

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

**Comprehensive  
Annual Financial Report**

For the Fiscal Year Ended June 30, 2013

Prepared by

Treasurer's Office  
Anne Spano  
Treasurer/CFO





# Dave Yost • Auditor of State

Board of Education  
Chagrin Falls Exempted Village School District  
400 E. Washington Street  
Chagrin Falls, OH 44022

We have reviewed the *Independent Auditor's Report* of the Chagrin Falls Exempted Village School District, Cuyahoga County, prepared by Rea & Associates, Inc., for the audit period July 1, 2012 through June 30, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

January 9, 2014

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**INTRODUCTORY  
SECTION**



**Chagrin Falls Exempted Village School District**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2013*  
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# Chagrin Falls Exempted Village Schools

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December 6, 2013

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, 2013. This CAFR includes an audit opinion from the independent accounting firm of Rea and Associates, Inc. and conforms to generally accepted accounting principles as applicable to governmental entities. Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A compliments this letter of transmittal and should be read in conjunction with it. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the School District. This report will provide the taxpayers of the Chagrin Falls Exempted Village School District with comprehensive financial data in a format of which will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the local villages and cities comprising the School District, the Cuyahoga and Geauga County Public Libraries, major taxpayers, financial rating services, and other interested parties.

## **The 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. The School District operates one elementary school (built in 1968 – PreK – grade 3), one intermediate school (built in 1914 – grades 4-6), one middle school (built in 1999 – grades 7-8) and a high school (built in 1960 – grades 9-12). Current enrollment (for the 2012-2013 school year) is 2,015, and enrollment projections show that enrollment will remain steady over the next ten years (no substantial growth or reductions).

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

## **The Reporting Entity**

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

The Lake Geauga Computer Association (LGCA) and the Ohio Schools Council are jointly governed organizations whose relationship to the School District is described in Note 15 to the basic financial statements. The School District also participates in the Ohio School Boards Association Workers' Compensation Group Rating Program, an insurance purchasing pool that is described in Note 16 to the basic financial statements.

## **Major Initiatives**

The 125<sup>th</sup> graduating class of the Chagrin Falls Exempted Village Schools was recognized during ceremonies this past June. Although each graduating class is unique, the fine tradition of academic, athletic and artistic achievement continues. There are many factors that contribute to this success including talented students, supportive community and committed educators. These fundamental pillars of a highly effective school district once again earned the School District the highest ranking by the state of Ohio, "Excellent with Distinction." The Chagrin Falls Exempted Village School District is 1 of only 2 out of 609 districts in the state of Ohio to achieve this honor for all 13 years that the Ohio Department of Education has issued this award. We are proud of this achievement which represents high academic achievement, exceptional attendance and outstanding graduation rates. The School District's recognition did not end at the state level as *The Washington Post* and *Newsweek Magazine* recognized Chagrin Falls High School in their annual rankings. This recipe for success was clearly shown as 114 students at Chagrin Falls High School earned the designation of Advanced Placement Scholars and 11 students met the requirements to enter the National Merit Scholarship Program. Teachers and administrators throughout the district were recognized for their hard work and dedication including a state principal of the year, library/media specialist of the year, and crystal apple award recipient. The accolades extended beyond the core academic areas as Gurney Elementary School received a grant from the Life Time Foundation as part of the "Healthy Kids, Healthy Planet" program. In addition, the Cleveland Plain Dealer named the Chagrin Falls Exempted Village Schools as one of the 2013 Top 100 Workplaces. With the continued support of the community and hard work of our staff, our schools will continue to offer a high quality educational program that affords tremendous opportunity for growth and development of our students.

Gurney Elementary School provides a welcoming environment that is child-centered while focusing on academic excellence. All teachers at Gurney provide daily experiences for their students that encourage emotional, social, physical and academic growth. During the 2012-2013 school year almost 600 students in preschool through third grades attended Gurney. Our high caliber instruction within academic programs is balanced with weekly instruction provided for all students in art, music, physical education, and library/media. Second and third graders also received instruction in Chinese and Spanish. Finally, each classroom teacher utilized the computer lab, smart boards and mimios, mobile iPod Touch lab, mobile iPad lab, digital/flip cameras and extensive science materials to supplement and extend learning experiences.

The Gurney staff utilizes a Response to Intervention approach to instruction that focuses on differentiating to reach each student and maximize their learning. By third grade, we get to see the results of this instruction and our students' hard work in their performance on the Ohio Reading and Math Achievement Assessments. In the spring of 2013 we had 97% pass the Reading Achievement Assessment and 98% pass the Math Achievement Assessment. These are some of the highest passage rates in Cuyahoga and Geauga County. At Gurney we look beyond just passing these assessments and work with our students to improve their scores and reach the highest tiers of passing. For the Reading Achievement Assessment, 85% of our students scored in the highest two tiers

and for the Math Achievement Assessment, 65% scored in the highest two tiers. This earned Gurney a Performance Index Score of 111 – the fourth highest of all individual schools in Cuyahoga and Geauga County. Our school community recognizes the value of developing the whole child and to that end, our students enjoyed many special programs and activities throughout the year. All students in first through third grade performed a wonderful version of the Nutcracker at our Holiday Show. All kindergarten through third grade students had art work displayed in our spring Art Walk throughout the school. In physical education class, all grade levels took a trip to The Pond for an ice skating lesson. Buddy Classes are established at Gurney and these pairs of kindergarten through second grade classes and first and third grade classes meet monthly for cooperative games, morning meetings, collaborative writing projects, and more. All Gurney students and their families joined in reading the book *Lunch Money* by Andrew Clements for our One School One Book Program. The program included many fun visitors and activities related to the story plot. Our school also took the Cuyahoga County Zero Waste Challenge in our cafeteria and only produced .0272 pounds of waste per student! Finally, co-curricular activities are very popular before and after school at Gurney through our Rise and Shine Clubs, After School Sports and our Gurney Service Learning Club.

Chagrin Falls Intermediate School houses our district's fourth, fifth and sixth graders. In the 2012-2013 school year, the enrollment reached nearly 500 students. The faculty and student body work together to provide a rich foundation in learning and to develop an intentional environment for physical, social, and emotional development. The theme for this year was "iCare". Students were asked to reach out and serve others with a caring attitude. Throughout the year, classrooms and student groups participated in a variety of activities to generate monies and provide encouragement to support organizations. One moving "iCare" experience was an initiative called Celebrate the Change where sixth grade students spent the end of their school year learning about the basic needs of children, including health care, clean water, freedom from exploitation and access to education. Afterward, they created a variety of fundraising activities to support Free the Children, a Children's Nobel Prize-winning organization.

The staff continued with the "One Book One School" program. We surprised our students with an opening assembly that introduced the program as well as the novel that the entire school read for the month of May: *The Lemonade Wars*. A visit from the author, Jacqueline Davies had our students learning about the details and work of writing a book. Students and volunteers sold lemonade on the playground and in the community to benefit Near West Intergenerational School in Cleveland. After-school activities are also an important aspect to social and emotional development. In the spring, many of our fifth grade students made rockets in Rocket Club. This culminated with a huge rocket launch behind the Middle School. People Always Willing to Serve (PAWS) is a service-learning club that works on different projects to help others. This group conducted a number of projects throughout the year, but a pivotal service was connecting in partnership with the elderly residents at South Franklin Circle. Destination Imagination was very successful again this year.

Our Parent-Teacher Organization (PTO) was an amazing partner with our school in many ways providing volunteers for events, funding for "One School One Book", and partnering in many other vital ways to help our school. We ended the year with our sixth grade talent show that featured singing, dancing, and comedy acts, as well as skits and a performance by the sixth grade teachers. In addition, the sixth graders enjoyed their annual three day retreat at the Cuyahoga Valley Environmental Education Center located in Peninsula, Ohio. Students learned about sustainability and how their daily choices impact the environment. During the year students took field trips to the Cleveland Art Museum, the Cleveland Natural History Museum, Sunrise Farms, as well as a number of other walking field trips into downtown Chagrin.

Chagrin Falls Middle School had a student enrollment of 337 seventh and eighth graders for the 2012-2013 academic year. The middle school staff provided many opportunities for academic and social growth that benefited all the middle school students. The students also benefited from a shared high school/ middle school campus. This year, students were provided many educational opportunities. Students performed exceptionally well on the Ohio Achievement Assessments administered in the spring. In reading, 96% of all seventh graders

and 98.8% of all eighth graders performed above the proficient level. In math, 92.6% of all seventh graders and 95.1% of all eighth graders performed above the proficient level. In science, 87.8% of all eighth graders performed above the proficient level. This is evidence of the strong instructional strategies used by the staff. Because of our strong academic performance, the middle school has been recognized as a National Blue Ribbon School.

Chagrin Falls Middle School is a member of the Chagrin Valley Conference (CVC). This allows our students to participate in 12 interscholastic sports. Other extracurricular activities include student council, Principal Advisory Committee, Ski Club, Middle school select choir, yearbook, newspaper, and Power of the Pen. The Middle School also has a strong focus on fine arts with many of our students performing in strings, choir, and band concerts throughout the year. Twelve of our students participated in the CVC Art Forum hosted by Beachwood Middle School. All our students had artwork displayed at the district art show at Hamlet with many of them winning awards. Several of our students performed in the district fall musical with many of our seventh and eighth graders having lead roles. Participation in these kinds of activities enhances and supports academics in the classroom.

The Middle School focused on effective education by organizing students into family groups. Students met in their groups each Tuesday to participate in team building exercises. Our family groups also completed community service projects that supported Tiger Prep, an organization for special needs students, and the Juvenile Diabetes Association. This year has seen many positive changes which could not have happened without the support of so many parents and community members. The middle school staff members believe that the success of our students is dependent on our partnership with home and community. The staff will continue to strive for academic excellence by providing successful opportunities for all our students.

Chagrin Falls High School is a four-year comprehensive high school that continues to be recognized as a National School of Excellence. Due to the hard work of our students supported by their parents, teachers, and community, Chagrin Falls High School was ranked as the top high school in Northeast Ohio by *Newsweek*, *The Washington Post*, and *US News & World Report* this past year.

During the 2012-13 school year, Chagrin Falls High School had an enrollment of 616 students. Small class sizes, over 130 course offerings including career technical education programs through the Excel TECC consortium, and Advanced Placement classes provided students with the opportunity for academic and personal growth. Our students engaged in our most rigorous course offerings with 223 participating in Advanced Placement testing completing 552 exams. The commitment to academic excellence was highlighted with 11 commended scholars and one semi-finalist in the National Merit Corporation competition.

The Fine Arts are a vital portion of the well-rounded education provided at Chagrin Falls High School. The Drama and Music Departments presented sell-out performances of *Almost Maine* and *Aida*. Our music program featured marching band and concert bands, string orchestra, women's choir and mixed ensemble. Chagrin Falls High School also hosts the Academy for Performing Arts, which includes students from the nine districts that participate in the Excel TECC career technical consortium. Many of our art students received recognition at the juried shows including Scholastics and the Governor's Show.

The school is committed to the full development of its student-athletes by offering 24 varsity sports. Cross country, swimming & diving, girls lacrosse, and track were represented at the state tournament level. Students also gave back to the community by participating in several service projects which included a blood drive, canned food drive, donation to various causes and charities including Adopt a Family and Meals on Wheels.

As proud as we are of our students' achievements, our staff continues to demonstrate success and excellence. Numerous teachers continue to develop themselves professionally through post graduate course work and seminars. The collective efforts our students, parents, staff, and community made this another great year at Chagrin Falls High School.

### **Future Projects**

We are in a time of unprecedented change in public education and our challenge locally is to balance the numerous state mandates while continuing to provide a well-rounded, rigorous academic program. Media attention on the transition to the Common Core in reading and mathematics has started a heated debate on the national standardization of public education. Locally, we are receptive to rigorous standards and are working hard to align with the new curriculum. Teachers in every subject area and grade level unpacked these standards this fall and then created curriculum maps throughout the year to ensure preparedness throughout the district. Their work next year will be in developing consistent assessments throughout the district that are aligned with the learning outcomes articulated in the curriculum maps. This work will lead to increased rigor and integration of technology as we prepare for the incoming PARCC assessments.

The Writing Center is a new initiative for grades 7-12. The Writing Center is both a facility and a program designed to improve student writing for all writers. It is a place that emphasizes the writing process and will be the umbrella organization for writing programs on the 7-12 campus. The Writing Center offers intervention, support and enrichment for writers. The Writing Center is staffed by a director and student trained interns. Our Writing Center offers both individual and small group writing instruction and will benefit all students and staff by recognizing the different strengths and degrees of writing proficiency everyone possesses. This program will improve continuity in writing instruction, increase writing integration across curriculum areas and provide targeted support for students.

### **Economic Conditions and Outlook**

The Chagrin Falls Exempted Village School District area is an affluent residential community encompassing 27.5 square miles. The School District is rich in heritage, while maintaining an "old time" atmosphere with specialty shopping. Approximately 92% of the area is residential and 8% of the area is business property. The average federal adjusted gross income levels were at \$156,185 based on the 2011 Ohio Department of Taxation records, which maintains the Chagrin Falls Exempted Village School District as fifth in the State among 614 school districts. The School District has been ranked among the top ten school districts for the past twenty-four years.

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 to 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, located in the City of Cleveland within a half-hour's drive of the School District. Public mass transit for the area is provided by the Greater Cleveland Regional Transit Authority.

Within commuting distance are several public and private two-year and four-year colleges and universities, including Case Western Reserve University, Cleveland State University, Cuyahoga Community College, John Carroll University, Kent State University, Ursuline College, Notre Dame College, and the University of Akron.

The School District is served by the Chagrin Falls Branch of the Cuyahoga County Library System. Within the School District, there are five municipal parks totaling 8.5 acres. In addition, the South Chagrin Reservation of the Cleveland Metropolitan Park District is located nearby.

The School District's close proximity to the City of Cleveland affords the School District all the cultural, recreational, social and educational opportunities of this metropolitan area. Within the School District itself, a summer recreation center has been operational for decades and a community theater offers entertainment opportunities. Annually on Memorial Day the community gathers for "Blossom Time," a festival including a parade, a race, hot air balloons, etc.

The School District contains many unique commercial enterprises including an industrial park. It is experiencing other economic development such as the Spillway Project (restoring a historic paper mill to include commercial entertainment, a brewery, and office and restaurant space).

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. Historically, constituents of the School District have approved operating levies that have been submitted to the voters, in advance of the School District experiencing financial shortcomings. An additional 7.9 mill operating levy was last approved by voters in March 2012.

## **Financial Information**

### *Internal Accounting and Budgetary Control*

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

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

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

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

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



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

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

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

### ***Financial Condition***

The School District has prepared financial statements following GASB Statement 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" since fiscal year 2001. GASB 34 created new basic financial statements for reporting on the School District's financial activities as follows:

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

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

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

As part of this reporting model, management is responsible for preparing a Management Discussion and Analysis of the School District. This discussion provides an assessment of the School District's finances for 2013 and a discussion of current issues that affect the School District's outlook for the future.

### **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. The independent accounting firm of Rea and Associates, Inc. rendered an opinion on the School District's financial statements for the year ended June 30, 2013. The opinion appears at the beginning of the financial section of this report.

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

## Awards

### *Certificate of Achievement*

The Government Finance Office Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Chagrin Falls Exempted Village School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

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

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

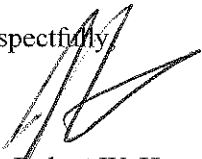
### **Acknowledgements**

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

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

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

Respectfully,



Mr. Robert W. Hunt  
Superintendent



Ms. Anne Spano  
Treasurer

*Chagrin Falls Exempted Village School District*  
*Principal Officials*  
*June 30, 2013*

***Board of Education***

Anne B. Thomas Ph.D.	President
Harry Cashy	Vice President
Mary Kay O'Toole	Member
Michael Hogan	Member
Rob Weber	Member

***Treasurer/CFO***

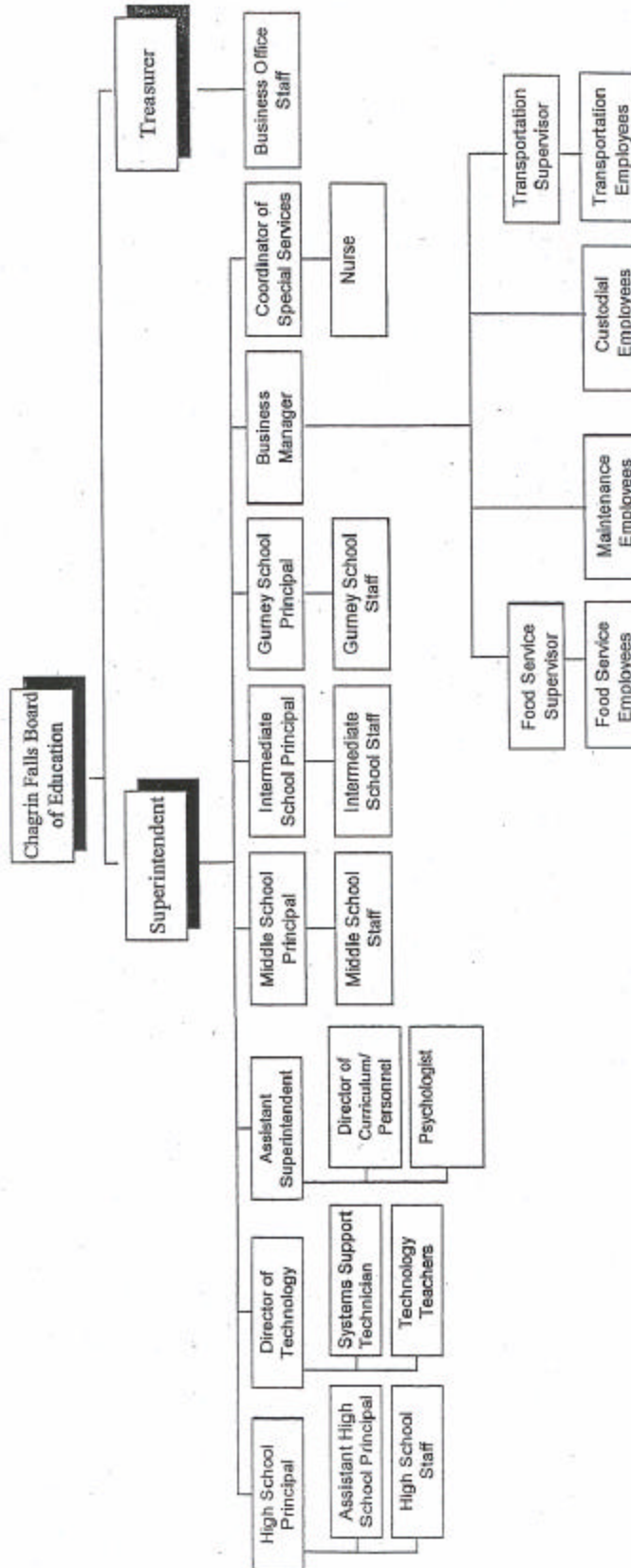
Anne Spano

***Superintendent***

Robert Hunt

CHAGRIN FALLS EXEMPTED VILLAGE SCHOOL DISTRICT

ORGANIZATION CHART





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Chagrin Falls Exempted  
Village School District  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

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# **FINANCIAL SECTION**





December 6, 2013

To Board of Education and Management  
Chagrin Falls Exempted Village School District  
Cuyahoga County, Ohio  
400 E. Washington Street  
Chagrin Falls, OH 44022

## **Independent Auditor's Report**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Chagrin Falls Exempted Village School District, Cuyahoga County, Ohio, (the School District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Chagrin Falls Exempted Village School District, Cuyahoga County, Ohio, as of June 30, 2013, and the respective changes in financial position and the respective budgetary comparisons for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2013 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School District's internal control over financial reporting and compliance.

*Rea & Associates, Inc.*

Medina, Ohio

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

*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2013*

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The discussion and analysis of the Chagrin Falls Exempted Village School District's (the "School District") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the School District's performance as a whole; readers should also review the transmittal letter, the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

***Financial Highlights***

Key financial highlights for 2013 are as follows:

- Net position increased \$1.4 million, which represents an 11 percent increase from 2012.
- Capital assets decreased \$.3 million during fiscal year 2013 due to depreciation expense exceeding additions.
- During the year, outstanding debt decreased from \$26.5 million to \$25.6 million. The School District partially refunded two bond issues and made principal payments of \$1.2 million.

***Using this Comprehensive Annual Financial Report***

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

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

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

***Statement of Net Position and the Statement of Activities***

While the basic financial statements contain the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2013?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**Chagrin Falls Exempted Village School District**

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

In the *Statement of Net Position* and the *Statement of Activities*, Governmental Activities include the School District's programs and services, including instruction, support services, extracurricular activities, and non-instructional services, i.e., food service operations.

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

*Fund Financial Statements*

The fund financial statements begin on page 16. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions; however, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund and bond retirement fund.

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

***Reporting the School District's Fiduciary Responsibilities***

The School District is the trustee, or fiduciary, for some of its scholarship and foundation programs. This activity is presented as a private purpose trust fund. The School District also acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in an agency fund. The School District's fiduciary activities are reported in separate *Statements of Fiduciary Net Position and Changes in Fiduciary Net Position* on pages 21 and 22. These activities are excluded from the School District's other financial statements because the assets cannot be utilized by the School District to finance its operations.

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Management's Discussion and Analysis*  
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**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2013 compared to 2012:

**Table 1**  
**Net Position**

	Governmental Activities	
	2013	2012
<b>Assets</b>		
Current and Other Assets	\$ 36,207,517	\$ 33,520,064
Capital Assets	29,759,523	30,107,583
<i>Total Assets</i>	65,967,040	63,627,647
<b>Liabilities</b>		
Other Liabilities	23,334,137	22,327,768
Long-Term Liabilities	27,995,457	28,060,896
<i>Total Liabilities</i>	51,329,594	50,388,664
<b>Net Position</b>		
Net Investment in Capital Assets	4,423,196	3,937,653
Restricted	4,598,098	3,923,873
Unrestricted	5,616,152	5,377,457
<i>Total Net Position</i>	\$ 14,637,446	\$ 13,238,983

At year end, capital assets represented 45 percent of total assets. Capital assets include land, buildings and improvements, furniture and equipment, vehicles and textbooks. Net investment in capital assets was \$4.4 million at June 30, 2013. These capital assets are used to provide services to students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the School District's net position, \$4.6 million or 31 percent, represents resources that are subject to external restrictions on how they may be used. The balance of government-wide unrestricted net position of \$5.6 million may be used to meet the government's ongoing obligations to students and creditors.

Current and other assets increased \$2.7 million over fiscal year 2012. There was a \$1.4 million increase in cash and a \$1.2 million increase in taxes receivable as the School District accrued a full year of the property tax levy passed in 2012. There was a \$.3 million decrease in capital assets from depreciation and disposals exceeding current year acquisitions. The new levy also contributed to the \$1.0 million increase in other liabilities through deferred property tax revenue. Long term liabilities showed a decrease of less than \$.1 million from fiscal year 2012 through principal payments offset by the partial refunding of two bond issues.

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Management's Discussion and Analysis*  
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Table 2 shows the changes in net position for fiscal year 2013 and 2012.

**Table 2**  
**Changes in Net Position**

	Governmental Activities	
	2013	2012
<b>Revenues</b>		
<i>Program Revenues:</i>		
Charges for Services	\$ 2,034,220	\$ 2,220,142
Operating Grants	1,179,214	1,026,931
<i>Total Program Revenues</i>	<u>3,213,434</u>	<u>3,247,073</u>
<i>General Revenues:</i>		
Property Taxes	22,807,917	20,928,608
Grants and Entitlements Not Restricted	4,714,154	4,709,361
Other	52,952	244,053
<i>Total General Revenues</i>	<u>27,575,023</u>	<u>25,882,022</u>
<i>Total Revenues</i>	<u>30,788,457</u>	<u>29,129,095</u>
<b>Program Expenses</b>		
Instruction:		
Regular	13,475,875	12,969,392
Special	2,366,608	2,424,207
Vocational	608,328	657,097
Student Intervention Services	21,786	17,778
Support Services:		
Pupils	1,419,630	1,253,869
Instructional Staff	1,515,678	1,470,882
Board of Education	75,162	79,204
Administration	2,277,862	2,052,841
Fiscal	854,924	934,832
Business	400	400
Operation and Maintenance of Plant	2,075,031	2,463,010
Pupil Transportation	1,385,459	1,226,329
Central	12,700	15,564
Operation of Non-Instructional Services:		
Food Service Operations	698,428	622,261
Community Services	492,505	468,432
Extracurricular Activities	835,066	887,157
Debt Service:		
Interest and Fiscal Charges	1,133,102	1,159,994
Issuance Costs	141,450	0
<i>Total Expenses</i>	<u>29,389,994</u>	<u>28,703,249</u>
<i>Increase in Net Position</i>	1,398,463	425,846
<i>Net Position at Beginning of Year</i>	13,238,983	12,813,137
<i>Net Position at End of Year</i>	<u>\$ 14,637,446</u>	<u>\$ 13,238,983</u>



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Charges for services decreased \$.2 million from fiscal year 2012 partially due to a decrease in tuition revenues while state and federal operating grant revenues increased \$.2 million. Property taxes increased \$1.9 million over fiscal year 2012 from the new levy. Miscellaneous revenue decreased \$.2 million, primarily due to the School District receiving incentives for energy conservation improvements in fiscal year 2012.

Expenses increased \$.7 million or 2 percent from fiscal year 2012. Increases in salaries and benefits account for increases in regular instruction and pupil and administration support expenses over fiscal year 2012. The School District capitalized costs for House Bill 264 expenses contributing to the decrease in operation and maintenance expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3**  
**Governmental Activities**

	Total Cost of Service		Net Cost of Service	
	2013	2012	2013	2012
<b>Instruction:</b>				
Regular	\$ 13,475,875	\$ 12,969,392	\$ 12,971,930	\$ 12,336,494
Special	2,366,608	2,424,207	2,312,971	2,361,893
Vocational	608,328	657,097	60,056	121,752
Student Intervention Services	21,786	17,778	21,786	17,778
<b>Support Services:</b>				
Pupils	1,419,630	1,253,869	1,300,750	1,044,922
Instructional Staff	1,515,678	1,470,882	1,195,361	1,207,549
Board of Education	75,162	79,204	75,162	79,204
Administration	2,277,862	2,052,841	2,277,862	2,052,841
Fiscal	854,924	934,832	850,714	929,422
Business	400	400	400	400
Operation and Maintenance of Plant	2,075,031	2,463,010	2,075,031	2,463,010
Pupil Transportation	1,385,459	1,226,329	1,300,097	1,222,654
Central	12,700	15,564	12,700	15,564
<b>Operation of Non-Instructional Services:</b>				
Food Service Operations	698,428	622,261	34,069	(40,317)
Community Services	492,505	468,432	22,454	21,284
Extracurricular Activities	835,066	887,157	479,610	554,215
<b>Debt Service:</b>				
Interest and Fiscal Charges	1,133,102	1,159,994	1,044,157	1,067,511
Issuance Costs	141,450	0	141,450	0
<b>Total Expenses</b>	<b>\$ 29,389,994</b>	<b>\$ 28,703,249</b>	<b>\$ 26,176,560</b>	<b>\$ 25,456,176</b>

**Chagrin Falls Exempted Village School District**

**Cuyahoga County, Ohio**

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2013*

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The dependence upon general revenues for governmental activities is apparent. Over 89 percent of governmental activities are supported through taxes and other general revenues; such revenues are 90 percent of total governmental revenues. The community, as a whole, is by far the primary support for the School District students.

***Governmental Funds***

Information about the School District's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$52.1 million and expenditures and other financing uses of \$50.3 million for fiscal year 2013. The net change in fund balances for the fiscal year was an increase of \$1.9 million for all governmental funds.

The general fund's net change in fund balance for fiscal year 2013 was an increase of \$1.2 million. Property tax revenues from the new operating levy increased \$2.1 million over fiscal year 2012. Expenditures in fiscal year 2013 increased \$.6 million over the prior year partially due to increases in salaries and benefits.

The fund balance of the bond retirement fund increased \$.6 million over fiscal year 2013 partially due to the bond refunding.

***General Fund Budgeting Highlights***

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

During the course of fiscal year 2013, the School District amended its general fund budget. The School District uses site-based budgeting and budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, actual and final budget basis revenue in fiscal year 2013 was \$25.8 million and original budget revenues were \$24.0 million, \$1.8 million lower. The difference is mainly due to the increase in property taxes not included in original estimates.

Final appropriations, including other financing uses, of \$25.3 million were \$57,000 higher than the actual expenditures. Due to cost cutting efforts of the School District, final appropriations were \$.7 million under original appropriations of \$26.0 million.

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2013*

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*Capital Assets and Debt Administration*

**Capital Assets**

At the end of fiscal year 2013, the School District had \$29.8 million invested in capital assets. Table 4 shows fiscal year 2013 balances compared with 2012.

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

	Governmental Activities	
	2013	2012
Land	\$ 1,386,635	\$ 1,386,635
Buildings and Improvements	27,207,007	27,587,102
Furniture and Equipment	456,386	430,190
Vehicles	343,303	427,406
Textbooks	366,192	276,250
<i>Totals</i>	\$ 29,759,523	\$ 30,107,583

The \$.3 million decrease in capital assets was attributable to current depreciation and disposals exceeding acquisitions. See Note 8 for more information about the capital assets of the School District.

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**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2013*

**Debt**

At June 30, 2013, the School District had \$25.6 million in debt outstanding. See Note 13 for additional details. Table 5 summarizes bonds outstanding.

**Table 5**  
**Outstanding Debt at Year End**

	Governmental Activities	
	2013	2012
2005 Capital Improvement Refunding	\$ 2,130,000	\$ 13,685,000
Unamortized Bond Premiums	96,917	1,131,745
2005 School Improvement Bonds	305,000	8,430,000
Unamortized Bond Premiums	17,279	482,314
Capital Appreciation Bonds (CAB)	83,668	181,228
Accretion on CAB	198,793	343,493
2011 Energy Conservation Bonds	2,044,521	2,199,521
Capital Appreciation Bonds	35,463	35,463
Accretion on CAB	22,043	8,629
Unamortized Bond Premiums	37,291	40,399
2012 Series A School Improvement Refunding	10,315,000	0
Capital Appreciation Bonds (CAB)	225,000	0
Accretion on CAB	39,286	0
Unamortized Bond Premiums	976,715	0
2012 Series B School Improvement Refunding	7,910,000	0
Capital Appreciation Bonds (CAB)	215,000	0
Accretion on CAB	38,785	0
Unamortized Bond Premiums	897,849	0
<i>Total</i>	<u>\$ 25,588,610</u>	<u>\$ 26,537,792</u>

In fiscal year 2013, the School District refunded a portion of the 2005 Capital Improvement Refunding Bonds and a portion of the 2005 School Improvement Bonds in the amount of \$10,540,000 and \$8,125,000, respectively. The refunding saved the School District a total of \$2.7 over the life of the loans resulting in an economic gain of \$1.3 million.

**Current Issues**

The Chagrin Falls Exempted Village School District continues to receive strong support from the residents of the School District. As the preceding information shows, the School District relies heavily on its local property taxpayers. An operating levy was passed by the voters in March 2012.

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

*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2013*

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Real estate tax collections have shown very small increases, and personal property tax collections have decreased. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a levy will not increase solely as a result of inflation due to Ohio House Bill 920 (passed in 1976). As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35 annually in taxes. If three years later the home was reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners), the effective tax rate would become .5 mills, and the owner would still pay \$35.

Thus, School District's dependence upon property taxes is hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Local property taxes made up 74.1% of revenues for governmental activities for the School District in fiscal year 2013.

Maintaining a four year levy cycle continues to be increasingly difficult in light of rising utility and gasoline costs, increased special education services required for our students, and potential increases in health insurance and property/liability/fleet insurance. Due to the School District's management of these expenses, we maintained a cash position which allowed us to postpone an additional levy until 2012.

From a State funding perspective, the Ohio Supreme Court found the State of Ohio in March 1997 to be operating an unconstitutional education system, one that was neither "adequate" nor "equitable". Since 1997, the State has directed its tax revenue growth toward school districts with little property tax wealth (which is unlike our School District). It is still undetermined whether the State has met the standards of the Ohio Supreme Court. The Governor appointed a Task Force to address the issues raised in the DeRolph Court Case, and recommendations were released in February 2005. The Ohio Legislature continues to review these recommendations and action may be taken in the future.

The Chagrin Falls Exempted Village School District has not anticipated any meaningful growth in State revenue. The concern is that, to meet the requirements of the Court, the State may require redistribution of state funding based upon each district's property wealth. This could have a significant impact on the School District.

The Chagrin Falls Exempted Village School District has committed itself to financial excellence for many years. The School District has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Financial Reporting for 13 consecutive years.

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

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Anne Spano, Treasurer/CFO of Chagrin Falls Exempted Village School District, 400 E. Washington Street, Chagrin Falls, Ohio 44022, or e-mail at [Anne.Spano@ChagrinSchools.org](mailto:Anne.Spano@ChagrinSchools.org).

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Statement of Net Position*  
*June 30, 2013*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Investments	\$ 12,107,905
Receivables:	
Intergovernmental	114,060
Property Taxes	23,985,552
Nondepreciable Capital Assets	1,386,635
Depreciable Capital Assets (Net)	28,372,888
<i>Total Assets</i>	65,967,040
<b>Liabilities</b>	
Accounts Payable	116,941
Accrued Wages and Benefits	2,283,558
Intergovernmental Payable	558,731
Accrued Vacation Leave Payable	75,008
Matured Compensated Absences Payable	41,577
Accrued Interest Payable	44,206
Unearned Revenue	20,214,116
Long Term Liabilities:	
Due Within One Year	2,445,094
Due In More Than One Year	25,550,363
<i>Total Liabilities</i>	51,329,594
<b>Net Position</b>	
Net Investment in Capital Assets	4,423,196
Restricted For:	
Capital Outlay	132,038
Debt Service	4,100,106
Food Service	63,043
Athletics	165,048
Other Purposes	137,863
Unrestricted	5,616,152
<i>Total Net Position</i>	\$ 14,637,446

See accompanying notes to the basic financial statements.

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2013

	Expenses	Program Revenues		Net (Expense)
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Revenue and Changes in Net Position
				Governmental Activities
<b>Governmental Activities</b>				
Instruction:				
Regular	\$ 13,475,875	\$ 299,308	\$ 204,637	\$ (12,971,930)
Special	2,366,608	53,637	0	(2,312,971)
Vocational	608,328	368,117	180,155	(60,056)
Student Intervention Services	21,786	0	0	(21,786)
Support Services:				
Pupils	1,419,630	90,563	28,317	(1,300,750)
Instructional Staff	1,515,678	0	320,317	(1,195,361)
Board of Education	75,162	0	0	(75,162)
Administration	2,277,862	0	0	(2,277,862)
Fiscal	854,924	4,210	0	(850,714)
Business	400	0	0	(400)
Operation and Maintenance of Plant	2,075,031	0	0	(2,075,031)
Pupil Transportation	1,385,459	0	85,362	(1,300,097)
Central	12,700	0	0	(12,700)
Operation of Non-Instructional Services:				
Food Service Operations	698,428	598,193	66,166	(34,069)
Community Services	492,505	307,318	162,733	(22,454)
Extracurricular Activities	835,066	312,874	42,582	(479,610)
Debt Service:				
Interest and Fiscal Charges	1,133,102	0	88,945	(1,044,157)
Issuance Costs	141,450	0	0	(141,450)
<b>Total</b>	<b>\$ 29,389,994</b>	<b>\$ 2,034,220</b>	<b>\$ 1,179,214</b>	<b>(26,176,560)</b>

**General Revenues**

Property Taxes Levied for:

General Purposes	20,627,391
Debt Service	2,180,526
Grants and Entitlements Not Restricted to Specific Programs	4,714,154
Investment Earnings	1,135
Miscellaneous	51,817

**Total General Revenues** 27,575,023

*Change in Net Position* 1,398,463

*Net Position Beginning of Year* 13,238,983

*Net Position End of Year* \$ 14,637,446

See accompanying notes to the basic financial statements.

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Balance Sheet*  
*Governmental Funds*  
*June 30, 2013*

	General Fund	Bond Retirement Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 7,796,465	\$ 3,752,581	\$ 558,859	\$ 12,107,905
Receivables:				
Interfund	31,790	0	0	31,790
Intergovernmental	0	0	114,060	114,060
Property Taxes	21,856,389	2,129,163	0	23,985,552
<i>Total Assets</i>	<u>\$ 29,684,644</u>	<u>\$ 5,881,744</u>	<u>\$ 672,919</u>	<u>\$ 36,239,307</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 109,883	\$ 0	\$ 7,058	\$ 116,941
Accrued Wages and Benefits	2,228,453	0	55,105	2,283,558
Intergovernmental Payable	530,233	0	28,498	558,731
Matured Compensated Absences Payable	40,019	0	1,558	41,577
Interfund Payable	0	0	31,790	31,790
Deferred Revenue	18,949,283	1,832,028	95,410	20,876,721
<i>Total Liabilities</i>	<u>21,857,871</u>	<u>1,832,028</u>	<u>219,419</u>	<u>23,909,318</u>
<b>Fund Balances</b>				
Restricted	0	4,049,716	493,869	4,543,585
Assigned	194,555	0	0	194,555
Unassigned	7,632,218	0	(40,369)	7,591,849
<i>Total Fund Balances</i>	<u>7,826,773</u>	<u>4,049,716</u>	<u>453,500</u>	<u>12,329,989</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 29,684,644</u>	<u>\$ 5,881,744</u>	<u>\$ 672,919</u>	<u>\$ 36,239,307</u>

See accompanying notes to the basic financial statements.



**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Reconciliation of Total Governmental Fund Balances to*  
*Net Position of Governmental Activities*  
*June 30, 2013*

<b>Total Governmental Fund Balances</b>		\$ 12,329,989
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		29,759,523
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property Taxes	\$ 567,195	
Intergovernmental	95,410	662,605
In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is not reported.		(44,206)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds	22,704,521	
Capital Appreciation Bonds	559,131	
Bond Premium	2,026,051	
Accretion of Interest - Capital Appreciation Bonds	298,907	
Capital Leases	46,624	
Vacation Benefits	75,008	
Compensated Absences	2,360,223	(28,070,465)
<i>Net Position of Governmental Activities</i>		\$ 14,637,446

See accompanying notes to the basic financial statements.

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2013*

	General Fund	Bond Retirement Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property and Other Local Taxes	\$ 20,872,996	\$ 2,213,689	\$ 0	\$ 23,086,685
Intergovernmental	4,577,697	405,558	704,572	5,687,827
Investment Income	1,135	0	794	1,929
Tuition and Fees	969,366	0	17,520	986,886
Extracurricular Activities	163,700	0	304,744	468,444
Rentals	4,210	0	0	4,210
Charges for Services	0	0	598,762	598,762
Contributions and Donations	28,317	0	112,513	140,830
Miscellaneous	28,304	0	0	28,304
<i>Total Revenues</i>	<u>26,645,725</u>	<u>2,619,247</u>	<u>1,738,905</u>	<u>31,003,877</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	11,914,018	0	182,249	12,096,267
Special	2,346,902	0	0	2,346,902
Vocational	608,328	0	0	608,328
Student Intervention Services	21,786	0	0	21,786
Support Services:				
Pupils	1,323,476	0	3,942	1,327,418
Instructional Staff	1,058,954	0	312,162	1,371,116
Board of Education	75,162	0	0	75,162
Administration	2,191,399	0	0	2,191,399
Fiscal	839,145	13,099	0	852,244
Business	400	0	0	400
Operation and Maintenance of Plant	2,304,880	0	0	2,304,880
Pupil Transportation	1,218,301	0	18,650	1,236,951
Central	12,700	0	0	12,700
Extracurricular Activities	522,662	0	322,096	844,758
Operation of Non-Instructional Services:				
Food Service Operations	0	0	658,606	658,606
Community Services	315,813	0	189,520	505,333
Capital Outlay	11,522	0	414,526	426,048
Debt Service:				
Principal Retirement	174,136	1,112,560	0	1,286,696
Interest and Fiscal Charges	109,892	1,082,944	0	1,192,836
Issuance Costs	0	141,450	0	141,450
<i>Total Expenditures</i>	<u>25,049,476</u>	<u>2,350,053</u>	<u>2,101,751</u>	<u>29,501,280</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,596,249</u>	<u>269,194</u>	<u>(362,846)</u>	<u>1,502,597</u>
<b>Other Financing Sources (Uses):</b>				
Refunding Bonds Issued	0	18,665,000	0	18,665,000
Premium on Refunding Bonds Issued	0	2,022,116	0	2,022,116
Insurance Recoveries	8,210	0	0	8,210
Payment to Refunded Bond Escrow Agent	0	(20,333,186)	0	(20,333,186)
Transfers In	0	0	419,200	419,200
Transfers Out	(419,200)	0	0	(419,200)
<i>Total Other Financing Sources (Uses)</i>	<u>(410,990)</u>	<u>353,930</u>	<u>419,200</u>	<u>362,140</u>
<i>Net Change in Fund Balance</i>	1,185,259	623,124	56,354	1,864,737
<i>Fund Balances Beginning of Year</i>	<u>6,641,514</u>	<u>3,426,592</u>	<u>397,146</u>	<u>10,465,252</u>
<i>Fund Balances End of Year</i>	<u>\$ 7,826,773</u>	<u>\$ 4,049,716</u>	<u>\$ 453,500</u>	<u>\$ 12,329,989</u>

See accompanying notes to the basic financial statements.

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

*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2013*

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	1,864,737
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
 Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		
Capital Asset Additions	\$ 1,109,184	
Current Year Depreciation	<u>(1,456,769)</u>	(347,585)
 Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(475)
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	(278,768)	
Intergovernmental	<u>63,348</u>	(215,420)
 Repayment of principal and accreted interest on capital appreciation bonds is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
General Obligation Bonds	1,170,000	
Capital Appreciation Bonds	97,560	
Accretion on Capital Appreciation Bonds	207,440	
Capital Lease	<u>19,136</u>	1,494,136
 Issuance of refunding bonds results in expenditures and other financing sources and uses in the governmental funds, but these transactions are reflected in the statement of net position as long-term assets and liabilities.		
Payments to Refund Bond Escrow Agent	20,333,186	
Proceeds of Refunding Bonds	(18,665,000)	
Premium on Refunding Bonds	(2,022,116)	
Accounting Gain/Loss on Refundings	<u>(266,408)</u>	(620,338)
 In the statement of activities, interest is accrued on outstanding bonds, and bond premium are amortized over the term of the bonds, whereas in governmental funds, an interest expenditure is reported when bonds are issued.		
Accrued Interest Payable	24,182	
Amortization of Bond Premium	<u>248,745</u>	272,927
 Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated Absences	(902,879)	
Vacation Benefits Payable	<u>7,585</u>	(895,294)
 Accretion on capital appreciation bonds is an expenditure in the governmental funds, but is allocated as an expense over the life of the bonds.		
		<u>(154,225)</u>
<i>Change in Net Position of Governmental Activities</i>	\$	<u><u>1,398,463</u></u>

See accompanying notes to the basic financial statements.

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Statement of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2013*

	Budgeted Amounts			
	Original	Final	Actual	Variance
<b>Revenues</b>				
Property and Other Local Taxes	\$ 19,035,414	\$ 20,512,015	\$ 20,512,015	\$ 0
Intergovernmental	4,337,107	4,577,697	4,577,697	0
Investment Income	1,053	23,542	1,135	(22,407)
Tuition and Fees	511,266	550,826	550,926	100
Extracurricular Activities	70,932	76,434	76,434	0
Rentals	3,907	4,210	4,210	0
Miscellaneous	26,266	28,290	28,304	14
<i>Total Revenues</i>	<u>23,985,945</u>	<u>25,773,014</u>	<u>25,750,721</u>	<u>(22,293)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	12,003,888	11,878,367	11,836,226	42,141
Special	2,452,890	2,338,485	2,338,485	0
Vocational	715,297	614,059	614,059	0
Student Intervention Services	0	21,786	21,786	0
Support Services:				
Pupils	1,345,746	1,223,587	1,212,663	10,924
Instructional Staff	1,192,878	1,128,860	1,128,860	0
Board of Education	106,557	78,397	77,681	716
Administration	2,319,553	2,226,578	2,225,783	795
Fiscal	744,087	846,530	846,530	0
Business	0	400	400	0
Operation and Maintenance of Plant	2,545,650	2,340,449	2,338,019	2,430
Pupil Transportation	1,207,117	1,235,995	1,235,995	0
Central	19,720	12,700	12,700	0
Extracurricular Activities	576,566	535,836	535,836	0
Operation of Non-Instructional Services:				
Community Services	7,325	3,307	3,307	0
Capital Outlay	67,500	79,022	79,022	0
Debt Service:				
Principal Retirement	174,136	174,136	174,136	0
Interest and Fiscal Charges	109,892	109,892	109,892	0
<i>Total Expenditures</i>	<u>25,588,802</u>	<u>24,848,386</u>	<u>24,791,380</u>	<u>57,006</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,602,857)</u>	<u>924,628</u>	<u>959,341</u>	<u>34,713</u>
<b>Other Financing Sources (Uses)</b>				
Insurance Recoveries	0	8,210	8,210	0
Advances Out	0	(31,791)	(31,791)	0
Transfers Out	(420,000)	(419,200)	(419,200)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(420,000)</u>	<u>(442,781)</u>	<u>(442,781)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(2,022,857)	481,847	516,560	34,713
<i>Fund Balance Beginning of Year</i>	6,759,942	6,759,942	6,759,942	0
Prior Year Encumbrances Appropriated	100,859	100,859	100,859	0
<i>Fund Balance End of Year</i>	<u>\$ 4,837,944</u>	<u>\$ 7,342,648</u>	<u>\$ 7,377,361</u>	<u>\$ 34,713</u>

See accompanying notes to the basic financial statements.

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Statement of Fiduciary Net Position*  
*Fiduciary Funds*  
*June 30, 2013*

	Private Purpose Trust	Agency
<b>Assets</b>		
Equity in Pooled Cash and Investments	\$ 111,084	\$ 39,982
<b>Liabilities</b>		
Due to Students	0	\$ 39,982
<i>Total Liabilities</i>	0	\$ 39,982
<b>Net Position</b>		
Held in Trust for Scholarships	\$ 111,084	

See accompanying notes to the basic financial statements.

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Statement of Changes in Fiduciary Net Position*  
*Private Purpose Trust Fund*  
*For the Fiscal Year Ended June 30, 2013*

	Private Purpose Trust
<b>Additions</b>	
Gifts and Contributions	\$ 17,250
Investment Earnings	115
<i>Total Additions</i>	17,365
<b>Deductions</b>	
Payments in Accordance with Trust Agreements	13,532
<i>Change in Net Position</i>	3,833
<i>Net Position Beginning of Year</i>	107,251
<i>Net Position End of Year</i>	\$ 111,084

See accompanying notes to the basic financial statements.

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

### **Cuyahoga County, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2013*

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

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

The School District operates under a locally-elected five-member Board form of government and provides educational services as mandated by the State and federal agencies. Each member is elected to a four year term. The Board of Education controls the School District's four instructional support facilities.

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

#### ***Reporting Entity***

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

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

The School District participates in two jointly governed organizations and one insurance purchasing pool. These organizations are the Lake Geauga Computer Association, the Ohio Schools Council, and the Ohio School Boards Association Workers' Compensation Group Rating Program. These organizations are presented in Notes 9, 15 and 16 to the basic financial statements.

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

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2013*

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Following are the most significant of the School District's accounting policies.

**A. Basis of Presentation**

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

**Government-wide Financial Statements** The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The internal activities within "activity" types are eliminated to avoid "doubling up" revenues and expenses.

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

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

**B. Fund Accounting**

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

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



## Chagrin Falls Exempted Village School District

### Cuyahoga County, Ohio

#### *Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2013*

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

**Bond Retirement Fund** The bond retirement debt service fund is used to account for the accumulation of property tax revenues for, and the payment of, general obligation bonds used for the construction and renovation of facilities.

The other governmental funds of the School District account for grants and other resources to which the School District is bound to observe constraints imposed upon the use of the resources.

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

#### **C. Measurement Focus**

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

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

The private purpose trust fund is reported using the economic resources measurement focus and is excluded from the governmental activities. All assets and liabilities associated with the operation of this fund are included on the statement of fiduciary net position. The statement of changes in fiduciary net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. Agency funds do not report a measurement focus as they do not report operations.

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

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2013*

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***D. Basis of Accounting***

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

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

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

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

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

Grants and entitlements received before the eligibility requirements are met are recorded as unearned/deferred revenue. Property taxes for which there is an enforceable legal claim as of June 30, 2013, but which were levied to finance fiscal year 2014 operations, have been recorded as deferred revenue on the balance sheet. This amount is reported as unearned revenue on the statement of net position, however excludes delinquent amounts earned as of year-end.

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

## Chagrin Falls Exempted Village School District

### Cuyahoga County, Ohio

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2013*

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***Expenses/Expenditures*** On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the statement of activities as an expense with a like amount reported within the "operating grants, contributions and interest" program revenue account.

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

#### ***E. Budgetary Data***

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2013.

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

#### ***F. Cash and Investments***

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

During fiscal year 2013, investments were limited to Fifth Third Money Market, Freddie Mac, Federal National Mortgage Association, Federal Home Loan Bank Notes, Federal Home Loan Mortgage, US Treasury Notes and STAR Ohio, (the State Treasurer's Investment Pool).

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

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2013*

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

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2013. Certificates of deposit are reported at cost.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest. Interest revenue credited to the general fund during fiscal year 2013 amounted to \$1,135, which includes \$407 assigned from other School District funds.

Investments of the cash management pool and investments with a maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as "equity in pooled cash and investments." Investments with an original maturity of more than three months that are not made from the pool are reported as "investments."

***G. Restricted Assets***

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets may include amounts required by statute to be set-aside for the acquisition and construction of capital improvements. See Note 19 for additional information regarding set asides for the acquisition or construction of capital improvements.

***H. Capital Assets***

General capital assets are those assets resulting from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported on the fund financial statements.

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

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

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Description	Governmental Activities Estimated Lives
Land	N/A
Construction in Progress	N/A
Buildings and Improvements	10 - 40 Years
Furniture and Equipment	5 - 20 Years
Vehicles	10 - 15 Years
Textbooks	5 Years

***I. Compensated Absences***

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

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

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

In governmental funds, the liability for unpaid compensated absences is the unused reimbursable leave still outstanding following an employee's resignation or retirement. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated leave are paid.

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

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

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

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***K. Net Position***

Net position represent the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. At June 30, 2013, there was no net position restricted by enabling legislation.

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

***L. Fund Balance***

In accordance with Governmental Accounting Standards Board Statement No. 54, “*Fund Balance Reporting and Governmental Fund Type Definitions*”, the School District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The classifications are as follows:

*Nonspendable* – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed or assigned.

*Restricted* – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or is imposed by law through constitutional provisions.

*Committed* – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned* – Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the School District Board of Education. The Board of Education has, by resolution, authorized the Treasurer to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget.

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*Unassigned* – Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

***M. Interfund Activity***

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

***N. Estimates***

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

***O. Changes in Accounting Principles***

For the fiscal year ended June 30, 2013, the School District has implemented Governmental Accounting Standard Board (GASB) Statement No. 60, “*Accounting and Financial Reporting for Service Concession Arrangements*,” GASB Statement No. 61, “*The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*,” GASB Statement No. 62, “*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*,” and GASB Statement No. 63, “*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.”

GASB Statement No. 60 improves financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The implementation of GASB Statement No. 60 did not have an effect on the financial statements of the School District.

GASB Statement No. 61 improves guidance for including, presenting and disclosing information about component units and equity interest transactions of a financial reporting entity. The implementation of GASB Statement No. 61 did not have an effect on the financial statements of the School District.

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GASB Statement No. 62 incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. The implementation of GASB Statement No. 62 did not have an effect on the financial statements of the School District.

GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. It also amends the net asset reporting requirements in GASB Statement No. 34 by incorporating deferred outflows and inflows into the definitions and renaming the residual measure as net position, rather than net assets.

**Note 3 – Fund Balance**

Fund balance can be classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in governmental funds.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

	General Fund	Bond Retirement Fund	Other Governmental Funds	Total
Restricted for:				
Debt Service	\$ 0	\$ 4,049,716	\$ 0	\$ 4,049,716
Capital Outlay	0	0	132,038	132,038
Extracurricular	0	0	165,048	165,048
Food Service	0	0	108,613	108,613
Other Purposes	0	0	88,170	88,170
Total Restricted	0	4,049,716	493,869	4,543,585
Assigned for:				
Public School Support	39,600	0	0	39,600
Encumbrances:				
Instruction	42,976	0	0	42,976
Support Services	41,438	0	0	41,438
Operation of Non-Instructional	3,041	0	0	3,041
Capital Outlay	67,500	0	0	67,500
Total Assigned	194,555	0	0	194,555
Unassigned	7,632,218	0	(40,369) *	7,591,849
Total Fund Balance	\$ 7,826,773	\$ 4,049,716	\$ 453,500	\$ 12,329,989



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\* Unassigned fund balance included the following individual fund deficits:

	<u>Fund Balance</u>
Nonmajor Governmental Funds:	
Auxiliary Services	\$ 3,222
Title VI-B	36,599
Title II-A	548

The deficits in these nonmajor governmental funds resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and will provide transfers when cash is required, not when accruals occur.

**Note 4 - Budgetary Basis of Accounting**

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Advances in and advances out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
5. Some funds are included in the general fund (GAAP), but have separate legally adopted budgets (budget).

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

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**Net Change in Fund Balance**

	General Fund **
GAAP Basis	\$ 1,185,259
Net Adjustment for Revenue Accruals	(356,459)
Advance Out	(31,791)
Net Adjustment for Expenditure Accruals	(69,112)
Funds Budgeted Elsewhere **	12,276
Adjustment for Encumbrances	(223,613)
Budget Basis	\$ 516,560

\*\* As part of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the public school support fund, the uniform supplies fund and the community education fund.

**Note 5 - Deposits and Investments**

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

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio and STAR Plus);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

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Custodial credit risk for deposits is the risk that in the event of bank failure, the government's deposits may not be returned to it. Protection of School District cash and deposits is provided by the Federal Deposit Insurance Corporation, as well as qualified securities pledged by the institution holding the assets. By law, financial institutions must collateralize all uninsured public deposits. The face value of the pooled collateral must equal at least 105 percent of uninsured public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Custodial credit risk for an investment is the risk that in the event of failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. These securities, held by the counterparty and not in the School District's name, must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. The School District's policy is to invest money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

**Cash on Hand:** At year end, the School District had \$1,000 in undeposited cash on hand which is included on the balance sheet of the School District as part of "equity in pooled cash and investments."

**Deposits** At fiscal year-end, the carrying amount of the School District's deposits was \$1,680,202 and the bank balance was \$2,052,331. Of the bank balance:

1. \$359,337 of the bank balance was covered by depository insurance; and
2. \$1,692,994 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging institution in the pledging institution's name, and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

**Investments:** Investments are reported at fair value. As of June 30, 2013, the School District had the following investments:

Standard & Poors Rating		Fair Value	Investment Maturities (in months)				% Total Investments
			0 - 12	13 - 24	25 - 36	37 - 60	
N/A	Fifth Third US Treasury Money Market	\$ 63,103	\$ 63,103	\$ 0	\$ 0	\$ 0	0.60%
AAAm	STAR Ohio	6,926,886	6,926,886	0	0	0	65.48%
AA+	US Treasury Notes	206,914	0	0	0	206,914	1.96%
AAA	Federal National Mortgage Association	2,010,528	0	0	432,300	1,578,228	19.01%
AAA	Freddie Mac	1,142,631	0	0	252,032	890,599	10.80%
AAA	Federal Home Loan Mortgage	202,450	0	0	0	202,450	1.91%
AAA	Federal Home Loan Bank Notes	25,257	0	0	0	25,257	0.24%
Totals		<u>\$ 10,577,769</u>	<u>\$ 6,989,989</u>	<u>\$ 0</u>	<u>\$ 684,332</u>	<u>\$ 2,903,448</u>	<u>100.00%</u>

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**Interest Rate Risk:** The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. The School District's policy indicates that the investments must mature within five years, unless matched to a specific obligation or debt of the School District.

STAROhio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAROhio as of June 30, 2013, is 58 days and carries a rating of AAAM by Standard and Poor's.

**Credit Risk:** The School District's investments at June 30, 2013 are rated as shown above by Standard & Poor's. Federal money markets are exempt from ratings since they are explicitly guaranteed by a U.S. Government Agency. The School District's policy on Credit Risk allows only for those investments as stated within the Ohio Revised Code.

**Concentration of Credit Risk:** The School District places no limit on the amount the School District may invest in any one issuer. More than 50 percent of the School District's investments are in STAR Ohio as listed above. The School District's policy is to invest money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

#### **Note 6 - Property Taxes**

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2013 represents collections of calendar year 2012 taxes. Real property taxes received in calendar year 2013 were levied after April 1, 2012, on the assessed value listed as of January 1, 2012, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2013 represents collections of calendar year 2012 taxes. Public utility real and tangible personal property taxes received in calendar year 2013 became a lien December 31, 2011, were levied after April 1, 2012 and are collected in 2013 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phased out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated in calendar year 2009, and the tax on telephone and telecommunications property was eliminated in calendar year 2010. The tax was phased out by reducing the assessment rate on the property each year. The bill replaced the revenue lost by the School District due to the phasing out of the tax. In calendar years 2006-2010, the School District was fully

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reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements are being phased out. On June 30, 2011, House Bill No. 153 was signed into law, which further reduced the amounts of these reimbursements.

The School District receives property taxes from Cuyahoga County. The County Fiscal Officer periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2013, are available to finance fiscal year 2013 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2013, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed personal property tax and the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2013 was \$2,907,106 in the general fund and \$297,135 in the bond retirement fund. The amount available as an advance at June 30, 2012 was \$2,546,125 in the general fund and \$298,614 in the bond retirement fund.

On an accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

The assessed values upon which the fiscal year 2013 taxes were collected are:

	2012 Second Half Collections		2013 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$ 480,591,290	98.72%	\$493,957,600	98.65%
Public Utility Personal Property	6,209,130	1.28%	6,761,840	1.35%
	\$ 486,800,420	100.00%	\$ 500,719,440	100.00%
Tax rate per \$1,000 assessed valuation	\$ 107.70		\$ 115.60	

**Note 7 - Receivables**

Receivables at June 30, 2013, consisted of interfund, taxes and intergovernmental. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. Intergovernmental receivables consisted of \$114,060 in grants receivable in special revenue funds.

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**Note 8 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

	Balance 6/30/12	Additions	Reductions	Balance 6/30/13
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 1,386,635	\$ 0	\$ 0	\$ 1,386,635
	1,386,635	0	0	1,386,635
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	41,597,645	757,147	0	42,354,792
Furniture and Equipment	1,787,099	94,734	(101,460)	1,780,373
Vehicles	1,722,507	0	0	1,722,507
Textbooks	707,697	257,303	(128,195)	836,805
	45,814,948	1,109,184	(229,655)	46,694,477
Total Capital Assets, being depreciated				
	45,814,948	1,109,184	(229,655)	46,694,477
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(14,010,543)	(1,137,242)	0	(15,147,785)
Furniture and Equipment	(1,356,909)	(68,063)	100,985	(1,323,987)
Vehicles	(1,295,101)	(84,103)	0	(1,379,204)
Textbooks	(431,447)	(167,361)	128,195	(470,613)
	(17,094,000)	(1,456,769)	229,180	(18,321,589)
Total Accumulated Depreciation				
	(17,094,000)	(1,456,769)	229,180	(18,321,589)
Total Capital Assets being depreciated, net	28,720,948	(347,585)	(475)	28,372,888
	28,720,948	(347,585)	(475)	28,372,888
Governmental Activities Capital Assets, Net	\$ 30,107,583	\$ (347,585)	\$ (475)	\$ 29,759,523

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Depreciation expense was charged as follows:

<i>Governmental Activities:</i>	
Instruction:	
Regular	\$ 1,134,039
Special	13,847
Support Services:	
Pupil	13,847
Instructional Staff	47,445
Administration	883
Operation and Maintenance of Plant	145,644
Pupil Transportation	80,687
Operation of Non-Instructional Services:	
Food Service Operations	9,732
Community Services	10,645
Total Depreciation	\$ 1,456,769

**Note 9 - Risk Management**

***A. Property and Liability***

The School District insures its buildings and their contents through insurance having a \$1,000 deductible and providing replacement costs for such items. An inventory of all loose equipment is conducted annually.

Appropriate liability insurance is maintained in the amount of \$1,000,000 for each occurrence and \$2,000,000 aggregate. The School District also has an excess policy in the amount of \$5,000,000. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

A bond of \$100,000 is maintained on the Treasurer. Bonds are also provided for the School Board President, Business Manager and Superintendent in the amount of \$100,000 each.

By State statute, bond is provided by all contractors in amounts sufficient to cover the entire bid amount awarded to the contractor.

***B. Workers' Compensation***

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 16). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP.



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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 Comp Management, Inc. provides administrative, cost control and actuarial services to the GRP.

**Note 10 - Other Employee Benefits**

***A. Compensated Absences***

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

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated to a maximum of 276 days. Upon retirement, employees receive payment for one-fourth of the total sick leave accumulation, up to a maximum accumulation of 276 days.

***B. Insurance Benefits***

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Assurant Life, in the amount of \$75,000 for all certified and union exempt employees, and all administrators; \$30,000 for non-certified employees; and one times the annual salary for the superintendent and treasurer.

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

Dental coverage is provided through Delta Dental and is also subject to certain deductibles, co-pays and maximum benefits as outlined in the plan. Per negotiated agreement, the premium is paid based on full time equivalency. If an employee is not full time, the School District pays a pro-rated share of the premium for both single and family coverage.

**Note 11 - Pension Plans**

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

Plan Description - 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, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309

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of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current 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 2013, 13.05 percent and .05 percent of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2013, 2012 and 2011 were \$492,126, \$526,043 and \$443,307, respectively; 62 percent has been contributed for fiscal year 2013 and 100 percent for the fiscal years 2012 and 2011. \$201,819 represents the unpaid contribution for fiscal year 2013, and is recorded as a liability within the respective funds.

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

Plan Description - The School District participates in the State Teachers Retirement System of Ohio ("STRS Ohio"), a cost-sharing, multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a publicly-available, stand-alone financial report that may be obtained by writing to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3371, by calling (888) 227-7877, or by visiting the STRS Ohio website at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB Plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

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

*Funding Policy* - For fiscal year 2013, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employer contributions. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2013, 2012 and 2011 were \$1,572,685, \$1,510,278 and \$1,465,362, respectively; 83 percent has been contributed for fiscal year 2013 and 100 percent for the fiscal years 2012 and 2011. Contributions to the DC and Combined Plans for fiscal year 2013 were \$114,027 made by the School District and \$81,448 made by the plan members. \$266,272 represents the unpaid contribution for fiscal year 2013, and is recorded as a liability within the respective funds.

#### ***C. Social Security System***

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2013, two members of the Board of Education have elected social security. The Board's liability is 6.2 percent of wages paid.

#### **Note 12 - Postemployment Benefits**

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

*Plan Description* - The School District participates in two cost-sharing, multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage and traditional indemnity plans. A prescription drug plan is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code Section 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B monthly premium for calendar year 2013 was \$104.90 for most participants, but could be as high as \$335.70 per month depending on their income. SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100,

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Columbus, Ohio 43215-3746. It is also posted on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

*Funding Policy* - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2013, .16 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2013, the actuarially determined amount was \$20,525.

Active members do not contribute to the postemployment benefit plans. The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2013, 2012, and 2011 were \$59,561, \$73,781, and \$53,677, respectively; 62 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011. The liability for the unpaid contribution has been recorded within the respective funds.

The Retirement Board, acting with advice of the actuary, allocates a portion of the current employer contribution to the Medicare B Fund. For fiscal year 2013, the actuarially required allocation was 0.74 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2013, 2012, and 2011 were \$27,799, \$31,066, and \$28,528, respectively; 62 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011. The liability for the unpaid contribution has been recorded within the respective funds.

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

Plan Description - The School District contributes to the cost sharing, multiple-employer defined benefit Health Plan (the "Plan") administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the financial report of STRS. Interested parties can view the most recent Comprehensive Annual Financial Report by visiting [www.strsoh.org](http://www.strsoh.org) or by requesting a copy by calling toll-free (888) 227-7877.

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2013, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2013, 2012, and 2011 were \$113,758, \$117,054, and \$117,289, respectively; 83 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

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**Note 13 - Long - Term Obligations**

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

	Outstanding 6/30/12	Additions	Reductions	Refunding	Outstanding 6/30/13	Amounts Due in One Year
<b>Governmental Activities:</b>						
General Obligation Bonds:						
2005 Refunding Bonds						
Serial Bonds \$16,320,000						
at 2.5% - 4.125%	\$13,685,000	\$ 0	\$ 1,015,000	\$ 10,540,000	\$ 2,130,000	\$ 1,045,000
Bond Premium	1,131,745	0	93,345	941,483	96,917	0
2005 School Improvement Bonds						
Current Interest Bonds \$9,655,000						
at 3.71% - 3.94%	8,430,000	0	0	8,125,000	305,000	0
Bond Premium	482,314	0	4,740	460,295	17,279	0
Capital Appreciation Bonds						
at 2.5% - 4.125%	181,228	0	97,560	0	83,668	83,668
Accretion of Interest	343,493	62,740	207,440	0	198,793	198,793
2011 Series A Energy Conservation Bonds						
Serial Bonds \$1,342,983						
at 5.75%	1,260,000	0	85,000	0	1,175,000	85,000
2011 Series B Energy Conservation Bonds						
Tax Exempt Serial Bonds \$430,463						
at 2.00% - 4.80%	395,000	0	70,000	0	325,000	0
Bond Premium	40,399	0	3,108	0	37,291	0
Capital Appreciation Bond						
at 1.65%	35,463	0	0	0	35,463	35,463
Accretion of Interest	8,629	13,414	0	0	22,043	22,043
Qualified School Construction Bonds						
Term Bonds \$544,521 at 4.85%	544,521	0	0	0	544,521	0
2012 Series A Refunding Bonds						
Serial Bonds \$10,315,000						
at 1.94%	0	10,315,000	0	0	10,315,000	305,000
Capital Appreciation Bond						
at 2.12%	0	225,000	0	0	225,000	0
Accretion of Interest	0	39,286	0	0	39,286	0
Bond Premium	0	1,074,386	97,671	0	976,715	0
2012 Series B Refunding Bonds						
Serial Bonds \$7,910,000						
at 2.30%	0	7,910,000	0	0	7,910,000	165,000
Capital Appreciation Bond						
at 1.4% - 1.55%	0	215,000	0	0	215,000	0
Accretion of Interest	0	38,785	0	0	38,785	0
Bond Premium	0	947,730	49,881	0	897,849	0
Total General Obligation Bonds	26,537,792	20,841,341	1,723,745	20,066,778	25,588,610	1,939,967
Capital Lease	65,760	0	19,136	0	46,624	21,162
Compensated Absences	1,457,344	1,143,760	240,881	0	2,360,223	483,965
Total Governmental Activities						
Long-Term Liabilities	<u>\$28,060,896</u>	<u>\$ 21,985,101</u>	<u>\$ 1,983,762</u>	<u>\$ 20,066,778</u>	<u>\$27,995,457</u>	<u>\$ 2,445,094</u>

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*2005 School Improvement Refunding Bonds*

On January 6, 2005, the School District issued \$16,820,000 refunding general obligation bonds. The proceeds of the bonds were used to refund \$1,600,000 of the School District's outstanding Capital Improvement Bonds, Series 1997, and \$15,220,000 of the School District's outstanding Capital Improvement Bond Series 1997-2. The bonds were issued for an 18 year period with final maturity at December 1, 2022. At the date of the refunding, \$18,082,289 (including premium and after underwriting fees) was deposited in an irrevocable trust to provide for all future payments on the refunded bonds. These bonds were called on December 1, 2007.

These refunding bonds were issued with a premium of \$1,502,441, which is reported as an increase to bonds payable. The amounts are being amortized to interest expense over the life of the bonds using the bonds outstanding method. The amortization for June 30, 2013 was \$93,345. The issuance costs have been reported as an expenditure. The issuance resulted in a difference between the cash flows required to service the old debt and the cash flows required to service the new debt of \$964,620. The issuance resulted in an economic gain of \$703,151.

The bond issue consisted of serial and capital appreciation bonds. The capital appreciation bonds matured December 1, 2011. The serial bonds are not subject to early redemption.

*2005 School Improvement Bonds*

On June 22, 2005, the School District issued \$9,949,990 in general obligation bonds for the construction of a new auditorium and building/facility improvements. The bonds mature in December 2032. These bonds were issued with a premium of \$563,685, which is reported as an increase to bonds payable. The amounts are being amortized to interest expense over the life of the bonds using the bonds outstanding method. Amortization expense for June 30, 2013 was \$4,740.

The bond issue consists of serial and capital appreciation bonds. These bonds are not subject to early redemption.

Capital appreciation bonds matured on December 1, 2011 and December 1, 2012 and the remaining bond will mature December 1, 2013. These bonds were purchased at a substantial discount at the time of issuance. At maturity all compounded interest is paid and the bond holder receives the face value of the bond. As the value of the bond increases, the accretion is reflected as principal liability. The maturity amount of the remaining bond is \$305,000. For fiscal year 2013, \$62,740 was accreted for a liability of \$282,461.

*2011 Series A Energy Conservation Improvement Bonds*

On January 24, 2011, the School District issued \$1,342,983 in general obligation bonds for House Bill 264 improvements. The bonds mature in December 2025.

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*2011 Series B-1 Energy Conservation Improvement Bonds*

On January 24, 2011, the School District issued \$430,463 in tax exempt bonds for the purpose of energy conservation improvements to School District buildings. The bonds mature on December 1, 2017.

This bond issue consists of serial and capital appreciation bonds. These bonds are not subject to early redemption.

The capital appreciation bond matures on December 1, 2013. This bond was purchased at a substantial discount at the time of issuance. At maturity all compounded interest is paid and the bond holder receives the face value of the bond. As the value of the bond increases, the accretion is reflected as principal liability. The maturity amount of the bond is \$75,000. For fiscal year 2013, \$13,414 was accreted for a liability of \$57,506.

*2011 Series B-2 Energy Conservation Improvement Bonds*

On January 24, 2011, the School District issued \$544,521 in Qualified School Construction Bonds for the purpose of energy conservation improvements to School District buildings.

The Direct Payment Qualified School Construction Bonds were issued as term bonds and are subject to mandatory redemption. The School District will make seven annual payments to be deposited into an escrow account beginning December 1, 2018 and a final payment to be made on December 1, 2025.

*2012 Series 2012 A School Improvement Refunding Bonds*

On November 27, 2012, the School District issued \$10,540,000 refunding general obligation bonds. The proceeds of the bonds were used to refund \$10,540,000 of the School District's outstanding School Improvement Refunding Bonds, Series 2005. The bonds were issued for a 10 year period with final maturity at December 1, 2022. At the date of the refunding, \$11,426,599 (including premium and after underwriting fees) was deposited in an irrevocable trust to provide for all future payments on the refunded bonds.

These refunding bonds were issued with a premium of \$1,074,386, which is reported as an increase to bonds payable. The amounts are being amortized to interest expense over the life of the bonds using the bonds outstanding method. The amortization for June 30, 2013 was \$97,671. The issuance costs have been reported as an expenditure. The issuance resulted in a difference between the cash flows required to service the old debt and the cash flows required to service the new debt of \$719,114. The issuance resulted in an economic gain of \$618,466.

This bond issue consists of serial and capital appreciation bonds. The bonds maturing after December 1, 2018 are subject to early redemption by the School District prior to their stated maturity, in whole or in part, as selected by the School District (in whole multiples of \$5,000) on any date on or after December 1, 2017, at par.



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The capital appreciation bond matures on December 1, 2018. This bond was purchased at a substantial discount at the time of issuance. At maturity all compounded interest is paid and the bond holder receives the face value of the bond. As the value of the bond increases, the accretion is reflected as principal liability. The maturity amount of the bond is \$1,475,000. For fiscal year 2013, \$39,286 was accreted for a liability of \$264,286.

*2012 Series 2012 B School Improvement Refunding Bonds*

On November 27, 2012, the School District issued \$8,125,000 refunding general obligation bonds. The proceeds of the bonds were used to refund \$8,125,000 of the School District's outstanding School Improvement Bonds, Series 2005. The bonds were issued for an 18 year period with final maturity at December 1, 2030. At the date of the refunding, \$8,906,587 (including premium and after underwriting fees) was deposited in an irrevocable trust to provide for all future payments on the refunded bonds.

These refunding bonds were issued with a premium of \$947,730, which is reported as an increase to bonds payable. The amounts are being amortized to interest expense over the life of the bonds using the bonds outstanding method. The amortization for June 30, 2013 was \$49,881. The issuance costs have been reported as an expenditure. The issuance resulted in a difference between the cash flows required to service the old debt and the cash flows required to service the new debt of \$1,608,507. The issuance resulted in an economic gain of \$1,138,154.

This bond issue consists of serial and capital appreciation bonds. The bonds maturing on or after December 1, 2023 are subject to early redemption by the School District prior to their stated maturity, in whole or in part, as selected by the School District (in whole multiples of \$5,000) on any date on or after December 1, 2022, at par.

The capital appreciation bonds mature on December 1, 2017 and December 1, 2018. These bonds were purchased at a substantial discount at the time of issuance. At maturity all compounded interest is paid and the bond holder receives the face value of the bond. As the value of the bond increases, the accretion is reflected as principal liability. The maturity amount of the bonds is \$1,015,000. For fiscal year 2013, \$38,785 was accreted for a liability of \$253,785.

General obligation bonds will be paid from the general fund and bond retirement fund and the capital lease will be paid from the general fund. Compensated absences will be paid from the general fund and the food service fund.

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Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2013 are as follows:

Fiscal Year Ending June 30,	Serial Bonds		Term Bonds		Capital Appreciation Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Accretion	Principal	Accretion/ Interest
2014	\$ 1,600,000	\$ 480,844	\$ 0	\$ 26,410	\$ 119,131	\$ 260,869	\$ 1,719,131	\$ 768,123
2015	2,055,000	426,944	0	26,410	0	0	2,055,000	453,354
2016	2,080,000	382,356	0	26,410	0	0	2,080,000	408,766
2017	2,130,000	352,561	0	26,409	0	0	2,130,000	378,970
2018	1,525,479	324,397	64,521	26,408	120,000	390,000	1,710,000	740,805
2019 - 2023	7,904,521	1,165,536	340,000	92,260	320,000	1,660,000	8,564,521	2,917,796
2024 - 2028	3,215,000	405,966	140,000	15,276	0	0	3,355,000	421,242
2029 - 2033	1,650,000	56,623	0	0	0	0	1,650,000	56,623
<b>Total</b>	<b>\$22,160,000</b>	<b>\$ 3,595,227</b>	<b>\$ 544,521</b>	<b>\$ 239,583</b>	<b>\$ 559,131</b>	<b>\$ 2,310,869</b>	<b>\$23,263,652</b>	<b>\$ 6,145,679</b>

**Note 14 – Capitalized Leases**

Capital lease obligations relate to copier equipment which is leased under a long-term agreement. Capital lease payments in the governmental funds have been reclassified and are reflected as debt service in the basic financial statements for the general fund. The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2013.

Year	Amount
2014	\$ 24,912
2015	24,912
2016	<u>2,076</u>
Total Minimum Lease Payments	51,900
Less Amount Representing Interest	<u>5,276</u>
Present Value of Minimum Lease Payments	<u>\$ 46,624</u>

The assets being acquired have been capitalized in the general fund in the amount of \$97,465, which is the present value of the minimum lease payments at the inception of each lease.

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**Note 15 - Jointly Governed Organizations**

***A. Lake Geauga Computer Association***

The Lake Geauga Computer Association (LGCA) is a jointly governed organization that was formed for the purpose of providing computer services for accounting, grading, scheduling, EMIS and other applications to its twenty member school districts. Each of the districts supports LGCA based upon a per pupil charge. The executive committee (governing board) consists of the superintendents and treasurers of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the governing board. LGCA's continued existence is not dependent on the School District's continued participation. The School District paid \$104,744 to LGCA during fiscal year 2013. Financial information can be obtained from Lake Geauga Computer Association, 8140 Auburn Road, Painesville, Ohio 44077.

***B. Ohio Schools Council***

The Ohio Schools Council Association (Council) is a jointly governed organization among eighty-three school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2011, the School District paid \$1,439 to the Council. Financial information can be obtained by contacting Dave Cottroll, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio, 44131.

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

The electric purchase program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating for an eight year period. The participants make monthly payments based on estimated usage. Each June these estimated payments are compared to their actual usage for the year and any necessary adjustments are made.

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

The natural gas program allows school districts to purchase natural gas at reduced rates, if the school districts will commit to participating for a twelve year period. The participants make monthly payments based on estimated usage. Each November these estimates are compared to their actual usage for the year and any necessary adjustments are made.

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

**Note 16 - Insurance Purchasing Pool**

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

**Note 17 – Contingencies**

**A. Grants**

The School District received financial assistance from Federal and State agencies in the form of grants. The expenditure 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, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2013, if applicable, cannot be determined at this time.

**B. Litigation**

The School District is not party to any claims or lawsuits that would, in the School District's opinion, have a material effect of the basic financial statements.

**Note 18 - Interfund**

Interfund balances at June 30, 2013 consisted of the following:

	Interfund Receivable	Interfund Payable	
General Fund	\$ 31,790	\$ 0	
Nonmajor Governmental Funds	0	31,790	
Total	\$ 31,790	\$ 31,790	

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

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2013*

The general fund advanced monies to nonmajor governmental funds to cover expenditures until expected revenues were received. All interfund loans will be repaid in fiscal year 2014 with monies to be received from reimbursable expenditures incurred during fiscal year 2013.

Transfers made during fiscal year 2013 were as follows:

Fund	Transfer In	Transfer Out
General Fund	\$ 0	\$ 419,200
Nonmajor Governmental Funds	419,200	0
Total	\$ 419,200	\$ 419,200

These transfers were made to move unrestricted balances to support programs and projects accounted for in other funds.

**Note 19 - 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 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 following cash basis information describes the change in the year end set-aside amounts for capital improvement. Disclosure of this information is required by State statute.

	Capital Improvement Reserve
Set Aside Restricted Balance June 30, 2012	\$ 0
Current Year Set-Aside Requirement	333,026
Current Year Offsets	(400,000)
Total	\$ (66,974)
Balance Carried Forward to Fiscal Year 2014	\$ 0
Set Aside Balance June 30, 2013	\$ 0

Although the School District had current year offsets during the fiscal year that reduced the set-aside amount to below zero, this amount may not be used to reduce the set aside requirement for future years. The negative balance is, therefore, not presented as being carried forward to future years.

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

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2013*

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**Note 20 –Commitments**

***A. Encumbrances***

The School District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed or assigned classifications of fund balance. At year end, the School District’s commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 154,955
Nonmajor Governmental Funds	<u>88,405</u>
	<u><u>\$ 243,360</u></u>

***B. Contracts***

As of June 30, 2013, the School District had the following contractual commitments:

	<u>Contractual Commitment</u>
Chagrin Valley Paving Company	\$ 86,515
Stantec Architecture, Inc.	67,500
Playcore Wisconsin, Inc.	<u>63,227</u>
	<u><u>\$ 217,242</u></u>

*Combining Statements for  
Nonmajor Governmental Funds  
and  
Individual Fund Schedules for  
Governmental Funds*

# Chagrin Falls Exempted Village School District

## *Combining Statements – Nonmajor Funds*

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

The Special Revenue Funds are used to account for the proceeds of specific sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes. With the implementation of GASB No. 54, the public school support, uniform school supplies and community education special revenue funds have been classified with the general fund for GAAP reporting purposes. However, these funds have their own legally adopted budgets. As a result, an Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual have been presented for these funds. The title of each special revenue fund is descriptive of the activities accounted for therein. The special revenue funds are:

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

***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.

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

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

***Miscellaneous State Grants Fund*** – This fund accounts for State monies to be used to implement early literacy and reading interventions to improve and enhance reading development and prepare them to read at grade level by the end of grade 3.

***Race to the Top Fund*** – This fund accounts for Federal monies to establish new or expand existing programs to support initiatives in the following areas: Standard and Assessments; Using Data to Improve Instruction; Great Teachers and Leaders; and Turning Around the Lowest Achieving Schools.

***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 I Fund*** – This fund accounts for Federal monies which support the State and Local agencies to meet the special needs of educationally deprived children.

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



# Chagrin Falls Exempted Village School District

## *Combining Statements – Nonmajor Funds*

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

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

***Food Service Fund*** – This fund accounts for financial activity related to the food service operations of the School District.

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

***Uniform School Supplies Fund*** – This fund accounts for financial activity related to the purchase and sale of school supplies as adopted by the Board of Education for use within the School District.

***Community Education Fund*** – This fund accounts for financial activity in connection with adult education classes.

### ***Nonmajor Capital Project Fund***

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

***Permanent Improvement Projects Fund*** - The permanent improvement capital projects fund accounts for all transactions related to the acquiring, constructing or improving facilities.

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*June 30, 2013*

	Nonmajor Special Revenue Funds	Permanent Improvement Projects Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$ 426,821	\$ 132,038	\$ 558,859
Receivables:			
Intergovernmental	114,060	0	114,060
<i>Total Assets</i>	<u>\$ 540,881</u>	<u>\$ 132,038</u>	<u>\$ 672,919</u>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 7,058	\$ 0	\$ 7,058
Accrued Wages and Benefits	55,105	0	55,105
Intergovernmental Payable	28,498	0	28,498
Matured Compensated Absences Payable	1,558	0	1,558
Interfund Payable	31,790	0	31,790
Deferred Revenue	95,410	0	95,410
<i>Total Liabilities</i>	<u>219,419</u>	<u>0</u>	<u>219,419</u>
<b>Fund Balances:</b>			
Restricted	361,831	132,038	493,869
Unassigned	(40,369)	0	(40,369)
<i>Total Fund Balances (Deficit)</i>	<u>321,462</u>	<u>132,038</u>	<u>453,500</u>
<i>Total Liabilities and Fund Balances (Deficit)</i>	<u>\$ 540,881</u>	<u>\$ 132,038</u>	<u>\$ 672,919</u>

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

*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Fiscal Year Ended June 30, 2013*

	Nonmajor Special Revenue Funds	Permanent Improvement Projects Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
Intergovernmental	\$ 704,572	\$ 0	\$ 704,572
Investment Income	794	0	794
Tuition and Fees	17,520	0	17,520
Extracurricular Activities	304,744	0	304,744
Charges for Services	598,762	0	598,762
Contributions and Donations	103,937	8,576	112,513
<i>Total Revenues</i>	<u>1,730,329</u>	<u>8,576</u>	<u>1,738,905</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	182,249	0	182,249
Support Services:			
Pupils	3,942	0	3,942
Instructional Staff	312,162	0	312,162
Pupil Transportation	18,650	0	18,650
Extracurricular Activities	322,096	0	322,096
Operation of Non-Instructional Services:			
Food Service Operations	658,606	0	658,606
Community Services	189,520	0	189,520
Capital Outlay	7,865	406,661	414,526
<i>Total Expenditures</i>	<u>1,695,090</u>	<u>406,661</u>	<u>2,101,751</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	35,239	(398,085)	(362,846)
<b>Other Financing Sources (Uses):</b>			
Transfers In	19,200	400,000	419,200
<i>Net Change in Fund Balance</i>	54,439	1,915	56,354
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>267,023</u>	<u>130,123</u>	<u>397,146</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 321,462</u>	<u>\$ 132,038</u>	<u>\$ 453,500</u>

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2013*

	Miscellaneous Grants Fund	Athletic/ District Managed Fund	Auxiliary Services Fund	Data Communications Fund
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$ 85,633	\$ 166,053	\$ 4,038	\$ 0
Receivables:				
Intergovernmental	18,650	0	0	0
<i>Total Assets</i>	<u>\$ 104,283</u>	<u>\$ 166,053</u>	<u>\$ 4,038</u>	<u>\$ 0</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 1,005	\$ 471	\$ 0
Accrued Wages and Benefits	0	0	4,742	0
Intergovernmental Payable	0	0	2,047	0
Matured Compensated Absences Payable	0	0	0	0
Interfund Payable	18,650	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>18,650</u>	<u>1,005</u>	<u>7,260</u>	<u>0</u>
<b>Fund Balances:</b>				
Restricted	85,633	165,048	0	0
Unassigned	0	0	(3,222)	0
<i>Total Fund Balances (Deficit)</i>	<u>85,633</u>	<u>165,048</u>	<u>(3,222)</u>	<u>0</u>
<i>Total Liabilities and Fund Balances (Deficit)</i>	<u>\$ 104,283</u>	<u>\$ 166,053</u>	<u>\$ 4,038</u>	<u>\$ 0</u>

*(continued)*

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2013*

	Miscellaenous State Grants Fund	Race to the Top Fund	Title VI-B Fund	Title I Fund
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$ 0	\$ 2,492	\$ 20,897	\$ 45
Receivables:				
Intergovernmental	26,500	4,480	45,169	18,713
<i>Total Assets</i>	<u>\$ 26,500</u>	<u>\$ 6,972</u>	<u>\$ 66,066</u>	<u>\$ 18,758</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 0	\$ 3,590	\$ 0
Accrued Wages and Benefits	0	0	27,540	0
Intergovernmental Payable	0	0	13,461	0
Matured Compensated Absences Payable	0	0	313	0
Interfund Payable	0	0	12,592	0
Deferred Revenue	26,500	4,480	45,169	18,713
<i>Total Liabilities</i>	<u>26,500</u>	<u>4,480</u>	<u>102,665</u>	<u>18,713</u>
<b>Fund Balances:</b>				
Restricted	0	2,492	0	45
Unassigned	0	0	(36,599)	0
<i>Total Fund Balances (Deficit)</i>	<u>0</u>	<u>2,492</u>	<u>(36,599)</u>	<u>45</u>
<i>Total Liabilities and Fund Balances (Deficit)</i>	<u>\$ 26,500</u>	<u>\$ 6,972</u>	<u>\$ 66,066</u>	<u>\$ 18,758</u>

*(continued)*

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2013*

	Preschool Handicapped Fund	Title II-A Fund	Food Service Fund	Total Nonmajor Special Revenue Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$ 0	\$ 0	\$ 147,663	\$ 426,821
Receivables:				
Intergovernmental	0	548	0	114,060
<i>Total Assets</i>	<u>\$ 0</u>	<u>\$ 548</u>	<u>\$ 147,663</u>	<u>\$ 540,881</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 0	\$ 1,992	\$ 7,058
Accrued Wages and Benefits	0	0	22,823	55,105
Intergovernmental Payable	0	0	12,990	28,498
Matured Compensated Absences Payable	0	0	1,245	1,558
Interfund Payable	0	548	0	31,790
Deferred Revenue	0	548	0	95,410
<i>Total Liabilities</i>	<u>0</u>	<u>1,096</u>	<u>39,050</u>	<u>219,419</u>
<b>Fund Balances:</b>				
Restricted	0	0	108,613	361,831
Unassigned	0	(548)	0	(40,369)
<i>Total Fund Balances (Deficit)</i>	<u>0</u>	<u>(548)</u>	<u>108,613</u>	<u>321,462</u>
<i>Total Liabilities and Fund Balances (Deficit)</i>	<u>\$ 0</u>	<u>\$ 548</u>	<u>\$ 147,663</u>	<u>\$ 540,881</u>

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

*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2013*

	Miscellaneous Grants Fund	Athletic/ District Managed Fund	Auxiliary Services Fund	Data Communications Fund
<b>Revenues:</b>				
Intergovernmental	\$ 18,650	\$ 0	\$ 146,853	\$ 7,200
Investment Income	0	0	192	0
Tuition and Fees	0	17,520	0	0
Extracurricular Activities	0	304,744	0	0
Charges for Services	0	0	0	0
Contributions and Donations	98,145	5,792	0	0
<i>Total Revenues</i>	<u>116,795</u>	<u>328,056</u>	<u>147,045</u>	<u>7,200</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	1,000	0	0	7,200
Support Services:				
Pupils	0	3,942	0	0
Instructional Staff	0	0	0	0
Pupil Transportation	18,650	0	0	0
Extracurricular Activities	8,764	313,332	0	0
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	0
Community Services	0	0	174,247	0
Capital Outlay	7,865	0	0	0
<i>Total Expenditures</i>	<u>36,279</u>	<u>317,274</u>	<u>174,247</u>	<u>7,200</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	80,516	10,782	(27,202)	0
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	19,200	0	0
<i>Net Change in Fund Balance</i>	80,516	29,982	(27,202)	0
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>5,117</u>	<u>135,066</u>	<u>23,980</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 85,633</u>	<u>\$ 165,048</u>	<u>\$ (3,222)</u>	<u>\$ 0</u>

*(continued)*

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

*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2013*

	Miscellaneous State Grants Fund	Race to the Top Fund	Title VI-B Fund	Title I Fund
<b>Revenues:</b>				
Intergovernmental	\$ 0	\$ 40,433	\$ 290,836	\$ 98,522
Investment Income	0	0	0	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Charges for Services	0	0	0	0
Contributions and Donations	0	0	0	0
<i>Total Revenues</i>	<u>0</u>	<u>40,433</u>	<u>290,836</u>	<u>98,522</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	0	37,941	0	98,477
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	312,162	0
Pupil Transportation	0	0	0	0
Extracurricular Activities	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	0
Community Services	0	0	15,273	0
Capital Outlay	0	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>37,941</u>	<u>327,435</u>	<u>98,477</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	2,492	(36,599)	45
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	0	0
<i>Net Change in Fund Balance</i>	0	2,492	(36,599)	45
<i>Fund Balances (Deficit) Beginning of Year</i>	0	0	0	0
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ 2,492</u>	<u>\$ (36,599)</u>	<u>\$ 45</u>

*(continued)*



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

*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2013*

	Preschool Handicapped Fund	Title II-A Fund	Food Service Fund	Total Nonmajor Special Revenue Funds
<b>Revenues:</b>				
Intergovernmental	\$ 9,815	\$ 27,268	\$ 64,995	\$ 704,572
Investment Income	0	0	602	794
Tuition and Fees	0	0	0	17,520
Extracurricular Activities	0	0	0	304,744
Charges for Services	0	0	598,762	598,762
Contributions and Donations	0	0	0	103,937
<i>Total Revenues</i>	<u>9,815</u>	<u>27,268</u>	<u>664,359</u>	<u>1,730,329</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	9,815	27,816	0	182,249
Support Services:				
Pupils	0	0	0	3,942
Instructional Staff	0	0	0	312,162
Pupil Transportation	0	0	0	18,650
Extracurricular Activities	0	0	0	322,096
Operation of Non-Instructional Services:				
Food Service Operations	0	0	658,606	658,606
Community Services	0	0	0	189,520
Capital Outlay	0	0	0	7,865
<i>Total Expenditures</i>	<u>9,815</u>	<u>27,816</u>	<u>658,606</u>	<u>1,695,090</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	(548)	5,753	35,239
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	0	19,200
<i>Net Change in Fund Balance</i>	0	(548)	5,753	54,439
<i>Fund Balances (Deficit) Beginning of Year</i>	0	0	102,860	267,023
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ (548)</u>	<u>\$ 108,613</u>	<u>\$ 321,462</u>

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***GOVERNMENTAL FUNDS***

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

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2013*

	Final	Actual	Variance
<b>Revenues:</b>			
Property and Other Local Taxes	\$ 20,512,015	\$ 20,512,015	\$ 0
Intergovernmental	4,577,697	4,577,697	0
Investment Income	23,542	1,135	(22,407)
Tuition and Fees	550,826	550,926	100
Extracurricular Activities	76,434	76,434	0
Rentals	4,210	4,210	0
Miscellaneous	28,290	28,304	14
<i>Total Revenues</i>	<u>25,773,014</u>	<u>25,750,721</u>	<u>(22,293)</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	8,477,110	8,436,512	40,598
Fringe Benefits	2,652,771	2,651,228	1,543
Purchased Services	162,613	162,613	0
Materials and Supplies	375,186	375,186	0
Capital Outlay	10,366	10,366	0
Other	200,321	200,321	0
Total Regular	<u>11,878,367</u>	<u>11,836,226</u>	<u>42,141</u>
Special:			
Salaries and Wages	1,368,755	1,368,755	0
Fringe Benefits	357,596	357,596	0
Purchased Services	602,448	602,448	0
Materials and Supplies	9,686	9,686	0
Total Special	<u>2,338,485</u>	<u>2,338,485</u>	<u>0</u>
Vocational:			
Purchased Services	528,909	528,909	0
Materials and Supplies	85,150	85,150	0
Total Vocational	<u>614,059</u>	<u>614,059</u>	<u>0</u>
Student Intervention Services:			
Purchased Services	21,786	21,786	0
Total Instruction	<u>14,852,697</u>	<u>14,810,556</u>	<u>42,141</u>
Support Services:			
Pupils:			
Salaries and Wages	786,287	786,287	0
Fringe Benefits	181,579	181,579	0
Purchased Services	241,024	230,100	10,924
Materials and Supplies	11,873	11,873	0
Capital Outlay	2,824	2,824	0
Total Pupils	<u>1,223,587</u>	<u>1,212,663</u>	<u>10,924</u>

(continued)

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2013*

	Final	Actual	Variance
<b>Instructional Staff:</b>			
Salaries and Wages	679,418	679,418	0
Fringe Benefits	243,038	243,038	0
Purchased Services	187,594	187,594	0
Materials and Supplies	18,810	18,810	0
<b>Total Instructional Staff</b>	<b>1,128,860</b>	<b>1,128,860</b>	<b>0</b>
<b>Board of Education:</b>			
Salaries and Wages	8,480	8,480	0
Fringe Benefits	4,544	4,544	0
Purchased Services	25,813	25,813	0
Materials and Supplies	8,558	7,842	716
Other	31,002	31,002	0
<b>Total Board of Education</b>	<b>78,397</b>	<b>77,681</b>	<b>716</b>
<b>Administration:</b>			
Salaries and Wages	1,237,586	1,237,586	0
Fringe Benefits	487,711	487,711	0
Purchased Services	486,108	485,313	795
Materials and Supplies	13,188	13,188	0
Capital Outlay	1,985	1,985	0
<b>Total Administration</b>	<b>2,226,578</b>	<b>2,225,783</b>	<b>795</b>
<b>Fiscal:</b>			
Salaries and Wages	250,686	250,686	0
Fringe Benefits	146,511	146,511	0
Purchased Services	46,612	46,612	0
Materials and Supplies	3,530	3,530	0
Other	399,191	399,191	0
<b>Total Fiscal</b>	<b>846,530</b>	<b>846,530</b>	<b>0</b>
<b>Business:</b>			
Purchased Services	400	400	0
<b>Operation and Maintenance of Plant:</b>			
Salaries and Wages	1,121,654	1,121,654	0
Fringe Benefits	487,358	487,358	0
Purchased Services	580,979	580,914	65
Materials and Supplies	150,458	148,093	2,365
<b>Total Operation and Maintenance of Plant</b>	<b>2,340,449</b>	<b>2,338,019</b>	<b>2,430</b>
<b>Pupil Transportation:</b>			
Salaries and Wages	712,749	712,749	0
Fringe Benefits	235,122	235,122	0
Purchased Services	87,967	87,967	0
Materials and Supplies	196,031	196,031	0
Capital Outlay	4,126	4,126	0
<b>Total Pupil Transportation</b>	<b>1,235,995</b>	<b>1,235,995</b>	<b>0</b>

(continued)

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2013*

	Final	Actual	Variance
Central:			
Purchased Services	12,700	12,700	0
Total Support Services	9,093,496	9,078,631	14,865
Extracurricular Activities:			
Sport Oriented Activities:			
Salaries and Wages	463,284	463,284	0
Fringe Benefits	40,564	40,564	0
Purchased Services	31,988	31,988	0
Total Extracurricular Activities	535,836	535,836	0
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	3,307	3,307	0
Capital Outlay:			
Architecture and Engineering Services:			
Purchased Services	79,022	79,022	0
Debt Service			
Principal Payments	174,136	174,136	0
Interest	109,892	109,892	0
Total Debt Service	284,028	284,028	0
<i>Total Expenditures</i>	24,848,386	24,791,380	57,006
<i>Excess of Revenues Over (Under) Expenditures</i>	924,628	959,341	34,713
<b>Other Financing Sources (Uses):</b>			
Insurance Recoveries	8,210	8,210	0
Advances Out	(31,791)	(31,791)	0
Transfers Out	(419,200)	(419,200)	0
<i>Total Other Financing Sources (Uses)</i>	(442,781)	(442,781)	0
<i>Net Change in Fund Balance</i>	481,847	516,560	34,713
<i>Fund Balance (Deficit) at Beginning of Year</i>	6,759,942	6,759,942	0
Prior Year Encumbrances Appropriated	100,859	100,859	0
<i>Fund Balance (Deficit) at End of Year</i>	\$ 7,342,648	\$ 7,377,361	\$ 34,713

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and*  
*Budget (Non-GAAP Basis) and Actual*  
*Miscellaneous Grants Fund*  
*For the Fiscal Year Ended June 30, 2013*

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Gifts and Donations	\$ 98,145	\$ 98,145	\$ 0
<i>Total Revenues</i>	<u>98,145</u>	<u>98,145</u>	<u>0</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Purchased Services	507	507	0
Materials and Supplies	1,000	1,000	0
Total Instruction	<u>1,507</u>	<u>1,507</u>	<u>0</u>
Support Services:			
Pupil Transportation:			
Purchased Services	5,000	5,000	0
Materials and Supplies	13,650	13,650	0
Total Support Services	<u>18,650</u>	<u>18,650</u>	<u>0</u>
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Purchased Services	4,855	4,855	0
Materials and Supplies	3,909	3,909	0
Total Extracurricular Activities	<u>8,764</u>	<u>8,764</u>	<u>0</u>
Capital Outlay:			
Building Improvement Services:			
Purchased Services	7,865	7,865	0
Capital Outlay	66,327	66,327	0
Total Capital Outlay	<u>74,192</u>	<u>74,192</u>	<u>0</u>
<i>Total Expenditures</i>	<u>103,113</u>	<u>103,113</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(4,968)</u>	<u>(4,968)</u>	<u>0</u>
<b>Other Financing Sources (Uses):</b>			
Advances In	18,650	18,650	0
<i>Net Change in Fund Balance</i>	13,682	13,682	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	5,205	5,205	0
Prior Year Encumbrances Appropriated	419	419	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 19,306</u>	<u>\$ 19,306</u>	<u>\$ 0</u>

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and*  
*Budget (Non-GAAP Basis) and Actual*  
*Athletic/District Managed Fund*  
*For the Fiscal Year Ended June 30, 2013*

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Tuition and Fees	\$ 15,560	\$ 17,520	\$ 1,960
Extracurricular Activities	299,414	304,744	5,330
Gifts and Donations	5,792	5,792	0
<i>Total Revenues</i>	<u>320,766</u>	<u>328,056</u>	<u>7,290</u>
<b>Expenditures:</b>			
Current:			
Support Services:			
Pupils:			
Salaries and Wages	3,600	3,600	0
Fringe Benefits	42	42	0
Purchased Services	300	300	0
Total Support Services	<u>3,942</u>	<u>3,942</u>	<u>0</u>
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Purchased Services	1,345	1,345	0
Materials and Supplies	69,436	69,436	0
Total Academic and Subject Oriented Activities	<u>70,781</u>	<u>70,781</u>	<u>0</u>
Sports Oriented Activities:			
Purchased Services	153,498	153,498	0
Materials and Supplies	79,986	78,724	1,262
Total Sports Oriented Activities	<u>233,484</u>	<u>232,222</u>	<u>1,262</u>
School and Public Service Co-Curricular Activities:			
Materials and Supplies	12,331	12,331	0
Total Extracurricular Activities	<u>316,596</u>	<u>315,334</u>	<u>1,262</u>
<i>Total Expenditures</i>	<u>320,538</u>	<u>319,276</u>	<u>1,262</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>228</u>	<u>8,780</u>	<u>8,552</u>
<b>Other Financing Sources (Uses):</b>			
Transfers In	19,200	19,200	0
<i>Net Change in Fund Balance</i>	19,428	27,980	8,552
<i>Fund Balance (Deficit) at Beginning of Year</i>	128,885	128,885	0
Prior Year Encumbrances Appropriated	6,721	6,721	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 155,034</u>	<u>\$ 163,586</u>	<u>\$ 8,552</u>



**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and*  
*Budget (Non-GAAP Basis) and Actual*  
*Auxiliary Services Fund*  
*For the Fiscal Year Ended June 30, 2013*

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Intergovernmental	\$ 146,853	\$ 146,853	\$ 0
Investment Income	192	192	0
<i>Total Revenues</i>	<u>147,045</u>	<u>147,045</u>	<u>0</u>
<b>Expenditures:</b>			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	26,982	26,982	0
Fringe Benefits	4,990	4,990	0
Purchased Services	55,849	55,849	0
Materials and Supplies	58,119	58,119	0
Capital Outlay	25,571	25,571	0
Other	15,388	15,388	0
<i>Total Expenditures</i>	<u>186,899</u>	<u>186,899</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(39,854)	(39,854)	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	25,038	25,038	0
Prior Year Encumbrances Appropriated	17,660	17,660	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 2,844</u>	<u>\$ 2,844</u>	<u>\$ 0</u>

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and*  
*Budget (Non-GAAP Basis) and Actual*  
*Data Communications Fund*  
*For the Fiscal Year Ended June 30, 2013*

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Intergovernmental	\$ 7,200	\$ 7,200	\$ 0
<i>Total Revenues</i>	<u>7,200</u>	<u>7,200</u>	<u>0</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Purchased Services	7,200	7,200	0
<i>Total Expenditures</i>	<u>7,200</u>	<u>7,200</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and*  
*Budget (Non-GAAP Basis) and Actual*  
*Race to the Top Fund*  
*For the Fiscal Year Ended June 30, 2013*

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Intergovernmental	\$ 40,433	\$ 40,433	\$ 0
<i>Total Revenues</i>	<u>40,433</u>	<u>40,433</u>	<u>0</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	3,850	3,850	0
Purchased Services	6,066	6,066	0
Materials and Supplies	30,517	30,517	0
<i>Total Expenditures</i>	<u>40,433</u>	<u>40,433</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and*  
*Budget (Non-GAAP Basis) and Actual*  
*Title VI-B Fund*  
*For the Fiscal Year Ended June 30, 2013*

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Intergovernmental	\$ 290,836	\$ 290,836	\$ 0
<i>Total Revenues</i>	<u>290,836</u>	<u>290,836</u>	<u>0</u>
<b>Expenditures:</b>			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	181,621	181,621	0
Fringe Benefits	94,534	94,534	0
Materials and Supplies	12,000	12,000	0
Total Support Services	<u>288,155</u>	<u>288,155</u>	<u>0</u>
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	9,207	9,207	0
Purchased Services	6,066	6,066	0
Total Other Operation of Non-Instructional Services	<u>15,273</u>	<u>15,273</u>	<u>0</u>
<i>Total Expenditures</i>	<u>303,428</u>	<u>303,428</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(12,592)</u>	<u>(12,592)</u>	<u>0</u>
<b>Other Financing Sources (Uses):</b>			
Advances In	<u>12,592</u>	<u>12,592</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and*  
*Budget (Non-GAAP Basis) and Actual*  
*Title I Fund*  
*For the Fiscal Year Ended June 30, 2013*

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Intergovernmental	\$ 98,522	\$ 98,522	\$ 0
<i>Total Revenues</i>	<u>98,522</u>	<u>98,522</u>	<u>0</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	70,340	70,340	0
Fringe Benefits	23,224	23,224	0
Capital Outlay	4,958	4,958	0
<i>Total Expenditures</i>	<u>98,522</u>	<u>98,522</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and*  
*Budget (Non-GAAP Basis) and Actual*  
*Preschool Handicapped Fund*  
*For the Fiscal Year Ended June 30, 2013*

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Intergovernmental	\$ 9,815	\$ 9,815	\$ 0
<i>Total Revenues</i>	<u>9,815</u>	<u>9,815</u>	<u>0</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	9,815	9,815	0
<i>Total Expenditures</i>	<u>9,815</u>	<u>9,815</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and*  
*Budget (Non-GAAP Basis) and Actual*  
*Title II-A Fund*  
*For the Fiscal Year Ended June 30, 2013*

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Intergovernmental	\$ 27,268	\$ 27,268	\$ 0
<i>Total Revenues</i>	<u>27,268</u>	<u>27,268</u>	<u>0</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	10,677	10,677	0
Purchased Services	13,664	13,664	0
Materials and Supplies	2,926	2,926	0
Capital Outlay	549	549	0
<i>Total Expenditures</i>	<u>27,816</u>	<u>27,816</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(548)</u>	<u>(548)</u>	<u>0</u>
<b>Other Financing Sources (Uses):</b>			
Advances In	548	548	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenses, and*  
*Budget (Non-GAAP Basis) and Actual*  
*Food Service Fund*  
*For the Fiscal Year Ended June 30, 2013*

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Intergovernmental	\$ 44,279	\$ 44,279	\$ 0
Investment Income	602	602	0
Charges for Services	600,594	600,594	0
<i>Total Revenues</i>	<u>645,475</u>	<u>645,475</u>	<u>0</u>
<b>Expenditures:</b>			
Current:			
Operation of Non-Instructional Services:			
Food Service Operations:			
Salaries and Wages	208,956	208,956	0
Fringe Benefits	80,481	80,481	0
Purchased Services	4,852	4,852	0
Materials and Supplies	407,400	332,959	74,441
Capital Outlay	1,069	1,069	0
Other	14,041	14,041	0
<i>Total Expenditures</i>	<u>716,799</u>	<u>642,358</u>	<u>74,441</u>
<i>Net Change in Fund Balance</i>	(71,324)	3,117	74,441
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>144,546</u>	<u>144,546</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 73,222</u>	<u>\$ 147,663</u>	<u>\$ 74,441</u>



**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and*  
*Budget (Non-GAAP Basis) and Actual*  
*Public School Support Fund*  
*For the Fiscal Year Ended June 30, 2013*

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Extracurricular Activities	\$ 87,266	\$ 87,266	\$ 0
Contributions and Donations	28,317	28,317	0
<i>Total Revenues</i>	<u>115,583</u>	<u>115,583</u>	<u>0</u>
<b>Expenditures:</b>			
Current:			
Support Services:			
Pupils:			
Salaries and Wages	600	600	0
Fringe Benefits	7	7	0
Purchased Services	45,181	45,181	0
Materials and Supplies	75,535	75,535	0
<i>Total Expenditures</i>	<u>121,323</u>	<u>121,323</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(5,740)	(5,740)	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	36,084	36,084	0
Prior Year Encumbrances Appropriated	9,283	9,283	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 39,627</u>	<u>\$ 39,627</u>	<u>\$ 0</u>

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenses, and*  
*Budget (Non-GAAP Basis) and Actual*  
*Uniform School Supplies Fund*  
*For the Fiscal Year Ended June 30, 2013*

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Tuition and Fees	\$ 115,644	\$ 115,644	\$ 0
<i>Total Revenues</i>	<u>115,644</u>	<u>115,644</u>	<u>0</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Purchased Services	17,420	17,420	0
Materials and Supplies	100,770	100,770	0
<i>Total Expenditures</i>	<u>118,190</u>	<u>118,190</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(2,546)	(2,546)	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	9,329	9,329	0
Prior Year Encumbrances Appropriated	1,207	1,207	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 7,990</u>	<u>\$ 7,990</u>	<u>\$ 0</u>

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenses, and*  
*Budget (Non-GAAP Basis) and Actual*  
*Community Education Fund*  
*For the Fiscal Year Ended June 30, 2013*

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Intergovernmental	\$ 302,960	\$ 307,318	\$ 4,358
<i>Total Revenues</i>	<u>302,960</u>	<u>307,318</u>	<u>4,358</u>
<b>Expenditures:</b>			
Current:			
Support Services:			
Fiscal:			
Other	<u>5,534</u>	<u>5,534</u>	<u>0</u>
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	112,375	112,375	0
Fringe Benefits	15,082	15,082	0
Purchased Services	204,329	204,329	0
Materials and Supplies	6,194	6,194	0
Total Operation of Non-Instructional Services	<u>337,980</u>	<u>337,980</u>	<u>0</u>
<i>Total Expenditures</i>	<u>343,514</u>	<u>343,514</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(40,554)	(36,196)	4,358
<i>Fund Balance (Deficit) at Beginning of Year</i>	125,727	125,727	0
Prior Year Encumbrances Appropriated	<u>12,295</u>	<u>12,295</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 97,468</u>	<u>\$ 101,826</u>	<u>\$ 4,358</u>

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and*  
*Budget (Non-GAAP Basis) and Actual*  
*Bond Retirement Fund*  
*For the Fiscal Year Ended June 30, 2013*

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Property and Other Local Taxes	\$ 2,215,168	\$ 2,215,168	\$ 0
Intergovernmental	405,558	405,558	0
<i>Total Revenues</i>	<u>2,620,726</u>	<u>2,620,726</u>	<u>0</u>
<b>Expenditures:</b>			
Current:			
Support Services:			
Fiscal:			
Other	29,860	13,099	16,761
Total Support Services	29,860	13,099	16,761
Debt Service:			
Principal Payments	1,112,560	1,112,560	0
Interest	1,082,944	1,082,944	0
Bond Issuance Costs	141,450	141,450	0
Total Debt Service	<u>2,336,954</u>	<u>2,336,954</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,366,814</u>	<u>2,350,053</u>	<u>16,761</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>253,912</u>	<u>270,673</u>	<u>16,761</u>
<b>Other Financing Sources (Uses):</b>			
Refunding Bonds Issued	18,665,000	18,665,000	0
Premium on Refunding bonds	2,022,116	2,022,116	0
Payment to Refunded Bond Escrow Agent	(20,333,186)	(20,333,186)	0
<i>Total Other Financing Sources (Uses)</i>	<u>353,930</u>	<u>353,930</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	607,842	624,603	16,761
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>3,127,978</u>	<u>3,127,978</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 3,735,820</u>	<u>\$ 3,752,581</u>	<u>\$ 16,761</u>

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and*  
*Budget (Non-GAAP Basis) and Actual*  
*Permanent Improvement Projects Fund*  
*For the Fiscal Year Ended June 30, 2013*

	Final Budget	Actual	Variance Over (Under)
<b>Revenues:</b>			
Gifts and Donations	\$ 8,576	\$ 8,576	\$ 0
<i>Total Revenues</i>	<u>8,576</u>	<u>8,576</u>	<u>0</u>
<b>Expenditures:</b>			
Capital Outlay:			
Architecture and Engineering Services:			
Purchased Services	17,725	13,641	4,084
Building Acquisitions and Construction Services:			
Purchased Services	332	332	0
Capital Outlay	63,520	63,520	0
Total Building Acquisitions and Construction Services	<u>63,852</u>	<u>63,852</u>	<u>0</u>
Building Improvement Services:			
Purchased Services	81,466	81,466	0
Capital Outlay	326,742	326,033	709
Total Building Improvement Services	<u>408,208</u>	<u>407,499</u>	<u>709</u>
Total Capital Outlay	<u>489,785</u>	<u>484,992</u>	<u>4,793</u>
<i>Total Expenditures</i>	<u>489,785</u>	<u>484,992</u>	<u>4,793</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(481,209)</u>	<u>(476,416)</u>	<u>4,793</u>
<b>Other Financing Sources (Uses):</b>			
Transfers In	400,000	400,000	0
<i>Total Other Financing Sources (Uses)</i>	<u>400,000</u>	<u>400,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(81,209)	(76,416)	4,793
<i>Fund Balance (Deficit) at Beginning of Year</i>	126,669	126,669	0
Prior Year Encumbrances Appropriated	<u>81,785</u>	<u>81,785</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 127,245</u>	<u>\$ 132,038</u>	<u>\$ 4,793</u>

***AGENCY FUNDS***  
***Combining Statements***

# Chagrin Falls Exempted Village School District

## *Combining Statements – Agency Fund*

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### ***Agency Fund***

Agency funds are purely custodial (assets equal liabilities) and therefore do not involve the measurement of results of operation. The following is the School District's agency fund:

***Student Activities Fund*** - This fund accounts for student activity programs which have student participation in the activity and have students involved in the management of the program.

**Chagrin Falls Exempted Village School District**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Fund*  
*For the Fiscal Year Ended June 30, 2013*

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	<b>Beginning Balance 7/1/12</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance 6/30/13</b>
<b>Student Activities</b>				
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 32,526	\$ 91,652	\$ 84,196	\$ 39,982
	\$ 32,526	\$ 91,652	\$ 84,196	\$ 39,982
<b>Liabilities</b>				
Due to Students	\$ 32,526	\$ 91,652	\$ 84,196	\$ 39,982
	\$ 32,526	\$ 91,652	\$ 84,196	\$ 39,982



**STATISTICAL  
SECTION**



## *Statistical Section*

This part of the Chagrin Falls Exempted Village School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the School District's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	S-2 - S-13
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	S-14 - S-19
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	S-20 - S-24
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	S-25 - S-27
<b>Operating Information</b> These schedules contain service data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	S-28 - S-39

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The School District implemented GASB 34 in 2001; schedules presenting government-wide information include information beginning in that year.

**NOTE:**

With the implementation of GASB No. 54 in fiscal year 2011, previously reported enterprise funds (business-type activities) have been recorded as governmental funds (governmental activities). Previous year's statistical tables have not been updated to reflect the impact this would have in previous years. Amounts are not deemed significant to impact the users of this Section. There have also been other minor reclassifications of funds (example special revenue funds consolidated with the general fund for GAAP purposes) with the implementation of GASB No. 54. Prior year amounts also have not been adjusted to reflect this change.

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Net Position by Component*  
*Last Ten Fiscal Years*  
*(Accrual Basis of Accounting)*

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>Restated 2010</u>
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$ 4,423,196	\$ 3,937,653	\$ 4,722,780	\$ 4,490,753
Restricted	4,598,098	3,923,873	5,141,274	3,843,429
Unrestricted	5,616,152	5,377,457	2,949,083	3,178,606
<i>Total Governmental Activities</i>				
<i>Net Position</i>	<u>\$ 14,637,446</u>	<u>\$ 13,238,983</u>	<u>\$ 12,813,137</u>	<u>\$ 11,512,788</u>
<b>Business-Type Activities:</b>				
Net Investment in Capital Assets	N/A	N/A	N/A	N/A
Restricted	N/A	N/A	N/A	N/A
Unrestricted	N/A	N/A	N/A	N/A
<i>Total Business-Type Activities</i>				
<i>Net Position</i>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<b>Primary Government:</b>				
Net Investment in Capital Assets	\$ 4,423,196	\$ 3,937,653	\$ 4,722,780	\$ 4,490,753
Restricted	4,598,098	3,923,873	5,141,274	3,843,429
Unrestricted	5,616,152	5,377,457	2,949,083	3,178,606
<i>Total Primary Government</i>				
<i>Net Position</i>	<u>\$ 14,637,446</u>	<u>\$ 13,238,983</u>	<u>\$ 12,813,137</u>	<u>\$ 11,512,788</u>

<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
\$ 3,607,515	\$ 1,611,681	\$ 1,070,070	\$ 2,200,744	\$ 1,946,362	\$ 1,567,981
3,143,103	4,004,857	4,770,065	1,104,831	879,207	2,155,299
<u>2,657,943</u>	<u>1,009,120</u>	<u>(1,222,306)</u>	<u>(1,038,726)</u>	<u>383,288</u>	<u>408,187</u>
<u>\$ 9,408,561</u>	<u>\$ 6,625,658</u>	<u>\$ 4,617,829</u>	<u>\$ 2,266,849</u>	<u>\$ 3,208,857</u>	<u>\$ 4,131,467</u>
\$ 81,412	\$ 93,071	\$ 151,180	\$ 169,306	\$ 170,001	\$ 187,256
0	0	0	0	0	0
<u>119,858</u>	<u>77,779</u>	<u>82,439</u>	<u>(3,267)</u>	<u>89,820</u>	<u>83,728</u>
<u>\$ 201,270</u>	<u>\$ 170,850</u>	<u>\$ 233,619</u>	<u>\$ 166,039</u>	<u>\$ 259,821</u>	<u>\$ 270,984</u>
\$ 3,688,927	\$ 1,704,752	\$ 1,221,250	\$ 2,370,050	\$ 2,116,363	\$ 1,755,237
3,143,103	4,004,857	4,770,065	1,104,831	879,207	2,155,299
<u>2,777,801</u>	<u>1,086,899</u>	<u>(1,139,867)</u>	<u>(1,041,993)</u>	<u>473,108</u>	<u>491,915</u>
<u>\$ 9,609,831</u>	<u>\$ 6,796,508</u>	<u>\$ 4,851,448</u>	<u>\$ 2,432,888</u>	<u>\$ 3,468,678</u>	<u>\$ 4,402,451</u>

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Changes in Net Position*  
*Last Ten Fiscal Years*  
*(Accrual Basis of Accounting)*

	2013	2012	2011	Restated 2010
<b>Expenses:</b>				
<b>Governmental Activities:</b>				
Regular Instruction	\$ 13,475,875	\$ 12,969,392	\$ 12,815,102	\$ 12,856,519
Special Instruction	2,366,608	2,424,207	2,248,567	1,903,964
Vocational Instruction	608,328	657,097	519,757	438,535
Student Intervention	21,786	17,778	20,409	23,103
Pupil Support	1,419,630	1,253,869	1,148,707	1,174,071
Instructional Staff Support	1,515,678	1,470,882	1,627,692	1,328,776
Board of Education	75,162	79,204	65,485	75,274
Administration	2,277,862	2,052,841	2,226,136	2,050,077
Fiscal	854,924	934,832	918,514	885,475
Business	400	400	400	300
Operation and Maintenance of Plant	2,075,031	2,463,010	2,626,552	1,990,526
Pupil Transportation	1,385,459	1,226,329	1,357,761	1,264,395
Central	12,700	15,564	18,801	12,933
<b>Operation of Non-Instructional Services:</b>				
Food Service Operations	698,428	622,261	583,757	669,562
Community Services	492,505	468,432	505,349	160,455
Extracurricular Activities	835,066	887,157	994,169	844,500
Interest and Fiscal Charges	1,133,102	1,159,994	1,369,563	1,360,443
Issuance Costs	141,450	0	0	0
<i>Total Governmental Activities Expenses</i>	<u>29,389,994</u>	<u>28,703,249</u>	<u>29,046,721</u>	<u>27,038,908</u>
<b>Business-Type Activities:</b>				
Food Service	N/A	N/A	N/A	N/A
Uniform School Supplies	N/A	N/A	N/A	N/A
Community Education	N/A	N/A	N/A	N/A
<i>Total Business-Type Activities Expenses</i>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<i>Total Primary Government Expenses</i>	<u>\$ 29,389,994</u>	<u>\$ 28,703,249</u>	<u>\$ 29,046,721</u>	<u>\$ 27,038,908</u>
<b>Program Revenues:</b>				
<b>Governmental Activities:</b>				
<b>Charges for Services:</b>				
Regular Instruction	\$ 299,308	\$ 402,152	\$ 321,113	\$ 416,414
Special Instruction	53,637	62,314	0	0
Vocational Instruction	368,117	405,326	273,403	371,189
Pupil Support	90,563	124,042	107,675	100,370
Fiscal	4,210	5,410	320	3,988
Operation and Maintenance of Plant	0	0	0	0
Food Service Operations	598,193	603,607	568,535	616,442
Community Services	307,318	301,383	297,223	0
Extracurricular Activities	312,874	315,908	336,643	236,417
<b>Operating Grants, Contributions and Interest:</b>				
Regular Instruction	204,637	230,746	289,400	104,258
Special Instruction	0	0	488	2,010
Vocational Instruction	180,155	130,019		
Pupil Support	28,317	84,905	809	3,764
Instructional Staff Support	320,317	263,333	456,368	512,006
Administration	0	0	5,000	5,000
Fiscal	0	0	0	0
Pupil Transportation	85,362	3,675	17,272	0

	2009	2008	2007	2006	2005	2004
\$	11,527,572	\$ 10,211,305	\$ 9,933,444	\$ 9,893,476	\$ 10,026,597	\$ 10,019,345
	1,998,884	1,851,409	1,712,549	1,483,639	1,636,142	1,350,026
	112,692	108,040	162,699	123,302	71,620	92,934
	20,131	0	13,210	34,060	29,720	37,335
	899,849	962,287	995,334	1,072,115	1,139,741	1,098,885
	1,426,196	1,343,348	1,398,338	1,489,359	1,297,374	1,159,805
	80,176	62,223	94,466	89,991	83,165	79,892
	2,015,517	1,963,707	2,069,076	1,976,027	1,816,179	1,610,209
	828,131	707,475	1,284,233	640,702	936,955	643,052
	400	800	800	800	800	800
	2,473,588	2,442,552	2,828,169	3,020,408	2,479,388	2,499,738
	1,127,451	1,157,144	1,126,296	1,215,315	1,120,571	1,097,121
	16,632	16,001	22,099	25,809	24,281	21,452
	0	0	0	0	0	0
	283,041	165,741	184,844	173,704	160,332	198,003
	801,231	623,811	731,019	702,459	690,406	746,022
	1,320,426	1,333,641	1,461,470	1,442,066	2,548,040	1,240,118
	0	0	0	0	188,590	0
	<u>24,931,917</u>	<u>22,949,484</u>	<u>24,018,046</u>	<u>23,383,232</u>	<u>24,249,901</u>	<u>21,894,737</u>
	706,059	657,655	623,945	594,929	668,197	686,168
	84,224	99,922	108,859	93,703	106,213	71,642
	342,088	400,043	343,265	217,837	164,844	208,061
	<u>1,132,371</u>	<u>1,157,620</u>	<u>1,076,069</u>	<u>906,469</u>	<u>939,254</u>	<u>965,871</u>
\$	<u>26,064,288</u>	<u>\$ 24,107,104</u>	<u>\$ 25,094,115</u>	<u>\$ 24,289,701</u>	<u>\$ 25,189,155</u>	<u>\$ 22,860,608</u>
\$	229,320	\$ 108,321	\$ 46,728	\$ 84,170	\$ 51,244	\$ 52,944
	0	0	0	0	5	0
	0	0	0	0	0	0
	84,827	89,748	117,182	220,695	206,626	200,094
	17,221	29,053	22,624	19,908	51,352	17,456
	642	0	27,782	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
	215,933	143,706	168,239	160,390	148,019	140,112
	137,025	75,556	78,149	73,776	118,098	113,975
	25,418	67,296	72,521	76,445	95,065	3,776
	3,042	3,940	0	53,674	92,846	33,527
	305,995	381,111	351,980	323,026	233,134	207,882
	5,840	13,322	6,563	6,611	6,188	7,174
	1,985	0	0	0	0	0
	0	0	0	0	0	0

(continued)

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Changes in Net Position*  
*Last Ten Fiscal Years*  
*(Accrual Basis of Accounting)*

	2013	2012	2011	Restated 2010
Food Service Operations	66,166	58,971	61,047	60,804
Community Services	162,733	145,765	184,789	138,989
Extracurricular Activities	42,582	17,034	57,599	0
Interest and Fiscal Charges	88,945	92,483	25,868	0
Capital Grants and Contributions:				
Regular Instruction	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Extracurricular Activities	0	0	272,000	0
<i>Total Governmental Activities Program Revenues</i>	<u>3,213,434</u>	<u>3,247,073</u>	<u>3,275,552</u>	<u>2,571,651</u>
Business-Type Activities:				
Charges for Services:				
Food Service	N/A	N/A	N/A	N/A
Uniform School Supplies	N/A	N/A	N/A	N/A
Community Education	N/A	N/A	N/A	N/A
Windsor Educational	N/A	N/A	N/A	N/A
Operating Grants and Contributions:				
Food Service	N/A	N/A	N/A	N/A
<i>Total Business-Type Activities Program Revenues</i>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<i>Total Primary Government Program Revenues</i>	<u>3,213,434</u>	<u>3,247,073</u>	<u>3,275,552</u>	<u>2,571,651</u>
<b>Net (Expense) Revenue:</b>				
Governmental Activities	(26,176,560)	(25,456,176)	(25,771,169)	(24,467,257)
Business-Type Activities	N/A	N/A	N/A	N/A
<i>Total Primary Government Net Expense</i>	<u>\$ (26,176,560)</u>	<u>\$ (25,456,176)</u>	<u>\$ (25,771,169)</u>	<u>\$ (24,467,257)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property and Other Local Taxes Levied For:				
General Purposes	\$ 20,627,391	\$ 18,742,949	\$ 18,950,590	\$ 18,124,570
Debt Service	2,180,526	2,185,659	2,397,179	2,478,184
Grants and Entitlements not Restricted to Specific Programs	4,714,154	4,709,361	5,608,901	5,493,978
Investment Earnings	1,135	67,385	71,014	60,186
Miscellaneous	51,817	176,668	43,834	201,566
<i>Total Governmental Activities</i>	<u>27,575,023</u>	<u>25,882,022</u>	<u>27,071,518</u>	<u>26,358,484</u>
Business-Type Activities:				
Investment Earnings	N/A	N/A	N/A	N/A
Miscellaneous	N/A	N/A	N/A	N/A
<i>Total Business-Type Activities</i>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<i>Total Primary Government</i>	<u>\$ 27,575,023</u>	<u>\$ 25,882,022</u>	<u>\$ 27,071,518</u>	<u>\$ 26,358,484</u>
<b>Change in Net Position</b>				
Governmental Activities	\$ 1,398,463	\$ 425,846	\$ 1,300,349	\$ 1,891,227
Business-Type Activities	N/A	N/A	N/A	N/A
<i>Total Primary Government</i>	<u>\$ 1,398,463</u>	<u>\$ 425,846</u>	<u>\$ 1,300,349</u>	<u>\$ 1,891,227</u>



2009	2008	2007	2006	2005	2004
0	0	0	0	0	0
157,624	151,237	164,254	144,668	150,036	139,144
0	0	0	0	0	0
0	0	0	0	0	0
0	13,202	0	0	16,905	0
2,604	36,345	0	0	0	0
0	0	0	0	0	0
<u>1,187,476</u>	<u>1,112,837</u>	<u>1,056,022</u>	<u>1,163,363</u>	<u>1,169,518</u>	<u>916,084</u>
\$ 599,641	\$ 600,990	\$ 529,535	\$ 527,520	\$ 619,966	\$ 641,834
104,698	101,299	97,554	92,293	96,152	74,349
357,764	363,369	448,362	243,275	184,228	191,304
0	0	0	0	0	0
<u>100,074</u>	<u>76,331</u>	<u>55,301</u>	<u>37,221</u>	<u>25,531</u>	<u>33,586</u>
<u>1,162,177</u>	<u>1,141,989</u>	<u>1,130,752</u>	<u>900,309</u>	<u>925,877</u>	<u>941,073</u>
<u>2,349,653</u>	<u>2,254,826</u>	<u>2,186,774</u>	<u>2,063,672</u>	<u>2,095,395</u>	<u>1,857,157</u>
(23,744,441)	(21,836,647)	(22,962,024)	(22,219,869)	(23,080,383)	(20,978,653)
29,806	(15,631)	54,683	(6,160)	(13,377)	(24,798)
<u>\$ (23,714,635)</u>	<u>\$ (21,852,278)</u>	<u>\$ (22,907,341)</u>	<u>\$ (22,226,029)</u>	<u>\$ (23,093,760)</u>	<u>\$ (21,003,451)</u>
\$ 18,443,992	\$ 17,044,074	\$ 17,540,958	\$ 14,083,975	\$ 15,599,444	\$ 15,342,604
2,486,452	2,267,975	2,661,472	2,147,078	2,065,233	2,146,903
5,356,437	4,815,085	4,324,197	4,255,426	4,247,210	4,203,459
105,901	232,816	506,124	505,332	91,320	15,472
134,562	127,169	291,590	168,579	154,566	88,516
<u>26,527,344</u>	<u>24,487,119</u>	<u>25,324,341</u>	<u>21,160,390</u>	<u>22,157,773</u>	<u>21,796,954</u>
614	2,432	1,560	3,671	2,214	610
0	120	0	26,178	0	0
<u>614</u>	<u>2,552</u>	<u>1,560</u>	<u>29,849</u>	<u>2,214</u>	<u>610</u>
<u>\$ 26,527,958</u>	<u>\$ 24,489,671</u>	<u>\$ 25,325,901</u>	<u>\$ 21,190,239</u>	<u>\$ 22,159,987</u>	<u>\$ 21,797,564</u>
\$ 2,782,903	\$ 2,650,472	\$ 2,362,317	\$ (1,059,479)	\$ (922,610)	\$ 818,301
30,420	(13,079)	56,243	23,689	(11,163)	(24,188)
<u>\$ 2,813,323</u>	<u>\$ 2,637,393</u>	<u>\$ 2,418,560</u>	<u>\$ (1,035,790)</u>	<u>\$ (933,773)</u>	<u>\$ 794,113</u>

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Program Revenues by Function/Program*  
*Last Ten Fiscal Years*  
*(Accrual Basis of Accounting)*

	2013	2012	2011	Restated 2010
<b>Governmental Activities</b>				
Regular Instruction	\$ 503,945	\$ 632,898	\$ 610,513	\$ 520,672
Special Instruction	53,637	62,314	488	2,010
Vocational Instruction	548,272	535,345	273,403	371,189
Pupil Support	118,880	208,947	108,484	104,134
Instructional Support	320,317	263,333	456,368	512,006
Administration	0	0	5,000	5,000
Fiscal	4,210	5,410	320	3,988
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	85,362	3,675	17,272	0
Operation of Non-Instructional Services:				
Food Service Operations	664,359	662,578	629,582	677,246
Community Services	470,051	447,148	482,012	138,989
Extracurricular Activities	355,456	332,942	666,242	236,417
Interest and Fiscal Charges	88,945	92,483	25,868	0
<i>Total Governmental Activities</i>	<u>3,213,434</u>	<u>3,247,073</u>	<u>3,275,552</u>	<u>2,571,651</u>
<b>Business-Type Activities</b>				
Food Service	N/A	N/A	N/A	N/A
Uniform School Supplies	N/A	N/A	N/A	N/A
Community Education	N/A	N/A	N/A	N/A
Windsor Educational	N/A	N/A	N/A	N/A
<i>Total Business-Type Activities</i>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<i>Total Primary Government</i>	<u>\$ 3,213,434</u>	<u>\$ 3,247,073</u>	<u>\$ 3,275,552</u>	<u>\$ 2,571,651</u>

2009	2008	2007	2006	2005	2004
\$ 366,345	\$ 197,079	\$ 124,877	\$ 157,946	\$ 186,247	\$ 166,919
25,418	67,296	72,521	76,445	95,070	3,776
0	0	0	0	0	0
87,869	93,688	117,182	274,369	299,472	233,621
305,995	381,111	351,980	323,026	233,134	207,882
5,840	13,322	6,563	6,611	6,188	7,174
19,206	29,053	22,624	19,908	51,352	17,456
3,246	36,345	27,782	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
157,624	151,237	164,254	144,668	150,036	139,144
215,933	143,706	168,239	160,390	148,019	140,112
0	0	0	0	0	0
<u>1,187,476</u>	<u>1,112,837</u>	<u>1,056,022</u>	<u>1,163,363</u>	<u>1,169,518</u>	<u>916,084</u>
699,715	677,321	584,836	564,741	645,497	675,420
104,698	101,299	97,554	92,293	96,152	74,349
357,764	363,369	448,362	243,275	184,228	191,304
0	0	0	0	0	0
<u>1,162,177</u>	<u>1,141,989</u>	<u>1,130,752</u>	<u>900,309</u>	<u>925,877</u>	<u>941,073</u>
<u>\$ 2,349,653</u>	<u>\$ 2,254,826</u>	<u>\$ 2,186,774</u>	<u>\$ 2,063,672</u>	<u>\$ 2,095,395</u>	<u>\$ 1,857,157</u>

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Fund Balances, Governmental Funds*  
*Last Ten Fiscal Years*  
*(Modified Accrual Basis of Accounting)*

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>Restated 2010</u>
General Fund				
Reserved	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A
Assigned	\$ 194,555	\$ 2,068,948	\$ 53,895	\$ 113,178
Unassigned	7,632,218	4,572,566	6,637,210	5,702,466
<i>Total General Fund</i>	<u>7,826,773</u>	<u>6,641,514</u>	<u>6,691,105</u>	<u>5,815,644</u>
All Other Governmental Funds				
Reserved	N/A	N/A	N/A	N/A
Unreserved, Reported in:				
Special Revenue Funds	N/A	N/A	N/A	N/A
Debt Service Funds	N/A	N/A	N/A	N/A
Capital Projects Funds	N/A	N/A	N/A	N/A
Permanent Funds	N/A	N/A	N/A	N/A
Restricted	4,543,585	3,823,738	4,860,250	3,563,784
Unassigned	(40,369)	0	(12,317)	(69,232)
<i>Total All Other Governmental Funds</i>	<u>4,503,216</u>	<u>3,823,738</u>	<u>4,847,933</u>	<u>3,494,552</u>
<i>Total Governmental Funds</i>	<u>\$ 12,329,989</u>	<u>\$ 10,465,252</u>	<u>\$ 11,539,038</u>	<u>\$ 9,310,196</u>

	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
\$	3,053,283	\$ 2,879,582	\$ 2,852,743	\$ 2,233,821	\$ 3,709,598	\$ 2,738,475
	1,424,748	0	(2,987,439)	(2,343,891)	(2,539,529)	(2,125,432)
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
	4,478,031	2,879,582	(134,696)	(110,070)	1,170,069	613,043
	674,516	408,383	1,691,974	8,125,446	1,348,098	491,541
	123,372	2,304,098	161,629	122,621	131,387	192,206
	2,539,420	172,850	2,397,617	2,082,765	1,936,245	1,400,736
	128,099	0	724,220	626,179	9,002,702	40,976
	0	0	0	0	53	0
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
	3,465,407	2,885,331	4,975,440	10,957,011	12,418,485	2,125,459
\$	7,943,438	\$ 5,764,913	\$ 4,840,744	\$ 10,846,941	\$ 13,588,554	\$ 2,738,502

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Changes in Fund Balances, Governmental Funds*  
*Last Ten Fiscal Years (1)*  
*(Modified Accrual Basis of Accounting)*

	2013	2012	2011	Restated 2010
<b>Revenues:</b>				
Taxes	\$ 23,086,685	\$ 20,982,400	\$ 21,425,142	\$ 20,524,509
Intergovernmental	5,687,827	5,759,317	6,583,553	6,126,192
Investment Income	1,929	68,419	72,134	60,844
Tuition and Fees	986,886	1,082,797	846,097	831,786
Extracurricular Activities	468,444	528,139	510,660	336,787
Rentals	4,210	5,410	320	3,988
Charges for Services	598,762	626,027	569,369	616,442
Contributions and Donations	140,830	128,652	380,991	145,181
Miscellaneous	28,304	176,667	43,833	56,385
<i>Total Revenues</i>	<u>31,003,877</u>	<u>29,357,828</u>	<u>30,432,099</u>	<u>28,702,114</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	12,096,267	11,849,977	11,484,844	11,413,091
Special	2,346,902	2,406,039	2,218,241	1,859,174
Vocational	608,328	657,097	519,757	438,535
Other	21,786	17,778	20,409	23,103
Support Services:				
Pupils	1,327,418	1,240,528	1,132,241	1,142,194
Instructional Staff	1,371,116	1,421,094	1,580,327	1,257,778
Board of Education	75,162	79,204	65,485	75,274
Administration	2,191,399	2,053,193	2,283,321	2,036,099
Fiscal	852,244	936,094	914,816	882,859
Business	400	400	400	300
Operation and Maintenance of Plant	2,304,880	2,395,654	2,483,910	2,236,090
Pupil Transportation	1,236,951	1,136,568	1,257,667	1,304,983
Central	12,700	15,564	18,801	12,933
Extracurricular Activities	844,758	887,157	994,169	844,243
Operation of Non-Instructional Services:				
Food Service Operations	658,606	628,225	586,949	669,562
Community Services	505,333	447,529	460,736	133,465
Capital Outlay	426,048	2,807,005	895,156	481,724
Debt Service:				
Principal Retirement	1,286,696	505,974	1,032,466	1,544,128
Interest and Fiscal Charges	1,192,836	1,965,025	1,694,010	1,092,272
Bond Issuance Costs	141,450	0	0	0
<i>Total Expenditures</i>	<u>29,501,280</u>	<u>31,450,105</u>	<u>29,643,705</u>	<u>27,447,807</u>
<i>Excess (Deficiency) of Revenue Over (Under) Expenditures</i>	1,502,597	(2,092,277)	788,394	1,254,307
<b>Other Financing Sources (Uses):</b>				
Inception of Capital Lease	0	0	97,465	0
Debt Issuance	0	974,984	1,342,983	0
Refunding Bonds	18,665,000	0	0	0
Payment to Refund Bond Escrow Agent	(20,333,186)	0	0	0
Proceeds from Sale of Capital Assets	0	0	0	5,782
Premiums on Debt Issuance	2,022,116	43,507	0	0
Insurance Recoveries	8,210	0	0	0
Transfers In	419,200	495,100	417,600	417,600
Transfers Out	(419,200)	(495,100)	(417,600)	(417,600)
<i>Total Financing Sources and (Uses)</i>	<u>362,140</u>	<u>1,018,491</u>	<u>1,440,448</u>	<u>5,782</u>
<i>Net Change in Fund Balance</i>	<u>\$ 1,864,737</u>	<u>\$ (1,073,786)</u>	<u>\$ 2,228,842</u>	<u>\$ 1,260,089</u>
Debt Service as a Percentage of				
Noncapital Expenditures	9.23%	8.64%	9.37%	9.81%

(1) Includes General, Special Revenue, Capital Projects and Debt Service Funds.

	2009	2008	2007	2006	2005	2004
\$	21,480,808	\$ 19,398,904	\$ 19,173,424	\$ 16,139,165	\$ 18,329,367	\$ 17,162,148
	5,992,945	5,517,743	4,997,664	4,933,626	4,959,482	4,708,937
	108,926	272,167	506,124	505,332	91,320	15,472
	314,147	108,321	46,728	67,152	49,999	49,061
	215,933	233,454	285,421	382,353	355,895	329,479
	17,863	29,053	27,744	19,908	51,352	17,456
	0	0	22,662	15,750	0	14,610
	91,937	92,018	263,145	154,981	113,747	87,483
	42,625	35,151	28,445	13,418	4,429	10,133
	28,265,184	25,686,811	25,351,357	22,231,685	23,955,591	22,394,779
	10,599,975	9,494,487	9,605,336	9,250,195	9,596,898	9,174,555
	1,998,852	1,842,475	1,679,725	1,476,836	1,646,045	1,336,903
	112,692	108,040	162,699	123,302	71,620	92,934
	20,131	0	13,210	34,060	29,720	37,335
	896,199	962,350	975,776	1,104,862	1,146,396	1,082,514
	1,283,972	1,251,731	1,387,321	1,357,804	1,204,234	1,073,138
	80,176	62,223	94,356	89,883	83,115	79,733
	1,980,521	2,039,699	2,045,032	1,883,737	1,875,080	1,573,006
	835,484	723,495	1,277,306	603,709	945,044	614,891
	400	800	800	800	800	800
	2,368,677	2,253,916	2,516,357	2,489,294	2,334,061	2,305,252
	1,182,167	1,124,880	1,115,895	1,143,620	1,130,762	1,058,296
	16,632	16,001	22,099	25,809	24,936	21,452
	797,899	620,941	724,915	697,089	695,109	727,167
	0	0	0	0	0	0
	276,529	157,167	161,178	158,724	151,141	181,176
	831,865	1,703,012	7,001,158	2,213,235	707,912	251,793
	1,485,870	1,435,000	1,295,000	1,146,145	853,647	821,488
	1,144,118	1,141,325	1,271,402	1,285,623	1,174,244	1,240,118
	0	0	0	0	188,590	0
	25,912,159	24,937,542	31,349,565	25,084,727	23,859,354	21,672,551
	2,353,025	749,269	(5,998,208)	(2,853,042)	96,237	722,228
	0	0	0	0	0	0
	0	0	0	0	9,949,990	0
	0	0	0	0	16,819,988	0
	0	0	0	0	(18,082,289)	0
	0	400	3,348	1,205	0	245
	0	0	0	0	2,066,126	0
	0	0	0	0	0	0
	417,600	313,600	313,600	430,471	315,750	325,450
	(417,600)	(313,600)	(324,937)	(320,247)	(315,750)	(325,450)
	0	400	(7,989)	111,429	10,753,815	245
\$	2,353,025	\$ 749,669	\$ (6,006,197)	\$ (2,741,613)	\$ 10,850,052	\$ 722,473

10.68%

11.18%

10.84%

10.58%

9.68%

9.68%

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

<u>Collection Year</u>	<u>Real Property (1)</u>		<u>Public Utility (2)</u>	
	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>
2013	\$ 493,957,600	\$ 1,411,307,429	\$ 6,761,840	\$ 7,683,909
2012	480,591,290	1,373,117,971	6,209,130	7,055,830
2011	482,312,310	1,378,035,171	5,968,250	6,782,102
2010	479,878,670	1,371,081,914	5,849,490	6,647,148
2009	484,579,200	1,384,512,000	5,489,790	6,238,398
2008	486,429,360	1,389,798,171	5,218,290	5,929,875
2007	482,941,100	1,379,831,714	6,552,990	7,446,580
2006	452,868,880	1,293,911,086	7,173,560	8,151,772
2005	434,192,870	1,240,551,057	6,879,320	7,817,409
2004	431,105,710	1,231,730,600	6,873,410	7,810,693

Source: Cuyahoga and Geauga County Auditors - Data is presented on a calendar year basis as this is the manner in which information is maintained by the County Auditors.

- (1) Real estate value is assessed at 35% of actual value.
- (2) Public utility personal is assessed at 88% of actual value.
- (3) Tangible personal property is assessed at 23% of actual value.



<u>Tangible Personal Property (3)</u>		<u>Total</u>			
<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Ratio</u>	<u>Direct Rate</u>
\$ 0	\$ 0	\$ 500,719,440	\$ 1,418,991,338	35%	115.60
0	0	486,800,420	1,380,173,801	35%	107.70
0	0	488,280,560	1,384,817,273	35%	107.70
0	0	485,728,160	1,377,729,062	35%	108.60
1,302,500	5,663,043	491,371,490	1,396,413,441	35%	108.30
2,905,855	12,634,152	494,553,505	1,408,362,199	35%	108.30
4,045,333	17,588,404	493,539,423	1,404,866,698	35%	100.40
5,919,019	25,734,865	465,961,459	1,327,797,723	35%	100.90
7,210,137	31,348,422	448,282,327	1,279,716,888	35%	99.80
9,333,450	40,580,217	447,312,570	1,280,121,510	35%	92.20

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

Calendar Year	School Levy (1)	Cuyahoga County Levy	Geauga County Levy	Other (2)	City Levy	Total Levy	Debt Service Included in Total Levy			
							School	County	City	Total
2012	115.60	13.22	15.10	7.98	9.50	161.40	5.15	0.17	1.2	6.52
2011	107.70	13.22	15.10	7.58	8.90	152.50	5.15	0.17	1.2	6.52
2010	107.70	13.32	15.10	7.98	11.20	155.30	5.15	0.27	2.9	8.32
2009	108.60	13.32	15.10	7.68	11.20	155.90	6.05	0.55	2.9	9.50
2008	108.60	13.32	15.10	7.68	11.20	155.90	6.05	0.50	2.9	9.45
2007	108.30	13.42	15.10	7.18	11.20	155.20	5.75	0.74	2.9	9.39
2006	100.40	13.42	15.10	7.18	11.20	147.30	5.75	0.74	2.9	9.39
2005	100.90	20.30	15.10	N/A	11.50	147.80	6.25	0.50	3.20	9.95
2004	99.80	19.40	15.10	N/A	10.40	144.70	5.15	0.91	3.20	9.26
2003	92.20	17.60	14.60	N/A	10.40	134.80	5.45	0.91	2.10	8.46

(1)

	Current	Debt Service	Total
2012	110.45	5.15	115.60
2011	102.55	5.15	107.70
2010	102.55	5.15	107.70
2009	102.55	6.05	108.60
2008	102.55	6.05	108.60
2007	102.55	5.75	108.30
2006	94.65	5.75	100.40
2005	N/A	N/A	100.90
2004	N/A	N/A	99.80
2003	N/A	N/A	92.20

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.

(2) This includes Chagrin Falls Township, Cleveland Metro Parks, Cuyahoga County Library, Cuyahoga Community College, and Cleveland Port Authority.

N/A This information is not readily available.

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

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

<b>Year (2)</b>	<b>Total Tax Levy</b>	<b>Current Collections</b>	<b>Percent of Current Levy Collected</b>	<b>Delinquent Collection</b>	<b>Total Collection</b>	<b>Percent of Total Tax Collections to Tax Levy</b>
2012	\$ 23,799,204	\$ 23,171,739	97.36%	\$ 676,584	\$ 23,848,323	100.21%
2011	23,687,638	22,887,139	96.62%	732,076	23,619,215	99.71%
2010	24,056,310	23,295,361	96.84%	740,353	24,035,714	99.91%
2009	24,110,035	23,262,773	96.49%	681,891	23,944,664	99.31%
2008	24,111,227	23,187,605	96.17%	829,265	24,016,870	99.61%
2007	21,912,082	19,583,534	89.37%	979,469	20,563,003	93.84%
2006	13,736,651	12,083,719	87.97%	314,553	12,398,272	90.26%
2005	21,047,815	18,951,580	90.04%	818,133	19,769,713	93.93%
2004	20,789,650	19,109,806	91.92%	522,175	19,631,981	94.43%
2003	17,181,312	15,408,518	89.68%	566,722	15,975,240	92.98%

Source: Cuyahoga and 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 the State and reported as Intergovernmental Revenue.

(2) Represents collection year. 2012 information cannot be presented because all collections have not been made by June 30.

Note: Cuyahoga and Geauga County collect property taxes on a calendar year basis, therefore, the above data has been presented on a calendar year basis. The County does not identify delinquent collections by the year for which the tax was levied.

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Principal Taxpayers*  
*Real Estate Tax*  
*December 31, 2012 and December 31, 2004*

Name of Taxpayer	Assessed Value (1)	Percent of Real Assessed Value
<b>December 31, 2012</b>		
Hamlet Retirement LLC	2,717,980	0.55%
Western Reserve Company	1,793,000	0.36%
Chagrin Falls Shopping Center	1,751,690	0.35%
Harris Realty Co.	1,595,040	0.32%
Hamlet Atrium, LLC	1,506,720	0.31%
Leopold, Edmund A. and Laura F.	1,146,960	0.23%
Step North Equities Ltd.	990,260	0.20%
Tallisman, Alan G. Trustee	908,500	0.18%
Antonucci, John M. and Marcha L.	857,510	0.17%
Blaustein, Lawrence A. and Marilyn	820,730	0.17%
Totals	<u>\$ 14,088,390</u>	<u>2.85%</u>
Total Assessed Valuation	<u>\$ 493,957,600</u>	
<b>December 31, 2004</b>		
Hamlet Retirement LLC	\$ 4,014,500	0.92%
Western Reserve Company	1,855,710	0.43%
Chagrin Falls Shopping Center	1,606,500	0.37%
Harris Realty Company	1,536,440	0.35%
Cleveland Electric Illuminating Company	1,060,240	0.24%
Ohio Bell Telephone Company	1,008,500	0.23%
River Street Partners LLC	884,660	0.20%
Chagrin Townhomes, Inc.	840,860	0.19%
JBJ Properties LLC	739,710	0.17%
BHC Windsor Hospital, Inc.	593,710	0.14%
Totals	<u>\$ 14,140,830</u>	<u>3.26%</u>
Total Assessed Valuation	<u>\$ 434,192,870</u>	

Source: Cuyahoga and Geauga County Auditors for 2012 and Cuyahoga County Auditor for 2004.

(1) Assessed values are for the 2013 collection year for 2012 and the 2005 collection year for 2004.

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Principal Taxpayers*  
*Public Utility*  
*December 31, 2012 and December 31, 2004*

Name of Taxpayer	Assessed Value (1)	Percent of Real Assessed Value
<b>December 31, 2012</b>		
Cleveland Electric Illuminating Company	3,276,800	48.46%
Ohio Bell Telephone Company	243,740	3.60%
American Wireless Transmission	185,000	2.74%
East Ohio Gas	180,770	2.67%
Totals	<u>\$ 3,886,310</u>	<u>57.47%</u>
Total Assessed Valuation	<u>\$ 6,761,840</u>	
<b>December 31, 2004</b>		
Cleveland Electric Illuminating Company	\$ 1,060,240	15.41%
Ohio Bell Telephone Company	615,340	8.94%
Norfolk Southern Combined	153,520	2.23%
American Wireless Transmission	119,390	1.74%
East Ohio Gas Company	61,410	0.89%
Ameritech Advanced	57,220	0.83%
Totals	<u>\$ 2,067,120</u>	<u>30.05%</u>
Total Assessed Valuation	<u>\$ 6,879,320</u>	

Source: Cuyahoga and Geauga County Auditors for 2012 and Cuyahoga County Auditor for 2004.

(1) Assessed values are for the 2013 collection year for 2012 and the 2005 collection year for 2004.

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Computation of Legal Debt Margin*  
*For the Fiscal Year Ended June 30, 2013*

	2013	2012	2011	2010
Assessed Valuation	\$ 493,957,600	\$ 480,591,290	\$ 488,280,560	\$ 485,728,160
Bonded Debt Limit - 9% of Assessed Value (1)	\$ 44,456,184	\$ 43,253,216	\$ 43,945,250	\$ 43,715,534
Outstanding debt:				
General Obligation Bonds	23,263,652	24,531,212	24,044,899	23,719,980
Less Amount Available in Debt Service	(4,049,716)	(3,426,592)	(3,196,966)	(3,118,852)
Total	19,213,936	21,104,620	20,847,933	20,601,128
Amount of Debt Subject to Debt Limit:	19,213,936	21,104,620	20,847,933	20,601,128
Overall Debt Margin	\$ 25,242,248	\$ 22,148,596	\$ 23,097,317	\$ 23,114,406
Bonded Debt Limit - .1% of Assessed Value (1)	\$ 493,958	\$ 480,591	\$ 488,281	\$ 485,728
Amount of Debt Applicable	-	-	-	-
Unvoted Debt Margin	\$ 493,958	\$ 480,591	\$ 488,281	\$ 485,728

Source: Cuyahoga and Geauga County Auditors and School District Financial Records

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

(2) Effective fiscal year 2012, the change due to HB530 was implemented using assessed valuation utilized in the legal debt margin calculation to exclude tangible personal property as well as railroad and telephone tangible property.

2009	2008	2007	2006	2005	2004
\$ 491,371,490	\$ 494,553,505	\$ 493,539,423	\$ 465,961,459	\$ 448,282,327	\$ 447,312,570
\$ 44,223,434	\$ 44,509,815	\$ 44,418,548	\$ 41,936,531	\$ 40,345,409	\$ 40,258,131
25,264,108 (2,944,092)	26,749,978 (2,709,481)	28,184,978 (2,706,487)	29,479,978 (2,445,341)	30,619,978 (2,447,563)	21,515,000 (1,754,657)
22,320,016	24,040,497	25,478,491	27,034,637	28,172,415	19,760,343
22,320,016	24,040,497	25,478,491	27,034,637	28,172,415	19,760,343
\$ 21,903,418	\$ 20,469,318	\$ 18,940,057	\$ 14,901,894	\$ 12,172,994	\$ 20,497,788
\$ 491,371	\$ 494,554	\$ 493,539	\$ 465,961	\$ 448,282	\$ 447,313
-	-	-	-	-	-
\$ 491,371	\$ 494,554	\$ 493,539	\$ 465,961	\$ 448,282	\$ 447,313

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Computation of Direct & Overlapping General Obligation Debt*  
*as of June 30, 2013*

	<b>Outstanding Debt Obligations</b>	<b>Percentage Applicable to School District (1)</b>	<b>Amount Application to School District</b>
<b>Direct:</b>			
Chagrin Falls Exempted Village	\$ 25,635,234	100.00%	\$ 25,635,234
<b>Overlapping:</b>			
Cuyahoga County	233,216,646	1.14%	2,658,670
Geauga County	8,698,468	6.20%	539,305
Chagrin Falls Village	1,110,000	100.00%	1,110,000
Moreland Hills Village	486,369	19.75%	96,058
Russell Township	1,727,782	4.62%	79,824
Geauga-Trumbull Jt. Solid Waste Management	<u>550,000</u>	2.97%	<u>16,335</u>
Total Overlapping	<u>245,789,265</u>		<u>4,500,191</u>
Total	<u>\$ 271,424,499</u>		<u>\$ 30,135,425</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 2012 collection year.



**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Ratios of Outstanding Debt by Type*  
*Last Ten Fiscal Years*

<b>Fiscal Year</b>	<b>Outstanding Debt Obligations (1)</b>	<b>Percentage of Personal Income (2)</b>	<b>Net Debt Per Capita</b>
2013	\$ 25,635,234	0.36%	\$ 2,117
2012	26,603,552	0.35%	2,197
2011	24,044,899	0.39%	1,986
2010	23,719,980	0.39%	2,042
2009	25,264,108	0.37%	2,194
2008	26,749,978	0.35%	2,303
2007	28,184,978	0.33%	1,946
2006	29,479,978	0.32%	2,036
2005	30,619,978	N/A	2,114
2004	21,515,000	N/A	1,486

Source:

(1) School District Financial Records

Beginning in fiscal year 2012, outstanding debt obligations include all long term debt of the governmental activities, net of related premiums, discounts and adjustments.

(2) Information prior to 6/30/06 unavailable

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Ratio of Debt*  
*to Assessed Value and Debt per Capita*  
*Last Ten Fiscal Years*

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Estimated Actual Value of Taxable Property (2)</b>	<b>General Bonded Debt Outstanding (3)</b>	<b>Resources Available to Pay Principal</b>	<b>Net General Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Estimated Actual Value</b>	<b>Net Debt Bonded Debt Per Capita</b>
2013	12,107	\$ 1,418,991,338	\$ 25,588,610	\$ 4,049,716	\$ 21,538,894	1.52%	\$ 1,779
2012	12,107	1,380,173,801	26,537,792	3,426,592	23,111,200	1.67%	1,909
2011	12,107	1,384,817,274	24,044,899	3,196,966	20,847,933	1.51%	1,722
2010	11,617	1,377,729,062	23,719,980	3,118,852	20,601,128	1.50%	1,773
2009	11,514	1,396,413,441	25,264,108	2,944,092	22,320,016	1.60%	1,939
2008	11,614	1,408,362,199	26,749,978	2,709,481	24,040,497	1.71%	2,070
2007	14,481	1,404,866,698	28,184,978	2,706,487	25,478,491	1.81%	1,759
2006	14,481	1,327,797,723	29,479,978	2,445,341	27,034,637	2.04%	1,867
2005	14,481	1,280,121,510	30,619,978	2,447,563	28,172,415	2.20%	1,945
2004	14,481	1,199,676,338	21,515,000	1,754,657	19,760,343	1.65%	1,365

Source:

- (1) U.S. Census of Population
- (2) Cuyahoga and Geauga County Auditors
- (3) Beginning in fiscal year 2012, general bonded debt outstanding includes all long term bonds of the governmental activities, net of related premiums, discounts and adjustments.

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Principal Employers*  
*Current and Six Years Ago*

<b>Employer</b>	<b>Nature of Business</b>	<b>2012</b>		
		<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment (1)</b>
Chagrin Falls Exempted Village Schools	Public Schools	269	1	N/A
Hamlet Village LLC	Healthcare Services	150	2	N/A
Game Keepers Hospitality, Inc.	Restaurant	80	3	N/A
Village of Chagrin Falls	Government	60	4	N/A
Hyde Park Restaurant Systems	Restaurant	35	5	N/A
Live Nation Worldwide Inc.	Media Representatives	23	6	N/A
Personnel Research & Development	Human Resource Consultants	19	7	N/A
Merrill, Lynch, Fenner & Smith, Inc.	Investments	14	8	N/A
Wells Fargo Advisors LLC	Investments	11	9	N/A
CVS Pharmacy, Inc.	Pharmacy	10	10	N/A

<b>Employer</b>	<b>Nature of Business</b>	<b>2006 (2)</b>		
		<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment (1)</b>
Chagrin Falls Exempted Village Schools	Public Schools	250	1	N/A
Giant Eagle, Inc.	Grocery Store	150	2	N/A
Hamlet Village LLC	Healthcare Services	125	3	N/A
Game Keepers Hospitality, Inc.	Restaurant	120	4	N/A
Windsor Hospital	Healthcare Services	104	5	N/A
Village of Chagrin Falls	Government	67	6	N/A
Smith Barney	Financial Services	55	7	N/A
Gleeson Construction	Property Manager	55	8	N/A
First Union Securities	Financial Services	39	9	N/A
Wells Fargo Advisors LLC	Investments	10	10	N/A

(1) After extensive research, this information was not available.

(2) This is the most recent readily available.

Source: Chagrin Falls Village, Chagrin Falls Library and RITA

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County**  
*Demographic and Economic Statistics*  
*Last Ten Years*

<b>Year</b>	<b>Cuyahoga County Population (1)</b>	<b>Geauga County Population (1)</b>	<b>Bentleyville Village Population (1)</b>	<b>Chagrin Falls Village Population (1)</b>	<b>Moreland Hills Village Population (1)</b>
2013	1,265,111	93,680	863	4,079	3,306
2012	1,270,294	93,228	864	4,113	3,320
2011	1,280,122	93,389	864	4,113	3,320
2010	1,275,709	99,060	894	3,620	3,041
2009	1,283,925	98,817	896	3,641	3,064
2008	1,341,241	95,676	905	3,678	3,093
2007	1,386,096	90,895	900	4,652	3,400
2006	1,386,096	90,895	900	4,652	3,400
2005	1,386,096	90,895	900	4,652	3,400
2004	1,386,096	90,895	900	4,652	3,400

(1) U.S. Census Bureau, Census.gov

(2) Department of Job and Family Services

(3) U.S. Census Bureau, 2010 Census

(4) Estimated based on 2010 Census information

<b>South Russell Village Population (1)</b>	<b>Personal Income Per Capita (3)</b>	<b>Total Personal Income (4)</b>	<b>Cuyahoga County Unemployment Rate (2)</b>	<b>Geauga County Unemployment Rate (2)</b>
3,822	\$ 45,186	\$ 545,395,020	7.5	5.8
3,810	45,186	547,066,902	6.9	5.7
3,810	45,186	547,066,902	8.8	6.5
4,062	42,885	498,195,045	9.7	7.3
3,913	42,885	493,777,890	10.2	7.9
3,938	42,885	498,066,390	8.1	6.3
5,560	42,885	622,347,120	4.9	3.4
5,560	42,885	622,347,120	4.9	3.4
5,560	42,885	622,347,120	4.8	3.2
5,560	42,885	622,347,120	4.8	3.2

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Building Statistics by Function/Program*  
*Last Eight Fiscal Years (1)*

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Gurney Elementary School</b>				
Constructed in 1966, additions in 1968,1971,1998				
Total Building Square Footage	66,472	66,472	66,472	66,472
Enrollment Grades	PreK-3	PreK-3	PreK-3	PreK-3
Student Capacity - enrollment	522	571	577	580
Regular Instruction Classrooms	39	39	39	39
Regular Instruction Teachers	29	29	29	29
Special Instruction Teachers	9	9	9	9
<b>Chagrin Falls Intermediate School</b>				
Constructed in 1914, additions in 1939, 1952				
Total Building Square Footage	71,243	71,243	71,243	71,243
Enrollment Grades	4-6	4-6	4-6	4-6
Student Capacity - enrollment	464	480	478	453
Regular Instruction Classrooms	28	28	28	28
Regular Instruction Teachers	27	27	27	27
Special Instruction Teachers	6	6	6	6
<b>Chagrin Falls Middle School</b>				
Constructed in 1999				
Total Building Square Footage	103,537	103,537	103,537	103,537
Enrollment Grades	7-8	7-8	7-8	7-8
Student Capacity - enrollment	337	328	312	313
Regular Instruction Classrooms	24	24	24	24
Regular Instruction Teachers	22	22	22	22
Special Instruction Teachers	3	3	3	3
<b>Chagrin Falls High School</b>				
Constructed in 1957, additions in 1961,1965,1968,1971				
Total Building Square Footage	116,404	116,404	116,404	116,404
Enrollment Grades	9-12	9-12	9-12	9-12
Student Capacity - enrollment	616	651	650	627
Regular Instruction Classrooms	44	44	44	44
Regular Instruction Teachers	46	46	46	46
Special Instruction Teachers	2	2	2	2

(1) Information will be reported for the last ten years when there are enough years of information available.

Source: School District Records

2009	2008	2007	2006
66,472	66,472	66,472	66,472
PreK-3	PreK-3	PreK-3	PreK-3
580	592	581	584
39	39	39	39
29	29	29	29
9	9	9	9
71,243	71,243	71,243	71,243
4-6	4-6	4-6	4-6
453	436	431	436
28	28	28	28
27	27	27	27
6	6	6	6
103,537	103,537	103,537	103,537
7-8	7-8	7-8	7-8
313	322	296	292
24	24	24	24
22	22	22	22
3	3	3	3
116,404	116,404	116,404	116,404
9-12	9-12	9-12	9-12
627	647	651	649
44	44	44	44
46	46	46	46
2	2	2	2

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Cost Per Pupil*  
*Last Ten Fiscal Years*

<b>Year</b>	<b>General Fund Expenditures</b>	<b>Average Daily Student Enrollment</b>	<b>Cost Per Pupil</b>
2013	\$ 25,049,476	1,939	\$ 12,919
2012	24,483,735	2,030	12,061
2011	24,106,803	2,018	11,946
2010	22,036,369	2,016	10,931
2009	21,460,131	2,033	10,556
2008	19,633,885	1,997	9,832
2007	20,788,743	1,959	10,612
2006	19,296,420	1,956	9,865
2005	24,249,901	1,901	12,756
2004	21,894,737	1,970	11,114

Source: School District Financial Records



**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Enrollment Statistics*  
*Last Ten Fiscal Years*

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<b>Year</b>	<b>Elementary School</b>	<b>Intermediate School</b>	<b>Middle School</b>	<b>High School</b>	<b>Total</b>
2013	522	464	337	616	1,939
2012	571	480	328	651	2,030
2011	577	478	312	651	2,018
2010	574	478	282	682	2,016
2009	576	478	282	697	2,033
2008	592	436	322	647	1,997
2007	581	431	296	651	1,959
2006	515	422	315	651	1,903
2005	464	446	315	638	1,863
2004	462	431	314	645	1,852

Source: School District Records

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Full-Time Equivalent School District Teachers by Education*  
*Last Ten Fiscal Years*

<b>Degree</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Bachelor's Degree	7	12	6	6	8	10
Bachelor + 10	2	1	4	4	4	9
Bachelor + 20	1	2	5	5	11	9
Bachelor + 30	9	7	7	7	9	12
Master's Degree	38	45	53	54	53	48
Master's + 10	46	35	34	32	34	30
Master's + 20	22	20	21	21	16	16
Master's + 30	21	18	15	16	8	9
Phd	2	1	1	1	1	1
<b>Total</b>	<b>148</b>	<b>141</b>	<b>146</b>	<b>146</b>	<b>144</b>	<b>144</b>

Source: School District Personnel Records.

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
18	18	15	21
7	8	6	9
9	10	17	15
13	14	17	17
56	56	46	40
27	28	29	26
12	12	12	14
11	9	10	10
<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
<u><u>154</u></u>	<u><u>156</u></u>	<u><u>153</u></u>	<u><u>153</u></u>

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Attendance and Graduation Rates*  
*Last Ten School Years*

<b>Fiscal Year</b>	<b>Chagrin Falls Attendance Rate</b>	<b>State Average</b>	<b>Chagrin Falls Graduation Rate</b>	<b>State Average</b>
2013	95.7	94.2	98.5	N/A
2012	95.9	94.5	98.7	81.3
2011	95.8	94.5	100.0	84.3
2010	95.6	94.3	99.3	83.0
2009	96.0	94.3	100.0	84.6
2008	96.0	94.2	100.0	86.9
2007	95.9	94.1	98.8	86.1
2006	96.1	94.1	98.8	86.2
2005	96.0	94.3	100.0	85.9
2004	95.7	94.5	100.0	84.3

Source: Ohio Department of Education Local Report Cards

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*ACT Composite Scores*  
*Last Ten Fiscal Years*

<b>School Year</b>	<b>Number of Test Takers</b>	<b>Number of Seniors</b>	<b>Percent of Students</b>	<b>Chagrin Falls Composite</b>	<b>Ohio Composite</b>	<b>National Composite</b>
2013	156	172	90%	25.4	21.8	20.9
2012	115	135	85%	25.5	21.8	21.1
2011	125	151	83%	26.2	21.8	21.1
2010	131	166	79%	25.8	21.8	21.0
2009	108	150	72%	25.5	21.7	21.1
2008	122	163	75%	25.4	21.7	21.1
2007	123	171	72%	25.5	21.6	21.2
2006	108	168	64%	25.1	21.5	20.9
2005	131	174	75%	25.4	21.4	20.9
2004	103	164	63%	24.1	21.4	20.9

Source: High School Guidance Office

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*SAT Scores*  
*Last Ten Fiscal Years*

<b>School Year</b>	<b>Number of Test Takers</b>	<b>Number of Seniors</b>	<b>Percent of Students</b>	<b>Chagrin Falls Critical Reading</b>	<b>Ohio Critical Reading</b>	<b>National Critical Reading</b>
2013	111	172	65%	572	548	496
2012	97	135	72%	565	543	496
2011	117	151	77%	584	539	497
2010	124	166	75%	576	538	501
2009	111	150	74%	568	537	501
2008	128	163	79%	560	534	502
2007	139	171	81%	561	536	502
2006	151	168	90%	554	535	503
2005	153	174	88%	569	538	508
2004	142	164	87%	555	538	508

Source: High School Guidance Office

<b>Chagrin Falls Math</b>	<b>Ohio Math</b>	<b>National Math</b>	<b>Chagrin Falls Writing</b>	<b>Ohio Writing</b>	<b>National Writing</b>
584	556	514	565	556	514
574	552	514	562	525	488
600	545	514	570	522	489
605	548	516	572	522	492
600	546	515	569	523	493
590	544	515	559	521	494
584	542	515	564	522	494
592	544	518	549	521	493
595	542	518	N/A	N/A	N/A
580	542	518	N/A	N/A	N/A

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*School District Employees by Function/Program*  
*Last Nine Fiscal Years (1)*

<b>Function</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Regular Instruction					
Elementary Classroom Teachers	29.50	29.50	29.50	29.50	29.50
Intermediate Classroom Teachers	26.00	26.00	26.00	26.00	26.00
Middle School Classroom Teachers	19.00	19.00	19.00	19.00	19.00
High School Classroom Teachers	40.00	40.00	40.00	40.00	40.00
Special Instruction					
Elementary Classroom Teachers	6.00	6.00	6.00	6.00	6.00
Intermediate Classroom Teachers	4.50	4.50	4.50	4.50	4.50
Middle School Classroom Teachers	3.00	3.00	3.00	3.00	3.00
High School Classroom Teachers	3.00	3.00	3.00	3.00	3.00
Pupil Support Services					
Guidance Counselors	6.00	6.00	6.00	6.00	6.00
Librarians	4.00	4.00	4.00	4.00	4.00
Psychologists	1.00	1.00	1.00	1.00	1.00
Speech and Language Pathologists	2.00	2.00	2.00	2.00	2.00
Non-Teaching Support Staff Central	2.00	2.00	2.00	2.00	2.00
Instructional Support Services					
Non-Teaching Support Staff Elementary	12.00	12.00	12.00	12.00	12.00
Non-Teaching Support Staff Intermediate	7.00	7.00	7.00	7.00	7.00
Non-Teaching Support Staff Middle	4.00	4.00	4.00	4.00	4.00
Non-Teaching Support Staff High	6.50	6.50	6.50	6.50	6.50
Non-Teaching Support Staff Central	2.00	2.00	2.00	2.00	2.00
Administration					
Elementary	1.00	1.00	1.00	1.00	1.00
Intermediate	1.00	1.00	1.00	1.00	1.00
Middle School	1.00	1.00	1.00	1.00	1.00
High School	2.00	2.00	2.00	2.00	2.00
Business					
Central	2.00	2.00	2.00	2.00	2.00
Business					
Treasurer Department	4.00	4.00	4.00	4.00	4.00
Operation of Plant					
Custodian Department	19.00	19.00	19.00	19.00	19.00
Maintenance Department	4.00	4.00	4.00	4.00	4.00
Pupil Transportation					
Bus Drivers	22.00	22.00	22.00	22.00	22.00
Mechanics	1.50	1.50	1.50	1.50	1.50
Transportation Support Staff	1.50	1.50	1.50	1.50	1.50
Central					
Community Relations	1.00	1.00	1.00	1.00	1.00
Technology	2.00	2.00	2.00	2.00	2.00
Personnel	0.50	0.50	0.50	0.50	0.50
Extracurricular					
Athletic Department	2.00	2.00	2.00	2.00	2.00
Food Service Program					
Elementary	2.00	2.00	2.00	2.00	2.00
Intermediate	2.00	2.00	2.00	2.00	2.00
Middle School	2.00	2.00	2.00	2.00	2.00
High School Cooks	5.00	5.00	5.00	5.00	5.00
Central	1.00	1.00	1.00	1.00	1.00
Community Service					
Community Education	1.50	1.50	1.50	1.50	1.50
Totals	<u>255.50</u>	<u>255.50</u>	<u>255.50</u>	<u>255.50</u>	<u>255.50</u>

*(continued)*

Method: Using 1.0 for each full-time employee and .50 for each part-time and seasonal employee.

(1) Information will be reported for the last ten years when there are enough years of information available.

Source: School District Records



2008	2007	2006	2005
29.00	29.00	28.00	27.00
26.50	26.50	25.00	24.50
20.00	20.00	21.50	20.50
42.50	42.50	42.00	42.00
6.00	6.00	7.00	7.50
4.50	4.50	5.50	5.00
2.50	2.50	2.50	2.00
3.00	3.00	2.00	2.00
6.00	6.00	6.00	6.00
4.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00
3.50	3.50	2.00	2.00
12.50	12.50	13.50	12.50
7.00	7.00	7.00	7.00
5.00	5.00	5.00	4.00
7.50	7.50	6.50	6.00
3.50	3.50	3.00	3.00
1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00
2.00	2.50	2.50	2.50
4.00	4.00	4.00	4.00
19.00	19.00	19.00	19.00
4.00	4.00	4.00	5.00
20.50	20.50	20.00	21.00
1.50	1.50	1.50	1.50
0.50	0.50	0.50	0.50
1.00	1.00	1.00	1.00
2.00	3.00	3.00	3.00
0.50	0.50	0.50	0.50
2.00	2.00	2.00	2.00
2.00	2.00	2.00	2.00
2.00	2.00	2.00	2.00
2.00	2.00	2.00	3.00
5.00	5.00	5.00	5.00
1.00	1.00	1.00	1.00
1.50	1.50	1.50	1.50
<u>261.50</u>	<u>261.00</u>	<u>258.00</u>	<u>255.50</u>

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Rea & associates *a brighter way*

# Chagrin Falls Exempted Village School District Cuyahoga County, Ohio

*Reports Issued Pursuant to  
Government Auditing Standards  
And OMB Circular A-133*

For the Fiscal Year Ended  
June 30, 2013

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
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*June 30, 2013*

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December 6, 2013

To Board of Education and Management  
Chagrin Falls Exempted Village School District  
Cuyahoga County, Ohio  
400 E. Washington Street  
Chagrin Falls, OH 44022

**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Chagrin Falls Exempted Village School District, Cuyahoga County, Ohio (the School District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 6, 2013.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Rea & Associates, Inc.*  
Medina, Ohio

December 6, 2013

To Board of Education and Management  
Chagrin Falls Exempted Village School District  
Cuyahoga County, Ohio  
400 E. Washington Street  
Chagrin Falls, OH 44022

**Independent Auditor's Report on Compliance for Each Major Federal Program;  
Report on Internal Control over Compliance; and Report on the Schedule of  
Expenditures of Federal Awards Required by OMB Circular A-133**

**Report on Compliance for Each Major Federal Program**

We have audited Chagrin Falls Exempted Village School District's, Cuyahoga County, Ohio (the School District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2013. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School District's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

**Report on Internal Control over Compliance**

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



**Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the School District as of and for the year ended June 30, 2013, and have issued our report thereon dated December 6, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Rea & Associates, Inc.*

Medina, Ohio

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Schedule of Expenditures of Federal Awards*  
*For The Fiscal Year Ended June 30, 2013*

Federal Grantor/Pass-through Grantor Program Title	CFDA Number	Program Year	Federal Receipts	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION (Passed through Ohio Department of Education)				
<i>Special Education Cluster</i>				
Special Education - Grants to States	84.027	2013	\$ 290,836	\$ 282,531
Special Education - Preschool Grants	84.173	2013	9,815	9,815
<i>Total Special Education Cluster</i>			<u>300,651</u>	<u>292,346</u>
Title I - Grants to Local Educational Agencies	84.010	2013	98,522	98,476
Title II-A - Improving Teacher Quality	84.367	2013	27,268	27,816
ARRA - Race to the Top	84.395	2013	40,083	37,590
ARRA - Race to the Top - Entry Year	84.395	2013	350	350
Total Race to the Top			<u>40,433</u>	<u>37,940</u>
Total U. S. Department of Education			<u>466,874</u>	<u>456,578</u>
U. S. DEPARTMENT OF AGRICULTURE (Passed through Ohio Department of Education)				
Child Nutrition Cluster:				
Non-Cash Assistance (Food Distribution):				
National School Lunch Program	10.555	2013	20,716	20,716
Cash Assistance:				
National School Lunch Program	10.555	2013	43,806	43,806
<i>Total Child Nutrition Cluster</i>			<u>64,522</u>	<u>64,522</u>
Total US Department of Agriculture			<u>64,522</u>	<u>64,522</u>
U. S. DEPARTMENT OF TRANSPORTATION (Passed through Ohio Department of Transportation)				
Safe Route to Schools	20.205	2011	0	18,650
Total US Department of Transportation			<u>0</u>	<u>18,650</u>
Total Federal Financial Assistance			<u>\$ 531,396</u>	<u>\$ 539,750</u>

See accompanying notes to this schedule

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Notes to the Schedule of Expenditures of Federal Awards*  
*For the Fiscal Year Ended June 30, 2013*

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**Note A – Significant Accounting Policies**

The accompanying schedule of expenditures of federal awards is a summary of the activity of the School District's federal award programs. The schedule has been prepared on the cash basis of accounting. Consequently, certain revenues are recognized when received rather than when earned and certain expenditures are recognized when paid rather than when the obligation is incurred.

**Note B - Child Nutrition Cluster**

Federal money commingled with state subsidy reimbursements. It is assumed federal moneys are expended first.

**Note C – Food Donation Program**

Program regulations do not require the School District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance and related expenditures are reported in this schedule at the value of the commodities received as assessed by the U.S. Department of Agriculture (entitlement value).

**Chagrin Falls Exempted Village School District**  
**Cuyahoga County, Ohio**  
*Schedule of Findings*  
*OMB Circular A-133, Section .505*  
*June 30, 2013*

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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(d) (1) (i)	Type of Financial Statement Opinion	Unmodified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (ii)	Were there any other significant deficiency conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Was there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any other significant deficiencies reported for major federal programs?	No
(d) (1) (v)	Type of Major Program's Compliance Opinion	Unmodified
(d) (1) (vi)	Are there any reportable findings under Section .510?	No
(d) (1) (vii)	Major Program (list): Special Education Cluster	CFDA #84.027, 84.173
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All others
(d) (1) (ix)	Low Risk Auditee?	Yes

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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None noted

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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None noted

December 6, 2013

To Board of Education and Management  
Chagrin Falls Exempted Village School District  
Cuyahoga County, Ohio  
400 E. Washington St.  
Chagrin Falls, OH 44022

### **Independent Accountant's Report on Applying Agreed-Upon Procedure**

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether Chagrin Falls Exempted Village School District, Cuyahoga County, Ohio (the District) has updated its anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board amended its anti-harassment policy at its meeting on October 15, 2012, to include prohibiting harassment, intimidation, or bullying of any student "on a school bus" or by an "electronic act."

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

*Rea & Associates, Inc.*  
Medina, Ohio

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# Dave Yost • Auditor of State

**CHAGRIN FALLS EXEMPTED VILLAGE SCHOOL DISTRICT**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 21, 2014**