

**Chagrin Falls Exempted Village  
School District**

Chagrin Falls, Ohio

**Comprehensive Annual Financial Report**

For the Fiscal Year Ended June 30, 2003

Issued By:  
Treasurer's Office  
Stephen L. Osborne



**INTRODUCTORY  
SECTION**



**Chagrin Falls Exempted Village School District**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2003*  
*Table of Contents*

---

<b>I. Introductory Section</b>	<b>Page</b>
Table of Contents .....	i
Letter of Transmittal .....	v
List of Public Officials.....	xiii
Organization Chart.....	xiv
GFOA Certificate of Achievement .....	xv
<b>II. Financial Section</b>	
Report of Independent Accountants.....	1
Management’s Discussion and Analysis.....	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets .....	13
Statement of Activities .....	14
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	16
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	18
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund .....	20
Statement of Net Assets – Proprietary Funds .....	22
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds .....	23
Statement of Cash Flows – Proprietary Funds .....	26
Statement of Fiduciary Assets and Liabilities – Agency Funds .....	28
Notes to the Basic Financial Statements .....	29

**Chagrin Falls Exempted Village School District**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2003*  
*Table of Contents*

---

Combining Statements and Individual Fund Schedules:

Combining Statements - Nonmajor Funds:

Description of Funds .....	57
Combining Balance Sheet – Nonmajor Governmental Funds .....	60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	61
Combining Balance Sheet – Nonmajor Special Revenue Funds .....	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds .....	66
Combining Balance Sheet – Nonmajor Capital Projects Funds .....	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds .....	71
Combining Statement of Changes in Assets and Liabilities – Agency Funds .....	72

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

General Fund .....	74
Special Trust Fund .....	78
Miscellaneous Grants .....	79
Public School Support Fund .....	80
Athletic/District Managed Fund .....	81
Auxiliary Services Fund .....	82
Professional Development Grant Fund .....	83
Educational Management Information Systems Fund .....	84
Data Communication Fund .....	85
SchoolNet Professional Development .....	86
Interactive Video Distance Learning Fund .....	87
Ohio Reads Grant Fund .....	88
Miscellaneous State Grants Fund .....	89
Title II Fund .....	90
Title VI-B Fund .....	91
Title VI .....	92
Drug Free Schools Fund .....	93
Preschool Handicapped Grant Fund .....	94

**Chagrin Falls Exempted Village School District**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2003*  
*Table of Contents*

---

Title II-A .....	95
Baldrige Education Grant .....	96
Miscellaneous Federal Grants Fund .....	97
Bond Retirement Fund .....	98
Permanent Improvement Fund .....	99
SchoolNet Fund .....	100
Food Service Fund .....	101
Uniform School Supplies Fund .....	102
Adult Education Fund .....	103
Windsor Educational Fund .....	104
Self Insurance Fund .....	105
<b>III. Statistical Section</b>	
General Fund Revenues by Source and Expenditures by Function – Last Ten Fiscal Years .....	S-2
Property Tax Levies and Collections – Last Ten Calendar Years .....	S-4
Property Tax Rates-Direct and Overlapping Governments – Last Ten Years .....	S-5
Assessed Valuation and Estimated Actual Value of Taxable Property – Last Ten Years .....	S-6
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita – Last Ten Calendar Years .....	S-7
Computation of Legal Debt Margin .....	S-8
Computation of Direct and Overlapping General Obligation Bonded Debt .....	S-9
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total Governmental Expenditures-- Last Ten Fiscal Years .....	S-10
Demographic Statistics--Last Ten Years .....	S-11
Property Value, Financial Institution Deposits and Building Permits--Last Ten Years .....	S-12

**Chagrin Falls Exempted Village School District**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2003*  
*Table of Contents*

---

Principal Taxpayers:

Real Estate Tax.....	S-13
Tangible Personal Property Tax .....	S-14
Public Utilities Tax.....	S-15
Cost Per Pupil --Last Ten Fiscal Years.....	S-16
Teacher Education and Experience.....	S-17





# Chagrin Falls Exempted Village Schools

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

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

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

ANNETTE MORUD  
*Business Manager*

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

BOARD OF EDUCATION  
BETHANY HURTUK, Ph.D.  
*President*  
PAUL M. KIFFNER  
*Vice President*  
PEARCE LEARY  
DONALD L. MOTTINGER  
KAREN PENLER  
STEPHEN OSBORNE  
*Treasurer*

November 24, 2003

## 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 operations of the School District for the fiscal year ended June 30, 2003. 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 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 townships 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 2002-2003 school year was another 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 21 of the 22 performance standards determined by the State. The School District has earned an *Excellent* rating for the past five years. In addition, the Ohio Department of Education released statistics for the 2001-2002 K-12 proficiency testing. The Chagrin Falls Exempted Village School District was rated NUMBER ONE in the state of Ohio by the Department of Education when averaging all 22 indicators including 4<sup>th</sup>, 6<sup>th</sup>, and 9<sup>th</sup> grade proficiency results, graduation rate and attendance rate.

During the 2002-2003 school year, the school district reached out to all members of the community and worked closely with them to support an operating levy. The successful passage of a 7.9 mill operating levy in May, 2003 demonstrated the strong community support and passion for the students of the district. We may now look ahead to the next four years with the financial foundation needed to continue the tradition of excellence.

Gurney Elementary School continues to be the foundation for our students' base of learning. Demonstrating respect for fellow classmates was a goal at Gurney for the 2002-2003 school year. Tiger Pride was established, which features rewards for good merit and a show of respect to others. Gurney supported our troops overseas and wrote letters to the troops with motivational messages. Curriculum at Gurney focused on the new State of Ohio assessments and training for staff using diagnostic testing data.

The fourth and sixth grade students at the Intermediate School were proficient in all areas of the State proficiency tests. A portable wireless lab was added at the Intermediate School, supplementing the two computer labs already in operation. Staff and students utilized these labs, as well as digital cameras, to create projects that enriched their learning. Conflict Management was a focus for staff and students. A grant was received that enabled the training of all Intermediate School staff members in conflict management ideas and practices. The Intermediate School students excelled with Destination Imagination. Three teams qualified for World Competition in Knoxville, Tennessee.

The Middle School continued to provide an array of educational opportunities for 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. All seventh grade science students participated in “Operation Montserrat” – a distance learning simulation that provided a high tech experience with math and science. The Middle School was selected as one of four school sites in northeast Ohio for the Smithsonian’s “Scholars in the Schools” program. Seventh graders took their annual trip through Ohio and Kentucky, while the eighth grade class traveled to Boston, 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 nineteen (19) AP classes. The commitment to academic excellence was maintained as highlighted with twelve National Merit commended students, along with one finalist. One hundred fifty-nine (159) students took three hundred eighty-eight (388) AP exams. Over eighty-five percent (85%) 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 twenty-four (24) 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, the Open Parent Education Network (OPEN), and the newly formed Parents Club continue to be major support groups to the School District, contributing over \$550,000 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 2003-2004 school year include the establishment of a new strategic plan for the School District. In August 2003, over forty participants consisting of community members, parents, students, staff and administration, began the strategic planning process. Meetings will continue through the school year with a goal of a completed 5-year strategic plan by May 2004. The strategic plan will help our district focus on our shared vision and will assist us in maintaining our reputation as one of the best districts in the state of Ohio.

Also during the 2003-2004 school year, professional development for all staff will be taken to an all-time high level. Thanks in large part to a state waiver, four half days have been designated for in-service for all certified and classified staff. Identified targets for the professional days include: understanding the State assessments, participating in leadership activities, developing the curriculum, and improving transition for students moving to the next building. The School District will also be reviewing the curriculum related to mathematics, health and physical education.

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 district will continue efforts to seek alternative funding for educational programs.

The School District will also seek the Certificate of Excellence in Financial Reporting for the School District's 2003 Comprehensive Annual Financial Report.

### **Economic Conditions and Outlook**

The Chagrin Falls Exempted Village School District area is a residential community encompassing 27.5 square miles. The School District is rich in heritage, while maintaining an "old time" atmosphere with specialty shopping. Approximately 85% of the area is residential and 15% of the area is business in valuation. Personal income levels average above \$119,000 based on the 2001 Ohio Department of Taxation records, which maintains the Chagrin Falls Exempted Village School District as eighth in the State among 611 school districts. The School District has been ranked among the top ten school districts for the past fifteen 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 2005 and 2006, 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 has minimized tax collection increases. In addition, legislative changes in the calculation of personal property taxes continue to affect the district through decreasing revenues. Enrollment has increased at a rate manageable to the School District. The 2002-03 enrollment of 1,967 students reflects an increase of 74 students compared to the prior school year, and an increase of 496 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 placed an operating levy on the May, 2003 ballot that was overwhelmingly approved by the residents of the school district. It is anticipated that the proceeds from this operating levy will provide sufficient resources for the district for the next four years.

## **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 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 and Note 4.

## ***Financial Condition***

This is the third 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 2003 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 2003, the only internal service fund carried on the financial records is 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 (\$34,548) at June 30, 2003, compared with deficit net assets of (\$22,251) at June 30, 2002, reflecting a decrease in net assets of \$12,297. The Board has increased charged premiums in fiscal year 2004 to alleviate the deficit.

### ***Financial Highlights -Fiduciary Fund***

The School District functions as fiscal agent for student funds, representing a variety of student groups. The agency funds had assets totaling \$64,732 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 \$50,608 for the year ended June 30, 2003; \$42,283 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 \$44,524,580 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, 2003. 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, 2002.

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.

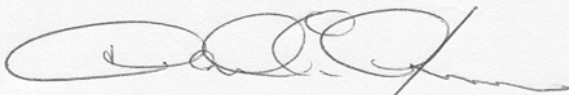
### **Acknowledgements**

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.

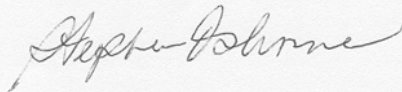
Special appreciation is expressed to Rea & Associates, Inc. for their assistance in planning, designing and reviewing this financial report.

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, 2003*

***Board of Education***

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

***Treasurer/CFO***

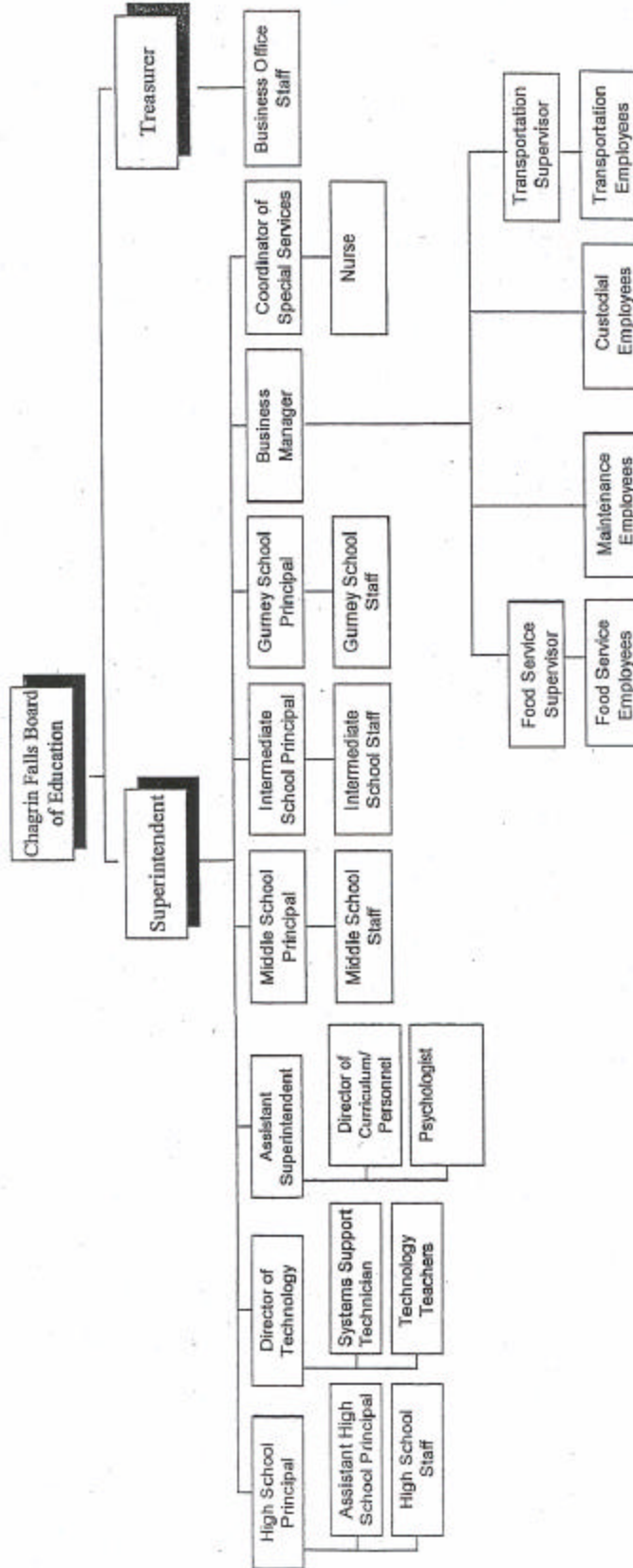
Mr. Stephen L. Osborne

***Administration***

Mr. David Axner, Ed D	Superintendent
Ms. Sharon Klimm, Ph.D	Assistant Superintendent

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, 2002

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.



A handwritten signature in black ink, appearing to read "Edward Haney".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

*This page intentionally  
left blank*

# **FINANCIAL SECTION**



# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

October 20, 2003

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, 2003, 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, 2003, 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 20, 2003 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.

*Hea & Associates, Inc.*



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

### *Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2003 Unaudited*

---

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, 2003. 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 2003 are as follows:

- ❑ General Revenues accounted for \$17.5 million in revenue or 91% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1.8 million or 9% of total revenues of \$19.3 million.
- ❑ Total program expenses were \$21.5 million, \$20.6 million in Governmental Activities, \$.9 million in Business Type Activities.
- ❑ In total, net assets decreased \$2.2 million. Net assets of governmental activities decreased \$2.2 million, which represents a 40% decrease from 2002. Net assets of business-type activities increased \$23,706 or 9% from 2002.
- ❑ Outstanding bonded debt decreased from \$23,080,000 to \$22,310,000 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 highlight 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 2003?" 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

**Chagrin Falls Exempted Village School District**

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2003  
Unaudited*

---

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.

**Chagrin Falls Exempted Village School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2003*  
*Unaudited*

**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 2003 compared to 2002:

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

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
<b>Assets</b>						
Current and Other Assets	\$ 19,269,194	\$ 18,933,551	\$ 153,034	\$ 122,912	\$ 19,422,228	\$ 19,056,463
Capital Assets	23,895,615	24,663,575	196,624	207,659	24,092,239	24,871,234
Total Assets	43,164,809	43,597,126	349,658	330,571	43,514,467	43,927,697
<b>Liabilities</b>						
Long-Term Liabilities	(23,185,748)	(23,864,932)	(9,015)	(6,927)	(23,194,763)	(23,871,859)
Other Liabilities	(16,665,895)	(14,242,697)	(45,708)	(52,415)	(16,711,603)	(14,295,112)
Total Liabilities	(39,851,643)	(38,107,629)	(54,723)	(59,342)	(39,906,366)	(38,166,971)
<b>Net Assets</b>						
Invested in Capital Assets Net of Debt	1,544,335	1,497,343	196,624	207,659	1,740,959	1,705,002
Restricted	1,855,906	2,393,854	0	0	1,855,906	2,393,854
Unrestricted (Deficit)	(87,075)	1,598,300	98,311	63,570	11,236	1,661,870
Total Net Assets	\$ 3,313,166	\$ 5,489,497	\$ 294,935	\$ 271,229	\$ 3,608,101	\$ 5,760,726

Total assets decreased by \$413,230 with governmental assets decreasing \$432,317 and business-type assets increasing \$19,087. A decrease of approximately \$779,000 in total capital assets reflects depreciation exceeding additional purchases. New assets totaling \$366,000 (a majority of which were capital assets) resulted during the fiscal year. Total liabilities increased by \$1.7 million with governmental liabilities comprising that entire amount. This increase was the result of increased deferred revenue of \$2.4 million and a decrease in long-term liabilities (outstanding bond debt) of \$770,000.

The net assets of the School District business-type activities increased by \$23,706 or 9%. This difference is in part a reflection of an increase in prepaid lunches in the food service program and also reflects the growing adult/community education program. The net assets of the School District governmental activities decreased 40%. This difference is mainly due to the increase in deferred revenue as explained above.

**Chagrin Falls Exempted Village School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2003*  
*Unaudited*

Table 2 shows the changes in net assets for fiscal year 2003 compared to 2002.

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

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
<b>Revenues</b>						
<i>Program Revenues:</i>						
Charges for Services	\$ 421,324	\$ 542,802	\$ 859,240	\$ 711,829	\$ 1,280,564	\$ 1,254,631
Operating Grants	412,244	335,671	55,464	30,762	467,708	366,433
Capital Grants	30,718	14,000	0	0	30,718	14,000
<i>General Revenue:</i>						
Property Taxes	13,512,429	14,878,900	0	0	13,512,429	14,878,900
Grants and Entitlements	3,881,296	3,820,383	0	0	3,881,296	3,820,383
Other	149,561	246,144	3,226	2,625	152,787	248,769
<b>Total Revenues</b>	<b>18,407,572</b>	<b>19,837,900</b>	<b>917,930</b>	<b>745,216</b>	<b>19,325,502</b>	<b>20,583,116</b>
<b>Program Expenses</b>						
Instruction	10,595,202	10,471,686	0	0	10,595,202	10,471,686
Support Services	7,776,828	7,236,920	0	0	7,776,828	7,236,920
Operation of Non-Instructional	231,379	151,620	0	0	231,379	151,620
Extracurricular Activities	696,643	688,806	0	0	696,643	688,806
Interest and Fiscal Charges	1,283,851	1,237,510	0	0	1,283,851	1,237,510
Food Service	0	0	584,811	492,126	584,811	492,126
Uniform School Supplies	0	0	64,589	59,940	64,589	59,940
Adult Community Education	0	0	176,678	150,584	176,678	150,584
Windsor Educational	0	0	68,146	0	68,146	0
<b>Total Expenses</b>	<b>20,583,903</b>	<b>19,786,542</b>	<b>894,224</b>	<b>702,650</b>	<b>21,478,127</b>	<b>20,489,192</b>
Increase (Decrease) in Net Assets	<u>\$ (2,176,331)</u>	<u>\$ 51,358</u>	<u>\$ 23,706</u>	<u>\$ 42,566</u>	<u>\$ (2,152,625)</u>	<u>\$ 93,924</u>

The vast majority of revenue supporting governmental activities is general revenue (property taxes). General revenue decreased in 2003 from \$18.9 million in 2002 to \$17.5 million in 2003 which is due in part to a decrease in the property taxes available as an advance of \$800,000. An increase in charges for services in the business-type activities reflects revenue from the Windsor Program and increases in the adult/community education and food service programs. Other general revenue shows a decrease in interest earnings caused by lower interest rates and decreased cash balances. Program expenses increased from \$19.8 million in 2002 to \$20.6 million in 2003. 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).

**Chagrin Falls Exempted Village School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2003*  
*Unaudited*

**Governmental Activities**

Information about the School District's major funds starts on page 16.

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 \$18.4 million and expenditures of \$20.6 million.

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

	2003		2002	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$ 10,595,202	\$ 10,420,352	\$ 10,471,686	\$ 10,198,588
Support Services:				
Pupil and Instructional Staff	2,042,518	1,674,436	2,032,400	1,755,050
Board of Education, Administration and Fiscal	2,243,781	2,216,990	2,014,965	1,990,173
Operation and Maintenance of Plant	2,427,389	2,427,389	2,242,666	2,242,666
Pupil Transportation	1,063,140	1,063,140	946,889	946,889
Operation of Non-Instructional	231,379	80,190	151,620	14,468
Extracurricular Activities	696,643	553,269	688,806	508,725
Interest and Fiscal Charges	1,283,851	1,283,851	1,237,510	1,237,510
Total Expenses	<u>\$ 20,583,903</u>	<u>\$ 19,719,617</u>	<u>\$ 19,786,542</u>	<u>\$ 18,894,069</u>

Total cost of service for 2003 increased 4% over 2002. Instruction and student support services comprise 61% 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.

**Chagrin Falls Exempted Village School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2003*  
*Unaudited*

---

**Business-Type Activities**

Business-type activities include the adult/community education programs, the food service operations, the Windsor program, and the sale of uniform school supplies. These programs had revenues of \$917,930 and expenses of \$894,224 for fiscal year 2003. The Windsor program ended in November 2002. The adult/community education program saw an expanded schedule and an increase in course offerings. The food service department continued to operate with revenues greater than expenditures. 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 2003, 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 of \$16.1 million, was under original budget estimates of \$16.3 million. Of this \$200,000 shortfall, most was attributable to decreased interest earnings (falling from 3% to 1% 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 \$17.3 million, were \$100,000 less than the \$17.4 million in the original budget. This favorable variance resulted from reduced transfers from the general fund to the permanent improvement fund – most of the transfer was completed with the remaining interest earned from the 1997 construction projects. An unfavorable variance in salaries resulted from increased substitute usage due to maternity and sick leaves and end-of-year payoffs of contracts for those who resigned or retired. Employee benefits were above estimate as several staff members changed health insurance coverage from single to family to adjust for spouse job losses. County Auditor fees were also higher than anticipated.

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal year 2003, the School District had \$24.1 million invested in land, buildings, equipment and textbooks. A total of \$23.9 million of this was for governmental activities with the remainder attributable to business-type activities. Table 4 shows fiscal year 2003 balances compared with 2002.

**Chagrin Falls Exempted Village School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2003*  
*Unaudited*

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

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Land	\$ 1,386,635	\$ 1,386,635	\$ 0	\$ 0	\$ 1,386,635	\$ 1,386,635
Buildings and Improvements	20,731,716	21,415,858	0	0	20,731,716	21,415,858
Furniture and Equipment	1,016,138	1,090,080	196,624	207,659	1,212,762	1,297,739
Vehicles	565,588	564,911	0	0	565,588	564,911
Textbooks	195,538	206,091	0	0	195,538	206,091
Totals	<u>\$ 23,895,615</u>	<u>\$ 24,663,575</u>	<u>\$ 196,624</u>	<u>\$ 207,659</u>	<u>\$ 24,092,239</u>	<u>\$ 24,871,234</u>

The \$778,995 decrease in capital assets was attributable to depreciation expense exceeding additional purchases. Additional details of the capital assets can be found in note 8 to the basic financial statements.

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 2003, this amounted to \$274,922 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 \$323,480, with the remainder scheduled to be carried forward into the 2004 fiscal year.

**Debt**

At June 30, 2003, the School District had \$22,310,000 in bonds outstanding with \$795,000 due within one year. During fiscal year 2003, \$770,000 of general obligation bonds were retired. Table 5 summarizes bonds outstanding.

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

	Governmental Activities 2003	Governmental Activities 2002
General Obligation Bonds:		
1988 Additions/Facilities	\$ 2,395,000	\$ 2,605,000
1997 Renovations - Series 1	2,000,000	2,100,000
1997 Renovations - Series 2	17,915,000	18,375,000
Totals	<u>\$ 22,310,000</u>	<u>\$ 23,080,000</u>

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

**Chagrin Falls Exempted Village School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2003*  
*Unaudited*

---

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). More information about the long-term obligations is in note 13 to the basic financial statements.

At June 30, 2003, the School District's overall legal debt margin was \$37,674,509 and the unvoted debt margin was \$418,066. 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 residents of the district passed an operating levy in May 2003 and the Board of Education anticipates that proceeds from this levy will sustain the district for the next four years.

Real estate tax collections have shown very small increases, and personal property tax collections have decreased. 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 74% of revenues for governmental activities for the Chagrin Falls Schools in fiscal year 2003.

The district has continued to be affected by increased delinquency rates and changes in the personal property tax structure (utility deregulation) and commercial business/property uncertainties. Management diligently planned expenses so that the last levy stretched for the four years as planned, and that remains the goal with the levy passed in May 2003. This goal continues to be increasingly difficult in light of additional 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 as appeals continue.

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 Legislature's ability to fund the approved biennial budget that became effective on July 1, 2003. The state legislature enacted budget reductions during the final quarter of the 2003 fiscal year, reducing planned funding to the school district by \$45,000. How the legislature plans to fund education programs during a weakened economy remains a concern, especially if the 1% tax increase (used to fund the biennial budget) is repealed during the next year.



**Chagrin Falls Exempted Village School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2003*  
*Unaudited*

---

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).

*This page intentionally  
left blank*

**Chagrin Falls Exempted Village School District**

*Statement of Net Assets*

*June 30, 2003*

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 2,674,875	\$ 137,360	\$ 2,812,235
Receivables:			
Taxes	16,573,631	0	16,573,631
Accounts	1,564	179	1,743
Internal Balances	10,133	(10,133)	0
Accrued Interest	38	0	38
Intergovernmental	0	3,150	3,150
Inventory	8,953	22,478	31,431
Nondepreciable Capital Assets	1,386,635	0	1,386,635
Depreciable Capital Assets (Net)	22,508,980	196,624	22,705,604
<i>Total Assets</i>	<u>43,164,809</u>	<u>349,658</u>	<u>43,514,467</u>
<b>Liabilities</b>			
Accounts Payable	138,826	98	138,924
Accrued Wages and Benefits	1,648,571	35,251	1,683,822
Intergovernmental Payable	478,894	10,359	489,253
Deferred Revenue	14,390,951	0	14,390,951
Claims Payable	8,653	0	8,653
Long Term Liabilities:			
Due Within One Year	876,406	0	876,406
Due Within More Than One Year	22,309,342	9,015	22,318,357
<i>Total Liabilities</i>	<u>39,851,643</u>	<u>54,723</u>	<u>39,906,366</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	1,544,335	196,624	1,740,959
Restricted for:			
Capital Projects	193,536	0	193,536
Debt Service	1,527,446	0	1,527,446
Other Purposes	134,924	0	134,924
Unrestricted	(87,075)	98,311	11,236
<i>Total Net Assets</i>	<u>\$ 3,313,166</u>	<u>\$ 294,935</u>	<u>\$ 3,608,101</u>

See accompanying notes to the basic financial statements.

**Chagrin Falls Exempted Village School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2003

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	
<b>Governmental Activities</b>				
Current:				
Instruction:				
Regular	\$ 9,291,338	\$ 81,992	\$ 92,858	\$ 0
Special	1,189,814	0	0	0
Vocational	108,138	0	0	0
Other	5,912	0	0	0
Support services:				
Pupils	1,055,832	176,243	56,541	0
Instructional staff	986,686	0	104,580	30,718
Board of education	63,685	0	0	0
Administration	1,510,595	0	7,076	0
Fiscal	668,701	19,715	0	0
Business	800	0	0	0
Operation and maintenance of plant	2,427,389	0	0	0
Pupil transportation	1,063,140	0	0	0
Central	21,381	0	0	0
Operation of non-instructional services	209,998	0	151,189	0
Extracurricular activities	696,643	143,374	0	0
Interest and fiscal charges	1,283,851	0	0	0
<i>Total Governmental Activities</i>	<u>20,583,903</u>	<u>421,324</u>	<u>412,244</u>	<u>30,718</u>
<b>Business-Type Activities</b>				
Food Service	584,811	549,986	55,464	0
Uniform School Supplies	64,589	69,600	0	0
Adult Education	176,678	171,745	0	0
Windsor Educational	68,146	67,909	0	0
<i>Total Business-Type Activities</i>	<u>894,224</u>	<u>859,240</u>	<u>55,464</u>	<u>0</u>
<b>Totals</b>	<u>\$ 21,478,127</u>	<u>\$ 1,280,564</u>	<u>\$ 467,708</u>	<u>\$ 30,718</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

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
\$ (9,116,488)	\$ 0	\$ (9,116,488)
(1,189,814)	0	(1,189,814)
(108,138)	0	(108,138)
(5,912)	0	(5,912)
(823,048)	0	(823,048)
(851,388)	0	(851,388)
(63,685)	0	(63,685)
(1,503,519)	0	(1,503,519)
(648,986)	0	(648,986)
(800)	0	(800)
(2,427,389)	0	(2,427,389)
(1,063,140)	0	(1,063,140)
(21,381)	0	(21,381)
(58,809)	0	(58,809)
(553,269)	0	(553,269)
(1,283,851)	0	(1,283,851)
<u>(19,719,617)</u>	<u>0</u>	<u>(19,719,617)</u>
0	20,639	20,639
0	5,011	5,011
0	(4,933)	(4,933)
0	(237)	(237)
<u>0</u>	<u>20,480</u>	<u>20,480</u>
<u>(19,719,617)</u>	<u>20,480</u>	<u>(19,699,137)</u>
11,672,680	0	11,672,680
1,839,749	0	1,839,749
3,881,296	0	3,881,296
47,382	3,226	50,608
101,693	0	101,693
486	0	486
<u>17,543,286</u>	<u>3,226</u>	<u>17,546,512</u>
(2,176,331)	23,706	(2,152,625)
<u>5,489,497</u>	<u>271,229</u>	<u>5,760,726</u>
<u>\$ 3,313,166</u>	<u>\$ 294,935</u>	<u>\$ 3,608,101</u>

**Chagrin Falls Exempted Village School District**

*Balance Sheet  
Governmental Funds  
June 30, 2003*

	<b>General</b>	<b>Debt Service</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 693,661	\$ 1,251,625	\$ 529,777	\$ 2,475,063
Cash and Cash Equivalents:				
Restricted Cash	199,780	0	0	199,780
Receivables:				
Taxes	14,479,256	2,094,375	0	16,573,631
Accounts	1,564	0	0	1,564
Interfund	35,955	0	105	36,060
Accrued Interest	0	0	38	38
Inventory	8,953	0	0	8,953
<i>Total Assets</i>	<u>\$ 15,419,169</u>	<u>\$ 3,346,000</u>	<u>\$ 529,920</u>	<u>\$ 19,295,089</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 61,050	\$ 0	\$ 77,776	\$ 138,826
Accrued Wages and Benefits	1,628,253	0	20,318	1,648,571
Intergovernmental Payable	344,173	0	4,001	348,174
Deferred Revenue	13,229,838	1,913,651	0	15,143,489
<i>Total Liabilities</i>	15,263,314	1,913,651	102,095	17,279,060
<b>Fund Balances</b>				
Fund Balance:				
Reserved for Encumbrances	160,504	0	132,622	293,126
Reserved for Inventory	8,953	0	0	8,953
Reserved for Tax Revenue Unavailable for Appropriation	1,249,418	180,724	0	1,430,142
Reserved for Budget	199,780	0	0	199,780
Unreserved:				
Undesignated, Unreserved Reported in:				
General Fund	(1,462,800)	0	0	(1,462,800)
Special Revenue Funds	0	0	226,609	226,609
Debt Service Fund	0	1,251,625	0	1,251,625
Capital Projects Funds	0	0	68,594	68,594
<i>Total Fund Balances</i>	<u>155,855</u>	<u>1,432,349</u>	<u>427,825</u>	<u>2,016,029</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 15,419,169</u>	<u>\$ 3,346,000</u>	<u>\$ 529,920</u>	<u>\$ 19,295,089</u>

See accompanying notes to the basic financial statements.

**Chagrin Falls Exempted Village School District**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets Governmental Activities  
 June 30, 2003*

Total Governmental Fund Balances	\$	2,016,029
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		23,895,615
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds.		
Delinquent Property Taxes	752,538	752,538
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.		(34,548)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.		
General Obligation Bonds	(22,310,000)	
Compensated Absences	(834,468)	
Capital Lease Payable	(41,280)	
Intergovernmental Payable	(130,720)	(23,316,468)
<i>Net Assets of Governmental Activities</i>	\$	3,313,166

**Chagrin Falls Exempted Village School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2003*

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 11,485,020	\$ 1,817,480	\$ 0	\$ 13,302,500
Intergovernmental	3,616,686	264,610	442,962	4,324,258
Investment income	42,283	0	5,099	47,382
Tuition and fees	80,678	0	0	80,678
Extracurricular activities	0	0	320,931	320,931
Rentals	19,715	0	0	19,715
Gifts and Donations	3,000	0	77,252	80,252
Miscellaneous	30,854	0	2,884	33,738
<i>Total Revenues</i>	15,278,236	2,082,090	849,128	18,209,454
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	8,381,416	0	86,133	8,467,549
Special	1,175,284	0	0	1,175,284
Vocational	108,138	0	0	108,138
Other	5,912	0	0	5,912
Support services:				
Pupils	801,587	0	265,342	1,066,929
Instructional staff	853,844	0	127,689	981,533
Board of education	63,569	0	0	63,569
Administration	1,468,895	0	7,076	1,475,971
Fiscal	532,027	12,123	96,415	640,565
Business	800	0	0	800
Operation and maintenance of plant	2,152,062	0	0	2,152,062
Pupil transportation	1,066,596	0	0	1,066,596
Central	21,381	0	0	21,381
Operation of non-instructional services	11,693	0	182,006	193,699
Extracurricular activities	500,311	0	226,472	726,783
Capital outlay	0	0	281,643	281,643
Debt service:				
Principal retirement	44,952	770,000	0	814,952
Interest and fiscal charges	2,078	1,281,773	0	1,283,851
<i>Total Expenditures</i>	17,190,545	2,063,896	1,272,776	20,527,217
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,912,309)	18,194	(423,648)	(2,317,763)
<b>Other Financing Sources (Uses):</b>				
Proceeds from sales of fixed assets	785	0	0	785
Transfers in	0	0	478,409	478,409
Transfers out	(67,066)	0	(411,343)	(478,409)
<i>Total Financing Sources and (Uses)</i>	(66,281)	0	67,066	785
<i>Net Change in Fund Balance</i>	(1,978,590)	18,194	(356,582)	(2,316,978)
<i>Fund Balance (Deficit) at Beginning of Year</i>	2,134,445	1,414,155	784,407	4,333,007
<i>Fund Balance (Deficit) at End of Year</i>	\$ 155,855	\$ 1,432,349	\$ 427,825	\$ 2,016,029

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, 2003*

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	(2,316,978)
---	----	-------------

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

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

Capital Asset Additions	450,677	
Current Year Depreciation	<u>(1,218,338)</u>	(767,661)

Net effect of transactions involving sale of capital assets are not reflected in the funds		(299)
--	--	-------

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

Delinquent Property Taxes	<u>209,929</u>	209,929
---------------------------	----------------	---------

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

Bond Principal	770,000	
Capital Leases	<u>44,952</u>	814,952

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

Compensated Absences	(135,768)	
Pension Obligation	<u>31,791</u>	(103,977)

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. The net revenue (expense) of internal service funds is reported with governmental activities.

		<u>(12,297)</u>
--	--	-----------------

<b>Change in Net Assets of Governmental Activities</b>	\$	<u>(2,176,331)</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, 2003*

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Over (Under)
<b>Revenues:</b>				
Taxes	\$ 12,312,000	\$ 12,312,000	\$ 12,175,915	\$ (136,085)
Intergovernmental	3,703,133	3,617,133	3,616,686	(447)
Investment Income	200,000	200,000	105,216	(94,784)
Tuition and Fees	0	86,000	125,394	39,394
Rentals	18,000	18,000	19,114	1,114
Gifts and Donations	0	0	3,000	3,000
Miscellaneous	25,000	25,000	30,491	5,491
<i>Total Revenues</i>	<u>16,258,133</u>	<u>16,258,133</u>	<u>16,075,816</u>	<u>(182,317)</u>
<b>Expenditures:</b>				
<b>Current</b>				
Instruction	9,917,718	9,891,917	9,778,574	(113,343)
Support Services				
Pupils	837,922	827,692	825,236	(2,456)
Instructional Staff	858,469	853,752	853,752	0
Board of Education	113,238	89,257	84,208	(5,049)
Administration	1,504,753	1,536,245	1,536,245	0
Fiscal	509,040	561,056	561,056	0
Business	800	800	800	0
Operation and Maintenance of Plant	2,250,123	2,218,281	2,218,281	0
Pupil Transportation	1,035,887	1,062,861	1,062,782	(79)
Central	23,000	21,381	21,381	0
Operation of Non-Instructional Services	12,225	11,693	11,693	0
Extracurricular Activities	520,650	500,311	500,311	0
Interest and Fiscal Charges	0	2,078	2,078	0
<i>Total Expenditures</i>	<u>17,583,825</u>	<u>17,577,324</u>	<u>17,456,397</u>	<u>(120,927)</u>
Excess of Revenues Over (Under) Expenditures	(1,325,692)	(1,319,191)	(1,380,581)	(61,390)
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Assets	1,000	1,000	785	(215)
Advances In	6,500	6,500	6,500	0
Advances Out	0	(18,500)	(18,500)	0
Transfers Out	(380,000)	(361,500)	(67,066)	294,434
<i>Total Other Financing Sources (Uses)</i>	<u>(372,500)</u>	<u>(372,500)</u>	<u>(78,281)</u>	<u>294,219</u>
<i>Net Change in Fund Balance</i>	(1,698,192)	(1,691,691)	(1,458,862)	232,829
<i>Fund Balance (Deficit) at Beginning of Year</i>	1,594,170	1,594,170	1,594,170	0
Prior Year Encumbrances Appropriated	498,752	498,752	498,752	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 394,730</u>	<u>\$ 401,231</u>	<u>\$ 634,060</u>	<u>\$ 232,829</u>

See accompanying notes to the basic financial statements.

*This page intentionally  
left blank*

**Chagrin Falls Exempted Village School District**

*Statement of Net Assets*

*Proprietary Funds*

*June 30, 2003*

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Food Service</b>	<b>Uniform School Supplies</b>	<b>Adult Education</b>	<b>Windsor Educational</b>
<b>Assets</b>				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 120,128	\$ 6,800	\$ 10,432	\$ 0
Receivables:				
Accounts	150	29	0	0
Interfund	1,204	0	0	0
Intergovernmental Receivable	3,150	0	0	0
Inventory	7,155	15,323	0	0
<i>Total Current Assets</i>	131,787	22,152	10,432	0
Non Current Assets:				
Depreciable Capital Assets (Net)	196,624	0	0	0
<i>Total Assets</i>	328,411	22,152	10,432	0
<b>Liabilities</b>				
Current Liabilities:				
Accounts Payable	98	0	0	0
Accrued Wages and Benefits	29,357	0	5,894	0
Interfund Payable	0	11,337	0	0
Intergovernmental Payable	9,508	0	851	0
Claims Payable	0	0	0	0
<i>Total Current Liabilities</i>	38,963	11,337	6,745	0
Long Term Liabilities:				
Compensated Absences	8,430	0	348	237
<i>Total Liabilities</i>	47,393	11,337	7,093	237
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt	196,624	0	0	0
Unrestricted	84,394	10,815	3,339	(237)
<i>Total Net Assets</i>	\$ 281,018	\$ 10,815	\$ 3,339	\$ (237)

See accompanying notes to the basic financial statements.

<u>Total</u>	<u>Governmental Activities Internal Service Fund</u>
\$ 137,360	\$ 32
179	0
1,204	0
3,150	0
22,478	0
164,371	32
196,624	0
360,995	32
98	0
35,251	0
11,337	25,927
10,359	0
0	8,653
57,045	34,580
9,015	0
66,060	34,580
196,624	0
98,311	(34,548)
<u>\$ 294,935</u>	<u>\$ (34,548)</u>

**Chagrin Falls Exempted Village School District**  
*Statement of Revenues, Expenses and Changes in Fund Net Assets*  
*Proprietary Funds*  
*For the Fiscal Year Ended June 30, 2003*

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Food Service</b>	<b>Uniform School Supplies</b>	<b>Adult Education</b>	<b>Windsor Educational</b>
<b>Operating Revenues:</b>				
Tuition	\$ 0	\$ 0	\$ 171,745	\$ 67,909
Sales	549,986	69,600	0	0
Charges for services	0	0	0	0
<i>Total Operating Revenues</i>	<u>549,986</u>	<u>69,600</u>	<u>171,745</u>	<u>67,909</u>
<b>Operating Expenses:</b>				
Salaries	185,563	0	73,157	54,716
Fringe benefits	50,108	0	10,910	12,902
Purchased services	11,879	0	88,242	0
Materials and supplies	320,500	64,589	856	528
Depreciation	16,015	0	0	0
Other operating expenses	746	0	3,513	0
Claims	0	0	0	0
<i>Total Operating Expenses</i>	<u>584,811</u>	<u>64,589</u>	<u>176,678</u>	<u>68,146</u>
Operating income (loss)	<u>(34,825)</u>	<u>5,011</u>	<u>(4,933)</u>	<u>(237)</u>
<b>Non-Operating Revenues (Expenses):</b>				
Federal donated commodities	34,788	0	0	0
Operating grants	20,676	0	0	0
Interest	3,226	0	0	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>58,690</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Change in Net Assets</i>	23,865	5,011	(4,933)	(237)
<i>Net Assets (Deficit) Beginning of Year</i>	<u>257,153</u>	<u>5,804</u>	<u>8,272</u>	<u>0</u>
<i>Net Assets (Deficit) End of Year</i>	<u>\$ 281,018</u>	<u>\$ 10,815</u>	<u>\$ 3,339</u>	<u>\$ (237)</u>

See accompanying notes to the basic financial statements.

<u>Total</u>	<u>Governmental Activities - Internal Service Fund</u>
\$ 239,654	\$ 0
619,586	0
0	213,869
859,240	213,869
313,436	0
73,920	0
100,121	0
386,473	0
16,015	0
4,259	0
0	226,166
894,224	226,166
(34,984)	(12,297)
34,788	0
20,676	0
3,226	0
58,690	0
23,706	(12,297)
271,229	(22,251)
\$ 294,935	\$ (34,548)

**Chagrin Falls Exempted Village School District**  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Fiscal Year Ended June 30, 2003

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Food Service</b>	<b>Uniform School Supplies</b>	<b>Adult Education</b>	<b>Windsor Educational</b>
<b>Cash Flows From Operating Activities:</b>				
Cash Received from Customers	\$ 549,635	\$ 69,571	\$ 171,745	\$ 67,909
Transactions with Other Funds	0	0	0	0
Cash Paid for Goods and Services	(305,596)	(64,589)	(101,362)	(528)
Cash Paid to Employees	(228,441)	0	(81,910)	(67,381)
Cash Paid for Claims	0	0	0	0
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>15,598</u>	<u>4,982</u>	<u>(11,527)</u>	<u>0</u>
<b>Cash Flows From Non-Capital Financing Activities:</b>				
Grants	20,676	0	0	0
<i>Net Cash Provided By (Used For) Non-Capital Financing Activities</i>	<u>20,676</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Cash Flows From Investing Activities:</b>				
Interest on Investments	3,226	0	0	0
<i>Net Cash Provided By (Used For) Investing Activities</i>	<u>3,226</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Payment for Capital Acquisitions	(4,980)	0	0	0
<i>Net Cash Provided By (Used For) Capital and Related Financing Activities</i>	<u>(4,980)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	34,520	4,982	(11,527)	0
<i>Cash and Cash Equivalents at Beginning of Year</i>	85,608	1,818	21,959	0
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$ 120,128</u>	<u>\$ 6,800</u>	<u>\$ 10,432</u>	<u>\$ 0</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:</b>				
Operating Income (Loss)	\$ (34,825)	\$ 5,011	\$ (4,933)	\$ (237)
Adjustments:				
Depreciation	16,015	0	0	0
Federal Donated Commodities	34,788	0	0	0
(Increase) Decrease Assets				
Due from Other Governments	(310)	0	0	0
Accounts Receivable	(41)	(29)	0	0
Inventory	(1,767)	0	0	0
Increase (Decrease) in Liabilities				
Accounts Payable	98	0	(7,948)	0
Accrued Wages and Benefits	5,727	0	1,809	0
Compensated Absences Payable	1,503	0	348	237
Due to Other Governments	(4,136)	0	(803)	0
Due to Other Funds	0	0	0	0
Deferred Revenue	(1,454)	0	0	0
Claims Payable	0	0	0	0
<i>Total Adjustments</i>	<u>50,423</u>	<u>(29)</u>	<u>(6,594)</u>	<u>237</u>
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>\$ 15,598</u>	<u>\$ 4,982</u>	<u>\$ (11,527)</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements.



<u>Total</u>	<u>Governmental Activities - Internal Service Fund</u>
\$ 858,860	\$ 0
0	213,869
(472,075)	0
(377,732)	0
0	(213,931)
<u>9,053</u>	<u>(62)</u>
<u>20,676</u>	<u>0</u>
<u>20,676</u>	<u>0</u>
<u>3,226</u>	<u>0</u>
<u>3,226</u>	<u>0</u>
<u>(4,980)</u>	<u>0</u>
<u>(4,980)</u>	<u>0</u>
27,975	(62)
<u>109,385</u>	<u>94</u>
<u>\$ 137,360</u>	<u>\$ 32</u>

\$ (34,984)	\$ (12,297)
16,015	0
34,788	0
(310)	0
(70)	0
(1,767)	0
(7,850)	0
7,536	0
2,088	0
(4,939)	0
0	12,000
(1,454)	0
0	235
<u>44,037</u>	<u>12,235</u>
<u>\$ 9,053</u>	<u>\$ (62)</u>

**Chagrin Falls Exempted Village School District**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*June 30, 2003*

---

---

**Assets**

Equity in Pooled Cash and Cash Equivalents	\$ <u>64,732</u>
--	------------------

**Liabilities**

Undistributed Monies	\$ 4,713
Due to Students	<u>60,019</u>

<i>Total Liabilities</i>	<u>\$ 64,732</u>
--------------------------	------------------

See accompanying notes to the basic financial statements.

**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

**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 104 classified employees, 145 certified full-time teaching personnel and 13 administrators who provide services to 1,967 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 one elementary school (pre-school-3), one intermediate school (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*  
*For the Fiscal Year Ended June 30, 2003*

---

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*  
*For the Fiscal Year Ended June 30, 2003*

---

**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.

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.

**Windsor Educational Fund** This fund accounts for the educational services provided for students who reside at the Windsor Treatment Center. This program ended in November 2002.

**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*  
*For the Fiscal Year Ended June 30, 2003*

---

***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**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

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, 2003, but which were levied to finance fiscal year 2004 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 2003.

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, 2003*

---

***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 2003, investments were limited to Commercial Paper, repurchase agreements, Victory Federal Mutual Funds, 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, 2003. 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 2003 amounted to \$42,283, which includes \$21,926 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. 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.

***H. 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.



**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

***I. 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:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
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

***J. 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.

***K. 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.

**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

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.

***L. 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.

***M. 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.

***N. 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 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.

**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

***O. 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.

***P. 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.

***Q. 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.

***R. 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 2003.

***S. 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.

**Note 3 - Accountability**

Auxiliary and miscellaneous Title VI-B special revenue funds had a deficit fund balance of \$501 and \$3,986, respectively, at June 30, 2003. 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.

**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

**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	\$ (1,978,590)
Net Adjustment for Revenue Accruals	860,513
Advance In	6,500
Fair Value Adjustment for Investments	(62,933)
Advance Out	(18,500)
Net Adjustment for Expenditure Accruals	(4,167)
Adjustment for Encumbrances	<u>(261,685)</u>
Budget Basis	<u><u>\$ (1,458,862)</u></u>

**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.

**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

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;
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.

## Chagrin Falls Exempted Village School District

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2003*

---

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 \$3,750 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 \$336,450 and the bank balance was \$401,934. Of the bank balance:

1. \$184,863 of the bank balance was covered by depository insurance; and
2. \$217,071 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**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2003

	Category 2	Category 3	Carrying Value	Fair Value
Repurchase Agreements	\$ 0	\$ 126,660	\$ 126,660	\$ 126,660
Victory Federal Money Market Closed End	0	69	69	69
Federal Home Loan Bank Notes	1,579,220	0	1,579,220	1,579,220
Federal Home Loan Mortgage Corporation Notes	202,566	0	202,566	202,566
Federal National Mortgage Association Notes	202,750	0	202,750	202,750
Fifth Third US Treasury Money Market Fund	18,119	0	18,119	18,119
Victory Federal Money Market Open End	0	0	40,027	40,027
STAROhio	0	0	367,356	367,356
Totals	<u>\$ 2,002,655</u>	<u>\$ 126,729</u>	<u>\$ 2,536,767</u>	<u>\$ 2,536,767</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>	\$ 2,876,967	\$ 0
Cash on Hand	(3,750)	0
Investments which are part of a cash management pool:		
Repurchase Agreements	(126,660)	126,660
Victory Federal Money Market Closed End	(69)	69
Federal Home Loan Bank Notes	(1,579,220)	1,579,220
Federal Home Loan Mortgage Corporation Notes	(202,566)	202,566
Federal National Mortgage Association Notes	(202,750)	202,750
Fifth Third US Treasury Money Market Fund	(18,119)	18,119
Victory Federal Money Market Open End	(40,027)	40,027
STAROhio	<u>(367,356)</u>	<u>367,356</u>
<i>GASB Statement No. 3</i>	<u>\$ 336,450</u>	<u>\$ 2,536,767</u>

**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.

**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

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 2003 for real and public utility property taxes represents collections of calendar 2002 taxes. Property tax payments received during calendar 2003 for tangible personal property (other than public utility property) is for calendar 2003 taxes.

2003 real property taxes are levied after April 1, 2002, 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. 2003 public utility property taxes became a lien December 31, 2002, are levied after April 1, 2003 and are collected in 2004 with real property taxes.

2003 tangible personal property taxes are levied after April 1, 2002, on the value as of December 31, 2001. Collections are made in 2003. Tangible personal property assessments are 25% of true value.

The assessed values upon which the fiscal year 2003 taxes were collected are:

	2002 Second Half Collections		2003 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$ 387,295,710	95.76%	\$ 402,220,570	96.08%
Public Utility	7,051,550	1.74%	5,679,920	1.36%
Tangible Personal Property	10,129,867	2.50%	10,705,461	2.56%
	<u>\$ 404,477,127</u>	<u>100.00%</u>	<u>\$ 418,605,951</u>	<u>100.00%</u>
Tax rate per \$1,000 assessed valuation	\$ 92.10		\$ 92.20	

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 2003 tangible personal property tax settlement (for Cuyahoga County) was not received until July of 2003.

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, 2003, are available to finance fiscal year 2003 operations. The amount available to be advanced can vary based on the date the tax bills are sent.



**Chagrin Falls Exempted Village School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2003*

---

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2003 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, 2003, was \$1,430,142 and is recognized as revenue. \$1,249,418 was available to the general fund and \$180,724 was available to the bond retirement debt service fund.

**Note 7 - Receivables**

Receivables at June 30, 2003, 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, 2003

**Note 8 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2003, was as follows:

	Balance 6/30/02	Additions	Reductions	Balance 6/30/03
<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	26,473,322	0	0	26,473,322
Furniture and Equipment	3,705,223	239,726	(22,433)	3,922,516
Vehicles	1,526,089	117,137	(108,572)	1,534,654
Textbooks	673,516	93,814	0	767,330
Total Capital Assets, being depreciated	32,378,150	450,677	(131,005)	32,697,822
Less Accumulated Depreciation:				
Buildings and Improvements	(5,057,464)	(684,142)	0	(5,741,606)
Furniture and Equipment	(2,615,143)	(313,369)	22,134	(2,906,378)
Vehicles	(961,178)	(116,460)	108,572	(969,066)
Textbooks	(467,425)	(104,367)	0	(571,792)
Total Accumulated Depreciation	(9,101,210)	(1,218,338)	130,706	(10,188,842)
Total Capital Assets being depreciated, net	23,276,940	(767,661)	(299)	22,508,980
Governmental Activities Capital Assets, Net	<u>\$ 24,663,575</u>	<u>\$ (767,661)</u>	<u>\$ (299)</u>	<u>\$ 23,895,615</u>
<b>Business-Type Activities</b>				
<i>Capital Assets being depreciated</i>				
Furniture and Equipment	\$ 352,696	\$ 4,980	\$ 0	\$ 357,676
Less Accumulated Depreciation	(145,037)	(16,015)	0	(161,052)
Business-Type Activities Capital Assets, Net	<u>\$ 207,659</u>	<u>\$ (11,035)</u>	<u>\$ 0</u>	<u>\$ 196,624</u>

**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

Depreciation expense was charged to governmental functions as follows:

Instruction:		
Regular	\$	888,787
Special		2,967
Support Services:		
Pupil		7,625
Instructional Staff		123,056
Board of Education		108
Administration		11,524
Fiscal		36,312
Operation and Maintenance of Plant		21,303
Pupil Transportaion		106,745
Operation of Non-Instructional Services		8,296
Extracurricular Activities		11,615
		<hr/>
Total Depreciation	\$	<u>1,218,338</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 2003, 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*  
*For the Fiscal Year Ended June 30, 2003*

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 \$115.50 for family coverage and \$46.50 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 \$8,653 reported in the internal service fund at June 30, 2003, 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.

Changes in the fund's claims liability amount during fiscal 2002, and 2003 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2002	\$ 1,933	\$ 179,200	\$ 172,715	\$ 8,418
2003	8,418	226,166	225,931	8,653

**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

**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; \$118,508 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.

**Note 11- 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 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2003, 8.17 percent of annual

**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

covered salary was the portion used to fund pension obligations. For fiscal year 2002, 5.46 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions to SERS for the fiscal years ended June 30, 2003, 2002, and 2001 were \$433,128, \$426,720, and \$394,854, respectively; 52% has been contributed for fiscal year 2003 and 100% for the fiscal years 2002 and 2001. \$176,009 represents the unpaid contribution for fiscal year 2003, and is recorded as a liability within the respective funds.

***B. State Teachers Retirement System***

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling (614) 227-4090.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

For the fiscal year ended June 30, 2003, plan members were required to contribute 9.3% of their annual covered salaries. The School District was required to contribute 14%; 13% was the portion used to fund pension obligations. For fiscal year 2002, the portion used to fund pension obligations was 9.5%. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2003, 2002, and 2001 were \$1,180,187, \$1,124,408, and \$1,111,500 respectively; 83% has been contributed for fiscal year 2003 and 100% for fiscal years 2002 and 2001. Contributions to the DC and

**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

Combined Plans for fiscal year 2003 were \$32,720 made by the School District and \$45,591 made by the plan members. \$209,324 represents the unpaid contribution for fiscal year 2003, 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, 2003, one member of the Board of Education has elected Social Security. The Board's liability is 6.2% of wages paid.

**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, 2003, the STRS Board allocated employer contributions equal to 1% of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$86,649 during the 2003 fiscal year.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2002, (the latest information available) the balance in the Fund was \$3.011 billion. For the year ended June 30, 2002, the health care costs paid by STRS were \$354,697,000 and STRS had 105,300 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, 2003, employer contributions to fund health care benefits were 8.54% 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 2002, the minimum pay has been established at \$12,400. 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. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2003 fiscal year equaled \$268,724.

Health care benefits are financed on a pay-as-you-go basis. 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, 2002 (the

**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

latest information available), were \$182,946,777 and the target level was \$274.4 million. At June 30, 2002, SERS had net assets available for payment of health care benefits of \$335.2 million. SERS had approximately 50,000 participants currently receiving health care benefits.

**Note 13 - Long - Term Obligations**

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

	Outstanding 6/30/02	Additions	Reductions	Outstanding 6/30/03	Amounts Due in One Year
<b>Governmental Activities:</b>					
General Obligation Bonds:					
1988 Additions/Facilities 7.50%	\$ 2,605,000	\$ 0	\$ 210,000	\$ 2,395,000	\$ 225,000
1997 Renovations 5.37%	2,100,000	0	100,000	2,000,000	100,000
1997 Renovations 5.39%	18,375,000	0	460,000	17,915,000	470,000
<b>Total General Obligation Bonds</b>	<b>23,080,000</b>	<b>0</b>	<b>770,000</b>	<b>22,310,000</b>	<b>795,000</b>
Compensated Absences	698,700	263,402	127,634	834,468	54,918
Capital Leases	86,232	0	44,952	41,280	26,488
<b>Total Governmental Activities Long-Term Liabilities</b>	<b>\$ 23,864,932</b>	<b>\$ 263,402</b>	<b>\$ 942,586</b>	<b>\$ 23,185,748</b>	<b>\$ 876,406</b>
<b>Business-Type Activities</b>					
Compensated Absences	\$ 6,927	\$ 2,088	\$ 0	\$ 9,015	\$ 0

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 general fund and auxiliary services, Title VI-B, Title II-A, miscellaneous federal grants special revenue funds, and the food service, adult education, and Windsor educational enterprise funds. 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, 2003*

The School District's overall debt margin was \$16,796,858 with an unvoted debt margin of \$418,606 at June 30, 2003. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2003 are as follows:

Fiscal Year Ending June 30,	General Obligation Bonds
2004	\$ 2,033,606
2005	2,033,701
2006	2,026,301
2007	2,029,913
2008	2,024,013
2009-2013	9,349,291
2014-2018	8,104,894
2019-2023	8,061,726
Total Principal and Interest	35,663,445
Less Interest	13,353,445
Total Principal Outstanding	\$ 22,310,000

**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, 2003.

Year	Amount
2004	\$ 28,001
2005	9,540
2006	6,371
Total Minimum Lease Payments	43,912
Less Amount Representing Interest	2,632
Present Value of Minimum Lease Payments	\$ 41,280

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.

**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

**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 \$54,541 to LGCA during fiscal year 2003. 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 2003, the School District paid \$800 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 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

**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

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, 2003.

***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.

**Note 18 - Interfund Transfers**

Transfers made during fiscal year 2003 were \$23,000 to the athletic/district managed fund and \$44,066 to the permanent improvement fund from the general fund and \$411,343 from the capital improvement fund to the permanent improvement 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, 2003 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, 2003 of \$24,618. The internal service fund had an interfund payable of the same amount. The loan was due to the timing of claims.

**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

On the fund financial statements, the auxiliary services, special revenue fund reported an interfund receivable at June 30, 2003 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, 2003 of \$1,204. The internal service fund had an interfund payable of the same amount. The loan was due to 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.

Effective April 10, 2001, Senate Bill 345, eliminated the requirement that the School Districts' establish and maintain a budget stabilization reserve. By resolution, the Board can eliminate the reserve in accordance with the act.

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.

	Budget Stabilization Reserve	Capital Improvement Reserve	Textbook Instructional Materials Reserve	Total
Set-Aside Cash Balance as of June 30, 2002	\$ 199,780	\$ 0	\$ 0	\$ 199,780
Set-Aside Carryover Balance as of June 30, 2002	0	0	(2,222)	(2,222)
Current Year Set-Aside Requirement	0	274,922	274,922	549,844
Qualifying Disbursements	0	(612,323)	(323,480)	(935,803)
Total	<u>\$ 199,780</u>	<u>\$ (337,401)</u>	<u>\$ (50,780)</u>	<u>\$ (188,401)</u>
Cash Balance Carried Forward FY 2004	<u>\$ 199,780</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 199,780</u>
Amount to Restrict for Set-Asides				<u>\$ 199,780</u>
Total Restricted Assets				<u>\$ 199,780</u>

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 only be used to reduce the set-aside requirement of future years for the purchase of textbooks and/or instructional materials. Negatives are therefore not presented as being carried forward to the next fiscal year for the other set-asides. The total reserve balance for the set-asides at the end of the fiscal year was \$199,780.

**Chagrin Falls Exempted Village School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

**Note 21 – State School Funding Decision**

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding plan is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed "the Ohio General Assembly to enact a school funding scheme that is thorough and efficient".

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

*Combining Statements and  
Individual Fund Schedules*

# Chagrin Falls Exempted Village School District

## *Combining Statements – Nonmajor Funds*

---

### ***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*

---

### ***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.

***Title II-A Fund*** - This fund is used to account for monies to hire additional classroom teachers in grades 1 through 3, so the that number of students per teacher will be reduced.

***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*

---

### ***Nonmajor Capital Projects Funds***

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

***Permanent Improvement Fund*** - This fund accounts for all transactions related to the acquisitions, construction, or improvements.

***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.

**Chagrin Falls Exempted Village School District**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*June 30, 2003*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 283,158	\$ 246,619	\$ 529,777
Receivables:			
Interfund	105	0	105
Accrued Interest	38	0	38
<i>Total Assets</i>	<u>\$ 283,301</u>	<u>\$ 246,619</u>	<u>\$ 529,920</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	24,693	53,083	\$ 77,776
Accrued Wages and Benefits	20,318	0	20,318
Intergovernmental Payable	4,001	0	4,001
<i>Total Liabilities</i>	<u>49,012</u>	<u>53,083</u>	<u>102,095</u>
<b>Fund Balances (Deficit)</b>			
Fund Balance:			
Reserved for Encumbrances	7,680	124,942	132,622
Unreserved:			
Special Revenue Funds	226,609	0	226,609
Capital Projects Funds	0	68,594	68,594
<i>Total Fund Balances (Deficit)</i>	<u>234,289</u>	<u>193,536</u>	<u>427,825</u>
<i>Total Liabilities and Fund Balances (Deficit)</i>	<u>\$ 283,301</u>	<u>\$ 246,619</u>	<u>\$ 529,920</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, 2003*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues:</u>			
Intergovernmental	\$ 412,244	\$ 30,718	\$ 442,962
Investment Income	2,176	2,923	5,099
Extracurricular Activities	320,931	0	320,931
Gifts and Donations	77,252	0	77,252
Miscellaneous	2,884	0	2,884
<i>Total Revenues</i>	<u>815,487</u>	<u>33,641</u>	<u>849,128</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	86,133	0	86,133
Support Services:			
Pupils	265,342	0	265,342
Instructional Staff	96,971	30,718	127,689
Administration	7,076	0	7,076
Fiscal	0	96,415	96,415
Operation of Non-Instructional Services	182,006	0	182,006
Extracurricular Activities	226,472	0	226,472
Capital Outlay	0	281,643	281,643
<i>Total Expenditures</i>	<u>864,000</u>	<u>408,776</u>	<u>1,272,776</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(48,513)	(375,135)	(423,648)
<u>Other Financing Sources (Uses):</u>			
Transfers In	23,000	455,409	478,409
Transfers Out	0	(411,343)	(411,343)
<i>Total Other Financing Sources and (Uses)</i>	<u>23,000</u>	<u>44,066</u>	<u>67,066</u>
<i>Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	(25,513)	(331,069)	(356,582)
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>259,802</u>	<u>524,605</u>	<u>784,407</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 234,289</u>	<u>\$ 193,536</u>	<u>\$ 427,825</u>

**Chagrin Falls Exempted Village School District**

*Combining Balance Sheet*

*Nonmajor Special Revenue Funds*

*June 30, 2003*

	Special Trust	Other Grant	Public School Support	Athletic/ District Managed
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 69,391	\$ 635	\$ 39,431	\$ 49,810
Receivables:				
Interfund	0	0	0	0
Accrued Interest	38	0	0	0
<i>Total Assets</i>	<u>\$ 69,429</u>	<u>\$ 635</u>	<u>\$ 39,431</u>	<u>\$ 49,810</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	0	0	2,253	310
Accrued Wages and Benefits	0	0	0	0
Intergovernmental Payable	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>2,253</u>	<u>310</u>
<b>Fund Balances (Deficit)</b>				
Fund Balance:				
Reserved for Encumbrances	0	0	2,687	0
Unreserved:				
Special Revenue Funds	69,429	635	34,491	49,500
<i>Total Fund Balances (Deficit)</i>	<u>69,429</u>	<u>635</u>	<u>37,178</u>	<u>49,500</u>
<i>Total Liabilities and Fund Balances (Deficit)</i>	<u>\$ 69,429</u>	<u>\$ 635</u>	<u>\$ 39,431</u>	<u>\$ 49,810</u>

Auxiliary Services	Professional Development Grant	Educational Management Information Systems	Data Communications	Schoolnet Professional Development	Interactive Video Distance Learning	Ohio Reads Grant
\$ 25,105	\$ 1	\$ 0	\$ 0	\$ 4,600	\$ 28,424	\$ 7,178
105	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$ 25,210</u>	<u>\$ 1</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,600</u>	<u>\$ 28,424</u>	<u>\$ 7,178</u>
20,384	0	0	0	200	0	0
4,519	0	0	0	0	0	0
808	0	0	0	0	0	0
<u>25,711</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>200</u>	<u>0</u>	<u>0</u>
2,750	0	0	0	0	0	500
(3,251)	1	0	0	4,400	28,424	6,678
<u>(501)</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>4,400</u>	<u>28,424</u>	<u>7,178</u>
<u>\$ 25,210</u>	<u>\$ 1</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,600</u>	<u>\$ 28,424</u>	<u>\$ 7,178</u>

(continued)

**Chagrin Falls Exempted Village School District**

*Combining Balance Sheet*

*Nonmajor Special Revenue Funds*

*June 30, 2003*

	Miscellaneous State Grants	Title II	Title VI-B	Title VI
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 6,645	\$ 4,887	\$ 12,768	\$ 17,076
Receivables:				
Interfund	0	0	0	0
Accrued Interest	0	0	0	0
<i>Total Assets</i>	<u>\$ 6,645</u>	<u>\$ 4,887</u>	<u>\$ 12,768</u>	<u>\$ 17,076</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts Payable	131	1,415	0	0
Accrued Wages and Benefits	0	0	13,937	0
Intergovernmental Payable	0	0	2,817	0
<i>Total Liabilities</i>	<u>131</u>	<u>1,415</u>	<u>16,754</u>	<u>0</u>
<b>Fund Balances (Deficit):</b>				
Fund Balance:				
Reserved for Encumbrances	1,438	305	0	0
Unreserved:				
Special Revenue Funds	5,076	3,167	(3,986)	17,076
<i>Total Fund Balances (Deficit)</i>	<u>6,514</u>	<u>3,472</u>	<u>(3,986)</u>	<u>17,076</u>
<i>Total Liabilities and Fund Balances (Deficit)</i>	<u>\$ 6,645</u>	<u>\$ 4,887</u>	<u>\$ 12,768</u>	<u>\$ 17,076</u>

Drug Free Schools	Preschool Handicapped	Title II-A	Baldrige Education Grant	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 2,402	\$ 0	\$ 10,790	\$ 0	\$ 4,015	\$ 283,158
0	0	0	0	0	105
0	0	0	0	0	38
<u>\$ 2,402</u>	<u>\$ 0</u>	<u>\$ 10,790</u>	<u>\$ 0</u>	<u>\$ 4,015</u>	<u>\$ 283,301</u>
0	0	0	0	0	\$ 24,693
0	0	0	0	1,862	20,318
0	0	0	0	376	4,001
0	0	0	0	2,238	49,012
0	0	0	0	0	7,680
2,402	0	10,790	0	1,777	226,609
<u>2,402</u>	<u>0</u>	<u>10,790</u>	<u>0</u>	<u>1,777</u>	<u>234,289</u>
<u>\$ 2,402</u>	<u>\$ 0</u>	<u>\$ 10,790</u>	<u>\$ 0</u>	<u>\$ 4,015</u>	<u>\$ 283,301</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, 2003*

	Special Trust	Other Grant	Public School Support	Athletic/ District Managed
<b>Revenues:</b>				
Intergovernmental	\$ 0	\$ 0	\$ 0	\$ 0
Investment Income	678	0	0	0
Extracurricular Activities	0	0	177,557	143,374
Gifts and Donations	36,000	0	0	41,252
Miscellaneous	0	0	0	2,884
<b>Total Revenues</b>	<b>36,678</b>	<b>0</b>	<b>177,557</b>	<b>187,510</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	4,101	2,371	1,275	0
Support Services:				
Pupils	35,997	0	170,984	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	226,472
<b>Total Expenditures</b>	<b>40,098</b>	<b>2,371</b>	<b>172,259</b>	<b>226,472</b>
<i>Excess of Revenues Over (Under) Expenditures</i>	(3,420)	(2,371)	5,298	(38,962)
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	0	23,000
<b>Total Other Financing Sources and (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23,000</b>
<i>Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	(3,420)	(2,371)	5,298	(15,962)
<i>Fund Balance (Deficit) at Beginning of Year</i>	72,849	3,006	31,880	65,462
<b>Fund Balance (Deficit) at End of Year</b>	<b>\$ 69,429</b>	<b>\$ 635</b>	<b>\$ 37,178</b>	<b>\$ 49,500</b>



Auxiliary Services	Professional Development Grant	Educational Management Information Systems	Data Communications	Schoolnet Professional Development	Interactive Video Distance Learning	Ohio Reads Grant
\$ 137,790	\$ 0	\$ 7,076	\$ 14,000	\$ 4,600	\$ 0	\$ 3,453
1,498	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
139,288	0	7,076	14,000	4,600	0	3,453
0	0	0	14,000	5,696	1,594	228
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	7,076	0	0	0	0
172,734	0	0	0	0	0	0
0	0	0	0	0	0	0
172,734	0	7,076	14,000	5,696	1,594	228
(33,446)	0	0	0	(1,096)	(1,594)	3,225
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(33,446)	0	0	0	(1,096)	(1,594)	3,225
32,945	1	0	0	5,496	30,018	3,953
\$ (501)	\$ 1	\$ 0	\$ 0	\$ 4,400	\$ 28,424	\$ 7,178

**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, 2003*

	Miscellaneous State Grants	Title II	Title VI-B	Title VI
<b>Revenues:</b>				
Intergovernmental	\$ 12,200	\$ 0	\$ 164,106	\$ 11,524
Investment Income	0	0	0	0
Extracurricular Activities	0	0	0	0
Miscellaneous	0	0	0	0
Miscellaneous	0	0	0	0
<b>Total Revenues</b>	<b>12,200</b>	<b>0</b>	<b>164,106</b>	<b>11,524</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	5,904	6,904	0	2,006
Support Services:				
Pupils	0	0	47,540	0
Instructional Staff	0	0	96,971	0
Administration	0	0	0	0
Operation of Non-Instructional Services	0	0	7,655	1,617
Extracurricular Activities	0	0	0	0
<b>Total Expenditures</b>	<b>5,904</b>	<b>6,904</b>	<b>152,166</b>	<b>3,623</b>
<i>Excess of Revenues Over (Under) Expenditures</i>	6,296	(6,904)	11,940	7,901
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	0	0
<b>Total Other Financing Sources and (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	6,296	(6,904)	11,940	7,901
<i>Fund Balance (Deficit) at Beginning of Year</i>	218	10,376	(15,926)	9,175
<b>Fund Balance (Deficit) at End of Year</b>	<b>\$ 6,514</b>	<b>\$ 3,472</b>	<b>\$ (3,986)</b>	<b>\$ 17,076</b>

Drug Free Schools	Preschool Handicapped	Title II-A	Baldrige Education Grant	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 5,318	\$ 9,377	\$ 28,984	\$ 0	\$ 13,816	\$ 412,244
0	0	0	0	0	2,176
0	0	0	0	0	320,931
0	0	0	0	0	77,252
0	0	0	0	0	2,884
5,318	9,377	28,984	0	13,816	815,487
97	9,377	18,194	3,220	11,166	86,133
10,821	0	0	0	0	265,342
0	0	0	0	0	96,971
0	0	0	0	0	7,076
0	0	0	0	0	182,006
0	0	0	0	0	226,472
10,918	9,377	18,194	3,220	11,166	864,000
(5,600)	0	10,790	(3,220)	2,650	(48,513)
0	0	0	0	0	23,000
0	0	0	0	0	23,000
(5,600)	0	10,790	(3,220)	2,650	(25,513)
8,002	0	0	3,220	(873)	259,802
\$ 2,402	\$ 0	\$ 10,790	\$ 0	\$ 1,777	\$ 234,289

**Chagrin Falls Exempted Village School District**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*June 30, 2003*

	Permanent Improvements	Schoolnet	Total Nonmajor Capital Projects Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 234,619	\$ 12,000	\$ 246,619
<i>Total Assets</i>	<u>\$ 234,619</u>	<u>\$ 12,000</u>	<u>\$ 246,619</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	53,083	0	53,083
<i>Total Liabilities</i>	<u>53,083</u>	<u>0</u>	<u>53,083</u>
<b>Fund Balances (Deficit)</b>			
Fund Balance:			
Reserved for Encumbrances	124,942	0	124,942
Unreserved:			
Capital Projects Funds	56,594	12,000	68,594
<i>Total Fund Balances (Deficit)</i>	<u>181,536</u>	<u>12,000</u>	<u>193,536</u>
<i>Total Liabilities and Fund Balances (Deficit)</i>	<u>\$ 234,619</u>	<u>\$ 12,000</u>	<u>\$ 246,619</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, 2003*

	Permanent Improvements	Schoolnet	Total Nonmajor Capital Projects Funds
<b>Revenues:</b>			
Intergovernmental	\$ 0	\$ 30,718	\$ 30,718
Investment Income	2,923	0	2,923
<i>Total Revenues</i>	<u>2,923</u>	<u>30,718</u>	<u>33,641</u>
<b>Expenditures:</b>			
Current:			
Support Services:			
Instructional Staff	0	30,718	30,718
Fiscal	96,415	0	96,415
Capital Outlay	281,643	0	281,643
<i>Total Expenditures</i>	<u>378,058</u>	<u>30,718</u>	<u>408,776</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(375,135)	0	(375,135)
<b>Other Financing Sources (Uses):</b>			
Transfers In	455,409	0	455,409
Transfers Out	(411,343)	0	(411,343)
<i>Total Other Financing Sources and (Uses)</i>	<u>44,066</u>	<u>0</u>	<u>44,066</u>
<i>Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	(331,069)	0	(331,069)
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>512,605</u>	<u>12,000</u>	<u>524,605</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 181,536</u>	<u>\$ 12,000</u>	<u>\$ 193,536</u>

**Chagrin Falls Exempted Village School District**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Fiscal Year Ended June 30, 2003*

	<b>Beginning Balance 7/1/02</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance 6/30/03</b>
<b>Rotary</b>				
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 3,838	\$ 39,874	\$ 38,999	\$ 4,713
<b>Liabilities</b>				
Undistributed Monies	\$ 3,838	\$ 39,874	\$ 38,999	\$ 4,713
<b>Student Activities</b>				
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 59,309	\$ 118,400	\$ 117,690	\$ 60,019
<b>Liabilities</b>				
Due to Students	\$ 59,309	\$ 118,400	\$ 117,690	\$ 60,019
<b>Total - All Agency Funds</b>				
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 63,147	\$ 158,274	\$ 156,689	\$ 64,732
<b>Liabilities</b>				
Undistributed Monies	\$ 3,838	\$ 39,874	\$ 38,999	\$ 4,713
Due to Students	59,309	118,400	117,690	60,019
<i>Total Liabilities</i>	<i>\$ 63,147</i>	<i>\$ 158,274</i>	<i>\$ 156,689</i>	<i>\$ 64,732</i>

*This page intentionally  
left blank*

**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, 2003*

	Original	Final	Actual	Variance Over (Under)
<b>Revenues:</b>				
Taxes	\$ 12,312,000	\$ 12,312,000	\$ 12,175,915	\$ (136,085)
Intergovernmental	3,703,133	3,617,133	3,616,686	(447)
Investment Income	200,000	200,000	105,216	(94,784)
Tuition and Fees	0	86,000	125,394	39,394
Rentals	18,000	18,000	19,114	1,114
Gifts and Donations	0	0	3,000	3,000
Miscellaneous	25,000	25,000	30,491	5,491
<b>Total Revenues</b>	<b>16,258,133</b>	<b>16,258,133</b>	<b>16,075,816</b>	<b>(182,317)</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	6,224,722	6,368,719	6,368,719	0
Fringe Benefits	1,522,373	1,548,693	1,547,615	(1,078)
Purchased Services	48,062	49,562	39,729	(9,833)
Materials and Supplies	299,146	294,485	269,620	(24,865)
Capital Outlay - New	112,621	118,781	101,497	(17,284)
Capital Outlay - Replacement	1,450	1,450	910	(540)
Other	6,400	6,400	6,069	(331)
<b>Total Regular</b>	<b>8,214,774</b>	<b>8,388,090</b>	<b>8,334,159</b>	<b>(53,931)</b>
Special:				
Salaries and Wages	834,347	778,052	778,052	0
Fringe Benefits	216,202	209,045	209,045	0
Purchased Services	486,533	349,181	289,866	(59,315)
Materials and Supplies	11,221	10,121	8,023	(2,098)
Capital Outlay - New	5,000	1,018	1,018	0
<b>Total Special</b>	<b>1,553,303</b>	<b>1,347,417</b>	<b>1,286,004</b>	<b>(61,413)</b>
Vocational:				
Purchased Services	151,641	152,498	152,499	1
<b>Total Vocational</b>	<b>151,641</b>	<b>152,498</b>	<b>152,499</b>	<b>1</b>
Other:				
Salaries and Wages	0	5,912	5,912	0
<b>Total Other</b>	<b>0</b>	<b>5,912</b>	<b>5,912</b>	<b>0</b>
<b>Total Instruction</b>	<b>9,919,718</b>	<b>9,893,917</b>	<b>9,778,574</b>	<b>(115,343)</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, 2003*

	Original	Final	Actual	Variance Over (Under)
<b>Support Services:</b>				
<b>Pupils:</b>				
Salaries and Wages	517,610	536,792	536,792	0
Fringe Benefits	140,820	142,009	142,009	0
Purchased Services	99,584	102,777	102,777	0
Materials and Supplies	11,695	11,695	9,239	(2,456)
Capital Outlay - New	41,922	14,849	14,849	0
Capital Outlay - Replacement	26,291	19,570	19,570	0
<b>Total Pupils</b>	<b>837,922</b>	<b>827,692</b>	<b>825,236</b>	<b>(2,456)</b>
<b>Instructional Staff:</b>				
Salaries and Wages	582,419	584,793	584,793	0
Fringe Benefits	182,955	201,868	201,868	0
Purchased Services	50,272	35,393	35,393	0
Materials and Supplies	42,823	31,698	31,698	0
<b>Total Instructional Staff</b>	<b>858,469</b>	<b>853,752</b>	<b>853,752</b>	<b>0</b>
<b>Board of Education:</b>				
Salaries and Wages	6,600	6,600	6,600	0
Fringe Benefits	3,095	2,694	2,694	0
Purchased Services	59,768	52,534	47,485	(5,049)
Materials and Supplies	14,150	8,456	8,456	0
Other	29,625	18,973	18,973	0
<b>Total Board of Education</b>	<b>113,238</b>	<b>89,257</b>	<b>84,208</b>	<b>(5,049)</b>
<b>Administration:</b>				
Salaries and Wages	951,293	956,288	956,288	0
Fringe Benefits	330,392	346,229	346,229	0
Purchased Services	202,251	216,429	216,429	0
Materials and Supplies	15,980	13,245	13,245	0
Capital Outlay - New	4,587	4,054	4,054	0
Other	250	0	0	0
<b>Total Administration</b>	<b>1,504,753</b>	<b>1,536,245</b>	<b>1,536,245</b>	<b>0</b>
<b>Fiscal:</b>				
Salaries and Wages	199,922	217,253	217,253	0
Fringe Benefits	50,475	57,719	57,719	0
Purchased Services	38,693	39,642	39,642	0
Materials and Supplies	2,000	1,444	1,444	0
Capital Outlay - New	11,000	11,638	11,638	0
Other	206,950	233,360	233,360	0
<b>Total Fiscal</b>	<b>509,040</b>	<b>561,056</b>	<b>561,056</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, 2003*

	Original	Final	Actual	Variance Over (Under)
Business:				
Purchased Services	800	800	800	0
Total Business	800	800	800	0
Operation and Maintenance of Plant:				
Salaries and Wages	996,153	999,944	999,944	0
Fringe Benefits	370,330	354,147	354,147	0
Purchased Services	740,104	724,774	724,773	(1)
Materials and Supplies	124,116	120,255	120,256	1
Capital Outlay - New	12,920	12,695	12,695	0
Capital Outlay - Replacement	6,500	6,466	6,466	0
Total Operation and Maintenance of Plant	2,250,123	2,218,281	2,218,281	0
Pupil Transportation:				
Salaries and Wages	614,916	633,187	633,108	(79)
Fringe Benefits	180,115	177,085	177,085	0
Purchased Services	49,491	60,600	60,600	0
Materials and Supplies	71,927	73,043	73,043	0
Capital Outlay - New	700	644	644	0
Capital Outlay - Replacement	118,738	118,302	118,302	0
Total Pupil Transportation	1,035,887	1,062,861	1,062,782	(79)
Central:				
Purchased Services	23,000	21,381	21,381	0
Total Central	23,000	21,381	21,381	0
Total Support Services	7,133,232	7,171,325	7,163,741	(7,584)
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	10,500	10,115	10,115	0
Fringe Benefits	1,725	1,578	1,578	0
Total Community Services	12,225	11,693	11,693	0
Total Other Operation of Non-Instructional Services	12,225	11,693	11,693	0
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Materials and Supplies	650	0	0	0
Total Academic and Subject Oriented Activities	650	0	0	0

(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, 2003*

	Original	Final	Actual	Variance Over (Under)
Sports Oriented Activities:				
Salaries and Wages	440,000	424,094	424,094	0
Fringe Benefits	69,000	65,415	65,415	0
Purchased Services	11,000	10,802	10,802	0
Total Sports Oriented Activities	<u>520,000</u>	<u>500,311</u>	<u>500,311</u>	<u>0</u>
Total Extracurricular Activities	<u>520,650</u>	<u>500,311</u>	<u>500,311</u>	<u>0</u>
Debt Service:				
Interest and Fiscal Charges	<u>0</u>	<u>2,078</u>	<u>2,078</u>	<u>0</u>
Total Debt Service	<u>0</u>	<u>2,078</u>	<u>2,078</u>	<u>0</u>
Total Expenditures	<u>17,585,825</u>	<u>17,579,324</u>	<u>17,456,397</u>	<u>(122,927)</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,327,692)</u>	<u>(1,321,191)</u>	<u>(1,380,581)</u>	<u>(59,390)</u>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Assets	1,000	1,000	785	(215)
Refund of Prior Year Expenditures	2,000	2,000	0	(2,000)
Advances In	6,500	6,500	6,500	0
Advances Out	0	(18,500)	(18,500)	0
Transfers Out	(380,000)	(361,500)	(67,066)	294,434
Total Other Financing Sources (Uses)	<u>(370,500)</u>	<u>(370,500)</u>	<u>(78,281)</u>	<u>292,219</u>
Net Change in Fund Balance	(1,698,192)	(1,691,691)	(1,458,862)	232,829
Fund Balance (Deficit) at Beginning of Year	1,594,170	1,594,170	1,594,170	0
Prior Year Encumbrances Appropriated	<u>498,752</u>	<u>498,752</u>	<u>498,752</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 394,730</u>	<u>\$ 401,231</u>	<u>\$ 634,060</u>	<u>\$ 232,829</u>

**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, 2003*

	Original	Final	Actual	Variance Over (Under)
<b>Revenues:</b>				
Investment Income	\$ 1,000	\$ 1,000	\$ 640	\$ (360)
Gifts and Donations	24,000	24,000	36,000	12,000
<i>Total Revenues</i>	<u>25,000</u>	<u>25,000</u>	<u>36,640</u>	<u>11,640</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	18,000	14,995	0	(14,995)
Fringe Benefits	30	30	0	(30)
Purchased Services	180	4,000	4,000	0
Materials and Supplies	916	101	101	0
Total Regular	<u>19,126</u>	<u>19,126</u>	<u>4,101</u>	<u>(15,025)</u>
Total Instruction	19,126	19,126	4,101	(15,025)
Support Services:				
Pupils:				
Purchased Services	500	1,497	1,497	0
Materials and Supplies	500	3	0	(3)
Other	50,000	49,500	34,500	(15,000)
Total Pupils	<u>51,000</u>	<u>51,000</u>	<u>35,997</u>	<u>(15,003)</u>
Total Support Services	51,000	51,000	35,997	(15,003)
<i>Total Expenditures</i>	<u>70,126</u>	<u>70,126</u>	<u>40,098</u>	<u>(30,028)</u>
<i>Net Change in Fund Balance</i>	(45,126)	(45,126)	(3,458)	41,668
<i>Fund Balance (Deficit) at Beginning of Year</i>	72,723	72,723	72,723	0
Prior Year Encumbrances Appropriated	0	0	0	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 27,597</u>	<u>\$ 27,597</u>	<u>\$ 69,265</u>	<u>\$ 41,668</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, 2003*

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Revenues:</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Current:				
Instruction				
Regular:				
Purchased Services	\$ 0	\$ 650	\$ 650	\$ 0
Materials and Supplies	3,006	2,356	1,721	(635)
Total Regular	<u>3,006</u>	<u>3,006</u>	<u>2,371</u>	<u>635</u>
Total Instruction	<u>3,006</u>	<u>3,006</u>	<u>2,371</u>	<u>(635)</u>
Total Expenditures	<u>3,006</u>	<u>3,006</u>	<u>2,371</u>	<u>(635)</u>
Net Change in Fund Balance	(3,006)	(3,006)	(2,371)	635
Fund Balance (Deficit) at Beginning of Year	3,006	3,006	3,006	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 635</u>	<u>\$ 635</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, 2003*

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Revenues:</b>				
Extracurricular Activities	\$ 170,000	\$ 178,000	\$ 177,557	\$ (443)
<i>Total Revenues</i>	<u>170,000</u>	<u>178,000</u>	<u>177,557</u>	<u>(443)</u>
<b>Expenditures:</b>				
Current:				
Instruction				
Regular:				
Salaries and Wages	0	1,112	1,100	(12)
Fringe Benefits	0	353	175	(178)
Total Regular	<u>0</u>	<u>1,465</u>	<u>1,275</u>	<u>(190)</u>
Total Instruction	<u>0</u>	<u>1,465</u>	<u>1,275</u>	<u>(190)</u>
Support Services:				
Pupils				
Salaries and Wages	9,500	10,544	10,544	0
Fringe Benefits	1,538	1,617	1,617	0
Purchased Services	146,725	132,086	129,833	(2,253)
Materials and Supplies	23,624	31,538	30,563	(975)
Other	2,500	1,636	1,599	(37)
Total Pupils	<u>183,887</u>	<u>177,421</u>	<u>174,156</u>	<u>(3,265)</u>
Total Support Services	<u>183,887</u>	<u>177,421</u>	<u>174,156</u>	<u>(3,265)</u>
<i>Total Expenditures</i>	<u>183,887</u>	<u>178,886</u>	<u>175,431</u>	<u>(3,455)</u>
<i>Net Change in Fund Balance</i>	(13,887)	(886)	2,126	3,012
<i>Fund Balance (Deficit) at Beginning of Year</i>	27,978	27,978	27,978	0
Prior Year Encumbrances Appropriated	<u>4,387</u>	<u>4,387</u>	<u>4,387</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 18,478</u>	<u>\$ 31,479</u>	<u>\$ 34,491</u>	<u>\$ 3,012</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, 2003*

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Revenues:</b>				
Extracurricular Activities	\$ 169,050	\$ 167,050	\$ 143,374	\$ (23,676)
Gifts and Donations	40,000	40,000	41,252	1,252
Miscellaneous	950	2,950	2,884	(66)
<i>Total Revenues</i>	<u>210,000</u>	<u>210,000</u>	<u>187,510</u>	<u>(22,490)</u>
<b>Expenditures:</b>				
Current:				
Extracurricular Activities:				
Sports Oriented Activities:				
Salaries and Wages	4,390	3,615	3,615	0
Fringe Benefits	660	567	555	(12)
Purchased Services	86,987	83,636	81,185	(2,451)
Materials and Supplies	124,110	104,563	102,502	(2,061)
Capital Outlay - New	10,000	40,515	40,515	0
Total Sports Oriented Activities	<u>226,147</u>	<u>232,896</u>	<u>228,372</u>	<u>(4,524)</u>
Total Extracurricular Activities	<u>226,147</u>	<u>232,896</u>	<u>228,372</u>	<u>(4,524)</u>
<i>Total Expenditures</i>	<u>226,147</u>	<u>232,896</u>	<u>228,372</u>	<u>(4,524)</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(16,147)	(22,896)	(40,862)	(17,966)
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	23,000	23,000
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>23,000</u>	<u>23,000</u>
<i>Net Change in Fund Balance</i>	(16,147)	(22,896)	(17,862)	(5,034)
<i>Fund Balance (Deficit) at Beginning of Year</i>	66,215	66,215	66,215	0
Prior Year Encumbrances Appropriated	1,147	1,147	1,147	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 51,215</u>	<u>\$ 44,466</u>	<u>\$ 49,500</u>	<u>\$ 5,034</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, 2003*

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Revenues:</b>				
Intergovernmental	\$ 102,000	\$ 137,000	\$ 137,790	\$ 790
Investment Income	3,000	3,000	1,498	(1,502)
<i>Total Revenues</i>	<u>105,000</u>	<u>140,000</u>	<u>139,288</u>	<u>(712)</u>
<b>Expenditures:</b>				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	46,600	39,695	39,013	(682)
Fringe Benefits	10,530	8,279	8,279	0
Purchased Services	35,486	37,419	37,419	0
Materials and Supplies	18,904	65,601	65,600	(1)
Capital Outlay - New	0	17,068	17,068	0
Other	0	5,512	5,512	0
Total Community Services	<u>111,520</u>	<u>173,574</u>	<u>172,891</u>	<u>(683)</u>
Total Other Operation of Non-Instructional Services	<u>111,520</u>	<u>173,574</u>	<u>172,891</u>	<u>(683)</u>
<i>Total Expenditures</i>	<u>111,520</u>	<u>173,574</u>	<u>172,891</u>	<u>(683)</u>
<i>Net Change in Fund Balance</i>	(6,520)	(33,574)	(33,603)	(29)
<i>Fund Balance (Deficit) at Beginning of Year</i>	29,054	29,054	29,054	0
Prior Year Encumbrances Appropriated	<u>6,520</u>	<u>6,520</u>	<u>6,520</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 29,054</u>	<u>\$ 2,000</u>	<u>\$ 1,971</u>	<u>\$ (29)</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, 2003*

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Revenues:</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	1	1	1	0
Prior Year Encumbrances Appropriated	0	0	0	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 1</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  
 Educational Management Information Systems  
 For the Fiscal Year Ended June 30, 2003*

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Revenues:</b>				
Intergovernmental	\$ 6,500	\$ 7,100	\$ 7,076	\$ (24)
<i>Total Revenues</i>	<u>6,500</u>	<u>7,100</u>	<u>7,076</u>	<u>(24)</u>
<b>Expenditures:</b>				
Current:				
Support Services:				
Administration:				
Salaries and Wages	0	5,595	5,595	0
Purchased Services	6,500	1,485	1,481	(4)
Total Administration	<u>6,500</u>	<u>7,080</u>	<u>7,076</u>	<u>4</u>
Total Support Services	<u>6,500</u>	<u>7,080</u>	<u>7,076</u>	<u>4</u>
<i>Total Expenditures</i>	<u>6,500</u>	<u>7,080</u>	<u>7,076</u>	<u>4</u>
<i>Net Change in Fund Balance</i>	0	20	0	(20)
<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>\$ 20</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (20)</u></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, 2003*

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Revenues:</b>				
Intergovernmental	\$ 0	\$ 14,000	\$ 14,000	\$ 0
<i>Total Revenues</i>	<u>0</u>	<u>14,000</u>	<u>14,000</u>	<u>0</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>Net Change in Fund Balance</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  
 SchoolNet Professional Development  
 For the Fiscal Year Ended June 30, 2003*

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Revenues:</b>				
Intergovernmental	\$ 0	\$ 4,600	\$ 4,600	\$ 0
<i>Total Revenues</i>	<u>0</u>	<u>4,600</u>	<u>4,600</u>	<u>0</u>
<b>Expenditures:</b>				
Current:				
Instruction				
Regular:				
Purchased Services	5,496	5,696	5,696	0
Total Regular	<u>5,496</u>	<u>5,696</u>	<u>5,696</u>	<u>0</u>
Total Instruction	<u>5,496</u>	<u>5,696</u>	<u>5,696</u>	<u>0</u>
<i>Total Expenditures</i>	<u>5,496</u>	<u>5,696</u>	<u>5,696</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(5,496)	(1,096)	(1,096)	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	5,496	5,496	5,496	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>\$ 4,400</u>	<u>\$ 4,400</u>	<u>\$ 0</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, 2003*

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Revenues:</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Current:				
Instruction				
Regular:				
Purchased Services	23,068	3,750	1,594	(2,156)
Total Regular	<u>23,068</u>	<u>3,750</u>	<u>1,594</u>	<u>(2,156)</u>
Total Instruction	<u>23,068</u>	<u>3,750</u>	<u>1,594</u>	<u>(2,156)</u>
<i>Total Expenditures</i>	<u>23,068</u>	<u>3,750</u>	<u>1,594</u>	<u>(2,156)</u>
<i>Net Change in Fund Balance</i>	(23,068)	(3,750)	(1,594)	2,156
<i>Fund Balance (Deficit) at Beginning of Year</i>	28,268	28,268	28,268	0
Prior Year Encumbrances Appropriated	<u>1,750</u>	<u>1,750</u>	<u>1,750</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 6,950</u>	<u>\$ 26,268</u>	<u>\$ 28,424</u>	<u>\$ 2,156</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, 2003*

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Revenues:</b>				
Intergovernmental	\$ 3,500	\$ 3,500	\$ 3,453	\$ (47)
<i>Total Revenues</i>	<u>3,500</u>	<u>3,500</u>	<u>3,453</u>	<u>(47)</u>
<b>Expenditures:</b>				
Current:				
Instruction				
Regular:				
Salaries and Wages	7,400	772	0	(772)
Fringe Benefits	0	3	3	0
Purchased Services	0	225	225	0
Materials and Supplies	0	500	0	(500)
Total Regular	<u>7,400</u>	<u>1,500</u>	<u>228</u>	<u>(1,272)</u>
Total Instruction	<u>7,400</u>	<u>1,500</u>	<u>228</u>	<u>(1,272)</u>
<i>Total Expenditures</i>	<u>7,400</u>	<u>1,500</u>	<u>228</u>	<u>(1,272)</u>
<i>Net Change in Fund Balance</i>	(3,900)	2,000	3,225	1,225
<i>Fund Balance (Deficit) at Beginning of Year</i>	3,953	3,953	3,953	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>\$ 53</u>	<u>\$ 5,953</u>	<u>\$ 7,178</u>	<u>\$ 1,225</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, 2003*

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Revenues:</b>				
Intergovernmental	\$ 1,950	\$ 12,450	\$ 12,200	\$ (250)
<i>Total Revenues</i>	<u>1,950</u>	<u>12,450</u>	<u>12,200</u>	<u>(250)</u>
<b>Expenditures:</b>				
Current:				
Instruction				
Regular:				
Salaries and Wages	0	2,703	2,658	(45)
Fringe Benefits	0	202	202	0
Purchased Services	2,100	2,851	2,587	(264)
Materials and Supplies	0	1,896	1,895	(1)
Total Regular	<u>2,100</u>	<u>7,652</u>	<u>7,342</u>	<u>(310)</u>
Total Instruction	<u>2,100</u>	<u>7,652</u>	<u>7,342</u>	<u>(310)</u>
<i>Total Expenditures</i>	<u>2,100</u>	<u>7,652</u>	<u>7,342</u>	<u>(310)</u>
<i>Net Change in Fund Balance</i>	(150)	4,798	4,858	60
<i>Fund Balance (Deficit) at Beginning of Year</i>	218	218	218	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>\$ 68</u>	<u>\$ 5,016</u>	<u>\$ 5,076</u>	<u>\$ 60</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, 2003

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Revenues:</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Current:				
Instruction				
Regular:				
Salaries and Wages	10,376	712	0	(712)
Purchased Services	0	7,209	7,209	0
Total Regular	<u>10,376</u>	<u>7,921</u>	<u>7,209</u>	<u>(712)</u>
Total Instruction	<u>10,376</u>	<u>7,921</u>	<u>7,209</u>	<u>(712)</u>
Total Expenditures	<u>10,376</u>	<u>7,921</u>	<u>7,209</u>	<u>(712)</u>
Net Change in Fund Balance	(10,376)	(7,921)	(7,209)	712
Fund Balance (Deficit) at Beginning of Year	10,376	10,376	10,376	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 0</u>	<u>\$ 2,455</u>	<u>\$ 3,167</u>	<u>\$ 712</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, 2003

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Revenues:</b>				
Intergovernmental	\$ 162,667	\$ 164,106	\$ 164,106	\$ 0
<i>Total Revenues</i>	<u>162,667</u>	<u>164,106</u>	<u>164,106</u>	<u>0</u>
<b>Expenditures:</b>				
Current:				
Support Services:				
Pupils				
Salaries and Wages	58,000	47,643	47,540	103
Fringe Benefits	10,600	0	0	0
Total Pupils	<u>68,600</u>	<u>47,643</u>	<u>47,540</u>	<u>103</u>
Instructional Staff:				
Salaries and Wages	80,716	83,118	83,118	0
Fringe Benefits	9,066	13,024	13,024	0
Purchased Services	4,284	0	0	0
Total Instructional Staff	<u>94,066</u>	<u>96,142</u>	<u>96,142</u>	<u>0</u>
Total Support Services	<u>162,666</u>	<u>143,785</u>	<u>143,682</u>	<u>103</u>
Operation of Non-Instructional Services:				
Food Service Operations:				0
Community Services:				
Salaries and Wages	0	2,923	2,923	0
Fringe Benefits	0	448	448	0
Purchased Services	0	4,284	4,284	0
Total Community Services	<u>0</u>	<u>7,655</u>	<u>7,655</u>	<u>0</u>
Total Other Operation of Non-Instructional Services	<u>0</u>	<u>7,655</u>	<u>7,655</u>	<u>0</u>
<i>Total Expenditures</i>	<u>162,666</u>	<u>151,440</u>	<u>151,337</u>	<u>103</u>
<i>Net Change in Fund Balance</i>	1	12,666	12,769	103
<i>Fund Balance (Deficit) at Beginning of Year</i>	(1)	(1)	(1)	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>\$ 12,665</u>	<u>\$ 12,768</u>	<u>\$ 103</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, 2003*

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Revenues:</b>				
Intergovernmental	\$ 11,524	\$ 11,524	\$ 11,524	\$ 0
<i>Total Revenues</i>	<u>11,524</u>	<u>11,524</u>	<u>11,524</u>	<u>0</u>
<b>Expenditures:</b>				
Current:				
Instruction				
Regular:				
Salaries and Wages	20,699	374	0	(374)
Purchased Services	0	2,006	2,006	0
Total Regular	<u>20,699</u>	<u>2,380</u>	<u>2,006</u>	<u>(374)</u>
Total Instruction	<u>20,699</u>	<u>2,380</u>	<u>2,006</u>	<u>(374)</u>
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	0	1,626	1,617	(9)
Total Community Services	<u>0</u>	<u>1,626</u>	<u>1,617</u>	<u>(9)</u>
Total Other Operation of Non-Instructional Services	<u>0</u>	<u>1,626</u>	<u>1,617</u>	<u>(9)</u>
<i>Total Expenditures</i>	<u>20,699</u>	<u>4,006</u>	<u>3,623</u>	<u>(383)</u>
<i>Net Change in Fund Balance</i>	(9,175)	7,518	7,901	383
<i>Fund Balance (Deficit) at Beginning of Year</i>	9,175	9,175	9,175	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>\$ 16,693</u>	<u>\$ 17,076</u>	<u>\$ 383</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, 2003*

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Revenues:</b>				
Intergovernmental	\$ 5,318	\$ 5,318	\$ 5,318	\$ 0
<i>Total Revenues</i>	<u>5,318</u>	<u>5,318</u>	<u>5,318</u>	<u>0</u>
<b>Expenditures:</b>				
Current:				
Instruction				
Regular:				
Materials and Supplies	0	181	97	(84)
Total Regular	<u>0</u>	<u>181</u>	<u>97</u>	<u>(84)</u>
Total Instruction	<u>0</u>	<u>181</u>	<u>97</u>	<u>(84)</u>
Support Services:				
Pupils				
Purchased Services	10,570	7,160	7,160	0
Materials and Supplies	2,750	3,661	3,661	0
Total Pupils	<u>13,320</u>	<u>10,821</u>	<u>10,821</u>	<u>0</u>
Total Support Services	<u>13,320</u>	<u>10,821</u>	<u>10,821</u>	<u>0</u>
<i>Total Expenditures</i>	<u>13,320</u>	<u>11,002</u>	<u>10,918</u>	<u>(84)</u>
<i>Net Change in Fund Balance</i>	(8,002)	(5,684)	(5,600)	84
<i>Fund Balance (Deficit) at Beginning of Year</i>	7,252	7,252	7,252	0
Prior Year Encumbrances Appropriated	<u>750</u>	<u>750</u>	<u>750</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ 2,318</u>	<u>\$ 2,402</u>	<u>\$ 84</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, 2003*

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Revenues:</b>				
Intergovernmental	\$ 9,377	\$ 9,377	\$ 9,377	\$ 0
<i>Total Revenues</i>	<u>9,377</u>	<u>9,377</u>	<u>9,377</u>	<u>0</u>
<b>Expenditures:</b>				
Current:				
Instruction				
Regular:				
Salaries and Wages	9,377	9,377	9,377	0
Total Regular	<u>9,377</u>	<u>9,377</u>	<u>9,377</u>	<u>0</u>
Total Instruction	<u>9,377</u>	<u>9,377</u>	<u>9,377</u>	<u>0</u>
<i>Total Expenditures</i>	<u>9,377</u>	<u>9,377</u>	<u>9,377</u>	<u>0</u>
<i>Net Change in Fund Balance</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*  
 Title II-A  
 For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Revenues:</b>				
Intergovernmental	\$ 28,984	\$ 28,984	\$ 28,984	\$ 0
<i>Total Revenues</i>	<u>28,984</u>	<u>28,984</u>	<u>28,984</u>	<u>0</u>
<b>Expenditures:</b>				
Current:				
Instruction				
Regular:				
Salaries and Wages	28,984	15,481	14,690	(791)
Fringe Benefits	0	201	201	0
Purchased Services	0	3,303	3,303	0
Total Regular	<u>28,984</u>	<u>18,985</u>	<u>18,194</u>	<u>(791)</u>
Total Instruction	<u>28,984</u>	<u>18,985</u>	<u>18,194</u>	<u>791</u>
<i>Total Expenditures</i>	<u>28,984</u>	<u>18,985</u>	<u>18,194</u>	<u>(791)</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	9,999	10,790	791
<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>\$ 9,999</u>	<u>\$ 10,790</u>	<u>\$ 791</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, 2003*

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Revenues:</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Current:				
Instruction				
Regular:				
Materials and Supplies	7,059	7,059	7,059	0
Total Regular	7,059	7,059	7,059	0
Total Instruction	7,059	7,059	7,059	0
<i>Total Expenditures</i>	7,059	7,059	7,059	0
<i>Net Change in Fund Balance</i>	(7,059)	(7,059)	(7,059)	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	2,059	2,059	2,059	0
Prior Year Encumbrances Appropriated	5,000	5,000	5,000	0
<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  
 Miscellaneous Federal Grants  
 For the Fiscal Year Ended June 30, 2003*

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Revenues:</b>				
Intergovernmental	\$ 0	\$ 13,816	\$ 13,816	\$ 0
<i>Total Revenues</i>	<u>0</u>	<u>13,816</u>	<u>13,816</u>	<u>0</u>
<b>Expenditures:</b>				
Current:				
Instruction				
Regular:				
Salaries and Wages	2,015	2,015	2,015	0
Materials and Supplies	0	2,122	2,122	0
Capital Outlay - New	0	7,679	7,679	0
Total Regular	<u>2,015</u>	<u>11,816</u>	<u>11,816</u>	<u>0</u>
Total Instruction	<u>2,015</u>	<u>11,816</u>	<u>11,816</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,015</u>	<u>11,816</u>	<u>11,816</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(2,015)	2,000	2,000	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	2,015	2,015	2,015	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>\$ 4,015</u>	<u>\$ 4,015</u>	<u>\$ 0</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, 2003*

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Revenues:</b>				
Taxes	\$ 1,900,000	\$ 1,887,020	\$ 1,937,554	\$ 50,534
Intergovernmental	245,459	245,459	264,610	19,151
<i>Total Revenues</i>	<u>2,145,459</u>	<u>2,132,479</u>	<u>2,202,164</u>	<u>69,685</u>
<b>Expenditures:</b>				
Current:				
Support Services:				
Fiscal:				
Purchased Services	0	13,200	12,123	(1,077)
Total Fiscal	<u>0</u>	<u>13,200</u>	<u>12,123</u>	<u>(1,077)</u>
Total Support Services	<u>0</u>	<u>13,200</u>	<u>12,123</u>	<u>(1,077)</u>
Debt Service:				
Principal Retirement	718,274	770,000	770,000	0
Interest and Fiscal Charges	1,343,500	1,281,800	1,281,773	(27)
Total Debt Service	<u>2,061,774</u>	<u>2,051,800</u>	<u>2,051,773</u>	<u>(27)</u>
<i>Total Expenditures</i>	<u>2,061,774</u>	<u>2,065,000</u>	<u>2,063,896</u>	<u>(1,104)</u>
<i>Net Change in Fund Balance</i>	83,685	67,479	138,268	70,789
<i>Fund Balance (Deficit) at Beginning of Year</i>	1,113,357	1,113,357	1,113,357	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>\$ 1,197,042</u>	<u>\$ 1,180,836</u>	<u>\$ 1,251,625</u>	<u>\$ 70,789</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, 2003*

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Revenues:</b>				
Investment Income	\$ 20,000	\$ 20,000	\$ 2,923	\$ (17,077)
<i>Total Revenues</i>	<u>20,000</u>	<u>20,000</u>	<u>2,923</u>	<u>(17,077)</u>
<b>Expenditures:</b>				
Current:				
Instruction				
Support Services:				
Fiscal:				
Capital Outlay - New	0	96,415	96,415	0
Total Fiscal	<u>0</u>	<u>96,415</u>	<u>96,415</u>	<u>0</u>
Total Support Services	<u>0</u>	<u>96,415</u>	<u>96,415</u>	<u>0</u>
Capital Outlay:				
Facilities Acquisitions and Construction Services:				
Architecture and Engineering Services:				
Purchased Services	72,433	72,433	56,454	(15,979)
Total Architecture and Engineering Services	<u>72,433</u>	<u>72,433</u>	<u>56,454</u>	<u>(15,979)</u>
Building Acquisitions and Construction Services:				
Purchased Services	5,000	21,281	21,281	0
Capital Outlay - New	96,172	258,190	258,190	0
Total Building Acquisitions and Construction Services	<u>101,172</u>	<u>279,471</u>	<u>279,471</u>	<u>0</u>
Building Improvement Services:				
Purchased Services	410,000	0	0	0
Capital Outlay - New	94,145	82,150	71,069	(11,081)
Capital Outlay - Replacement	195,711	887	887	0
Total Building Improvement Services	<u>699,856</u>	<u>83,037</u>	<u>71,956</u>	<u>(11,081)</u>
Other Facilities Acquisition and Construction Services:				
Capital Outlay - New	0	7,980	7,980	0
Total Other Facilities Acquisitions and Construction Service	<u>0</u>	<u>7,980</u>	<u>7,980</u>	<u>0</u>
Total Capital Outlay	<u>873,461</u>	<u>442,921</u>	<u>415,861</u>	<u>(27,060)</u>
<i>Total Expenditures</i>	<u>873,461</u>	<u>539,336</u>	<u>512,276</u>	<u>(27,060)</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(853,461)</u>	<u>(519,336)</u>	<u>(509,353)</u>	<u>9,983</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	350,000	445,000	455,409	10,409
Transfers Out	0	(415,000)	(411,343)	3,657
<i>Total Other Financing Sources (Uses)</i>	<u>350,000</u>	<u>30,000</u>	<u>44,066</u>	<u>14,066</u>
<i>Net Change in Fund Balance</i>	(503,461)	(489,336)	(465,287)	24,049
<i>Fund Balance (Deficit) at Beginning of Year</i>	479,132	479,132	479,132	0
Prior Year Encumbrances Appropriated	<u>42,750</u>	<u>42,750</u>	<u>42,750</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 18,421</u>	<u>\$ 32,546</u>	<u>\$ 56,595</u>	<u>\$ 24,049</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, 2003*

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Revenues:</b>				
Intergovernmental	\$ 30,718	\$ 30,718	\$ 30,718	\$ 0
<i>Total Revenues</i>	<u>30,718</u>	<u>30,718</u>	<u>30,718</u>	<u>0</u>
<b>Expenditures:</b>				
Current:				
Instruction				
Regular:				
Purchased Services	12,000	12,000	0	(12,000)
Total Regular	<u>12,000</u>	<u>12,000</u>	<u>0</u>	<u>(12,000)</u>
Total Instruction	<u>12,000</u>	<u>12,000</u>	<u>0</u>	<u>(12,000)</u>
Support Services:				
Instructional Staff:				
Capital Outlay - New	30,718	30,718	30,718	0
Total Instructional Staff	<u>30,718</u>	<u>30,718</u>	<u>30,718</u>	<u>0</u>
<i>Total Expenditures</i>	<u>42,718</u>	<u>42,718</u>	<u>30,718</u>	<u>(12,000)</u>
<i>Net Change in Fund Balance</i>	(12,000)	(12,000)	0	12,000
<i>Fund Balance (Deficit) at Beginning of Year</i>	12,000	12,000	12,000	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>\$ 12,000</u>	<u>\$ 12,000</u>

**Chagrin Falls Exempted Village School District**  
*Schedule of Revenues, Expenses, and  
 Budget (Non-GAAP Basis) and Actual  
 Food Service  
 For the Fiscal Year Ended June 30, 2003*

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Revenues:</b>				
Sales	\$ 421,420	\$ 476,420	\$ 549,945	\$ 73,525
<i>Total Revenues</i>	421,420	476,420	549,945	73,525
<b>Expenses:</b>				
Salaries	202,326	185,720	180,849	4,871
Fringe Benefits	69,550	57,550	51,728	5,822
Purchased Services	9,750	9,750	9,460	290
Materials and Supplies	203,244	288,835	288,835	0
Capital Outlay - New	0	2,080	2,080	0
Capital Outlay - Replacement	5,030	5,319	5,319	0
Other	100	746	746	0
<i>Total Expenses</i>	490,000	550,000	539,017	10,983
<i>Excess of Revenues Over (Under) Expenses</i>	(68,580)	(73,580)	10,928	84,508
<b>Non-Operating Revenues (Expenses):</b>				
Operating Grants	16,080	16,080	20,366	4,286
Interest Income	2,500	2,500	3,226	726
<i>Total Non-Operating Revenues (Expenses)</i>	18,580	18,580	23,592	5,012
<i>Net Change in Fund Equity</i>	(50,000)	(55,000)	34,520	89,520
<i>Fund Equity (Deficit) at Beginning of Year</i>	85,608	85,608	85,608	0
<i>Prior Year Encumbrances Appropriated</i>	0	0	0	0
<i>Fund Equity (Deficit) at End of Year</i>	<u>\$ 35,608</u>	<u>\$ 30,608</u>	<u>\$ 120,128</u>	<u>\$ 89,520</u>

**Chagrin Falls Exempted Village School District**  
*Schedule of Revenues, Expenses, and  
 Budget (Non-GAAP Basis) and Actual  
 Uniform Supplies  
 For the Fiscal Year Ended June 30, 2003*

	Original Budget	Final Budget	Actual	Variance Over (Under)
Sales	\$ 80,000	\$ 75,000	\$ 69,571	\$ (5,429)
<i>Total Revenues</i>	<u>80,000</u>	<u>75,000</u>	<u>69,571</u>	<u>(5,429)</u>
<b>Expenses:</b>				
Materials and supplies	70,000	70,000	64,624	(5,376)
<i>Total Expenses</i>	<u>70,000</u>	<u>70,000</u>	<u>64,624</u>	<u>(5,376)</u>
<i>Net Change in Fund Equity</i>	10,000	5,000	4,947	(53)
<i>Fund Equity (Deficit) at Beginning of Year</i>	1,818	1,818	1,818	0
<i>Prior Year Encumbrances Appropriated</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Equity (Deficit) at End of Year</i>	<u>\$ 11,818</u>	<u>\$ 6,818</u>	<u>\$ 6,765</u>	<u>\$ (53)</u>

**Chagrin Falls Exempted Village School District**  
*Schedule of Revenues, Expenses, and  
 Budget (Non-GAAP Basis) and Actual  
 Adult Education  
 For the Fiscal Year Ended June 30, 2003*

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Revenues:</b>				
Tuition	\$ 160,000	\$ 200,000	\$ 171,745	\$ (28,255)
<i>Total Revenues</i>	<u>160,000</u>	<u>200,000</u>	<u>171,745</u>	<u>(28,255)</u>
<b>Expenses:</b>				
Salaries	74,000	74,000	71,638	(2,362)
Fringe Benefits	11,600	11,600	11,075	(525)
Purchased Services	73,169	110,156	99,990	(10,166)
Materials and Supplies	3,700	3,700	856	(2,844)
Other	500	3,513	3,513	0
<i>Total Expenses</i>	<u>162,969</u>	<u>202,969</u>	<u>187,072</u>	<u>(15,897)</u>
<i>Net Change in Fund Equity</i>	(2,969)	(2,969)	(15,327)	(12,358)
<i>Fund Equity (Deficit) at Beginning of Year</i>	18,990	18,990	18,990	0
<i>Prior Year Encumbrances Appropriated</i>	<u>2,969</u>	<u>2,969</u>	<u>2,969</u>	<u>0</u>
<i>Fund Equity (Deficit) at End of Year</i>	<u>\$ 18,990</u>	<u>\$ 18,990</u>	<u>\$ 6,632</u>	<u>\$ (12,358)</u>

**Chagrin Falls Exempted Village School District**  
*Schedule of Revenues, Expenses, and  
 Budget (Non-GAAP Basis) and Actual  
 Windsor Educational  
 For the Fiscal Year Ended June 30, 2003*

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Revenues:</b>				
Tuition	\$ 200,000	\$ 110,000	\$ 67,909	\$ (42,091)
<i>Total Revenues</i>	<u>200,000</u>	<u>110,000</u>	<u>67,909</u>	<u>(42,091)</u>
<b>Expenses:</b>				
Salaries	159,928	92,377	54,716	37,661
Fringe Benefits	35,910	17,095	12,665	4,430
Materials and Supplies	1,020	528	528	0
Capital Outlay - New	3,142	0	0	0
<i>Total Expenses</i>	<u>200,000</u>	<u>110,000</u>	<u>67,909</u>	<u>42,091</u>
<i>Excess of Revenues Over (Under) Expenses</i>	0	0	0	0
<i>Fund Equity (Deficit) at Beginning of Year</i>	0	0	0	0
<i>Prior Year Encumbrances Appropriated</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Equity (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, Expenses, and  
 Budget (Non-GAAP Basis) and Actual  
 Self Insurance  
 For the Fiscal Year Ended June 30, 2003*

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Revenues:</b>				
Charges for Services	\$ 200,000	\$ 235,000	\$ 213,869	\$ (21,131)
<i>Total Revenues</i>	<u>200,000</u>	<u>235,000</u>	<u>213,869</u>	<u>(21,131)</u>
<b>Expenses:</b>				
Fringe Benefits	193,500	228,500	225,931	(2,569)
<i>Total Expenses</i>	<u>193,500</u>	<u>228,500</u>	<u>225,931</u>	<u>(2,569)</u>
<i>Excess of Revenues Over (Under) Expenses</i>	6,500	6,500	(12,062)	(18,562)
Advances Out	(6,500)	(6,500)	(6,500)	0
<i>Net Change in Fund Equity</i>	0	0	(18,562)	(18,562)
<i>Fund Equity (Deficit) at Beginning of Year</i>	(6,406)	(6,406)	(6,406)	0
<i>Prior Year Encumbrances Appropriated</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Equity (Deficit) at End of Year</i>	<u>\$ (6,406)</u>	<u>\$ (6,406)</u>	<u>\$ (24,968)</u>	<u>\$ (18,562)</u>

*This page intentionally  
left blank*



**STATISTICAL  
SECTION**



*This page intentionally  
Left blank*

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

	2003		2002		2001	
	Full Accrual	Modified Accrual	Full Accrual	Modified Accrual	Full Accrual	Modified Accrual
<b>Program Revenues</b>						
Charges for Services	\$ 421,324	N/A	\$ 542,802	N/A	\$ 382,113	N/A
Operating Grants and Contributions	412,244	N/A	335,671	N/A	469,647	N/A
Capital Grants and Contributions	30,718	N/A	14,000	N/A	65,926	N/A
<b>General Revenues</b>						
Taxes	13,512,429	13,302,500	14,878,900	14,855,371	13,555,239	11,631,985
Intergovernmental	3,881,296	4,324,258	3,820,383	4,189,224	3,655,753	3,442,985
Interest	47,382	47,382	225,968	227,195	345,430	298,393
Tuition and Fees	0	80,678	0	218,409	0	48,658
Extracurricular Activities	0	320,931	0	306,534	0	0
Rentals	0	19,715	0	17,859	0	14,020
Charges for Services	0	0	0	0	0	0
Contributions and Donations	0	80,252	0	0	0	0
Miscellaneous	102,179	33,738	23,724	74,718	28,824	9,674
<b>Total Revenues</b>	<b>\$ 18,407,572</b>	<b>\$ 18,209,454</b>	<b>\$ 19,841,448</b>	<b>\$ 19,889,310</b>	<b>\$ 18,502,932</b>	<b>\$ 15,445,715</b>
<b>Expenditures:</b>						
<b>Current:</b>						
<b>Instruction:</b>						
Regular	\$ 9,291,338	\$ 8,467,549	\$ 9,002,902	\$ 8,125,303	\$ 9,432,792	\$ 8,223,487
Special	1,189,814	1,175,284	1,348,927	1,335,649	1,155,300	1,162,013
Vocational	108,138	108,138	101,713	101,713	55,069	55,069
Adult/Continuing	0	0	0	0	0	0
Other	5,912	5,912	18,144	18,144	0	0
<b>Support Services:</b>						
Pupils	1,055,832	1,066,929	966,542	969,626	927,785	710,585
Instructional Staff	986,686	981,533	1,065,858	944,988	754,176	669,023
Board of Education	63,685	63,569	66,055	65,947	57,583	57,571
Administration	1,510,595	1,475,971	1,349,681	1,383,754	1,309,319	1,237,048
Fiscal	668,701	640,565	598,479	547,204	414,824	418,715
Business	800	800	750	750	0	0
Operation and Maintenance of Plant	2,427,389	2,152,062	2,242,666	2,114,661	2,094,832	2,046,261
Pupil Transportation	1,063,140	1,066,596	946,889	988,953	827,971	762,138
Central	21,381	21,381	21,729	21,729	0	0
<b>Operation of Non-Instructional</b>						
Services	209,998	193,699	129,891	131,840	185,448	0
Extracurricular	696,643	726,783	688,806	690,347	392,947	436,710
Capital Outlay	0	281,643	0	248,154	0	31,426
Debt Service	1,283,851	2,098,803	1,237,510	2,116,988	1,358,729	69,316
<b>Total Expenditures</b>	<b>\$ 20,583,903</b>	<b>\$ 20,527,217</b>	<b>\$ 19,786,542</b>	<b>\$ 19,805,750</b>	<b>\$ 18,966,775</b>	<b>\$ 15,879,362</b>

Source: 2000 - 2003 School District Financial Records, 1994-1999 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

2000	1999	1998	1997	1996	1995	1994
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
11,260,565	10,783,859	10,312,668	10,449,962	9,947,077	9,066,734	8,399,307
3,395,414	3,109,998	3,116,380	2,857,207	2,830,496	2,647,737	2,493,981
312,237	273,696	787,077	181,674	171,130	137,254	138,259
139,810	16,012	86,350	87,737	50,560	44,248	23,674
0	0	0	0	0	0	900
15,781	10,029	7,303	15,549	72,679	62,235	42,433
0	0	0	0	0	0	9,873
7,750	0	0	0	0	0	0
10,977	29,831	224,310	6,798	40,298	19,927	55,647
<u>\$ 15,142,534</u>	<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>

\$ 7,504,857	\$ 7,293,985	\$ 7,041,780	\$ 6,863,809	\$ 6,475,586	\$ 6,526,293	\$ 6,509,083
935,067	730,823	665,632	571,148	495,444	448,942	458,710
93,237	50,860	83,922	66,769	76,827	38,188	22,255
0	0	0	0	0	0	0
0	0	0	0	0	0	0
638,631	523,662	543,151	525,571	502,942	489,727	600,487
717,882	604,530	550,762	528,501	435,512	519,137	521,743
69,321	73,104	60,420	72,577	61,296	44,058	39,376
1,443,945	1,195,752	1,025,296	1,174,410	1,119,112	994,615	1,055,307
426,562	449,769	410,866	364,143	352,413	369,486	351,226
17,726	700	1,250	0	810	810	810
1,924,526	1,650,103	1,687,855	1,671,468	1,617,632	1,633,306	1,581,725
942,333	858,975	758,032	753,677	643,026	579,790	669,478
20,571	18,913	16,962	17,958	17,749	29,299	45,780
9,753	8,129	7,362	7,392	7,371	6,440	6,786
440,744	383,500	399,816	333,179	316,742	328,113	323,358
0	0	110,836	0	18,000	0	0
52,557	31,774	53,987	35,725	34,825	32,125	26,013
<u>\$ 15,237,712</u>	<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>

**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>
2002	\$ 16,715,910	\$ 15,247,743	91.22%	\$ 469,969	\$ 15,717,712	94.03%	\$ 1,033,274	6.18%
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%

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. 2003 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*

<b>Collection Year</b>	<b>School Levy</b>	<b>Cuyahoga County Levy</b>	<b>Geauga County Levy</b>	<b>City Levy</b>	<b>Total Levy</b>	<b>Debt Service Included in Total Levy</b>			
						<b>School</b>	<b>County</b>	<b>City</b>	<b>Total</b>
2003	92.20	17.60	14.60	10.40	134.80	5.45	0.91	2.10	8.46
2002	92.10	17.60	14.40	10.40	134.50	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

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>	
2003	\$ 402,220,270	\$ 1,149,200,771	\$ 6,465,970	\$ 7,347,693	\$ 10,781,967	\$ 43,127,874	\$ 419,468,207	\$ 1,199,676,338	35%
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%

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 Calendar 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>
2003	\$ 20,877,651	\$ 419,468,207	14,481	4.98%	\$ 1,441.73
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	6.41%	1,861.35
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

Source:

- (1) School District Financial Records
- (2) Cuyahoga County Auditor.
- (3) U.S. Census of Population, 2000 Federal Census.

**Chagrin Falls Exempted Village School District**  
*Computation of Legal Debt Margin*  
*June 30, 2003*

---



---

Assessed Valuation	\$	<u>418,605,651</u>
Bonded Debt Limit - 9% of Assessed Value (1)	\$	37,674,509
Outstanding debt:		
General Obligation Bonds		22,310,000
Amount Available in Debt Service Fund		<u>(1,432,349)</u>
Amount of Debt Subject to Debt Limit:		<u>20,877,651</u>
Overall Debt Margin	\$	<u>16,796,858</u>
Bonded Debt Limit - .1% of Assessed Value (1)		418,606
Amount of Debt Applicable		<u>-</u>
Unvoted Debt Margin	\$	<u>418,606</u>

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*  
*December 31, 2002*

	<b>General Obligation Bonded Debt Outstanding</b>	<b>Percentage Applicable to School District (1)</b>	<b>Amount Application to School District</b>
<b>Direct:</b>			
Chagrin Falls Exempted Village	\$ 22,310,000	100.00%	\$ 22,310,000
<b>Overlapping:</b>			
Cuyahoga County	200,162,636	1.11%	2,221,805
Regional Transit Authority	136,310,000	1.11%	1,513,041
Bentleyville Village	1,305,000	100.00%	1,305,000
Chagrin Falls Village	2,820,000	100.00%	2,820,000
Moreland Hills village	1,595,000	16.70%	266,365
Total Overlapping	342,192,636		8,126,211
Total	\$ 364,502,636		\$ 30,436,211

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 2002 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 Governmental Fund Expenditures</b>	<b>Ratio of Debt Service to Governmental Fund Expenditures (Percentage)</b>
2003	\$ 770,000	\$ 1,281,773	\$ 2,051,773	\$ 20,583,903	9.97%
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%

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>
2003	1,386,096	90,895	900	4,652	3,400	5,560	1,967	4.8	3.2
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

- (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*

<b>Year</b>	<b>Property Value (1) (Real Estate Only)</b>	<b>Cuyahoga County Financial Institution Deposits (000's)</b>	<b>Geauga County Financial Institution Deposits (000's)</b>	<b>Value of Building Permits Issued</b>
2002	\$ 402,220,270	\$ 95,760,917	\$ 288,126	N/A
2001	387,295,710	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

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, 2002*

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Real Assessed Value</u>
Emcore Retirement Partners	\$ 16,668,280	4.36%
Harris Realty Company	7,171,200	1.87%
Western Reserve Company	7,159,680	1.87%
Chagrin Townhomes, Inc.	5,355,400	1.40%
Step North Equities Ltd.	3,577,600	0.94%
River Street Partners LLC	3,538,640	0.92%
Crowned Eagle Realty Management Company	2,770,320	0.72%
Frontier Land Ltd.	2,309,760	0.60%
JCF, LLC.	2,155,520	0.56%
Epsilon of Chagrin Falls, Inc.	<u>2,131,520</u>	<u>0.56%</u>
Total	<u>\$ 52,837,920</u>	<u>13.80%</u>
<i>Total Real Assessed Value</i>	<u><u>\$ 382,568,900</u></u>	

Source: Cuyahoga County Auditor.

(1) Assessed values are for the 2003 collection year.

**Chagrin Falls Exempted Village School District**  
*Principal Taxpayers*  
*Tangible Personal Property Tax*  
*December 31, 2002*

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Real Assessed Value</u>
Alcoa, Inc.	\$ 1,808,450	18.23%
Chagrin Pet and Garden Supply	346,310	3.49%
Riser Foods	210,390	2.12%
Adelphia of the Midwest, Inc.	201,020	2.03%
Revco Discount Drug	199,510	2.01%
Cuffs Clothing Co	190,310	1.92%
DeLage Landen Services LLC.	141,400	1.43%
Cleveland Plumbing Supply Co.	136,420	1.38%
American Teleradiology	135,200	1.36%
Lyon Financial Services, Inc.	122,280	1.23%
Total	<u>\$ 3,491,290</u>	<u>35.20%</u>
<i>Total Real Assessed Value</i>	<u>\$ 9,919,411</u>	

Source: Cuyahoga County Auditor.

(1) Assessed values are for the 2003 collection year.



**Chagrin Falls Exempted Village School District**  
*Principal Taxpayers*  
*Public Utilities Tax*  
*December 31, 2002*

<b>Name of Taxpayer</b>	<b>Assessed Value (1)</b>	<b>Percent of Real Assessed Value</b>
Cleveland Electric Illuminating Company	\$ 1,854,420	23.13%
Ohio Bell Telephone	969,410	12.09%
American Wireles Transmission	191,810	2.39%
Wheeling and Lake Erie Railroad	124,500	1.55%
New Par	101,370	1.26%
Total	<u>\$ 3,241,510</u>	<u>40.42%</u>
<i>Total Real Assessed Value</i>	<u>\$ 8,017,290</u>	

Source: Cuyahoga County Auditor.

(1) Assessed values are for the 2003 collection year.

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

---



---

<b>Year</b>	<b>General Fund Expenditures</b>	<b>Average Daily Student Enrollment</b>	<b>Cost Per Pupil</b>
2003	\$ 20,583,903	1,967	\$ 10,465
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

Source: School District Financial Records

**Chagrin Falls Exempted Village School District**  
*Teacher Education and Experience*  
 June 30, 2003

<b>Degree</b>	<b>Number of Teachers</b>	<b>Percentage of Total</b>
Bachelor's Degree	22	14.38%
Bachelor + 10	13	8.50%
Bachelor + 20	15	9.80%
Bachelor + 30	14	9.15%
Master's Degree	45	29.41%
Master's + 10	23	15.03%
Master's + 20	10	6.54%
Master's + 30	10	6.54%
Phd	1	0.65%
Total	153	100.00%

<b>Years of Experience</b>	<b>Number of Teachers</b>	<b>Percentage of Total</b>
0-5	71	46.41%
6-10	28	18.30%
11 and over	54	35.29%
	153	100.00%

Source: School District Personnel Records.

**This Page is Intentionally Left Blank.**

**CHAGRIN FALLS EXEMPTED VILLAGE SCHOOL DISTRICT**

**REPORT LETTER**

**JUNE 30, 2003**

**TABLE OF CONTENTS**

	<b>PAGE</b>
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....	1

**This Page is Intentionally Left Blank.**



**Auditor of State  
Betty Montgomery**

Board of Education  
Chagrin Falls Exempted Village School District  
77 East Washington Street  
Chagrin Falls, Ohio 44022

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, 2002 through June 30, 2003. 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 cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

January 9, 2004

**This Page is Intentionally Left Blank.**



# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

October 20, 2003

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, 2003, and have issued our report thereon dated October 20, 2003. 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.*

**This Page is Intentionally Left Blank.**



**Auditor of State  
Betty Montgomery**

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

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**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  
JANUARY 22, 2004**