Note 11 - Fixed Assets

A summary of the enterprise funds' fixed assets at June 30, 2000, follows:

	Totals
Furniture and Equipment	<u>\$246,208</u>
Less accumulated depreciation	<u>(140,121)</u>
Net Fixed Assets	<u><u>\$106,087</u></u>

A summary of the changes in general fixed assets during fiscal year 2000 follows:

	Balance 6/30/99	Additions	Deletions	Balance 6/30/00
Land	<u>\$1,386,635</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,386,635</u>
Buildings	22,597,328	2,017,324	0	24,614,652
Improvements other than Buildings	1,575,802	127,635	0	1,703,437
Furniture and Equipment	3,731,038	995,614	123,795	4,602,857
Vehicles	<u>1,324,268</u>	<u>166,583</u>	<u>129,185</u>	<u>1,361,666</u>
Total	<u><u>\$30,615,071</u></u>	<u><u>\$3,307,156</u></u>	<u><u>\$252,980</u></u>	<u><u>\$33,669,247</u></u>

There was no significant construction in progress during fiscal year 2000.

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

Note 12 - Risk Management

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2000, the School District contracted with the following insurance companies for the various insurances that the School District purchased:

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>
Crum and Forster	Property Coverage	
	Blanket Building and Contents	\$44,524,580
	Extra Expense	1,000,000
	Valuable Papers	100,000
	Inland Marine	1,853,714
Travelers Insurance Company	Boiler and Machinery	30,000,000
Ohio Casualty Company	Public Employee Dishonesty	250,000
	Money and Securities	5,000
Coregis Insurance Company	Automobile Liability	2,000,000
Nationwide Insurance Company	Education Liability	
	Each Occurrence	2,000,000
	Fire Damage	100,000
	Medical Expense	5,000
	General Aggregate	5,000,000
	Umbrella Liability	2,000,000

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

During fiscal year 2000, the School District participated in a self-insurance program for prescription drug insurance. PCS Health Systems of Worthington, Ohio, the third-party administrator of the program, reviews and pays claims. The prescription drug plan utilizes a \$10/\$5 deductible per prescription. The School District pays \$62.80 for family coverage and \$25.13 for single coverage per month which represents 70 percent of the premium required for family coverage and 100 percent of the premium required for single coverage.

The claims liability of \$3,244 reported in the internal service fund at June 30, 2000, is based on an estimate provided by the third party administrator and the requirements of Governmental 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.

Chagrin Falls Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

Changes in the fund's claims liability amount during fiscal 1998, 1999 and 2000 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
1998	\$0	\$94,510	\$89,333	\$5,177
1999	5,177	121,554	124,468	2,263
2000	2,263	150,652	149,671	3,244

B. Workers' Compensation

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 10). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school 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 shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

Note 13 - Other Employee Benefits

A. Life/Health Insurance

The School District provides life insurance and accidental death and dismemberment insurance to most employees through MetLife, in the amount of \$75,000 for all certified and union exempt employees, all administrators, and treasurer, \$100,000 for the superintendent, and \$30,000 for non-certified employees.

The School District has elected to provide employee medical and surgical through United Health Care. These plans provide medical/surgical plans with deductibles ranging from zero to \$200 single and zero to \$400 family. For certified employees, the School District pays \$369.14 for family coverage and \$178.44 for single coverage per month which represents 80 percent of the premium required for family coverage and 100 percent of the premium required for single coverage. For classified employees, the School District pays \$392.22 for family coverage and \$160.60 for single coverage per month which represents 85 percent of the premium required for family coverage and 90 percent of the premium required for single coverage. Dental coverage is through Met Life and are subject to certain deductibles, co-pays and maximum benefits as outlined in the plan. Per negotiated agreement, the premium is paid based on full time equivalency. If an employee is not full time, the School District pays a pro-rated share of the premium for both single and family coverage. All employees are offered a wellness program by the School District. This program provides preventive medical treatments and is entirely covered by the School District.

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

B. Compensated Absences

The criteria for determining vested vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn five to twenty-five days of vacation per year, depending upon length of service and hours worked. Teachers do not earn vacation time. Administrators employed to work 260 days per year earn fifteen to twenty-five days of vacation annually. Accumulated unused vacation time is paid to classified employees and administrators upon termination of employment.

Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated to a maximum of 270 days. Upon retirement, employees receive payment for one-fourth of the total sick leave accumulation, up to a maximum accumulation of 270 days.

Note 14 - Defined Benefit Pension Plans

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

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. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2000, 5.5 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 1999, 7.7 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$145,478, \$183,894 and \$200,656 respectively; 42.43 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. \$83,757 representing the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds and the general long-term obligations account group.

B. State Teachers Retirement System

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

For the fiscal year ended June 30, 2000, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendations 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, 2000, 1999, and 1998 were \$451,311, \$438,786, and \$702,700 respectively; 84.04 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. \$72,049 representing the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirements system have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2000, two members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

Note 15 - 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-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are on a pay-as-you-go basis.

All STRS benefit recipients and sponsored dependants are eligible for health care coverage. The STRS 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 health care costs in the form of a monthly premium. By law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2000, the STRS Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$601,748 for fiscal year 2000.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 1999, (the latest information available) the balance in the Fund was \$2,783 million. For the year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000 and STRS had 95,796 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. 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, 2000, employer contributions to fund health care benefits were 8.5 percent of covered payroll, an increase of 2.2 percent for fiscal year 2000. 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 2000, the minimum pay was

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2000 fiscal year equaled \$240,811.

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 annual health care expenses. Expenses for health care at June 30, 1999 (the latest information available), were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999, SERS had net assets available for payment of health care benefits of \$188.0 million. SERS had approximately 51,000 participants currently receiving health care benefits.

Note 16 - Long Term Debt

Changes in long-term obligations of the School District during fiscal year 2000 were as follows:

	Principal Outstanding 6/30/99	Additions	Deductions	Principal Outstanding 6/30/00
General Long-Term Obligations				
General Obligation Bonds:				
Additions/Facilities 7.50%	\$3,140,000	\$0	(\$165,000)	\$2,975,000
Renovations 5.37%	2,400,000	0	(100,000)	2,300,000
Renovations 5.39%	19,300,000	0	(125,000)	19,175,000
Total General Obligation Bonds	24,840,000	0	(390,000)	24,450,000
Compensated Absences	1,000,307	91,525	0	1,091,832
Pension Obligation	118,231	127,857	(118,231)	127,857
Capital Leases	94,399	142,726	(49,058)	188,067
<i>General Long-Term Obligations:</i>	<u><u>\$26,052,937</u></u>	<u><u>\$362,108</u></u>	<u><u>(\$557,289)</u></u>	<u><u>\$25,857,756</u></u>

General obligation bonds will be paid from the debt service fund. Compensated absences and the pension obligation will be paid from the fund from which the employee is paid. Capital lease obligations will be paid from the general fund.

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

The School District's overall legal debt margin was \$9,441,138 at June 30, 2000. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2000 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2001	\$675,000	\$1,359,690	\$2,034,690
2002	695,000	1,321,968	2,016,968
2003	770,000	1,281,773	2,051,773
2004	795,000	1,238,605	2,033,605
2005	845,000	1,188,700	2,033,700
2006-2010	5,125,000	5,017,372	10,142,372
2011-2015	5,045,000	3,489,656	8,534,656
2016-2020	6,040,000	2,050,396	8,090,396
2021-2024	4,460,000	368,707	4,828,707
Total	\$24,450,000	\$17,316,867	\$41,766,867

Note 17 - Capitalized Leases

Capital lease obligations recorded in the general long-term obligations account group relate to copier equipment and a vehicle which are leased under long-term agreements. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standard No. 13 "Accounting for Leases". Capital lease payments in the governmental funds have been reclassified and are reflected as debt service in the general purpose financial statements for the general fund. These expenditures are reflected as program/function expenditures on a budgetary basis. The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2000.

<u>Year</u>	<u>Amount</u>
2001	67,347
2002	66,394
2003	37,491
2004	18,460
Total Minimum Lease Payments	189,692
Less: Amount Representing Interest	(1,625)
Present Value of minimum lease payments	<u>\$188,067</u>

The assets being acquired have been capitalized in the general fixed assets account group in the amount of \$306,909, which is the present value of the minimum lease payments at the inception of each lease.

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

Note 18 - Interfund Transactions

Interfund balances at June 30, 2000, consist of the following individual fund receivables and payables:

<u>Fund Type/Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$47,754	\$0
Auxiliary Services Special Revenue Fund	105	0
Enterprise Funds		
Food Service	1,204	0
Uniform School Supplies	0	11,337
<i>Total Enterprise Funds</i>	1,204	11,337
Self Insurance Internal Service Fund	0	37,726
Total	<u>\$49,063</u>	<u>\$49,063</u>

Note 19 - State School Funding Decision

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the Ohio General Assembly to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program," which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 2000, the Chagrin Falls Exempted Village School District received \$1,825,902 of school foundation support for its general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "...the mandate of the [Ohio] Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, it found seven "...major areas warrant further attention, study, and development by the General Assembly...", including the State's reliance on local property tax funding, the state's basic aid formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program.

The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001.

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

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

Note 20 - Segment Information for Enterprise Funds

The School District maintains three enterprise funds to account for the operations of food service, uniform school supplies and adult education. The table below reflects in a summarized format the more significant financial data relating to the Enterprise Funds of the Chagrin Falls Exempted Village School District as of and for the fiscal year ended June 30, 2000.

	Food Service	Uniform School Supplies	Adult Education	Totals
Operating Revenues	\$386,125	\$33,371	\$108	\$419,604
Depreciation	1,924	0	0	1,924
Operating Loss	(57,872)	(17,919)	0	(75,791)
Donated Commodities	17,115	0	0	17,115
Operating Grants	17,248	0	0	17,248
Net Loss	(21,642)	(17,919)	0	(39,561)
Net Working Capital	(5,464)	(1,546)	0	(7,010)
Total Assets	138,664	9,791	0	148,455
Total Equity (Deficit)	99,069	(1,546)	0	97,523
Encumbrances at June 30, 2000	400	0	0	400

Note 21 - Contingencies

A. Grants

The School District receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2000.

B. Litigation

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

Chagrin Falls Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

Note 22 - Set Asides

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

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

	Budget Stabilization Reserve	Capital Improvements Reserve	Textbooks/ Instructional Materials Reserve
Set-aside Reserve Balance as of June 30, 1999	\$199,780	\$0	\$0
Current Year Set-aside Requirement	0	352,541	352,541
Offsets during the fiscal year	0	(165,294)	0
Qualifying Disbursements	0	(4,760,758)	(348,136)
Set-aside Balance Carried Forward to Future Fiscal Years	\$199,780	(\$4,573,511)	\$4,405
Set-aside Reserve Balance as of June 30, 2000	\$199,780	\$0	\$4,405

The School District had qualifying disbursements during the fiscal year that reduced the textbook and/or capital improvements set-aside amounts below zero. These extra amounts may be used to reduce the set-aside requirements in future fiscal years. The total reserve balance for the three set-asides at the end of the fiscal year was \$204,185.

**Combining, Individual Fund
and Account Group Statements and Schedules**

General Fund

The General Fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for in other funds.

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$10,859,000	\$11,247,062	\$388,062
Intergovernmental	3,271,079	3,395,414	124,335
Interest	230,000	315,253	85,253
Tuition and Fees	42,500	139,810	97,310
Contributions and Donations	7,500	7,750	250
Rentals	10,000	15,781	5,781
Miscellaneous	17,499	8,697	(8,802)
<i>Total Revenues</i>	<u>14,437,578</u>	<u>15,129,767</u>	<u>692,189</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	5,683,033	5,682,704	329
Fringe Benefits	1,250,520	1,249,500	1,020
Purchased Services	54,341	51,682	2,659
Materials and Supplies	327,507	325,394	2,113
Capital Outlay - New	197,214	196,451	763
Capital Outlay - Replacement	2,054	1,314	740
Total Regular	<u>7,514,669</u>	<u>7,507,045</u>	<u>7,624</u>
Special:			
Salaries and Wages	577,269	573,310	3,959
Fringe Benefits	133,211	132,029	1,182
Purchased Services	243,786	243,296	490
Materials and Supplies	6,005	5,445	560
Capital Outlay - New	13,217	13,164	53
Total Special	<u>973,488</u>	<u>967,244</u>	<u>6,244</u>
Vocational:			
Purchased Services	115,171	115,123	48
Total Instruction	<u>\$8,603,328</u>	<u>\$8,589,412</u>	<u>\$13,916</u>

(continued)

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Support Services:			
Pupils:			
Salaries and Wages	\$421,948	\$421,274	\$674
Fringe Benefits	99,949	99,467	482
Purchased Services	75,185	74,686	499
Materials and Supplies	6,578	5,714	864
Capital Outlay - New	11,621	9,923	1,698
Capital Outlay - Replacement	24,822	23,599	1,223
Total Pupils	640,103	634,663	5,440
Instructional Staff:			
Salaries and Wages	497,226	495,397	1,829
Fringe Benefits	130,957	130,957	0
Purchased Services	36,470	35,680	790
Materials and Supplies	40,849	40,396	453
Capital Outlay - New	565	0	565
Total Instructional Staff	706,067	702,430	3,637
Board of Education:			
Salaries and Wages	6,500	6,325	175
Fringe Benefits	3,150	3,131	19
Purchased Services	79,413	76,690	2,723
Materials and Supplies	11,852	11,228	624
Total Board of Education	100,915	97,374	3,541
Administration:			
Salaries and Wages	904,019	903,926	93
Fringe Benefits	259,800	255,642	4,158
Purchased Services	169,122	163,234	5,888
Materials and Supplies	16,620	15,925	695
Capital Outlay - New	33,930	30,800	3,130
Total Administration	\$1,383,491	\$1,369,527	\$13,964

(continued)

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Fiscal:			
Salaries and Wages	\$177,252	\$176,939	\$313
Fringe Benefits	51,624	50,858	766
Purchased Services	227,716	226,058	1,658
Materials and Supplies	3,040	2,838	202
Capital Outlay - New	500	51	449
Capital Outlay - Replacement	500	0	500
Total Fiscal	460,632	456,744	3,888
Business:			
Purchased Services	750	750	0
Operation and Maintenance of Plant:			
Salaries and Wages	932,057	932,043	14
Fringe Benefits	249,130	249,126	4
Purchased Services	675,581	675,574	7
Materials and Supplies	85,408	85,011	397
Capital Outlay - New	32,100	31,145	955
Capital Outlay - Replacement	2,158	2,158	0
Total Operation and Maintenance of Plant	1,976,434	1,975,057	1,377
Pupil Transportation:			
Salaries and Wages	537,189	536,814	375
Fringe Benefits	131,166	130,445	721
Purchased Services	44,142	43,913	229
Materials and Supplies	71,069	70,507	562
Capital Outlay - New	55,875	55,871	4
Capital Outlay - Replacement	112,400	111,722	678
Total Pupil Transportation	951,841	949,272	2,569
Central:			
Purchased Services	20,605	20,605	0
Total Support Services	\$6,240,838	\$6,206,422	\$34,416

(continued)

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operation of Non-Instructional Services:			
Salaries and Wages	\$8,050	\$8,039	\$11
Fringe Benefits	1,255	1,255	0
Total Operation of Non-Instructional Services	9,305	9,294	11
Extracurricular Activities:			
Academic Oriented Activities:			
Materials and Supplies	10,000	9,992	8
Sport Oriented Activities:			
Salaries and Wages	364,950	364,929	21
Fringe Benefits	55,780	55,778	2
Purchased Services	9,125	9,115	10
Total Sport Oriented Activities	429,855	429,822	33
Total Extracurricular Activities	439,855	439,814	41
<i>Total Expenditures</i>	15,293,326	15,244,942	48,384
<i>Excess of Revenues Over (Under) Expenditures</i>	(855,748)	(115,175)	740,573
Other Financing Sources (Uses)			
Sale of Fixed Assets	1,000	8,469	7,469
Advances Out	(36,417)	(36,417)	0
Operating Transfers Out	(346,613)	(346,600)	13
<i>Total Other Financing Sources (Uses)</i>	(382,030)	(374,548)	7,482
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	(1,237,778)	(489,723)	748,055
<i>Fund Balance Beginning of Year</i>	2,484,561	2,484,561	0
Prior Year Encumbrances Appropriated	269,750	269,750	0
<i>Fund Balance End of Year</i>	<u>\$1,516,533</u>	<u>\$2,264,588</u>	<u>\$748,055</u>

Special Revenue Funds

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

Special Trust Fund - This fund accounts for monies from local donations for the purpose of scholarships for students.

Public School Support Fund - This fund accounts for school site sales revenue and expenditures for field trips, assemblies, and other activity costs.

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

Professional Development Grant Fund - This fund accounts for State monies used to provide seminars and workshops for staff development.

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

Ohio Reads Grant Fund - This fund accounts for State monies to improve reading outcomes, especially on fourth grade reading proficiency tests and for costs associated with volunteer coordinators who administer the program.

Title II Fund - This fund accounts for monies used to improve the skills of teachers and the quality of instruction in mathematics, science, foreign languages and computer learning, and to increase the access of all students to that instruction.

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

Title VI Fund - This fund accounts for Federal monies which support the implementation of a variety of programs such as computer education, gifted and talented programs, in-service and staff development.

Drug Free Schools Fund - This fund accounts for Federal monies which support the implementation of programs for drug abuse education and prevention.

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

E-Rate Grant Fund - This fund accounts for Federal funds which support the telecommunications activities within the School District.

(continued)

Special Revenue Funds (continued)

Classroom Size Reduction - This fund accounts for Federal monies received to encourage and help fund smaller classroom size and additional staffing needs.

Preschool Handicapped Grant Fund - This fund accounts for the improvement and expansion of services for handicapped children ages three through five.

Textbook Subsidy Fund - This fund accounts for monies received through State agencies for the purchase of new textbooks and other classroom materials.

Chagrin Falls Exempted Village School District

Combining Balance Sheet

All Special Revenue Funds

June 30, 2000

	<u>Special Trust</u>	<u>Public School Support</u>	<u>Athletic/ District Managed</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$112,535	\$27,320	\$68,028
Receivables:			
Accounts	0	464	0
Interfund Receivable	0	0	0
<i>Total Assets</i>	<u>\$112,535</u>	<u>\$27,784</u>	<u>\$68,028</u>
Liabilities			
Accounts Payable	\$18,090	\$1,694	\$452
Accrued Wages and Benefits	0	0	0
Intergovernmental Payable	201	39	22
<i>Total Liabilities</i>	<u>18,291</u>	<u>1,733</u>	<u>474</u>
Fund Equity			
Fund Balance:			
Reserved for Encumbrances	10	0	2,177
Unreserved, Undesignated (Deficit)	94,234	26,051	65,377
<i>Total Fund Equity (Deficit)</i>	<u>94,244</u>	<u>26,051</u>	<u>67,554</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$112,535</u>	<u>\$27,784</u>	<u>\$68,028</u>

(continued)

Chagrin Falls Exempted Village School District

Combining Balance Sheet

All Special Revenue Funds (continued)

June 30, 2000

	Professional Development Grant	Educational Management Information Systems	Ohio Reads Grant	Title II
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$12,265	\$0	\$1,325	\$4,811
Receivables:				
Accounts	0	0	0	0
Interfund Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u><u>\$12,265</u></u>	<u><u>\$0</u></u>	<u><u>\$1,325</u></u>	<u><u>\$4,811</u></u>
Liabilities				
Accounts Payable	\$0	\$0	\$109	\$2,400
Accrued Wages and Benefits	0	0	0	0
Intergovernmental Payable	<u>0</u>	<u>30</u>	<u>8</u>	<u>0</u>
<i>Total Liabilities</i>	<u>0</u>	<u>30</u>	<u>117</u>	<u>2,400</u>
Fund Equity				
Fund Balance:				
Reserved for Encumbrances	0	0	0	0
Unreserved, Undesignated (Deficit)	<u>12,265</u>	<u>(30)</u>	<u>1,208</u>	<u>2,411</u>
<i>Total Fund Equity (Deficit)</i>	<u>12,265</u>	<u>(30)</u>	<u>1,208</u>	<u>2,411</u>
<i>Total Liabilities and Fund Equity</i>	<u><u>\$12,265</u></u>	<u><u>\$0</u></u>	<u><u>\$1,325</u></u>	<u><u>\$4,811</u></u>

<u>Title VI-B</u>	<u>Title VI</u>	<u>Drug Free Schools</u>	<u>Auxiliary Services</u>	<u>Classroom Size Reduction</u>	<u>Preschool Handicapped Grant</u>	<u>Totals</u>
\$13,644	\$6,242	\$3,369	\$5,953	\$1,540	\$0	\$257,032
0	0	0	0	0	0	464
0	0	0	105	0	0	105
<u>\$13,644</u>	<u>\$6,242</u>	<u>\$3,369</u>	<u>\$6,058</u>	<u>\$1,540</u>	<u>\$0</u>	<u>\$257,601</u>
\$0	\$0	\$0	\$2,075	\$0	\$0	\$24,820
11,710	0	0	0	1,540	0	13,250
420	0	0	55	59	50	884
<u>12,130</u>	<u>0</u>	<u>0</u>	<u>2,130</u>	<u>1,599</u>	<u>50</u>	<u>38,954</u>
0	0	0	3,131	0	0	5,318
1,514	6,242	3,369	797	(59)	(50)	213,329
<u>1,514</u>	<u>6,242</u>	<u>3,369</u>	<u>3,928</u>	<u>(59)</u>	<u>(50)</u>	<u>218,647</u>
<u>\$13,644</u>	<u>\$6,242</u>	<u>\$3,369</u>	<u>\$6,058</u>	<u>\$1,540</u>	<u>\$0</u>	<u>\$257,601</u>

Chagrin Falls Exempted Village School District

Combining Statement of Revenues, Expenditures

and Changes in Fund Balances

All Special Revenue Funds

For the Fiscal Year Ended June 30, 2000

	Special Trust	Public School Support	Athletic/ District Managed	Professional Development Grant
Revenues				
Intergovernmental	\$6,948	\$0	\$0	\$12,270
Interest	2,850	0	0	0
Tuition and Fees	850	0	0	0
Extracurricular Activities	0	164,875	144,140	0
Contributions and Donations	76,376	0	24,128	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>87,024</u>	<u>164,875</u>	<u>168,268</u>	<u>12,270</u>
Expenditures				
Current:				
Instruction:				
Regular	31,878	2,500	0	0
Support Services:				
Pupils	17,690	167,576	0	0
Instructional Staff	0	0	0	6,339
Administration	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	181,128	0
<i>Total Expenditures</i>	<u>49,568</u>	<u>170,076</u>	<u>181,128</u>	<u>6,339</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>37,456</u>	<u>(5,201)</u>	<u>(12,860)</u>	<u>5,931</u>
Other Financing Sources (Uses)				
Operating Transfers In	0	1,600	21,385	0
Operating Transfers Out	0	(885)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>715</u>	<u>21,385</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>37,456</u>	<u>(4,486)</u>	<u>8,525</u>	<u>5,931</u>
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>56,788</u>	<u>30,537</u>	<u>59,029</u>	<u>6,334</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$94,244</u></u>	<u><u>\$26,051</u></u>	<u><u>\$67,554</u></u>	<u><u>\$12,265</u></u>

<u>Educational Management Information Systems</u>	<u>Ohio Reads Grant</u>	<u>Title II</u>	<u>Title VI-B</u>	<u>Title VI</u>	<u>Drug Free Schools</u>	<u>Auxiliary Services</u>
\$5,316	\$2,925	\$4,811	\$84,251	\$10,610	\$7,874	\$110,407
0	0	0	0	0	0	227
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>5,316</u>	<u>2,925</u>	<u>4,811</u>	<u>84,251</u>	<u>10,610</u>	<u>7,874</u>	<u>110,634</u>
0	1,717	4,299	0	7,846	200	0
0	0	0	0	0	4,505	0
0	0	0	80,527	934	0	0
5,316	0	0	260	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	8,360	1,072	0	122,781
0	0	0	0	0	0	0
<u>5,316</u>	<u>1,717</u>	<u>4,299</u>	<u>89,147</u>	<u>9,852</u>	<u>4,705</u>	<u>122,781</u>
0	1,208	512	(4,896)	758	3,169	(12,147)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	1,208	512	(4,896)	758	3,169	(12,147)
(30)	0	1,899	6,410	5,484	200	16,075
<u>(\$30)</u>	<u>\$1,208</u>	<u>\$2,411</u>	<u>\$1,514</u>	<u>\$6,242</u>	<u>\$3,369</u>	<u>\$3,928</u>

(continued)

Chagrin Falls Exempted Village School District

Combining Statement of Revenues, Expenditures

and Changes in Fund Balances

All Special Revenue Funds (continued)

For the Fiscal Year Ended June 30, 2000

	<u>E-Rate Grant</u>	<u>Classroom Size Reduction</u>	<u>Preschool Handicapped Grant</u>	<u>Textbook Subsidy</u>	<u>Totals</u>
Revenues					
Intergovernmental	\$0	\$12,284	\$8,966	\$0	\$266,662
Interest	0	0	0	0	3,077
Tuition and Fees	0	0	0	0	850
Extracurricular Activities	0	0	0	0	309,015
Contributions and Donations	0	0	0	0	100,504
Miscellaneous	13,050	0	0	0	13,050
<i>Total Revenues</i>	<u>13,050</u>	<u>12,284</u>	<u>8,966</u>	<u>0</u>	<u>693,158</u>
Expenditures					
Current:					
Instruction:					
Regular	0	12,343	9,016	16,536	86,335
Support Services:					
Pupils	0	0	0	0	189,771
Instructional Staff	0	0	0	0	87,800
Administration	0	0	0	0	5,576
Operation and Maintenance of Plant	13,050	0	0	0	13,050
Central	0	0	0	0	0
Operation of Non-Instructional Services	0	0	149	0	132,362
Extracurricular Activities	0	0	0	0	181,128
<i>Total Expenditures</i>	<u>13,050</u>	<u>12,343</u>	<u>9,165</u>	<u>16,536</u>	<u>696,022</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>(59)</u>	<u>(199)</u>	<u>(16,536)</u>	<u>(2,864)</u>
Other Financing Sources (Uses)					
Operating Transfers In	0	0	0	0	22,985
Operating Transfers Out	0	0	0	0	(885)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>22,100</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	0	(59)	(199)	(16,536)	19,236
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>149</u>	<u>16,536</u>	<u>199,411</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$0</u>	<u>(\$59)</u>	<u>(\$50)</u>	<u>\$0</u>	<u>\$218,647</u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Trust Fund
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$4,174	\$6,948	\$2,774
Interest	0	2,850	2,850
Tuition and Fees	850	850	0
Contributions and Donations	74,976	76,376	1,400
<i>Total Revenues</i>	<u>80,000</u>	<u>87,024</u>	<u>7,024</u>
Expenditures			
Current:			
Instruction:			
Regular			
Salaries and Wages	5,000	2,400	2,600
Fringe Benefits	700	336	364
Purchased Services	10,750	9,800	950
Materials and Supplies	5,000	1,152	3,848
Total Instruction	<u>21,450</u>	<u>13,688</u>	<u>7,762</u>
Support Services:			
Pupils:			
Materials and Supplies	400	150	250
Capital Outlay - New	600	600	0
Other	44,523	37,553	6,970
Total Support Services	<u>45,523</u>	<u>38,303</u>	<u>7,220</u>
<i>Total Expenditures</i>	<u>66,973</u>	<u>51,991</u>	<u>14,982</u>
<i>Excess of Revenues Over Expenditures</i>	13,027	35,033	22,006
<i>Fund Balance Beginning of Year</i>	57,902	57,902	0
Prior Year Encumbrances Appropriated	<u>1,500</u>	<u>1,500</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$72,429</u></u>	<u><u>\$94,435</u></u>	<u><u>\$22,006</u></u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Extracurricular Activities	<u>\$156,200</u>	<u>\$164,411</u>	<u>\$8,211</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	<u>2,500</u>	<u>2,500</u>	<u>0</u>
Support Services:			
Pupils:			
Salaries and Wages	7,500	7,050	450
Fringe Benefits	2,150	1,140	1,010
Purchased Services	133,554	129,938	3,616
Materials and Supplies	36,968	31,044	5,924
Capital Outlay - New	<u>1,720</u>	<u>1,225</u>	<u>495</u>
Total Support Services	<u>181,892</u>	<u>170,397</u>	<u>11,495</u>
<i>Total Expenditures</i>	<u>184,392</u>	<u>172,897</u>	<u>11,495</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(28,192)</u>	<u>(8,486)</u>	<u>19,706</u>
Other Financing Sources (Uses):			
Operating Transfers In	0	1,600	1,600
Operating Transfers Out	<u>(885)</u>	<u>(885)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(885)</u>	<u>715</u>	<u>1,600</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	<u>(29,077)</u>	<u>(7,771)</u>	<u>21,306</u>
<i>Fund Balance Beginning of Year</i>	25,522	25,522	0
Prior Year Encumbrances Appropriated	<u>8,407</u>	<u>8,407</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,852</u></u>	<u><u>\$26,158</u></u>	<u><u>\$21,306</u></u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Athletic/District Managed Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Extracurricular Activities	\$134,820	\$144,140	\$9,320
Contributions and Donations	24,777	24,128	(649)
Miscellaneous	250	0	(250)
	<u>159,847</u>	<u>168,268</u>	<u>8,421</u>
<i>Total Revenues</i>			
Expenditures			
Current:			
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Salaries and Wages	500	250	250
Purchased Services	15,960	14,129	1,831
Materials and Supplies	14,569	10,005	4,564
	<u>31,029</u>	<u>24,384</u>	<u>6,645</u>
Total Academic and Subject Oriented Activities			
Sports Oriented Activities:			
Salaries and Wages	5,101	4,330	771
Fringe Benefits	781	590	191
Purchased Services	70,168	65,747	4,421
Materials and Supplies	68,577	68,573	4
Capital Outlay - New	6,836	5,384	1,452
	<u>151,463</u>	<u>144,624</u>	<u>6,839</u>
Total Sports Oriented Activities			
School and Public Service Co-Curricular Activities:			
Materials and Supplies	21,800	16,690	5,110
	<u>204,292</u>	<u>185,698</u>	<u>18,594</u>
<i>Total Expenditures</i>			
<i>Excess of Revenues Under Expenditures</i>	(44,445)	(17,430)	27,015
Other Financing Sources			
Operating Transfers In	29,153	21,385	(7,768)
	<u>15,292</u>	<u>3,955</u>	<u>19,247</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>			
<i>Fund Balance Beginning of Year</i>	54,229	54,229	0
Prior Year Encumbrances Appropriated	7,214	7,214	0
	<u>\$46,151</u>	<u>\$65,398</u>	<u>\$19,247</u>
<i>Fund Balance End of Year</i>			

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Professional Development Grant Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$12,000</u>	<u>\$12,270</u>	<u>\$270</u>
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	3,500	0	3,500
Fringe Benefits	770	5	765
Purchased Services	10,217	6,217	4,000
Materials and Supplies	<u>4,194</u>	<u>1,194</u>	<u>3,000</u>
<i>Total Expenditures</i>	<u>18,681</u>	<u>7,416</u>	<u>11,265</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(6,681)	4,854	11,535
<i>Fund Balance Beginning of Year</i>	6,335	6,335	0
Prior Year Encumbrances Appropriated	<u>1,076</u>	<u>1,076</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$730</u></u>	<u><u>\$12,265</u></u>	<u><u>\$11,535</u></u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Educational Management Information Systems Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$5,500</u>	<u>\$5,316</u>	<u>(\$184)</u>
Expenditures			
Current:			
Support Services:			
Administration:			
Salaries and Wages	5,254	5,254	0
Fringe Benefits	<u>71</u>	<u>62</u>	<u>9</u>
<i>Total Expenditures</i>	<u>5,325</u>	<u>5,316</u>	<u>9</u>
<i>Excess of Revenues Over Expenditures</i>	175	0	(175)
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$175</u></u>	<u><u>\$0</u></u>	<u><u>(\$175)</u></u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Ohio Reads Grant Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$3,850</u>	<u>\$2,925</u>	<u>(\$925)</u>
Expenditures			
Current:			
Instruction:			
Regular			
Salaries and Wages	1,500	1,500	0
Purchased Services	2,250	0	2,250
Materials and Supplies	<u>100</u>	<u>100</u>	<u>0</u>
<i>Total Expenditures</i>	<u>3,850</u>	<u>1,600</u>	<u>2,250</u>
<i>Excess of Revenues Over Expenditures</i>	0	1,325	1,325
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$1,325</u></u>	<u><u>\$1,325</u></u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title II Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$5,600</u>	<u>\$4,811</u>	<u>(\$789)</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	1,000	0	1,000
Purchased Services	<u>6,314</u>	<u>4,299</u>	<u>2,015</u>
<i>Total Expenditures</i>	<u>7,314</u>	<u>4,299</u>	<u>3,015</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,714)	512	2,226
<i>Fund Balance Beginning of Year</i>	<u>1,899</u>	<u>1,899</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$185</u></u>	<u><u>\$2,411</u></u>	<u><u>\$2,226</u></u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$84,600</u>	<u>\$84,251</u>	<u>(\$349)</u>
Expenditures			
Current:			
Support Services:			
Pupils:			
Salaries and Wages	10,643	0	10,643
Fringe Benefits	<u>3,002</u>	<u>0</u>	<u>3,002</u>
Total Pupils	<u>13,645</u>	<u>0</u>	<u>13,645</u>
Instructional Staff:			
Salaries and Wages	66,041	66,041	0
Fringe Benefits	<u>9,227</u>	<u>9,227</u>	<u>0</u>
Total Instructional Staff	<u>75,268</u>	<u>75,268</u>	<u>0</u>
Administration:			
Salaries and Wages	228	228	0
Fringe Benefits	<u>32</u>	<u>32</u>	<u>0</u>
Total Administration	<u>260</u>	<u>260</u>	<u>0</u>
Total Support Services	<u>89,173</u>	<u>75,528</u>	<u>13,645</u>
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	<u>8,360</u>	<u>8,360</u>	<u>0</u>
<i>Total Expenditures</i>	<u>97,533</u>	<u>83,888</u>	<u>13,645</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(12,933)	363	13,296
<i>Fund Balance Beginning of Year</i>	<u>13,279</u>	<u>13,279</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$346</u>	<u>\$13,642</u>	<u>\$13,296</u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$12,000</u>	<u>\$10,610</u>	<u>(\$1,390)</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	3,600	0	3,600
Purchased Services	15,523	12,881	2,642
Materials and Supplies	<u>165</u>	<u>165</u>	<u>0</u>
Total Instruction	19,288	13,046	6,242
Support Services:			
Instructional Staff:			
Purchased Services	1,005	1,005	0
Operation of Non-Instructional Services:			
Community Services:			
Materials and Supplies	<u>1,072</u>	<u>1,072</u>	<u>0</u>
<i>Total Expenditures</i>	<u>21,365</u>	<u>15,123</u>	<u>6,242</u>
<i>Excess of Revenues Under Expenditures</i>	(9,365)	(4,513)	4,852
<i>Fund Balance Beginning of Year</i>	5,480	5,480	0
Prior Year Encumbrances Appropriated	<u>5,275</u>	<u>5,275</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,390</u></u>	<u><u>\$6,242</u></u>	<u><u>\$4,852</u></u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Free Schools Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$9,720</u>	<u>\$7,874</u>	<u>(\$1,846)</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	<u>200</u>	<u>200</u>	<u>0</u>
Support Services:			
Pupils:			
Purchased Services	7,673	4,305	3,368
Materials and Supplies	<u>200</u>	<u>200</u>	<u>0</u>
Total Support Services	<u>7,873</u>	<u>4,505</u>	<u>3,368</u>
<i>Total Expenditures</i>	<u>8,073</u>	<u>4,705</u>	<u>3,368</u>
<i>Excess of Revenues Over Expenditures</i>	1,647	3,169	1,522
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	<u>200</u>	<u>200</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,847</u></u>	<u><u>\$3,369</u></u>	<u><u>\$1,522</u></u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$211,500	\$110,407	(\$101,093)
Interest	1,000	227	(773)
<i>Total Revenues</i>	<u>212,500</u>	<u>110,634</u>	<u>(101,866)</u>
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	16,348	16,348	0
Fringe Benefits	4,241	4,240	1
Purchased Services	58,475	57,162	1,313
Materials and Supplies	69,143	55,697	13,446
Capital Outlay - New	88,147	295	87,852
<i>Total Expenditures</i>	<u>236,354</u>	<u>133,742</u>	<u>102,612</u>
<i>Excess of Revenues Under Expenditures</i>	(23,854)	(23,108)	746
Other Financing Uses			
Advances Out	(105)	(105)	0
<i>Excess of Revenues Under Expenditures and Other Financing Uses</i>	(23,959)	(23,213)	746
<i>Fund Balance Beginning of Year</i>	14	14	0
Prior Year Encumbrances Appropriated	<u>23,945</u>	<u>23,945</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$746</u></u>	<u><u>\$746</u></u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
E-Rate Grant Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Miscellaneous	\$13,050	\$13,050	\$0
 Expenditures			
Current:			
Support Services:			
Operations & Maintenance:			
Purchased Services	<u>13,050</u>	<u>13,050</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Classroom Size Reduction Fund
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$12,284	\$12,284	\$0
Expenditures			
Current:			
Instruction:			
Regular			
Salaries and Wages	10,412	8,872	1,540
Fringe Benefits	1,872	1,872	0
<i>Total Expenditures</i>	12,284	10,744	1,540
<i>Excess of Revenues Over Expenditures</i>	0	1,540	1,540
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$1,540	\$1,540

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Preschool Handicapped Grant Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$9,000</u>	<u>\$8,966</u>	<u>(\$34)</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	8,966	8,966	0
Operation of Non-Instructional Services:			
Purchased Services	<u>149</u>	<u>149</u>	<u>0</u>
<i>Total Expenditures</i>	<u>9,115</u>	<u>9,115</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(115)	(149)	(34)
<i>Fund Balance Beginning of Year</i>	<u>149</u>	<u>149</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$34</u></u>	<u><u>\$0</u></u>	<u><u>(\$34)</u></u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Textbook Subsidy Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues	\$0	\$0	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	<u>35,988</u>	<u>35,988</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(35,988)	(35,988)	0
<i>Fund Balance Beginning of Year</i>	2,893	2,893	0
Prior Year Encumbrances Appropriated	<u>33,095</u>	<u>33,095</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$370,228	\$266,662	(\$103,566)
Interest	1,000	3,077	2,077
Tuition and Fees	850	850	0
Extracurricular Activities	291,020	308,551	17,531
Contributions and Donations	99,753	100,504	751
Miscellaneous	13,300	13,050	(250)
Total Revenues	776,151	692,694	(83,457)
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	32,978	24,238	8,740
Fringe Benefits	2,572	2,208	364
Purchased Services	34,837	26,980	7,857
Materials and Supplies	41,453	37,605	3,848
Total Instruction	111,840	91,031	20,809
Support Services:			
Pupils:			
Salaries and Wages	18,143	7,050	11,093
Fringe Benefits	5,152	1,140	4,012
Purchased Services	141,227	134,243	6,984
Materials and Supplies	37,568	31,394	6,174
Capital Outlay - New	2,320	1,825	495
Other	44,523	37,553	6,970
Total Pupils	248,933	213,205	35,728
Instructional Staff:			
Salaries and Wages	69,541	66,041	3,500
Fringe Benefits	9,997	9,232	765
Purchased Services	11,222	7,222	4,000
Materials and Supplies	4,194	1,194	3,000
Total Instructional Staff	\$94,954	\$83,689	\$11,265

(continued)

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Administration:			
Salaries and Wages	\$5,482	\$5,482	\$0
Fringe Benefits	103	94	9
Total Administration	5,585	5,576	9
Operation and Maintenance of Plant			
Purchased Services	13,050	13,050	0
Total Support Services	362,522	315,520	47,002
Operation of Non-Instructional Services:			
Salaries and Wages	16,348	16,348	0
Fringe Benefits	4,241	4,240	1
Purchased Services	66,984	65,671	1,313
Materials and Supplies	70,215	56,769	13,446
Capital Outlay - New	88,147	295	87,852
Total Operation of Non-Instructional Services	245,935	143,323	102,612
Extracurricular Activities:			
Salaries and Wages	5,601	4,580	1,021
Fringe Benefits	781	590	191
Purchased Services	86,128	79,876	6,252
Materials and Supplies	104,946	95,268	9,678
Capital Outlay - New	6,836	5,384	1,452
Total Extracurricular Activities	204,292	185,698	18,594
Total Expenditures	924,589	735,572	189,017
Excess of Revenues Under Expenditures	(\$148,438)	(\$42,878)	\$105,560

(continued)

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Other Financing Sources (Uses):			
Advances Out	(\$105)	(\$105)	\$0
Operating Transfers In	29,153	22,985	(6,168)
Operating Transfers Out	(885)	(885)	0
<i>Total Other Financing Sources (Uses)</i>	<u>28,163</u>	<u>21,995</u>	<u>(6,168)</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	(120,275)	(20,883)	99,392
<i>Fund Balances Beginning of Year</i>	167,702	167,702	0
Prior Year Encumbrances Appropriated	<u>80,712</u>	<u>80,712</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$128,139</u></u>	<u><u>\$227,531</u></u>	<u><u>\$99,392</u></u>

Debt Service Fund

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

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.

Capital Projects Funds

Capital Projects Funds account for the acquisition, construction or improvement of capital facilities other than those financed by proprietary funds.

Permanent Improvement Fund - This fund accounts for all transactions related to the acquiring, constructing, or improving of permanent improvements to School District buildings and grounds. The School District self funds this area through an annual transfer of general fund monies.

SchoolNet Fund - This fund accounts for State monies used to provide technology equipment to classrooms at the K-5 grade levels that support the transmission of voice, video and data, and to provide a computer workstation and related technology for every classroom.

Power Up Capacity Fund - This fund accounts for State monies to be used for electrical upgrades throughout the School District.

Chagrin Falls Exempted Village School District

Combining Balance Sheet

All Capital Projects Funds

June 30, 2000

	<u>Permanent Improvement</u>	<u>SchoolNet</u>	<u>Power Up Capacity</u>	<u>Totals</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$1,510,798</u>	<u>\$2,685</u>	<u>\$8,832</u>	<u>\$1,522,315</u>
Liabilities				
Contracts Payable	<u>\$93,669</u>	<u>\$0</u>	<u>\$800</u>	<u>\$94,469</u>
Fund Equity				
Fund Balance:				
Reserved for Encumbrances	64,173	0	0	64,173
Unreserved, Undesignated	<u>1,352,956</u>	<u>2,685</u>	<u>8,032</u>	<u>1,363,673</u>
<i>Total Fund Equity</i>	<u>1,417,129</u>	<u>2,685</u>	<u>8,032</u>	<u>1,427,846</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$1,510,798</u>	<u>\$2,685</u>	<u>\$8,832</u>	<u>\$1,522,315</u>

Chagrin Falls Exempted Village School District
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Capital Projects Funds
For the Fiscal Year Ended June 30, 2000*

	<u>Permanent Improvement</u>	<u>SchoolNet</u>	<u>Power Up Capacity</u>	<u>Totals</u>
Revenues				
Interest	\$146,760	\$0	\$0	\$146,760
Expenditures				
Capital Outlay	<u>3,739,357</u>	<u>0</u>	<u>3,173</u>	<u>3,742,530</u>
<i>Excess of Revenues Under Expenditures</i>	(3,592,597)	0	(3,173)	(3,595,770)
Other Financing Sources				
Operating Transfers In	<u>300,000</u>	<u>0</u>	<u>0</u>	<u>300,000</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures</i>	(3,292,597)	0	(3,173)	(3,295,770)
<i>Fund Balances Beginning of Year</i>	<u>4,709,726</u>	<u>2,685</u>	<u>11,205</u>	<u>4,723,616</u>
<i>Fund Balances End of Year</i>	<u><u>\$1,417,129</u></u>	<u><u>\$2,685</u></u>	<u><u>\$8,032</u></u>	<u><u>\$1,427,846</u></u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Interest	\$175,000	\$165,294	(\$9,706)
Expenditures			
Current:			
Support Services:			
Administration:			
Salaries and Wages	99,000	0	99,000
Fringe Benefits	14,600	50	14,550
Total Administration	113,600	50	113,550
Fiscal:			
Purchased Services	11,100	1,884	9,216
Total Support Services	124,700	1,934	122,766
Capital Outlay:			
Site Improvement Services:			
Purchased Services	361,946	187,779	174,167
Materials and Supplies	62,801	52,956	9,845
Total Site Improvement Services	424,747	240,735	184,012
Architecture and Engineering Services:			
Purchased Services	1,018,664	490,182	528,482
Building Acquisition and Construction Services:			
Purchased Services	90,427	90,427	0
Capital Outlay - New	44,955	44,955	0
Total Building Acquisition and Construction Services	135,382	135,382	0
Building Improvement Services			
Materials and Supplies	33,978	33,978	0
Capital Outlay - New	3,707,377	3,699,039	8,338
Capital Outlay - Replacement	109,356	109,356	0
Total Building Improvement Services	\$3,850,711	\$3,842,373	\$8,338

(continued)

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund (continued)
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Other Facilities Acquisition and Construction Services:			
Purchased Services	\$95,471	\$95,471	\$0
Capital Outlay - New	21,051	21,051	0
Total Other Facilities Acquisition	116,522	116,522	0
Total Capital Outlay	5,546,026	4,825,194	720,832
<i>Total Expenditures</i>	<i>5,670,726</i>	<i>4,827,128</i>	<i>843,598</i>
<i>Excess of Revenues Under Expenditures</i>	<i>(5,495,726)</i>	<i>(4,661,834)</i>	<i>833,892</i>
Other Financing Sources (Uses)			
Operating Transfers In	330,000	300,000	(30,000)
Operating Transfers Out	(490,143)	0	490,143
Total Other Financing Sources (Uses)	(160,143)	300,000	460,143
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	<i>(5,655,869)</i>	<i>(4,361,834)</i>	<i>1,294,035</i>
<i>Fund Balance Beginning of Year</i>	<i>2,451,264</i>	<i>2,451,264</i>	<i>0</i>
Prior Year Encumbrances Appropriated	3,267,141	3,267,141	0
Fund Balance End of Year	\$62,536	\$1,356,571	\$1,294,035

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
SchoolNet Fund
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Capital Outlay - New	2,644	0	2,644
Support Services:			
Instructional Staff:			
Capital Outlay - New	<u>40</u>	<u>0</u>	<u>40</u>
<i>Total Expenditures</i>	<u>2,684</u>	<u>0</u>	<u>2,684</u>
<i>Excess of Revenues Under Expenditures</i>	(2,684)	0	2,684
<i>Fund Balance Beginning of Year</i>	<u>2,684</u>	<u>2,684</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$2,684</u></u>	<u><u>\$2,684</u></u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Power Up Capacity Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$5,448</u>	<u>\$0</u>	<u>(\$5,448)</u>
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	16,480	2,200	14,280
Materials and Supplies	<u>173</u>	<u>173</u>	<u>0</u>
<i>Total Expenditures</i>	<u>16,653</u>	<u>2,373</u>	<u>14,280</u>
<i>Excess of Revenues Under Expenditures</i>	(11,205)	(2,373)	8,832
<i>Fund Balance Beginning of Year</i>	<u>11,205</u>	<u>11,205</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$8,832</u></u>	<u><u>\$8,832</u></u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Capital Projects Funds
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$5,448	\$0	(\$5,448)
Interest	175,000	165,294	(9,706)
<i>Total Revenues</i>	<u>180,448</u>	<u>165,294</u>	<u>(15,154)</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Capital Outlay - New	2,644	0	2,644
Support Services:			
Pupils:			
Purchased Services	16,480	2,200	14,280
Materials and Supplies	173	173	0
Capital Outlay - New	40	0	40
Total Instructional Staff	<u>16,693</u>	<u>2,373</u>	<u>14,320</u>
Administration:			
Salaries and Wages	99,000	0	99,000
Fringe Benefits	14,600	50	14,550
Total Administration	<u>113,600</u>	<u>50</u>	<u>113,550</u>
Fiscal:			
Purchased Services	11,100	1,884	9,216
Total Support Services	<u>141,393</u>	<u>4,307</u>	<u>137,086</u>
Capital Outlay:			
Site Improvement Services:			
Purchased Services	361,946	187,779	174,167
Materials and Supplies	62,801	52,956	9,845
Total Site Improvement Services	<u>424,747</u>	<u>240,735</u>	<u>184,012</u>
Architecture and Engineering Services			
Services:			
Purchased Services	<u>\$1,018,664</u>	<u>\$490,182</u>	<u>\$528,482</u>

(continued)

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Capital Projects Funds (continued)
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Building Acquisition and Construction Services:			
Purchased Services	\$90,427	\$90,427	\$0
Capital Outlay - New	44,955	44,955	0
Total Building Acquisition and Construction Services	135,382	135,382	0
Building Improvement Services:			
Materials and Supplies	33,978	33,978	0
Capital Outlay - New	3,707,377	3,699,039	8,338
Capital Outlay - Replacement	109,356	109,356	0
Total Building Improvement Services	3,850,711	3,842,373	8,338
Other Facilities Acquisition and Construction Services:			
Purchased Services	95,471	95,471	0
Capital Outlay - New	21,051	21,051	0
Total Other Facilities Acquisition and Construction Services	116,522	116,522	0
Total Capital Outlay	5,546,026	4,825,194	720,832
<i>Total Expenditures</i>	<i>5,690,063</i>	<i>4,829,501</i>	<i>860,562</i>
<i>Excess of Revenues Under Expenditures</i>	<i>(5,509,615)</i>	<i>(4,664,207)</i>	<i>845,408</i>
Other Financing Sources (Uses)			
Operating Transfers In	330,000	300,000	(30,000)
Operating Transfers Out	(490,143)	0	490,143
Total Other Financing Sources (Uses)	(160,143)	300,000	460,143
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	<i>(5,669,758)</i>	<i>(4,364,207)</i>	<i>1,305,551</i>
<i>Fund Balances Beginning of Year</i>	<i>2,465,153</i>	<i>2,465,153</i>	<i>0</i>
Prior Year Encumbrances Appropriated	3,267,141	3,267,141	0
Fund Balances End of Year	\$62,536	\$1,368,087	\$1,305,551

Enterprise Funds

The Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (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 where it has been 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.

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

Uniform School Supplies Fund - This fund accounts for the purchase and sale of school supplies for use in the School District. Profits derived from such sales are used for school purposes or activities connected with the school.

Adult Education Fund - This fund accounts for the revenues and expenses involved in upgrading and retaining out of school youths and adults for the purpose of improving their skills and knowledge in their occupation or planned occupation.

Chagrin Falls Exempted Village School District

Combining Balance Sheet

All Enterprise Funds

June 30, 2000

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Totals</u>
Assets			
<i>Current Assets</i>			
Equity in Pooled Cash and			
Cash Equivalents	\$27,326	\$159	\$27,485
Interfund Receivable	1,204	0	1,204
Inventory Held For Resale	2,984	9,632	12,616
Materials and Supplies Inventory	1,063	0	1,063
<i>Total Current Assets</i>	<u>32,577</u>	<u>9,791</u>	<u>42,368</u>
Fixed Assets (Net of			
Accumulated Depreciation)	106,087	0	106,087
<i>Total Assets</i>	<u><u>\$138,664</u></u>	<u><u>\$9,791</u></u>	<u><u>\$148,455</u></u>
Liabilities and Fund Equity			
<i>Current Liabilities:</i>			
Accrued Wages and Benefits	\$20,028	\$0	\$20,028
Interfund Payable	0	11,337	11,337
Intergovernmental Payable	17,516	0	17,516
Deferred Revenue	497	0	497
<i>Total Current Liabilities</i>	<u>38,041</u>	<u>11,337</u>	<u>49,378</u>
<i>Long-Term Liabilities</i>			
Compensated Absences Payable	1,554	0	1,554
<i>Total Liabilities</i>	<u>39,595</u>	<u>11,337</u>	<u>50,932</u>
Fund Equity			
Contributed Capital	98,090	0	98,090
Retained Earnings:			
Unreserved (Deficit)	979	(1,546)	(567)
<i>Total Fund Equity (Deficit)</i>	<u>99,069</u>	<u>(1,546)</u>	<u>97,523</u>
<i>Total Liabilities and Fund Equity</i>	<u><u>\$138,664</u></u>	<u><u>\$9,791</u></u>	<u><u>\$148,455</u></u>

Chagrin Falls Village Exempted School District

*Combining Statement of Revenues,
Expenses and Changes in Fund Equity
All Enterprise Funds
For the Fiscal Year Ended June 30, 2000*

	Food Service	Uniform School Supplies	Adult Education	Totals
Operating Revenues				
Sales	\$386,125	\$33,371	\$0	\$419,496
Tuition	0	0	108	108
<i>Total Operating Revenues</i>	<u>386,125</u>	<u>33,371</u>	<u>108</u>	<u>419,604</u>
Operating Expenses				
Salaries	139,138	0	95	139,233
Fringe Benefits	48,039	0	13	48,052
Purchased Services	6,840	0	0	6,840
Materials and Supplies	131,588	40,166	0	171,754
Cost of Sales	116,468	11,124	0	127,592
Depreciation	1,924	0	0	1,924
<i>Total Operating Expenses</i>	<u>443,997</u>	<u>51,290</u>	<u>108</u>	<u>495,395</u>
<i>Operating Loss</i>	<u>(57,872)</u>	<u>(17,919)</u>	<u>0</u>	<u>(75,791)</u>
Non-Operating Revenues				
Federal Donated Commodities	17,115	0	0	17,115
Operating Grants	17,248	0	0	17,248
Interest	1,867	0	0	1,867
<i>Total Non-Operating Revenues</i>	<u>36,230</u>	<u>0</u>	<u>0</u>	<u>36,230</u>
<i>Net Loss</i>	<u>(21,642)</u>	<u>(17,919)</u>	<u>0</u>	<u>(39,561)</u>
<i>Retained Earnings Beginning of Year</i>	<u>22,621</u>	<u>16,373</u>	<u>0</u>	<u>38,994</u>
<i>Retained Earnings (Deficit) End of Year</i>	979	(1,546)	0	(567)
Contributed Capital Beginning and End of Year	<u>98,090</u>	<u>0</u>	<u>0</u>	<u>98,090</u>
<i>Total Fund Equity (Deficit) End of Year</i>	<u><u>\$99,069</u></u>	<u><u>(\$1,546)</u></u>	<u><u>\$0</u></u>	<u><u>\$97,523</u></u>

Chagrin Falls Exempted Village School District

Combining Statement of Cash Flows

All Enterprise Funds

For the Fiscal Year Ended June 30, 2000

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Adult Education</u>	<u>Totals</u>
<i>Increase (Decrease) in Cash and Cash Equivalents</i>				
Cash Flows from Operating Activities				
Cash Received from Customers	\$386,170	\$33,371	\$0	\$419,541
Cash Received from Tuition Payments	0	0	108	108
Cash Payments to Suppliers for Goods and Services	(239,276)	(33,835)	0	(273,111)
Cash Payments to Employees for Services	(141,365)	0	(95)	(141,460)
Cash Payments for Employee Benefits	(43,165)	0	(13)	(43,178)
<i>Net Cash Used for Operating Activities</i>	<u>(37,636)</u>	<u>(464)</u>	<u>0</u>	<u>(38,100)</u>
Cash Flows from Noncapital Financing Activities				
Operating Grants Received	17,248	0	0	17,248
Advances Out	(1,204)	0	0	(1,204)
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>16,044</u>	<u>0</u>	<u>0</u>	<u>16,044</u>
Cash Flows from Investing Activities:				
Interest on Investments	1,867	0	0	1,867
<i>Net Decrease in Cash and Cash Equivalents</i>	<u>(19,725)</u>	<u>(464)</u>	<u>0</u>	<u>(20,189)</u>
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>47,051</u>	<u>623</u>	<u>0</u>	<u>47,674</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$27,326</u>	<u>\$159</u>	<u>\$0</u>	<u>\$27,485</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:				
<i>Operating Loss</i>	<u>(\$57,872)</u>	<u>(\$17,919)</u>	<u>\$0</u>	<u>(\$75,791)</u>
Adjustments				
Depreciation	1,924	0	0	1,924
Donated Commodities Used During Year	17,115	0	0	17,115
(Increase) Decrease in Assets:				
Accounts Receivable	45	0	0	45
Inventory Held for Resale	(1,084)	18,013	0	16,929
Materials and Supplies Inventory	(411)	0	0	(411)
Increase (Decrease) in Liabilities:				
Accounts Payable	0	(558)	0	(558)
Accrued Wages and Benefits	4,647	0	0	4,647
Compensated Absences Payable	(5,478)	0	0	(5,478)
Intergovernmental Payable	3,478	0	0	3,478
<i>Total Adjustments</i>	<u>20,236</u>	<u>17,455</u>	<u>0</u>	<u>37,691</u>
<i>Net Cash Used for Operating Activities</i>	<u>(\$37,636)</u>	<u>(\$464)</u>	<u>\$0</u>	<u>(\$38,100)</u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sales	\$403,000	\$386,170	(\$16,830)
Interest	0	1,867	1,867
Operating Grants	17,000	17,248	248
<i>Total Revenues</i>	<u>420,000</u>	<u>405,285</u>	<u>(14,715)</u>
Expenses			
Salaries:			
Food Service Operations	154,349	141,365	12,984
Fringe Benefits:			
Food Service Operations	43,165	43,165	0
Purchased Services:			
Food Service Operations	8,500	6,840	1,660
Materials and Supplies:			
Food Service Operations	236,582	232,836	3,746
<i>Total Expenses</i>	<u>442,596</u>	<u>424,206</u>	<u>18,390</u>
<i>Excess of Revenues Under Expenses</i>	(22,596)	(18,921)	3,675
Advances Out	(1,204)	(1,204)	0
<i>Excess of Revenues Under Expenses and Advances</i>	(23,800)	(20,125)	3,675
<i>Fund Equity Beginning of Year</i>	<u>47,051</u>	<u>47,051</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$23,251</u></u>	<u><u>\$26,926</u></u>	<u><u>\$3,675</u></u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sales	\$32,600	\$33,371	\$771
Expenses			
Materials and Supplies:			
Regular Instruction	40,623	33,835	6,788
<i>Excess of Revenues Under Expenses</i>	(8,023)	(464)	7,559
Advances In	7,400	0	(7,400)
<i>Excess of Revenues Under Expenses and Advances</i>	(623)	(464)	159
Prior Year Encumbrances Appropriated	623	623	0
<i>Fund Equity End of Year</i>	<u>\$0</u>	<u>\$159</u>	<u>\$159</u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Adult Education Fund
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Tuition	\$1,200	\$108	(\$1,092)
Operating Expenses			
Salaries	950	95	855
Fringe Benefits	250	13	237
<i>Total Operating Expenses</i>	1,200	108	1,092
<i>Excess of Revenues Over Expenses</i>	0	0	0
<i>Fund Equity Beginning of Year</i>	0	0	0
<i>Fund Equity End of Year</i>	\$0	\$0	\$0

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
All Enterprise Funds
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sales	\$435,600	\$419,541	(\$16,059)
Tuition	1,200	108	(1,092)
Interest	0	1,867	1,867
Operating Grants	17,000	17,248	248
<i>Total Revenues</i>	<u>453,800</u>	<u>438,764</u>	<u>(15,036)</u>
Expenses			
Salaries:			
Food Service Operations	154,349	141,365	12,984
Adult/Continuing Instruction	950	95	855
Total Salaries	<u>155,299</u>	<u>141,460</u>	<u>13,839</u>
Fringe Benefits:			
Food Service Operations	43,165	43,165	0
Adult/Continuing Instruction	250	13	237
Total Fringe Benefits	<u>43,415</u>	<u>43,178</u>	<u>237</u>
Purchased Services:			
Food Service Operations	8,500	6,840	1,660
Materials and Supplies:			
Food Service Operations	236,582	232,836	3,746
Regular Instruction	40,623	33,835	6,788
Total Materials and Supplies	<u>277,205</u>	<u>266,671</u>	<u>10,534</u>
<i>Total Expenses</i>	<u>484,419</u>	<u>458,149</u>	<u>26,270</u>
<i>Excess of Revenues Under Expenses</i>	(30,619)	(19,385)	11,234
Advances In	7,400	0	(7,400)
Advances Out	(1,204)	(1,204)	0
<i>Excess of Revenues Under Expenses and Advances</i>	(24,423)	(20,589)	3,834
<i>Fund Equity Beginning of Year</i>	47,051	47,051	
Prior Year Encumbrances Appropriated	623	623	0
<i>Fund Equity End of Year</i>	<u>\$23,251</u>	<u>\$27,085</u>	<u>\$3,834</u>

Internal Service Fund

The Internal Service Fund accounts for the financing of service provided by one department or agency to other departments or agencies of the School District on a cost-reimbursement basis. Since there is only one internal 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.

Self-Insurance Fund - This fund accounts for a medical benefit self-insurance program for employees of the School District. Monthly fees are paid and any balance on hand is held until used.

Fiduciary Fund

Fiduciary Funds are used to account for assets held by the School District in a trustee capacity. These include agency funds. The following are the School District's fiduciary fund type:

Agency Funds

Rotary Fund - This fund accounts for advanced placement testing paid by the students.

Student Activities Fund - This fund reflects resources that belong to the student bodies of the various schools, accounting for sales and other revenue generating activities.

Chagrin Falls Exempted Village School District
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2000

	Beginning Balance June 30, 1999	Additions	Deductions	Ending Balance June 30, 2000
Rotary				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$3,375	\$25,862	\$23,487	\$5,750
Liabilities				
Undistributed Monies	\$3,375	\$25,862	\$23,487	\$5,750
 Student Activities				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$50,792	\$102,808	\$94,387	\$59,213
Liabilities				
Due to Students	\$50,792	\$102,808	\$94,387	\$59,213
 All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$54,167	\$128,670	\$117,874	\$64,963
Liabilities				
Undistributed Monies	\$3,375	\$25,862	\$23,487	\$5,750
Due to Students	50,792	102,808	94,387	59,213
Total Liabilities	\$54,167	\$128,670	\$117,874	\$64,963

General Fixed Assets Account Group

The general fixed assets account group is used to account for all land, buildings, improvements other than buildings, furniture and equipment, and vehicles not used in the operations of the proprietary funds.

Chagrin Falls Exempted Village School District
Schedule of General Fixed Assets
By Function and Type
June 30, 2000

	Total	Land	Buildings	Improvements other than Buildings	Furniture and Equipment	Vehicles
Instruction	\$17,359,399	\$1,303,437	\$13,086,068	\$0	\$2,969,894	\$0
Support Services:						
Pupils	131,885	0	0	0	131,885	0
Instructional Staff	456,109	0	0	0	456,109	0
Board of Education	12,120	0	0	0	12,120	0
Administration	607,006	0	218,833	0	388,173	0
Fiscal	65,329	0	26,362	0	38,967	0
Central	11,534	0	0	0	11,534	0
Operation and Maintenance of Plant	2,331,986	0	57,737	1,703,437	458,448	112,364
Pupil Transportation	1,364,415	13,866	68,188	0	33,059	1,249,302
Non-Instructional Services	32,373	0	0	0	32,373	0
Extracurricular Activities	11,297,091	69,332	11,157,464	0	70,295	0
Total General Fixed Assets	\$33,669,247	\$1,386,635	\$24,614,652	\$1,703,437	\$4,602,857	\$1,361,666

Chagrin Falls Exempted Village School District
Schedule of Changes in General Fixed Assets
By Function
For the Fiscal Year Ended June 30, 2000

Function	General Fixed Assets June 30, 1999	Additions	Deletions	General Fixed Assets June 30, 2000
Instruction	\$14,683,936	\$2,782,780	\$107,317	\$17,359,399
Support Services:				
Pupils	100,085	31,800	0	\$131,885
Instructional Staff	461,826	0	5,717	\$456,109
Board of Education	12,120	0	0	\$12,120
Administration	438,110	171,678	2,782	\$607,006
Fiscal	65,329	0	0	\$65,329
Central	13,201	0	1,667	\$11,534
Operation and Maintenance of Plant	2,197,775	148,211	14,000	\$2,331,986
Pupil Transportation	1,313,687	167,593	116,865	\$1,364,415
Non-Instructional Services	37,005	0	4,632	\$32,373
Extracurricular Activities	11,291,997	5,094	0	\$11,297,091
<i>Total General Fixed Assets</i>	<u>\$30,615,071</u>	<u>\$3,307,156</u>	<u>\$252,980</u>	<u>\$33,669,247</u>

Chagrin Falls Exempted Village School District

Schedule of General Fixed Assets

By Source

June 30, 2000

Land	\$1,386,635
Buildings	24,614,652
Improvements other than Buildings	1,703,437
Furniture and Equipment	4,602,857
Vehicles	1,361,666
	<hr/>
<i>Total General Fixed Assets</i>	<i>\$33,669,247</i>
	<hr/> <hr/>

Investment in General Fixed Assets From:

General Fund and General Fund Transfers	\$12,369,612
Special Revenue Funds	6,919
Capital Projects Funds	21,292,716
	<hr/>
<i>Total Investment in General Fixed Assets</i>	<i>\$33,669,247</i>
	<hr/> <hr/>

Chagrin Falls Exempted Village School District
General Fund
Expenditures by Function
and Other Financing Uses
Last Ten Fiscal Years

	2000 (1)	1999 (1)	1998 (1)	1997 (1)	1996 (1)	1995 (1)	1994 (1)	1993 (1)	1992 (1)	1991
Current:										
Instruction:										
Regular	\$7,504,857	\$7,293,985	\$7,041,780	\$6,863,809	\$6,475,586	\$6,526,293	\$6,509,083	\$6,075,929	\$5,489,944	\$4,871,324
Special	935,067	730,823	665,632	571,148	495,444	448,942	458,710	500,456	385,776	371,217
Vocational	93,237	50,860	83,922	66,769	76,827	38,188	22,255	25,604	51,469	35,571
Support Services:										
Pupils	638,631	523,662	543,151	525,571	502,942	489,297	600,487	492,255	479,833	437,734
Instructional Staff	717,882	604,530	550,762	528,501	435,512	519,137	521,743	506,372	452,169	368,309
Board of Education	69,321	73,104	60,420	72,577	61,296	44,058	39,376	40,542	44,080	38,070
Administration	1,443,945	1,195,752	1,025,296	1,174,410	1,119,112	994,615	1,055,307	1,192,942	1,014,469	897,006
Fiscal	426,562	449,769	410,866	364,143	352,413	369,486	351,226	343,103	330,848	310,862
Business	17,726	700	1,250	0	810	810	810	700	600	600
Operation and Maintenance of Plant	1,924,526	1,650,103	1,687,855	1,671,468	1,617,632	1,633,306	1,581,725	1,521,683	1,481,915	1,385,529
Pupil Transportation	942,333	858,975	758,032	753,677	643,026	579,790	669,478	647,980	522,878	744,375
Central	20,571	18,913	16,962	17,958	17,749	29,299	45,780	33,304	17,000	20,459
Operation of Non-Instructional Services	9,753	8,129	7,362	7,392	7,371	6,440	6,786	5,694	0	9,584
Extracurricular Activities	440,744	383,500	399,816	333,179	316,742	328,113	323,358	287,272	251,276	217,073
Capital Outlay	0	0	110,836	0	18,000	0	0	0	0	0
Debt Service	52,557	31,774	53,987	35,725	34,825	32,125	26,013	7,992	0	0
Other Financing Uses	346,600	260,454	240,400	312,323	304,355	241,700	444,896	393,305	352,478	470,529
Total	\$15,584,312	\$14,135,033	\$13,658,329	\$13,298,650	\$12,479,642	\$12,281,599	\$12,657,033	\$12,075,133	\$10,874,735	\$10,178,242

Source: School District Financial Records.

(1) 1992 through 2000 reported on a GAAP basis, 1991 on cash basis.

Chagrin Falls Exempted Village School District
General Fund
Revenues by Source
and Other Financing Sources
Last Ten Fiscal Years

	2000 (1)	1999 (1)	1998 (1)	1997 (1)	1996 (1)	1995 (1)	1994 (1)	1993 (1)	1992 (1)	1991
Taxes	\$11,260,565	\$10,783,859	\$10,312,668	\$10,449,962	\$9,947,077	\$9,066,734	\$8,399,307	\$7,636,197	\$7,340,233	\$7,288,433
Intergovernmental	3,395,414	3,109,998	3,116,380	2,857,207	2,830,496	2,647,737	2,493,981	2,461,105	2,446,149	2,669,556
Interest	312,237	273,696	787,077	181,674	171,130	137,254	138,259	202,685	337,917	482,164
Tuition and Fees	139,810	16,012	86,350	87,737	50,560	44,248	23,674	18,271	2,150	57,633
Extracurricular Activities	0	0	0	0	0	0	900	3,510	0	0
Charges for Services	0	0	0	0	0	0	9,873	33,500	0	0
Contributions and Donations	7,750	0	0	0	0	0	0	0	0	0
Rentals	15,781	10,029	7,303	15,549	72,679	62,235	42,433	3,783	0	0
Miscellaneous	10,977	27,519	112,244	5,692	22,049	19,927	23,051	47,504	52,186	19,491
Other Financing Sources	175,695	2,312	112,066	1,106	18,249	0	32,596	98,538	13	10,700
Total	\$15,318,229	\$14,223,425	\$14,534,088	\$13,598,927	\$13,112,240	\$11,978,135	\$11,164,074	\$10,505,093	\$10,178,648	\$10,527,977

Source: School District Financial Records.

(1) 1992 through 2000 reported on GAAP basis; 1991 on cash basis.

Chagrin Falls Exempted Village School District
Property Tax Levies and Collections
Real and Tangible Personal Property (1)
Last Eight Years (2)

Year (3)	Total Tax Levy	Current Collections	Percent of Current Taxes Collected	Delinquent Collections	Total Collections	Percent of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes (4)	Percent of Outstanding Delinquent Taxes to Total Tax Levy
1999	\$14,530,724	\$13,543,133	93.20%	\$475,513	\$14,018,646	96.48%	\$230,751	1.59%
1998	14,083,263	13,235,117	93.98	247,088	13,482,205	95.73	417,960	2.97
1997	11,772,598	11,509,984	97.77	311,206	11,821,190	100.41	371,035	3.15
1996	12,110,986	11,386,529	94.02	230,583	11,617,112	95.92	422,468	3.49
1995	11,982,218	11,127,650	92.87	239,555	11,367,205	94.87	454,208	3.79
1994	9,492,731	9,017,577	94.99	131,505	9,149,082	96.38	329,004	3.47
1993	9,385,338	8,823,834	94.02	128,481	8,952,315	95.39	349,492	3.72
1992	9,327,668	8,668,936	92.94	220,423	8,889,359	95.30	417,464	4.48

Source: Cuyahoga/Geauga County Auditors - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditors.

(1) Includes Homestead/Rollback taxes assessed locally, but distributed through State and reported as Intergovernmental Revenue.

(2) Information prior to 1992 is not available.

(3) Represents collection year. 2000 information cannot be presented because all collections have not been made by June 30.

(4) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

Chagrin Falls Exempted Village School District
Assessed and Estimated Actual Value of Taxable Property
Last Eight Years (1)

Year	Real Property		Public Utility Property		Tangible Personal Property		Total		Ratio
	Assessed Value	Estimated Actual Value (2)	Assessed Value	Estimated Actual Value (2)	Assessed Value	Estimated Actual Value (2)	Assessed Value	Estimated Actual Value (2)	
2000	\$345,547,240	\$987,277,829	\$8,504,240	\$9,663,909	\$10,445,953	\$41,783,812	\$364,497,433	\$1,038,725,550	35%
1999	322,021,960	920,062,743	8,789,110	9,987,625	9,536,826	38,147,304	340,347,896	968,197,672	35
1998	317,890,080	908,257,371	9,112,050	10,354,602	9,021,757	36,087,028	336,023,887	954,699,001	35
1997	299,079,840	854,513,829	8,507,228	9,667,305	9,403,380	37,613,520	316,990,448	901,794,654	35
1996	287,391,730	821,119,229	9,253,200	10,515,000	8,899,606	35,598,424	305,544,536	867,232,653	35
1995	271,717,070	776,334,486	10,179,100	11,567,159	7,792,312	31,169,248	289,688,482	819,070,893	35
1994	255,326,570	729,504,486	9,842,170	11,184,284	7,511,075	30,044,300	272,679,815	770,733,070	35
1993	240,276,840	686,505,257	10,015,040	11,380,727	7,884,917	31,539,668	258,176,797	729,425,652	35

Source: Cuyahoga/Geauga County Auditors - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditors.

(1) Information prior to 1993 is not available.

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

Real estate is assessed at 35 percent of actual value.

Public utility personal is assessed at 88 percent of actual value.

Tangible personal property is assessed at 25 percent of actual value.

Chagrin Falls Exempted Village School District
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
Last Ten Years

Year	School Levy	Cuyahoga County Levy	Geauga County Levy	City Levy	Total Levy	Debt Service Included in Total Levy			
						School	County	City	Total
2000	\$92.80	\$16.70	\$13.65	\$10.60	\$133.75	\$6.05	\$0.27	\$2.30	\$8.62
1999	88.00	16.70	13.45	10.70	128.85	5.45	0.30	2.40	8.15
1998	88.90	18.00	13.45	10.70	131.05	5.75	0.90	0.00	6.65
1997	83.90	18.00	13.45	6.50	121.85	1.35	0.90	0.00	2.25
1996	83.90	18.00	13.85	3.30	119.05	1.35	0.87	0.00	2.22
1995	83.90	18.20	11.85	3.30	117.25	1.35	0.76	0.00	2.11
1994	76.70	17.80	11.85	3.30	109.65	1.55	0.68	0.00	2.23
1993	76.70	17.80	11.20	3.30	109.00	1.55	0.71	0.00	2.26
1992	62.70	1.00	16.80	3.30	83.80	0.15	0.80	0.00	0.95
1991	62.70	1.00	16.80	4.30	84.80	0.15	0.87	0.00	1.02

Source: Cuyahoga/Geauga County Auditors - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditors.

Chagrin Falls Exempted Village School District

*Ratio of Net General Obligation Bonded Debt to
Assessed Value and Net Bonded Debt Per Capita
Last Ten Years*

Year	Net General Obligation Bonded Debt (1)	Assessed Value (2)	Population (3)	Ratio of Net Debt to Assessed Value	Net Debt Per Capita
2000	\$23,363,631	\$364,497,433	11,938	6.41%	\$1,957.08
1999	24,001,369	340,347,896	11,938	7.30	2,010.50
1998	24,504,199	336,023,887	11,938	7.29	2,052.62
1997	3,095,299	316,990,448	11,938	0.98	259.28
1996	3,258,434	305,544,536	11,938	1.07	272.95
1995	3,386,786	289,688,482	11,938	1.17	283.70
1994	3,509,099	272,679,815	11,938	1.29	293.94
1993	3,652,789	258,176,797	11,576	1.41	315.55
1992	3,748,608	N/A	11,576	N/A	323.83
1991	3,870,151	N/A	11,576	N/A	334.33

Source:

(1) School District Financial Records.

(2) Cuyahoga County Auditor.

(3) U.S. Census of Population, 1990 Federal Census.

N/A - Not Available

Chagrin Falls Exempted Village School District
Computation of Legal Debt Margin
June 30, 2000

Assessed Valuation	\$364,497,433
Overall Debt Limit - 9% of Assessed Value (1)	\$32,804,769
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonds	(24,450,000)
Amount Available in Debt Service Fund	1,086,369
Amount of Debt Subject to the Limit	(23,363,631)
Overall Debt Margin	\$9,441,138
Debt Limit - .10% of Assessed Value (1)	\$364,497
Amount of Debt Applicable	0
Unvoted Debt Margin	\$364,497

Source: Cuyahoga County Auditor and School District Financial Records.

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

Chagrin Falls Exempted Village School District
Computation of Direct and Overlapping General Obligation Bonded Debt
December 31, 1999

Jurisdiction	General Obligation Bonded Debt Outstanding	Percentage Applicable to School District (1)	Amount Applicable to School District
Chagrin Falls Exempted Village	\$24,450,000	100.00%	\$24,450,000
Cuyahoga County	141,004,636	1.42	2,002,266
Geauga County	2,521,000	6.55	165,126
Regional Transit Authority	101,865,000	1.42	1,446,483
Bainbridge Township	60,000	2.49	1,494
Bentleyville Village	530,000	100.00	530,000
Chagrin Falls Village	3,415,000	100.00	3,415,000
Moreland Hills Village	2,035,000	20.53	417,786
Russell Township	<u>604,000</u>	3.53	<u>21,321</u>
Total	<u>\$276,484,636</u>		<u>\$32,449,476</u>

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis (Including School District) because that is the manner in which information is maintained by the County Auditor.

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 1999 collection year.

Chagrin Falls Exempted Village School District
*Ratio of Annual Debt Service Expenditures for
 General Obligation Bonded Debt to General Fund Expenditures
 Last Ten Fiscal Years*

<u>Year (1)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures (2)</u>	<u>Ratio of Debt Service to General Fund Expenditures (Percentage)</u>
2000	\$390,000	\$1,400,967	\$1,790,967	\$15,584,312	11.49%
1999	255,000	1,445,037	1,700,037	14,135,033	12.03
1998	140,000	1,007,582	1,147,582	13,658,329	8.40
1997	130,000	265,811	395,811	13,298,650	2.98
1996	125,000	272,063	397,063	12,479,642	3.18
1995	110,000	280,875	390,875	12,281,599	3.18
1994	105,000	288,938	393,938	12,657,033	3.11
1993	95,000	296,438	391,438	12,075,133	3.24
1992	90,000	303,375	393,375	10,874,735	3.62
1991	85,000	309,938	394,938	10,178,242	3.88

Source: School District Financial Records.

(1) 1992 through 2000 on a GAAP basis.

(2) Includes other financing uses.

Chagrin Falls Exempted Village School District
Demographic Statistics
Last Ten Years

Year	Cuyahoga County Population (1)	Geauga County Population (1)	Bentleyville Village Population (2)	Chagrin Falls Village Population (2)	Moreland Hills Village Population (2)	Russell Township Population (2)	School Enrollment (3)	Cuyahoga County Unemployment Rate (4)	Geauga County Unemployment Rate (4)
2000	1,386,096	89,598	900	4,652	3,400	3,600	1,935	4.6%	2.8%
1999	1,386,096	87,913	900	4,652	3,400	3,600	1,866	4.5	3.0
1998	1,397,694	86,054	1,017	4,146	3,354	3,579	1,901	4.0	3.5
1997	1,398,169	86,054	1,017	3,993	3,349	3,579	1,855	5.0	3.6
1996	1,398,169	84,260	1,017	3,993	3,349	3,579	1,864	4.7	3.8
1995	1,403,239	83,400	1,017	3,993	3,349	3,579	1,752	5.8	3.8
1994	1,414,141	83,241	1,017	3,993	3,349	3,579	1,683	6.8	5.1
1993	1,414,141	82,094	674	4,146	3,354	3,402	1,627	7.6	5.8
1992	1,412,140	82,094	674	4,146	3,354	3,402	1,534	7.3	5.4
1991	1,404,286	81,129	674	4,146	3,354	3,402	1,492	5.2	4.0

(1) Cleveland Plain Dealer Newspaper.

(2) U.S. Census of Population, Alta Vista.

(3) School District Records.

(4) Ohio Bureau of Employment Services

Chagrin Falls Exempted Village School District

Property Value, Financial Institution Deposits

and Building Permits

Last Ten Years

<u>Year</u>	<u>Property Value (1) (Real Estate Only)</u>	<u>Cuyahoga County Financial Institution Deposits (000's) Banks</u>	<u>Geauga County Financial Institution Deposits (000's) Banks</u>	<u>Value of Building Permits Issued</u>
1999	\$322,021,960	\$57,021,360	\$249,478	\$5,653,800
1998	317,890,080	56,770,353	254,641	3,411,210
1997	299,079,840	53,941,971	222,203	2,708,780
1996	287,391,730	27,068,211	212,614	4,011,177
1995	271,717,070	22,458,573	194,409	2,296,200
1994	255,326,570	20,885,453	188,020	3,868,000
1993	240,276,840	21,009,421	184,462	3,653,000
1992	N/A	19,379,280	132,005	N/A
1991	N/A	18,392,243	112,970	N/A
1990	N/A	18,403,806	74,870	N/A

Source: Ohio Bureau of Employment Services, Federal Reserve Bank of Cleveland and the Geauga County Building Department and the Akron Board of Review.

(1) Represents assessed value. Information prior to 1993 is unavailable.

N/A - Not Available.

Chagrin Falls Exempted Village School District

Principal Taxpayers

Real Estate Tax

December 31, 1999

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Real Assessed Value</u>
Encore Retirement Partners	\$4,659,200	1.35%
Edmund A. Leopold	1,918,500	0.56
Western Reserve Company	1,612,170	0.47
Meridia Health System	1,159,830	0.34
Alterra Health Care (Clare Bridge of Bainbridge)	802,910	0.23
River Street Partnership	721,000	0.21
The Bar Group LLC	640,230	0.19
Epsilon of Chagrin Falls	621,880	0.18
Mogul Corporation	449,550	0.13
Cipriani Movement Company	<u>323,750</u>	<u>0.09</u>
Total	<u>\$12,909,020</u>	<u>3.75%</u>
<i>Total Real Assessed Value</i>	<u>\$345,547,240</u>	

Source: Cuyahoga and Geauga County Auditors.

(1) Assessed values are for the 2000 collection year.

Chagrin Falls Exempted Village School District

Principal Taxpayers

Tangible Personal Property Tax

December 31, 1999

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Tangible Assessed Value</u>
Chagrin Falls Shopping Plaza, Ltd.	\$926,070	8.87%
Stride Tool, Inc.	857,090	8.20
Cablevision of the Midwest, Inc.	200,860	1.92
IBI Brake Products	106,880	1.02
Niche Marketing LLC	62,570	0.60
Keltek Specialty Tool	57,100	0.55
Althons Insurance Agency	52,080	0.50
Drs. Slaten and Fury, Inc.	31,180	0.30
Blockbuster, Inc.	30,500	0.29
MKT, Inc.	29,840	0.29
Save Systems, Inc.	25,250	0.24
Total	<u>\$2,379,420</u>	<u>22.78%</u>
<i>Total Tangible Assessed Value</i>	<u>\$10,445,953</u>	

Source: Cuyahoga and Geauga County Auditors.

(1) Assessed values are for the 2000 collection year.

Chagrin Falls Exempted Village School District

Principal Taxpayers

Public Utilities Tax

December 31, 1999

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Public Utility Assessed Value</u>
Cleveland Electric Illuminating Company	\$4,654,740	54.73%
Ohio Bell Telephone Company	893,630	10.51
East Ohio Gas Company	424,010	4.99
Western Reserve Telephone Company	252,080	2.96
GTE Mobilnet of Ohio	125,990	1.48
Total	<u>\$6,350,450</u>	<u>74.67%</u>
<i>Total Public Utility Assessed Value</i>	<u>\$8,504,240</u>	

Source: Cuyahoga and Geauga County Auditors.

(1) Assessed values are for the 2000 collection year.

Chagrin Falls Exempted Village School District

Cost Per Pupil

Last Ten Fiscal Years

<u>Year (1)</u>	<u>General Fund Expenditures (2)</u>	<u>Average Daily Student Enrollment</u>	<u>Cost Per Pupil</u>
2000	\$15,584,312	1,935	\$8,054
1999	14,135,033	1,866	7,575
1998	13,658,329	1,901	7,185
1997	13,298,650	1,855	7,169
1996	12,479,642	1,864	6,695
1995	12,281,599	1,752	7,010
1994	12,657,033	1,683	7,521
1993	12,075,133	1,627	7,422
1992	10,874,735	1,534	7,089
1991	10,178,242	1,492	6,822

Source: School District Financial Records.

(1) 1992 through 2000 on GAAP basis.

(2) Includes Other Financing Uses.

Chagrin Falls Exempted Village School District

Teacher Education and Experience

June 30, 2000

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	22	15.07%
Bachelor + 10	10	6.85
Bachelor + 20	19	13.01
Bachelor + 30	14	9.59
Master's Degree	42	28.77
Master's + 10	19	13.01
Master's + 20	10	6.85
Master's + 30	9	6.16
Ph.D.	<u>1</u>	<u>0.69</u>
Total	<u><u>146</u></u>	<u><u>100.00%</u></u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	43	29.45%
6 - 10	26	17.81
11 and Over	<u>77</u>	<u>52.74</u>
	<u><u>146</u></u>	<u><u>100.00%</u></u>

Source: School District Personnel Records.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

CHAGRIN FALLS EXEMPTED VILLAGE SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 26, 2000**