

*Chagrin Falls Exempted Village  
School District*

*Chagrin Falls, Ohio*



*Comprehensive Annual Financial Report*

*For the Fiscal Year Ended June 30, 2002*





**Auditor of State  
Betty Montgomery**

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

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

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

BETTY MONTGOMERY  
Auditor of State

January 23, 2003

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**Chagrin Falls Exempted Village  
School District**

Chagrin Falls, Ohio

**Comprehensive Annual Financial Report**

For the Fiscal Year Ended June 30, 2002

Issued By:  
Treasurer's Office  
Stephen L. Osborne

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**INTRODUCTORY  
SECTION**

**Chagrin Falls Exempted Village School District**  
*Comprehensive Annual Financial Report*  
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# Chagrin Falls Exempted Village Schools

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DAVID E. AXNER, Ed.D.  
*Superintendent*

SHARON M. KLIMM, Ph.D.  
*Assistant Superintendent*

ANNETTE MORUD  
*Business Manager*

CHRISTINE A. JACKSON, Ph.D.  
*Director of Pupil Services*

BOARD OF EDUCATION  
PEARCE LEARY

*President*

BETHANY HURTUK, Ph.D.

*Vice President*

PAUL M. KIFFNER

DONALD L. MOTTINGER

KAREN PENLER

STEPHEN OSBORNE

*Treasurer*

October 22, 2002

## 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, 2002. This CAFR includes an audit opinion from the independent accounting firm of Rea & Associates, Inc. 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 is reported in a manner designed to present fairly the financial position and results of operations 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 of 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 Organization Chart of the School District and the Government Finance Officer's Association (GFOA) Certificate of Achievement.
2. The Financial Section, which begins with the Report of Independent Accountants and includes Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, the Combining Statements for nonmajor funds 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 educational 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 (LGCA) and the Ohio Schools Council are jointly governed organizations whose relationship to the School District is described in Note 15 to the basic financial statements. The School District also participates in the Ohio School Boards Association Workers' Compensation Group Rating Program, an insurance purchasing pool that is described in Note 16 to the basic financial statements.

## **Major Initiatives**

The 2001-2002 school year was an exceptional year for the Chagrin Falls Exempted Village School District. The Ohio Department of Education published its rating of school districts based upon academic performance. Once again, the School District maintained its *Excellent* rating on the Ohio Department of Education Report Card. This acknowledgment is awarded to those districts meeting or exceeding 26 of the 27 performance standards determined by the State. The School District has earned an *Excellent* rating for the past four years.

The School District submitted an application for the Ohio Award of Excellence during the 2001-2002 school year. The process of applying for the award was an outstanding opportunity to review the operations of the School District and construct a continuous improvement plan. A team of examiners representing the Ohio Award of Excellence visited the School District in March 2002 to review the application and observe district operations in process.

The Community Professionals Program was initiated during the 2001-2002 school year in an effort to recognize the talents of our community and assist with our staff's professional development. Upon the completion of a two-day training program (covering discipline, curriculum, operations) and an observation of classroom teachers, degreed community members substitute (short-term) for our professional employees while they attend professional development opportunities. Over forty (40) community members participated in this program during the first year.

Foreign language instruction was added to the academic program at Gurney Elementary School during the 2001-2002 school year. Third graders now have the opportunity to explore the French and Spanish languages. Grade level teams continued to work together to create new instructional units, increasing student participation and creating an exciting learning environment.

The fourth and sixth grade students at the Intermediate School were proficient in all areas of the State proficiency tests. For the second year, our students had the opportunity to attend a supplementary Saturday morning class offered from January through March to assist them in test-taking skills and the review of proficiency-tested areas. Students were also afforded the opportunity to participate in a new art therapy program during the year, which proved especially beneficial when dealing with the events of September 11, 2001. Foreign Language instruction offerings also increased at the Intermediate School. Fourth grade students now receive a semester of French and Spanish. Fifth grade students can choose one language to study for their fifth and sixth grade year.

The Middle School provided an array of education opportunities to students through the offering of 45 class selections including computer science, modular technology, drama, foreign languages, music, and art and consumer science. An emphasis on high academic standards, exploratory courses, individualized instruction and small student-to-teacher ratios contributed to providing a challenging and rewarding environment. Seventh graders took their annual trip to Toronto in April, while the eighth grade class traveled to Gettysburg and Washington D.C., supplementing their classroom education.

Chagrin Falls High School has been recognized as one of the top 100 high schools in the nation by Newsweek magazine. The rating was based on an exceptional Advanced Placement (AP) program and the offering of 17 AP classes. The commitment to academic excellence was maintained as highlighted with ten National Merit commended students, along with three finalists. One hundred fifty-one (151) students took 378 AP exams. The math department had three students, for the third year, qualify for the American Invitational Mathematics Examination. This is an extremely prestigious invitation that is extended to only the most talented mathematics students in the country. Over eighty-six percent (86%) of graduating seniors took part in the senior project, which provided them with an opportunity to experience on-the-job training in various career settings. All students had the opportunity to participate in various extra-curricular activities and student enrichment programs. The School is committed to the full development of its students through 22 varsity sports and an intramural program.

The Chagrin Falls Parent Teacher Organization (PTO), Dads' Club, the Chagrin Falls Education Foundation, Music Lovers, the Chagrin Falls Boosters, and the Open Parent Education Network (OPEN) continue to be major support groups to the School District, contributing over \$500,000 in equipment and services this past year. Projects included funding for playground equipment, musical instruments, audio-visual equipment, classroom supplies, field trips, assemblies, and supplemental professional development opportunities for interested faculty members. The Foundation also provided several thousand dollars in grants for special projects for teachers. The Business Advisory Council continues to improve the mutual working relationship between the community and schools, where both parties gain additional information and skills.

### **Future Projects**

Our primary focus continues to be on the educational program. This program serves our students, parents and community in an effort to continuously improve. This process involves assessing current programs, identifying areas to improve, developing options, selecting the best option and assessing the results.

Projects to begin during the 2002-2003 school year include the establishment of a new strategic plan for the School District. A facilitator will be employed to collect information from all stakeholders in the

School District to formulate a plan of direction for the next 4 to 5 years. Efforts will continue to insure and maintain efficient operations. Much of the information collected for the Ohio Award of Excellence application will be reviewed and procedures will be studied to ensure that we operate in the most efficient and effective manner possible. The School District will also be reviewing the curriculum related to the business, computer science and library instructional areas. During the 2003-2004 school year, the School District will be updating the curriculum in the mathematics and health/physical education areas. Other projects during the 2002-2003 school year will include the increase of positive public relations and increasing the achievement of all students relative to individual ability.

From a financial viewpoint, the School District will continue to monitor and impact, where possible, the Ohio Supreme Court's decision regarding school funding and the legislative implementation of solutions. The School District anticipates the placement of an operating levy to the residents of the School District in 2003. The last operating levy was passed in November 1999.

The School District will also seek the Certificate of Excellence in Financial Reporting for the School District's 2002 Comprehensive Annual Financial Report.

### **Economic Conditions and Outlook**

The Chagrin Falls Exempted Village School District area is an affluent 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% of the area is residential and 15% of the area is business in valuation. Personal income levels average above \$116,500 based on the 2000 Ohio Department of Taxation records, which maintains the Chagrin Falls Exempted Village School District as ninth in the State among 611 school districts. The School District has been ranked among the top ten school districts for the past fourteen years.

Property values have continued to grow within the School District since 1980. The next reappraisals for Geauga and Cuyahoga County will be completed in 2002 and 2003, respectively. Economic conditions have weakened during the past year, and a recovery will depend upon a number of events, both nationally and worldwide. Delinquency rates have increased, and the closing of several retail outlets have minimized tax collection increases. Enrollment has increased at a manageable rate to the School District. The 2001-02 enrollment of 1,914 students reflects a decrease of 5 students compared to the 2000-01 school year, and an increase of 422 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. 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. The School District anticipates the placement of an operating levy on the ballot in 2003.



## **Financial Information**

### *Internal Accounting and Budgetary Control*

The School District's accounting system is organized on a "fund" basis. Each fund is a distinct self-balancing accounting entity. Reports for 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.

## ***Financial Condition***

This is the second year the School District has prepared financial statements following GASB Statement 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments." GASB 34 creates new basic financial statements for reporting on the School District's financial activities as follows:

***Government-wide financial statements*** - These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by businesses. The government-wide statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

***Fund financial statements*** - These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

***Statement of budgetary comparisons*** - These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the School District. This discussion is presented after the Independent Public Accountant's report and provides an assessment of the School District's finances for 2002 and a discussion of current issues that affect the School District's outlook for the future. Because that discussion focuses on major funds, other nonmajor funds are discussed briefly in this letter.

### ***Financial Highlights - Internal Service Fund***

At the conclusion of fiscal year 2002, 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 net assets of (\$22,251) at June 30, 2002, compared with deficit net assets of (\$9,360) at June 30, 2001, reflecting a decrease in net assets of \$12,891. The Board has increased charged premiums in fiscal year 2003 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 \$63,147 at fiscal year end.

## **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 by the School District's funds was \$229,820 for the year ended June 30, 2002; \$213,849 was directly credited 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 market value of the pooled collateral must equal at least 105% 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 10% 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. Property insurance has a \$1,000 deductible with a limit of \$44,424,580 and inland marine insurance has a deductible of \$250 with a limit of \$1,553,714.

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 School 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 11 to the basic 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. Rea & Associates, Inc. was selected to render an opinion on the School District's financial statements as of and for the year ended June 30, 2002. 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 Office 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, 2001. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

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.

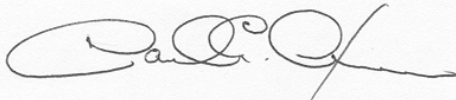
### **Acknowledgements**

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, the District's Audit Committee, and various administrators and employees of the School District. Assistance of the Cuyahoga and Geauga County Auditors' office staffs and other outside agencies made possible the fair presentation of statistical data.

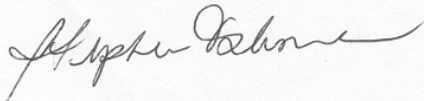
Special appreciation is expressed to Rea & Associates, Inc. for their assistance in planning, designing and reviewing this financial report.

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

Respectfully,



Dr. David E. Axner, Ed D  
Superintendent



Mr. Stephen Osborne  
Treasurer

*Chagrin Falls Exempted Village School District*  
*Principal Officials*  
*June 30, 2002*

***Board of Education***

Mr. Pearce Leary	President
Ms. Bethany Hurtuk, Ph.D	Vice President
Mr. Paul Kiffner	Member
Mr. Donald Mottinger	Member
Ms. Karen Penler	Member

***Treasurer/CFO***

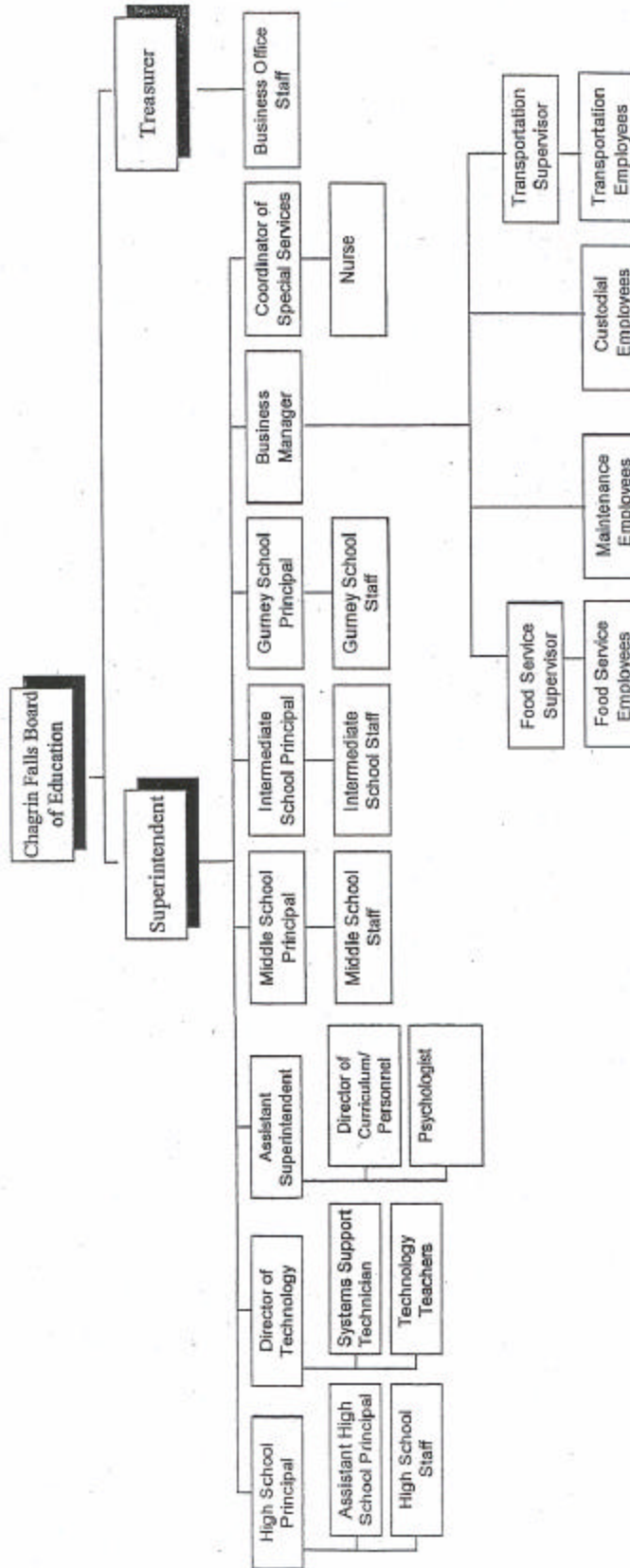
Mr. Stephen L. Osborne

***Administration***

Mr. David Axner, Ed D	Superintendent
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# CHAGRIN FALLS EXEMPTED VILLAGE SCHOOL DISTRICT

## ORGANIZATION CHART



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Chagrin Falls Exempted  
Village School District,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*William Patrick Pate*  
President

*Jeffrey L. Essler*  
Executive Director

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# **FINANCIAL SECTION**

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# Rea & Associates, Inc.

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ACCOUNTANTS AND BUSINESS CONSULTANTS

October 22, 2002

The Board of Education  
Chagrin Falls Exempted Village School District  
Chagrin Falls, Ohio

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying basic financial statements of Chagrin Falls Exempted Village School District, as of and for the year ended June 30, 2002, as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Governmental 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Chagrin Falls Exempted Village School District, as of June 30, 2002, and the results of its operations and the cash flows of its business type activities for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2002 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 the report in considering the results of our audit.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion thereon.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of Chagrin Falls Exempted Village School District. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all respects in relation to the basic financial statements taken as a whole.

*Rea & Associates, Inc.*

## **Chagrin Falls Exempted Village School District**

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2002  
Unaudited*

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The discussion and analysis of the Chagrin Falls Exempted Village School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2002. The intent of this discussion and analysis is to look at the School District's performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

### **Financial Highlights**

Key Financial Highlights for 2002 are as follows:

- ❑ General Revenues accounted for \$18.9 million in revenue or 92% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1.7 million or 8% of total revenues of \$20.6 million.
- ❑ Total program expenses were \$20.5 million, \$19.8 million in Governmental Activities, \$.7 million in Business Type Activities.
- ❑ In total, net assets increased \$93,924. Net assets of governmental activities increased \$51,358, which represents a .1% increase from 2001. Net assets of business-type activities increased \$42,566 or 18% from 2001.
- ❑ Outstanding bonded debt decreased from \$23,775,000 to \$23,080,000 through the payment of bond principal.

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

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

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

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

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

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2002?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all assets and liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis

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of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

- ❑ **Governmental Activities** - Most of the School District's programs and services are reported here, including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.
- ❑ **Business-Type Activities** - These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The School District adult and community education programs, food service and uniform school supplies are reported as business activities.

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

***Fund Financial Statements***

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

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

**Proprietary Funds** - Proprietary funds use the same basis of accounting as business-type activities (food service, uniform supplies, adult education); therefore, these statements will essentially match.

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**The School District as a Whole**

Recall that the Statement of Net Assets provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net assets for 2002 compared to 2001:

**(Table 1)**  
**Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2002	2001	2002	2001	2002	2001
<b>Assets</b>						
Current and Other Assets	\$ 18,933,551	\$ 19,325,373	\$ 122,912	\$ 80,436	\$ 19,056,463	\$ 19,405,809
Capital Assets	24,663,575	25,588,765	207,659	203,534	24,871,234	25,792,299
Total Assets	43,597,126	44,914,138	330,571	283,970	43,927,697	45,198,108
<b>Liabilities</b>						
Long-Term Liabilities	(23,864,932)	(24,710,619)	(6,927)	(6,939)	(23,871,859)	(24,717,558)
Other Liabilities	(14,242,697)	(14,765,380)	(52,415)	(48,368)	(14,295,112)	(14,813,748)
Total Liabilities	(38,107,629)	(39,475,999)	(59,342)	(55,307)	(38,166,971)	(39,531,306)
<b>Net Assets</b>						
Invested in Capital						
Assets Net of Debt	1,497,343	1,661,446	207,659	203,534	1,705,002	1,864,980
Restricted	2,393,854	2,328,980	0	0	2,393,854	2,328,980
Unrestricted (Deficit)	1,598,300	1,447,713	63,570	25,129	1,661,870	1,472,842
Total Net Assets	\$ 5,489,497	\$ 5,438,139	\$ 271,229	\$ 228,663	\$ 5,760,726	\$ 5,666,802

Total assets decreased by \$1.27 million with governmental assets decreasing \$1.3 million and business-type assets increasing \$46,000. A decrease of approximately \$921,000 in total capital assets reflects depreciation exceeding additional purchases and was the majority of the decrease in governmental assets. Total liabilities decreased by \$1.3 million with governmental liabilities comprising that entire amount. This decrease was the result of decreased deferred revenue of \$638,000 and a decrease in long-term liabilities (outstanding bond debt) of \$846,000.

The net assets of the School District business-type activities increased by \$42,000 or 18%. This difference is in part a reflection of an increase in prepaid lunches in food service due to the new debit card computer system in the food service area. All students and staff pay in advance for all lunch purchases and use a debit card at the point of sale. The difference also reflects the growing Adult/Community education program. The second year of the program had a complete seasonal schedule and additional course offerings. The net assets of the School District governmental activities increased less than 1%.

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Table 2 shows the changes in net assets for fiscal year 2002 compared to 2001.

**(Table 2)**  
**Governmental and Business-Type Activities**

	Governmental Activities		Business-Type Activities		Total	
	2002	2001	2002	2001	2002	2001
<b>Revenues</b>						
<i>Program Revenues:</i>						
Charges for Services	\$ 542,802	\$ 382,113	\$ 711,829	\$ 596,425	\$ 1,254,631	\$ 978,538
Operating Grants	335,671	469,647	30,762	23,922	366,433	493,569
Capital Grants	14,000	65,926	0	0	14,000	65,926
<i>General Revenue:</i>						
Property Taxes	14,878,900	13,555,239	0	0	14,878,900	13,555,239
Grants and Entitlements	3,820,383	3,655,753	0	0	3,820,383	3,655,753
Other	246,144	374,254	2,625	2,312	248,769	376,566
<b>Total Revenues</b>	<b>19,837,900</b>	<b>18,502,932</b>	<b>745,216</b>	<b>622,659</b>	<b>20,583,116</b>	<b>19,125,591</b>
<b>Program Expenses</b>						
Instruction	10,471,686	10,402,332	0	0	10,471,686	10,402,332
Support Services	7,236,920	6,386,490	0	0	7,236,920	6,386,490
Operation of Non-Instructional	151,620	185,448	0	0	151,620	185,448
Extracurricular Activities	688,806	633,776	0	0	688,806	633,776
Interest and Fiscal Charges	1,237,510	1,358,729	0	0	1,237,510	1,358,729
Food Service	0	0	492,126	459,191	492,126	459,191
Uniform School Supplies	0	0	59,940	65,405	59,940	65,405
Adult Community Education	0	0	150,584	70,037	150,584	70,037
<b>Total Expenses</b>	<b>19,786,542</b>	<b>18,966,775</b>	<b>702,650</b>	<b>594,633</b>	<b>20,489,192</b>	<b>19,561,408</b>
Increase (Decrease) in Net Assets	\$ 51,358	\$ (463,843)	\$ 42,566	\$ 28,026	\$ 93,924	\$ (435,817)

The vast majority of revenue supporting Governmental Activities is general revenue (property taxes). General revenue increased in 2002 from \$17.6 million in 2001 to \$18.9 million in 2002 and reflects an increase in property taxes receivable. An increase in charges for services reflects revenue from the Windsor Program. Other general revenue shows a decrease in interest earnings. Program expenses increased from \$19.0 million in 2001 to \$19.8 million in 2002. The increase in total program expenses reflects increases in salaries, fringe benefits (health insurance and retirement), purchased services (utilities) and other expenditures (property/casualty/fleet insurance).



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**Governmental Activities**

Information about the School District's major funds starts on page 15.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements. All governmental funds had total revenues of \$19.9 million and expenditures of \$19.8 million.

**(Table 3)**  
**Governmental Activities**

	<u>2002</u>		<u>2001</u>	
	<u>Total Cost of Service</u>	<u>Net Cost of Service</u>	<u>Total Cost of Service</u>	<u>Net Cost of Service</u>
Instruction	\$ 10,471,686	\$ 10,198,588	\$ 10,402,332	\$ 10,230,082
Support Services:				
Pupil and Instructional Staff	2,032,400	1,755,050	1,681,961	1,344,416
Board of Education, Administration and Fiscal	2,014,965	1,990,173	1,781,726	1,774,216
Operation and Maintenance of Plant	2,242,666	2,242,666	2,094,832	2,084,032
Pupil Transportation	946,889	946,889	827,971	808,160
Operation of Non-Instructional Extracurricular Activities	151,620	14,468	185,448	0
Interest and Fiscal Charges	688,806	508,725	633,776	449,454
	<u>1,237,510</u>	<u>1,237,510</u>	<u>1,358,729</u>	<u>1,358,729</u>
Total Expenses	<u>\$ 19,786,542</u>	<u>\$ 18,894,069</u>	<u>\$ 18,966,775</u>	<u>\$ 18,049,089</u>

Instruction and Student Support Services comprise 63% of governmental program expenses. Interest/Fiscal charges were 6%. Interest expense was attributable to the outstanding bonds, and fiscal expenses include payments to the County Auditors for administrative fees. Pupil transportation and the operation/maintenance of facilities accounts for 16% of governmental program expenses.

The dependence upon tax revenues for governmental activities is apparent. The community, as a whole, is by far the primary support for Chagrin Falls Exempted Village School District students.

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**Business-Type Activities**

Business-type activities include our Adult/Community education programs, the food service operation and the sale of uniform school supplies. These programs had revenues of \$711,829 and expenses of \$702,650 for fiscal year 2002. As discussed earlier, a debit card system was installed in all cafeterias, requiring prepayment of lunch sales. This change resulted in increased food service sales. The second year of the Parochial School lunch program also saw increased sales. The Adult/Community education program completed a successful second year. The program saw an expanded schedule and an increase in course offerings. Business activities receive no support from tax revenues.

**General Fund Budgeting Highlights**

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund.

During the course of fiscal year 2002, the School District did not modify its general fund budget. The School District uses site-based budgeting and budgeting systems are designed to tightly control total site budgets but provide flexibility for site management

For the general fund, budget basis revenue was \$16.1 million, under original budget estimates of \$16.2 million. Of this \$100,000 shortfall, most was attributable to decreased interest earnings (falling from 6% to 2% over the course of the year) and decreased property tax collections due to increased delinquency rates. Both of these reasons can be attributed to a weakened economy.

Final appropriations of \$16.9 million, were \$100,000 higher than the \$16.8 million in the original budget. Salaries, liability/property/fleet insurance, and county auditor fees (for tax collections) proved to be higher than anticipated. A number of aide positions were added during the year to assist with students with special needs. The addition of the Windsor Educational Program also increased salary and benefit expenses during the year, although this expense was offset by tuition paid by the home district of each Windsor student. Property/liability/fleet insurances saw significant increases in response to the events of September 11, 2001.

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal year 2002, the School District had \$24.9 million invested in land, buildings, equipment and textbooks. A total of \$24.7 million of this was for governmental activities with the remainder attributable to business-type activities. Table 4 shows fiscal year 2002 balances compared with 2001.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Land	\$ 1,386,635	\$ 1,386,635	\$ 0	\$ 0	\$ 1,386,635	\$ 1,386,635
Buildings and Improvements	21,415,858	22,041,922	0	0	21,415,858	22,041,922
Furniture and Equipment	1,090,080	1,358,115	207,659	203,534	1,297,739	1,561,649
Vehicles	564,911	562,939	0	0	564,911	562,939
Textbooks	206,091	239,154	0	0	206,091	239,154
Totals	<u>\$ 24,663,575</u>	<u>\$ 25,588,765</u>	<u>\$ 207,659</u>	<u>\$ 203,534</u>	<u>\$ 24,871,234</u>	<u>\$ 25,792,299</u>

The \$921,065 decrease in capital assets was attributable to depreciation expense exceeding additional purchases.

A change in Ohio law required school districts to set aside 3% of certain revenues for capital improvements and an additional 3% for textbooks. For fiscal year 2002, this amounted to \$263,015 for each set aside. The School District has qualifying disbursements or offsets exceeding these requirements for capital improvements. For the textbooks, the School District disbursed \$313,180, with the remainder scheduled to be carried forward into the 2002 fiscal year.

**Debt**

At June 30, 2002, the School District had \$23,080,000 in bonds outstanding with \$755,000 due within one year. During fiscal year 2002, \$695,000 of general obligation bonds were retired. Table 5 summarizes bonds outstanding.

**(Table 5)**  
**Outstanding Debt, at June 30**

	<u>Governmental Activities 2002</u>	<u>Governmental Activities 2001</u>
General Obligation Bonds:		
1988 Additions/Facilities	\$ 2,605,000	\$ 2,795,000
1997 Renovations - Series 1	2,100,000	2,200,000
1997 Renovations - Series 2	<u>18,375,000</u>	<u>18,780,000</u>
Totals	<u>\$ 23,080,000</u>	<u>\$ 23,775,000</u>

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In 1988, the School District passed a bond issue providing \$4,250,000 for renovations to the four buildings in the District. In 1997, the School District passed a bond issue providing \$21,800,000 for the construction of a new Middle School, classroom additions at Gurney Elementary and the refurbishing of the former Middle School (now known as the Intermediate School).

At June 30, 2002, the School District's overall legal debt margin was \$27,773,002 and the unvoted debt margin was \$549,321. The School District maintains a AA3 bond rating from Moody's Rating Committee.

### **Current Issues**

The Chagrin Falls Exempted Village School District continues to receive strong support from the residents of the school district. As the preceding information shows, the School District relies heavily on its local property taxpayers. The last operating levy passed by the residents of the district was in November, 1999, with the promise that the revenue generated by a levy would provide sufficient funding for four years. The Board of Education anticipates submitting a new operating levy to the residents of the district in 2003.

Real Estate and Personal Property tax collections have shown small increases. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a levy will not increase solely as a result of inflation due to Ohio House Bill 920 (passed in 1976). As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home was reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Thus, school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 73% of revenues for governmental activities for the Chagrin Falls Schools in fiscal year 2002.

The district has also been affected by increased delinquency rates and changes in the personal property tax structure (utility deregulation) and commercial business/property uncertainties. Management has diligently planned expenses so that the last levy has stretched for the four years it was planned. This has been made increasingly difficult with mandates in gifted education, rising utility costs, increased special education services required for our students, and significant increases in health insurance and property/liability/fleet insurance.

From a State funding perspective, the State of Ohio was found by the Ohio Supreme Court in March, 1997 to be operating an unconstitutional education system, one that was neither "adequate" nor "equitable". Since 1997, the State has directed its tax revenue growth toward school districts with little property tax wealth (which is unlike our District). It is still undetermined whether the State has met the standards of the Ohio Supreme Court.

The Chagrin Falls Exempted Village School District has not anticipated any meaningful growth in State revenue. The concern is that, to meet the requirements of the Court, the State may require redistribution of state funding based upon each district's property wealth. This could have a significant impact on the School District. Another School District concern will be the State Legislative approval of the biennial budget, effective July 1, 2003. How the legislature plans to fund education programs during a weakened economy remains a concern.

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All scenarios require management to plan carefully and prudently to provide the resources to meet student needs over the next several years.

The Chagrin Falls Exempted Village Schools has committed itself to financial excellence for many years. The School District has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Financial Reporting for three consecutive years.

In addition, the School District's systems of budgeting and internal controls are well regarded. All of the School District's financial abilities will be needed to meet the challenges of the future.

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

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Stephen Osborne, Treasurer of Chagrin Falls Exempted Village School District, 77 E. Washington Street, Chagrin Falls, Ohio 44022. Or e-mail at [cf\\_Osborne@lgca.org](mailto:cf_Osborne@lgca.org).

**Chagrin Falls Exempted Village School District**  
*Statement of Net Assets*  
*June 30, 2002*

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 4,088,350	\$ 109,385	\$ 4,197,735
Receivables:			
Taxes	14,772,806	0	14,772,806
Accounts	683	109	792
Interfund	10,133	(10,133)	0
Intergovernmental	44,633	2,840	47,473
Prepaid Items	7,993	0	7,993
Inventory	8,953	20,711	29,664
Nondepreciable Capital Assets	1,386,635	0	1,386,635
Depreciable Capital Assets (Net)	23,276,940	207,659	23,484,599
<i>Total Assets</i>	<u>43,597,126</u>	<u>330,571</u>	<u>43,927,697</u>
<b>Liabilities</b>			
Accounts Payable	238,779	7,948	246,727
Accrued Wages and Benefits	1,466,997	27,715	1,494,712
Intergovernmental Payable	539,417	15,298	554,715
Deferred Revenue	11,989,086	1,454	11,990,540
Claims Payable	8,418	0	8,418
Long Term Liabilities:			
Due Within One Year	860,113	6,927	867,040
Due Within More Than One Year	23,004,819	0	23,004,819
<i>Total Liabilities</i>	<u>38,107,629</u>	<u>59,342</u>	<u>38,166,971</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	1,497,343	207,659	1,705,002
Restricted for:			
Capital Projects	606,878	0	606,878
Debt Service	1,486,983	0	1,486,983
Other Purposes	299,993	0	299,993
Unrestricted	1,598,300	63,570	1,661,870
<i>Total Net Assets</i>	<u>\$ 5,489,497</u>	<u>\$ 271,229</u>	<u>\$ 5,760,726</u>

See accompanying notes to the basic financial statements.

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**Chagrin Falls Exempted Village School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2002

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
Current:				
Instruction:				
Regular	\$ 9,002,902	\$ 220,964	\$ 38,134	\$ 14,000
Special	1,348,927	0	0	0
Vocational	101,713	0	0	0
Other	18,144	0	0	0
Support services:				
Pupils	966,542	162,001	9,851	0
Instructional staff	1,065,858	0	105,498	0
Board of education	66,055	0	0	0
Administration	1,349,681	0	6,933	0
Fiscal	598,479	17,859	0	0
Business	750	0	0	0
Operation and maintenance of plant	2,242,666	0	0	0
Pupil transportation	946,889	0	0	0
Central	21,729	0	0	0
Operation of non-instructional services	129,891	0	137,152	0
Extracurricular activities	688,806	141,978	38,103	0
Debt service:				
Interest and fiscal charges	1,237,510	0	0	0
<i>Total Governmental Activities</i>	<u>19,786,542</u>	<u>542,802</u>	<u>335,671</u>	<u>14,000</u>
<b>Business-Type Activities</b>				
Food Service	492,126	499,914	30,762	0
Uniform School Supplies	59,940	66,862	0	0
Adult Education	150,584	145,053	0	0
<i>Total Business-Type Activities</i>	<u>702,650</u>	<u>711,829</u>	<u>30,762</u>	<u>0</u>
<i>Totals</i>	<u>\$ 20,489,192</u>	<u>\$ 1,254,631</u>	<u>\$ 366,433</u>	<u>\$ 14,000</u>

**General Revenues**

Property Taxes Levied for:  
General Purposes  
Debt Service

Grants and Entitlements not Restricted to Specific Programs  
Investment Earnings  
Miscellaneous  
Gain on Sale of Capital Assets  
Net Transfers

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements.



Net (Expense) Revenue  
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (8,729,804)	\$ 0	\$ (8,729,804)
(1,348,927)	0	(1,348,927)
(101,713)	0	(101,713)
(18,144)	0	(18,144)
(794,690)	0	(794,690)
(960,360)	0	(960,360)
(66,055)	0	(66,055)
(1,342,748)	0	(1,342,748)
(580,620)	0	(580,620)
(750)	0	(750)
(2,242,666)	0	(2,242,666)
(946,889)	0	(946,889)
(21,729)	0	(21,729)
7,261	0	7,261
(508,725)	0	(508,725)
<u>(1,237,510)</u>	<u>0</u>	<u>(1,237,510)</u>
<u>(18,894,069)</u>	<u>0</u>	<u>(18,894,069)</u>
0	38,550	38,550
0	6,922	6,922
<u>0</u>	<u>(5,531)</u>	<u>(5,531)</u>
<u>0</u>	<u>39,941</u>	<u>39,941</u>
<u>(18,894,069)</u>	<u>39,941</u>	<u>(18,854,128)</u>
13,315,386	0	13,315,386
1,563,514	0	1,563,514
3,820,383	0	3,820,383
225,968	2,625	228,593
23,724	0	23,724
(798)	0	(798)
<u>(2,750)</u>	<u>0</u>	<u>(2,750)</u>
18,945,427	2,625	18,948,052
51,358	42,566	93,924
<u>5,438,139</u>	<u>228,663</u>	<u>5,666,802</u>
<u>\$ 5,489,497</u>	<u>\$ 271,229</u>	<u>\$ 5,760,726</u>

**Chagrin Falls Exempted Village School District**

*Balance Sheet  
Governmental Funds  
June 30, 2002*

	<u>General</u>	<u>Debt Service</u>	<u>Permanent Improvement Capital Projects</u>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 1,953,770	\$ 1,113,357	\$ 521,881
Cash and Cash Equivalents:			
Restricted Cash	199,780	0	0
Receivables:			
Taxes	12,807,434	1,965,372	0
Accounts	683	0	0
Interfund	23,955	0	0
Intergovernmental	44,633	0	0
Prepaid Items	7,993	0	0
Inventory	8,953	0	0
<i>Total Assets</i>	<u>\$ 15,047,201</u>	<u>\$ 3,078,729</u>	<u>\$ 521,881</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 220,999	\$ 0	\$ 9,276
Accrued Wages and Benefits	1,451,963	0	0
Intergovernmental Payable	372,673	0	0
Deferred Revenue	10,867,121	1,664,574	0
<i>Total Liabilities</i>	12,912,756	1,664,574	9,276
<b>Fund Balances</b>			
Fund Balance:			
Reserved for Encumbrances	344,663	0	33,475
Reserved for Inventory	8,953	0	0
Reserved for Tax Revenue Unavailable for Appropriation	1,940,313	300,798	0
Reserved to Textbook/Instructional Materials	47,943	0	0
Reserved for Capital Improvements/Maintenance	0	0	0
Reserved for Budget	199,780	0	0
Undesignated, Unreserved Reported in:			
General Fund	(407,207)	0	0
Special Revenue Funds	0	0	0
Debt Service Fund	0	1,113,357	0
Capital Projects Funds	0	0	479,130
<i>Total Fund Balances</i>	<u>2,134,445</u>	<u>1,414,155</u>	<u>512,605</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 15,047,201</u>	<u>\$ 3,078,729</u>	<u>\$ 521,881</u>

See accompanying notes to the general purpose financial statements.

**Chagrin Falls Exempted Village School District**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets Governmental Activities  
 June 30, 2002*

Other Governmental Funds	Total Governmental Funds		
		<b>Total Governmental Fund Balances</b>	\$ 4,333,007
		<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
\$ 299,468	\$ 3,888,476	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	24,663,575
0	199,780		
0	14,772,806	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
0	683		
105	24,060	Delinquent Property Taxes	542,609
0	44,633		542,609
0	7,993	An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	(22,251)
0	8,953		
<u>\$ 299,573</u>	<u>\$ 18,947,384</u>		
		Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
\$ 8,504	\$ 238,779	General Obligation Bonds	(23,080,000)
15,034	1,466,997	Compensated Absences	(698,700)
4,233	376,906	Capital Lease Payable	(86,232)
0	12,531,695	Intergovernmental Payable	(162,511)
27,771	14,614,377		(24,027,443)
		<b>Net Assets of Governmental Activities</b>	<u>\$ 5,489,497</u>
11,276	389,414		
0	8,953		
0	2,241,111		
0	47,943		
0	0		
0	199,780		
0	(407,207)		
221,399	221,399		
0	1,113,357		
39,127	518,257		
<u>271,802</u>	<u>4,333,007</u>		
<u>\$ 299,573</u>	<u>\$ 18,947,384</u>		

**Chagrin Falls Exempted Village School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2002*

	<u>General</u>	<u>Debt Service</u>	<u>Permanent Improvement</u>
<b>Revenues:</b>			
Taxes	\$ 12,845,605	\$ 2,009,766	\$ 0
Intergovernmental	3,552,516	264,367	0
Investment income	213,849	0	12,119
Tuition and fees	218,409	0	0
Extracurricular activities	0	0	0
Rentals	17,859	0	0
Miscellaneous	17,202	0	0
<i>Total Revenues</i>	<u>16,865,440</u>	<u>2,274,133</u>	<u>12,119</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	8,022,511	0	0
Special	1,335,649	0	0
Vocational	101,713	0	0
Other	18,144	0	0
Support services:			
Pupils	767,144	0	0
Instructional staff	808,854	0	0
Board of education	65,947	0	0
Administration	1,376,821	0	0
Fiscal	535,297	11,907	0
Business	750	0	0
Operation and maintenance of plant	2,114,661	0	0
Pupil transportation	988,953	0	0
Central	21,729	0	0
Operation of non-instructional services	11,148	0	0
Extracurricular activities	487,413	0	0
Capital outlay	0	0	248,154
Debt service:			
Principal retirement	72,723	695,000	0
Interest and fiscal charges	2,797	1,346,468	0
<i>Total Expenditures</i>	<u>16,732,254</u>	<u>2,053,375</u>	<u>248,154</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	133,186	220,758	(236,035)
<b>Other Financing Sources (Uses):</b>			
Inception of capital lease	6,636	0	0
Proceeds from sales of fixed assets	1,465	0	0
Operating transfers in	0	24,500	0
Operating transfers out	(54,742)	0	0
<i>Total Financing Sources and (Uses)</i>	<u>(46,641)</u>	<u>24,500</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	86,545	245,258	(236,035)
<i>Fund balance (deficit) at beginning of year</i>	2,047,900	1,168,897	748,640
<i>Increase (decrease) in reserve for inventory</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund balance (deficit) at end of year</i>	<u>\$ 2,134,445</u>	<u>\$ 1,414,155</u>	<u>\$ 512,605</u>

See accompanying notes to the basic financial statements.

**Chagrin Falls Exempted Village School District**  
*Reconciliation of the Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2002*

Other Governmental Funds	Total Governmental Funds	Net Change in Fund Balances - Total Governmental Funds	\$	88,911
		<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
\$ 0	\$ 14,855,371	Governmental funds report capital outlays as expenditures,		
372,341	4,189,224	However, in the statement of activities, the cost of those		
1,227	227,195	assets is allocated over their estimated useful lives as		
0	218,409	depreciation expense. This is the amount by which		
306,534	306,534	depreciation exceeded capital outlay in the current period.		
0	17,859	Fixed Asset Additions	443,039	
57,516	74,718	Current Year Depreciation	<u>(1,367,431)</u>	(924,392)
737,618	19,889,310	Net effect of transactions involving sale of capital assets are not reflected in the funds		(798)
102,792	8,125,303	Revenues in the statement of activities that do not provide		
0	1,335,649	current financial resources are not reported as revenues		
0	101,713	in the funds		
0	18,144	Grants	(58,500)	
202,482	969,626	Delinquent Property Taxes	<u>23,529</u>	(34,971)
136,134	944,988	Repayment of bond principal is an expenditure in the governmental		
0	65,947	funds, but the repayment reduces long-term liabilities in the		
6,933	1,383,754	statement of net assets.		
0	547,204	Bond Principal	695,000	
0	750	Capital Leases	<u>72,723</u>	767,723
0	2,114,661	In the statement of activities interest is accrued on outstanding		
0	988,953	bonds, whereas in governmental funds, interest is expensed		
0	21,729	when due.		111,755
120,692	131,840	Some expenses reported in the statement of net activities do not		
202,934	690,347	use the current financial resources and therefore are not reported		
0	248,154	as expenditures in governmental funds.		
0	767,723	Capital Leases	(6,636)	
0	1,349,265	Compensated Absences	84,600	
771,967	19,805,750	Pension Obligation	<u>(21,943)</u>	56,021
(34,349)	83,560	The internal service fund used by management to charge the costs		
0	6,636	of insurance to individual funds is not reported in the district-wide		
0	1,465	statement of activities. The net revenue (expense) of internal service		
27,492	51,992	funds is reported with governmental activities.		(12,891)
0	(54,742)	<b>Change in Net Assets of Governmental Activities</b>	<u>\$</u>	<u>51,358</u>
27,492	5,351			
(6,857)	88,911			
278,659	4,244,096			
0	0			
<u>\$ 271,802</u>	<u>\$ 4,333,007</u>			

**Chagrin Falls Exempted Village School District**  
*Statement of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>with Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>Revenues:</b>				
Taxes	\$ 12,182,300	\$ 12,182,300	\$ 12,154,597	\$ (27,703)
Intergovernmental	3,510,910	3,510,910	3,552,516	41,606
Investment Income	270,000	270,000	159,728	(110,272)
Tuition and Fees	203,700	203,700	202,362	(1,338)
Rentals	15,000	15,000	17,922	2,922
Miscellaneous	14,250	14,250	17,214	2,964
<i>Total Revenues</i>	<u>16,196,160</u>	<u>16,196,160</u>	<u>16,104,339</u>	<u>(91,821)</u>
<b>Expenditures:</b>				
<b>Current</b>				
Instruction	9,486,937	9,575,235	9,552,534	22,701
Support Services				
Pupils	821,205	766,265	766,265	0
Instructional Staff	793,066	790,825	790,825	0
Board of Education	98,208	96,340	96,290	50
Administration	1,402,429	1,448,880	1,448,880	0
Fiscal	481,411	519,658	515,117	4,541
Business	750	750	750	0
Operation and Maintenance of Plant	2,194,427	2,199,224	2,191,778	7,446
Pupil Transportation	1,030,598	984,721	984,721	0
Central	23,000	21,729	21,729	0
Operation of Non-Instructional Services	11,600	11,407	11,407	0
Extracurricular Activities	461,840	504,790	503,494	1,296
<i>Total Expenditures</i>	<u>16,805,471</u>	<u>16,919,824</u>	<u>16,883,790</u>	<u>36,034</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(609,311)	(723,664)	(779,451)	(55,787)
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Assets	2,000	2,000	1,465	(535)
Advances Out	0	(6,500)	(6,500)	0
Operating Transfers Out	(52,000)	(56,786)	(54,742)	2,044
<i>Total Other Financing Sources (Uses)</i>	<u>(50,000)</u>	<u>(61,286)</u>	<u>(59,777)</u>	<u>1,509</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	(659,311)	(784,950)	(839,228)	(54,278)
<i>Fund Balance (Deficit) at Beginning of Year</i>	1,973,591	1,973,591	1,973,591	0
Prior Year Encumbrances Appropriated	459,807	459,807	459,807	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 1,774,087</u>	<u>\$ 1,648,448</u>	<u>\$ 1,594,170</u>	<u>\$ (54,278)</u>

See accompanying notes to the basic financial statements.

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**Chagrin Falls Exempted Village School District**

*Statement of Net Assets*

*Proprietary Funds*

*June 30, 2002*

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Food Service</b>	<b>Uniform School Supplies</b>	<b>Adult Education</b>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 85,608	\$ 1,818	\$ 21,959
Receivables:			
Accounts	109	0	0
Interfund	1,204	0	0
Intergovernmental Receivable	2,840	0	0
Inventory	5,388	15,323	0
Depreciable Capital Assets (Net)	207,659	0	0
<i>Total Assets</i>	<u>302,808</u>	<u>17,141</u>	<u>21,959</u>
<b>Liabilities</b>			
Accounts Payable	0	0	7,948
Accrued Wages and Benefits	23,630	0	4,085
Interfund Payable	0	11,337	0
Intergovernmental Payable	13,644	0	1,654
Deferred Revenue	1,454	0	0
Claims Payable	0	0	0
<i>Total Current Liabilities</i>	<u>38,728</u>	<u>11,337</u>	<u>13,687</u>
<b>Long Term Liabilities</b>			
Compensated Absences	6,927	0	0
<i>Total Liabilities</i>	<u>45,655</u>	<u>11,337</u>	<u>13,687</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	207,659	0	0
Unrestricted	49,494	5,804	8,272
<i>Total Net Assets</i>	<u>\$ 257,153</u>	<u>\$ 5,804</u>	<u>\$ 8,272</u>

See accompanying notes to the basic financial statements.



<u>Total</u>	<u>Governmental Activities Internal Service Fund</u>
\$ 109,385	\$ 94
109	0
1,204	0
2,840	0
20,711	0
<u>207,659</u>	<u>0</u>
<u>341,908</u>	<u>94</u>
7,948	0
27,715	0
11,337	13,927
15,298	0
1,454	0
<u>0</u>	<u>8,418</u>
63,752	22,345
<u>6,927</u>	<u>0</u>
70,679	22,345
207,659	0
<u>63,570</u>	<u>(22,251)</u>
<u>\$ 271,229</u>	<u>\$ (22,251)</u>

**Chagrin Falls Exempted Village School District**  
*Statement of Revenues, Expenditures and Changes in Fund Net Assets*  
*Proprietary Funds*  
*For the Fiscal Year Ended June 30, 2002*

<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Food Service</b>	<b>Uniform School Supplies</b>	<b>Adult Education</b>
<b>Operating Revenues:</b>			
Tuition	\$ 0	\$ 0	\$ 145,053
Sales	499,914	66,862	0
Charges for services	0	0	0
<i>Total Operating Revenues</i>	<u>499,914</u>	<u>66,862</u>	<u>145,053</u>
<b>Operating Expenses:</b>			
Salaries	165,546	0	46,035
Fringe benefits	46,777	0	6,391
Purchased services	4,285	0	97,326
Materials and supplies	31,728	0	421
Cost of goods sold	228,179	59,940	0
Depreciation	14,865	0	0
Claims	746	0	411
<i>Total Operating Expenses</i>	<u>492,126</u>	<u>59,940</u>	<u>150,584</u>
Operating income (loss)	<u>7,788</u>	<u>6,922</u>	<u>(5,531)</u>
<b>Non-Operating Revenues (Expenses):</b>			
Federal donated commodities	12,422	0	0
Operating grants	18,340	0	0
Interest	2,625	0	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>33,387</u>	<u>0</u>	<u>0</u>
<i>Change in Net Assets</i>	41,175	6,922	(5,531)
<i>Net Assets (Deficit) Beginning of Year</i>	<u>215,978</u>	<u>(1,118)</u>	<u>13,803</u>
<i>Net Assets (Deficit) End of Year</i>	<u>\$ 257,153</u>	<u>\$ 5,804</u>	<u>\$ 8,272</u>

See accompanying notes to the basic financial statements.

<u>Total</u>	<u>Governmental Activities - Internal Service Fund</u>
\$ 145,053	\$ 0
566,776	0
0	166,309
711,829	166,309
211,581	0
53,168	0
101,611	0
32,149	0
288,119	0
14,865	0
1,157	179,200
702,650	179,200
9,179	(12,891)
12,422	0
18,340	0
2,625	0
33,387	0
42,566	(12,891)
228,663	(9,360)
\$ 271,229	\$ (22,251)

**Chagrin Falls Exempted Village School District**

*Statement of Cash Flows*

*Proprietary Funds*

*For the Fiscal Year Ended June 30, 2002*

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Food Service</b>	<b>Uniform School Supplies</b>	<b>Adult Education</b>
<b>Cash Flows From Operating Activities:</b>			
Cash Received from Customers	\$ 497,118	\$ 66,862	\$ 150,146
Transactions with Other Funds	0	0	0
Cash Paid for Goods and Services	(258,320)	(66,367)	(91,645)
Cash Paid to Employees	(209,772)	0	(50,650)
Cash Paid for Claims	0	0	0
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>29,026</u>	<u>495</u>	<u>7,851</u>
<b>Cash Flows From Non-Capital Financing Activities:</b>			
Grants	18,340	0	0
<i>Net Cash Provided By (Used For) Non-Capital Activities</i>	<u>18,340</u>	<u>0</u>	<u>0</u>
<b>Cash Flows From Investing Activities:</b>			
Interest on Investments	2,625	0	0
<i>Net Cash Provided By (Used For) Investing Activities</i>	<u>2,625</u>	<u>0</u>	<u>0</u>
<b>Cash Flows From Capital and Related Activities:</b>			
Payment for Capital Acquisitions	(18,990)	0	0
<i>Net Cash Provided By (Used For) Capital and Related Financing Activities</i>	<u>(18,990)</u>	<u>0</u>	<u>0</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	31,001	495	7,851
<i>Cash and Cash Equivalents at Beginning of Year</i>	54,607	1,323	14,108
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$ 85,608</u>	<u>\$ 1,818</u>	<u>\$ 21,959</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:</b>			
Operating Income (Loss)	\$ 7,788	\$ 6,922	\$ (5,531)
Adjustments:			
Depreciation	14,865	0	0
Federal Donated Commodities	12,422	0	0
(Increase) Decrease Assets			
Due from Other Governments	(2,840)	0	0
Accounts Receivable	44	0	5,093
Inventory	(2,194)	(3,232)	0
Increase (Decrease) in Liabilities			
Accounts Payable	(338)	(736)	6,604
Accrued Wages and Benefits	2,563	0	1,776
Compensated Absences Payable	(12)	0	0
Due to Other Governments	(3,827)	0	(91)
Due to Other Funds	0	0	0
Deferred Revenue	555	(2,459)	0
Claims Payable	0	0	0
<i>Total Adjustments</i>	<u>21,238</u>	<u>(6,427)</u>	<u>13,382</u>
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>\$ 29,026</u>	<u>\$ 495</u>	<u>\$ 7,851</u>

See accompanying notes to the basic financial statements.

<u>Total</u>	<u>Governmental Activities - Internal Service Fund</u>
\$ 714,126	\$ 0
0	166,309
(416,332)	0
(260,422)	0
0	(166,215)
<u>37,372</u>	<u>94</u>
<u>18,340</u>	<u>0</u>
<u>18,340</u>	<u>0</u>
<u>2,625</u>	<u>0</u>
<u>2,625</u>	<u>0</u>
<u>(18,990)</u>	<u>0</u>
<u>(18,990)</u>	<u>0</u>
39,347	94
<u>70,038</u>	<u>0</u>
<u>\$ 109,385</u>	<u>\$ 94</u>
\$ 9,179	\$ (12,891)
14,865	0
12,422	0
(2,840)	0
5,137	0
(5,426)	0
5,530	0
4,339	0
(12)	0
(3,918)	0
0	6,500
(1,904)	0
0	6,485
<u>28,193</u>	<u>12,985</u>
<u>\$ 37,372</u>	<u>\$ 94</u>

**Chagrin Falls Exempted Village School District**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*June 30, 2002*

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**Assets**

Equity in Pooled Cash and Cash Equivalents	<u>\$ 63,147</u>
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**Liabilities**

Undistributed Monies	\$ 3,838
Due to Students	<u>59,309</u>

<i>Total Liabilities</i>	<u>\$ 63,147</u>
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See accompanying notes to the basic financial statements.

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**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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**Note 1 - Description of The School District**

Chagrin Falls Exempted Village School District (the "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 and provides educational services as mandated by the State and federal agencies. Each member is elected to a four year term. The Board of Education controls the School District's four instructional support facilities staffed by 105 classified employees, 146 certified full-time teaching personnel and 13 administrators who provide services to 1,914 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 comprised of the primary government, component units and other organizations that are included to ensure that financial statements of the School District 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 student 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 their budget, the issuance of their debt or the levying of their taxes. The School District has no component units.

The School District participates in two jointly governed organizations and one public entity risk pool. These organizations are the Lake Geauga Computer Association, the Ohio Schools Council, and the Ohio School Boards Association Workers' Compensation Group Rating Plan. These organizations are presented in Notes 15 and 16 to the basic financial statements.

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

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local 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 business-type activities



**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
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and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The most significant of the School District's accounting policies are described below.

***A. Basis of Presentation***

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

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

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

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

***B. Fund Accounting***

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

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

**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
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**General Fund** The general fund accounts 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.

**Debt Service Fund** The debt service fund is used to account for the accumulation of property tax revenues for, and the payment of, general obligation bonds used for the construction of a new middle school and additions to the intermediate school.

**Permanent Improvement Capital Projects Fund** The permanent improvement capital projects fund accounts for financial resources to be used for the acquisition, construction, or improvement of major capital facilities other than those financed by proprietary funds.

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

**Proprietary Fund Type** Proprietary fund reporting focuses on the determination of operating income, changes in net asset, financial position and cash flows. The following are the School District's proprietary fund types:

**Enterprise Funds** Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The School District's major enterprise funds are:

**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 educational opportunities offered on a tuition basis to adults living within the community.

**Internal Service Fund** The internal service 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. The School District's only internal service fund accounts for a self-insurance program for employee prescription drug benefits.

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

**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
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**C. Measurement Focus**

**Government-wide Financial Statements** The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets.

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

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

**D. Basis of Accounting**

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

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 6.) Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

Property taxes for which there is an enforceable legal claim as of June 30, 2002, but which were levied to finance fiscal year 2003 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

***E. Budgetary Data***

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the object level within each fund and function.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2002.

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

**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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***F. Cash and Cash Equivalents***

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

During fiscal year 2002, investments were limited to Commercial Paper, repurchase agreements, Victory Federal Mutual Funds, Federal Farm Credit Bank Notes, Federal Home Loan Bank Notes, Federal Home Loan Mortgage Association Notes, U.S. Treasury Notes, STAROhio, (the State Treasurer's Investment Pool), and certificates of deposit.

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 the 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, 2002. Certificates of deposit and repurchase agreements are reported at cost.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest. Interest revenue credited to the general fund during fiscal year 2002 amounted to \$213,849, which includes \$103,951 assigned from other School District funds.

Investments of the cash management pool and investments with a maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an original maturity of more than three months that are not made from the pool are reported as investments.

***G. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2002, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

***H. Inventory***

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, 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. Inventories of the enterprise fund are expensed when used.

**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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***I. Restricted Assets***

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets include amounts required by statute to be set-aside for the purchase of textbooks and other instructional material and to create a reserve for budget stabilization. See Note 20 for additional information regarding set asides.

***J. Capital Assets***

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five hundred dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land	N/A	N/A
Buildings and Improvements	10 - 40 Years	N/A
Furniture and Fixtures	5 - 20 Years	20 Years
Vehicles	13 Years	N/A
Textbooks	5 Years	N/A

***K. Interfund Balances***

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
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***L. Compensated Absences***

The School District reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences". Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned 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.

The entire compensated absence liability is reported on the government-wide financial statements.

In governmental funds, the liability for unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

***M. Accrued Liabilities and Long-term Obligations***

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

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

***N. Net Assets***

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

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

***O. Fund Balance Reserves***

The School District reserves those 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 appropriations for expenditures. Unreserved fund balance indicates that portion of fund equity, which is available for

**Chagrin Falls Exempted Village School District**  
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appropriation, in future periods. Fund balance reserves are established for encumbrances, inventory of materials and supplies, property taxes, textbook purchases, and budget stabilization.

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

***P. Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are tuition for adult education classes, sales for food service and uniform school supplies, and charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

***Q. Contributions of Capital***

Contributions of capital in proprietary fund financial statements arise from outside contributions of fixed assets, or from grants or outside contributions of resources restricted to capital acquisition and construction. The proprietary funds received no capital contributions during the current fiscal year.

***R. Interfund Activity***

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

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

***S. Extraordinary and Special Items***

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal 2002.

***T. Estimates***

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



**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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**Note 3 - Accountability**

Title VI-B and miscellaneous federal grants special revenue funds had a deficit fund balance of \$15,926 and \$873, respectively, at June 30, 2002. The deficit balances resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

**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 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual, is presented for the General Fund 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:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statement to the budgetary basis statement on a fund type basis for the general fund.

**Net Change in Fund Balance**

GAAP Basis	\$	86,545
Net Adjustment for Revenue Accruals		(704,333)
Fair Value Adjustment for Investments		(54,121)
Advance Out		(6,500)
Net Adjustment for Expenditure Accruals		337,933
Adjustment for Encumbrances		<u>(498,752)</u>
Budget Basis	\$	<u><u>(839,228)</u></u>

**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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**Note 5 - Deposits and Investments**

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

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

Inactive deposits are public deposits that the 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 School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies to be deposited or invested in the following securities:

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

**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
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6. The State Treasurer's investment pool (STAROhio);
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 to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, 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 \$3,680 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 (including Repurchase Agreements), and Reverse Repurchase Agreements".

**Deposits** At fiscal year-end, the carrying amount of the School District's deposits was \$337,398 and the bank balance was \$401,460. Of the bank balance:

1. \$188,302 of the bank balance was covered by depository insurance; and
2. \$213,158 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging institution in the pledging institution'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 FDIC.

**Investments** GASB Statement No. 3 requires the School District's investments to be categorized to give an indication of the level of risk assumed by the School District at fiscal 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. STAROhio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

**Chagrin Falls Exempted Village School District**  
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	Category 2	Category 3	Carrying Value	Fair Value
Repurchase Agreements	\$ 0	\$ 261,193	\$ 261,193	\$ 261,193
Victory Federal Money Market Closed End	0	62,359	62,359	62,359
Federal Farm Credit Bank Notes	126,914	0	126,914	126,914
Federal Home Loan Bank Notes	608,438	0	608,438	608,438
Federal Home Loan Mortgage Corporation Notes	674,961	0	674,961	674,961
Federal National Mortgage Association Notes	679,919	0	679,919	679,919
Fifth Third US Treasury Money Market Fund	64,269	0	64,269	64,269
Victory Federal Money Market Open End	27,693	0	27,693	27,693
U.S. Treasury Notes	152,720	0	152,720	152,720
STAROhio	0	0	1,261,338	1,261,338
Totals	<u>\$ 2,334,914</u>	<u>\$ 323,552</u>	<u>\$ 3,919,804</u>	<u>\$ 3,919,804</u>

The classification of cash and cash equivalents, and investments on the combined basic financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting".

A reconciliation between the classifications of cash and investments on the combined financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
<i>GASB Statement No. 9</i>	\$ 4,260,882	\$ 0
Cash on Hand	(3,680)	0
Investments which are part of a cash management pool:		
Repurchase Agreements	(261,193)	261,193
Victory Federal Money Market Closed End	(62,359)	62,359
Federal Farm Credit Bank Notes	(126,914)	126,914
Federal Home Loan Bank Notes	(608,438)	608,438
Federal Home Loan Mortgage Corporation Notes	(674,961)	674,961
Federal National Mortgage Association Notes	(679,919)	679,919
Fifth Third US Treasury Money Market Fund	(64,269)	64,269
Victory Federal Money Market Open End	(27,693)	27,693
U.S. Treasury Notes	(152,720)	152,720
STAROhio	<u>(1,261,338)</u>	<u>1,261,338</u>
<i>GASB Statement No. 3</i>	<u>\$ 337,398</u>	<u>\$ 3,919,804</u>

**Chagrin Falls Exempted Village School District**  
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*For the Fiscal Year Ended June 30, 2002*

**Note 6 - Property Taxes**

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

Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Property tax revenue received during calendar 2002 for real and public utility property taxes represents collections of calendar 2001 taxes. Property tax payments received during calendar 2002 for tangible personal property (other than public utility property) is for calendar 2002 taxes.

2002 real property taxes are levied after April 1, 2001, on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by State law at 35% of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35% of true value. 2002 public utility property taxes became a lien December 31, 2001, are levied after April 1, 2002 and are collected in 2003 with real property taxes.

2002 tangible personal property taxes are levied after April 1, 2001, on the value as of December 31, 2001. Collections are made in 2002. Tangible personal property assessments are 25% of true value.

The assessed values upon which the fiscal year 2002 taxes were collected are:

	2001 Second Half Collections		2002 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$ 382,568,900	95.57%	\$ 387,295,710	95.76%
Public Utility	8,017,290	2.00%	7,051,550	1.74%
Tangible Personal Property	9,737,879	2.43%	10,129,867	2.50%
	<u>\$ 400,324,069</u>	<u>100.00%</u>	<u>\$ 404,477,127</u>	<u>100.00%</u>
Tax rate per \$1,000 assessed valuation	\$ 92.30		\$ 92.10	

Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, 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 semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30. This year the June 2002 tangible personal property tax settlement was not received until July of 2002.

**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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The School District receives property taxes from Cuyahoga and Geauga Counties. The County Auditors periodically advance to the School District their portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2002, are available to finance fiscal year 2002 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 and real property, personal property and public utility taxes which became measurable as of June 30, 2001 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed settlement of personal property tax and the amount of real property taxes available as an advance at June 30 were levied to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The late settlement and the amount available as an advance at June 30 are recognized as revenue.

The amount available as an advance at June 30, 2002, was \$2,241,111 and is recognized as revenue. \$1,940,313 was available to the general fund and \$300,798 was available to the bond retirement debt service fund.

**Note 7 - Receivables**

Receivables at June 30, 2002, consisted of taxes, accounts (rent and student fees), interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds.

**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2002

**Note 8 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2002, was as follows:

	Balance 6/30/01	Additions	Reductions	Balance 6/30/02
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 1,386,635	\$ 0	\$ 0	\$ 1,386,635
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	26,416,505	56,817	0	26,473,322
Furniture and Equipment	3,525,136	195,454	(15,367)	3,705,223
Vehicles	1,453,649	109,240	(36,800)	1,526,089
Textbooks	591,988	81,528	0	673,516
Total Capital Assets, being depreciated	31,987,278	443,039	(52,167)	32,378,150
Less Accumulated Depreciation:				
Buildings and Improvements	(4,374,584)	(682,880)	0	(5,057,464)
Furniture and Equipment	(2,167,021)	(462,691)	14,569	(2,615,143)
Vehicles	(890,711)	(107,267)	36,800	(961,178)
Textbooks	(352,832)	(114,593)	0	(467,425)
Total Accumulated Depreciation	(7,785,148)	(1,367,431)	51,369	(9,101,210)
Total Capital Assets being depreciated, net	24,202,130	(924,392)	(798)	23,276,940
Governmental Activities Capital Assets, Net	<u>\$ 25,588,765</u>	<u>\$ (924,392)</u>	<u>\$ (798)</u>	<u>\$ 24,663,575</u>
<b>Business-Type Activities</b>				
<i>Capital Assets being depreciated</i>				
Furniture and Equipment	\$ 333,706	\$ 18,990	\$ 0	\$ 352,696
Less Accumulated Depreciation	(130,172)	(14,865)	0	(145,037)
Business-Type Activities Capital Assets, Net	<u>\$ 203,534</u>	<u>\$ 4,125</u>	<u>\$ 0</u>	<u>\$ 207,659</u>

**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 1,025,865
Special	2,895
Support Services:	
Pupil	5,447
Instructional Staff	131,057
Board of Education	108
Administration	12,469
Fiscal	60,808
Operation and Maintenance of Plant	22,548
Pupil Transportaion	95,200
Operation of Non-Instructional Services	4,111
Extracurricular Activities	6,923
	<hr/>
Total Depreciation	<u>\$ 1,367,431</u>

**Note 9 - 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 2002, the School District contracted with the following insurance companies:

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage Amount</u>
Indiana Insurance	Property Coverage	
	Blanket Building and Contents	\$ 44,524,580
	Extra Expense	1,000,000
	Valuable Papers	100,000
	Inland Marine	1,553,714
	Automobile Liability	2,000,000
	Education Liability	1,000,000
	Personal/Advertising Injury	1,000,000
	School Leaders Ommission/Errors	1,000,000
	Products/Completed Aggregate	2,000,000
	General Aggregate	2,000,000
	Law Enforcement	1,000,000
	Sexual Misconduct/Molestation	1,000,000
	Employee Benefits - per loss	1,000,000
- Aggregate	3,000,000	



**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
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Company	Type of Coverage	Coverage Amount
Travelers Insurance	Boiler and Machinery	\$ 30,000,000
Ohio Casualty	Public Employee Dishonesty	250,000
	Money and Securities	5,000

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

***B. Workers' Compensation***

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 16). 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 & Company provides administrative, cost control and actuarial services to the GRP.

***C. Prescription Drug***

The School District participates in a self-insurance program for prescription drug benefits. PCS Health Systems of Phoenix, Arizona, the third-party administrator of the program reviews and pays claims. The prescription drug plan utilizes a \$5/10/30 deductible per prescription. The School District pays \$96.25 for family coverage and \$38.75 for single coverage per month which represents 80% of the premium required for family coverage and 100% of the premium required for single coverage.

The claims liability of \$8,418 reported in the internal service fund at June 30, 2002, is based on an estimate provided by the third party administrator and the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

**Chagrin Falls Exempted Village School District**  
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*For the Fiscal Year Ended June 30, 2002*

Changes in the fund's claims liability amount during fiscal 2000, 2001, and 2002 were:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2000	2,263	150,652	149,671	3,244
2001	3,244	149,041	150,352	1,933
2002	1,933	179,200	172,715	8,418

**Note 10 - Other Employee Benefits**

***A. Compensated Absences***

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn 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 can 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 276 days. Upon retirement, employees receive payment for one-fourth of the total sick leave accumulation, up to a maximum accumulation of 276 days.

***B. Insurance Benefits***

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Met Life Insurance Company, in the amount of \$75,000 for all certified and union exempt employees, all administrators, and treasurer; \$114,500 for the superintendent; and \$30,000 for non-certified employees.

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. The School District provides health insurance coverage through United Healthcare and is subject to certain deductibles, co-pays, and maximum benefits as outlined in the plan.

Dental coverage is provided through Met Life and is also 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.

**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
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**Note 11- Defined Benefit Pension Plans**

***A. School Employees Retirement System***

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

Plan members are required to contribute 9% 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% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS's Retirement Board. The School District's required contributions to SERS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$426,720, \$394,854, and \$370,308, respectively; 49% has been contributed for fiscal year 2002 and 100% for the fiscal years 2001 and 2000. \$218,520 represents the unpaid contribution for fiscal year 2002, and is recorded as a liability within the respective funds.

***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, and Ohio 43215-3771.

Plan members are required to contribute 9.3% of their annual covered salaries and the School District is required to contribute at an actuarially determined rate. The current rate is 14% of annual covered payroll. Contribution rates are established by and may be amended by the STRS board of trustees. The School District's required contributions to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$1,134,408, \$1,111,500, and \$1,053,059, respectively; 83% has been contributed for fiscal year 2002 and 100% for the fiscal years 2001 and 2000. \$195,040 represents the unpaid contribution for fiscal year 2002, and 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 Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2002, one member of the Board of Education has elected Social Security. The Board's liability is 6.2% of wages paid.

**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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**Note 12 - Postemployment Benefits**

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), 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 dependents 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% of covered payroll. For the fiscal year ended June 30, 2001, the STRS Board allocated employer contributions equal to 4.5% of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$302,547 during the 2002 fiscal year.

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

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, 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% of the premium.

After the allocation for basic benefits, the remainder of the employer's 14% contribution is allocated to providing health care benefits. For the fiscal year, ended June 30, 2001, employer contributions to fund health care benefits were 9.80% of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2001, the minimum pay has been established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2001 fiscal year equaled \$302,547.

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

**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2002

**Note 13 - Long - Term Obligations**

The changes in the School District's long-term obligations during the year consist of the following:

	Outstanding 6/30/01	Additions	Reductions	Outstanding 6/30/02	Amounts Due in One Year
<b>Governmental Activities:</b>					
General Obligation Bonds:					
1988 Additions/Facilities 7.50%	\$ 2,795,000	\$ 0	\$ 190,000	\$ 2,605,000	\$ 195,000
1997 Renovations 5.37%	2,200,000	0	100,000	2,100,000	100,000
1997 Renovations 5.39%	<u>18,780,000</u>	<u>0</u>	<u>405,000</u>	<u>18,375,000</u>	<u>460,000</u>
Total General Obligation Bonds	23,775,000	0	695,000	23,080,000	755,000
Compensated Absences	783,300	698,700	783,300	698,700	60,161
Capital Leases	<u>152,319</u>	<u>6,636</u>	<u>72,723</u>	<u>86,232</u>	<u>44,952</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 24,710,619</u>	<u>\$ 705,336</u>	<u>\$ 1,551,023</u>	<u>\$ 23,864,932</u>	<u>\$ 860,113</u>
<b>Business-Type Activities</b>					
Compensated Absences	<u>\$ 6,939</u>	<u>\$ 6,927</u>	<u>\$ 6,939</u>	<u>\$ 6,927</u>	<u>\$ 0</u>

In 1988, the School District issued \$4,250,000 in general obligation bonds for renovations to four buildings in the district. The bonds mature in December 2010.

In 1997, the School District issued a combined total of \$21,800,000 in general obligation bonds for the construction of a new Middle School, classroom additions at Gurney Elementary and the refurbishing of the former Middle School. The bonds mature in December 2022.

General obligation bonds will be paid from the debt service fund. Compensated absences will be paid from the fund from the general fund and auxiliary services, title VI-B, miscellaneous federal grants special revenue funds, and the food service enterprise fund. Capital lease obligations will be paid from the general fund.

**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2002

The School District's overall debt margin was \$14,737,096 with an unvoted debt margin of \$404,477 at June 30, 2002. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2002 are as follows:

Fiscal Year Ending June 30,	General Obligation Bonds
2003	\$ 2,051,774
2004	2,033,606
2005	2,033,701
2006	2,026,301
2007	2,029,913
2008 - 2012	9,745,258
2013 - 2017	8,119,577
2018 - 2022	8,067,942
2023	1,607,147
Total Principal and Interest	37,715,219
Less Interest	14,635,219
Total Principal Outstanding	\$ 23,080,000

**Note 14 - Capitalized Leases**

Capital lease obligations 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 basic 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, 2002.

**Chagrin Falls Exempted Village School District**  
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For the Fiscal Year Ended June 30, 2002

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Year	Amount
2003	\$ 47,031
2004	28,001
2005	9,540
2006	6,374
Total Minimum Lease Payments	90,946
Less Amount Representing Interest	4,714
Present Value of Minimum Lease Payments	\$ 86,232

The assets being acquired have been capitalized in the general fund in the amount of \$227,727, which is the present value of the minimum lease payments at the inception of each lease.

**Note 15 - 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 eighteen 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 the School District's continued participation. The School District paid \$40,856 to LGCA during fiscal year 2002. Financial information can be obtained from 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 2002, the School District paid \$750 to the Council. Financial information can be obtained by contacting Albert G. Vasek, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio, 44131.

The School District participates in the Council's electric purchase program which was implemented during fiscal year 1998 and the natural gas program which was implemented during fiscal year 2000.

The electric purchase 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

**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
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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 repurchase 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 their agreement, they are required to repay the savings to CEI and CEI will refund the remaining prepayment related to that participant to Energy Acquisition Corp.

The natural gas 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 November these estimates are compared to their actual usage for the year and any necessary adjustments are made.

The City of Hamilton, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Ohio, issued \$89,450,000 in debt to purchase twelve years of natural gas from CMS Energy Corporation for the participants. The participating school districts are not obligated in any manner for 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 16 - 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 and affairs are conducted by a three member Board of Directors consisting of the President, the President Elect and the Immediate Past President of the 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 17 – Contingencies**

***A. Grants***

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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, 2002.

***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 Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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**Note 18 - Interfund Transfers**

Transfers made during fiscal year 2002 were \$24,500 to the bond retirement fund, \$2,750 to the athletic/district managed fund, and \$27,492 to the athletic fund from the general fund. These transfers are made to move unrestricted balances to support programs and projects accounted for in other funds.

**Note 19 - Interfund Balances**

On the fund financial statements, the general fund reported an interfund receivable at June 30, 2002 of \$11,337. The uniform school supplies enterprise fund had an interfund payable of the same amount. The loan was due to the timing of collections from students.

On the fund financial statements, the general fund reported an interfund receivable at June 30, 2002 of \$12,618. The internal service fund had an interfund payable of the same amount. The loan was due to the timing of claims.

On the fund financial statements, the auxiliary services, special revenue fund reported an interfund receivable at June 30, 2002 of \$105. The internal service fund had an interfund payable of the same amount. The loan was due to the timing of claims.

On the fund financial statements, the food service enterprise fund reported an interfund receivable at June 30, 2002 of \$1,204. The internal service fund had an interfund payable of the same amount. The loan was due the timing of claims.

**Note 20 - 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 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 year end set-aside amounts for textbooks and capital acquisition and budget stabilization. Disclosure of this information is required by State statute.

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	Budget Stabilization Reserve	Capital Improvement Reserve	Textbook Instructional Materials Reserve	Total
Set-Aside Cash Balance as of June 30, 2001	\$ 199,780	\$ 0	\$ 47,943	\$ 247,723
Set-Aside Carryover Balance as of June 30, 2001	0	(452,071)	0	(452,071)
Current Year Set-Aside Requirement	0	263,015	263,015	526,030
Qualifying Disbursements	0	(705,992)	(313,180)	(1,019,172)
Total	\$ 199,780	\$ (895,048)	\$ (2,222)	\$ (697,490)
Cash Balance Carried Forward FY 2002	\$ 199,780	\$ 0	\$ 0	\$ 199,780
Amount to Restrict for Set-Asides				\$ 199,780
Total Restricted Assets				\$ 199,780

The School District had qualifying disbursements during the year that reduced the capital improvements and textbook reserve set-asides below zero. These extra amounts may be used to reduce the set-aside requirement in future fiscal years. The total reserve balance for the set-asides at the end of the fiscal year was \$199,780.

**Note 21 – State School Funding Decision**

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

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

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

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

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

*Combining Statements and  
Individual Fund Schedules*

# Chagrin Falls Exempted Village School District

## *Combining Statements – Nonmajor Funds*

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

The Special Revenue Funds are used to account for the proceeds of specific sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes. The title of each special revenue fund is descriptive of the activities accounted for therein. The special revenue funds are:

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

***Miscellaneous Grants Fund*** - This fund accounts for specific grant monies, except for State and Federal grants that are legally restricted to expenditures for specified purposes.

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

***Athletics/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.

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

***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.

***Data Communications Fund*** – This fund accounts for monies appropriated for Ohio Educational Computer Network Connections.

***SchoolNet Professional Development Fund*** – This fund accounts for State monies for staff development to support educational uses of technology in the classroom.

***Interactive Video Distance Learning Fund*** – This fund is used to account for State money used to finance the interactive video distance learning project.

***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.

# Chagrin Falls Exempted Village School District

## *Combining Statements – Nonmajor Funds*

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### ***Nonmajor Special Revenue Funds (continued)***

***Miscellaneous State Grants Fund*** - This fund is used to account for various monies received from State agencies which are not classified elsewhere. A separate special cost center must be used for each grant and be approved by the auditor of State.

***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.

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

***Baldrige Education Grant*** - This fund provides funds to contribute to administrative, faculty, and staff professional development opportunities in the training of the goals and objectives of the Baldrige award.

***Miscellaneous Federal Grants*** - This fund accounts for Federal monies received to encourage and help fund smaller classroom size and additional staffing needs.

# Chagrin Falls Exempted Village School District

## *Combining Statements – Nonmajor Funds*

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### *Nonmajor Capital Projects Funds*

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

***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.

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**Chagrin Falls Exempted Village School District**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*June 30, 2002*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 287,468	\$ 12,000	\$ 299,468
Receivables:			
Interfund	105	0	105
<i>Total Assets</i>	<u>\$ 287,573</u>	<u>\$ 12,000</u>	<u>\$ 299,573</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 8,504	\$ 0	\$ 8,504
Accrued Wages and Benefits	15,034	0	15,034
Intergovernmental Payable	4,233	0	4,233
<i>Total Liabilities</i>	<u>27,771</u>	<u>0</u>	<u>27,771</u>
<b>Fund Balances (Deficit)</b>			
Fund Balance:			
Reserved for Encumbrances	11,276	0	11,276
Unreserved:			
Special Revenue Funds	248,526	0	248,526
Capital Projects Funds	0	12,000	12,000
<i>Total Fund Balances (Deficit)</i>	<u>259,802</u>	<u>12,000</u>	<u>271,802</u>
<i>Total Liabilities and Fund Balances (Deficit)</i>	<u>\$ 287,573</u>	<u>\$ 12,000</u>	<u>\$ 299,573</u>



**Chagrin Falls Exempted Village School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Fiscal Year Ended June 30, 2002*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
Intergovernmental	\$ 372,341	\$ 0	\$ 372,341
Investment Income	1,227	0	1,227
Extracurricular Activities	306,534	0	306,534
Miscellaneous	57,516	0	57,516
<i>Total Revenues</i>	<u>737,618</u>	<u>0</u>	<u>737,618</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	76,840	25,952	102,792
Support Services:			
Pupils	202,482	0	202,482
Instructional Staff	128,102	8,032	136,134
Administration	6,933	0	6,933
Operation of Non-Instructional Services	120,692	0	120,692
Extracurricular Activities	202,934	0	202,934
<i>Total Expenditures</i>	<u>737,983</u>	<u>33,984</u>	<u>771,967</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(365)	(33,984)	(34,349)
<b>Other Financing Sources (Uses):</b>			
Operating Transfers In	27,492	0	27,492
<i>Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	27,127	(33,984)	(6,857)
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>232,675</u>	<u>45,984</u>	<u>278,659</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 259,802</u>	<u>\$ 12,000</u>	<u>\$ 271,802</u>

**Chagrin Falls Exempted Village School District**

*Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2002*

	<u>Special Trust</u>	<u>Other Grant</u>	<u>Public School Support</u>	<u>Athletic/ District Managed</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 72,849	\$ 3,006	\$ 32,365	\$ 67,362
Receivables:				
Interfund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u><u>\$ 72,849</u></u>	<u><u>\$ 3,006</u></u>	<u><u>\$ 32,365</u></u>	<u><u>\$ 67,362</u></u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 0	\$ 0	\$ 485	\$ 1,900
Accrued Wages and Benefits	0	0	0	0
Intergovernmental Payable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>485</u>	<u>1,900</u>
<b>Fund Balances (Deficit)</b>				
Fund Balance:				
Reserved for Encumbrances	126	0	3,902	(653)
Unreserved:				
Undesignated				
Special Revenue Funds	<u>72,723</u>	<u>3,006</u>	<u>27,978</u>	<u>66,115</u>
<i>Total Fund Balances (Deficit)</i>	<u>72,849</u>	<u>3,006</u>	<u>31,880</u>	<u>65,462</u>
<i>Total Liabilities and Fund Balances (Deficit)</i>	<u><u>\$ 72,849</u></u>	<u><u>\$ 3,006</u></u>	<u><u>\$ 32,365</u></u>	<u><u>\$ 67,362</u></u>

Auxiliary Services	Professional Development Grant	Educational Management Information Systems	Data Communications	Schoolnet Professional Development	Interactive Video Distance Learning
\$ 35,574	\$ 1	\$ 0	\$ 0	\$ 5,496	\$ 30,018
105	0	0	0	0	0
<u>\$ 35,679</u>	<u>\$ 1</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,496</u>	<u>\$ 30,018</u>
\$ 2,280	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
454	0	0	0	0	0
0	0	0	0	0	0
2,734	0	0	0	0	0
4,240	0	0	0	0	1,750
28,705	1	0	0	5,496	28,268
32,945	1	0	0	5,496	30,018
<u>\$ 35,679</u>	<u>\$ 1</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,496</u>	<u>\$ 30,018</u>

(continued)

**Chagrin Falls Exempted Village School District**

*Combining Balance Sheet*

*Nonmajor Special Revenue Funds*

*June 30, 2002*

	Ohio Reads Grant	Miscellaneous State Grants	Title II	Title VI-B
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 3,953	\$ 218	\$ 10,376	\$ (1)
Receivables:				
Interfund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u>\$ 3,953</u>	<u>\$ 218</u>	<u>\$ 10,376</u>	<u>\$ (1)</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	0	0	0	12,342
Intergovernmental Payable	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,583</u>
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,925</u>
<b>Fund Balances (Deficit)</b>				
Fund Balance:				
Reserved for Encumbrances	0	0	0	0
Unreserved:				
Undesignated				
Special Revenue Funds	<u>3,953</u>	<u>218</u>	<u>10,376</u>	<u>(15,926)</u>
<i>Total Fund Balances (Deficit)</i>	<u>3,953</u>	<u>218</u>	<u>10,376</u>	<u>(15,926)</u>
<i>Total Liabilities and Fund Balances (Deficit)</i>	<u>\$ 3,953</u>	<u>\$ 218</u>	<u>\$ 10,376</u>	<u>\$ (1)</u>

<u>Title VI</u>	<u>Drug Free Schools</u>	<u>Preschool Handicapped</u>	<u>Baldrige Education Grant</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 9,175	\$ 8,002	\$ 0	\$ 7,059	\$ 2,015	\$ 287,468
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>105</u>
<u>\$ 9,175</u>	<u>\$ 8,002</u>	<u>\$ 0</u>	<u>\$ 7,059</u>	<u>\$ 2,015</u>	<u>\$ 287,573</u>
\$ 0	\$ 0	\$ 0	\$ 3,839	\$ 0	\$ 8,504
0	0	0	0	2,238	15,034
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>650</u>	<u>4,233</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>3,839</u>	<u>2,888</u>	<u>27,771</u>
0	750	0	1,161	0	11,276
<u>9,175</u>	<u>7,252</u>	<u>0</u>	<u>2,059</u>	<u>(873)</u>	<u>248,526</u>
<u>9,175</u>	<u>8,002</u>	<u>0</u>	<u>3,220</u>	<u>(873)</u>	<u>259,802</u>
<u>\$ 9,175</u>	<u>\$ 8,002</u>	<u>\$ 0</u>	<u>\$ 7,059</u>	<u>\$ 2,015</u>	<u>\$ 287,573</u>

**Chagrin Falls Exempted Village School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2002*

	Special Trust	Other Grant	Public School Support	Athletic/ District Managed
<b>Revenues:</b>				
Intergovernmental	\$ 0	\$ 3,500	\$ 0	\$ 0
Investment Income	0	0	0	0
Extracurricular Activities	0	0	164,556	141,978
Miscellaneous	19,413	0	0	38,103
<i>Total Revenues</i>	<u>19,413</u>	<u>3,500</u>	<u>164,556</u>	<u>180,081</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	1,315	494	2,493	0
Support Services:				
Pupils	39,000	0	158,078	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	202,934
<i>Total Expenditures</i>	<u>40,315</u>	<u>494</u>	<u>160,571</u>	<u>202,934</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(20,902)	3,006	3,985	(22,853)
<b>Other Financing Sources (Uses):</b>				
Operating Transfers In	0	0	0	27,492
<i>Total Other Financing Sources and (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>27,492</u>
<i>Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	(20,902)	3,006	3,985	4,639
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>93,751</u>	<u>0</u>	<u>27,895</u>	<u>60,823</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 72,849</u>	<u>\$ 3,006</u>	<u>\$ 31,880</u>	<u>\$ 65,462</u>

Auxiliary Services	Professional Development Grant	Educational Management Information Systems	Data Communications	Schoolnet Professional Development	Interactive Video Distance Learning
\$ 125,151	\$ 0	\$ 6,933	\$ 14,000	\$ 7,450	\$ 27,968
1,227	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
126,378	0	6,933	14,000	7,450	27,968
0	0	0	14,000	1,954	4,450
0	0	0	0	0	0
0	9,528	0	0	0	0
0	0	6,933	0	0	0
108,582	0	0	0	0	0
0	0	0	0	0	0
108,582	9,528	6,933	14,000	1,954	4,450
17,796	(9,528)	0	0	5,496	23,518
0	0	0	0	0	0
0	0	0	0	0	0
17,796	(9,528)	0	0	5,496	23,518
15,149	9,529	0	0	0	6,500
\$ 32,945	\$ 1	\$ 0	\$ 0	\$ 5,496	\$ 30,018

(continued)

**Chagrin Falls Exempted Village School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2002*

	Ohio Reads Grant	Miscellaneous State Grants	Title II	Title VI-B
<b>Revenues:</b>				
Intergovernmental	\$ 5,453	\$ 1,900	\$ 5,919	\$ 119,753
Investment Income	0	0	0	0
Extracurricular Activities	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>5,453</u>	<u>1,900</u>	<u>5,919</u>	<u>119,753</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	1,733	1,801	2,507	0
Support Services:				
Pupils	0	0	0	3,912
Instructional Staff	0	0	0	118,574
Administration	0	0	0	0
Operation of Non-Instructional Services	0	0	0	12,110
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>1,733</u>	<u>1,801</u>	<u>2,507</u>	<u>134,596</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	3,720	99	3,412	(14,843)
<b>Other Financing Sources (Uses):</b>				
Operating Transfers In	0	0	0	0
<i>Total Other Financing Sources and (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	3,720	99	3,412	(14,843)
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>233</u>	<u>119</u>	<u>6,964</u>	<u>(1,083)</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 3,953</u>	<u>\$ 218</u>	<u>\$ 10,376</u>	<u>\$ (15,926)</u>



<u>Title VI</u>	<u>Drug Free Schools</u>	<u>Preschool Handicapped</u>	<u>Baldrige Education Grant</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 10,871	\$ 7,322	\$ 9,387	\$ 10,000	\$ 16,734	\$ 372,341
0	0	0	0	0	1,227
0	0	0	0	0	306,534
0	0	0	0	0	57,516
<u>10,871</u>	<u>7,322</u>	<u>9,387</u>	<u>10,000</u>	<u>16,734</u>	<u>737,618</u>
12,208	223	9,387	6,780	17,495	76,840
0	1,492	0	0	0	202,482
0	0	0	0	0	128,102
0	0	0	0	0	6,933
0	0	0	0	0	120,692
0	0	0	0	0	202,934
<u>12,208</u>	<u>1,715</u>	<u>9,387</u>	<u>6,780</u>	<u>17,495</u>	<u>737,983</u>
(1,337)	5,607	0	3,220	(761)	(365)
0	0	0	0	0	27,492
0	0	0	0	0	27,492
(1,337)	5,607	0	3,220	(761)	27,127
<u>10,512</u>	<u>2,395</u>	<u>0</u>	<u>0</u>	<u>(112)</u>	<u>232,675</u>
<u>\$ 9,175</u>	<u>\$ 8,002</u>	<u>\$ 0</u>	<u>\$ 3,220</u>	<u>\$ (873)</u>	<u>\$ 259,802</u>

**Chagrin Falls Exempted Village School District**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*June 30, 2002*

	<u>Schoolnet</u>	<u>Power-Up Capacity</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 12,000	\$ 0	\$ 12,000
<i>Total Assets</i>	<u>\$ 12,000</u>	<u>\$ 0</u>	<u>\$ 12,000</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
	\$ 0	\$ 0	\$ 0
<b>Fund Balances (Deficit)</b>			
Fund Balance:			
Unreserved:			
Undesignated	<u>12,000</u>	<u>0</u>	<u>12,000</u>
<i>Total Fund Balances (Deficit)</i>	<u>12,000</u>	<u>0</u>	<u>12,000</u>
<i>Total Liabilities and Fund Balances (Deficit)</i>	<u>\$ 12,000</u>	<u>\$ 0</u>	<u>\$ 12,000</u>

**Chagrin Falls Exempted Village School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Fiscal Year Ended June 30, 2002*

	Schoolnet	Power-Up Capacity	Total Nonmajor Capital Projects Funds
<b>Revenues:</b>	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	25,952	0	25,952
Support Services:			
Instructional Staff	0	8,032	8,032
Total Expenditures	25,952	8,032	33,984
Excess of Revenues Over (Under) Expenditures	(25,952)	(8,032)	(33,984)
Fund Balance (Deficit) at Beginning of Year	37,952	8,032	45,984
Fund Balance (Deficit) at End of Year	\$ 12,000	\$ 0	\$ 12,000

**Chagrin Falls Exempted Village School District**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Fiscal Year Ended June 30, 2002*

	<b>Beginning Balance 7/1/01</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance 6/30/02</b>
<b>Rotary</b>				
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 3,066	\$ 32,055	\$ 31,283	\$ 3,838
<b>Liabilities</b>				
Undistributed Monies	\$ 3,066	\$ 32,055	\$ 31,283	\$ 3,838
<b>Student Activities</b>				
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 51,900	\$ 119,267	\$ 111,858	\$ 59,309
<b>Liabilities</b>				
Due to Students	\$ 51,900	\$ 119,267	\$ 111,858	\$ 59,309
<b>Total - All Agency Funds</b>				
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 54,966	\$ 151,322	\$ 143,141	\$ 63,147
<b>Liabilities</b>				
Undistributed Monies	\$ 3,066	\$ 32,055	\$ 31,283	\$ 3,838
Due to Students	51,900	119,267	111,858	59,309
<i>Total Liabilities</i>	\$ 54,966	\$ 151,322	\$ 143,141	\$ 63,147

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

**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, 2002*

	Original	Final	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Taxes	\$ 12,182,300	\$ 12,182,300	\$ 12,154,597	\$ (27,703)
Intergovernmental	3,510,910	3,510,910	3,552,516	41,606
Investment Income	270,000	270,000	159,728	(110,272)
Tuition and Fees	203,700	203,700	202,362	(1,338)
Rentals	15,000	15,000	17,922	2,922
Miscellaneous	14,250	14,250	17,214	2,964
<i>Total Revenues</i>	<u>16,196,160</u>	<u>16,196,160</u>	<u>16,104,339</u>	<u>(91,821)</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	5,947,379	5,977,341	5,977,341	0
Fringe Benefits	1,465,755	1,397,440	1,396,361	1,079
Purchased Services	56,709	18,218	18,218	0
Materials and Supplies	298,931	289,776	289,138	638
Capital Outlay - New	132,644	138,554	138,554	0
Capital Outlay - Replacement	2,710	2,362	2,362	0
Other	6,200	5,248	5,248	0
Total Regular	<u>7,910,328</u>	<u>7,828,939</u>	<u>7,827,222</u>	<u>1,717</u>
Special:				
Salaries and Wages	745,895	798,000	798,000	0
Fringe Benefits	171,810	195,116	195,116	0
Purchased Services	519,281	559,348	547,064	12,284
Materials and Supplies	24,322	24,369	24,369	0
Capital Outlay - New	6,170	2,188	2,188	0
Total Special	<u>1,467,478</u>	<u>1,579,021</u>	<u>1,566,737</u>	<u>12,284</u>
Vocational:				
Purchased Services	109,131	149,131	140,431	8,700
Total Vocational	<u>109,131</u>	<u>149,131</u>	<u>140,431</u>	<u>8,700</u>
Other:				
Purchased Services	0	18,144	18,144	0
Total Other	<u>0</u>	<u>18,144</u>	<u>18,144</u>	<u>0</u>
Total Instruction	<u>9,486,937</u>	<u>9,575,235</u>	<u>9,552,534</u>	<u>22,701</u>
Support Services:				
Pupils:				
Salaries and Wages	510,781	484,623	484,623	0
Fringe Benefits	140,292	131,360	131,360	0
Purchased Services	91,298	80,495	80,495	0
Materials and Supplies	11,937	12,182	12,182	0
Capital Outlay - New	37,920	36,798	36,798	0
Capital Outlay - Replacement	28,977	20,807	20,807	0
Total Pupils	<u>821,205</u>	<u>766,265</u>	<u>766,265</u>	<u>0</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  
 For the Fiscal Year Ended June 30, 2002*

	Original	Final	Actual	Variance Favorable (Unfavorable)
<b>Instructional Staff:</b>				
Salaries and Wages	546,280	545,154	545,154	0
Fringe Benefits	158,507	168,823	168,823	0
Purchased Services	48,045	39,719	39,719	0
Materials and Supplies	40,234	37,129	37,129	0
<b>Total Instructional Staff</b>	<b>793,066</b>	<b>790,825</b>	<b>790,825</b>	<b>0</b>
<b>Board of Education:</b>				
Salaries and Wages	6,200	5,885	5,885	0
Fringe Benefits	3,490	2,702	2,702	0
Purchased Services	62,868	49,478	49,478	0
Materials and Supplies	12,100	10,187	10,137	50
Other	13,550	28,088	28,088	0
<b>Total Board of Education</b>	<b>98,208</b>	<b>96,340</b>	<b>96,290</b>	<b>50</b>
<b>Administration:</b>				
Salaries and Wages	905,602	917,601	917,601	0
Fringe Benefits	298,653	302,725	302,725	0
Purchased Services	179,524	212,455	212,455	0
Materials and Supplies	16,400	13,812	13,812	0
Capital Outlay - New	2,000	2,287	2,287	0
Other	250	0	0	0
<b>Total Administration</b>	<b>1,402,429</b>	<b>1,448,880</b>	<b>1,448,880</b>	<b>0</b>
<b>Fiscal:</b>				
Salaries and Wages	185,265	189,282	189,282	0
Fringe Benefits	58,690	42,564	42,564	0
Purchased Services	34,385	42,498	42,498	0
Materials and Supplies	3,408	3,161	3,161	0
Capital Outlay - New	1,000	2,410	2,410	0
Other	198,663	239,743	235,202	4,541
<b>Total Fiscal</b>	<b>481,411</b>	<b>519,658</b>	<b>515,117</b>	<b>4,541</b>
<b>Business:</b>				
Purchased Services	750	750	750	0
<b>Total Business</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>0</b>
<b>Operation and Maintenance of Plant:</b>				
Salaries and Wages	957,708	968,367	968,367	0
Fringe Benefits	341,540	342,837	336,954	5,883
Purchased Services	746,856	741,083	741,046	37
Materials and Supplies	112,703	125,554	125,554	0
Capital Outlay - New	21,020	14,484	13,556	928
Capital Outlay - Replacement	14,600	6,899	6,301	598
<b>Total Operation and Maintenance of Plant</b>	<b>2,194,427</b>	<b>2,199,224</b>	<b>2,191,778</b>	<b>7,446</b>
<b>Pupil Transportation:</b>				
Salaries and Wages	616,640	600,171	600,171	0
Fringe Benefits	167,035	165,483	165,483	0
Purchased Services	44,590	41,346	41,346	0
Materials and Supplies	89,093	64,746	64,746	0
Capital Outlay - New	1,500	1,240	1,240	0
Capital Outlay - Replacement	111,740	111,735	111,735	0
<b>Total Pupil Transportation</b>	<b>1,030,598</b>	<b>984,721</b>	<b>984,721</b>	<b>0</b>

*(continued)*

**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, 2002*

	Original	Final	Actual	Variance Favorable (Unfavorable)
Central:				
Purchased Services	23,000	21,729	21,729	0
Total Central	23,000	21,729	21,729	0
Total Support Services	6,845,094	6,828,392	6,816,355	12,037
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	9,900	9,865	9,865	0
Fringe Benefits	1,700	1,542	1,542	0
Total Community Services	11,600	11,407	11,407	0
Total Other Operation of Non-Instructional Services	11,600	11,407	11,407	0
Extracurricular Activities:				
Sports Oriented Activities:				
Salaries and Wages	392,000	427,562	426,266	1,296
Fringe Benefits	60,750	65,302	65,302	0
Purchased Services	9,090	11,926	11,926	0
Total Sports Oriented Activities	461,840	504,790	503,494	1,296
Total Extracurricular Activities	461,840	504,790	503,494	1,296
<i>Total Expenditures</i>	16,805,471	16,919,824	16,883,790	36,034
<i>Excess of Revenues Over (Under) Expenditures</i>	(609,311)	(723,664)	(779,451)	(55,787)
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Assets	2,000	2,000	1,465	(535)
Advances Out	0	(6,500)	(6,500)	0
Operating Transfers Out	(52,000)	(56,786)	(54,742)	2,044
Total Other Financing Sources (Uses)	(50,000)	(61,286)	(59,777)	1,509
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	(659,311)	(784,950)	(839,228)	(54,278)
<i>Fund Balance (Deficit) at Beginning of Year</i>	1,973,591	1,973,591	1,973,591	0
Prior Year Encumbrances Appropriated	459,807	459,807	459,807	0
<i>Fund Balance (Deficit) at End of Year</i>	\$ 1,774,087	\$ 1,648,448	\$ 1,594,170	\$ (54,278)



**Chagrin Falls Exempted Village School District**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Special Trust  
 For the Fiscal Year Ended June 30, 2002*

	Original	Final	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Miscellaneous	\$ 25,000	\$ 25,000	\$ 19,413	\$ (5,587)
<i>Total Revenues</i>	<u>25,000</u>	<u>25,000</u>	<u>19,413</u>	<u>(5,587)</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	20,000	18,000	0	18,000
Fringe Benefits	900	29	0	29
Purchased Services	970	620	620	0
Materials and Supplies	600	821	821	0
Total Regular	<u>22,470</u>	<u>19,470</u>	<u>1,441</u>	<u>18,029</u>
Total Instruction	<u>22,470</u>	<u>19,470</u>	<u>1,441</u>	<u>18,029</u>
Support Services:				
Pupils:				
Purchased Services	0	500	0	500
Materials and Supplies	0	500	0	500
Other	47,550	47,550	39,000	8,550
Total Pupils	<u>47,550</u>	<u>48,550</u>	<u>39,000</u>	<u>9,550</u>
Total Support Services	<u>47,550</u>	<u>48,550</u>	<u>39,000</u>	<u>9,550</u>
<i>Total Expenditures</i>	<u>70,020</u>	<u>68,020</u>	<u>40,441</u>	<u>27,579</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(45,020)	(43,020)	(21,028)	21,992
<i>Fund Balance (Deficit) at Beginning of Year</i>	93,751	93,751	93,751	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 48,731</u>	<u>\$ 50,731</u>	<u>\$ 72,723</u>	<u>\$ 21,992</u>

**Chagrin Falls Exempted Village School District**  
*Schedule of Revenues, Expenditures, and  
 Budget (Non-GAAP Basis) and Actual  
 Miscellaneous Grants  
 For the Fiscal Year Ended June 30, 2002*

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Intergovernmental	\$ 0	\$ 0	\$ 3,500	\$ 3,500
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>3,500</u>	<u>3,500</u>
<b>Expenditures:</b>				
Current:				
Instruction				
Regular:				
Materials and Supplies	0	3,500	494	3,006
Total Regular	<u>0</u>	<u>3,500</u>	<u>494</u>	<u>3,006</u>
Total Instruction	<u>0</u>	<u>3,500</u>	<u>494</u>	<u>3,006</u>
<i>Total Expenditures</i>	<u>0</u>	<u>3,500</u>	<u>494</u>	<u>3,006</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	(3,500)	3,006	6,506
<i>Fund Balance (Deficit) at Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ (3,500)</u>	<u>\$ 3,006</u>	<u>\$ 6,506</u>

**Chagrin Falls Exempted Village School District**  
*Schedule of Revenues, Expenditures, and*  
*Budget (Non-GAAP Basis) and Actual*  
*Public School Support*  
*For the Fiscal Year Ended June 30, 2002*

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Extracurricular Activities	\$ 170,000	\$ 170,000	\$ 165,260	\$ (4,740)
<i>Total Revenues</i>	<u>170,000</u>	<u>170,000</u>	<u>165,260</u>	<u>(4,740)</u>
<b>Expenditures:</b>				
Current:				
Instruction				
Regular:				
Salaries and Wages	3,500	3,500	2,500	1,000
Fringe Benefits	500	500	2	498
Total Regular	<u>4,000</u>	<u>4,000</u>	<u>2,502</u>	<u>1,498</u>
Total Instruction	<u>4,000</u>	<u>4,000</u>	<u>2,502</u>	<u>1,498</u>
Support Services:				
Pupils				
Salaries and Wages	6,500	6,634	6,634	0
Fringe Benefits	1,025	1,098	1,023	75
Purchased Services	145,119	146,745	128,117	18,628
Materials and Supplies	29,725	26,292	23,872	2,420
Other	4,450	2,550	2,360	190
Total Pupils	<u>186,819</u>	<u>183,319</u>	<u>162,006</u>	<u>21,313</u>
Total Support Services	<u>186,819</u>	<u>183,319</u>	<u>162,006</u>	<u>21,313</u>
<i>Total Expenditures</i>	<u>190,819</u>	<u>187,319</u>	<u>164,508</u>	<u>22,811</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(20,819)	(17,319)	752	18,071
<i>Fund Balance (Deficit) at Beginning of Year</i>	19,407	19,407	19,407	0
Prior Year Encumbrances Appropriated	<u>7,819</u>	<u>7,819</u>	<u>7,819</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 6,407</u>	<u>\$ 9,907</u>	<u>\$ 27,978</u>	<u>\$ 18,071</u>

**Chagrin Falls Exempted Village School District**  
*Schedule of Revenues, Expenditures, and  
Budget (Non-GAAP Basis) and Actual  
Athletic/District Managed Fund  
For the Fiscal Year Ended June 30, 2002*

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Extracurricular Activities	\$ 179,050	\$ 180,000	\$ 141,978	\$ (38,022)
Miscellaneous	30,950	30,000	38,103	8,103
<i>Total Revenues</i>	<u>210,000</u>	<u>210,000</u>	<u>180,081</u>	<u>(29,919)</u>
<b>Expenditures:</b>				
Current:				
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	1,000	1,000	540	460
Fringe Benefits	100	100	84	16
Purchased Services	15,650	14,082	11,780	2,302
Materials and Supplies	20,648	18,215	11,926	6,289
Total Academic and Subject Oriented Activities	<u>37,398</u>	<u>33,397</u>	<u>24,330</u>	<u>9,067</u>
Sports Oriented Activities:				
Salaries and Wages	4,100	4,100	3,225	875
Fringe Benefits	650	651	493	158
Purchased Services	71,350	71,662	64,691	6,971
Materials and Supplies	86,642	90,125	86,523	3,602
Capital Outlay - New	5,295	0	0	0
Total Sports Oriented Activities	<u>168,037</u>	<u>166,538</u>	<u>154,932</u>	<u>11,606</u>
School and Public Service Co-Curricular Activities:				
Purchased Services	2,400	900	900	0
Materials and Supplies	17,357	22,856	22,054	802
Total School and Public Service Co-Curricular Activities	<u>19,757</u>	<u>23,756</u>	<u>22,954</u>	<u>802</u>
Total Extracurricular Activities	<u>225,192</u>	<u>223,691</u>	<u>202,216</u>	<u>21,475</u>
<i>Total Expenditures</i>	<u>225,192</u>	<u>223,691</u>	<u>202,216</u>	<u>21,475</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(15,192)	(13,691)	(22,135)	(8,444)
<b>Other Financing Sources (Uses):</b>				
Operating Transfers In	0	0	27,492	27,492
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	(15,192)	(13,691)	5,357	19,048
<i>Fund Balance (Deficit) at Beginning of Year</i>	59,104	59,104	59,104	0
Prior Year Encumbrances Appropriated	1,754	1,754	1,754	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 45,666</u>	<u>\$ 47,167</u>	<u>\$ 66,215</u>	<u>\$ 19,048</u>

**Chagrin Falls Exempted Village School District**  
*Schedule of Revenues, Expenditures, and*  
*Budget (Non-GAAP Basis) and Actual*  
*Auxiliary Services*  
*For the Fiscal Year Ended June 30, 2002*

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Intergovernmental	\$ 103,600	\$ 103,600	\$ 125,151	\$ 21,551
Investment Income	1,400	1,400	1,227	(173)
<i>Total Revenues</i>	<u>105,000</u>	<u>105,000</u>	<u>126,378</u>	<u>21,378</u>
<b>Expenditures:</b>				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	17,000	17,396	17,396	0
Fringe Benefits	4,861	4,849	4,849	0
Purchased Services	49,947	46,103	46,037	66
Materials and Supplies	48,754	40,773	34,864	5,909
Capital Outlay - New	0	4,700	4,700	0
Other	0	5,040	5,040	0
Total Community Services	<u>120,562</u>	<u>118,861</u>	<u>112,886</u>	<u>5,975</u>
Total Other Operation of Non-Instructional Services	<u>120,562</u>	<u>118,861</u>	<u>112,886</u>	<u>5,975</u>
<i>Total Expenditures</i>	<u>120,562</u>	<u>118,861</u>	<u>112,886</u>	<u>5,975</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(15,562)	(13,861)	13,492	27,353
<i>Fund Balance (Deficit) at Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	<u>15,562</u>	<u>15,562</u>	<u>15,562</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ 1,701</u>	<u>\$ 29,054</u>	<u>\$ 27,353</u>

**Chagrin Falls Exempted Village School District**  
*Schedule of Revenues, Expenditures, and  
 Budget (Non-GAAP Basis) and Actual  
 Professional Development Grant  
 For the Fiscal Year Ended June 30, 2002*

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Intergovernmental	\$ 12,300	\$ 12,300	\$ 0	\$ (12,300)
<i>Total Revenues</i>	<u>12,300</u>	<u>12,300</u>	<u>0</u>	<u>(12,300)</u>
<b>Expenditures:</b>				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	0	2,676	2,676	0
Purchased Services	22,667	6,964	6,964	0
Materials and Supplies	0	726	726	0
Total Instructional Staff	<u>22,667</u>	<u>10,366</u>	<u>10,366</u>	<u>0</u>
Total Support Services	<u>22,667</u>	<u>10,366</u>	<u>10,366</u>	<u>0</u>
<i>Total Expenditures</i>	<u>22,667</u>	<u>10,366</u>	<u>10,366</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(10,367)	1,934	(10,366)	(12,300)
<i>Fund Balance (Deficit) at Beginning of Year</i>	8,895	8,895	8,895	0
Prior Year Encumbrances Appropriated	<u>1,472</u>	<u>1,472</u>	<u>1,472</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ 12,301</u>	<u>\$ 1</u>	<u>\$ (12,300)</u>

**Chagrin Falls Exempted Village School District**  
*Schedule of Revenues, Expenditures, and  
 Budget (Non-GAAP Basis) and Actual  
 Educational Management Information Systems  
 For the Fiscal Year Ended June 30, 2002*

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Intergovernmental	\$ 7,000	\$ 7,000	\$ 6,933	\$ (67)
<i>Total Revenues</i>	<u>7,000</u>	<u>7,000</u>	<u>6,933</u>	<u>(67)</u>
<b>Expenditures:</b>				
Current:				
Support Services:				
Administration:				
Salaries and Wages	6,700	5,542	5,475	67
Fringe Benefits	0	9	9	0
Purchased Services	300	1,449	1,449	0
Total Administration	<u>7,000</u>	<u>7,000</u>	<u>6,933</u>	<u>67</u>
Total Support Services	<u>7,000</u>	<u>7,000</u>	<u>6,933</u>	<u>67</u>
<i>Total Expenditures</i>	<u>7,000</u>	<u>7,000</u>	<u>6,933</u>	<u>67</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	0	0	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**Chagrin Falls Exempted Village School District**  
*Schedule of Revenues, Expenditures, and  
 Budget (Non-GAAP Basis) and Actual  
 Data Communications  
 For the Fiscal Year Ended June 30, 2002*

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Intergovernmental	\$ 0	\$ 0	\$ 14,000	\$ 14,000
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>14,000</u>	<u>14,000</u>
<b>Expenditures:</b>				
Current:				
Instruction				
Regular:				
Purchased Services	0	14,000	14,000	0
Total Regular	<u>0</u>	<u>14,000</u>	<u>14,000</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>14,000</u>	<u>14,000</u>	<u>0</u>
<i>Total Expenditures</i>	<u>0</u>	<u>14,000</u>	<u>14,000</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	(14,000)	0	14,000
<i>Fund Balance (Deficit) at Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ (14,000)</u>	<u>\$ 0</u>	<u>\$ 14,000</u>



**Chagrin Falls Exempted Village School District**  
*Schedule of Revenues, Expenditures, and  
 Budget (Non-GAAP Basis) and Actual  
 SchoolNet Professional Development  
 For the Fiscal Year Ended June 30, 2002*

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Intergovernmental	\$ 0	\$ 0	\$ 7,450	\$ 7,450
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>7,450</u>	<u>7,450</u>
<b>Expenditures:</b>				
Current:				
Instruction				
Regular:				
Purchased Services	0	2,000	1,954	46
Total Regular	<u>0</u>	<u>2,000</u>	<u>1,954</u>	<u>46</u>
Total Instruction	<u>0</u>	<u>2,000</u>	<u>1,954</u>	<u>46</u>
<i>Total Expenditures</i>	<u>0</u>	<u>2,000</u>	<u>1,954</u>	<u>46</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	(2,000)	5,496	7,496
<i>Fund Balance (Deficit) at Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ (2,000)</u>	<u>\$ 5,496</u>	<u>\$ 7,496</u>

**Chagrin Falls Exempted Village School District**  
*Schedule of Revenues, Expenditures, and  
 Budget (Non-GAAP Basis) and Actual  
 Interactive Video Distance Learning  
 For the Fiscal Year Ended June 30, 2002*

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Intergovernmental	\$ 58,500	\$ 58,500	\$ 27,968	\$ (30,532)
<i>Total Revenues</i>	<u>58,500</u>	<u>58,500</u>	<u>27,968</u>	<u>(30,532)</u>
<b>Expenditures:</b>				
Current:				
Instruction				
Regular:				
Purchased Services	31,768	12,015	6,200	5,815
Total Regular	<u>31,768</u>	<u>12,015</u>	<u>6,200</u>	<u>5,815</u>
Total Instruction	<u>31,768</u>	<u>12,015</u>	<u>6,200</u>	<u>5,815</u>
<i>Total Expenditures</i>	<u>31,768</u>	<u>12,015</u>	<u>6,200</u>	<u>5,815</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	26,732	46,485	21,768	(24,717)
<i>Fund Balance (Deficit) at Beginning of Year</i>	500	500	500	0
Prior Year Encumbrances Appropriated	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 33,232</u>	<u>\$ 52,985</u>	<u>\$ 28,268</u>	<u>\$ (24,717)</u>

**Chagrin Falls Exempted Village School District**  
*Schedule of Revenues, Expenditures, and*  
*Budget (Non-GAAP Basis) and Actual*  
*Ohio Reads Grant*  
*For the Fiscal Year Ended June 30, 2002*

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Intergovernmental	\$ 0	\$ 0	\$ 5,453	\$ 5,453
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>5,453</u>	<u>5,453</u>
<b>Expenditures:</b>				
Current:				
Instruction				
Regular:				
Salaries and Wages	0	1,500	1,500	0
Fringe Benefits	0	2	2	0
Materials and Supplies	242	240	240	0
Total Regular	<u>242</u>	<u>1,742</u>	<u>1,742</u>	<u>0</u>
Total Instruction	<u>242</u>	<u>1,742</u>	<u>1,742</u>	<u>0</u>
<i>Total Expenditures</i>	<u>242</u>	<u>1,742</u>	<u>1,742</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(242)	(1,742)	3,711	5,453
<i>Fund Balance (Deficit) at Beginning of Year</i>	242	242	242	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ (1,500)</u>	<u>\$ 3,953</u>	<u>\$ 5,453</u>

**Chagrin Falls Exempted Village School District**  
*Schedule of Revenues, Expenditures, and  
 Budget (Non-GAAP Basis) and Actual  
 Miscellaneous State Grants  
 For the Fiscal Year Ended June 30, 2002*

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Intergovernmental	\$ 1,950	\$ 1,950	\$ 1,900	\$ (50)
<i>Total Revenues</i>	<u>1,950</u>	<u>1,950</u>	<u>1,900</u>	<u>(50)</u>
<b>Expenditures:</b>				
Current:				
Instruction				
Regular:				
Purchased Services	2,104	2,104	1,836	268
Total Regular	<u>2,104</u>	<u>2,104</u>	<u>1,836</u>	<u>268</u>
Total Instruction	<u>2,104</u>	<u>2,104</u>	<u>1,836</u>	<u>268</u>
<i>Total Expenditures</i>	<u>2,104</u>	<u>2,104</u>	<u>1,836</u>	<u>268</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(154)	(154)	64	218
<i>Fund Balance (Deficit) at Beginning of Year</i>	154	154	154	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 218</u>	<u>\$ 218</u>

**Chagrin Falls Exempted Village School District**  
*Schedule of Revenues, Expenditures, and  
 Budget (Non-GAAP Basis) and Actual*  
 Title II  
 For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Intergovernmental	\$ 5,000	\$ 5,000	\$ 5,919	\$ 919
<i>Total Revenues</i>	<u>5,000</u>	<u>5,000</u>	<u>5,919</u>	<u>919</u>
<b>Expenditures:</b>				
Current:				
Instruction				
Regular:				
Salaries and Wages	9,708	9,457	0	9,457
Purchased Services	2,256	796	796	0
Materials and Supplies	0	1,711	1,711	0
Total Regular	<u>11,964</u>	<u>11,964</u>	<u>2,507</u>	<u>9,457</u>
Total Instruction	<u>11,964</u>	<u>11,964</u>	<u>2,507</u>	<u>9,457</u>
<i>Total Expenditures</i>	<u>11,964</u>	<u>11,964</u>	<u>2,507</u>	<u>9,457</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(6,964)	(6,964)	3,412	10,376
<i>Fund Balance (Deficit) at Beginning of Year</i>	6,964	6,964	6,964	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,376</u>	<u>\$ 10,376</u>

**Chagrin Falls Exempted Village School District**  
*Schedule of Revenues, Expenditures, and*  
*Budget (Non-GAAP Basis) and Actual*  
*Title VI-B*  
*For the Fiscal Year Ended June 30, 2002*

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Intergovernmental	\$ 100,000	\$ 119,753	\$ 119,753	\$ 0
<i>Total Revenues</i>	<u>100,000</u>	<u>119,753</u>	<u>119,753</u>	<u>0</u>
<b>Expenditures:</b>				
Current:				
Support Services:				
Pupils				
Salaries and Wages	110,009	3,912	3,912	0
Total Pupils	<u>110,009</u>	<u>3,912</u>	<u>3,912</u>	<u>0</u>
Instructional Staff:				
Salaries and Wages	0	101,756	101,756	0
Fringe Benefits	0	11,985	11,985	0
Total Instructional Staff	<u>0</u>	<u>113,741</u>	<u>113,741</u>	<u>0</u>
Total Support Services	<u>110,009</u>	<u>117,653</u>	<u>117,653</u>	<u>0</u>
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	0	12,110	12,110	0
Total Community Services	<u>0</u>	<u>12,110</u>	<u>12,110</u>	<u>0</u>
Total Other Operation of Non-Instructional Services	<u>0</u>	<u>12,110</u>	<u>12,110</u>	<u>0</u>
<i>Total Expenditures</i>	<u>110,009</u>	<u>129,763</u>	<u>129,763</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(10,009)	(10,010)	(10,010)	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	10,009	10,009	10,009	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ 0</u>

**Chagrin Falls Exempted Village School District**  
*Schedule of Revenues, Expenditures, and  
 Budget (Non-GAAP Basis) and Actual*  
 Title VI  
 For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Intergovernmental	\$ 12,000	\$ 12,000	\$ 10,871	\$ (1,129)
<i>Total Revenues</i>	<u>12,000</u>	<u>12,000</u>	<u>10,871</u>	<u>(1,129)</u>
<b>Expenditures:</b>				
Current:				
Instruction				
Regular:				
Salaries and Wages	22,511	12,736	7,667	5,069
Fringe Benefits	0	838	838	0
Purchased Services	0	3,703	3,703	0
Materials and Supplies	327	0	0	0
Total Regular	<u>22,838</u>	<u>17,277</u>	<u>12,208</u>	<u>5,069</u>
Total Instruction	<u>22,838</u>	<u>17,277</u>	<u>12,208</u>	<u>5,069</u>
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	0	327	327	0
Total Community Services	<u>0</u>	<u>327</u>	<u>327</u>	<u>0</u>
Total Other Operation of Non-Instructional Services	<u>0</u>	<u>327</u>	<u>327</u>	<u>0</u>
<i>Total Expenditures</i>	<u>22,838</u>	<u>17,604</u>	<u>12,535</u>	<u>5,069</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(10,838)	(5,604)	(1,664)	3,940
<i>Fund Balance (Deficit) at Beginning of Year</i>	10,512	10,512	10,512	0
Prior Year Encumbrances Appropriated	<u>327</u>	<u>327</u>	<u>327</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 1</u>	<u>\$ 5,235</u>	<u>\$ 9,175</u>	<u>\$ 3,940</u>

**Chagrin Falls Exempted Village School District**  
*Schedule of Revenues, Expenditures, and  
 Budget (Non-GAAP Basis) and Actual  
 Drug Free Schools  
 For the Fiscal Year Ended June 30, 2002*

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Intergovernmental	\$ 7,500	\$ 7,500	\$ 7,322	\$ (178)
<i>Total Revenues</i>	<u>7,500</u>	<u>7,500</u>	<u>7,322</u>	<u>(178)</u>
<b>Expenditures:</b>				
Current:				
Instruction				
Regular:				
Materials and Supplies	0	223	223	0
Total Regular	<u>0</u>	<u>223</u>	<u>223</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>223</u>	<u>223</u>	<u>0</u>
Support Services:				
Pupils				
Purchased Services	7,500	2,647	2,000	647
Materials and Supplies	2,395	637	242	395
Total Pupils	<u>9,895</u>	<u>3,284</u>	<u>2,242</u>	<u>1,042</u>
Total Support Services	<u>9,895</u>	<u>3,284</u>	<u>2,242</u>	<u>1,042</u>
<i>Total Expenditures</i>	<u>9,895</u>	<u>3,507</u>	<u>2,465</u>	<u>1,042</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,395)	3,993	4,857	864
<i>Fund Balance (Deficit) at Beginning of Year</i>	2,395	2,395	2,395	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ 6,388</u>	<u>\$ 7,252</u>	<u>\$ 864</u>



**Chagrin Falls Exempted Village School District**  
*Schedule of Revenues, Expenditures, and  
 Budget (Non-GAAP Basis) and Actual  
 Preschool Handicapped Grant  
 For the Fiscal Year Ended June 30, 2002*

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Intergovernmental	\$ 9,000	\$ 9,000	\$ 9,387	\$ 387
<i>Total Revenues</i>	<u>9,000</u>	<u>9,000</u>	<u>9,387</u>	<u>387</u>
<b>Expenditures:</b>				
Current:				
Instruction				
Regular:				
Salaries and Wages	9,000	9,387	9,387	0
Total Regular	<u>9,000</u>	<u>9,387</u>	<u>9,387</u>	<u>0</u>
Total Instruction	<u>9,000</u>	<u>9,387</u>	<u>9,387</u>	<u>0</u>
<i>Total Expenditures</i>	<u>9,000</u>	<u>9,387</u>	<u>9,387</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	(387)	0	387
<i>Fund Balance (Deficit) at Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ (387)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 387</u></u>

**Chagrin Falls Exempted Village School District**  
*Schedule of Revenues, Expenditures, and  
 Budget (Non-GAAP Basis) and Actual  
 Baldrige Education Grant  
 For the Fiscal Year Ended June 30, 2002*

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Intergovernmental	\$ 0	\$ 0	\$ 10,000	\$ 10,000
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>10,000</u>	<u>10,000</u>
<b>Expenditures:</b>				
Current:				
Instruction				
Regular:				
Materials and Supplies	0	8,000	7,941	59
Total Regular	<u>0</u>	<u>8,000</u>	<u>7,941</u>	<u>59</u>
Total Instruction	<u>0</u>	<u>8,000</u>	<u>7,941</u>	<u>59</u>
<i>Total Expenditures</i>	<u>0</u>	<u>8,000</u>	<u>7,941</u>	<u>59</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>(8,000)</u>	<u>2,059</u>	<u>10,059</u>
<i>Fund Balance (Deficit) at Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ (8,000)</u></u>	<u><u>\$ 2,059</u></u>	<u><u>\$ 10,059</u></u>

**Chagrin Falls Exempted Village School District**  
*Schedule of Revenues, Expenditures, and  
Budget (Non-GAAP Basis) and Actual  
Miscellaneous Federal Grants  
For the Fiscal Year Ended June 30, 2002*

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Intergovernmental	\$ 13,500	\$ 13,500	\$ 16,734	\$ 3,234
<i>Total Revenues</i>	<u>13,500</u>	<u>13,500</u>	<u>16,734</u>	<u>3,234</u>
<b>Expenditures:</b>				
Current:				
Instruction				
Regular:				
Salaries and Wages	15,669	18,729	16,714	2,015
Fringe Benefits	0	174	174	0
Total Regular	<u>15,669</u>	<u>18,903</u>	<u>16,888</u>	<u>2,015</u>
Total Instruction	<u>15,669</u>	<u>18,903</u>	<u>16,888</u>	<u>2,015</u>
<i>Total Expenditures</i>	<u>15,669</u>	<u>18,903</u>	<u>16,888</u>	<u>2,015</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,169)	(5,403)	(154)	5,249
<i>Fund Balance (Deficit) at Beginning of Year</i>	2,169	2,169	2,169	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ (3,234)</u>	<u>\$ 2,015</u>	<u>\$ 5,249</u>

**Chagrin Falls Exempted Village School District**  
*Schedule of Revenues, Expenditures, and*  
*Budget (Non-GAAP Basis) and Actual*  
*Bond Retirement*  
*For the Fiscal Year Ended June 30, 2002*

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Taxes	\$ 1,909,526	\$ 1,909,526	\$ 1,910,950	\$ 1,424
Intergovernmental	267,600	267,600	264,367	(3,233)
<i>Total Revenues</i>	<u>2,177,126</u>	<u>2,177,126</u>	<u>2,175,317</u>	<u>(1,809)</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Fiscal:				
Other	9,000	11,907	11,907	0
Total Fiscal	<u>9,000</u>	<u>11,907</u>	<u>11,907</u>	<u>0</u>
Total Support Services	<u>9,000</u>	<u>11,907</u>	<u>11,907</u>	<u>0</u>
Debt Service:				
Principal Retirement	717,500	718,274	718,274	0
Interest and Fiscal Charges	1,322,500	1,329,819	1,323,194	6,625
Total Debt Service	<u>2,040,000</u>	<u>2,048,093</u>	<u>2,041,468</u>	<u>6,625</u>
Total Expenditures	<u>2,049,000</u>	<u>2,060,000</u>	<u>2,053,375</u>	<u>6,625</u>
Excess of Revenues Over (Under) Expenditures	<u>128,126</u>	<u>117,126</u>	<u>121,942</u>	<u>4,816</u>
<b>Other Financing Sources (Uses):</b>				
Operating Transfers In	<u>24,500</u>	<u>24,500</u>	<u>24,500</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under)</i> <i>Expenditures and Other Financing Uses</i>	152,626	141,626	146,442	4,816
<i>Fund Balance (Deficit) at Beginning of Year</i>	966,915	966,915	966,915	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 1,119,541</u>	<u>\$ 1,108,541</u>	<u>\$ 1,113,357</u>	<u>\$ 4,816</u>

**Chagrin Falls Exempted Village School District**  
*Schedule of Revenues, Expenditures, and  
 Budget (Non-GAAP Basis) and Actual  
 Permanent Improvement  
 For the Fiscal Year Ended June 30, 2002*

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Investment Income	\$ 50,000	\$ 50,000	\$ 12,119	\$ (37,881)
<i>Total Revenues</i>	<u>50,000</u>	<u>50,000</u>	<u>12,119</u>	<u>(37,881)</u>
<b>Expenditures:</b>				
Current:				
Capital Outlay:				
Facilities Acquisitions and Construction Services:				
Site Improvement Services:				
Purchased Services	70,000	70,000	8,232	61,768
Total Site Improvements Services	<u>70,000</u>	<u>70,000</u>	<u>8,232</u>	<u>61,768</u>
Educational Specifications Development:				
Capital Outlay - New	0	62,390	62,390	0
Total Educational Specifications Development	<u>0</u>	<u>62,390</u>	<u>62,390</u>	<u>0</u>
Building Improvement Services:				
Purchased Services	0	790	790	0
Capital Outlay - New	537,233	528,349	73,102	455,247
Capital Outlay - Replacement	359,210	304,308	304,308	0
Total Building Improvement Services	<u>896,443</u>	<u>833,447</u>	<u>378,200</u>	<u>455,247</u>
Other Facilities Acquisition and Construction Services:				
Capital Outlay - New	0	609	609	0
Total Other Facilities Acquisitions and Construction Service	<u>0</u>	<u>609</u>	<u>609</u>	<u>0</u>
Total Capital Outlay	<u>966,443</u>	<u>966,446</u>	<u>449,431</u>	<u>517,015</u>
<i>Total Expenditures</i>	<u>966,443</u>	<u>966,446</u>	<u>449,431</u>	<u>517,015</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(916,443)</u>	<u>(916,446)</u>	<u>(437,312)</u>	<u>479,134</u>
<i>Fund Balance (Deficit) at Beginning of Year</i>	638,326	638,326	638,326	0
Prior Year Encumbrances Appropriated	<u>278,118</u>	<u>278,118</u>	<u>278,118</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 1</u>	<u>\$ (2)</u>	<u>\$ 479,132</u>	<u>\$ 479,134</u>

**Chagrin Falls Exempted Village School District**  
*Schedule of Revenues, Expenditures, and  
 Budget (Non-GAAP Basis) and Actual  
 SchoolNet  
 For the Fiscal Year Ended June 30, 2002*

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Current:				
Instruction				
Regular:				
Purchased Services	34,000	32,002	22,002	10,000
Capital Outlay - New	3,952	3,950	3,950	0
Total Regular	37,952	35,952	25,952	10,000
Total Instruction	37,952	35,952	25,952	10,000
<i>Total Expenditures</i>	37,952	35,952	25,952	10,000
<i>Excess of Revenues Over (Under) Expenditures</i>	(37,952)	(35,952)	(25,952)	10,000
<i>Fund Balance (Deficit) at Beginning of Year</i>	26,232	26,232	26,232	0
Prior Year Encumbrances Appropriated	11,720	11,720	11,720	0
<i>Fund Balance (Deficit) at End of Year</i>	\$ 0	\$ 2,000	\$ 12,000	\$ 10,000

**Chagrin Falls Exempted Village School District**  
*Schedule of Revenues, Expenditures, and  
 Budget (Non-GAAP Basis) and Actual  
 Power-Up Capacity  
 For the Fiscal Year Ended June 30, 2002*

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	8,032	8,032	8,032	0
Total Instructional Staff	8,032	8,032	8,032	0
<i>Total Expenditures</i>	8,032	8,032	8,032	0
<i>Excess of Revenues Over (Under) Expenditures</i>	(8,032)	(8,032)	(8,032)	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	8,032	8,032	8,032	0
Prior Year Encumbrances Appropriated	0	0	0	0
<i>Fund Balance (Deficit) at End of Year</i>	\$ 0	\$ 0	\$ 0	\$ 0

**Chagrin Falls Exempted Village School District**  
*Schedule of Revenues, Expenditures, and*  
*Budget (Non-GAAP Basis) and Actual*  
*Food Service*  
*For the Fiscal Year Ended June 30, 2002*

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Sales	\$ 412,335	\$ 412,335	\$ 499,059	\$ 86,724
<i>Total Revenues</i>	<u>412,335</u>	<u>412,335</u>	<u>499,059</u>	<u>86,724</u>
<b>Expenses:</b>				
Salaries:				
Food Service Operations	149,939	165,664	165,664	0
Fringe Benefits:				
Food Service Operations	48,061	48,061	47,935	126
Purchased Services:				
Food Service Operations	8,338	4,623	4,623	0
Materials and Supplies:				
Food Service Operations	255,000	248,225	248,225	0
Capital Outlay - New				
Food Service Operations	5,000	18,990	18,990	0
Capital Outlay - Replacement:				
Food Service Operations	8,000	774	0	774
Other:				
Food Service Operations	1,000	1,000	746	254
<i>Total Expenses</i>	475,338	487,337	486,183	1,154
<i>Excess of Revenues Over (Under) Expenses</i>	(63,003)	(75,002)	12,876	87,878
<b>Non-Operating Revenues (Expenses):</b>				
Operating Grants	15,365	15,365	15,500	135
Interest Income	2,300	2,300	2,625	325
<i>Total Non-Operating Revenues (Expenses)</i>	<u>17,665</u>	<u>17,665</u>	<u>18,125</u>	<u>460</u>
<i>Net Change in Fund Equity</i>	(45,338)	(57,337)	31,001	88,338
<i>Fund Equity (Deficit) at Beginning of Year</i>	54,269	54,269	54,269	0
Prior Year Encumbrances Appropriated	338	338	338	0
<i>Fund Equity (Deficit) at End of Year</i>	<u>\$ 9,269</u>	<u>\$ (2,730)</u>	<u>\$ 85,608</u>	<u>\$ 88,338</u>



**Chagrin Falls Exempted Village School District**  
*Schedule of Revenues, Expenditures, and*  
*Budget (Non-GAAP Basis) and Actual*  
*Uniform Supplies*  
*For the Fiscal Year Ended June 30, 2002*

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Sales	\$ 75,000	\$ 75,000	\$ 64,403	\$ (10,597)
<i>Total Revenues</i>	<u>75,000</u>	<u>75,000</u>	<u>64,403</u>	<u>(10,597)</u>
<b>Expenses:</b>				
Materials and Supplies:				
Regular Instruction	73,750	65,750	63,908	1,842
<i>Total Expenses</i>	<u>73,750</u>	<u>65,750</u>	<u>63,908</u>	<u>1,842</u>
<i>Net Change in Fund Equity</i>	1,250	9,250	495	(8,755)
<i>Fund Equity (Deficit) at Beginning of Year</i>	573	573	573	0
Prior Year Encumbrances Appropriated	750	750	750	0
<i>Fund Equity (Deficit) at End of Year</i>	<u>\$ 2,573</u>	<u>\$ 10,573</u>	<u>\$ 1,818</u>	<u>\$ (8,755)</u>

**Chagrin Falls Exempted Village School District**  
*Schedule of Revenues, Expenditures, and  
 Budget (Non-GAAP Basis) and Actual  
 Adult Education  
 For the Fiscal Year Ended June 30, 2002*

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Tuition	\$ 95,000	\$ 95,000	\$ 150,146	\$ 55,146
<i>Total Revenues</i>	<u>95,000</u>	<u>95,000</u>	<u>150,146</u>	<u>55,146</u>
<b>Expenses:</b>				
Salaries:				
Adult/Continuing Instruction	27,000	43,969	43,969	0
Fringe Benefits:				
Adult/Continuing Instruction	4,202	6,772	6,772	0
Purchased Services:				
Adult/Continuing Instruction	72,069	98,649	92,391	6,258
Materials and Supplies:				
Adult/Continuing Instruction	250	1,721	1,721	0
Other:				
Adult/Continuing Instruction	<u>0</u>	<u>411</u>	<u>411</u>	<u>0</u>
<i>Total Expenses</i>	<u>103,521</u>	<u>151,522</u>	<u>145,264</u>	<u>6,258</u>
<i>Net Change in Fund Equity</i>	(8,521)	(56,522)	4,882	61,404
<i>Fund Equity (Deficit) at Beginning of Year</i>	10,587	10,587	10,587	0
Prior Year Encumbrances Appropriated	<u>3,521</u>	<u>3,521</u>	<u>3,521</u>	<u>0</u>
<i>Fund Equity (Deficit) at End of Year</i>	<u>\$ 5,587</u>	<u>\$ (42,414)</u>	<u>\$ 18,990</u>	<u>\$ 61,404</u>

**Chagrin Falls Exempted Village School District**  
*Schedule of Revenues, Expenditures, and  
 Budget (Non-GAAP Basis) and Actual  
 Self Insurance  
 For the Fiscal Year Ended June 30, 2002*

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Charges for Services	\$ 190,000	\$ 190,000	\$ 166,309	\$ (23,691)
<i>Total Revenues</i>	<u>190,000</u>	<u>190,000</u>	<u>166,309</u>	<u>(23,691)</u>
<b>Expenses:</b>				
Fringe Benefits	185,000	185,000	172,715	12,285
<i>Total Expenses</i>	<u>185,000</u>	<u>185,000</u>	<u>172,715</u>	<u>12,285</u>
<i>Net Change in Fund Equity</i>	5,000	5,000	(6,406)	(11,406)
<i>Fund Equity (Deficit) at Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Equity (Deficit) at End of Year</i>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ (6,406)</u>	<u>\$ (11,406)</u>

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**STATISTICAL  
SECTION**

**Chagrin Falls Exempted Village School District**  
*General Governmental Revenues by Source and Expenditures by Function (1),  
 Last Ten Fiscal Years*

	2002		2001		2000
	Full Accrual	Modified Accrual	Full Accrual	Modified Accrual	
<b>Program Revenues</b>					
Charges for Services	\$ 542,802	N/A	\$ 382,113	N/A	N/A
Operating Grants and Contributions	335,671	N/A	469,647	N/A	N/A
Capital Grants and Contributions	14,000	N/A	65,926	N/A	N/A
<b>General Revenues</b>					
Taxes	14,878,900	14,855,371	13,555,239	11,631,985	11,260,565
Intergovernmental	3,820,383	4,189,224	3,655,753	3,442,985	3,395,414
Interest	225,968	227,195	345,430	298,393	312,237
Tuition and Fees	0	218,409	0	48,658	139,810
Extracurricular Activities	0	306,534	0	0	0
Rentals	0	17,859	0	14,020	15,781
Charges for Services	0	0	0	0	0
Contributions and Donations	0	0	0	0	7,750
Miscellaneous	23,724	74,718	28,824	9,674	10,977
<b>Total Revenues</b>	<b>\$ 19,841,448</b>	<b>\$ 19,889,310</b>	<b>\$ 18,502,932</b>	<b>\$ 15,445,715</b>	<b>\$ 15,142,534</b>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular	\$ 9,002,902	\$ 8,125,303	\$ 9,432,792	\$ 8,223,487	\$ 7,504,857
Special	1,348,927	1,335,649	1,155,300	1,162,013	935,067
Vocational	101,713	101,713	55,069	55,069	93,237
Adult/Continuing	0	0	0	0	0
Other	18,144	18,144	0	0	0
Support Services:					
Pupils	966,542	969,626	927,785	710,585	638,631
Instructional Staff	1,065,858	944,988	754,176	669,023	717,882
Board of Education	66,055	65,947	57,583	57,571	69,321
Administration	1,349,681	1,383,754	1,309,319	1,237,048	1,443,945
Fiscal	598,479	547,204	414,824	418,715	426,562
Business	750	750	0	0	17,726
Operation and Maintenance of Plant	2,242,666	2,114,661	2,094,832	2,046,261	1,924,526
Pupil Transportation	946,889	988,953	827,971	762,138	942,333
Central	21,729	21,729	0	0	20,571
Operation of Non-Instructional					
Services	129,891	131,840	185,448	0	9,753
Extracurricular	688,806	690,347	392,947	436,710	440,744
Capital Outlay	0	248,154	0	31,426	0
Debt Service	1,237,510	2,116,988	1,358,729	69,316	52,557
<b>Total Expenditures</b>	<b>\$ 19,786,542</b>	<b>\$ 19,805,750</b>	<b>\$ 18,966,775</b>	<b>\$ 15,879,362</b>	<b>\$ 15,237,712</b>

Source: 2000 - 2002 School District Financial Records, 1993-1999 School District Audit Reports

Note: General Governmental includes all governmental funds and expendable trust funds.

(1) Includes General, Special Revenue, Capital Projects and Debt Service Funds for modified accrual and all governmental activities for full accrual

1999	1998	1997	1996	1995	1994	1993
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
10,783,859	10,312,668	10,449,962	9,947,077	9,066,734	8,399,307	7,636,197
3,109,998	3,116,380	2,857,207	2,830,496	2,647,737	2,493,981	2,461,105
273,696	787,077	181,674	171,130	137,254	138,259	202,685
16,012	86,350	87,737	50,560	44,248	23,674	18,271
0	0	0	0	0	900	3,510
10,029	7,303	15,549	72,679	62,235	42,433	3,783
0	0	0	0	0	9,873	33,500
0	0	0	0	0	0	0
29,831	224,310	6,798	40,298	19,927	55,647	146,042
<u>\$ 14,223,425</u>	<u>\$ 14,534,088</u>	<u>\$ 13,598,927</u>	<u>\$ 13,112,240</u>	<u>\$ 11,978,135</u>	<u>\$ 11,164,074</u>	<u>\$ 10,505,093</u>
\$ 7,293,985	\$ 7,041,780	\$ 6,863,809	\$ 6,475,586	\$ 6,526,293	\$ 6,509,083	\$ 6,075,929
730,823	665,632	571,148	495,444	448,942	458,710	500,456
50,860	83,922	66,769	76,827	38,188	22,255	25,604
0	0	0	0	0	0	0
0	0	0	0	0	0	0
523,662	543,151	525,571	502,942	489,727	600,487	492,255
604,530	550,762	528,501	435,512	519,137	521,743	506,372
73,104	60,420	72,577	61,296	44,058	39,376	40,542
1,195,752	1,025,296	1,174,410	1,119,112	994,615	1,055,307	1,192,942
449,769	410,866	364,143	352,413	369,486	351,226	343,103
700	1,250	0	810	810	810	700
1,650,103	1,687,855	1,671,468	1,617,632	1,633,306	1,581,725	1,521,683
858,975	758,032	753,677	643,026	579,790	669,478	647,980
18,913	16,962	17,958	17,749	29,299	45,780	33,304
8,129	7,362	7,392	7,371	6,440	6,786	5,694
383,500	399,816	333,179	316,742	328,113	323,358	287,272
0	110,836	0	18,000	0	0	0
31,774	53,987	35,725	34,825	32,125	26,013	7,992
<u>\$ 13,874,579</u>	<u>\$ 13,417,929</u>	<u>\$ 12,986,327</u>	<u>\$ 12,175,287</u>	<u>\$ 12,040,329</u>	<u>\$ 12,212,137</u>	<u>\$ 11,681,828</u>

**Chagrin Falls Exempted Village School District**

*Property Tax Levies and Collections, Real, Public Utility Tax and Tangible Personal Property (1)  
Last Ten Calendar Years*

<b>Year (2)</b>	<b>Total Tax Levy</b>	<b>Current Collections</b>	<b>Percent of Current Levy Collected</b>	<b>Delinquent Collection</b>	<b>Total Collection</b>	<b>Total Collection As A Percent Of Current Levy</b>	<b>Outstanding Delinquent Taxes (3)</b>	<b>Percent of Outstanding Delinquent Taxes to Tax Levy</b>
2001	\$ 16,632,773	\$ 15,487,332	93.11%	\$ 129,365	\$ 15,616,697	93.89%	\$ 536,097	3.22%
2000	16,316,023	15,384,560	94.29%	357,567	15,742,127	96.48%	431,303	2.64%
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 Auditor.

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) Represents collection year. 2002 information cannot be presented because all collections have not been made by June 30.
- (3) 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**  
*Property Rates - All Direct and Overlapping Governments*  
*(Per \$1,000 of Assessed Valuation)*  
*Last Ten Calendar Years*

Collection Year	School Levy	Cuyahoga County Levy	Geauga County Levy	City Levy	Total Levy	Debt Service Included in Total Levy			
						School	County	City	Total
2002	92.10	17.60	14.40	10.40	120.10	5.35	0.86	2.10	8.31
2001	92.30	17.60	14.40	10.50	134.80	5.55	0.79	2.20	8.54
2000	92.80	16.70	13.65	10.60	133.75	6.05	0.85	2.30	9.20
1999	88.00	16.70	13.45	10.70	128.85	5.45	0.72	2.40	8.57
1998	88.90	18.00	13.45	10.70	131.05	5.75	0.60	0.00	6.35
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

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

**Chagrin Falls Exempted Village School District**  
*Assessed Valuation and Estimated Actual Value of Taxable Property*  
*Last Ten Collection Years*

<u>Collection Year</u>	<u>Real Property (1)</u>		<u>Public Utility (2)</u>		<u>Tangible Personal Property (3)</u>		<u>Total</u>		<u>Ratio</u>
	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	
2002	\$ 387,295,710	\$ 1,106,559,171	\$ 7,051,550	\$ 8,013,125	\$ 10,129,867	\$ 40,519,468	\$ 404,477,127	\$ 1,155,091,764	35%
2001	382,568,900	1,093,054,000	8,017,290	9,110,557	9,737,879	38,951,516	400,324,069	1,141,116,073	35%
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 County Auditor - Data is presented on a calendar year basis as this is the manner in which Information is maintained by the County Auditor

(1) Real estate value is assessed at 35% of actual value.

(2) Public utility personal is assessed at 88% of actual value, prior to 1991 it was assessed at 100% of actual value.

(3) Tangible personal property is assessed at 25% of actual value.

**Chagrin Falls Exempted Village School District**  
*Ratio of Net General Obligation Bonded Debt to Assessed Value  
and Net General Obligation Bonded Debt Per Capita  
Last Ten Years*

<b>Collection Year</b>	<b>Net General Obligation Bonded Debt (1)</b>	<b>Assessed Value (2)</b>	<b>Population (3)</b>	<b>Ratio of Net Debt to Assessed Value</b>	<b>Net Debt Per Capita</b>
2002	\$ 21,665,845	\$ 404,477,127	14,481	5.36%	\$ 1,496.16
2001	22,606,103	400,324,069	14,481	5.65%	1,561.09
2000	23,363,631	364,497,433	12,552	0.00%	0
1999	24,001,369	340,347,896	12,096	7.05%	1,984.24
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

Source:

(1) School District Financial Records

(2) Cuyahoga County Auditor.

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

**Chagrin Falls Exempted Village School District**  
*Computation of Legal Debt Margin*  
*June 30, 2002*

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Assessed Valuation	\$ 404,477,127
Bonded Debt Limit - 9% of Assessed Value (1)	\$ 36,402,941
Outstanding debt:	
General Obligation Bonds	23,080,000
Amount Available in Debt Service Fund	(1,414,155)
Amount of Debt Subject to Debt Limit:	21,665,845
Overall Debt Margin	\$ 14,737,096
Bonded Debt Limit - .1% of Assessed Value (1)	404,477
Amount of Debt Applicable	-
Unvoted Debt Margin	\$ 404,477

Source: Cuyahoga County Auditor and School District Financial Records

(1) Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt.  
 All School District debt subject to the limitation is voted.

**Chagrin Falls Exempted Village School District**  
*Computation of Direct & Overlapping General Obligation Bonded Debt*  
 June 30, 2002

	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Application to School District</u>
<b>Direct:</b>			
Chagrin Falls Exempted Village	\$ 23,080,000	100.00%	\$ 23,080,000
<b>Overlapping:</b>			
Cuyahoga County	216,544,636	1.11%	2,403,645
Regional Transit Authority	123,915,000	1.11%	1,375,457
Bentleyville Village	930,000	100.00%	930,000
Chagrin Falls Village	3,025,000	100.00%	3,025,000
Moreland Hills village	<u>2,193,000</u>	20.02%	<u>439,039</u>
Total Overlapping	<u>346,607,636</u>		<u>8,173,141</u>
Total	<u>\$ 369,687,636</u>		<u>\$ 31,253,141</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 2001 collection year.

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

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>Total General Fund Expenditures</b>	<b>Ratio of Debt Service to General Fund Expenditures (Percentage)</b>
2002	\$ 695,000	\$ 1,321,968	\$ 2,016,968	\$ 19,786,542	10.19%
2001	675,000	1,359,690	2,034,690	15,879,362	12.81%
2000	390,000	1,400,967	1,790,967	15,237,712	11.75%
1999	255,000	1,445,037	1,700,037	13,874,579	12.25%
1998	140,000	1,007,582	1,147,582	13,417,929	8.55%
1997	130,000	265,811	395,811	12,986,327	3.05%
1996	125,000	272,063	397,063	12,175,287	3.26%
1995	110,000	280,875	390,875	12,040,329	3.25%
1994	105,000	288,938	393,938	12,212,137	3.23%
1993	95,000	296,438	391,438	11,681,828	3.35%

Source: School District Financial Records

**Chagrin Falls Exempted Village School District**  
*Demographic Statistics*  
*Last Ten Years*

<b>Year</b>	<b>Cuyahoga County Population (1)</b>	<b>Geauga County Population (1)</b>	<b>Bentleyville Village Population (2)</b>	<b>Chagrin Falls Village Population (2)</b>	<b>Moreland Hills Village Population (2)</b>	<b>South Russell Township Population (2)</b>	<b>School Enrollment (3)</b>	<b>Cuyahoga County Unemployment Rate (4)</b>	<b>Geauga County Unemployment Rate (4)</b>
2002	1,386,096	90,895	900	4,652	3,400	5,560	1,914	4.8%	3.2%
2001	1,386,096	90,895	900	4,652	3,400	5,529	1,919	4.6	3.0
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

- (1) Cleveland Plain Dealer Newspaper.
- (2) U.S. Census of Population, Alta Vista.
- (3) School District Records.
- (4) Department of Job and Family Services.

**Chagrin Falls Exempted Village School District**  
*Property Values, 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)</u>	<u>Geauga County Financial Institution Deposits (000's)</u>	<u>Value of Building Permits Issued</u>
2001	\$ 404,477,127	\$ 63,893,769	\$ 255,569	N/A
2000	345,547,240	61,942,764	222,519	N/A
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	317,890,080	53,941,971	222,203	2,708,780
1996	299,079,840	27,068,211	212,614	4,011,177
1995	287,391,730	22,458,573	194,409	2,296,200
1994	271,717,070	20,885,453	188,020	3,868,000
1993	255,326,570	21,009,421	184,462	3,653,000
1992	240,276,840	19,379,280	132,005	N/A

Sources:

- (1) Total Assessed Value - Cuyahoga County Auditor
- Financing Institution Deposits - Federal Reserve Board - Cleveland
- Building Permits - Geauga Co Bldg Dept and Akron Board of Review

N/A Information not available at the time this was prepared.



**Chagrin Falls Exempted Village School District**  
*Principal Taxpayers*  
*Real Estate Tax*  
*December 31, 2001*

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Real Assessed Value</u>
Edmund A. Leopold	\$ 1,653,960	0.43%
Ivex Paper Mill Corp	1,333,230	0.35%
Merida Health System	1,219,410	0.32%
Manorcare Health Services	843,050	0.22%
Chagrin Woods LLC	726,620	0.19%
The Bares Group	640,230	0.17%
Brewster & Stroud Co.	450,350	0.12%
Cablevision	359,310	0.09%
Cipriani Investments	339,930	0.09%
Chagrin Knolls	<u>330,250</u>	<u>0.09%</u>
Total	<u>\$ 7,896,340</u>	<u>2.07%</u>
<i>Total Real Assessed Value</i>	<u><u>\$ 382,568,900</u></u>	

Source: Cuyahoga and Geauga County Auditors.

(1) Assessed values are for the 2002 collection year.

**Chagrin Falls Exempted Village School District**  
*Principal Taxpayers*  
*Tangible Personal Property Tax*  
*December 31, 2001*

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Real Assessed Value</u>
Stride Tool, Inc.	\$ 826,460	8.49%
Cablevision of the Midwest, Inc.	246,880	2.54%
IBI Brake Products	122,930	1.26%
Alterra Healthcare Corp	73,040	0.75%
New Par	59,740	0.61%
Norfolk Southern Combined	59,260	0.61%
Althans Insurance Agency	47,500	0.49%
Lad Lavicka, Inc.	36,110	0.37%
Cameo CC	30,780	0.32%
Drs. Slaten & Fury, Inc.	30,200	0.31%
Total	<u>\$ 1,532,900</u>	<u>15.75%</u>
<i>Total Real Assessed Value</i>	<u>\$ 9,737,879</u>	

Source: Cuyahoga and Geauga County Auditors.

(1) Assessed values are for the 2002 collection year.

**Chagrin Falls Exempted Village School District**  
*Principal Taxpayers*  
*Public Utilities Tax*  
*December 31, 2001*

<b>Name of Taxpayer</b>	<b>Assessed Value (1)</b>	<b>Percent of Real Assessed Value</b>
Cleveland Electric Illuminating Company	\$ 4,078,130	50.87%
Ohio Bell Telephone	998,530	12.45%
American Wireles Transmission	396,710	4.95%
Western Reserve Telephone Company	253,370	3.16%
Alltel Ohio LTD	112,390	1.40%
Total	<u>\$ 5,839,130</u>	<u>72.83%</u>
<i>Total Real Assessed Value</i>	<u>\$ 8,017,290</u>	

Source: Cuyahoga and Geauga County Auditors.

(1) Assessed values are for the 2002 collection year.

**Chagrin Falls Exempted Village School District**  
*Cost Per Pupil*  
*Last Ten Years*

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<b>Year</b>	<b>General Fund Expenditures</b>	<b>Average Daily Student Enrollment</b>	<b>Cost Per Pupil</b>
2002	\$ 19,786,542	1,914	\$ 10,338
2001	15,879,362	1,919	8,275
2000	15,237,712	1,935	7,875
1999	13,874,579	1,866	7,435
1998	13,417,929	1,901	7,058
1997	12,986,327	1,855	7,001
1996	12,175,287	1,864	6,532
1995	12,040,329	1,752	6,872
1994	12,212,137	1,683	7,256
1993	11,681,828	1,627	7,180

Source: School District Financial Records

**Chagrin Falls Exempted Village School District**  
*Teacher Education and Experience*  
 June 30, 2002

<b>Degree</b>	<b>Number of Teachers</b>	<b>Percentage of Total</b>
Bachelor's Degree	23	15.33%
Bachelor + 10	12	8.00%
Bachelor + 20	15	10.00%
Bachelor + 30	14	9.33%
Master's Degree	47	31.34%
Master's + 10	18	12.00%
Master's + 20	12	8.00%
Master's + 30	8	5.33%
Phd	1	0.67%
Total	150	100.00%

<b>Years of Experience</b>	<b>Number of Teachers</b>	<b>Percentage of Total</b>
0-5	65	43.33%
6-10	31	20.67%
11 and over	54	36.00%
	150	100.00%

Source: School District Personnel Records.

**CHAGRIN FALLS EXEMPTED VILLAGE SCHOOL DISTRICT**

**REPORT LETTER**

**JUNE 30, 2002**

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# Rea & Associates, Inc.

## ACCOUNTANTS AND BUSINESS CONSULTANTS

October 22, 2002

The Board of Education  
Chagrin Falls Exempted Village School District  
Chagrin Falls, Ohio 44022

### **REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

We have audited the basic financial statements of Chagrin Falls Exempted Village School District, as of and for the year ended June 30, 2002, and have issued our report thereon dated October 22, 2002. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 Chagrin Falls Exempted Village School District's basic 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*.

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

In planning and performing our audit, we considered Chagrin Falls Exempted Village School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic 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 basic 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.

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

*Rea & Associates, Inc.*







**Auditor of State  
Betty Montgomery**

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**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  
FEBRUARY 4, 2003**