

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

Chagrin Falls, Ohio

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 1999

**Chagrin Falls, Ohio
Exempted Village
School District**

**Comprehensive
Annual Financial Report**

For the Fiscal Year Ended June 30, 1999

Prepared by

Treasurer's Office
Stephen L. Osborne
Treasurer

INTRODUCTORY SECTION

Chagrin Falls Exempted Village School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 1999
Table of Contents

	Page
I. Introductory Section	
Table of Contents	i
Letter of Transmittal	v
List of Principal Officials	xiv
Organizational Chart	xv
GFOA Certificate of Achievement	xvi
 II. Financial Section	
Report of Independent Accountants	1
 General Purpose Financial Statements (Combined Statements--Overview)	
Combined Balance Sheet--All Fund Types and Account Groups	2
Combined Statement of Revenues, Expenditures and Changes In Fund Balances--All Governmental Fund Types and Similar Trust Fund	6
Combined Statement of Revenues, Expenditures and Changes in Fund Balances--Budget (Non-GAAP Basis) and Actual--All Governmental Fund Types and Similar Trust Fund	8
Combined Statement of Revenues, Expenses and Changes In Fund Equity--All Proprietary Fund Types	12
Combined Statement of Cash Flows--All Proprietary Fund Types	13
Combined Statement of Revenues, Expenses and Changes in Fund Equity-- Budget (Non-GAAP Basis) and Actual--All Proprietary Fund Types	15
Notes to the General Purpose Financial Statements	18
 Combining, Individual Fund and Account Group Statements and Schedules	
 <i>Governmental Funds:</i>	
 <i>General Fund:</i>	
Description of Fund	46
Schedule of Revenues, Expenditures and Changes in Fund Balance--Budget (Non-GAAP Basis) and Actual	47

Special Revenue Funds.

Description of Funds	51
Combining Balance Sheet	52
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	55
Schedule of Revenues, Expenditures and Changes in Fund Balance--Budget (Non-GAAP Basis) and Actual	
Public School Support Fund	58
Athletic/District Managed Fund	59
Professional Development Grant Fund	60
Educational Management Information Systems Fund	61
Title II Fund	62
Title VI-B Fund	63
Title VI Fund	64
Drug Free Schools Fund	65
Auxiliary Services Fund	66
Preschool Handicapped Grant Fund	67
Textbook Subsidy Fund	68
Total--All Special Revenue Funds	69

Debt Service Fund:

Description of Fund	71
-------------------------------	----

Capital Projects Funds:

Description of Funds	72
Combining Balance Sheet	73
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	74
Schedule of Revenues, Expenditures and Changes in Fund Balance--Budget (Non-GAAP Basis) and Actual	
Permanent Improvements Fund	75
SchoolNet Fund	77
Power Up Capacity Fund	78
Total--All Capital Projects Funds	79

Proprietary Funds:

Enterprise Funds:

Description of Funds	81
Combining Balance Sheet	82

Combining Statement of Revenues, Expenses and Changes in Fund Equity	83
Combining Statement of Cash Flows	84
Schedule of Revenues, Expenses and Changes in Fund Equity--Budget (Non-GAAP Basis) and Actual	
Food Service Fund	85
Uniform School Supplies Fund	86
Total--All Enterprise Funds	87

Internal Service Fund:

Description of Fund	88
-------------------------------	----

Fiduciary Funds:

Expendable Trust and Agency Funds:

Description of Funds	89
Combining Balance Sheet	90
Combining Statement of Changes in Assets and Liabilities--All Agency Funds	91

General Fixed Assets Account Group:

Description of Account Group	92
Schedule of General Fixed Assets By Function and Type	93
Schedule of Changes in General Fixed Assets By Function	94
Schedule of General Fixed Assets--By Source	95

III. Statistical Section

General Fund Expenditures by Function and Other Financing Uses-- Last Ten Fiscal Years	S1
General Fund Revenues by Source and Other Financing Sources-- Last Ten Fiscal Years	S2
Property Tax Levies and Collections--Last Seven Years	S3
Assessed and Estimated Actual Value of Taxable Property--Last Seven Years	S4
Property Tax Rates--Direct and Overlapping Governments--Last Nine Years	S5

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



Chagrin Falls Exempted Village Schools

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

RUTH ANN PLATE, Ed D
Superintendent

DAVID E. AXNER, Ed D
Asst. Superintendent

BOARD OF EDUCATION

JACK SCHRON, JR
President

TAMILYN MUNSON
Vice President

CAROL GROETZINGER
PEARCE LEARY

MELINDA SMITH

STEPHEN L. OSBORNE
Treasurer

December 7, 1999

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

We are pleased to submit to you the Chagrin Falls Exempted Village School District's Comprehensive Annual Financial Report (CAFR). This report provides full disclosure of the financial operation of the School District for the fiscal year ended June 30, 1999. This CAFR includes an audit opinion from the State Auditor and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the School District. This report will provide the taxpayers of the Chagrin Falls Exempted Village School District with comprehensive financial data in a format which will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the local villages and cities comprising the School District, the Cuyahoga and Geauga County Public Libraries, major taxpayers, financial rating services, and other interested parties.

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

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

The School District

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

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

The Reporting Entity

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

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

The Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP) is an insurance purchasing pool that the School District participates in and is described in Note 10 to the general purpose financial statements.

Major Initiatives

During the 1998-99 school year, the staff and community continued their involvement in planning for the 1999-2000 academic year. Construction continued on a new High School/Middle School, which was open in time for the start of the 1999-2000 school year. A combined High School/Middle School campus will allow for a shared curriculum to better serve the educational needs of students. The Intermediate School was refurbished in time for the start of the 1999-2000 school year. As a result of the new and refurbished buildings, the grade configuration of each building was changed. Preschool through grade three are housed in Gurney School, grades four through six are located at the Intermediate School, grades seven and eight are housed at the new Middle School, and grades nine through twelve are located at the High School.

In 1999, the Ohio Department of Education published its rating of school districts based on academic performance. Chagrin Falls Exempted Village School District was among the top six districts to meet all of the eighteen criteria used by the State. In the year 2000, the State will be using twenty-seven criteria. The School District also met all of the additional criteria in the 1998-1999 school year.

Students continue to be recognized for excellence in academic and extra-curricular activities. Nine seniors were recognized as Rotary students of the month. Students were selected to Boys State, Youth Leadership Camps and Look-Up to Cleveland. Seven students were National Merit Finalists and two students were named National Scholastic Art Award winners. Over 50% of the 1998-99 seniors tested at the honors level of math and citizenship on the State proficiency exams, and 89 of those seniors received a \$500 scholarship for their achievement on that examination. There were several accomplishments in the areas of athletics and fine arts, as well. The School District boasted fourteen All-Ohio athletes and seven academic All-Ohio athletes.

The Chagrin Falls Parent Teacher Organization (PTO), the Chagrin Falls Education Foundation, Music Lovers and the Chagrin Falls Athletic Boosters continue to be major support groups to the School District.

During the 1998-99 school year these volunteer groups provided dollars and volunteer hours to support the educational programs and enhancements. Projects included funding for playground equipment, musical instruments, field trips and assemblies for students. The Chagrin Falls Educational Foundation supported the after-school study program entitled "Program for Academic Student Success (PASS). The PASS program enabled students to receive academic tutoring and study time twice each week at the Middle School level.

Future Projects

The Capital Improvement Project is a construction-in-process to the School District. Phase I of the construction project added approximately 28,000 square feet of classroom space at Gurney Elementary School and a four-classroom addition to the Chagrin Falls High School. Phase I of the construction project was completed during the 1997-98 fiscal year, with occupancy approval received in August 1998. Phase II of the project began in July 1998 and continued through the 1998-99 fiscal year. Phase II represents the demolition of approximately 20,000 square feet of the building formerly known as Sands Elementary. The demolition enabled the construction of a new two-story Middle School building at that site. Additional construction will provide connection and shared space with the High School. The estimated cost of the Phase II construction is \$16,300,000 and represents the largest portion of the \$21,800,000 Capital Improvement Project. The Capital Improvement Project remains on time and on budget due to prudent construction and financial management.

The 1998-99 school year included growth in the areas of curriculum and staff development. The Board of Education approved the creation of the position of Curriculum Coordinator with the 1998-99 school year. The newly created administrative position will concentrate on development of curriculum growth for students and staff. The development will allow for expanded programs School District-wide and implementation of the requirements in Senate Bill 55 and House Bill 412.

Economic Outlook

The Chagrin Falls Exempted Village School District area is an affluent residential community encompassing 27.5 square miles. The School District is rich in heritage, while maintaining an "old time" atmosphere with specialty shopping. Approximately 85 percent of the area is residential and 15 percent of the area is business in valuation. Personal income levels average above \$103,000 based on the 1997 Ohio Department of Taxation records, which maintains the Chagrin Falls Exempted Village School District as fifth in the State among 611 school districts. The School District has been ranked among the top eight school districts for the past eleven years.

Property values have continued to grow within the School District since 1980. Economic conditions are strong and are projected to continue well into the year 2000. Enrollment has increased at a manageable rate to the School District. New families moving into the School District and the construction of new homes contribute to our steady growth. The 1998-99 enrollment of 1,866 students reflects a decrease of 35 students compared to the 1997-98 school year, and an increase of 374 students compared to the 1990-91 school year.

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

The funding structure of public education in Ohio is such that school districts receive very little revenue growth as a result of inflationary increases in their tax base. As a result, school districts throughout Ohio must place funding issues on the ballot to receive significant revenue growth. Chagrin Falls Exempted Village School District garners excellent levy support from its constituents. An operating levy of 4.2 mills was submitted to the voters in November, 1999, and passed with 66 percent of the vote. This levy is

expected to keep the School District in good financial condition for the next four years, provided there are no significant changes in State funding. Constituents of the School District have approved all operating levies that have been submitted to the voters, in advance of the School District experiencing financial shortcomings.

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

Financial Information

Internal Accounting and Budgetary Control

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

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

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

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

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

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

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

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

General Governmental Functions

The following schedule presents a summary of governmental funds' revenues for the fiscal years ended June 30, 1998 and 1999, and the amount and percentage of increases and decreases in relation to the prior year's revenues.

	1998	1999	Percent of	Change	Percent Change
	<u>Amount</u>	<u>Amount</u>	<u>Total</u>	<u>Change</u>	<u>Change</u>
Revenues					
Taxes	\$11,574,253	\$12,475,336	71.15%	\$901,083	7.79%
Intergovernmental	3,551,367	3,649,354	20.81	97,987	2.76
Interest	1,442,964	985,389	5.62	(457,575)	(31.71)
Tuition and Fees	86,350	16,012	0.09	(70,338)	(81.46)
Extracurricular Activities	261,959	281,422	1.61	19,463	7.43
Contributions and					
Donations	39,355	25,711	0.15	(13,644)	(34.67)
Rentals	7,303	10,029	0.06	2,726	37.33
Miscellaneous	112,244	88,707	0.51	(23,537)	(20.97)
Total Revenues	<u>\$17,075,795</u>	<u>\$17,531,960</u>	<u>100.00%</u>	<u>\$456,165</u>	

The most significant continuing revenue source is taxes. During fiscal year 1999, there was a \$901,083 increase due to the collection of the 1997 approved bond levy having a full year of collection.

Interest revenues reflect a decrease of \$457,575, as the proceeds of the 1997 bond issuance decreased significantly as payments were made on current construction projects.

Rentals increased significantly as room/building rentals increased to community groups. We expect this increase in revenue to continue, as a community room was added with the current construction project.

Miscellaneous revenues reflect a \$23,537 decrease due to a refund of Workers' Compensation Insurance. The State of Ohio refunded all Ohio employers in 1998 for part of the prior year payments. Due to sound investment practices and prudent management of funds, the Bureau returned unneeded funds to the employers. The School District directed these funds into the "budget stabilization reserve" in accordance with House Bill 412.

The following schedule presents a summary of governmental funds' expenditures for the fiscal years ended June 30, 1998 and 1999, and the amount and percentage of increases and decreases in relation to the prior year's expenditures.

	1998 Amount	1999 Amount	Percent of Total	Change	Percent Change
Expenditures:					
Current:					
Instruction:					
Regular	\$7,056,559	\$7,333,117	25.28%	\$276,558	39.20%
Special	691,861	740,261	2.55	48,400	7.00
Vocational	83,922	50,860	0.18	(33,062)	(39.40)
Support Services:					
Pupils	704,276	690,586	2.38	(13,690)	(1.94)
Instructional Staff	605,383	652,231	2.25	46,848	7.74
Board of Education	60,420	73,104	0.25	12,684	20.99
Administration	1,031,493	1,202,036	4.15	170,543	16.53
Fiscal	410,866	449,769	1.55	38,903	9.47
Business	1,250	700	0.00	(550)	(44.00)
Operation and Maintenance Of Plant	1,687,855	1,650,103	5.69	(37,752)	(2.24)
Pupil Transportation	758,032	858,975	2.96	100,943	13.32
Central	17,592	19,903	0.07	2,311	13.14
Operation of Non-					
Instructional Services	119,316	116,903	0.40	(2,413)	(2.02)
Extracurricular Activities	563,341	549,811	1.90	(13,530)	(2.40)
Capital Outlay	5,894,112	12,876,362	44.40	6,982,250	118.46
Debt Service:					
Principal Retirement	189,727	283,101	0.98	93,374	49.21
Interest and Fiscal Charges	1,472,629	1,448,710	5.00	(23,919)	(1.62)
Total Expenditures	<u>\$21,348,634</u>	<u>\$28,996,532</u>	<u>100.00%</u>	<u>\$7,647,898</u>	

Vocational Education instruction expenditures decreased by \$33,062 as a result of a decrease in the number of students that had tuition paid to other school districts for educational services. These services are provided to our students enrolled in vocational programs within the Beachwood City and Mayfield City School Districts.

Pupil Transportation expenditures increased \$100,943, as three buses were purchased in 1998-99. The School District has a vehicle replacement plan in place in which two buses are purchased/replaced each year, as finances permit.

Capital outlay expenditures increased by \$6,982,250 due to additional expenditures associated with the capital improvement project at the Middle School and High School.

Principal retirement increased by \$93,374 primarily due to the debt structure approved with the May 1997 bond issue.

General Fund Balance

The fund balance of the general fund increased from \$2,632,023 at June 30, 1998 to \$2,713,120 at June 30, 1999. The fund balance increased slightly, as expected.

Financial Highlights - Enterprise Funds

Food service and uniform school supplies are classified as enterprise operations since they resemble those activities found in private industry; management periodically desires to determine the amount of profit/loss resulting from these operations that are significantly financed from user fees. In total, the enterprise funds had a net income of \$5,786 for the fiscal year ended June 30, 1999.

Financial Highlights - Internal Service Fund

At the conclusion of fiscal year 1999, the only internal service fund carried on the financial records related to self-insurance. This fund accounts for the revenues and expenses related to the provision of medical and dental benefits to the School District employees. The internal service fund had retained earnings of \$1,618 at June 30, 1999, compared with retained earnings of \$3,160 at June 30, 1998, reflecting a net loss of (\$1,542).

Financial Highlights - Fiduciary Fund

The expendable trust fund carried on the financial records of the School District is a scholarship expendable trust fund that has assets totaling \$59,402.

General Fixed Assets

The general fixed assets of the School District are used to carry on the main education and support function of the School District and are not financial resources available for expenditure. The total general fixed assets at June 30, 1999 were \$30,568,132. Such assets are accounted for at historical cost. Depreciation is not recognized on general fixed assets.

Debt Administration

At June 30, 1999, general obligation bonds outstanding totaled \$24,840,000. During fiscal year 1999, \$255,000 of general obligation bonds were retired. As of June 30, 1999, the overall debt margin was \$6,629,942 and the unvoted debt margin was \$340,348. The School District's bond rating is AA3.

Cash Management

The Board of Education has an active cash management program which consists of expediting the receipt of revenues and prudently depositing cash which is insured by the Federal Deposit Insurance corporation as well as investing available cash in instruments issued by the United States Government. The total amount of interest earned was \$985,389 for the year ended June 30, 1999, \$273,696 being credited directly to the general fund. The program is beneficial because of access to daily balances which enables the Board of Education to maintain minimum account balances and invest to the maximum extent.

Protection of the School District's deposits is provided by the federal deposit insurance corporation as well as by qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 110 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Risk Management

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

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

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

Pension Plans

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

Independent Audit

State statutes require the School District to be subjected to an annual audit by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent auditor Jim Petro, Auditor of State, was selected to render an opinion on the School District's financial statements as of and for the year ended June 30, 1999. The opinion appears at the beginning of the financial section of this report.

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

Awards

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Chagrin Falls Exempted Village School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 1997. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

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

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

Acknowledgments

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

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

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

Respectfully,

A handwritten signature in cursive script, appearing to read "Ruth Ann Plate".

Dr. Ruth Ann Plate
Superintendent

A handwritten signature in cursive script, appearing to read "Stephen Osborne".

Mr. Stephen Osborne
Treasurer

Chagrin Falls Exempted Village School District

Principal Officials

June 30, 1999

Board of Education

Mr. Jack Schron, Jr President
Ms. Tamilyn Munson Vice President
Ms. Melinda Smith Member
Ms. Carol Groetzinger Member
Mr. Pearce Leary Member

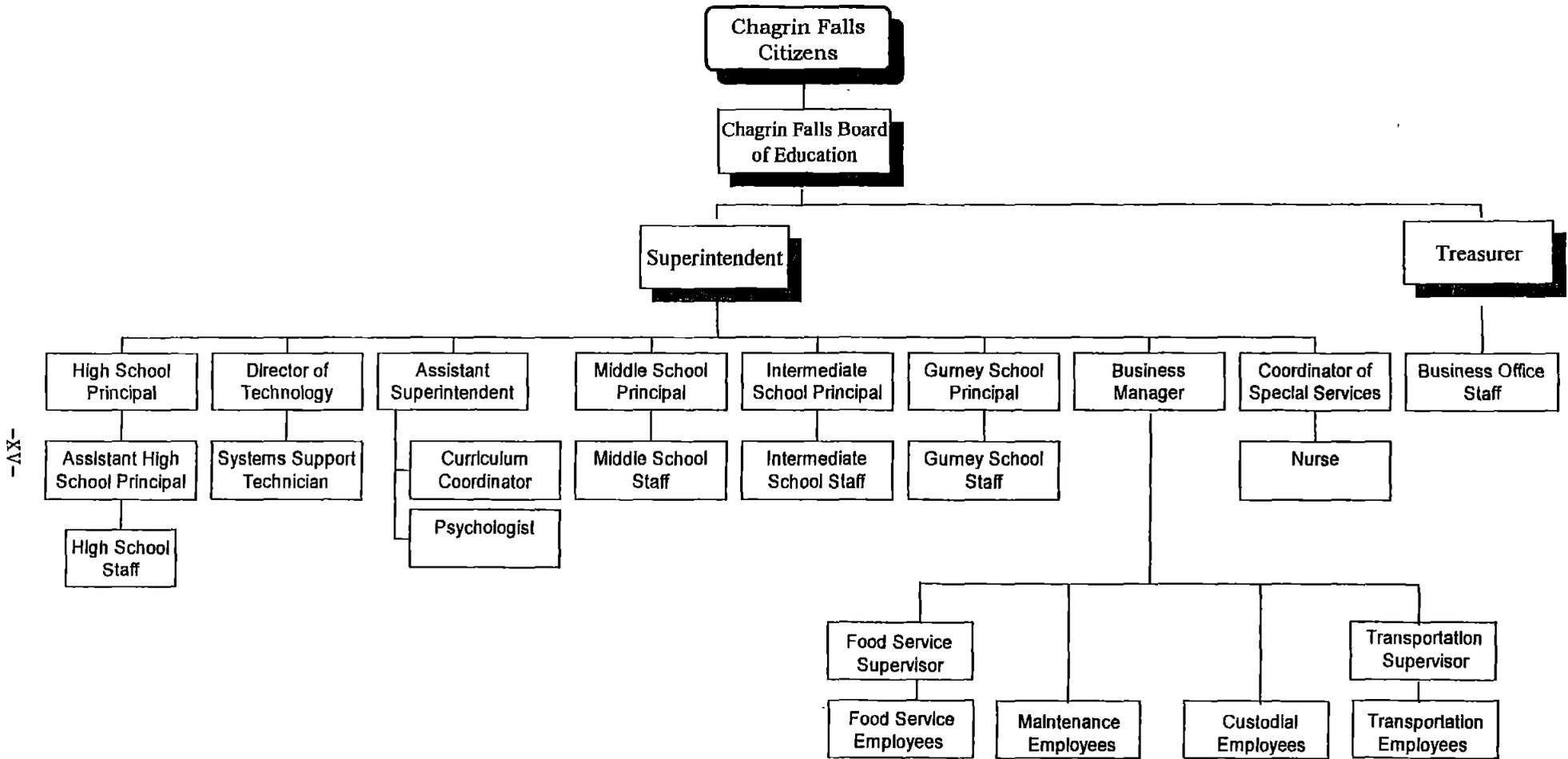
Treasurer

Mr. Stephen L. Osborne*

Administration

Dr. Ruth Ann Plate, Ed.D. Superintendent
Dr. David Axner, Ed.D. Assistant Superintendent

* Stephen L. Osborne assumed the Treasurer position on August 1, 1999. Prior to that date, Brenda Brack held the position.



-X-

[Adoption Date: November 17, 1997]

[Re-adoption Date: September 28, 1998]

CROSS REF.: CCB, Line and Employees Relations

Chagrin Falls Exempted Village School District, Chagrin Falls, OH

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Chagrin Falls,
Ohio Exempted Village
School District

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1997

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.



Douglas R. Ellsworth
President

Jeffrey L. Esser
Executive Director

**FINANCIAL
SECTION**



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Lausche Building, 12th Floor
615 Superior Avenue, NW
Cleveland, Ohio 44113

Telephone 216-787-3665
800-626-2297

Facsimile 216-787-3361

REPORT OF INDEPENDENT ACCOUNTANTS

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

We have audited the accompanying general-purpose financial statements of the Chagrin Falls Exempted Village School District, Cuyahoga County, Ohio (the "District") as of and for the year ended June 30, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

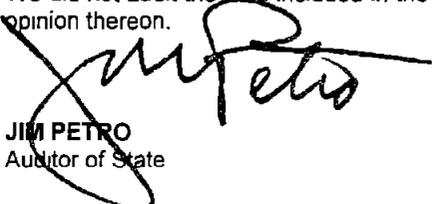
In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Chagrin Falls Exempted Village School District, Cuyahoga County, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

As described in Note 3 to the accompanying financial statements, during fiscal year 1999 the District changed its method of accounting for its deferred compensation plan.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 1999 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.

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

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


JIM PETRO
Auditor of State

December 7, 1999

Chagrin Falls Exempted Village School District
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,564,327	\$189,015	\$589,820	\$5,754,837
Cash and Cash Equivalents In Segregated Accounts	0	0	0	777,021
Receivables:				
Taxes	10,676,575	0	1,725,914	0
Accounts	754	0	0	0
Interfund Receivable	24,918	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	199,780	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	8,519	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
Other Debits				
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
Total Assets and Other Debits	\$13,474,873	\$189,015	\$2,315,734	\$6,531,858

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$47,674	\$3,881	\$113,569	\$0	\$0	\$9,263,123
0	0	0	0	0	777,021
0	0	0	0	0	12,402,489
45	0	0	0	0	799
0	0	0	0	0	24,918
0	0	0	0	0	199,780
31,741	0	0	0	0	31,741
652	0	0	0	0	9,171
108,011	0	0	30,568,132	0	30,676,143
0	0	0	0	838,631	838,631
0	0	0	0	25,186,241	25,186,241
<u>\$188,123</u>	<u>\$3,881</u>	<u>\$113,569</u>	<u>\$30,568,132</u>	<u>\$26,024,872</u>	<u>\$79,410,057</u>

(continued)

Chagrin Falls Exempted Village School District
Combined Balance Sheet
All Fund Types and Account Groups (continued)
June 30, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities, Fund Equity and Other Credits				
Liabilities				
Accounts Payable	\$84,247	\$38,311	\$0	\$39,184
Contracts Payable	0	0	0	925,460
Accrued Wages and Benefits	1,246,756	5,534	0	0
Compensated Absences Payable	21,951	0	0	0
Retainage Payable	0	0	0	843,382
Interfund Payable	0	0	0	0
Intergovernmental Payable	304,110	2,547	0	216
Deferred Revenue	9,104,689	0	1,477,103	0
Undistributed Monies	0	0	0	0
Due to Students	0	0	0	0
Claims Payable	0	0	0	0
Capital Leases Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Total Liabilities	10,761,753	46,392	1,477,103	1,808,242
Fund Equity and Other Credits				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balance				
Reserved for Property Taxes	1,400,165	0	237,474	0
Reserved for Encumbrances	190,653	39,823	0	2,507,013
Reserved for Inventory	8,519	0	0	0
Reserved for Budget Stabilization	199,780	0	0	0
Unreserved, Undesignated	914,003	102,800	601,157	2,216,603
Total Fund Equity and Other Credits	2,713,120	142,623	838,631	4,723,616
Total Liabilities, Fund Equity and Other Credits	\$13,474,873	\$189,015	\$2,315,734	\$6,531,858

See accompanying notes to the general purpose financial statements

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$558	\$0	\$1,831	\$0	\$0	\$164,131
0	0	0	0	0	925,460
15,381	0	0	0	0	1,267,671
7,032	0	0	0	1,000,307	1,029,290
0	0	0	0	0	843,382
24,918	0	0	0	0	24,918
14,038	0	783	0	118,231	439,925
2,693	0	0	0	0	10,584,485
0	0	3,375	0	0	3,375
0	0	50,792	0	0	50,792
0	2,263	0	0	0	2,263
0	0	0	0	66,334	66,334
0	0	0	0	24,840,000	24,840,000
<u>64,620</u>	<u>2,263</u>	<u>56,781</u>	<u>0</u>	<u>26,024,872</u>	<u>40,242,026</u>
0	0	0	30,568,132	0	30,568,132
98,090	0	0	0	0	98,090
25,413	1,618	0	0	0	27,031
0	0	0	0	0	1,637,639
0	0	0	0	0	2,737,489
0	0	0	0	0	8,519
0	0	0	0	0	199,780
0	0	56,788	0	0	3,891,351
<u>123,503</u>	<u>1,618</u>	<u>56,788</u>	<u>30,568,132</u>	<u>0</u>	<u>39,168,031</u>
<u>\$188,123</u>	<u>\$3,881</u>	<u>\$113,569</u>	<u>\$30,568,132</u>	<u>\$26,024,872</u>	<u>\$79,410,057</u>

Chagrin Falls Exempted Village School District
*Combined Statement of Revenues, Expenditures
and Changes in Fund Balances*
All Governmental Fund Types and Similar Trust Fund
For the Fiscal Year Ended June 30, 1999

	Governmental	
	General	Special Revenue
Revenues		
Taxes	\$10,783,859	\$0
Intergovernmental	3,109,998	238,870
Interest	273,696	1,061
Tuition and Fees	16,012	0
Extracurricular Activities	0	281,422
Contributions and Donations	0	25,711
Rentals	10,029	0
Miscellaneous	27,519	184
<i>Total Revenues</i>	<u>14,221,113</u>	<u>547,248</u>
Expenditures		
Current:		
Instruction		
Regular	7,293,985	39,132
Special	730,823	9,438
Vocational	50,860	0
Support Services:		
Pupils	523,662	166,924
Instructional Staff	604,530	47,701
Board of Education	73,104	0
Administration	1,195,752	6,284
Fiscal	449,769	0
Business	700	0
Operation and Maintenance of Plant	1,650,103	0
Pupil Transportation	858,975	0
Central	18,913	990
Operation of Non-Instructional Services	8,129	108,774
Extracurricular Activities	383,500	166,311
Capital Outlay	0	0
Debt Service:		
Principal Retirement	28,101	0
Interest and Fiscal Charges	3,673	0
<i>Total Expenditures</i>	<u>13,874,579</u>	<u>545,554</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>346,534</u>	<u>1,694</u>
Other Financing Sources (Uses)		
Sale of Fixed Assets	2,312	0
Operating Transfers In	0	20,701
Operating Transfers Out	(260,454)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(258,142)</u>	<u>20,701</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>88,392</u>	<u>22,395</u>
<i>Fund Balances Beginning of Year</i>	2,632,023	120,228
Decrease in Reserve for Inventory	(7,295)	0
<i>Fund Balances End of Year</i>	<u>\$2,713,120</u>	<u>\$142,623</u>

See accompanying notes to the general purpose financial statements

Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
Debt Service	Capital Projects	Expendable Trust	
\$1,691,477	\$0	\$0	\$12,475,336
231,890	68,596	0	3,649,354
0	710,632	0	985,389
0	0	0	16,012
0	0	0	281,422
0	0	41,750	67,461
0	0	0	10,029
0	61,004	0	88,707
<u>1,923,367</u>	<u>840,232</u>	<u>41,750</u>	<u>17,573,710</u>
0	0	0	7,333,117
0	0	0	740,261
0	0	0	50,860
0	0	21,514	712,100
0	0	0	652,231
0	0	0	73,104
0	0	0	1,202,036
0	0	0	449,769
0	0	0	700
0	0	0	1,650,103
0	0	0	858,975
0	0	0	19,903
0	0	0	116,903
0	0	0	549,811
0	12,876,362	0	12,876,362
255,000	0	0	283,101
<u>1,445,037</u>	<u>0</u>	<u>0</u>	<u>1,448,710</u>
<u>1,700,037</u>	<u>12,876,362</u>	<u>21,514</u>	<u>29,018,046</u>
<u>223,330</u>	<u>(12,036,130)</u>	<u>20,236</u>	<u>(11,444,336)</u>
0	0	0	2,312
24,500	200,000	0	245,201
0	0	0	(260,454)
<u>24,500</u>	<u>200,000</u>	<u>0</u>	<u>(12,941)</u>
247,830	(11,836,130)	20,236	(11,457,277)
590,801	16,559,746	36,552	19,939,350
0	0	0	(7,295)
<u>\$838,631</u>	<u>\$4,723,616</u>	<u>\$56,788</u>	<u>\$8,474,778</u>

Chagrin Falls Exempted Village School District
*Combined Statement of Revenues, Expenditures and
 Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
 All Governmental Fund Types and Similar Trust Fund
 For the Fiscal Year Ended June 30, 1999*

	General Fund		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
Revenues			
Taxes	\$10,556,725	\$10,556,725	\$0
Intergovernmental	3,112,698	3,112,698	0
Interest	293,200	283,351	(9,849)
Tuition and Fees	51,353	51,663	310
Extracurricular Activities	0	0	0
Contributions and Donations	0	0	0
Rentals	10,189	10,189	0
Miscellaneous	27,221	27,290	69
<i>Total Revenues</i>	<u>14,051,386</u>	<u>14,041,916</u>	<u>(9,470)</u>
Expenditures			
Current			
Instruction:			
Regular	7,367,450	7,361,357	6,093
Special	755,089	754,775	314
Vocational	65,000	50,860	14,140
Support Services			
Pupils	543,913	543,616	297
Instructional Staff	604,889	602,223	2,666
Board of Education	97,036	96,539	497
Administration	1,173,924	1,167,138	6,786
Fiscal	423,618	418,433	5,185
Business	700	700	0
Operation and Maintenance of Plant	1,726,755	1,703,304	23,451
Pupil Transportation	881,661	881,300	361
Central	18,913	18,913	0
Operation of Non-Instructional Services	8,070	8,070	0
Extracurricular Activities	395,918	395,708	210
Capital Outlay	0	0	0
Debt Services:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>14,062,936</u>	<u>14,002,936</u>	<u>60,000</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(11,550)</u>	<u>38,980</u>	<u>50,530</u>
Other Financing Sources (Uses)			
Sale of Fixed Assets	2,312	2,312	0
Advances Out	(11,338)	(11,337)	1
Operating Transfers In	0	0	0
Operating Transfers Out	(360,455)	(260,454)	100,001
<i>Total Other Financing Sources (Uses)</i>	<u>(369,481)</u>	<u>(269,479)</u>	<u>100,002</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(381,031)</u>	<u>(230,499)</u>	<u>150,532</u>
<i>Fund Balances Beginning of Year</i>	2,502,403	2,502,403	0
Prior Year Encumbrances Appropriated	212,657	212,657	0
<i>Fund Balances End of Year</i>	<u>\$2,334,029</u>	<u>\$2,484,561</u>	<u>\$150,532</u>

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$1,682,546	\$1,682,546	\$0
238,870	238,870	0	231,890	231,890	0
1,061	1,061	0	0	0	0
0	0	0	0	0	0
272,309	281,422	9,113	0	0	0
25,386	25,711	325	0	0	0
0	0	0	0	0	0
184	184	0	0	0	0
<u>537,810</u>	<u>547,248</u>	<u>9,438</u>	<u>1,914,436</u>	<u>1,914,436</u>	<u>0</u>
63,339	54,085	9,254	0	0	0
9,696	9,547	149	0	0	0
0	0	0	0	0	0
193,985	193,985	0	0	0	0
67,576	48,498	19,078	0	0	0
0	0	0	0	0	0
7,594	6,326	1,268	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
990	990	0	0	0	0
127,396	127,110	286	0	0	0
172,020	172,020	0	0	0	0
0	0	0	0	0	0
0	0	0	255,000	255,000	0
0	0	0	1,445,037	1,445,037	0
<u>642,596</u>	<u>612,561</u>	<u>30,035</u>	<u>1,700,037</u>	<u>1,700,037</u>	<u>0</u>
<u>(104,786)</u>	<u>(65,313)</u>	<u>39,473</u>	<u>214,399</u>	<u>214,399</u>	<u>0</u>
0	0	0	0	0	0
0	0	0	0	0	0
19,864	20,701	837	0	24,500	24,500
0	0	0	0	0	0
<u>19,864</u>	<u>20,701</u>	<u>837</u>	<u>0</u>	<u>24,500</u>	<u>24,500</u>
(84,922)	(44,612)	40,310	214,399	238,899	24,500
108,972	108,972	0	350,921	350,921	0
45,440	45,440	0	0	0	0
<u>\$69,490</u>	<u>\$109,800</u>	<u>\$40,310</u>	<u>\$565,320</u>	<u>\$589,820</u>	<u>\$24,500</u>

(continued)

Chagrin Falls Exempted Village School District
*Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Governmental Fund Types and Similar Trust Fund (continued)
For the Fiscal Year Ended June 30, 1999*

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$0	\$0	\$0
Intergovernmental	68,596	68,596	0
Interest	800,000	743,882	(56,118)
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Contributions and Donations	0	0	0
Rentals	0	0	0
Miscellaneous	61,005	61,004	(1)
<i>Total Revenues</i>	<u>929,601</u>	<u>873,482</u>	<u>(56,119)</u>
Expenditures			
Current			
Instruction			
Regular	57,391	54,748	2,643
Special	0	0	0
Vocational	0	0	0
Support Services:			
Pupils	0	0	0
Instructional Staff	73,341	73,300	41
Board of Education	0	0	0
Administration	100,886	100,886	0
Fiscal	4,011	4,011	0
Business	0	0	0
Operation and Maintenance of Plant	0	0	0
Pupil Transportation	0	0	0
Central	0	0	0
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	0	0	0
Capital Outlay	17,591,833	15,675,628	1,916,205
Debt Services:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>17,827,462</u>	<u>15,908,573</u>	<u>1,918,889</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(16,897,861)</u>	<u>(15,035,091)</u>	<u>1,862,770</u>
Other Financing Sources (Uses)			
Sale of Fixed Assets	0	0	0
Advances Out	0	0	0
Operating Transfers In	300,000	200,000	(100,000)
Operating Transfers Out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>300,000</u>	<u>200,000</u>	<u>(100,000)</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(16,597,861)</u>	<u>(14,835,091)</u>	<u>1,762,770</u>
<i>Fund Balances Beginning of Year</i>	3,975,421	3,975,421	0
<i>Prior Year Encumbrances Appropriated</i>	<u>13,324,823</u>	<u>13,324,823</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$702,383</u>	<u>\$2,465,153</u>	<u>\$1,762,770</u>

See accompanying notes to the general purpose financial statements

Expendable Trust Fund			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$12,239,271	\$12,239,271	\$0
0	0	0	3,652,054	3,652,054	0
0	0	0	1,094,261	1,028,294	(65,967)
0	450	450	51,353	52,113	760
0	0	0	272,309	281,422	9,113
18,800	18,800	0	44,186	44,511	325
0	0	0	10,189	10,189	0
22,500	22,500	0	110,910	110,978	68
<u>41,300</u>	<u>41,750</u>	<u>450</u>	<u>17,474,533</u>	<u>17,418,832</u>	<u>(55,701)</u>
22,500	0	22,500	7,510,680	7,470,190	40,490
0	0	0	764,785	764,322	463
0	0	0	65,000	50,860	14,140
20,400	20,400	0	758,298	758,001	297
0	0	0	745,806	724,021	21,785
0	0	0	97,036	96,539	497
0	0	0	1,282,404	1,274,350	8,054
0	0	0	427,629	422,444	5,185
0	0	0	700	700	0
0	0	0	1,726,755	1,703,304	23,451
0	0	0	881,661	881,300	361
0	0	0	19,903	19,903	0
0	0	0	135,466	135,180	286
0	0	0	567,938	567,728	210
0	0	0	17,591,833	15,675,628	1,916,205
0	0	0	255,000	255,000	0
0	0	0	1,445,037	1,445,037	0
<u>42,900</u>	<u>20,400</u>	<u>22,500</u>	<u>34,275,931</u>	<u>32,244,507</u>	<u>2,031,424</u>
<u>(1,600)</u>	<u>21,350</u>	<u>22,950</u>	<u>(16,801,398)</u>	<u>(14,825,675)</u>	<u>1,975,723</u>
0	0	0	2,312	2,312	0
0	0	0	(11,338)	(11,337)	1
0	0	0	319,864	245,201	(74,663)
0	0	0	(360,455)	(260,454)	100,001
<u>0</u>	<u>0</u>	<u>0</u>	<u>(49,617)</u>	<u>(24,278)</u>	<u>25,339</u>
(1,600)	21,350	22,950	(16,851,015)	(14,849,953)	2,001,062
35,052	35,052	0	6,972,769	6,972,769	0
<u>1,500</u>	<u>1,500</u>	<u>0</u>	<u>13,584,420</u>	<u>13,584,420</u>	<u>0</u>
<u>\$34,952</u>	<u>\$57,902</u>	<u>\$22,950</u>	<u>\$3,706,174</u>	<u>\$5,707,236</u>	<u>\$2,001,062</u>

Chagrin Falls Exempted Village School District

*Combined Statement of Revenues,
Expenses and Changes in Fund Equity
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 1999*

	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	
Operating Revenues			
Sales	\$426,502	\$0	\$426,502
Charges for Services	0	106,731	106,731
<i>Total Operating Revenues</i>	<u>426,502</u>	<u>106,731</u>	<u>533,233</u>
Operating Expenses			
Salaries	124,875	0	124,875
Fringe Benefits	36,074	0	36,074
Purchased Services	6,372	1,972	8,344
Materials and Supplies	127,382	0	127,382
Cost of Sales	157,252	0	157,252
Depreciation	2,003	0	2,003
Claims	0	121,554	121,554
<i>Total Operating Expenses</i>	<u>453,958</u>	<u>123,526</u>	<u>577,484</u>
<i>Operating Loss</i>	<u>(27,456)</u>	<u>(16,795)</u>	<u>(44,251)</u>
Non-Operating Revenues			
Operating Grants	17,353	0	17,353
Federal Donated Commodities	15,889	0	15,889
<i>Total Non-Operating Revenues</i>	<u>33,242</u>	<u>0</u>	<u>33,242</u>
<i>Income (Loss) Before Operating Transfers</i>	5,786	(16,795)	(11,009)
Operating Transfers In	0	15,253	15,253
<i>Net Income (Loss)</i>	5,786	(1,542)	4,244
<i>Retained Earnings Beginning of Year</i>	<u>19,627</u>	<u>3,160</u>	<u>22,787</u>
<i>Retained Earnings End of Year</i>	25,413	1,618	27,031
Contributed Capital Beginning and End of Year	98,090	0	98,090
<i>Total Fund Equity End of Year</i>	<u>\$123,503</u>	<u>\$1,618</u>	<u>\$125,121</u>

See accompanying notes to the general purpose financial statements

Chagrin Falls Exempted Village School District
Combined Statement of Cash Flows
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 1999

	<u>Proprietary Fund Types</u>		Totals (Memorandum Only)
	<u>Enterprise</u>	<u>Internal Service</u>	
<i>Increase (Decrease) in Cash and Cash Equivalents:</i>			
Cash Flows from Operating Activities			
Cash Received from Customers	\$426,457	\$0	\$426,457
Cash Received from Quasi-External Transactions with Other Funds	0	106,731	106,731
Cash Payments to Suppliers for Goods and Services	(273,921)	(1,972)	(275,893)
Cash Payments to Employees for Services	(124,663)	0	(124,663)
Cash Payments for Employee Benefits	(37,172)	0	(37,172)
Cash Payments for Claims	0	(124,468)	(124,468)
<i>Net Cash Used for Operating Activities</i>	<u>(9,299)</u>	<u>(19,709)</u>	<u>(29,008)</u>
Cash Flows from Noncapital Financing Activities			
Operating Grants Received	17,353	0	17,353
Operating Transfers In	0	15,253	15,253
Advances In	11,337	0	11,337
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>28,690</u>	<u>15,253</u>	<u>43,943</u>
Cash Flows from Capital and Related Financing Activities			
Payments for Capital Acquisitions	(1,975)	0	(1,975)
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	17,416	(4,456)	12,960
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>30,258</u>	<u>8,337</u>	<u>38,595</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$47,674</u>	<u>\$3,881</u>	<u>\$51,555</u>

(continued)

Chagrin Falls Exempted Village School District
Combined Statement of Cash Flows
Proprietary Fund Type (continued)
For the Fiscal Year Ended June 30, 1999

	<u>Proprietary Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:			
<i>Operating Loss</i>	(\$27,456)	(\$16,795)	(\$44,251)
<i>Adjustments</i>			
Depreciation	2,003	0	2,003
Donated Commodities Used During Year	15,889	0	15,889
(Increase) Decrease in Assets:			
Accounts Receivable	(45)	0	(45)
Inventory Held for Resale	(1,055)	0	(1,055)
Materials and Supplies Inventory	233	0	233
Increase (Decrease) in Liabilities:			
Accounts Payable	19	0	19
Accrued Wages and Benefits	(929)	0	(929)
Compensated Absences Payable	1,140	0	1,140
Intergovernmental Payable	902	0	902
Claims Payable	0	(2,914)	(2,914)
<i>Total Adjustments</i>	18,157	(2,914)	15,243
<i>Net Cash Used for Operating Activities</i>	(\$9,299)	(\$19,709)	(\$29,008)

See accompanying notes to the general purpose financial statements

Chagrin Falls Exempted Village School District
*Combined Statement of Revenues, Expenses and
Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 1999*

	Enterprise Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sales	\$425,357	\$426,457	\$1,100
Charges for Services	0	0	0
Operating Grants	17,353	17,353	0
<i>Total Revenues</i>	<u>442,710</u>	<u>443,810</u>	<u>1,100</u>
Expenses			
Salaries	124,663	124,663	0
Fringe Benefits	37,172	37,172	0
Purchased Services	6,372	6,372	0
Materials and Supplies	270,047	268,172	1,875
Claims	0	0	0
Capital Outlay	1,975	1,975	0
<i>Total Expenses</i>	<u>440,229</u>	<u>438,354</u>	<u>1,875</u>
<i>Excess of Revenues Over (Under) Expenses</i>	2,481	5,456	2,975
Advances In	10,000	11,337	1,337
Operating Transfers In	0	0	0
<i>Excess of Revenues Over (Under) Expenses Advances and Operating Transfers</i>	12,481	16,793	4,312
<i>Fund Equity Beginning of Year</i>	27,258	27,258	0
Prior Year Encumbrances Appropriated	3,000	3,000	0
<i>Fund Equity (Deficit) End of Year</i>	<u>\$42,739</u>	<u>\$47,051</u>	<u>\$4,312</u>

(continued)

Chagrin Falls Exempted Village School District
*Combined Statement of Revenues, Expenses and
Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual
All Proprietary Fund Types (continued)
For the Fiscal Year Ended June 30, 1999*

	Internal Service Fund		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
Revenues			
Sales	\$0	\$0	\$0
Charges for Services	94,551	106,731	12,180
Operating Grants	0	0	0
<i>Total Revenues</i>	<u>94,551</u>	<u>106,731</u>	<u>12,180</u>
Expenses			
Salaries	0	0	0
Fringe Benefits	0	0	0
Purchased Services	0	0	0
Materials and Supplies	1,972	1,972	0
Claims	124,469	124,468	1
Capital Outlay	0	0	0
<i>Total Expenses</i>	<u>126,441</u>	<u>126,440</u>	<u>1</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(31,890)	(19,709)	12,181
Advances In	0	0	0
Operating Transfers In	15,253	15,253	0
<i>Excess of Revenues Over (Under) Expenses Advances and Operating Transfers</i>	(16,637)	(4,456)	12,181
<i>Fund Equity Beginning of Year</i>	8,337	8,337	0
Prior Year Encumbrances Appropriated	0	0	0
<i>Fund Equity (Deficit) End of Year</i>	<u>(\$8,300)</u>	<u>\$3,881</u>	<u>\$12,181</u>

See accompanying notes to the general purpose financial statements

Totals
(Memorandum Only)

Revised Budget	Actual	Variance Favorable (Unfavorable)
\$425,357	\$426,457	\$1,100
94,551	106,731	12,180
17,353	17,353	0
<u>537,261</u>	<u>550,541</u>	<u>13,280</u>
124,663	124,663	0
37,172	37,172	0
6,372	6,372	0
272,019	270,144	1,875
124,469	124,468	1
1,975	1,975	0
<u>566,670</u>	<u>564,794</u>	<u>1,876</u>
(29,409)	(14,253)	15,156
10,000	11,337	1,337
15,253	15,253	0
(4,156)	12,337	16,493
35,595	35,595	0
3,000	3,000	0
<u>\$34,439</u>	<u>\$50,932</u>	<u>\$16,493</u>

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 1999

Note 1 - Description of the School

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

The School District operates under a locally elected five-member Board form of government. Each member is elected to a four year term. The School District provides educational services as mandated by State and/or federal agencies. The Board of Education controls the School District's four instructional support facilities staffed by 84 classified employees, 145 certified full-time teaching personnel and 11 administrators who provide services to 1,866 students and other community members.

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

Reporting Entity

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

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

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

Chagrin Falls Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 2 - Summary of Significant Accounting Policies

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

A. Basis Of Presentation - Fund Accounting

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

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

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

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

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

Special Revenue Funds Special revenue funds are established to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Fund The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term obligation principal, interest, and related costs.

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

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements For the Fiscal Year Ended June 30, 1999

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

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

Internal Service Fund This fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis.

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

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

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

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

B. Measurement Focus and Basis of Accounting

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

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

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

Chagrin Falls Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

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

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

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 1999, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2000 operations, have been recorded as deferred revenue.

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

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

C. Budgetary Data

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

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

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements For the Fiscal Year Ended June 30, 1999

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

Estimated Resources Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statement reflect the amounts in the final amended certificate issued during fiscal year 1999.

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

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

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

D. Cash and Cash Equivalents

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

Chagrin Falls Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

During fiscal year 1999, investments were limited to Bankers' Acceptances, Commercial Paper, U.S. Treasuries Bonds, Victory Federal Money Markets, and STAROhio.

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

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the state to pool their funds for investment purposes. STAROhio is not registered with SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of The Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 1999.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest. Interest revenue credited to the general fund during fiscal year 1999 amounted to \$273,696, which includes \$199,816 assigned from other School District funds.

The School District utilizes a fiscal agent to hold retainage on construction contracts. The balance in this account is presented on the combined balance sheet as "cash and cash equivalents in segregated accounts" and represents deposits or short-term investments in certificates of deposit.

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

E. Inventory

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

F. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include amounts required by statute to be set-aside by the School District to create a reserve for budget stabilization. See Note 23 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserve.

G. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 1999

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.

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

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

H. Intergovernmental Revenues

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

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

Entitlements

General Fund

- State Foundation Program
- School Bus Purchase Reimbursement

Non-Reimbursable Grants

Special Revenue Funds

- Auxiliary Services
- Education Management Information Systems
- Title II
- Title VI-B
- Drug Free Schools
- Title VI
- Preschool Handicapped Grant
- Professional Development Grant
- Textbook Subsidy

Capital Projects Fund

- School Net

Reimbursable Grants

General Fund

- Driver Education Reimbursement

Chagrin Falls Exempted Village School District

*Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999*

Proprietary Funds

National School Lunch Program
Government Donated Commodities

Grants and entitlements received in governmental funds amounted to approximately twenty-one percent of governmental fund revenue during the 1999 fiscal year.

I. Interfund

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

J. Compensated Absences

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

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

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

K. Contributed Capital

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

L. Accrued Liabilities and Long-term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, contractually required pension contributions and special termination benefits are reported as a liability

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 1999

in the general long-term obligations account group to the extent that they will not be paid with current expendable available financial resources. Payments made more than sixty days after year end are generally considered not to have been paid with current available financial resources. Capital leases and general obligation bonds are recognized as a liability of the general long-term obligations account group until due or until resources have been accumulated in the fund for payment early in the following year.

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

M. Interfund Transactions

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

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

N. Fund Balance Reserves

The School District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for property taxes, encumbrances, inventories of supplies and materials 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 the statute to protect against cyclical changes in revenues and expenditures.

O. Estimates

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

P. Memorandum Only - Totals Columns

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

Chagrin Falls Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 3 - Change in Accounting Principle

The School District has implemented GASB Statement No 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans" for its deferred compensation plan through The Ohio Public Employees Deferred Compensation Board. On September 1, 1998 The Ohio Public Employees Deferred Compensation Board created a trust for the assets of the plan for which the School District has no fiduciary responsibility. Therefore the balance of the deferred compensation plan is no longer presented as part of the School District's financial statements.

Note 4- Budgetary Basis of Accounting

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

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

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 1999

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

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

	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
GAAP Basis	\$88,392	\$22,395	\$247,830	(\$11,836,130)	\$20,236
Revenue Accruals	(179,197)	0	(8,931)	33,250	0
Expenditure Accruals	141,394	12,208	0	234,932	2,614
Advance Out	(11,337)	0	0	0	0
Encumbrances	(269,751)	(79,215)	0	(3,267,143)	(1,500)
Budget Basis	<u>(\$230,499)</u>	<u>(\$44,612)</u>	<u>\$238,899</u>	<u>(\$14,835,091)</u>	<u>\$21,350</u>

Net Income (Loss)/Excess of Revenues
Over (Under) Expenses, Advances, and Operating Transfers
All Proprietary Fund Types

	Enterprise	Internal Service
GAAP Basis	\$5,786	(\$1,542)
Revenue Accrual	(45)	0
Advance In	11,337	0
Expense Accruals	310	(2,914)
Capital Outlay	(1,975)	0
Depreciation Expense	2,003	0
Encumbrances	(623)	0
Budget Basis	<u>\$16,793</u>	<u>(\$4,456)</u>

Note 5- Accountability and Compliance

A. Fund Deficits

The educational management informational system special revenue fund had a deficit fund balance of \$30 as of June 30, 1999, which is due to adjustments for accrued liabilities. The general fund is liable for any deficit and provides operating transfers when cash is required, not when accruals occur.

Chagrin Falls Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

B. Legal Compliance

The self insurance internal service fund had total appropriations in excess of estimated resources plus carryover balances contrary to Section 5705.39, Revised Code in the amount of \$8,300.

In order to address this budgetary violation, management intends to more closely monitor the budgetary accounts.

Note 6 - Deposits and Investments

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

Chagrin Falls Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

Cash on Hand. At year end, the School District had \$4,400 in undeposited cash on hand which is included on the balance sheet of the School District as part of equity in pooled cash and cash equivalents.

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

Deposits At fiscal year-end, the carrying amount of the School District's deposits was \$424,894 and the bank balance was \$1,350,560. \$200,167 of the bank balance was covered by federal depository insurance. \$1,150,393 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institutions trust department or agent in the School District's name and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

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

Chagrin Falls Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

	Category 1	Category 2	Fair Value
Bankers' Acceptances	\$500,000	\$198,344	\$698,344
Commercial Paper		1,462,970	1,462,970
U.S. Treasuries Bonds		5,275,703	5,275,703
Victory Federal Money Markets			292,596
STAROhio			2,081,017
Total Investments	\$500,000	\$6,937,017	\$9,810,630

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

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$10,239,924	\$0
Investments which are part of a cash management pool:		
Cash on Hand	(4,400)	0
Bankers' Acceptance	(698,344)	698,344
Commercial Paper	(1,462,970)	1,462,970
U.S. Treasuries Bonds	(5,275,703)	5,275,703
Victory Federal Money Markets	(292,596)	292,596
STAROhio	(2,081,017)	2,081,017
GASB Statement 3	\$424,894	\$9,810,630

Note 7 - Property Taxes

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

Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Property tax revenue received during calendar 1999 for real and public utility property taxes represents collections of calendar 1998 taxes. Property tax payments received during calendar 1999 for tangible personal property (other than public utility property) is for calendar 1999 taxes.

1999 real property taxes are levied after April 1, 1999, on the assessed value listed as of January 1, 1999, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Chagrin Falls Exempted Village School District

*Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999*

Public utility tangible personal property currently is assessed at varying percentages of true value: public utility real property is assessed at thirty-five percent of true value. 1999 public utility property taxes became a lien December 31, 1998, are levied after April 1, 1999, and are collected in 2000 with real property taxes.

1999 tangible personal property taxes are levied after April 1, 1999, on the value as of December 31, 1998. Collections are made in 1999. Tangible personal property assessments are twenty-five percent of true value.

The assessed values upon which the fiscal year 1999 taxes were collected are:

	1998 Second-Half Collections		1999 First-Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$317,890,080	94.60%	\$322,021,960	94.62%
Public Utility Personal	9,112,050	2.71	8,789,110	2.58
Tangible Personal Property	9,021,757	2.69	9,536,826	2.80
	<u>\$336,023,887</u>	<u>100.00%</u>	<u>\$340,347,896</u>	<u>100%</u>
Tax Rate per \$1,000 of assessed valuation:	\$88.90		\$88.00	

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

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The School District receives property taxes from Cuyahoga and Geauga County. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 1999, are available to finance fiscal year 1999 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

The County Treasurers collect property taxes on behalf of all taxing districts in the county, including Chagrin Falls Exempted Village School District. The County Auditors periodically remit to the School District its portion of taxes. Accrued property taxes receivable represent delinquent taxes outstanding, real property, personal property and public utility taxes which became measurable as of June 30, 1999 and a delayed personal property settlement usually made in June. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 and the delayed settlement is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 1999, was \$1,637,639; \$1,400,165 was available to the general fund and \$237,474 was available to the debt service fund.

Chagrin Falls Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 8 - Receivables

Receivables at June 30, 1999, consisted of taxes and accounts (rent and student fees). All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds.

Note 9 - Jointly Governed Organizations

A. Lake Geauga Computer Association

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

B. Ohio Schools Council

The Ohio Schools Council Association (Council) is a jointly governed organization among eighty-two school districts. This jointly governed organization was formed to bring quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual 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 representation on the Board. In fiscal year 1999, the School District paid \$700 to the Council. Financial information can be obtained by contacting Joseph Lesak, Executive Secretary at the Ohio Schools Council at 155 Center Road, Bedford, Ohio 44146.

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

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

Note 10 - Insurance Purchasing Pool

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP's business affairs are conducted by a three member Board

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

of directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Note 11 - Fixed Assets

A summary of the enterprise funds' fixed assets at June 30, 1999, follows:

	Totals
Furniture and Equipment	\$246,208
Less accumulated depreciation	(138,197)
Net Fixed Assets	\$108,011

A summary of the changes in general fixed assets during fiscal year 1999 follows:

	Balance 6/30/98	Additions	Deletions	Balance 6/30/99
Land	\$1,386,635	\$0	\$0	\$1,386,635
Buildings	5,201,916	17,395,412	0	22,597,328
Improvements other than Buildings	1,308,372	267,430	0	1,575,802
Furniture and Equipment	3,354,439	372,336	(42,676)	3,684,099
Vehicles	1,196,637	133,477	(5,846)	1,324,268
Construction in Progress	4,776,418	0	(4,776,418)	0
Total	\$17,224,417	\$18,168,655	(\$4,824,940)	\$30,568,132

General fixed asset additions primarily relate to the construction of a new Middle School and the refurbishing of the Intermediate School.

Note 12 - Risk Management

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 1999, the School District contracted with Crum and Forester Insurance for property and Wausau Insurance for general and excess liability insurance. Travelers Insurance covers boiler and machinery. There is a \$1,000 deductible with all companies. Crum and Forester Insurance covers inland marine, audio/visual equipment and musical instruments, with a \$250 deductible. Great American Insurance covers builders risk insurance in the amount of \$3,407,000.

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 1999

Professional liability is protected by Wausau Insurance with a \$2,000,000 single occurrence, \$5,000,000 aggregate. Vehicles are covered by Nationwide Insurance and have a \$50 deductible for comprehensive and a \$250 deductible for collision. Automobile liability and vehicle liability both have a \$2,000,000 combined single limit of liability.

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

During fiscal year 1999, the School District participated in a self-insurance program for prescription drug insurance. PCS Health Systems of Worthington, Ohio, the third-party administrator of the program, reviews and pays claims. The prescription drug plan utilizes a \$10/\$5 deductible per prescription. The School District pays \$56.07 for family coverage and \$22.44 for single coverage per month which represents 70 percent of the premium required for family coverage and 100 percent of the premium required for single coverage.

The claims liability of \$2,263 reported in the internal service fund at June 30, 1999, is based on an estimate provided by the third party administrator and the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

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

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
1998	\$0	\$94,510	\$89,333	\$5,177
1999	5,177	121,554	124,468	2,263

B. Workers' Compensation

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 10). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

Chagrin Falls Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 13 - Other Employee Benefits

A. Life/Health Insurance

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Medical Life Insurance Company sponsored by Medical Mutual of Ohio, in the amount of \$50,000 for all certified and union exempt employees, all administrators, the treasurer and the superintendent, and \$30,000 for non-certified employees.

The School District has elected to provide employee medical and surgical through United Health Care. These plans provide medical/surgical plans with deductibles ranging from zero to \$200 single and zero to \$400 family. For certified employees, the School District pays \$259.10 for family coverage and \$151.27 for single coverage per month which represents 66 percent of the premium required for family coverage and 100 percent of the premium required for single coverage. For classified employees, the School District pays \$332.39 for family coverage and \$136.14 for single coverage per month which represents 85 percent of the premium required for family coverage and 90 percent of the premium required for single coverage. Dental coverage is through Met Life and are subject to certain deductibles, co-pays and maximum benefits as outlined in the plan. Per negotiated agreement, the premium is paid based on full time equivalency. If an employee is not full time, the School District pays a pro-rated share of the premium for both single and family coverage. All employees are offered a wellness program by the School District. This program provides preventive medical treatments and is entirely covered by the School District.

B. Compensated Absences

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

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

Note 14 - Defined Benefit Pension Plans

A. School Employees Retirement System

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

Chagrin Falls Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

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 1999, 7.7 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 1998, 9.02 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$183,894, \$200,656 and \$210,763, respectively; 46.27 percent has been contributed for fiscal year 1999 and 100 percent for fiscal years 1998 and 1997. \$98,815 representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds and the general long-term obligations account group.

B. State Teachers Retirement System

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371.

For the fiscal year ended June 30, 1999, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. For fiscal year 1998, the portion used to fund pension obligations was 10.5 percent. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$438,786, \$720,700 and \$788,709, respectively; 81.61 percent has been contributed for fiscal year 1999 and 100 percent for fiscal years 1998 and 1997. \$80,715 represents the unpaid contribution for fiscal year 1999 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 Retirements system have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 1999, four members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

Chagrin Falls Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 15 - Postemployment Benefits

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

All STRS benefit recipients and sponsored 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 the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 1999, the STRS Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund, an increase from 3.5 percent for fiscal year 1998. For the School District, this amount equaled \$585,048 for fiscal year 1999.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 1998, (the latest information available) the balance in the Fund was \$2.156 million. For the year ended June 30, 1998, net health care costs paid by STRS were \$219,224,000 and STRS had 91,999 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 1999, employer contributions to fund health care benefits were 6.30 percent of covered payroll, an increase from 4.98 percent for fiscal year 1998. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 1999, the minimum pay was established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 1999 fiscal year equaled \$164,058.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 125 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 1998 (the latest information available), were \$111,900,575 and the target level was \$139.9 million. At June 30, 1998, SERS had net assets available for payment of health care benefits of \$160.3 million. SERS has approximately 50,000 participants currently receiving health care benefits.

Chagrin Falls Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 16 - Long Term Debt

Changes in long-term obligations of the School District during fiscal year 1999 were as follows:

	Principal Outstanding 6/30/98	Additions	Deductions	Principal Outstanding 6/30/99
General Long-Term Obligations				
General Obligation Bonds:				
Additions/Facilities 7.50%	\$3,295,000	\$0	(\$155,000)	\$3,140,000
Renovations 5.37%	2,500,000	0	(100,000)	2,400,000
Renovations 5.39%	19,300,000	0	0	19,300,000
Total General Obligation Bonds	25,095,000	0	(255,000)	24,840,000
Compensated Absences	968,224	54,034	(21,951)	1,000,307
Pension Obligation	113,471	118,231	(113,471)	118,231
Capital Leases	94,435	0	(28,101)	66,334
<i>General Long-Term Obligations</i>	<u>\$26,271,130</u>	<u>\$172,265</u>	<u>(\$418,523)</u>	<u>\$26,024,872</u>

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

The School District's overall legal debt margin was \$6,629,942 at June 30, 1999. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 1999 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2000	\$390,000	\$1,389,776	\$1,779,776
2001	675,000	1,359,698	2,034,698
2002	710,000	1,321,615	2,031,615
2003	755,000	1,281,416	2,036,416
2004	795,000	1,238,606	2,033,606
2005-2009	4,810,000	5,332,505	10,142,505
2010-2014	5,175,000	3,768,784	8,943,784
2015-2019	5,730,000	2,368,491	8,098,491
2020-2024	5,800,000	645,057	6,445,057
Total	<u>\$24,840,000</u>	<u>\$18,705,948</u>	<u>\$43,545,948</u>

Chagrin Falls Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 17 - Capitalized Leases

Capital lease obligations recorded in the general long-term obligations account group relate to copier equipment and a vehicle which are leased under long-term agreements. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standard No. 13 "Accounting for Leases". Capital lease payments in the governmental funds have been reclassified and are reflected as debt service in the general purpose financial statements for various governmental funds. 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, 1999.

<u>Year</u>	<u>Amount</u>
2000	27,178
2001	24,430
2002	23,478
Total Minimum Lease Payments	75,086
Less: Amount Representing Interest	(8,752)
Present Value of minimum lease payments	<u>\$66,334</u>

The assets being acquired have been capitalized in the general fixed assets account group in the amount of \$259,970, which is the present value of the minimum lease payments at the inception of each lease.

Note 18 - Interfund Transactions

Interfund balances at June 30, 1999, consist of the following individual fund receivables and payables:

<u>Fund Type/Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$24,918	\$0
Enterprise Funds		
Uniform School Supplies	0	24,918
Total	<u>\$24,918</u>	<u>\$24,918</u>

Chagrin Falls Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 19 - State School Funding Decision

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the Ohio General Assembly to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 1999, the School District received \$1,624,998 of school foundation support for its general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the Ohio General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. At this time, the Ohio Supreme Court has not rendered an opinion on this issue. The decision of the Court of Common Pleas in Perry County has been stayed by the Ohio Supreme Court, and, as such, school districts are still operating under the laws that the Common Pleas Court declared unconstitutional.

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

Note 20 - Segment Information for Enterprise Funds

The School District maintains two enterprise funds to account for the operations of food service and uniform school supplies. The table below reflects in a summarized format the more significant financial data relating to the Enterprise Funds of the Chagrin Falls Exempted Village School District as of and for the fiscal year ended June 30, 1999.

	Food Service	Uniform School Supplies	Totals
Operating Revenues	\$390,702	\$35,800	\$426,502
Depreciation	2,003	0	2,003
Operating Loss	(17,765)	(9,691)	(27,456)
Donated Commodities	15,889	0	15,889
Operating Grants	17,353	0	17,353
Net Income (Loss)	15,477	(9,691)	5,786
Fixed Asset Additions	1,975	0	1,975
Net Working Capital	19,732	2,792	22,524
Total Assets	159,855	28,268	188,123
Total Equity	120,711	2,792	123,503
Encumbrances at June 30, 1999	0	623	623

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 1999

Note 21 - Contingencies

A. Grants

The School District receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 1999.

B. Litigation

The Chagrin Falls Exempted Village School District is not a party to legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending projects.

Note 22 – Contractual Commitments

The Chagrin Falls Exempted Village School District had the following significant contractual commitments outstanding at June 30, 1999:

<u>Project</u>	<u>Contractor</u>	<u>Amount Outstanding</u>
Site Improvement	Martin Enterprises	\$126,309
Paving/Asphalt	Karvo Paving	365,855
Masonry	Foti Construction	131,144
Roofing	Warren Roofing	63,500
Carpentry Trades	Marous Brothers Construction	385,802
Interior Finished	Acme-Arsena Company	87,278
Flooring	Shaw Contract Flooring	181,298
Painting	Frank Novak & Sons	98,027
Plumbing	Miller Plumbing	83,104
HVAC	Kaplan Mechanical	211,863
Food Service Equipment	Quality Restaurant	85,316
Electrical	Bay Harbour Electric	61,738
Architect	Burgess and Niple, LTD	22,347
Construction Manager	Albert M. Higley Co.	363,263
Total Contractual Commitments		<u>\$2,266,844</u>

Chagrin Falls Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 23 - Set asides

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

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

	Textbooks	Capital Improvements	Budget Reserve
Set-aside balance carried forward July 1, 1998	\$0	\$0	\$84,673
Current year set-aside requirement	230,214	230,214	115,107
Qualifying expenditures	(359,826)	(885,967)	0
Total	(\$129,612)	(\$655,753)	\$199,780
Cash Balance Carried Forward to FY 2000	\$0	\$0	\$199,780

Although the School District had qualifying disbursements during the year that reduced the set-aside amounts below zero, the extra amounts may not be used to reduce the set-aside requirements of future years. Negative amounts are therefore not presented as being carried forward to the next fiscal year.

Note 24 - Year 2000 Issue

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the government's operations.

Chagrin Falls Exempted Village School District has completed an inventory of computer systems and other equipment necessary to conducting School District operations and has identified such systems as being financial reporting, payroll and grant reporting.

The Lake Geauga Educational Computer Association State Software Development Team has indicated that:

“The payroll processing software supported with OCEN State Software is compliant with the Year 2000.

“The accounting software is supported with OCEN State Software is compliant with the Year 2000.

“The education management information system software supported with the OCEN State Software is compliant with the Year 2000.

Chagrin Falls Exempted Village School District

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 1999

Property tax billing, collection and remittance for the School District is handled by Cuyahoga and Geauga Counties. The Counties are responsible for remediating these systems.

The Cleveland Electric Illuminating Company (CEI) provides the electricity to the School District. The School District has not obtained assurances from CEI regarding remediating this system. CEI is responsible for remediating this system.

The Village of Chagrin Falls and Geauga County Water Resources provide water, sewer and sanitation services to the School District, and East Ohio Gas (EOG) provides gas service. The Village, Geauga County Water Resource and EOG are responsible for remediating these systems.

Various companies provide telecommunications, security and heating services to the School District. These companies are responsible for remediating these systems.

Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the School District is or will be year 2000 ready, that the School District's remediation efforts will be successful in whole or part, or that parties with whom the School District does business will be year 2000 ready.

Note 25 - Subsequent Event

On November 2, 1999, the School District passed a 4.2 mill continuing operating levy which will generate approximately \$1,460,000, on a calendar year basis.

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

1
General Fund

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

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$10,556,725	\$10,556,725	\$0
Intergovernmental	3,112,698	3,112,698	0
Interest	293,200	283,351	(9,849)
Tuition and Fees	51,353	51,663	310
Rentals	10,189	10,189	0
Miscellaneous	27,221	27,290	69
<i>Total Revenues</i>	<u>14,051,386</u>	<u>14,041,916</u>	<u>(9,470)</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	5,622,932	5,617,317	5,615
Fringe Benefits	1,208,964	1,208,841	123
Purchased Services	71,833	71,815	18
Materials and Supplies	319,605	319,268	337
Capital Outlay - New	132,746	132,746	0
Capital Outlay - Replacement	7,308	7,308	0
Other	4,062	4,062	0
Total Regular	<u>7,367,450</u>	<u>7,361,357</u>	<u>6,093</u>
Special:			
Salaries and Wages	456,828	456,824	4
Fringe Benefits	109,401	109,257	144
Purchased Services	184,602	184,599	3
Materials and Supplies	2,374	2,211	163
Capital Outlay - New	1,884	1,884	0
Total Special	<u>755,089</u>	<u>754,775</u>	<u>314</u>
Vocational:			
Purchased Services	65,000	50,860	14,140
Total Instruction	<u>\$8,187,539</u>	<u>\$8,166,992</u>	<u>\$20,547</u>

(continued)

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Support Services:			
Pupils:			
Salaries and Wages	\$366,330	\$366,320	\$10
Fringe Benefits	77,226	77,210	16
Purchased Services	59,580	59,514	66
Materials and Supplies	7,317	7,317	0
Capital Outlay - New	16,508	16,303	205
Capital Outlay - Replacement	16,952	16,952	0
Total Pupils	543,913	543,616	297
Instructional Staff:			
Salaries and Wages	432,355	432,229	126
Fringe Benefits	106,015	104,693	1,322
Purchased Services	27,885	27,755	130
Materials and Supplies	38,168	37,546	622
Capital Outlay - New	466	0	466
Total Instructional Staff	604,889	602,223	2,666
Board of Education:			
Salaries and Wages	6,215	6,215	0
Fringe Benefits	3,920	3,590	330
Purchased Services	66,045	66,004	41
Materials and Supplies	6,976	6,969	7
Other	13,880	13,761	119
Total Board of Education	97,036	96,539	497
Administration:			
Salaries and Wages	741,828	741,682	146
Fringe Benefits	249,117	249,098	19
Purchased Services	131,796	126,577	5,219
Materials and Supplies	26,687	25,286	1,401
Capital Outlay - New	21,593	21,592	1
Capital Outlay - Replacement	2,575	2,575	0
Other	328	328	0
Total Administration	\$1,173,924	\$1,167,138	\$6,786

(continued)

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Fiscal:			
Salaries and Wages	\$164,760	\$164,674	\$86
Fringe Benefits	50,937	50,929	8
Purchased Services	29,420	29,286	134
Materials and Supplies	2,970	2,942	28
Other	175,531	170,602	4,929
Total Fiscal	423,618	418,433	5,185
Business:			
Purchased Services	700	700	0
Operation and Maintenance of Plant:			
Salaries and Wages	761,746	761,704	42
Fringe Benefits	210,823	210,818	5
Purchased Services	619,007	595,715	23,292
Materials and Supplies	83,637	83,525	112
Capital Outlay - New	21,034	21,034	0
Capital Outlay - Replacement	30,508	30,508	0
Total Operation and Maintenance of Plant	1,726,755	1,703,304	23,451
Pupil Transportation:			
Salaries and Wages	525,512	525,496	16
Fringe Benefits	122,024	122,014	10
Purchased Services	38,112	37,784	328
Materials and Supplies	62,295	62,288	7
Capital Outlay - New	78,118	78,118	0
Capital Outlay - Replacement	55,600	55,600	0
Total Pupil Transportation	881,661	881,300	361
Central:			
Purchased Services	18,913	18,913	0
Total Support Services	\$5,471,409	\$5,432,166	\$39,243

(continued)

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operation of Non-Instructional Services:			
Salaries and Wages	\$6,956	\$6,956	\$0
Fringe Benefits	1,114	1,114	0
Total Operation of Non-Instructional Services	8,070	8,070	0
Extracurricular Activities:			
Salaries and Wages	326,373	326,371	2
Fringe Benefits	50,880	50,875	5
Purchased Services	7,500	7,297	203
Materials and Supplies	11,165	11,165	0
Total Extracurricular Activities	395,918	395,708	210
<i>Total Expenditures</i>	<i>14,062,936</i>	<i>14,002,936</i>	<i>60,000</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(11,550)</i>	<i>38,980</i>	<i>50,530</i>
Other Financing Sources (Uses)			
Sale of Fixed Assets	2,312	2,312	0
Advances Out	(11,338)	(11,337)	1
Operating Transfers Out	(360,455)	(260,454)	100,001
<i>Total Other Financing Sources (Uses)</i>	<i>(369,481)</i>	<i>(269,479)</i>	<i>100,002</i>
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	<i>(381,031)</i>	<i>(230,499)</i>	<i>150,532</i>
<i>Fund Balance Beginning of Year</i>	<i>2,502,403</i>	<i>2,502,403</i>	<i>0</i>
Prior Year Encumbrances Appropriated	212,657	212,657	0
<i>Fund Balance End of Year</i>	<i>\$2,334,029</i>	<i>\$2,484,561</i>	<i>\$150,532</i>

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

Chagrin Falls Exempted Village School District

Combining Balance Sheet

All Special Revenue Funds

June 30, 1999

	<u>Public School Support</u>	<u>Athletic/ District Managed</u>	<u>Professional Development Grant</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	<u>\$33,930</u>	<u>\$61,443</u>	<u>\$7,411</u>
Liabilities			
Accounts Payable	\$3,364	\$2,384	\$0
Accrued Wages and Benefits	0	0	0
Intergovernmental Payable	<u>29</u>	<u>30</u>	<u>1,077</u>
<i>Total Liabilities</i>	<u>3,393</u>	<u>2,414</u>	<u>1,077</u>
Fund Equity			
Fund Balance:			
Reserved for Encumbrances	5,043	4,830	0
Unreserved, Undesignated (Deficit)	<u>25,494</u>	<u>54,199</u>	<u>6,334</u>
<i>Total Fund Equity (Deficit)</i>	<u>30,537</u>	<u>59,029</u>	<u>6,334</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$33,930</u>	<u>\$61,443</u>	<u>\$7,411</u>

<u>Educational Management - Information Systems</u>	<u>Title II</u>	<u>Title VI-B</u>	<u>Title VI</u>	<u>Drug Free Schools</u>	<u>Auxiliary Services</u>
<u>\$0</u>	<u>\$1,899</u>	<u>\$13,281</u>	<u>\$10,755</u>	<u>\$200</u>	<u>\$23,959</u>
\$0	\$0	\$0	\$5,271	\$0	\$7,840
0	0	5,534	0	0	0
<u>30</u>	<u>0</u>	<u>1,337</u>	<u>0</u>	<u>0</u>	<u>44</u>
<u>30</u>	<u>0</u>	<u>6,871</u>	<u>5,271</u>	<u>0</u>	<u>7,884</u>
0	0	0	4	200	16,104
<u>(30)</u>	<u>1,899</u>	<u>6,410</u>	<u>5,480</u>	<u>0</u>	<u>(29)</u>
<u>(30)</u>	<u>1,899</u>	<u>6,410</u>	<u>5,484</u>	<u>200</u>	<u>16,075</u>
<u>\$0</u>	<u>\$1,899</u>	<u>\$13,281</u>	<u>\$10,755</u>	<u>\$200</u>	<u>\$23,959</u>

(continued)

Chagrin Falls Exempted Village School District
Combining Balance Sheet
All Special Revenue Funds (Continued)
June 30, 1999

	<u>Preschool Handicapped Grant</u>	<u>Textbook Subsidy</u>	<u>Totals</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$149	\$35,988	\$189,015
Liabilities			
Accounts Payable	\$0	\$19,452	\$38,311
Accrued Wages and Benefits	0	0	5,534
Intergovernmental Payable	0	0	2,547
<i>Total Liabilities</i>	<u>0</u>	<u>19,452</u>	<u>46,392</u>
Fund Equity			
Fund Balance:			
Reserved for Encumbrances	0	13,642	39,823
Unreserved, Undesignated (Deficit)	149	2,894	102,800
<i>Total Fund Equity (Deficit)</i>	<u>149</u>	<u>16,536</u>	<u>142,623</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$149</u>	<u>\$35,988</u>	<u>\$189,015</u>

Chagrin Falls Exempted Village School District

*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds
For the Fiscal Year Ended June 30, 1999*

	<u>Public School Support</u>	<u>Athletic/ District Managed</u>	<u>Professional Development Grant</u>
Revenues			
Intergovernmental	\$0	\$0	\$9,965
Interest	0	0	0
Extracurricular Activities	153,096	128,326	0
Contributions and Donations	0	25,711	0
Miscellaneous	0	184	0
<i>Total Revenues</i>	<u>153,096</u>	<u>154,221</u>	<u>9,965</u>
Expenditures			
Current:			
Instruction:			
Regular	0	0	0
Special	0	0	0
Support Services:			
Pupils	152,877	0	0
Instructional Staff	0	0	11,558
Administration	0	0	0
Central	0	0	0
Operation of Non-Instructional Services	0	0	785
Extracurricular Activities	0	166,311	0
<i>Total Expenditures</i>	<u>152,877</u>	<u>166,311</u>	<u>12,343</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	219	(12,090)	(2,378)
Other Financing Sources			
Operating Transfers In	0	20,701	0
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	219	8,611	(2,378)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>30,318</u>	<u>50,418</u>	<u>8,712</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$30,537</u></u>	<u><u>\$59,029</u></u>	<u><u>\$6,334</u></u>

(continued)

Chagrin Falls Exempted Village School District*Combining Statement of Revenues, Expenditures**and Changes in Fund Balances**All Special Revenue Funds (continued)**For the Fiscal Year Ended June 30, 1999*

	Educational Management Information Systems	Title II	Title VI-B
Revenues			
Intergovernmental	\$5,260	\$4,599	\$64,640
Interest	0	0	0
Extracurricular Activities	0	0	0
Contributions and Donations	0	0	0
Miscellaneous	0	0	0
<i>Total Revenues</i>	<u>5,260</u>	<u>4,599</u>	<u>64,640</u>
Expenditures			
Current:			
Instruction:			
Regular	0	2,700	0
Special	0	0	1,268
Support Services:			
Pupils	0	0	4,825
Instructional Staff	0	112	35,074
Administration	5,100	0	1,184
Central	990	0	0
Operation of Non-Instructional Services	0	0	11,233
Extracurricular Activities	0	0	0
<i>Total Expenditures</i>	<u>6,090</u>	<u>2,812</u>	<u>53,584</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(830)	1,787	11,056
Other Financing Sources			
Operating Transfers In	0	0	0
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	(830)	1,787	11,056
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>800</u>	<u>112</u>	<u>(4,646)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$30)</u></u>	<u><u>\$1,899</u></u>	<u><u>\$6,410</u></u>

<u>Title VI</u>	<u>Drug Free Schools</u>	<u>Auxiliary Services</u>	<u>Preschool Handicapped Grant</u>	<u>Textbook Subsidy</u>	<u>Totals</u>
\$8,037	\$9,670	\$99,209	\$8,619	\$28,871	\$238,870
0	0	1,061	0	0	1,061
0	0	0	0	0	281,422
0	0	0	0	0	25,711
0	0	0	0	0	184
<u>8,037</u>	<u>9,670</u>	<u>100,270</u>	<u>8,619</u>	<u>28,871</u>	<u>547,248</u>
8,652	300	0	0	27,480	39,132
0	0	0	8,170	0	9,438
0	9,170	0	52	0	166,924
957	0	0	0	0	47,701
0	0	0	0	0	6,284
0	0	0	0	0	990
1,632	0	94,630	494	0	108,774
0	0	0	0	0	166,311
<u>11,241</u>	<u>9,470</u>	<u>94,630</u>	<u>8,716</u>	<u>27,480</u>	<u>545,554</u>
(3,204)	200	5,640	(97)	1,391	1,694
0	0	0	0	0	20,701
(3,204)	200	5,640	(97)	1,391	22,395
<u>8,688</u>	<u>0</u>	<u>10,435</u>	<u>246</u>	<u>15,145</u>	<u>120,228</u>
<u>\$5,484</u>	<u>\$200</u>	<u>\$16,075</u>	<u>\$149</u>	<u>16,536</u>	<u>\$142,623</u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Extracurricular Activities	<u>\$153,096</u>	<u>\$153,096</u>	<u>\$0</u>
Expenditures			
Current:			
Support Services:			
Pupils:			
Salaries and Wages	7,250	7,250	0
Fringe Benefits	1,107	1,107	0
Purchased Services	145,333	145,333	0
Materials and Supplies	24,547	24,547	0
Capital Outlay - New	579	579	0
Other	<u>1,146</u>	<u>1,146</u>	<u>0</u>
<i>Total Expenditures</i>	<u>179,962</u>	<u>179,962</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(26,866)	(26,866)	0
<i>Fund Balance Beginning of Year</i>	29,226	29,226	0
Prior Year Encumbrances Appropriated	<u>23,162</u>	<u>23,162</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$25,522</u></u>	<u><u>\$25,522</u></u>	<u><u>\$0</u></u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Athletic/District Managed Fund
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Extracurricular Activities	\$119,213	\$128,326	\$9,113
Contributions and Donations	25,386	25,711	325
Miscellaneous	184	184	0
<i>Total Revenues</i>	<u>144,783</u>	<u>154,221</u>	<u>9,438</u>
Expenditures			
Current:			
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Salaries and Wages	500	500	0
Purchased Services	10,122	10,122	0
Materials and Supplies	9,957	9,957	0
Total Academic and Subject Oriented Activities	<u>20,579</u>	<u>20,579</u>	<u>0</u>
Sports Oriented Activities:			
Salaries and Wages	5,125	5,125	0
Fringe Benefits	751	751	0
Purchased Services	70,100	70,100	0
Materials and Supplies	55,250	55,250	0
Capital Outlay - New	9,479	9,479	0
Total Sports Oriented Activities	<u>140,705</u>	<u>140,705</u>	<u>0</u>
School and Public Service Co-Curricular Activities			
Materials and Supplies	10,736	10,736	0
<i>Total Expenditures</i>	<u>172,020</u>	<u>172,020</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(27,237)	(17,799)	9,438
Other Financing Sources			
Operating Transfers In	19,864	20,701	837
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	(7,373)	2,902	10,275
<i>Fund Balance Beginning of Year</i>	47,531	47,531	0
Prior Year Encumbrances Appropriated	3,796	3,796	0
<i>Fund Balance End of Year</i>	<u>\$43,954</u>	<u>\$54,229</u>	<u>\$10,275</u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Professional Development Grant Fund
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$9,965</u>	<u>\$9,965</u>	<u>\$0</u>
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	6,212	6,212	0
Fringe Benefits	896	896	0
Purchased Services	7,431	3,288	4,143
Materials and Supplies	<u>3,770</u>	<u>1,578</u>	<u>2,192</u>
Total Instructional Staff	18,309	11,974	6,335
Non-Instructional Services:			
Other	<u>785</u>	<u>785</u>	<u>0</u>
<i>Total Expenditures</i>	<u>19,094</u>	<u>12,759</u>	<u>6,335</u>
<i>Excess of Revenues Under Expenditures</i>	(9,129)	(2,794)	6,335
<i>Fund Balance Beginning of Year</i>	9,075	9,075	0
Prior Year Encumbrances Appropriated	<u>54</u>	<u>54</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$6,335</u></u>	<u><u>\$6,335</u></u>

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Educational Management Information Systems Fund
For the Fiscal Year Ended June 30, 1999*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$5,260</u>	<u>\$5,260</u>	<u>\$0</u>
Expenditures			
Current:			
Support Services:			
Administration:			
Salaries and Wages	4,980	4,980	0
Fringe Benefits	<u>382</u>	<u>382</u>	<u>0</u>
Total Administration	5,362	5,362	0
Central:			
Purchased Services	<u>990</u>	<u>990</u>	<u>0</u>
<i>Total Expenditures</i>	<u>6,352</u>	<u>6,352</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(1,092)	(1,092)	0
<i>Fund Balance Beginning of Year</i>	<u>1,092</u>	<u>1,092</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title II Fund
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$4,599</u>	<u>\$4,599</u>	<u>\$0</u>
Expenditures			
Current:			
Instruction.			
Regular:			
Salaries and Wages	122	0	122
Fringe Benefits	378	0	378
Purchased Services	2,700	2,700	0
Materials and Supplies	<u>1,399</u>	<u>0</u>	<u>1,399</u>
Total Instruction	4,599	2,700	1,899
Support Services:			
Instructional Staff:			
Purchased Services	<u>112</u>	<u>112</u>	<u>0</u>
<i>Total Expenditures</i>	<u>4,711</u>	<u>2,812</u>	<u>1,899</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(112)	1,787	1,899
Prior Year Encumbrances Appropriated	<u>112</u>	<u>112</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$1,899</u></u>	<u><u>\$1,899</u></u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$64,640</u>	<u>\$64,640</u>	<u>\$0</u>
Expenditures			
Current			
Instruction:			
Special:			
Salaries and Wages	1,061	1,061	0
Fringe Benefits	<u>316</u>	<u>316</u>	<u>0</u>
Total Instruction	<u>1,377</u>	<u>1,377</u>	<u>0</u>
Support Services:			
Pupils:			
Salaries and Wages	4,128	4,128	0
Fringe Benefits	<u>673</u>	<u>673</u>	<u>0</u>
Total Pupils	<u>4,801</u>	<u>4,801</u>	<u>0</u>
Instructional Staff			
Salaries and Wages	39,503	30,656	8,847
Fringe Benefits	<u>7,761</u>	<u>4,795</u>	<u>2,966</u>
Total Instructional Staff	<u>47,264</u>	<u>35,451</u>	<u>11,813</u>
Administration:			
Salaries and Wages	1,922	772	1,150
Fringe Benefits	<u>310</u>	<u>192</u>	<u>118</u>
Total Administration	<u>2,232</u>	<u>964</u>	<u>1,268</u>
Total Support Services	<u>54,297</u>	<u>41,216</u>	<u>13,081</u>
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	<u>11,431</u>	<u>11,233</u>	<u>198</u>
Total Expenditures	<u>67,105</u>	<u>53,826</u>	<u>13,279</u>
Excess of Revenues Over (Under) Expenditures	(2,465)	10,814	13,279
Fund Balance Beginning of Year	2,234	2,234	0
Prior Year Encumbrances Appropriated	<u>231</u>	<u>231</u>	<u>0</u>
Fund Balance End of Year	<u>\$0</u>	<u>\$13,279</u>	<u>\$13,279</u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI Fund
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$8,037</u>	<u>\$8,037</u>	<u>\$0</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	10,614	8,652	1,962
Materials and Supplies	<u>2,500</u>	<u>0</u>	<u>2,500</u>
Total Instruction	13,114	8,652	4,462
Support Services:			
Instructional Staff:			
Purchased Services	1,891	961	930
Operation of Non-Instructional Services:			
Community Services:			
Materials and Supplies	<u>1,720</u>	<u>1,632</u>	<u>88</u>
<i>Total Expenditures</i>	<u>16,725</u>	<u>11,245</u>	<u>5,480</u>
<i>Excess of Revenues Under Expenditures</i>	(8,688)	(3,208)	5,480
<i>Fund Balance Beginning of Year</i>	<u>8,688</u>	<u>8,688</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$5,480</u></u>	<u><u>\$5,480</u></u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Free Schools Fund
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$9,670</u>	<u>\$9,670</u>	<u>\$0</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	500	500	0
Support Services:			
Pupils:			
Purchased Services	<u>9,170</u>	<u>9,170</u>	<u>0</u>
<i>Total Expenditures</i>	<u>9,670</u>	<u>9,670</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	\$99,209	\$99,209	\$0
Interest	1,061	1,061	0
<i>Total Revenues</i>	<u>100,270</u>	<u>100,270</u>	<u>0</u>
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	13,047	13,047	0
Fringe Benefits	3,469	3,469	0
Purchased Services	44,767	44,767	0
Materials and Supplies	45,074	45,074	0
Capital Outlay - New	2,641	2,641	0
Other	3,968	3,968	0
<i>Total Expenditures</i>	<u>112,966</u>	<u>112,966</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(12,696)	(12,696)	0
<i>Fund Balance Beginning of Year</i>	10,345	10,345	0
Prior Year Encumbrances Appropriated	<u>2,365</u>	<u>2,365</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$14</u></u>	<u><u>\$14</u></u>	<u><u>\$0</u></u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Preschool Handicapped Grant Fund
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$8,619</u>	<u>\$8,619</u>	<u>\$0</u>
Expenditures			
Current:			
Instruction:			
Special:			
Purchased Services	<u>8,319</u>	<u>8,170</u>	<u>149</u>
Support Services:			
Pupils:			
Purchased Services	<u>52</u>	<u>52</u>	<u>0</u>
Operation of Non-Instructional Services:			
Purchased Services	470	470	0
Materials and Supplies	<u>24</u>	<u>24</u>	<u>0</u>
Total Operation of Non-Instructional Services	<u>494</u>	<u>494</u>	<u>0</u>
<i>Total Expenditures</i>	<u>8,865</u>	<u>8,716</u>	<u>149</u>
<i>Excess of Revenues Under Expenditures</i>	(246)	(97)	149
<i>Fund Balance Beginning of Year</i>	148	148	0
Prior Year Encumbrances Appropriated	<u>98</u>	<u>98</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$149</u>	<u>\$149</u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Textbook Subsidy Fund
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	\$28,871	\$28,871	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	<u>45,126</u>	<u>42,233</u>	<u>2,893</u>
<i>Excess of Revenues Under Expenditures</i>	(16,255)	(13,362)	2,893
<i>Fund Balance Beginning of Year</i>	633	633	0
Prior Year Encumbrances Appropriated	<u>15,622</u>	<u>15,622</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$2,893</u></u>	<u><u>\$2,893</u></u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	\$238,870	\$238,870	\$0
Interest	1,061	1,061	0
Extracurricular Activities	272,309	281,422	9,113
Contributions and Donations	25,386	25,711	325
Miscellaneous	184	184	0
<i>Total Revenues</i>	<u>537,810</u>	<u>547,248</u>	<u>9,438</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	122	0	122
Fringe Benefits	378	0	378
Purchased Services	13,314	11,352	1,962
Materials and Supplies	49,525	42,733	6,792
Total Regular	<u>63,339</u>	<u>54,085</u>	<u>9,254</u>
Special:			
Salaries and Wages	1,061	1,061	0
Fringe Benefits	316	316	0
Purchased Services	8,319	8,170	149
Total Special	<u>9,696</u>	<u>9,547</u>	<u>149</u>
Support Services:			
Pupils:			
Salaries and Wages	11,378	11,378	0
Fringe Benefits	1,780	1,780	0
Purchased Services	154,555	154,555	0
Materials and Supplies	24,547	24,547	0
Capital Outlay - New	579	579	0
Other	1,146	1,146	0
Total Pupils	<u>193,985</u>	<u>193,985</u>	<u>0</u>
Instructional Staff:			
Salaries and Wages	45,715	36,868	8,847
Fringe Benefits	8,657	5,691	2,966
Purchased Services	9,434	4,361	5,073
Materials and Supplies	3,770	1,578	2,192
Total Instructional Staff	<u>\$67,576</u>	<u>\$48,498</u>	<u>\$19,078</u>

(continued)

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Administration:			
Salaries and Wages	\$6,902	\$5,752	\$1,150
Fringe Benefits	692	574	118
Total Administration	<u>7,594</u>	<u>6,326</u>	<u>1,268</u>
Central:			
Purchased Services	990	990	0
Total Support Services	<u>270,145</u>	<u>249,799</u>	<u>20,346</u>
Operation of Non-Instructional Services:			
Salaries and Wages	13,047	13,047	0
Fringe Benefits	3,469	3,469	0
Purchased Services	56,668	56,470	198
Materials and Supplies	46,818	46,730	88
Capital Outlay - New	2,641	2,641	0
Other	4,753	4,753	0
Total Operation of Non-Instructional Services:	<u>127,396</u>	<u>127,110</u>	<u>286</u>
Extracurricular Activities:			
Salaries and Wages	5,625	5,625	0
Fringe Benefits	751	751	0
Purchased Services	80,222	80,222	0
Materials and Supplies	75,943	75,943	0
Capital Outlay - New	9,479	9,479	0
Total Extracurricular Activities	<u>172,020</u>	<u>172,020</u>	<u>0</u>
Total Expenditures	<u>642,596</u>	<u>612,561</u>	<u>30,035</u>
<i>Excess of Revenues Under Expenditures</i>	(104,786)	(65,313)	39,473
Other Financing Sources			
Operating Transfers In	19,864	20,701	837
<i>Excess of Revenues and Other Financing Sources Under Expenditures</i>	(84,922)	(44,612)	40,310
<i>Fund Balances Beginning of Year</i>	108,972	108,972	0
Prior Year Encumbrances Appropriated	45,440	45,440	0
Fund Balances End of Year	<u>\$69,490</u>	<u>\$109,800</u>	<u>\$40,310</u>

Debt Service Fund

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

Since there is only one debt service fund and the level of budgetary control is not greater than that presented in the combined financial statements, no additional financial statements are presented here.

Capital Projects Funds

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

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

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

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

Chagrin Falls Exempted Village School District*Combining Balance Sheet**All Capital Projects Funds**June 30, 1999*

	<u>Permanent Improvement</u>	<u>SchoolNet</u>	<u>Power Up Capacity</u>	<u>Totals</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$5,740,947	\$2,685	\$11,205	\$5,754,837
Cash and Cash Equivalents In Segregated Accounts	<u>777,021</u>	<u>0</u>	<u>0</u>	<u>777,021</u>
<i>Total Assets</i>	<u>\$6,517,968</u>	<u>\$2,685</u>	<u>\$11,205</u>	<u>\$6,531,858</u>
Liabilities				
Accounts Payable	\$39,184	\$0	\$0	\$39,184
Contracts Payable	925,460	0	0	925,460
Retainage Payable	843,382	0	0	843,382
Intergovernmental Payable	<u>216</u>	<u>0</u>	<u>0</u>	<u>216</u>
<i>Total Liabilities</i>	<u>1,808,242</u>	<u>0</u>	<u>0</u>	<u>1,808,242</u>
Fund Equity				
Fund Balance:				
Reserved for Encumbrances	2,507,013	0	0	2,507,013
Unreserved, Undesignated	<u>2,202,713</u>	<u>2,685</u>	<u>11,205</u>	<u>2,216,603</u>
<i>Total Fund Equity</i>	<u>4,709,726</u>	<u>2,685</u>	<u>11,205</u>	<u>4,723,616</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$6,517,968</u>	<u>\$2,685</u>	<u>\$11,205</u>	<u>\$6,531,858</u>

Chagrin Falls Exempted Village School District
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Capital Projects Funds
For the Fiscal Year Ended June 30, 1999*

	<u>Permanent Improvement</u>	<u>SchoolNet</u>	<u>Power Up Capacity</u>	<u>Totals</u>
Revenues				
Intergovernmental	\$0	\$57,391	\$11,205	\$68,596
Interest	710,632	0	0	710,632
Miscellaneous	61,004	0	0	61,004
<i>Total Revenues</i>	771,636	57,391	11,205	840,232
Expenditures				
Capital Outlay	12,820,267	56,095	0	12,876,362
<i>Excess of Revenues Over (Under) Expenditures</i>	(12,048,631)	1,296	11,205	(12,036,130)
Other Financing Sources				
Operating Transfers In	200,000	0	0	200,000
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	(11,848,631)	1,296	11,205	(11,836,130)
<i>Fund Balances Beginning of Year</i>	16,558,357	1,389	0	16,559,746
<i>Fund Balances End of Year</i>	<u>\$4,709,726</u>	<u>\$2,685</u>	<u>\$11,205</u>	<u>\$4,723,616</u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Interest	\$800,000	\$743,882	(\$56,118)
Miscellaneous	61,005	61,004	(1)
Total Revenues	861,005	804,886	(56,119)
Expenditures			
Current:			
Support Services:			
Administration:			
Salaries and Wages	88,000	88,000	0
Fringe Benefits	12,886	12,886	0
Total Administration	100,886	100,886	0
Fiscal:			
Purchased Services	4,011	4,011	0
Total Support Services	104,897	104,897	0
Capital Outlay:			
Site Improvement Services:			
Purchased Services	1,032,679	407,165	625,514
Materials and Supplies	63,685	63,685	0
Total Site Improvement Services	1,096,364	470,850	625,514
Architecture and Engineering Services:			
Purchased Services	1,718,778	1,648,282	70,496
Building Acquisition and Construction Services:			
Purchased Services	180,043	143,699	36,344
Capital Outlay - New	50,000	36,798	13,202
Total Building Acquisition and Construction Services	\$230,043	\$180,497	\$49,546

(continued)

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund (continued)
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Building Improvement Services			
Materials and Supplies	\$4,100	\$3,902	\$198
Capital Outlay - New	14,278,234	13,109,105	1,169,129
Capital Outlay - Replacement	78,463	78,011	452
	<u>14,360,797</u>	<u>13,191,018</u>	<u>1,169,779</u>
Other Facilities Acquisition and Construction Services:			
Purchased Services	122,124	121,254	870
Capital Outlay - New	63,727	63,727	0
	<u>185,851</u>	<u>184,981</u>	<u>870</u>
Total Capital Outlay	<u>17,591,833</u>	<u>15,675,628</u>	<u>1,916,205</u>
<i>Total Expenditures</i>	<u>17,696,730</u>	<u>15,780,525</u>	<u>1,916,205</u>
<i>Excess of Revenues Under Expenditures</i>	(16,835,725)	(14,975,639)	1,860,086
Other Financing Sources			
Operating Transfers In	<u>300,000</u>	<u>200,000</u>	<u>(100,000)</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures</i>	(16,535,725)	(14,775,639)	1,760,086
<i>Fund Balance Beginning of Year</i>	3,974,032	3,974,032	0
Prior Year Encumbrances Appropriated	<u>13,252,871</u>	<u>13,252,871</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$691,178</u>	<u>\$2,451,264</u>	<u>\$1,760,086</u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
SchoolNet Fund
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$57,391</u>	<u>\$57,391</u>	<u>\$0</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Capital Outlay - New	57,391	54,748	2,643
Support Services:			
Instructional Staff:			
Capital Outlay - New	<u>73,341</u>	<u>73,300</u>	<u>41</u>
<i>Total Expenditures</i>	<u>130,732</u>	<u>128,048</u>	<u>2,684</u>
<i>Excess of Revenues Under Expenditures</i>	(73,341)	(70,657)	2,684
<i>Fund Balance Beginning of Year</i>	1,389	1,389	0
Prior Year Encumbrances Appropriated	<u>71,952</u>	<u>71,952</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$2,684</u></u>	<u><u>\$2,684</u></u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Power Up Capacity Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$11,205	\$11,205	\$0
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	11,205	11,205	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$11,205</u></u>	<u><u>\$11,205</u></u>	<u><u>\$0</u></u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Capital Projects Funds
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$68,596	\$68,596	\$0
Interest	800,000	743,882	(56,118)
Miscellaneous	61,005	61,004	(1)
<i>Total Revenues</i>	<u>929,601</u>	<u>873,482</u>	<u>(56,119)</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Capital Outlay - New	<u>57,391</u>	<u>54,748</u>	<u>2,643</u>
Support Services:			
Instructional Staff:			
Capital Outlay - New	<u>73,341</u>	<u>73,300</u>	<u>41</u>
Administration:			
Salaries and Wages	88,000	88,000	0
Fringe Benefits	<u>12,886</u>	<u>12,886</u>	<u>0</u>
Total Administration	<u>100,886</u>	<u>100,886</u>	<u>0</u>
Fiscal:			
Purchased Services	<u>4,011</u>	<u>4,011</u>	<u>0</u>
Total Support Services	<u>178,238</u>	<u>178,197</u>	<u>41</u>
Capital Outlay:			
Site Improvement Services:			
Purchased Services	1,032,679	407,165	625,514
Materials and Supplies	<u>63,685</u>	<u>63,685</u>	<u>0</u>
Total Site Improvement Services	<u>1,096,364</u>	<u>470,850</u>	<u>625,514</u>
Architecture and Engineering Services			
Purchased Services	<u>\$1,718,778</u>	<u>\$1,648,282</u>	<u>\$70,496</u>

(continued)

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Capital Projects Funds (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Building Acquisition and Construction Services:			
Purchased Services	\$180,043	\$143,699	\$36,344
Capital Outlay - New	50,000	36,798	13,202
Total Building Acquisition and Construction Services	<u>230,043</u>	<u>180,497</u>	<u>49,546</u>
Building Improvement Services:			
Materials and Supplies	4,100	3,902	198
Capital Outlay - New	14,278,234	13,109,105	1,169,129
Capital Outlay - Replacement	78,463	78,011	452
Total Building Improvement Services	<u>14,360,797</u>	<u>13,191,018</u>	<u>1,169,779</u>
Other Facilities Acquisition and Construction Services:			
Purchased Services	122,124	121,254	870
Capital Outlay - New	63,727	63,727	0
Total Other Facilities Acquisition and Construction Services	<u>185,851</u>	<u>184,981</u>	<u>870</u>
Total Capital Outlay	<u>17,591,833</u>	<u>15,675,628</u>	<u>1,916,205</u>
<i>Total Expenditures</i>	<u>17,827,462</u>	<u>15,908,573</u>	<u>1,918,889</u>
<i>Excess of Revenues Under Expenditures</i>	(16,897,861)	(15,035,091)	1,862,770
Other Financing Sources			
Operating Transfers In	<u>300,000</u>	<u>200,000</u>	<u>(100,000)</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures</i>	(16,597,861)	(14,835,091)	1,762,770
<i>Fund Balances Beginning of Year</i>	3,975,421	3,975,421	0
Prior Year Encumbrances Appropriated	<u>13,324,823</u>	<u>13,324,823</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$702,383</u>	<u>\$2,465,153</u>	<u>\$1,762,770</u>

Enterprise Funds

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

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

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

Chagrin Falls Exempted Village School District
Combining Balance Sheet
All Enterprise Funds
June 30, 1999

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Totals</u>
Assets			
<i>Current Assets</i>			
Equity in Pooled Cash and Cash Equivalents	\$47,051	\$623	\$47,674
Receivables:			
Accounts	45	0	45
Inventory Held For Resale	4,096	27,645	31,741
Materials and Supplies Inventory	652	0	652
<i>Total Current Assets</i>	51,844	28,268	80,112
Fixed Assets (Net of Accumulated Depreciation)	108,011	0	108,011
<i>Total Assets</i>	<u>\$159,855</u>	<u>\$28,268</u>	<u>\$188,123</u>
Liabilities and Fund Equity			
<i>Current Liabilities</i>			
Accounts Payable	\$0	\$558	\$558
Accrued Wages and Benefits	15,381	0	15,381
Interfund Payable	0	24,918	24,918
Intergovernmental Payable	14,038	0	14,038
Deferred Revenue	2,693	0	2,693
<i>Total Current Liabilities</i>	32,112	25,476	57,588
<i>Long-Term Liabilities</i>			
Compensated Absences Payable	7,032	0	7,032
<i>Total Liabilities</i>	39,144	25,476	64,620
Fund Equity			
Contributed Capital	98,090	0	98,090
Retained Earnings:			
Unreserved	22,621	2,792	25,413
<i>Total Fund Equity</i>	120,711	2,792	123,503
<i>Total Liabilities and Fund Equity</i>	<u>\$159,855</u>	<u>\$28,268</u>	<u>\$188,123</u>

Chagrin Falls Village Exempted School District

*Combining Statement of Revenues,
Expenses and Changes in Fund Equity*

All Enterprise Funds

For the Fiscal Year Ended June 30, 1999

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Totals</u>
Operating Revenues			
Sales	\$390,702	\$35,800	\$426,502
Operating Expenses			
Salaries	124,875	0	124,875
Fringe Benefits	36,074	0	36,074
Purchased Services	6,372	0	6,372
Materials and Supplies	92,620	34,762	127,382
Cost of Sales	146,523	10,729	157,252
Depreciation	2,003	0	2,003
<i>Total Operating Expenses</i>	<u>408,467</u>	<u>45,491</u>	<u>453,958</u>
<i>Operating Loss</i>	<u>(17,765)</u>	<u>(9,691)</u>	<u>(27,456)</u>
Non-Operating Revenues			
Operating Grants	17,353	0	17,353
Federal Donated Commodities	15,889	0	15,889
<i>Total Non-Operating Revenues</i>	<u>33,242</u>	<u>0</u>	<u>33,242</u>
<i>Net Income (Loss)</i>	15,477	(9,691)	5,786
<i>Retained Earnings Beginning of Year</i>	<u>7,144</u>	<u>12,483</u>	<u>19,627</u>
<i>Retained Earnings End of Year</i>	22,621	2,792	25,413
Contributed Capital Beginning and End of Year	<u>98,090</u>	<u>0</u>	<u>98,090</u>
<i>Total Fund Equity End of Year</i>	<u>\$120,711</u>	<u>\$2,792</u>	<u>\$123,503</u>

Chagrin Falls Exempted Village School District

Combining Statement of Cash Flows

All Enterprise Funds

For the Fiscal Year Ended June 30, 1999

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Totals</u>
<i>Increase (Decrease) in Cash and Cash Equivalents</i>			
Cash Flows from Operating Activities			
Cash Received from Customers	\$390,657	\$35,800	\$426,457
Cash Payments to Suppliers for Goods and Services	(227,226)	(46,695)	(273,921)
Cash Payments to Employees for Services	(124,663)	0	(124,663)
Cash Payments for Employee Benefits	(37,172)	0	(37,172)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>1,596</u>	<u>(10,895)</u>	<u>(9,299)</u>
Cash Flows from Noncapital Financing Activities			
Operating Grants Received	17,353	0	17,353
Advances in	0	11,337	11,337
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>17,353</u>	<u>11,337</u>	<u>28,690</u>
Cash Payments for Capital and Related Financing Activities			
Payments for Capital Acquisitions	(1,975)	0	(1,975)
<i>Net Increase in Cash and Cash Equivalents</i>	16,974	442	17,416
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>30,077</u>	<u>181</u>	<u>30,258</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$47,051</u></u>	<u><u>\$623</u></u>	<u><u>\$47,674</u></u>
 Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities:			
<i>Operating Loss</i>	<u>(\$17,765)</u>	<u>(\$9,691)</u>	<u>(\$27,456)</u>
<i>Adjustments</i>			
Depreciation	2,003	0	2,003
Donated Commodities Used During Year	15,889	0	15,889
<i>(Increase) Decrease in Assets</i>			
Accounts Receivable	(45)	0	(45)
Inventory Held for Resale	707	(1,762)	(1,055)
Materials and Supplies Inventory	233	0	233
<i>Increase (Decrease) in Liabilities:</i>			
Accounts Payable	(539)	558	19
Accrued Wages and Benefits	(929)	0	(929)
Compensated Absences Payable	1,140	0	1,140
Intergovernmental Payable	902	0	902
<i>Total Adjustments</i>	<u>19,361</u>	<u>(1,204)</u>	<u>18,157</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u><u>\$1,596</u></u>	<u><u>(\$10,895)</u></u>	<u><u>(\$9,299)</u></u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Sales	\$388,220	\$390,657	\$2,437
Operating Grants	17,353	17,353	0
<i>Total Revenues</i>	<u>405,573</u>	<u>408,010</u>	<u>2,437</u>
Expenses			
Salaries:			
Food Service Operations	124,663	124,663	0
Fringe Benefits:			
Food Service Operations	37,172	37,172	0
Purchased Services:			
Food Service Operations	6,372	6,372	0
Materials and Supplies:			
Food Service Operations	222,729	220,854	1,875
Capital Outlay:			
Capital Outlay - New:			
Food Service Operations	1,975	1,975	0
<i>Total Expenses</i>	<u>392,911</u>	<u>391,036</u>	<u>1,875</u>
<i>Excess of Revenues Over Expenses</i>	12,662	16,974	4,312
<i>Fund Equity Beginning of Year</i>	27,077	27,077	0
Prior Year Encumbrances Appropriated	<u>3,000</u>	<u>3,000</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$42,739</u></u>	<u><u>\$47,051</u></u>	<u><u>\$4,312</u></u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sales	\$37,137	\$35,800	(\$1,337)
Expenses			
Materials and Supplies.			
Regular Instruction	47,318	47,318	0
<i>Excess of Revenues Under Expenses</i>	(10,181)	(11,518)	(1,337)
Advances In	10,000	11,337	1,337
<i>Excess of Revenues Under Expenses and Advances</i>	(181)	(181)	0
<i>Fund Equity Beginning of Year</i>	181	181	0
<i>Fund Equity End of Year</i>	\$0	\$0	\$0

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
All Enterprise Funds
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sales	\$425,357	\$426,457	\$1,100
Operating Grants	17,353	17,353	0
<i>Total Revenues</i>	<u>442,710</u>	<u>443,810</u>	<u>1,100</u>
Expenses			
Salaries:			
Food Service Operations	124,663	124,663	0
Fringe Benefits:			
Food Service Operations	37,172	37,172	0
Purchased Services:			
Food Service Operations	6,372	6,372	0
Materials and Supplies:			
Regular Instruction	47,318	47,318	0
Food Service Operations	222,729	220,854	1,875
<i>Total Materials and Supplies</i>	<u>270,047</u>	<u>268,172</u>	<u>1,875</u>
Capital Outlay:			
Capital Outlay - New:			
Food Service Operations	1,975	1,975	0
<i>Total Expenses</i>	<u>440,229</u>	<u>438,354</u>	<u>1,875</u>
<i>Excess of Revenues Over Expenses</i>	2,481	5,456	2,975
Advances In	10,000	11,337	1,337
<i>Excess of Revenues Over Expenses and Advances</i>	12,481	16,793	4,312
<i>Fund Equity Beginning of Year</i>	27,258	27,258	0
Prior Year Encumbrances Appropriated	3,000	3,000	0
<i>Fund Equity End of Year</i>	<u>\$42,739</u>	<u>\$47,051</u>	<u>\$4,312</u>

Internal Service Fund

The Internal Service Fund accounts for the financing of service provided by one department or agency to other departments or agencies of the School District on a cost-reimbursement basis. Since there is only one internal service fund and the level of budgetary control is not greater than that presented in the combined financial statements, no additional financial statements are presented here.

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

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and other funds. These include expendable trust and agency funds. The following are the School District's fiduciary fund types:

Expendable Trust Fund

Special Trust Fund - This fund accounts for monies set aside by individuals, and held by the School District in a trustee capacity to be used for scholarships for employees. The investment and earnings can be withdrawn in accordance with the specified purpose.

Agency Fund

Deferred Compensation Fund - This fund accounts for monies held by the state-wide deferred compensation plan that is solely the property of the School District until the termination, retirement, death or unforeseeable emergency of the employees and elected officials who voluntarily contribute to such plans. During the fiscal year, the School District implemented GASB Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans." As a result, the balance of the deferred compensation plan as of June 30, 1999 is zero.

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

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

Chagrin Falls Exempted Village School District

*Combining Balance Sheet
All Trust and Agency Funds
June 30, 1999*

	<u>Expendable Trust Special Trust</u>	<u>Agency</u>	<u>Totals</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	<u>\$59,402</u>	<u>\$54,167</u>	<u>\$113,569</u>
Liabilities			
Accounts Payable	\$1,831	\$0	\$1,831
Intergovernmental Payable	783	0	783
Undistributed Monies	0	3,375	3,375
Due to Students	<u>0</u>	<u>50,792</u>	<u>50,792</u>
<i>Total Liabilities</i>	<u>2,614</u>	<u>54,167</u>	<u>56,781</u>
Fund Equity			
Fund Balance: Unreserved, Undesignated	<u>56,788</u>	<u>0</u>	<u>56,788</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$59,402</u>	<u>\$54,167</u>	<u>\$113,569</u>

Chagrin Falls Exempted Village School District
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 1999

	Beginning Balance June 30, 1998	Additions	Deductions	Ending Balance June 30, 1999
<i>Deferred Compensation</i>				
Assets				
Funds on Deposit with Deferred Compensation Boards	\$264,938	\$63,729	\$328,667	\$0
Liabilities				
Deferred Compensation Payable	\$264,938	\$63,729	\$328,667	\$0
<i>Rotary</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,870	\$21,548	\$20,043	\$3,375
Liabilities				
Undistributed Monies	\$1,870	\$21,548	\$20,043	\$3,375
<i>Student Activities</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$52,484	\$92,279	\$93,971	\$50,792
Liabilities				
Due to Students	\$52,484	\$92,279	\$93,971	\$50,792
<i>All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$54,354	\$113,827	\$114,014	\$54,167
Funds on Deposit with Deferred Compensation Boards	264,938	63,729	328,667	0
Total Assets	\$319,292	\$177,556	\$442,681	\$54,167
Liabilities				
Undistributed Monies	\$1,870	\$21,548	\$20,043	\$3,375
Due to Students	52,484	92,279	93,971	50,792
Deferred Compensation Payable	264,938	63,729	328,667	0
Total Liabilities	\$319,292	\$177,556	\$442,681	\$54,167

General Fixed Assets Account Group

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

Chagrin Falls Exempted Village School District
Schedule of General Fixed Assets
By Function and Type
June 30, 1999

	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements other than Buildings</u>	<u>Furniture and Equipment</u>	<u>Vehicles</u>
Instruction	\$14,683,936	\$1,303,437	\$11,074,447	\$0	\$2,306,052	\$0
Support Services:						
Pupils	100,085	0	0	0	100,085	0
Instructional Staff	461,826	0	0	0	461,826	0
Board of Education	12,120	0	0	0	12,120	0
Administration	391,171	0	218,833	0	172,338	0
Fiscal	65,329	0	26,362	0	38,967	0
Central	13,201	0	0	0	13,201	0
Operation and Maintenance of Plant	2,197,775	0	52,034	1,575,802	445,255	124,684
Pupil Transportation	1,313,687	13,866	68,188	0	32,049	1,199,584
Non-Instructional Services	37,005	0	0	0	37,005	0
Extracurricular Activities	<u>11,291,997</u>	<u>69,332</u>	<u>11,157,464</u>	<u>0</u>	<u>65,201</u>	<u>0</u>
<i>Total General Fixed Assets</i>	<u><u>\$30,568,132</u></u>	<u><u>\$1,386,635</u></u>	<u><u>\$22,597,328</u></u>	<u><u>\$1,575,802</u></u>	<u><u>\$3,684,099</u></u>	<u><u>\$1,324,268</u></u>

Chagrin Falls Exempted Village School District
Schedule of Changes in General Fixed Assets
By Function
For the Fiscal Year Ended June 30, 1999

Function	General Fixed Assets June 30, 1998	Additions	Deletions	General Fixed Assets June 30, 1999
Instruction	\$8,386,658	\$6,324,650	(\$27,372)	\$14,683,936
Support Services:				
Pupils	92,545	7,540	0	100,085
Instructional Staff	388,675	73,151	0	461,826
Board of Education	12,120	0	0	12,120
Administration	276,555	222,034	(107,418)	391,171
Fiscal	48,964	26,362	(9,997)	65,329
Central	14,868	0	(1,667)	13,201
Operation and Maintenance of Plant	1,757,105	444,985	(4,315)	2,197,775
Pupil Transportation	1,143,747	171,471	(1,531)	1,313,687
Non-Instructional Services	37,005	0	0	37,005
Extracurricular Activities	<u>5,066,175</u>	<u>10,898,462</u>	<u>(4,672,640)</u>	<u>11,291,997</u>
<i>Total General Fixed Assets</i>	<u><u>\$17,224,417</u></u>	<u><u>\$18,168,655</u></u>	<u><u>(\$4,824,940)</u></u>	<u><u>\$30,568,132</u></u>

Chagrin Falls Exempted Village School District

Schedule of General Fixed Assets

By Source

June 30, 1999

Land	\$1,386,635
Buildings	22,597,328
Improvements other than Buildings	1,575,802
Furniture and Equipment	3,684,099
Vehicles	1,324,268
	<hr/>
<i>Total General Fixed Assets</i>	<u><u>\$30,568,132</u></u>

Investment in General Fixed Assets From:

General Fund and General Fund Transfers	\$11,990,785
Capital Projects Funds	18,577,347
	<hr/>
<i>Total Investment in General Fixed Assets</i>	<u><u>\$30,568,132</u></u>

(This Page Intentionally Left Blank)

**STATISTICAL
SECTION**

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

	1999 (1)	1998 (1)	1997 (1)	1996 (1)	1995 (1)	1994 (1)	1993 (1)	1992 (1)	1991	1990
Current										
Instruction										
Regular	\$7,293,985	\$7,041,780	\$6,863,809	\$6,475,586	\$6,526,293	\$6,509,083	\$6,075,929	\$5,489,944	\$4,871,324	\$4,606,920
Special	730,823	665,632	571,148	495,444	448,942	458,710	500,456	385,776	371,217	326,570
Vocational	50,860	83,922	66,769	76,827	38,188	22,255	25,604	51,469	35,571	28,979
Support Services										
Pupils	523,662	543,151	525,571	502,942	489,297	600,487	492,255	479,833	437,734	423,009
Instructional Staff	604,530	550,762	528,501	435,512	519,137	521,743	506,372	452,169	368,309	382,436
Board of Education	73,104	60,420	72,577	61,296	44,058	39,376	40,542	44,080	38,070	26,034
Administration	1,195,752	1,025,296	1,174,410	1,119,112	994,615	1,055,307	1,192,942	1,014,469	897,006	803,386
Fiscal	449,769	410,866	364,143	352,413	369,486	351,226	343,103	330,848	310,862	281,688
Business	700	1,250	0	810	810	810	700	600	600	500
Operation and Maintenance of Plant	1,650,103	1,687,855	1,671,468	1,617,632	1,633,306	1,581,725	1,521,683	1,481,915	1,385,529	1,225,553
Pupil Transportation	858,975	758,032	753,677	643,026	579,790	669,478	647,980	522,878	744,375	579,346
Central	18,913	16,962	17,958	17,749	29,299	45,780	33,304	17,000	20,459	14,918
Operation of Non-Instructional Services										
Extracurricular Activities	8,129	7,362	7,392	7,371	6,440	6,786	5,694	0	9,584	3,169
Capital Outlay										
Capital Outlay	0	110,836	0	18,000	0	0	0	0	0	0
Debt Service										
Debt Service	31,774	53,987	35,725	34,825	32,125	26,013	7,992	0	0	0
Other Financing Uses										
Other Financing Uses	260,454	240,400	312,323	304,355	241,700	444,896	393,305	352,478	470,529	960,582
Total	<u>\$14,135,033</u>	<u>\$13,658,329</u>	<u>\$13,298,650</u>	<u>\$12,479,642</u>	<u>\$12,281,599</u>	<u>\$12,657,033</u>	<u>\$12,075,133</u>	<u>\$10,874,735</u>	<u>\$10,178,242</u>	<u>\$9,850,163</u>

Source School District Financial Records

(1) 1992 through 1999 reported on a GAAP basis, All others on cash basis.

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

	<u>1999 (1)</u>	<u>1998 (1)</u>	<u>1997 (1)</u>	<u>1996 (1)</u>	<u>1995 (1)</u>	<u>1994 (1)</u>	<u>1993 (1)</u>	<u>1992 (1)</u>	<u>1991</u>	<u>1990</u>
Taxes	\$10,783,859	\$10,312,668	\$10,449,962	\$9,947,077	\$9,066,734	\$8,399,307	\$7,636,197	\$7,340,233	\$7,288,433	\$6,880,099
Intergovernmental	3,109,998	3,116,380	2,857,207	2,830,496	2,647,737	2,493,981	2,461,105	2,446,149	2,669,556	2,408,486
Interest	273,696	787,077	181,674	171,130	137,254	138,259	202,685	337,917	482,164	795,878
Tuition and Fees	16,012	86,350	87,737	50,560	44,248	23,674	18,271	2,150	57,633	25,885
Extracurricular Activities	0	0	0	0	0	900	3,510	0	0	0
Charges for Services	0	0	0	0	0	9,873	33,500	0	0	0
Rentals	10,029	7,303	15,549	72,679	62,235	42,433	3,783	0	0	0
Miscellaneous	27,519	112,244	5,692	22,049	19,927	23,051	47,504	52,186	19,491	72,143
Other Financing Sources	<u>2,312</u>	<u>112,066</u>	<u>1,106</u>	<u>18,249</u>	<u>0</u>	<u>32,596</u>	<u>98,538</u>	<u>13</u>	<u>10,700</u>	<u>87,335</u>
Total	<u>\$14,223,425</u>	<u>\$14,534,088</u>	<u>\$13,598,927</u>	<u>\$13,112,240</u>	<u>\$11,978,135</u>	<u>\$11,164,074</u>	<u>\$10,505,093</u>	<u>\$10,178,648</u>	<u>\$10,527,977</u>	<u>\$10,269,826</u>

Source School District Financial Records

(1) 1992 through 1999 reported on GAAP basis, all other years on cash basis

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

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

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

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through State and reported as Intergovernmental Revenue.
- (2) Information prior to 1992 is not available.
- (3) Represents collection year. 1999 information cannot be presented because all collections have not been made by June 30.
- (4) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

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

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

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

(1) Information prior to 1993 is not available

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

Real estate is assessed at 35 percent of actual value

Public utility personal is assessed at 88 percent of actual value

Tangible personal property is assessed at 25 percent of actual value

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

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

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

(1) Information prior to 1991 is not available.

Chagrin Falls Exempted Village School District

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

<u>Year</u>	<u>Net General Obligation Bonded Debt (1)</u>	<u>Assessed Value (2)</u>	<u>Population</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>
1999	\$24,001,369	\$340,347,896	11,938	7.30%	\$2,010.50
1998	24,504,199	336,023,887	11,938	7.29	2,052.62
1997	3,095,299	316,990,448	11,938	0.98	259.28
1996	3,258,434	305,544,536	11,938	1.07	272.95
1995	3,386,786	289,688,482	11,938	1.17	283.70
1994	3,509,099	272,679,815	11,938	1.29	293.94
1993	3,652,789	258,176,797	11,576 (3)	1.41	315.55
1992	3,748,608	N/A	11,576 (3)	N/A	323.83
1991	3,870,151	N/A	11,576 (3)	N/A	334.33
1990	3,980,194	N/A	11,576 (3)	N/A	343.83

Source

(1) School District Financial Records.

(2) Cuyahoga County Auditor.

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

N/A - Not Available

Chagrin Falls Exempted Village School District
Computation of Legal Debt Margin
June 30, 1999

Assessed Valuation	\$340,347,896
Overall Debt Limit - 9% of Assessed Value (1)	\$30,631,311
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonds	(24,840,000)
Amount Available in Debt Service Fund	838,631
Amount of Debt Subject to the Limit	(24,001,369)
Overall Debt Margin	\$6,629,942
Debt Limit - .10% of Assessed Value (1)	\$340,348
Amount of Debt Applicable	0
Unvoted Debt Margin	\$340,348

Source: Cuyahoga County Auditor and School District Financial Records.

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

Chagrin Falls Exempted Village School District
Computation of Direct and Overlapping General Obligation Bonded Debt
December 31, 1998

Jurisdiction	General Obligation Bonded Debt Outstanding	Percentage Applicable to School District (1)	Amount Applicable to School District
Chagrin Falls Exempted Village	\$24,840,000	100.00%	\$24,840,000
Cuyahoga County	154,064,636	1.34	2,064,466
Geauga County	3,407,513	6.55	223,192
Regional Transit Authority	102,945,000	1.34	1,379,463
Bainbridge Township	120,000	2.49	2,988
Bentleyville Village	575,000	100.00	575,000
Chagrin Falls Village	3,590,000	100.00	3,590,000
Moreland Hills Village	2,036,000	19.44	395,798
Russell Township	50,000	3.53	1,765
Total			<u>\$33,072,672</u>

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

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 1998 collection year.

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

<u>Year (1)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures (2)</u>	<u>Ratio of Debt Service to General Fund Expenditures (Percentage)</u>
1999	\$255,000	\$1,445,037	\$1,700,037	\$14,135,033	12.03%
1998	140,000	1,007,582	1,147,582	13,658,329	8.40
1997	130,000	265,811	395,811	13,298,650	2.98
1996	125,000	272,063	397,063	12,479,642	3.18
1995	110,000	280,875	390,875	12,281,599	3.18
1994	105,000	288,938	393,938	12,657,033	3.11
1993	95,000	296,438	391,438	12,075,133	3.24
1992	90,000	303,375	393,375	10,874,735	3.62
1991	85,000	309,938	394,938	10,178,242	3.88
1990	75,000	315,938	390,938	9,850,163	3.97

Source: School District Financial Records.

(1) 1992 through 1999 on a GAAP basis.

(2) Includes other financing uses.

Chagrin Falls Exempted Village School District
Demographic Statistics
Last Ten Years

Year	Cuyahoga County Population (1)	Geauga County Population (1)	Bentleyville Village Population (2)	Chagrin Falls Village Population (2)	Moreland Hills Village Population (2)	Russell Township Population (2)	School Enrollment (3)	Cuyahoga County Unemployment Rate (4)	Geauga County Unemployment Rate (4)
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	2.7
1997	1,398,169	83,143	1,017	3,993	3,349	3,579	1,855	5.0	4.0
1996	1,398,169	83,143	1,017	3,993	3,349	3,579	1,864	4.7	3.6
1995	1,403,239	83,143	1,017	3,993	3,349	3,579	1,752	5.8	3.8
1994	1,414,141	83,143	1,017	3,993	3,349	3,579	1,683	6.8	3.8
1993	1,414,141	81,129	674	4,146	3,354	3,402	1,627	7.6	5.1
1992	1,412,140	81,129	674	4,146	3,354	3,402	1,534	7.3	5.8
1991	1,404,286	81,129	674	4,146	3,354	3,402	1,492	5.2	5.4
1990	1,404,286	81,129	674	4,146	3,354	3,402	1,461	5.8	4.0

- (1) Cleveland Plain Dealer Newspaper.
- (2) U.S. Census of Population, Alta Vista.
- (3) School District Records.
- (4) Ohio Bureau of Employment Services

Chagrin Falls Exempted Village School District
*Property Value, Financial Institution Deposits
and Building Permits
Last Ten Years*

Year	Property Value (1) (Real Estate Only)	Cuyahoga County Financial Institution Deposits (000's) Banks	Geauga County Financial Institution Deposits (000's) Banks	Value of Building Permits Issued
1998	\$317,890,080	\$56,770,353	\$254,641	\$3,411,210
1997	299,079,840	53,941,971	222,203	2,708,780
1996	287,391,730	27,068,211	212,614	4,011,177
1995	271,717,070	22,458,573	194,409	2,296,200
1994	255,326,570	20,885,453	188,020	3,868,000
1993	240,276,840	21,009,421	184,462	3,653,000
1992	N/A	19,379,280	132,005	N/A
1991	N/A	18,392,243	112,970	N/A
1990	N/A	18,403,806	74,870	N/A
1989	N/A	17,118,217	71,306	N/A

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

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

N/A - Not Available.

Chagrin Falls Exempted Village School District

Principal Taxpayers

Real Estate Tax

December 31, 1998

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Real Assessed Value</u>
Encore Retirement Partners	\$4,659,200	1.46%
Western Reserve Company	2,520,350	0.78
Meridia Health System	1,159,830	0.36
Chagrin Falls Shopping	926,070	0.29
River Street Partnership	721,000	0.22
Epsilon of Chagrin Falls	621,880	0.19
Bar Es, Inc.	595,010	0.18
BHC Windsor Hospital	585,590	0.18
Lawrence J. Singerman	534,240	0.17
Total	<u>\$12,323,170</u>	<u>3.88%</u>
<i>Total Real Assessed Value</i>	<u>\$322,021,960</u>	

Source: Cuyahoga and Geauga County Auditors.

(1) Assessed values are for the 1999 collection year.

Chagrin Falls Exempted Village School District

*Principal Taxpayers
Tangible Personal Property Tax
December 31, 1998*

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Tangible Assessed Value</u>
Ivex Paper Mill Corporation	\$1,524,770	16.90%
Milibar Company	867,660	9.10
Telerama, Inc.	394,790	4.14
Russos Giant Eagle, Inc.	288,030	3.02
Cablevision of the Midwest, Inc.	239,890	2.52
Perform Sealants Ltd.	236,270	2.48
Cuffs Clothing Co.	216,510	2.27
CVS Discount Drug	189,340	1.99
First Star Bank, NA	175,090	1.84
Chagrin Pet and Garden Supply, Inc.	<u>149,690</u>	<u>1.57</u>
Total	<u>\$4,282,040</u>	<u>45.83%</u>
<i>Total Tangible Assessed Value</i>	<u>\$9,536,826</u>	

Source: Cuyahoga and Geauga County Auditors.

(1) Assessed values are for the 1999 collection year.

Chagrin Falls Exempted Village School District

Principal Taxpayers

Public Utilities Tax

December 31, 1998

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Public Utility Assessed Value</u>
Cleveland Electric Illuminating Company	\$5,689,090	64.73%
Ohio Bell Telephone Company	1,223,060	13.92
East Ohio Gas Company	419,230	4.77
Western Reserve Telephone Co.	323,140	3.68
GTE Mobilnet of Ohio	125,990	1.43
Total	<u>\$7,780,510</u>	<u>88.52%</u>
<i>Total Public Utility Assessed Value</i>	<u>\$8,789,110</u>	

Source: Cuyahoga and Geauga County Auditors.

(1) Assessed values are for the 1999 collection year.

Chagrin Falls Exempted Village School District

*Per Pupil Cost
Last Ten Fiscal Years*

<u>Year (1)</u>	<u>General Fund Expenditures (2)</u>	<u>Average Daily Student Enrollment</u>	<u>Per Pupil Cost</u>
1999	\$14,135,033	1,866	\$7,575
1998	13,658,329	1,901	7,185
1997	13,298,650	1,855	7,169
1996	12,479,642	1,864	6,695
1995	12,281,599	1,752	7,010
1994	12,657,033	1,683	7,521
1993	12,075,133	1,627	7,422
1992	10,874,735	1,534	7,089
1991	10,178,242	1,492	6,822
1990	9,850,163	1,461	6,742

Source: School District Financial Records.

(1) 1992 through 1999 on GAAP basis.

(2) Includes Other Financing Uses.

Chagrin Falls Exempted Village School District

Teacher Education and Experience

June 30, 1999

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	21	14.48%
Bachelor + 10	10	6.90
Bachelor + 20	19	13.10
Bachelor + 30	13	8.97
Master's Degree	41	28.28
Master's + 10	21	14.48
Master's + 20	10	6.90
Master's + 30	9	6.20
Ph.D.	<u>1</u>	<u>0.69</u>
Total	<u>145</u>	<u>100.00%</u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	43	29.66%
6 - 10	26	17.93
11 and Over	<u>76</u>	<u>52.41</u>
	<u>145</u>	<u>100.00%</u>

Source: School District Personnel Records.

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

REGULAR AUDIT

FOR THE YEAR ENDED JUNE 30, 1999

Chagrin Falls Exempted Village School District
For the Fiscal Year Ended June 30, 1999

Table of Contents

Report on Compliance and on Internal Control Required by
Government Auditing Standards

1-2



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

Lausche Building, 12th Floor
615 Superior Avenue, NW
Cleveland, Ohio 44113
Telephone 216-787-3665
800-626-2297
Facsimile 216-787-3361

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

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

We have audited the financial statements of the Chagrin Falls Exempted Village School District, Cuyahoga County, Ohio (the "District"), as of and for the year ended June 30, 1999, and have issued our report thereon dated December 7, 1999, in which we noted a change in accounting for its deferred compensation plan. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the District in a separate letter dated December 7, 1999.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the District in a separate letter dated December 7, 1999.

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

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

A handwritten signature in black ink, appearing to read "Jim Petro", written over a large, stylized circular scribble.

JIM PETRO
Auditor of State

December 7, 1999



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

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.

By: *Susan Babbitt*

Date: **JAN 06 2000**