

Chagrin Falls Exempted Village School District

* * * *

Report Letters

June 30, 2007



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Chagrin Falls Exempted Village School District, Cuyahoga County, prepared by Rea & Associates, Inc., for the audit period July 1, 2006 through June 30, 2007. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

January 9, 2008

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CHAGRIN FALLS EXEMPTED VILLAGE SCHOOL DISTRICT

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Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

December 7, 2007

To the Board of Education
Chagrin Falls Exempted Village School District
400 East Washington Street
Chagrin Falls, Ohio 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 the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Chagrin Falls Exempted Village School District as of and for the year ended June 30, 2007, and have issued our report thereon dated December 7, 2007. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Chagrin Falls Exempted Village School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Chagrin Falls Exempted Village School District
Internal Control-Compliance Report

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Chagrin Falls Exempted Village School District's financial statements are free of 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as Finding 2007-01 and Finding 2007-02.

This report is intended solely for the information and use of the Board of Education, audit committee, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Hea & Associates, Inc.



December 7, 2007

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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE WITH OMB CIRCULAR A-133**

Compliance

We have audited the compliance of Chagrin Falls Exempted Village School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2007. Chagrin Falls Exempted Village School District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of Chagrin Falls Exempted Village School District's management. Our responsibility is to express an opinion on Chagrin Falls Exempted Village School District's compliance based on our audit.

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 Circulars 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 Chagrin Falls Exempted Village 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. Our audit does not provide a legal determination on Chagrin Falls Exempted Village School District's compliance with those requirements.

In our opinion, Chagrin Falls Exempted Village School District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2007. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported in accordance with OMB Circular A-133.

Chagrin Falls Exempted Village School District
Report on Compliance with Requirements Applicable to Each Major
Program and Internal Control Over Compliance in
Accordance with OMB Circular A-133

Internal Control Over Compliance

The management of Chagrin Falls Exempted Village School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Chagrin Falls Exempted Village School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 Chagrin Falls Exempted Village School Districts' internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by any entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, we noted one immaterial instance of internal control over compliance that we have reported to management of Chagrin Falls Exempted Village School District in a separate letter dated December 7, 2007.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Chagrin Falls Exempted Village School District as of and for the year ended June 30, 2007, and have issued our report thereon dated December 7, 2007. Our audit was performed for the purpose of forming an opinion on the financial statements taken 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 has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Education, audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Rea & Associates, Inc.

CHAGRIN FALLS EXEMPTED VILLAGE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	CFDA Number	Grant Number	Federal Receipts	Federal Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF EDUCATION (Passed through Ohio Department of Education)					
<i>Special Education Cluster</i>					
Access Grant	84.027	6B-SD 2006	\$ 0	\$ 5,269	\$ 0
Pre-School Grant	84.173	PG-S1 2007	12,771	12,771	0
IDEA-B Grant	84.027	6B-SF 2006	0	0	0
IDEA-B Grant	84.027	6B-SF 2007	381,724	381,724	0
<i>Total Special Education Cluster</i>			<u>394,495</u>	<u>399,764</u>	<u>0</u>
ESEA - Title VI	84.298	C2-S1 2006	0	3,444	0
		C2-S1 2007	2,886	2,886	0
Total ESEA - Title VI			<u>2,886</u>	<u>6,330</u>	<u>0</u>
Improve Teacher Quality	84.367	TR-S1 2006	0	8,962	0
		TR-S1 2007	29,560	25,571	0
Total Improve Teacher Quality			<u>29,560</u>	<u>34,533</u>	<u>0</u>
Drug Free Grant	84.186	DR-S1 2006	0	1,745	0
		DR-S1 2007	3,458	3,458	0
Total Drug Free Grant			<u>3,458</u>	<u>5,203</u>	<u>0</u>
Hurricane Education Recovery	84.938	TR-S1 2006	6,000	6,000	0
		TR-S1 2007	0	0	0
Total Hurricane Education Recovery			<u>6,000</u>	<u>6,000</u>	<u>0</u>
Total U. S. Department of Education			<u>436,399</u>	<u>451,830</u>	<u>0</u>
U. S. DEPARTMENT OF AGRICULTURE (Passed through Ohio Department of Education)					
Food Distribution Program (A)(B) Nutrition Cluster:	10.550		\$ 26,559	\$ 0	\$ 26,559
National School Lunch Program (B)	10.555	LL-P4 2005	7,602	0	0
		LL-P4 2006	24,596	32,198	0
Total National School Lunch Program-Nutrition Cluster			<u>32,198</u>	<u>32,198</u>	<u>0</u>
Total US Department of Agriculture			<u>58,757</u>	<u>32,198</u>	<u>26,559</u>
Total Federal Financial Assistance			<u>\$ 495,156</u>	<u>\$ 484,028</u>	<u>\$ 26,559</u>

(A) Government commodities are reported at FMV of commodities received and disbursed. (B) Federal money commingled with state subsidy reimbursements. It is assumed federal moneys are expended first
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**CHAGRIN FALLS EXEMPTED VILLAGE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 , Section .505
JUNE 30, 2007**

1. SUMMARY OF AUDITOR'S RESULTS
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(d) (1) (i)	Type of Financial Statement Opinion	Unqualified
(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)?	Yes
(d) (1) (iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Were 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 Programs' Compliance Opinion	Unqualified
(d) (1) (vi)	Are there any reportable findings under Section .510?	No
(d) (1) (vii)	Major Programs (list):	Special Education Cluster #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?	No

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2007-01

Noncompliance Citation

Ohio Revised Code Section 5704.39 states in part that total appropriations from each fund shall not exceed the total estimated resources. During the fiscal year, the General Fund's appropriations exceeded estimated resources by \$2,864,978. As of June 30, 2007 the District was in compliance.

We recommend that the District improve monitoring procedures which compare appropriations versus estimated resources throughout the year and amend the certificate as necessary to ensure compliance with State Statute.

Management's Response: The treasurer will monitor appropriations more closely during the entire year to ensure that estimated resources are sufficient enough to cover appropriations approved by the Board of Education.

**Chagrin Falls Exempted Village School District
Schedule of Findings and Questioned Costs
Page 2**

FINDING NUMBER 2007-02

Noncompliance Citation

Ohio Revised Code Section 5704.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated. As of May 31, 2007, expenditures plus encumbrances exceeded appropriations plus prior year encumbrances in the bond retirement debt service fund by \$165,640. As of June 30, 2007 the District was in compliance.

We recommend that the treasurer review budgeted appropriations and expenditures periodically to ensure the expenditures do not exceed appropriations and amendment appropriations as needed.

Management's Response: The treasurer will monitor expenditures incurred more closely during the entire year to ensure that appropriations are sufficient enough to cover them.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None noted.

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

Chagrin Falls, Ohio

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2007

Chagrin Falls, Ohio Exempted Village School District

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2007

Prepared by

Treasurer's Office
Anne Spano
Treasurer/CFO

Chagrin Falls Exempted Village School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2007
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Comprehensive Annual Financial Report
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Chagrin Falls Exempted Village Schools

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BOARD OF EDUCATION
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FEARCE LEARY
KAREN PENLER
ROBERT H. WEBER
ANNE SPANO
Treasurer/CFO

December 7, 2007

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, 2007. This CAFR includes an audit opinion from the independent accounting firm of Rea & Associates, Inc. and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the School District. This report will provide the taxpayers of the Chagrin Falls Exempted Village School District with comprehensive financial data in a format of which will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the local villages and cities comprising the School District, the Cuyahoga and Geauga County Public Libraries, major taxpayers, financial rating services, and other interested parties.

The 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 1938 – 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 2006-2007 school year) was 1,959, 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 14 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 15 to the basic financial statements.

Major Initiatives

The 2006 – 2007 school year was very successful for the Chagrin Falls Exempted School District. The District was again rated as an "Excellent" school district by the Ohio Department of Education and was awarded a special banner for being among an elite group of 15 districts out of the State of Ohio's 611 to receive this prestigious distinction for seven consecutive years. This recognition is based on high proficiency scores, exceptional attendance, and outstanding graduation rate. In addition, two District buildings received awards from the Ohio Department of Education. Gurney Elementary School and Chagrin Falls High School were recognized in the State Superintendent's Schools of Distinction program, which is based on the achievements of the schools' students with disabilities. Chagrin Falls High School is one of only eight schools in the state to receive this award for the second year. The school district also received a Certificate of Achievement for Excellence in Financial reporting from the Government Finance Officers Association of the United States and Canada. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. Finally, the June 2007 issue of *Cleveland Magazine* ranked Chagrin Falls Schools #1 out of 76 Northeastern Ohio school districts.

Gurney Elementary School is a very warm, welcoming environment in which a child-centered atmosphere is maintained along with a focus on academic excellence. All teachers at Gurney provide daily experiences for their students that encourage emotional, social, physical and academic growth. During the 2006-2007 school year almost 600 students in preschool, kindergarten, first, second and third grades attended Gurney. In addition to the high caliber instruction within the academic program, students identified with exceptional needs are supported by the assistance of intervention specialists, speech therapists, an occupational therapist, a physical therapist, reading specialists and/or the instructor of gifted education. Weekly instruction is provided for all students in art, music, physical education and library. Along with those specialty areas, each classroom teacher utilizes the computer lab, the wireless computer lab and extensive science materials to supplement and extend learning experiences. Foreign Language was a new focus for us at Gurney during the 2006-2007 school year. Second and Third Graders were instructed in Spanish, French and Chinese. There were many programs outside of our classrooms that enriched Gurney students' school year. The Gurney Service Learning Club was busy working to solidify a recycling program in the school, to initiate a blood drive for the Red Cross called "Pint-Sized Heroes", and met monthly with senior citizens at Hamlet Village for crafts. In addition, the Junior Achievement program provided community members to teach specific social studies standards in many of our classrooms.

The Intermediate School houses our district's fourth, fifth and sixth graders. In the 2006-2007 school year the enrollment reached 436 students. The faculty and student body works together to transition from Gurney School to the Middle School in just three short years. The Intermediate School staff worked on two goals this year. The first was creating a higher level of consistency in the building regarding curriculum, instruction, assessment and policies. As part of this goal, teachers worked with Community Education to add programming for our students. Some of these courses included Chinese, a cooking class, yoga and a junior engineering class. The staff also implemented new standards-based report cards this year. The second goal of the Intermediate School this year was to create a consistent approach on how to help students who are struggling with academic, behavior, social and emotional issues. The staff came up with a list of interventions that could be used to help struggling students in each area mentioned above. They utilized Study Island, which is a computer based program designed to help students in all areas of the curriculum. The content of Study Island is aligned with the state standards and our curriculum. For the fourth year in a row, the Intermediate School was awarded the Governor's Buckeye Best Healthy School Silver Medal Award. To earn this award a school must have complete offerings and programs that promote physical education, nutrition and drug and alcohol awareness. The school also participated in the "Live It" program through Coke, which also stressed nutrition and exercise as part of a healthy lifestyle.

Chagrin Falls Middle School is a seventh and eighth grade building with a student enrollment of 294 during the 2006-2007 academic year. Faculty and students have enjoyed the flexibility and opportunities of being located on a seventh through twelfth grade campus. The faculty provided an outstanding array of educational opportunities to students in a wide variety of course selections including: computer, technology, drama, foreign languages – Spanish, French, and Chinese, music, art and consumer science. An emphasis on high academic standards, exploratory courses, individualized instruction and small student-to-teacher ratios contributed to providing a challenging and rewarding setting. One of the Middle School's Destination Imagination teams went to the Global Competition and, two Power of the Pen members went to the State Competition with one being a State winner. Two students were winners in the scholastic Art and Writing Awards of 2007. A Middle School student also qualified for the President's Volunteer Service Award based on his exceptional service and received a certificate and letter from President Bush. Students had the opportunity to participate in Student Council, Service Club, Yearbook, Newspaper, Power of the Pen, Ski Club, Jazz Band, and Select Choir. Seventh graders took their annual trip through Ohio and Kentucky, while the eighth grade visited Washington D.C. Middle School students also participated in many service activities. Among them were a service learning recycling program, volunteering at the Cleveland Food Bank and the Geauga Humane Society's Rescue Village. Finally, the Junior Honor Society collected over 1000 T-shirts to donate to the Mission of Love, and the Service club donated \$1600.00 to the USO for our soldiers.

Chagrin Falls High School is a four-year comprehensive high school that continues to be recognized as a National School of Excellence. This year 227 students completed 558 Advanced Placement Exams once again earning Chagrin Falls High School a place on Newsweek Magazine's top list of schools. During the 2006-2007 school year, Chagrin Falls High School had an enrollment of 643 students. Small class sizes, 134 course offerings and 20 advanced placement classes provided students with the opportunity for academic and personal growth. The commitment to academic excellence was highlighted with seven commended students 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 The Lion, the Witch and the Wardrobe and The Pajama Game. The Music Program featured marching band, jazz and concert bands, string orchestra, women's choir and mixed ensemble. In addition, the school is committed to the full development of its student-athletes by offering 24 varsity sports. All high school students also had the opportunity to participate in various extra-curricular activities and student enrichment programs including the school newspaper, student government, a literary magazine, yearbook, and service and academic clubs, along

with an in-house television station. Students also gave back to the community by participating in several service projects which included a blood drive, canned food drive, donation to Geauga Dog Shelter and working with Habitat for Humanity. Finally, 166 graduating seniors took part in the senior project, which provided them with an opportunity to experience on-the-job training in various career settings.

Support groups were once again very prominently involved in the Chagrin Falls Schools for the 2006-2007 school year. The Chagrin Falls Parent Teacher Organization (PTO), Dads' Club, the Chagrin Falls Educational Foundation, Music Lovers, the Chagrin Falls Booster Club, the Open Parent Education Network (OPEN), and the Parent's Club continued to be major supporters of the school district, contributing over \$205,000 in equipment and services this past year. Projects included funding for musical instruments, audio-visual equipment, classroom supplies, field trips, assemblies, new stadium restrooms, and a full time athletic trainer. The Educational Foundation also provided thousands of dollars in grants for special projects for teachers.

Future Projects

The educational program serves our students, parents and community in an effort to continuously improve. This process involves assessing current programs, identifying areas to improve, developing options, selecting the best option and assessing the results. Course of study revisions for the 2007-2008 school year will include social studies, technology and business. In addition, the district will assess necessary foreign language offerings to best prepare our students for the 21st century and will finalize planning for the implementation of a performing arts school run through the Career Technical Consortium (Excel TECC).

Major construction from the bond issue of May 2005 has been completed including renovation of the high school kitchen; restroom renovations at the high school and intermediate buildings; restroom renovations and installation of synthetic turf at Harris Stadium; and completion of the School District's Performing Arts Center.

From a financial viewpoint, the School District will continue to monitor and impact, where possible, the Ohio Supreme Court's decisions regarding school funding and the legislative implementation of solutions. The district will also continue to monitor the effects of Ohio House Bill 66, approved by the Ohio Legislature during the summer of 2005. H.B. 66 includes the phased-out elimination of the tangible personal property tax (including taxes on business tangible property and public utility property for telephone companies and railroads). In November 2007, district residents approved a 7.9 mill additional operating levy (as part of the four-year operating levy cycle). Additionally, the district will engage in contract negotiations with both certificated and classified unions.

The School District will also seek the Certificate of Excellence in Financial Reporting for the School District's 2007 Comprehensive Annual Financial Report.

Economic Conditions and Outlook

The Chagrin Falls Exempted Village School District area is an affluent residential community encompassing 27.5 square miles. The School District is rich in heritage, while maintaining an "old time" atmosphere with specialty shopping. Approximately 85% of the area is residential and 15% of the area is business in valuation. Personal income levels average above \$144,000 based on the 2005 Ohio Department of Taxation records, which maintains the Chagrin Falls Exempted Village School District as fourth in the State among 614 school districts. The School District has been ranked among the top ten school districts for the past eighteen years.

Property values have continued to grow within the School District since 1980. The reappraisals for Cuyahoga County were completed in 2006. Economic conditions have continued to weaken during the past year, and a recovery will depend upon a number of events, both nationally and worldwide. Legislative changes in the calculation of personal property taxes continue to affect the district through decreasing revenues, as do decreases in state funding. The effects of cost increases in natural gas and bus fuel have and will continue to negatively affect the district. Enrollment has increased at a manageable rate to the School District. The 2006-07 enrollment of 2,003 students reflect an increase of seventeen (17) students as compared to the 2005-06 school year, and an increase of 511 students compared to the 1990-91 school year.

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

The funding structure of public education in Ohio is such that school districts receive very little revenue growth as a result of inflationary increases in their tax base. As a result, school districts throughout Ohio must place funding issues on the ballot to receive significant revenue growth. Chagrin Falls Exempted Village School District garners excellent levy support from its constituents. Historically, constituents of the School District have approved all operating levies that have been submitted to the voters, in advance of the School District experiencing financial shortcomings. The School District placed an operating levy on the May 2007 ballot that was defeated by 47 votes. Consequently, numerous personnel and program cuts were made to the operating budget for the 2007-2008 school year.

Financial Information

Internal Accounting and Budgetary Control

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

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

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

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

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

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

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

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

Financial Condition

This is the fifth year the School District has prepared financial statements following GASB Statement 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments." GASB 34 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 new reporting model, management is responsible for preparing a Management Discussion and Analysis of the School District. This discussion is presented after the Independent Public Accountant's report and provides an assessment of the School District's finances for 2007 and a discussion of current issues that affect the School District's outlook for the future. Because that discussion focuses on major funds, other nonmajor funds are discussed briefly in this letter.

Financial Highlights -Fiduciary Fund

The School District functions as fiscal agent for student funds, representing a variety of student groups. The agency funds had assets totaling \$70,798 at fiscal year end.

Cash Management

The Board of Education has an active cash management program, which consists of expediting the receipt of revenues and prudently depositing cash, which is insured by the Federal Deposit Insurance Corporation, as well as investing available cash in instruments issued by the United States Government. The total amount of interest earned by the School District's funds was \$507,684 for the year ended June 30, 2007; \$250,540 was directly credited to the general fund, the remainder of which was credited to the scholarship, building and food service funds. The program is beneficial because of access to daily balances, which enables the Board of Education to maintain minimum account balances and invest to the maximum extent.

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation as well as by qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. The market value of the pooled collateral must equal at least 105% of public funds deposited. Trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions hold collateral.

Risk Management

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

The School District contracts for general liability insurance with a \$1,000 deductible and a 10% coinsurance. The School District also carries a single occurrence \$4,000,000 limit for professional liability with no deductible and automobile liability which has a \$4,000,000 combined single limit of liability. Property insurance has a \$500 deductible with a limit of \$46,796,124 and inland marine insurance has a deductible of \$250 with a limit of \$1,553,714.

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

Pension Plans

The statewide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS) covers all School District employees. The School District's employer contributions to both systems are based on a percentage of employees' salaries. State law requires the School District to pay the employer share as determined by each retirement system. See Note 11 to the basic financial statements for complete details.

Independent Audit

State statutes require the School District to be subjected to an annual audit by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Rea & Associates, Inc. was selected to render an opinion on the School District's financial statements as of and for the year ended June 30, 2007. 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, 2006. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

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

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

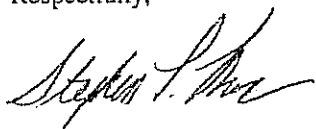
Acknowledgements

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

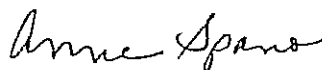
Special appreciation is expressed to Rea & Associates, Inc. for their assistance in planning, designing and reviewing this financial report.

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

Respectfully,

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

Mr. Stephen Thompson
Superintendent

A handwritten signature in cursive script, appearing to read "Anne Spano".

Ms. Anne Spano
Treasurer

Chagrin Falls Exempted Village School District
Principal Officials
June 30, 2007

Board of Education

Ms. Bethany Hurtuk, Ph.D	President
Ms. Anne Thomas, Ph.D	Vice President
Mr. Pearce Leary	Member
Ms. Karen Penler	Member
Mr. Robert H. Weber	Member

Treasurer/CFO

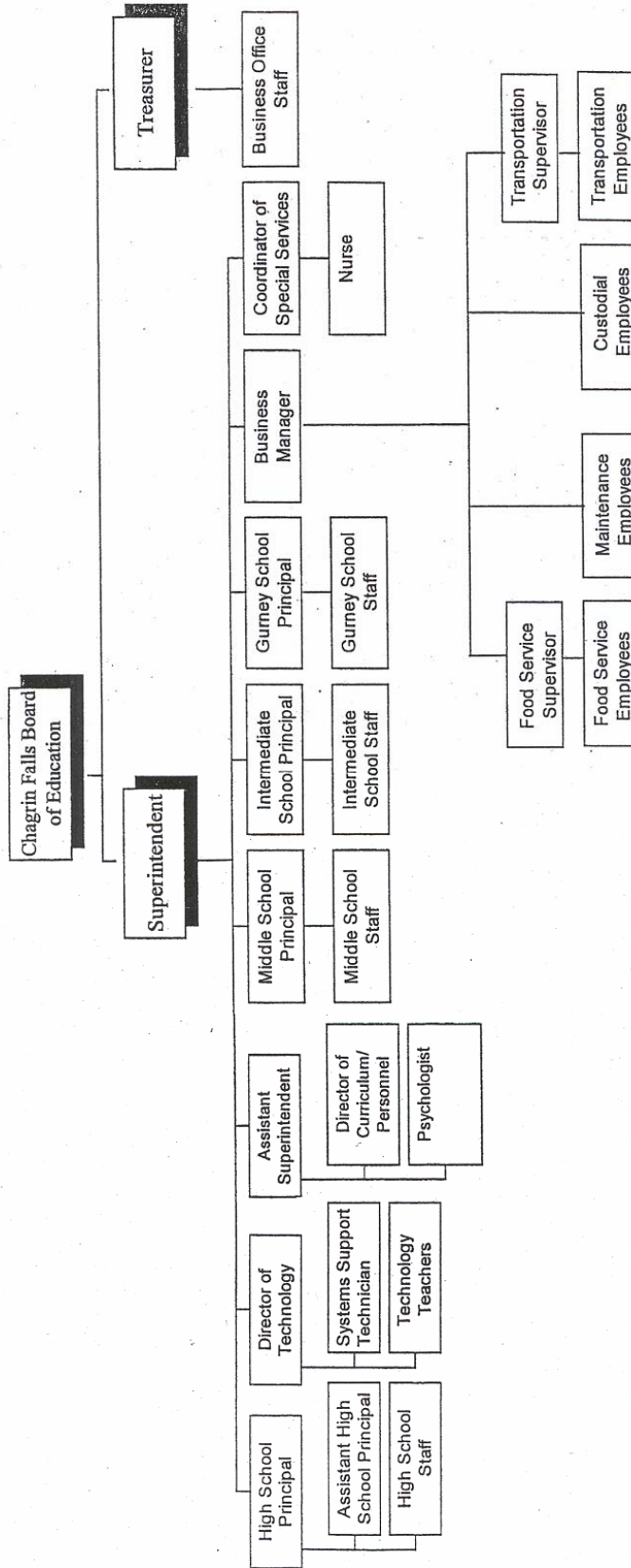
Mr. Stephen Osborne (through August 31, 2007)
Ms. Anne Spano (effective September 1, 2007)

Superintendent

Mr. David Axner (through July 31, 2007)
Mr. Stephen Thompson (effective August 1, 2007)

CHAGRIN FALLS EXEMPTED VILLAGE SCHOOL DISTRICT

ORGANIZATION CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Chagrin Falls Exempted
Village School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

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



A handwritten signature in black ink, appearing to read "Ronald J. Haen".

President

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

Executive Director

FINANCIAL SECTION



Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

December 7, 2007

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

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Chagrin Falls Exempted Village School District (the School District), as of and for the year ended June 30, 2007, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2007, on our consideration of the School District's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 13 are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Chagrin Falls Exempted Village School District basic financial statements. The accompanying introductory section, combining nonmajor fund statements and schedules, and statistical tables are presented for the purpose of additional analysis and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. We did not subject the introductory sections and statistical tables to auditing procedures applied in the audit of basic financial statements, and accordingly, we express no opinion on them.

Hea & Associates, Inc.

Chagrin Falls Exempted Village School District

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2007

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, 2007. The intent of this discussion and analysis is to look at the School District's performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key Financial Highlights for 2007 are as follows:

- ❑ General Revenues accounted for \$25.3 million in revenue or 92% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for approximately \$2.2 million or 8% of total revenues of \$27.5 million.
- ❑ Total program expenses were \$25.1 million, \$24.0 million in Governmental Activities, and \$1.1 million in Business Type Activities.
- ❑ In total, net assets increased \$2.4 million from governmental activities. Business-type activities increased less than \$.07 million.
- ❑ Capital assets in the governmental activities increased \$6.4 million for construction in progress for an auditorium, kitchen renovations and technology upgrades.
- ❑ Outstanding bonded debt decreased from \$31.7 million to \$30.6 million through principal payments.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Chagrin Falls Exempted Village School District

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007*

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2007?" The *Statement of Net Assets* and the *Statement of Activities* answer this question.

These statements include *all assets* and *liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 9. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, the debt service fund and the permanent improvements 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

Chagrin Falls Exempted Village School District

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007*

finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service and permanent improvement capital projects fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation.

The School District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. The governmental fund financial statements begin on page 18.

Proprietary Funds - The School District maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The School District uses enterprise funds to account for its food service, uniform supplies, and adult and community education programs. The proprietary fund financial statements begin on page 23.

Fiduciary Funds - These funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's own programs. The accounting for the fiduciary funds is much like that used for proprietary funds. The fiduciary fund financial statements begin on page 26.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 27.

Chagrin Falls Exempted Village School District

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007*

The School District as a Whole

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

Table 1 provides a summary of the School District's net assets for 2007 compared to 2006:

**(Table 1)
Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Assets						
Current and Other Assets	\$ 24,364,090	\$ 29,740,110	\$ 168,216	\$ 66,046	\$ 24,532,306	\$ 29,806,156
Capital Assets	30,277,567	23,889,300	151,180	169,306	30,428,747	24,058,606
Total Assets	54,641,657	53,629,410	319,396	235,352	54,961,053	53,864,762
Liabilities						
Long-Term Liabilities	31,787,847	32,724,961	19,688	12,286	31,807,535	32,737,247
Other Liabilities	18,235,981	18,637,600	66,089	57,027	18,302,070	18,694,627
Total Liabilities	50,023,828	51,362,561	85,777	69,313	50,109,605	51,431,874
Net Assets						
Invested in Capital Assets Net of Debt	1,070,070	2,200,744	151,180	169,306	1,221,250	2,370,050
Restricted	4,770,065	1,104,831	0	0	4,770,065	1,104,831
Unrestricted (Deficit)	(1,222,306)	(1,038,726)	82,439	(3,267)	(1,139,867)	(1,041,993)
Total Net Assets	\$ 4,617,829	\$ 2,266,849	\$ 233,619	\$ 166,039	\$ 4,851,448	\$ 2,432,888

Total assets increased by \$1.0 million comprised mostly by the governmental activities. An increase of approximately \$6.4 million in total capital assets reflects additional purchases, including construction in progress for an auditorium and high school kitchen, exceeding depreciation. Total liabilities decreased by approximately \$1.3 million with governmental liabilities comprising most of that amount.

The net assets of the School District governmental activities increased approximately \$2.4 million or 104%.

Chagrin Falls Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007

Table 2 shows the changes in net assets for fiscal year 2007 compared to 2006.

(Table 2)
Governmental and Business-Type Activities

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues						
<i>Program Revenues:</i>						
Charges for Services	\$ 382,555	\$ 485,163	\$ 1,075,451	\$ 863,088	\$ 1,458,006	\$ 1,348,251
Operating Grants	673,467	678,200	55,301	37,221	728,768	715,421
<i>General Revenue:</i>						
Property Taxes	20,202,430	16,231,053	0	0	20,202,430	16,231,053
Grants and Entitlements, not Restricted to Specific Programs	4,324,197	4,255,426	1,560	26,178	4,325,757	4,281,604
Other	797,714	673,911	0	3,671	797,714	677,582
Total Revenues	26,380,363	22,323,753	1,132,312	930,158	27,512,675	23,253,911
Program Expenses						
Instruction	11,821,902	11,534,477	0	0	11,821,902	11,534,477
Support Services	9,796,712	9,504,717	0	0	9,796,712	9,504,717
Operation of Non-Instructional	206,943	199,513	0	0	206,943	199,513
Extracurricular Activities	731,019	702,459	0	0	731,019	702,459
Interest and Fiscal Charges	1,461,470	1,442,066	0	0	1,461,470	1,442,066
Food Service	0	0	623,945	594,929	623,945	594,929
Uniform School Supplies	0	0	108,859	93,703	108,859	93,703
Adult Community Education	0	0	343,265	217,837	343,265	217,837
Total Expenses	24,018,046	23,383,232	1,076,069	906,469	25,094,115	24,289,701
Increase (Decrease) in Net Assets Before Transfers	2,362,317	(1,059,479)	56,243	23,689	2,418,560	(1,035,790)
Net Transfers	(11,337)	117,471	11,337	(117,471)	0	0
Increase (Decrease) in Net Assets	\$ 2,350,980	\$ (942,008)	\$ 67,580	\$ (93,782)	\$ 2,418,560	\$ (1,035,790)

The vast majority of revenue supporting governmental activities is general revenue (property taxes). General revenue increased from \$21.2 million in 2006 to \$25.3 million in 2007, which is partially due to an increase in property taxes available. Program expenses in governmental activities increased from \$23.4 million in 2006 to \$24.0 million in 2007 or 2.7%.

Chagrin Falls Exempted Village School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2007

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements. All governmental activities had total revenues of \$26.4 million and expenses of \$23.6 million.

(Table 3)
Governmental Activities

	2007		2006	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$ 11,821,902	\$ 11,624,504	\$ 11,534,477	\$ 11,300,086
Support Services:				
Pupil and Instructional Staff	2,393,672	1,924,510	2,561,474	1,964,079
Board of Education, Administration and Fiscal	3,448,575	3,419,388	2,707,520	2,681,001
Operation and Maintenance of Plant	2,828,169	2,800,387	3,020,408	3,020,408
Pupil Transportation	1,126,296	1,126,296	1,215,315	1,215,315
Operation of Non-Instructional	206,943	42,689	199,513	54,845
Extracurricular Activities	731,019	562,780	702,459	542,069
Interest and Fiscal Charges	1,461,470	1,461,470	1,442,066	1,442,066
Total Expenses	<u>\$ 24,018,046</u>	<u>\$ 22,962,024</u>	<u>\$ 23,383,232</u>	<u>\$ 22,219,869</u>

Total net cost of service for 2007 was 3.3% over 2006. Instruction and student support services comprise 59% of governmental program expenses. Interest/fiscal charges were 6.1%. Interest expense was attributable to the outstanding bonds, and fiscal expenses include payments to the County Auditors for administrative fees. Pupil transportation and the operation/maintenance of facilities accounts for 16% of governmental program expenses.

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

Business-Type Activities

Business-type activities include the adult/community education programs, the food service operations, and the sale of uniform school supplies. These programs had revenues of \$1.1 million and expenses of \$1.1 million for fiscal year 2007. Business activities receive no support from tax revenues.

Chagrin Falls Exempted Village School District

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007*

Financial Analysis of the Government's Funds

Governmental Funds

The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the School District's net resources available for spending at year-end.

The School District's governmental funds (as presented on the balance sheet on pages 18-19) reported a total fund balance of \$4.8 million, which is \$6.0 million under last year's balance of \$10.8 million. The most significant changes within the School District's major funds was reported in the Permanent Improvement fund with a decrease in fund balance of \$6.2 million due to construction costs.

General Fund

The general fund is the main operating fund of the School District. At the end of fiscal year 2007, the deficit fund balance in the general fund was \$.1 million, which is a decrease of \$.02 million from 2006.

Debt Service Fund

The debt service fund is the School District fund that accumulates tax revenues to pay general obligation bonds. At the end of fiscal year 2007, the fund balance in the debt service fund was \$2.7 million, which is an increase of \$.3 million due mainly to an increase in earned property taxes.

Permanent Improvements Fund

The permanent improvements fund is the School District fund that accounts for the resources to be used for construction projects. At the end of fiscal year 2007, the fund balance in the permanent improvements fund was \$2.1 million, which is a decrease of \$6.2 million due to construction costs.

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 2007, the School District modified 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, there was a difference of \$.5 million between the final budgeted revenue of \$20.6 million, and the original budget estimates of \$20.1 million in property taxes. There was also a minor difference of \$.03 million between the final budgeted expenditures and actual expenditures.

Final appropriations of \$20.7 million were \$.6 million more than the \$20.1 million in the original budget.

The actual expenditures did not change significantly from the final budgeted expenditures.

Chagrin Falls Exempted Village School District

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007*

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2007, the School District had \$30.4 million invested in land, construction in progress, buildings and improvements, furniture and equipment, vehicles and textbooks. A total of \$30.3 million of this was for governmental activities with the remainder attributable to business-type activities. Table 4 shows fiscal year 2007 balances compared with 2006.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Land	\$ 1,386,635	\$ 1,386,635	\$ 0	\$ 0	\$ 1,386,635	\$ 1,386,635
Construction in Progress	7,548,917	761,826	0	0	7,548,917	761,826
Buildings and Improvements	19,558,222	20,154,002	0	0	19,558,222	20,154,002
Furniture and Equipment	1,139,645	922,420	151,180	169,306	1,290,825	1,091,726
Vehicles	463,033	471,028	0	0	463,033	471,028
Textbooks	181,115	193,389	0	0	181,115	193,389
Totals	<u>\$ 30,277,567</u>	<u>\$ 23,889,300</u>	<u>\$ 151,180</u>	<u>\$ 169,306</u>	<u>\$ 30,428,747</u>	<u>\$ 24,058,606</u>

The \$6.4 million increase in capital assets was attributable to additional purchases, which were mostly construction in progress, exceeding depreciation expense. Additional details of the capital assets can be found in Note 8 to the basic financial statements.

Chagrin Falls Exempted Village School District

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007*

Debt

At June 30, 2007, the School District had \$30.6 million in bonds outstanding with \$1.4 million due within one year. During fiscal year 2007, \$1.3 million of general obligation bonds were retired. Table 5 summarizes bonds outstanding.

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

	Governmental Activities 2007	Governmental Activities 2006
General Obligation Bonds:		
1988 Additions/Facilities	\$ 1,380,000	\$ 1,665,000
1997 Renovations - Series 1	0	100,000
1997 Renovations - Series 2	615,000	1,190,000
2005 Capital Improvement (Refunding)	15,885,000	16,075,000
Unamortized Bond Premiums (Refunding)	1,437,680	1,463,584
Capital Appreciation Bonds (Refunding)	499,988	499,988
Accretion on Capital Appreciation Bonds (Refunding)	373,355	195,482
2005 School Improvement Bonds	9,510,000	9,655,000
Unamortized Bond Premiums (School Improvement)	542,724	555,471
Capital Appreciation Bonds (School Improvement)	294,990	294,990
Accretion on Capital Appreciation Bonds (School Improvement)	101,393	44,980
Totals	<u>\$ 30,640,130</u>	<u>\$ 31,739,495</u>

In 1988, the School District passed a bond issue providing \$4.3 million for renovations to the four buildings in the District. In 1997, the School District passed a bond issue providing \$21.8 million for the construction of a new Middle School, classroom additions at Gurney Elementary and the refurbishing of the former Middle School (now known as the Intermediate School). In 2005, the School District passed a bond issue for \$9,949,990 for construction and facility improvements. In 2005, the School District also issued \$16.8 million in refunded bonds. The proceeds were used to refund portions of the 1997 bond issues. More information about the long-term obligations is in Note 13 to the basic financial statements.

At June 30, 2007, the School District's overall bonded debt limit was \$44,418,548 and the unvoted debt margin was \$493,539. The School District maintains an AA3 bond rating from Moody's Rating Committee.

Chagrin Falls Exempted Village School District

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2007

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 November, 2007.

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

Thus, school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 72.1% of revenues for governmental activities for the Chagrin Falls Schools in fiscal year 2007.

The School District has been affected by changes in the personal property tax structure (utility deregulation) and commercial business/property uncertainties. During the summer of 2005, the Ohio legislature approved Ohio House Bill 66, which includes the phased-out elimination of the tangible personal property tax. This affects taxes on all business tangible property and public utility property (telephone companies and railroads) – roughly 5% of the School District's general fund revenue. While this discontinued revenue will be partially reimbursed by the State of Ohio for five (5) years, this loss of revenue must be anticipated and replaced in the future.

Management will strive to maintain a four year levy cycle, as has been done in the past. This goal continues to be increasingly difficult in light of rising utility and gasoline costs, increased special education services required for our students, and significant increases in health insurance and property/liability/fleet insurance.

From a State funding perspective, the 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 State Legislature's biennial budget was approved and became effective on July 1, 2007. The School District anticipates no increased funding over the next two years. In fact, funding may decrease due to a decrease in funding for new bus purchases, no student intervention funding, and the state's tendency to reduce funding when they do not meet their budget.

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

Chagrin Falls Exempted Village School District

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007*

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

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the 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.

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Chagrin Falls Exempted Village School District

Statement of Net Assets

June 30, 2007

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 2,892,980	\$ 165,596	\$ 3,058,576
Cash and Cash Equivalents in Segregated Accounts	2,440,517	0	2,440,517
Receivables:			
Taxes	19,024,870	0	19,024,870
Accounts	123	0	123
Intergovernmental	5,600	0	5,600
Inventory	0	2,620	2,620
Nondepreciable Capital Assets	8,935,552	0	8,935,552
Depreciable Capital Assets (Net)	21,342,015	151,180	21,493,195
<i>Total Assets</i>	<u>54,641,657</u>	<u>319,396</u>	<u>54,961,053</u>
Liabilities			
Accounts Payable	183,962	14,272	198,234
Contracts Payable	494,433	0	494,433
Accrued Wages and Benefits	1,874,132	26,727	1,900,859
Vacation Benefits Payable	179,744	0	179,744
Intergovernmental Payable	788,642	25,090	813,732
Deferred Revenue	14,542,306	0	14,542,306
Accrued Interest Payable	68,992	0	68,992
Matured Compensated Absences	103,770	0	103,770
Long Term Liabilities:			
Due Within One Year	1,561,495	2,170	1,563,665
Due in More Than One Year	30,226,352	17,518	30,243,870
<i>Total Liabilities</i>	<u>50,023,828</u>	<u>85,777</u>	<u>50,109,605</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	1,070,070	151,180	1,221,250
Restricted for:			
Capital Projects	1,538,945	0	1,538,945
Debt Service	2,920,957	0	2,920,957
Other Purposes	125,940	0	125,940
Set Asides	184,223	0	184,223
Unrestricted	(1,222,306)	82,439	(1,139,867)
<i>Total Net Assets</i>	<u>\$ 4,617,829</u>	<u>\$ 233,619</u>	<u>\$ 4,851,448</u>

See accompanying notes to the basic financial statements.

Chagrin Falls Exempted Village School District
Statement of Activities
For the Fiscal Year Ended June 30, 2007

	Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions
Governmental Activities			
Current:			
Instruction:			
Regular	\$ 9,933,444	\$ 46,728	\$ 78,149
Special	1,712,549	0	72,521
Vocational	162,699	0	0
Other	13,210	0	0
Support Services:			
Pupils	995,334	117,182	0
Instructional Staff	1,398,338	0	351,980
Board of Education	94,466	0	0
Administration	2,069,076	0	6,563
Fiscal	1,284,233	22,624	0
Business	800	0	0
Operation and Maintenance of Plant	2,828,169	27,782	0
Pupil Transportation	1,126,296	0	0
Central	22,099	0	0
Operation of Non-Instructional Services	184,844	0	164,254
Extracurricular Activities	731,019	168,239	0
Interest and Fiscal Charges	1,461,470	0	0
<i>Total Governmental Activities</i>	<u>24,018,046</u>	<u>382,555</u>	<u>673,467</u>
Business-Type Activities			
Food Service	623,945	529,535	55,301
Uniform School Supplies	108,859	97,554	0
Adult Education	343,265	448,362	0
<i>Total Business-Type Activities</i>	<u>1,076,069</u>	<u>1,075,451</u>	<u>55,301</u>
<i>Totals</i>	<u>\$ 25,094,115</u>	<u>\$ 1,458,006</u>	<u>\$ 728,768</u>

General Revenues

Property Taxes Levied for:
General Purposes
Debt Service
Grants and Entitlements not Restricted
to Specific Programs
Investment Earnings
Miscellaneous

Total General Revenues

Net Transfers

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
\$ (9,808,567)	\$ 0	\$ (9,808,567)
(1,640,028)	0	(1,640,028)
(162,699)	0	(162,699)
(13,210)	0	(13,210)
(878,152)	0	(878,152)
(1,046,358)	0	(1,046,358)
(94,466)	0	(94,466)
(2,062,513)	0	(2,062,513)
(1,261,609)	0	(1,261,609)
(800)	0	(800)
(2,800,387)	0	(2,800,387)
(1,126,296)	0	(1,126,296)
(22,099)	0	(22,099)
(20,590)	0	(20,590)
(562,780)	0	(562,780)
(1,461,470)	0	(1,461,470)
(22,962,024)	0	(22,962,024)
0	(39,109)	(39,109)
0	(11,305)	(11,305)
0	105,097	105,097
0	54,683	54,683
(22,962,024)	54,683	(22,907,341)
17,540,958	0	17,540,958
2,661,472	0	2,661,472
4,324,197	0	4,324,197
506,124	1,560	507,684
291,590	0	291,590
25,324,341	1,560	25,325,901
(11,337)	11,337	0
2,350,980	67,580	2,418,560
2,266,849	166,039	2,432,888
<u>\$ 4,617,829</u>	<u>\$ 233,619</u>	<u>\$ 4,851,448</u>

See accompanying notes to the basic financial statements.

Chagrin Falls Exempted Village School District
Balance Sheet
Governmental Funds
June 30, 2007

	<u>General</u>	<u>Debt Service</u>	<u>Permanent Improvements</u>	<u>Other Governmental Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 1	\$ 2,397,617	\$ 176,399	\$ 226,244
Cash and Cash Equivalents:				
Restricted Cash	92,719	0	0	0
In Segregated Accounts	0	0	2,400,761	39,756
Receivables:				
Taxes	16,362,152	2,662,718	0	0
Accounts	0	0	0	123
Intergovernmental	0	0	0	5,600
<i>Total Assets</i>	<u>\$ 16,454,872</u>	<u>\$ 5,060,335</u>	<u>\$ 2,577,160</u>	<u>\$ 271,723</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ 175,735	\$ 0	\$ 78	\$ 8,149
Contracts Payable	0	0	494,433	0
Accrued Wages and Benefits	1,838,982	0	0	35,150
Intergovernmental Payable	746,522	0	0	42,120
Deferred Revenue	13,724,559	2,353,848	0	0
Matured Compensated Absences	103,770	0	0	0
<i>Total Liabilities</i>	16,589,568	2,353,848	494,511	85,419
Fund Balances				
Fund Balance:				
Reserved for Encumbrances	30,927	0	1,358,429	24,675
Reserved for Tax Revenue Unavailable for Appropriation	2,637,593	308,870	0	0
Reserved to Textbook/Instructional Materials	138,820	0	0	0
Reserved for Capital Improvements/Maintenance	45,403	0	0	0
Unreserved, Undesignated, Reported in:				
General Fund	(2,987,439)	0	0	0
Special Revenue Funds	0	0	0	161,629
Debt Service Fund	0	2,397,617	0	0
Capital Projects Funds	0	0	724,220	0
<i>Total Fund Balances</i>	<u>(134,696)</u>	<u>2,706,487</u>	<u>2,082,649</u>	<u>186,304</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 16,454,872</u>	<u>\$ 5,060,335</u>	<u>\$ 2,577,160</u>	<u>\$ 271,723</u>

See accompanying notes to the basic financial statements.

Chagrin Falls Exempted Village School District
*Reconciliation of Total Governmental Fund Balances to
 Net Assets Governmental Activities
 June 30, 2007*

Total Governmental Funds	Total Governmental Fund Balances	\$ 4,840,744
	<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
\$ 2,800,261	Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	30,277,567
92,719		
2,440,517	Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds.	
19,024,870	Delinquent Property and Personal Property Taxes	1,536,101
123		
5,600	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.	
<u>\$ 24,364,090</u>		
	General Obligation Bonds	\$ (29,370,404)
	Capital Appreciation Bonds	(1,269,726)
	Compensated Absences	(1,147,717)
\$ 183,962	Vacation Benefits Payable	(179,744)
494,433	Accrued Interest Payable	<u>(68,992)</u>
1,874,132		<u>(32,036,583)</u>
788,642	<i>Net Assets of Governmental Activities</i>	<u>\$ 4,617,829</u>
16,078,407		
103,770		
19,523,346		
1,414,031		
2,946,463		
138,820		
45,403		
(2,987,439)		
161,629		
2,397,617		
724,220		
4,840,744		
<u>\$ 24,364,090</u>		

See accompanying notes to the basic financial statements.

Chagrin Falls Exempted Village School District
Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Fiscal Year Ended June 30, 2007

	General	Debt Service	Permanent Improvement	Other Governmental Funds
Revenues:				
Taxes	\$ 16,661,259	\$ 2,512,165	\$ 0	\$ 0
Intergovernmental	4,076,110	315,383	0	606,171
Investment Income	250,540	0	251,918	3,666
Tuition and Fees	46,728	0	0	0
Extracurricular Activities	0	0	0	285,421
Rentals	22,624	0	5,120	0
Charges for Services	0	0	22,662	0
Gifts and Donations	0	0	196,739	66,406
Miscellaneous	28,445	0	0	0
<i>Total Revenues</i>	21,085,706	2,827,548	476,439	961,664
Expenditures:				
Current:				
Instruction:				
Regular	9,504,127	0	0	101,209
Special	1,674,456	0	0	5,269
Vocational	162,699	0	0	0
Other	13,210	0	0	0
Support Services:				
Pupils	807,795	0	0	167,981
Instructional Staff	1,031,769	0	0	355,532
Board of Education	94,356	0	0	0
Administration	2,038,565	0	0	6,467
Fiscal	1,277,306	0	0	0
Business	800	0	0	0
Operation and Maintenance of Plant	2,516,357	0	0	0
Pupil Transportation	1,115,895	0	0	0
Central	22,099	0	0	0
Operation of Non-Instructional Services	12,004	0	0	149,174
Extracurricular Activities	517,305	0	0	207,610
Capital Outlay	0	0	7,001,158	0
Debt Service:				
Principal Retirement	0	1,295,000	0	0
Interest and Fiscal Charges	0	1,271,402	0	0
<i>Total Expenditures</i>	20,788,743	2,566,402	7,001,158	993,262
<i>Excess of Revenues Over (Under) Expenditures</i>	296,963	261,146	(6,524,719)	(31,598)
Other Financing Sources (Uses):				
Proceeds from Sales of Capital Assets	3,348	0	0	0
Transfers In	0	0	300,000	13,600
Transfers Out	(324,937)	0	0	0
<i>Total Financing Sources and (Uses)</i>	(321,589)	0	300,000	13,600
<i>Net Change in Fund Balance</i>	(24,626)	261,146	(6,224,719)	(17,998)
<i>Fund Balance (Deficit) at Beginning of Year</i>	(110,070)	2,445,341	8,307,368	204,302
<i>Fund Balance (Deficit) at End of Year</i>	\$ (134,696)	\$ 2,706,487	\$ 2,082,649	\$ 186,304

See accompanying notes to the basic financial statements.

Chagrin Falls Exempted Village School District
Reconciliation of the Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2007

Total Governmental Funds	Net Change in Fund Balances - Total Governmental Funds	\$ (6,006,197)
	<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
\$ 19,173,424	Governmental funds report capital outlays as expenditures,	
4,997,664	However, in the statement of activities, the cost of those	
506,124	assets is allocated over their estimated useful lives as	
46,728	depreciation expense. This is the amount by which	
285,421	capital expenditures exceeded depreciation in the current period.	
27,744	Capital Asset Additions	\$ 7,665,886
22,662	Current Year Depreciation	<u>(1,277,536)</u>
263,145		6,388,350
28,445	Net effect of transactions involving disposal of capital	(83)
	assets are not reflected in the funds.	
25,351,357	Revenues in the statement of activities that do not provide	
	current financial resources are not reported as revenues	
	in the funds.	
	Delinquent Property and Personal Property Taxes	1,029,006
9,605,336		
1,679,725	Repayment of bond principal is an expenditure in the governmental	
162,699	funds, but the repayment reduces long-term liabilities in the	
13,210	statement of net assets.	
	Bond Principal	1,295,000
975,776		
1,387,321	In the statement of activities interest is accrued on outstanding	
94,356	bonds, whereas in governmental funds, interest is expensed	
2,045,032	when due.	5,567
1,277,306		
800	Some expenses reported in the statement of activities do not	
2,516,357	use the current financial resources and therefore, are not reported	
1,115,895	as expenditures in governmental funds.	
22,099	(Increase) Decrease in Compensated Absences	(162,251)
161,178	(Increase) Decrease in Vacation Payable	(2,777)
724,915	(Increase) Decrease in Bond Accretion	(234,286)
7,001,158	Amortization of Bond Premium	<u>38,651</u>
		<u>(360,663)</u>
1,295,000		
1,271,402	Change in Net Assets of Governmental Activities	<u>\$ 2,350,980</u>
31,349,565		
(5,998,208)		
3,348		
313,600		
(324,937)		
(7,989)		
(6,006,197)		
10,846,941		
\$ 4,840,744		

See accompanying notes to the basic financial statements.

Chagrin Falls Exempted Village School District
*Statement of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Fiscal Year Ended June 30, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues:				
Taxes	\$ 15,720,000	\$ 16,182,029	\$ 16,090,686	\$ (91,343)
Intergovernmental	4,113,700	4,113,700	4,076,110	(37,590)
Investment Income	175,000	175,000	250,540	75,540
Tuition and Fees	68,550	68,550	46,728	(21,822)
Rentals	30,000	30,000	22,624	(7,376)
Gifts and Donations	2,000	2,000	0	(2,000)
Miscellaneous	32,000	32,000	28,445	(3,555)
<i>Total Revenues</i>	<u>20,141,250</u>	<u>20,603,279</u>	<u>20,515,133</u>	<u>(88,146)</u>
Expenditures:				
Current				
Instruction	11,416,141	11,304,230	11,297,335	(6,895)
Support Services				
Pupils	836,341	802,063	802,063	0
Instructional Staff	1,059,679	1,048,045	1,048,045	0
Board of Education	127,730	104,504	91,096	(13,408)
Administration	1,875,109	2,035,509	2,035,509	0
Fiscal	655,384	1,270,411	1,270,411	0
Business	800	800	800	0
Operation and Maintenance of Plant	2,573,336	2,520,826	2,507,862	(12,964)
Pupil Transportation	1,081,124	1,120,220	1,120,220	0
Central	24,385	22,525	22,525	0
Operation of Non-Instructional Services	9,595	11,941	11,941	0
Extracurricular Activities	454,363	478,861	478,861	0
<i>Total Expenditures</i>	<u>20,113,987</u>	<u>20,719,935</u>	<u>20,686,668</u>	<u>(33,267)</u>
Excess of Revenues Over (Under) Expenditures	27,263	(116,656)	(171,535)	(54,879)
Other Financing Sources (Uses):				
Proceeds from Sale of Assets	750	750	3,348	2,598
Advances In	0	12,541	12,541	0
Advances Out	0	(1,204)	(1,204)	0
Transfers Out	(318,700)	(324,937)	(324,937)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(317,950)</u>	<u>(312,850)</u>	<u>(310,252)</u>	<u>2,598</u>
<i>Net Change in Fund Balance</i>	(290,687)	(429,506)	(481,787)	(52,281)
<i>Fund Balance (Deficit) at Beginning of Year</i>	264,508	264,508	264,508	0
Prior Year Encumbrances Appropriated	230,937	230,937	230,937	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 204,758</u>	<u>\$ 65,939</u>	<u>\$ 13,658</u>	<u>\$ (52,281)</u>

See accompanying notes to the basic financial statements.

Chagrin Falls Exempted Village School District
Statement of Fund Net Assets
Proprietary Funds
June 30, 2007

	Business-Type Activities - Enterprise Funds			
	Food Service	Uniform School Supplies	Adult Education	Total
Assets				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 440	\$ 2,083	\$ 163,073	\$ 165,596
Inventory	2,620	0	0	2,620
<i>Total Current Assets</i>	3,060	2,083	163,073	168,216
Non Current Assets:				
Depreciable Capital Assets (Net)	151,180	0	0	151,180
<i>Total Assets</i>	154,240	2,083	163,073	319,396
Liabilities				
Current Liabilities:				
Accounts Payable	63	0	14,209	14,272
Accrued Wages and Benefits	21,517	0	5,210	26,727
Intergovernmental Payable	19,048	0	6,042	25,090
<i>Total Current Liabilities</i>	40,628	0	25,461	66,089
Long Term Liabilities:				
Compensated Absences	18,577	0	1,111	19,688
<i>Total Liabilities</i>	59,205	0	26,572	85,777
Net Assets				
Invested in Capital Assets, Net of Related Debt	151,180	0	0	151,180
Unrestricted	(56,145)	2,083	136,501	82,439
<i>Total Net Assets</i>	\$ 95,035	\$ 2,083	\$ 136,501	\$ 233,619

See accompanying notes to the basic financial statements.

Chagrin Falls Exempted Village School District
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2007

	Business-Type Activities - Enterprise Funds			
	Food Service	Uniform School Supplies	Adult Education	Total
Operating Revenues:				
Tuition	\$ 0	\$ 0	\$ 448,362	\$ 448,362
Sales	529,535	97,554	0	627,089
<i>Total Operating Revenues</i>	<u>529,535</u>	<u>97,554</u>	<u>448,362</u>	<u>1,075,451</u>
Operating Expenses:				
Salaries	187,441	0	96,959	284,400
Fringe Benefits	66,359	0	15,811	82,170
Purchased Services	10,749	108,859	224,859	344,467
Materials and Supplies	339,700	0	387	340,087
Depreciation	15,244	0	0	15,244
Other Operating Expenses	4,452	0	5,249	9,701
<i>Total Operating Expenses</i>	<u>623,945</u>	<u>108,859</u>	<u>343,265</u>	<u>1,076,069</u>
Operating Income (Loss)	<u>(94,410)</u>	<u>(11,305)</u>	<u>105,097</u>	<u>(618)</u>
Non-Operating Revenues (Expenses):				
Federal Donated Commodities	26,559	0	0	26,559
Operating Grants	28,742	0	0	28,742
Interest	1,560	0	0	1,560
<i>Total Non-Operating Revenues (Expenses)</i>	<u>56,861</u>	<u>0</u>	<u>0</u>	<u>56,861</u>
<i>Income (Loss) Before Operating Transfers</i>	<u>(37,549)</u>	<u>(11,305)</u>	<u>105,097</u>	<u>56,243</u>
Transfers In	<u>0</u>	<u>11,337</u>	<u>0</u>	<u>11,337</u>
<i>Change in Net Assets</i>	<u>(37,549)</u>	<u>32</u>	<u>105,097</u>	<u>67,580</u>
<i>Net Assets (Deficit) Beginning of Year</i>	<u>132,584</u>	<u>2,051</u>	<u>31,404</u>	<u>166,039</u>
<i>Net Assets (Deficit) End of Year</i>	<u>\$ 95,035</u>	<u>\$ 2,083</u>	<u>\$ 136,501</u>	<u>\$ 233,619</u>

See accompanying notes to the basic financial statements.

Chagrin Falls Exempted Village School District
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2007

	Business-Type Activities - Enterprise Funds			
	Food Service	Uniform School Supplies	Adult Education	Total
Cash Flows From Operating Activities:				
Cash Received from Customers	\$ 533,272	\$ 97,554	\$ 448,362	\$ 1,079,188
Cash Paid for Goods and Services	(325,764)	(107,723)	(222,435)	(655,922)
Cash Paid to Employees	(247,054)	0	(112,098)	(359,152)
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>(39,546)</u>	<u>(10,169)</u>	<u>113,829</u>	<u>64,114</u>
Cash Flows From Non-Capital Financing Activities:				
Grants	28,742	0	0	28,742
Transfers In	0	11,337	0	11,337
<i>Net Cash Provided By (Used For) Non-Capital Financing Activities</i>	<u>28,742</u>	<u>11,337</u>	<u>0</u>	<u>40,079</u>
Cash Flows From Investing Activities:				
Interest on Investments	1,560	0	0	1,560
<i>Net Cash Provided By (Used For) Investing Activities</i>	<u>1,560</u>	<u>0</u>	<u>0</u>	<u>1,560</u>
Cash Flows From Capital and Related Financing Activities:				
Payment for Capital Acquisitions	2,882	0	0	2,882
<i>Net Cash Provided By (Used For) Capital and Related Financing Activities</i>	<u>2,882</u>	<u>0</u>	<u>0</u>	<u>2,882</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(6,362)	1,168	113,829	108,635
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>6,802</u>	<u>915</u>	<u>49,244</u>	<u>56,961</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$ 440</u>	<u>\$ 2,083</u>	<u>\$ 163,073</u>	<u>\$ 165,596</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:				
Operating Income (Loss)	\$ (94,410)	\$ (11,305)	\$ 105,097	\$ (618)
Adjustments:				
Depreciation	15,244	0	0	15,244
Federal Donated Commodities	26,559	0	0	26,559
(Increase) Decrease in Assets				
Due from Other Governments	3,737	0	0	3,737
Inventory	1,533	12,532	0	14,065
Increase (Decrease) in Liabilities				
Accounts Payable	(434)	(59)	11,059	10,566
Accrued Wages and Benefits	(160)	0	176	16
Compensated Absences Payable	6,906	0	496	7,402
Due to Other Governments	1,479	0	(2,999)	(1,520)
Due to Other Funds	0	(11,337)	0	(11,337)
<i>Total Adjustments</i>	<u>54,864</u>	<u>1,136</u>	<u>8,732</u>	<u>64,732</u>
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>\$ (39,546)</u>	<u>\$ (10,169)</u>	<u>\$ 113,829</u>	<u>\$ 64,114</u>

Noncash items:
The Food Service Fund received \$26,559 in Federally Donated Commodities.

See accompanying notes to the basic financial statements.

Chagrin Falls Exempted Village School District

Statement of Fiduciary Assets and Liabilities

Agency Funds

June 30, 2007

Assets	
Equity in Pooled Cash and Cash Equivalents	\$ <u>70,798</u>
Liabilities	
Undistributed Monies	\$ 9,213
Due to Students	<u>61,585</u>
<i>Total Liabilities</i>	<u>\$ 70,798</u>

See accompanying notes to the basic financial statements.

Chagrin Falls Exempted Village School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

Note 1 - Description of The School District

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

The School District operates under a locally-elected five-member Board form of government and provides educational services as mandated by the State and federal agencies. Each member is elected to a four year term. The Board of Education controls the School District's four instructional support facilities staffed by 102 classified employees, 165 certified full-time teaching personnel and 14 administrators who provide services to 1,959 students and other community members.

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 and student related activities of the School District.

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

The School District participates in two jointly governed organizations and one public entity risk pool. These organizations are the Lake Geauga Computer Association, the Ohio Schools Council, and the Ohio School Boards Association Workers' Compensation Group Rating Plan. These organizations are presented in Notes 14 and 15 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued before November 30, 1989, to its governmental and business-type activities and enterprise funds provided they do not conflict with or contradict GASB

Chagrin Falls Exempted Village School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

pronouncements. The School District has elected not to follow FASB guidance for business-type activities and enterprise funds issued after November 30, 1989.

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 assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

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

Fund Financial Statements During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and proprietary 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 three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which

Chagrin Falls Exempted Village School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

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:

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

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

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

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

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

Enterprise Funds Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. Although the following funds do not qualify as major funds in accordance with GAAP, the School District has exercised the option to report these as major funds:

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

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

Adult Education Fund This fund accounts for educational opportunities offered on a tuition basis to adults living within the community.

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

Chagrin Falls Exempted Village School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

C. Measurement Focus

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

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

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

D. Basis of Accounting

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

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

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

Chagrin Falls Exempted Village School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

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.

Deferred Revenue 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 deferred revenue. Property taxes for which there is an enforceable legal claim as of June 30, 2007, but which were levied to finance fiscal year 2008 operations, have been recorded as deferred revenue on the balance sheet. This amount is reported as deferred revenue on the statement of net assets, 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.

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as federal donated commodities revenue.

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

E. Budgetary Data

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the 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 2007.

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

Chagrin Falls Exempted Village School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

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 Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the balance sheet. The School District has segregated a portion of cash balances, reported as "Cash and cash equivalents in segregated accounts" which are used for the construction projects.

During fiscal year 2007, investments were limited to Commercial Paper, Victory Federal Mutual Funds, Freddie Mac, Federal Home Loan Bank Notes, Federal Home Loan Mortgage Association Notes, U.S. Treasury Notes and STAROhio, (the State Treasurer's Investment Pool).

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

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2007. Certificates of deposit and repurchase agreements are reported at cost.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest. Interest revenue credited to the general fund during fiscal year 2007 amounted to \$250,540, which includes \$240,294 assigned from other School District funds.

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

G. Inventory

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

H. Restricted Assets

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

Chagrin Falls Exempted Village School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

I. Capital Assets

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

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

All reported capital assets except land 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:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land	N/A	N/A
Construction in Progress	N/A	N/A
Buildings and Improvements	10 - 40 Years	N/A
Furniture and Equipment	5 - 20 Years	20 Years
Vehicles	13 Years	N/A
Textbooks	5 Years	N/A

J. Interfund Balances

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

K. Compensated Absences

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

Chagrin Falls Exempted Village School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

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. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

L. Accrued Liabilities and Long-term Obligations

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

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

M. Net Assets

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

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

N. Fund Balance Reserves

The School District reserves those portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriations for expenditures. Unreserved fund balance indicates that portion of fund equity, which is available for appropriation, in future periods. Fund balance reserves are established for encumbrances, property taxes, capital improvements and textbooks.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute.

Chagrin Falls Exempted Village School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are tuition for adult education classes, sales for food service and uniform school supplies, and charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

P. Contributions of Capital

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

Q. Interfund Activity

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

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

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal 2007.

S. Estimates

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

Chagrin Falls Exempted Village School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

Note 3 - Accountability and Compliance

A. Accountability

Fund balances at June 30, 2007 included the following individual fund deficits:

	<u>Fund Balance</u>
General Fund	\$ 134,696
Nonmajor Governmental Funds:	
Auxiliary	1,254
Title VI-B	44,393

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.

B. Compliance

The bond retirement fund had expenditures plus encumbrances in excess of appropriations plus prior year encumbrances in the amount of \$165,640, which is contrary to Ohio Revised Code Section 5705.41(B).

Contrary to Ohio Revised Code Section 5705.39, appropriations exceed estimated resources in the general fund by \$2,864,978.

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).

Chagrin Falls Exempted Village School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

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

Net Change in Fund Balance

GAAP Basis	\$	(24,626)
Net Adjustment for Revenue Accruals		(570,143)
Advance In		12,541
Advance Out		(1,204)
Net Adjustment for Expenditure Accruals		180,708
Adjustment for Encumbrances		<u>(79,063)</u>
Budget Basis	\$	<u>(481,787)</u>

Note 5 - Deposits and Investments

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

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

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.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

Chagrin Falls Exempted Village School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

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

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.

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 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

Chagrin Falls Exempted Village School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

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 \$1,150 in undeposited cash on hand which is included on the balance sheet of the School District as part of equity in pooled cash and cash equivalents.

Deposits: The carrying value of the School District's deposits totaled \$101,724 and the bank balances of the deposits totaled \$230,776. \$192,558 of the bank balance was covered by federal depository insurance and \$38,218 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, 2007, the district had the following investments:

Standard & Poors Rating		Fair Value	Investment Maturities (in months)				% Total Investments
			0 - 6	6 - 12	12 - 24	24 - 36	
N/A	RMA Government Portfolio Money Market	\$ 31,130	\$ 31,130	\$ 0	\$ 0	\$ 0	0.68%
N/A	Fifth Third US Treasury Money Market	67,392	67,392	0	0	0	1.42%
N/A	Victory Federal Money Market	381	381	0	0	0	0.01%
N/A	Victory Federal Money Market	118,471	118,471	0	0	0	2.50%
N/A	Sky Money Market	100,000	100,000	0	0	0	2.11%
N/A	Federated Prime Cash Money Market	111,726	111,726	0	0	0	2.36%
AAA	Federal National Mortgage Association	2,088,852	1,696,752	192,100	200,000	0	35.87%
AAA	Freddie Mac	149,970	49,907	0	100,063	0	1.06%
AAA	Freddie Mac Discount Note	99,550	99,550	0	0	0	2.10%
AAA	Federal Home Loan	884,678	884,678	0	0	0	18.70%
AAA	Federal Home Loan Discount Note	688,959	444,066	144,799	0	100,094	9.39%
AAA	STAROhio	1,125,908	1,125,908	0	0	0	23.80%
	Totals	\$ 5,467,017	\$ 4,729,961	\$ 336,899	\$ 300,063	\$ 100,094	100.00%

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.

Credit Risk: The School District's investments at June 30, 2007 in FNMA, Freddie Mac and Federal Home Loan are rated AAA by Standard & Poor's. Its investments in STAROhio are also rated AAA by Standard & Poor's. Federal money markets are exempt from ratings since explicitly guaranteed by a U.S. Government Agency.

Chagrin Falls Exempted Village School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

Concentration of Credit Risk: The School District places no limit on the amount the district may invest in any one issuer. More than 5 percent of the School District's investments are in Federal National Mortgage, Federal Home Loan and STAROhio 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, public utility and tangible personal property located in the School District. Property tax revenue received during calendar 2007 for real and public utility property taxes represents collections of calendar 2006 taxes. Property tax payments received during calendar 2007 for tangible personal property (other than public utility property) is for calendar 2007 taxes.

2007 real property taxes are levied after April 1, 2006, on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by State law at 35 percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2007 public utility property taxes became a lien December 31, 2006, are levied after April 1, 2007 and are collected in 2007 with real property taxes.

2007 tangible personal property taxes are levied after April 1, 2006 on the value as of December 31, 2005. Collections are made in 2007. Tangible personal property assessments are 25 percent of true value for capital assets and 23 percent of true value of inventory.

The assessed values upon which the fiscal year 2007 taxes were collected are:

	2006 Second Half Collections		2007 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$ 452,868,880	97.19%	\$ 482,941,100	97.85%
Public Utility	7,173,560	1.54%	6,552,990	1.33%
Tangible Personal Property	5,919,019	1.27%	4,045,333	0.82%
	<u>\$ 465,961,459</u>	<u>100.00%</u>	<u>\$ 493,539,423</u>	<u>100.00%</u>
Tax rate per \$1,000 assessed valuation	\$ 100.90		\$ 100.90	

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

Chagrin Falls Exempted Village School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Cuyahoga and Geauga Counties. The County Auditors periodically advance to the School District their portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2007, are available to finance fiscal year 2007 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2007 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed settlement of personal property tax and the amount of real property taxes available as an advance at June 30 were levied to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The late settlement and the amount available as an advance at June 30 are recognized as revenue.

The amount available as an advance at June 30, 2007, was \$2,946,463 and is recognized as revenue. \$2,637,593 was available to the general fund and \$308,870 was available to the debt service fund.

Note 7 - Receivables

Receivables at June 30, 2007, consisted of taxes, interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds.

Chagrin Falls Exempted Village School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

Note 8 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2007, was as follows:

	Balance 6/30/06	Additions	Reductions	Balance 6/30/07
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 1,386,635	\$ 0	\$ 0	\$ 1,386,635
Construction in progress	761,826	6,787,091	0	7,548,917
	<u>2,148,461</u>	<u>6,787,091</u>	<u>0</u>	<u>8,935,552</u>
 <i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	28,007,886	253,168	0	28,261,054
Furniture and Equipment	4,279,853	437,812	(123,459)	4,594,206
Vehicles	1,468,103	112,012	(15,210)	1,564,905
Textbooks	1,038,104	75,803	(673,516)	440,391
	<u>34,793,946</u>	<u>878,795</u>	<u>(812,185)</u>	<u>34,860,556</u>
Total Capital Assets, being depreciated				
 Less Accumulated Depreciation:				
Buildings and Improvements	(7,853,884)	(848,948)	0	(8,702,832)
Furniture and Equipment	(3,357,433)	(220,504)	123,376	(3,454,561)
Vehicles	(997,075)	(120,007)	15,210	(1,101,872)
Textbooks	(844,715)	(88,077)	673,516	(259,276)
	<u>(13,053,107)</u>	<u>(1,277,536)</u>	<u>812,102</u>	<u>(13,518,541)</u>
Total Accumulated Depreciation				
Total Capital Assets being depreciated, net	<u>21,740,839</u>	<u>(398,741)</u>	<u>(83)</u>	<u>21,342,015</u>
 Governmental Activities Capital Assets, Net				
	<u>\$ 23,889,300</u>	<u>\$ 6,388,350</u>	<u>\$ (83)</u>	<u>\$ 30,277,567</u>
 Business-Type Activities				
<i>Capital Assets being depreciated</i>				
Furniture and Equipment	\$ 368,445	\$ 0	\$ (40,096)	\$ 328,349
	<u>(199,139)</u>	<u>(15,244)</u>	<u>37,214</u>	<u>(177,169)</u>
Less Accumulated Depreciation				
Business-Type Activities Capital Assets, Net	<u>\$ 169,306</u>	<u>\$ (15,244)</u>	<u>\$ (2,882)</u>	<u>\$ 151,180</u>

Chagrin Falls Exempted Village School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

Depreciation expense was charged as follows:

Governmental Activities:

Instruction:

Regular	\$	873,195
Special		8,106

Support Services:

Pupil		18,857
Instructional Staff		22,360
Board of Education		108
Administration		4,434
Fiscal		1,716
Operation and Maintenance of Plant		213,746
Pupil Transportaion		116,916
Operation of Non-Instructional Services		10,014
Extracurricular Activities		8,084

Total Depreciation \$ 1,277,536

Business-Type Activities:

Food Service \$ 15,244

Chagrin Falls Exempted Village School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

Note 9 - Risk Management

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2007, the School District contracted with the following insurance companies:

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage Amount</u>
Indiana Insurance	Property Coverage	
	Blanket Building and Contents	\$ 46,796,124
	Extra Expense	1,000,000
	Valuable Papers	100,000
	Inland Marine	1,533,714
	Automobile Liability	4,000,000
	Education Liability	1,000,000
	Personal/Advertising Injury	1,000,000
	School Leaders Omission/Errors	1,000,000
	Products/Completed Aggregate	2,000,000
	General Aggregate	2,000,000
	Law Enforcement	1,000,000
	Sexual Misconduct/Molestation	1,000,000
Employee Benefits	- per loss 1,000,000	
	- Aggregate 3,000,000	

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage Amount</u>
Travelers Insurance	Boiler and Machinery	\$ 30,000,000
Ohio Casualty	Public Employee Dishonesty	250,000
	Money and Securities	5,000

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

B. Workers' Compensation

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 15). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP.

Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from

Chagrin Falls Exempted Village School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

or be required to contribute to the "equity pooling fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Company provides administrative, cost control and actuarial services to the GRP.

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 Reliance Standard Insurance Company, in the amount of \$75,000 for all certified and union exempt employees, all administrators, and treasurer; \$135,590 for the superintendent; and \$30,000 for non-certified employees.

All employees are offered a wellness program by the School District. This program provides preventive medical treatments and is entirely covered by the School District. The School District provides health insurance coverage through United Healthcare and is subject to certain deductibles, co-pays, and maximum benefits as outlined in the plan.

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

Note 11 - Pension Plans

A. School Employees Retirement System

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

Chagrin Falls Exempted Village School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

System 300 East Broad Street, Columbus, Ohio 43215-3746 or by calling (614) 222-5853. It is also posted on SERS' website, www.ohsers.org, under forms and publications.

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 School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2006 (the most current information available), 10.58 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions to SERS for the fiscal years ended June 30, 2007, 2006, and 2005 were \$525,384, \$500,724 and \$479,760, respectively; 49 percent has been contributed for fiscal year 2007 and 100 percent for the fiscal years 2006 and 2005. \$269,004 represents the unpaid contribution for fiscal year 2007, and is recorded as a liability within the respective funds.

B. State Teachers Retirement System

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling (614) 227-4090, or by visiting the STRS Ohio Web site at 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 member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 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 Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

For the fiscal year ended June 30, 2006 (the most current information available), 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

Chagrin Falls Exempted Village School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2007, 2006, and 2005 were \$1,333,983, \$1,267,322 and \$1,253,411, respectively. Contributions to the DC and Combined Plans for fiscal year 2007 were \$39,485 made by the School District and \$62,174 made by the plan members. 82 percent has been contributed for fiscal year 2007 and 100 percent for fiscal years 2006 and 2005. \$234,336 represents the unpaid contribution for fiscal year 2007, and is recorded as a liability within the respective funds.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. Effective April 11, 2005, a reemployed retiree may alternatively receive a refund of member contributions with interest before age 65, once employment is terminated.

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, 2007, one member of the Board of Education has elected Social Security. The Board's liability is 6.2 percent of wages paid.

Note 12 - Postemployment Benefits

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of health care costs in the form of a monthly premium. By law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate; currently 14 percent of covered payroll. For the fiscal year ended June 30, 2007, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$95,285 during the 2007 fiscal year.

STRS pays health care benefits from the Health Care Stabilization Fund. At June 30, 2006 (the most current information available), the balance in the Fund was \$3.5 billion. For the year ended June 30, 2006, the health care costs paid by STRS were \$282,743,000 and STRS had 119,184 eligible benefit recipients.

Chagrin Falls Exempted Village School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. Effective January 1, 2004, all retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility and retirement status.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year, ended June 30, 2006, employer contributions to fund health care benefits were 3.42 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2007, the minimum pay has been established at \$35,800. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2007 fiscal year equaled \$191,842.

Net health care costs for the year ending June 30, 2006 were \$158,751,207. The target level for the health care fund is 150% of the projected claims less premium contributions for the next fiscal year. As of June 30, 2006, the value of the health care fund was \$295.6 million, which is about 221% of next year's projected net health care costs of \$158,751,207. On the basis of actuarial projections, the allocated contributions will be insufficient, in the long term, to provide for a health care reserve equal to at least 150% of estimated annual net claim costs. The number of participants eligible to receive benefits is 59,492.

Chagrin Falls Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 13 - Long - Term Obligations

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

	Outstanding 6/30/06	Additions	Reductions	Outstanding 6/30/07	Amounts Due in One Year
Governmental Activities:					
General Obligation Bonds:					
1988 Additions/Facilities 7.50%	\$ 1,665,000	\$ 0	\$ 285,000	\$ 1,380,000	\$ 305,000
1997 Renovations 5.37%	100,000	0	100,000	0	0
1997 Renovations 5.39%	1,190,000	0	575,000	615,000	615,000
2005 Refunding Bonds					
Serial Bonds \$16,320,000					
at 2.5% - 4.125%	16,075,000	0	190,000	15,885,000	290,000
Bond Premium	1,463,584	0	25,904	1,437,680	0
Capital Appreciation Bonds					
at 2.5% - 4.125%	499,988	0	0	499,988	0
Accretion of Interest	195,482	177,873	0	373,355	0
2005 School Improvement Bonds					
Current Interest Bonds \$9,655,000					
at 3.71% - 3.94%	9,655,000	0	145,000	9,510,000	225,000
Bond Premium	555,471	0	12,747	542,724	0
Capital Appreciation Bonds					
at 2.5% - 4.125%	294,990	0	0	294,990	0
Accretion of Interest	44,980	56,413	0	101,393	0
Total General Obligation Bonds	31,739,495	234,286	1,333,651	30,640,130	1,435,000
Compensated Absences	985,466	269,685	107,434	1,147,717	126,495
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 32,724,961</u>	<u>\$ 503,971</u>	<u>\$ 1,441,085</u>	<u>\$ 31,787,847</u>	<u>\$ 1,561,495</u>
Business-Type Activities					
Compensated Absences	<u>\$ 12,286</u>	<u>\$ 7,402</u>	<u>\$ 0</u>	<u>\$ 19,688</u>	<u>\$ 2,170</u>

Chagrin Falls Exempted Village School District

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2007

1988 Additions/Facilities

In 1988, the School District issued \$4,250,000 in general obligation bonds for renovations to four buildings in the district. The bonds mature in December 2022.

1997 Renovations

In 1997, the School District issued a combined total of \$21,800,000 in general obligation bonds for the construction of a new Middle School, classroom additions at Gurney Elementary and the refurbishing of the former Middle School. The callable bonds were refunded in 2005 and the remaining bonds mature in December 2010.

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 straight-line method. Amortization expense for June 30, 2007 was \$12,747.

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

The capital appreciation bonds mature December 1, 2011 through 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 bonds is \$915,000. For fiscal year 2007, \$56,413 was accreted for a liability of \$396,383.

2005 School Improvement Refunding Bonds

On January 6, 2005, the School District issued \$16,820,000 refunded 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. As of June 30, 2006, \$16,820,000 of these bonds are considered defeased.

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 expenses over the life of the bonds using the straight-line method. The amortization for June 30, 2007 was \$25,904. 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 consists of serial and capital appreciation bonds. These bonds are not subject to early redemption.

Chagrin Falls Exempted Village School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

The capital appreciation bonds mature December 1, 2009 - 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 bonds is \$2,030,000. For fiscal year 2007, \$177,873 was accreted for a liability of \$873,343.

General obligation bonds will be paid from the debt service fund. Compensated absences will be paid from the general fund and the food service and adult education enterprise funds.

The School District's overall debt margin was \$18,940,057 with an unvoted debt margin of \$493,539 at June 30, 2007. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2007 are as follows:

Fiscal Year Ending June 30,	Serial Bonds		Capital Appreciation Bonds		Total	
	Principal	Interest	Principal	Accretion	Principal	Accretion/ Interest
2008	\$ 1,435,000	\$ 1,141,325	\$ 0	\$ 0	\$ 1,435,000	\$ 1,141,325
2009	1,435,000	1,005,858	50,870	69,130	1,485,870	1,074,988
2010	1,505,000	940,528	39,128	75,872	1,544,128	1,016,400
2011	790,000	298,129	228,064	666,936	1,018,064	965,065
2012	110,000	33,169	295,688	909,312	405,688	942,481
2013 - 2017	6,380,000	3,748,460	181,228	428,772	6,561,228	4,177,232
2018 - 2022	8,550,000	2,522,439	0	0	8,550,000	2,522,439
2023 - 2027	3,775,000	1,029,302	0	0	3,775,000	1,029,302
2028 - 2032	2,780,000	454,285	0	0	2,780,000	454,285
2033	630,000	13,860	0	0	630,000	13,860
Total	\$ 27,390,000	\$ 11,187,355	\$ 794,978	\$ 2,150,022	\$ 28,184,978	\$ 13,337,377

Note 14 - Jointly Governed Organizations

A. Lake Geauga Computer Association

The Lake Geauga Computer Association (LGCA) is a jointly governed organization that was formed for the purpose of providing computer services for accounting, grading, scheduling, EMIS and other applications to its eighteen member school districts. Each of the districts supports LGCA based upon a per pupil charge. The executive committee (governing board) consists of the superintendents and treasurers of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the governing board. LGCA's continued existence is not dependent on the School District's continued participation. The School District paid \$56,932 to LGCA during fiscal year 2007. Financial information can be obtained from Lake Geauga Computer Association, 8140 Auburn Road, Painesville, Ohio 44077.

Chagrin Falls Exempted Village School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

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 2007, the School District paid \$800 to the Council. Financial information can be obtained by contacting Albert G. Vasek, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio, 44131.

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

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

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

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

The City of Hamilton, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Ohio, issued \$89,450,000 in debt to purchase twelve years of natural gas from CMS Energy Corporation for the participants. The participating school districts are not obligated in any manner 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 15 - Insurance Purchasing Pool

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

Chagrin Falls Exempted Village School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

Note 16 – Contingencies

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2007.

Note 17 - Interfund Transfers

Transfers made during fiscal year 2007 were as follows:

Fund	Transfer In	Transfer Out
General Fund	\$ 0	\$ 324,937
Permanent Improvement Fund	300,000	0
Other Governmental Funds	13,600	0
Food Service Enterprise Fund	11,337	0
Total	<u>\$ 324,937</u>	<u>\$ 324,937</u>

In 2007, the transfer to the permanent improvement construction fund was to provide funds for the new auditorium. The remaining transfers were made to move unrestricted balances to support programs and projects accounted for in other funds.

Note 18 – Contractual Commitments

As of June 30, 2007, the School District had contractual purchase commitments for the following projects:

	Contractual Commitment	Expended	Balance 06/30/07
Auditorium	\$ 7,109,198	\$ 6,020,335	\$ 1,088,863
Kitchen Renovation	949,278	906,957	42,321
High School & Stadium Restrooms	337,245	84,189	253,056
Technology	600,000	537,436	62,564
Totals	<u>\$ 8,995,721</u>	<u>\$ 7,548,917</u>	<u>\$ 1,446,804</u>

Chagrin Falls Exempted Village School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

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 the purchase of textbooks and other instructional materials and an equal amount for acquisition and construction of capital improvements. Amounts not spent by year-end, or offset by similarly restricted resources received during the year, must be held in cash at year-end and carried forward to be used for the same purposes in future years.

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

	Capital Improvement Reserve	Textbook Instructional Materials Reserve	Total
Set-Aside Cash Balance as of June 30, 2006	\$ 0	\$ 30,261	\$ 30,261
Set-Aside Carryover Balance as of June 30, 2006	0	0	0
Current Year Set-Aside Requirement	295,221	295,221	590,442
Qualifying Disbursements	(249,818)	(186,662)	(436,480)
Total	<u>\$ 45,403</u>	<u>\$ 138,820</u>	<u>\$ 184,223</u>
Balance Carried Forward to FY 2008	<u>\$ 45,403</u>	<u>\$ 138,820</u>	<u>\$ 184,223</u>
Amount to Restrict for Set-Asides			<u>\$ 184,223</u>
Total Restricted Assets			<u>\$ 184,223</u>

The School District may use any negative amount in the textbooks set-aside to reduce set-aside requirements of future fiscal years. Amounts remaining at the fiscal year-end are represented by a reserve fund balance presented on the balance sheet. The corresponding amounts that should be reported as “cash and cash equivalents – restricted” were only partially reported in the current year in the amount of \$92,719, because the general fund didn’t have enough in cash and cash equivalents to restrict the total amount.

Note 20 – Subsequent Event

In November 2007, the voters of the School District passed an additional 7.90 mill operating levy with the first payment to be received in January 2008. The levy is estimated to generate \$3.9 million each year that will help maintain current programs and services provided by the School District.

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

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Chagrin Falls Exempted Village School District

Combining Statements – Nonmajor Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

Entry Year Grants – This fund accounts for State monies used to reimburse the School District for the expense of training and working with first year teachers, reimbursing shadow (experienced) teachers who meet with the new teachers on a regular basis throughout their first year.

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

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

Chagrin Falls Exempted Village School District

Combining Statements – Nonmajor Funds

Nonmajor Special Revenue Funds (continued)

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

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

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

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

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

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

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

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

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Chagrin Falls Exempted Village School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007

		Nonmajor Special Revenue Funds
<hr/> <hr/>		
Assets		
Equity in Pooled Cash and Cash Equivalents	\$	226,244
In Segregated Accounts		39,756
Receivables:		
Accounts		123
Intergovernmental		5,600
		<hr/>
<i>Total Assets</i>	\$	<u><u>271,723</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts Payable		8,149
Accrued Wages and Benefits		35,150
Intergovernmental Payable		42,120
		<hr/>
<i>Total Liabilities</i>		<u>85,419</u>
Fund Balances (Deficit)		
Fund Balance:		
Reserved for Encumbrances		24,675
Unreserved, Undesignated		
Special Revenue Funds		161,629
		<hr/>
<i>Total Fund Balances (Deficit)</i>		<u>186,304</u>
<i>Total Liabilities and Fund Balances (Deficit)</i>	\$	<u><u>271,723</u></u>

Chagrin Falls Exempted Village School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2007

	<u>Nonmajor Special Revenue Funds</u>
Revenues:	
Intergovernmental	\$ 606,171
Investment Income	3,666
Extracurricular Activities	285,421
Gifts and Donations	<u>66,406</u>
<i>Total Revenues</i>	<u>961,664</u>
Expenditures:	
Current:	
Instruction:	
Regular	101,209
Special	5,269
Support Services:	
Pupils	167,981
Instructional Staff	355,552
Administration	6,467
Operation of Non-Instructional Services	149,174
Extracurricular Activities	<u>207,610</u>
<i>Total Expenditures</i>	<u>993,262</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(31,598)
Other Financing Sources (Uses):	
Transfers In	<u>13,600</u>
<i>Total Other Financing Sources and (Uses)</i>	<u>13,600</u>
<i>Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	(17,998)
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>204,302</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u><u>\$ 186,304</u></u>

Chagrin Falls Exempted Village School District

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2007

	<u>Special Trust</u>	<u>Other Grant</u>	<u>Public School Support</u>	<u>Athletic/ District Managed</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 72,519	\$ 25,385	\$ 45,447	\$ 69,576
In Segregated Accounts	39,756	0	0	0
Receivables:				
Accounts	123	0	0	0
Intergovernmental	0	0	0	0
<i>Total Assets</i>	<u>\$ 112,398</u>	<u>\$ 25,385</u>	<u>\$ 45,447</u>	<u>\$ 69,576</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	0	0	75	7,914
Accrued Wages and Benefits	0	3,223	0	0
Intergovernmental Payable	18,000	595	995	28
<i>Total Liabilities</i>	<u>18,000</u>	<u>3,818</u>	<u>1,070</u>	<u>7,942</u>
Fund Balances (Deficit)				
Fund Balance:				
Reserved for Encumbrances	2,815	0	1,676	14,411
Unreserved, Undesignated				
Special Revenue Funds	91,583	21,567	42,701	47,223
<i>Total Fund Balances (Deficit)</i>	<u>94,398</u>	<u>21,567</u>	<u>44,377</u>	<u>61,634</u>
<i>Total Liabilities and Fund Balances (Deficit)</i>	<u>\$ 112,398</u>	<u>\$ 25,385</u>	<u>\$ 45,447</u>	<u>\$ 69,576</u>

Auxiliary Services	Educational Management Information Systems	Entry Year Grant	Data Communications	Schoolnet Professional Development
\$ 5,774	\$ 0	\$ 0	\$ 0	\$ 1,559
0	0	0	0	0
0	0	0	0	0
0	0	5,600	0	0
<u>\$ 5,774</u>	<u>\$ 0</u>	<u>\$ 5,600</u>	<u>\$ 0</u>	<u>\$ 1,559</u>
0	0	0	0	0
4,124	0	0	0	0
2,904	0	0	0	0
<u>7,028</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
5,773	0	0	0	0
<u>(7,027)</u>	<u>0</u>	<u>5,600</u>	<u>0</u>	<u>1,559</u>
<u>(1,254)</u>	<u>0</u>	<u>5,600</u>	<u>0</u>	<u>1,559</u>
<u>\$ 5,774</u>	<u>\$ 0</u>	<u>\$ 5,600</u>	<u>\$ 0</u>	<u>\$ 1,559</u>

(continued)

Chagrin Falls Exempted Village School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2007

	Ohio Reads Grant	Miscellaneous State Grants	Title VI-B	Title VI
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 0	\$ 2,000	\$ 0	\$ 0
In Segregated Accounts	0	0	0	0
Receivables:				
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
<i>Total Assets</i>	<u>\$ 0</u>	<u>\$ 2,000</u>	<u>\$ 0</u>	<u>\$ 0</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable	0	0	0	0
Accrued Wages and Benefits	0	0	25,300	0
Intergovernmental Payable	0	0	19,093	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>44,393</u>	<u>0</u>
Fund Balances (Deficit):				
Fund Balance:				
Reserved for Encumbrances	0	0	0	0
Unreserved:				
Special Revenue Funds	0	2,000	(44,393)	0
<i>Total Fund Balances (Deficit)</i>	<u>0</u>	<u>2,000</u>	<u>(44,393)</u>	<u>0</u>
<i>Total Liabilities and Fund Balances (Deficit)</i>	<u>\$ 0</u>	<u>\$ 2,000</u>	<u>\$ 0</u>	<u>\$ 0</u>

<u>Drug Free Schools</u>	<u>Preschool Handicapped</u>	<u>Title II-A</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 0	\$ 0	\$ 3,984	\$ 0	\$ 226,244
0	0	0	0	39,756
0	0	0	0	123
0	0	0	0	5,600
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,984</u>	<u>\$ 0</u>	<u>\$ 271,723</u>
0	0	160	0	\$ 8,149
0	0	2,503	0	35,150
0	0	505	0	42,120
0	0	3,168	0	85,419
0	0	0	0	24,675
0	0	816	0	161,629
0	0	816	0	186,304
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,984</u>	<u>\$ 0</u>	<u>\$ 271,723</u>

Chagrin Falls Exempted Village School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2007

	Special Trust	Other Grant	Public School Support	Athletic/ District Managed
Revenues:				
Intergovernmental	\$ 0	\$ 0	\$ 0	\$ 0
Investment Income	2,934	0	0	0
Extracurricular Activities	0	0	117,182	168,239
Gifts and Donations	17,500	22,000	2,466	24,440
Total Revenues	20,434	22,000	119,648	192,679
Expenditures:				
Current:				
Instruction:				
Regular	0	22,433	0	0
Special	0	0	0	0
Support Services:				
Pupils	34,395	0	133,586	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	207,610
Total Expenditures	34,395	22,433	133,586	207,610
<i>Excess of Revenues Over (Under) Expenditures</i>	(13,961)	(433)	(13,938)	(14,931)
Other Financing Sources (Uses):				
Transfers In	0	0	0	13,600
Total Other Financing Sources and (Uses)	0	0	0	13,600
<i>Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	(13,961)	(433)	(13,938)	(1,331)
<i>Fund Balance (Deficit) at Beginning of Year</i>	108,359	22,000	58,315	62,965
Fund Balance (Deficit) at End of Year	\$ 94,398	\$ 21,567	\$ 44,377	\$ 61,634

Auxiliary Services	Educational Management Information Systems	Entry Year	Data Communications	Schoolnet Professional Development
\$ 138,309	\$ 6,563	\$ 5,600	\$ 12,000	\$ 3,300
732	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>139,041</u>	<u>6,563</u>	<u>5,600</u>	<u>12,000</u>	<u>3,300</u>
0	0	0	12,000	2,921
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	6,467	0	0	0
122,878	0	0	0	0
0	0	0	0	0
<u>122,878</u>	<u>6,467</u>	<u>0</u>	<u>12,000</u>	<u>2,921</u>
16,163	96	5,600	0	379
0	0	0	0	0
0	0	0	0	0
16,163	96	5,600	0	379
<u>(17,417)</u>	<u>(96)</u>	<u>0</u>	<u>0</u>	<u>1,180</u>
<u>\$ (1,254)</u>	<u>\$ 0</u>	<u>\$ 5,600</u>	<u>\$ 0</u>	<u>\$ 1,559</u>

(continued)

Chagrin Falls Exempted Village School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2007

	Ohio Reads Grant	Miscellaneous State Grants	Title VI-B	Title VI
Revenues:				
Intergovernmental	\$ 2,000	\$ 2,000	\$ 381,724	\$ 2,886
Investment Income	0	0	0	0
Extracurricular Activities	0	0	0	0
Gifts and Donations	0	0	0	0
Total Revenues	2,000	2,000	381,724	2,886
Expenditures:				
Current:				
Instruction:				
Regular	2,000	1,393	0	4,964
Special	0	0	5,269	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	353,652	0
Administration	0	0	0	0
Operation of Non-Instructional Services	0	0	25,997	299
Extracurricular Activities	0	0	0	0
Total Expenditures	2,000	1,393	384,918	5,263
<i>Excess of Revenues Over (Under) Expenditures</i>	0	607	(3,194)	(2,377)
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Total Other Financing Sources and (Uses)	0	0	0	0
<i>Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	0	607	(3,194)	(2,377)
<i>Fund Balance (Deficit) at Beginning of Year</i>	0	1,393	(41,199)	2,377
Fund Balance (Deficit) at End of Year	\$ 0	\$ 2,000	\$ (44,393)	\$ 0

Drug Free Schools	Preschool Handicapped	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 3,458	\$ 12,771	\$ 29,560	\$ 6,000	\$ 606,171
0	0	0	0	3,666
0	0	0	0	285,421
0	0	0	0	66,406
<u>3,458</u>	<u>12,771</u>	<u>29,560</u>	<u>6,000</u>	<u>961,664</u>
3,302	12,771	33,425	6,000	101,209
0	0	0	0	5,269
0	0	0	0	167,981
1,900	0	0	0	355,552
0	0	0	0	6,467
0	0	0	0	149,174
0	0	0	0	207,610
<u>5,202</u>	<u>12,771</u>	<u>33,425</u>	<u>6,000</u>	<u>993,262</u>
(1,744)	0	(3,865)	0	(31,598)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,600</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,600</u>
(1,744)	0	(3,865)	0	(17,998)
<u>1,744</u>	<u>0</u>	<u>4,681</u>	<u>0</u>	<u>204,302</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 816</u>	<u>\$ 0</u>	<u>\$ 186,304</u>

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GOVERNMENTAL FUNDS

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

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2007

	Final	Actual	Variance Over (Under)
Revenues:			
Taxes	\$ 16,182,029	\$ 16,090,686	\$ (91,343)
Intergovernmental	4,113,700	4,076,110	(37,590)
Investment Income	175,000	250,540	75,540
Tuition and Fees	68,550	46,728	(21,822)
Rentals	30,000	22,624	(7,376)
Gifts and Donations	2,000	0	(2,000)
Miscellaneous	32,000	28,445	(3,555)
Total Revenues	20,603,279	20,515,133	(88,146)
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	7,138,837	7,138,837	0
Fringe Benefits	1,938,507	1,938,145	(362)
Purchased Services	68,095	63,673	(4,422)
Materials and Supplies	191,012	189,048	(1,964)
Capital Outlay - New	69,971	69,824	(147)
Capital Outlay - Replacement	311	311	0
Other	5,225	5,225	0
Total Regular	9,411,958	9,405,063	(6,895)
Special:			
Salaries and Wages	1,064,195	1,064,195	0
Fringe Benefits	336,939	336,939	0
Purchased Services	229,417	229,417	0
Materials and Supplies	5,379	5,379	0
Capital Outlay - New	2,577	2,577	0
Total Special	1,638,507	1,638,507	0
Vocational:			
Salaries and Wages	240,555	240,555	0
Total Vocational	240,555	240,555	0
Other:			
Purchased Services	13,210	13,210	0
Total Other	13,210	13,210	0
Total Instruction	11,304,230	11,297,335	(6,895)
Support Services:			
Pupils:			
Salaries and Wages	529,511	529,511	0
Fringe Benefits	172,726	172,726	0
Purchased Services	83,362	83,362	0
Materials and Supplies	4,105	4,105	0
Capital Outlay - New	11,495	11,495	0
Capital Outlay - Replacement	864	864	0
Total Pupils	802,063	802,063	0

(continued)

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Fiscal Year Ended June 30, 2007*

	Final	Actual	Variance Over (Under)
Instructional Staff:			
Salaries and Wages	658,938	658,938	0
Fringe Benefits	343,726	343,726	0
Purchased Services	25,970	25,970	0
Materials and Supplies	19,411	19,411	0
Total Instructional Staff	1,048,045	1,048,045	0
Board of Education:			
Salaries and Wages	9,600	9,600	0
Fringe Benefits	3,617	3,617	0
Purchased Services	46,514	34,018	(12,496)
Materials and Supplies	8,523	7,611	(912)
Other	36,250	36,250	0
Total Board of Education	104,504	91,096	(13,408)
Administration:			
Salaries and Wages	1,192,472	1,192,472	0
Fringe Benefits	522,105	522,105	0
Purchased Services	302,613	302,613	0
Materials and Supplies	14,526	14,526	0
Capital Outlay - New	3,793	3,793	0
Other	0	0	0
Total Administration	2,035,509	2,035,509	0
Fiscal:			
Salaries and Wages	240,702	240,702	0
Fringe Benefits	82,892	82,892	0
Purchased Services	55,558	55,558	0
Materials and Supplies	1,535	1,535	0
Other	889,724	889,724	0
Total Fiscal	1,270,411	1,270,411	0
Business:			
Purchased Services	800	800	0
Total Business	800	800	0
Operation and Maintenance of Plant:			
Salaries and Wages	1,105,674	1,105,674	0
Fringe Benefits	495,550	495,550	0
Purchased Services	816,215	803,251	(12,964)
Materials and Supplies	102,287	102,287	0
Capital Outlay - New	1,100	1,100	0
Total Operation and Maintenance of Plant	2,520,826	2,507,862	(12,964)
Pupil Transportation:			
Salaries and Wages	659,904	659,904	0
Fringe Benefits	208,105	208,105	0
Purchased Services	59,467	59,467	0
Materials and Supplies	121,764	121,764	0
Capital Outlay - Replacement	70,980	70,980	0
Total Pupil Transportation	1,120,220	1,120,220	0

(continued)

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Fiscal Year Ended June 30, 2007*

	Final	Actual	Variance Over (Under)
Central:			
Salaries and Wages	22,525	22,525	0
Purchased Services	0	0	0
Total Central	<u>22,525</u>	<u>22,525</u>	<u>0</u>
Total Support Services	<u>8,924,903</u>	<u>8,898,531</u>	<u>26,372</u>
Community Services:			
Salaries and Wages	10,560	10,560	0
Fringe Benefits	1,381	1,381	0
Total Community Services	<u>11,941</u>	<u>11,941</u>	<u>0</u>
Total Other Operation of Non-Instructional Services	<u>11,941</u>	<u>11,941</u>	<u>0</u>
Extracurricular Activities:			
Sports Oriented Activities:			
Salaries and Wages	402,364	402,364	0
Fringe Benefits	67,796	67,796	0
Purchased Services	8,701	8,701	0
Total Sports Oriented Activities	<u>478,861</u>	<u>478,861</u>	<u>0</u>
Total Extracurricular Activities	<u>478,861</u>	<u>478,861</u>	<u>0</u>
<i>Total Expenditures</i>	<u>20,719,935</u>	<u>20,686,668</u>	<u>(33,267)</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(116,656)</u>	<u>(171,535)</u>	<u>(54,879)</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Assets	750	3,348	2,598
Advances In	12,541	12,541	0
Advances Out	(1,204)	(1,204)	0
Transfers Out	(324,937)	(324,937)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(312,850)</u>	<u>(310,252)</u>	<u>2,598</u>
<i>Net Change in Fund Balance</i>	(429,506)	(481,787)	(52,281)
<i>Fund Balance (Deficit) at Beginning of Year</i>	264,508	264,508	0
Prior Year Encumbrances Appropriated	<u>230,937</u>	<u>230,937</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 65,939</u>	<u>\$ 13,658</u>	<u>\$ (52,281)</u>

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Special Trust
 For the Fiscal Year Ended June 30, 2007*

	Final	Actual	Variance Over (Under)
Revenues:			
Investment Income	\$ 2,000	\$ 2,811	\$ 811
Gifts and Donations	23,000	17,500	(5,500)
<i>Total Revenues</i>	<u>25,000</u>	<u>20,311</u>	<u>(4,689)</u>
Expenditures:			
Current:			
Instruction:			
Support Services:			
Pupils:			
Purchased Services	3,365	3,360	(5)
Other	43,775	41,850	(1,925)
Total Pupils	<u>47,140</u>	<u>45,210</u>	<u>(1,930)</u>
Total Support Services	<u>47,140</u>	<u>45,210</u>	<u>(1,930)</u>
<i>Total Expenditures</i>	<u>47,140</u>	<u>45,210</u>	<u>(1,930)</u>
<i>Net Change in Fund Balance</i>	(22,140)	(24,899)	(2,759)
<i>Fund Balance (Deficit) at Beginning of Year</i>	111,950	111,950	0
Prior Year Encumbrances Appropriated	<u>8,000</u>	<u>8,000</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 97,810</u>	<u>\$ 95,051</u>	<u>\$ (2,759)</u>

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenditures, and
 Budget (Non-GAAP Basis) and Actual
 Miscellaneous Grants
 For the Fiscal Year Ended June 30, 2007*

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Gifts and Donations	\$ 0	\$ 22,000	\$ 22,000
<i>Total Revenues</i>	<u>0</u>	<u>22,000</u>	<u>22,000</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	17,497	16,112	(1,385)
Fringe Benefits	<u>2,503</u>	<u>2,503</u>	<u>0</u>
Total Regular	<u>20,000</u>	<u>18,615</u>	<u>(1,385)</u>
Total Instruction	<u>20,000</u>	<u>18,615</u>	<u>(1,385)</u>
<i>Total Expenditures</i>	<u>20,000</u>	<u>18,615</u>	<u>(1,385)</u>
<i>Net Change in Fund Balance</i>	(20,000)	3,385	23,385
<i>Fund Balance (Deficit) at Beginning of Year</i>	22,000	22,000	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 2,000</u>	<u>\$ 25,385</u>	<u>\$ 23,385</u>

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenditures, and
Budget (Non-GAAP Basis) and Actual
Public School Support
For the Fiscal Year Ended June 30, 2007*

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Extracurricular Activities	\$ 202,000	\$ 117,182	\$ (84,818)
Gifts and Donations	13,000	2,466	(10,534)
<i>Total Revenues</i>	<u>215,000</u>	<u>119,648</u>	<u>(95,352)</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	1,100	0	(1,100)
Fringe Benefits	178	0	(178)
Total Regular	<u>1,278</u>	<u>0</u>	<u>(1,278)</u>
Total Instruction	<u>1,278</u>	<u>0</u>	<u>(1,278)</u>
Support Services:			
Pupils:			
Salaries and Wages	12,199	5,379	(6,820)
Fringe Benefits	1,905	943	(962)
Purchased Services	126,939	70,707	(56,232)
Materials and Supplies	74,011	46,609	(27,402)
Capital Outlay - New	24,462	24,462	0
Other	903	685	(218)
Total Pupils	<u>240,419</u>	<u>148,785</u>	<u>(91,634)</u>
Total Support Services	<u>240,419</u>	<u>148,785</u>	<u>(91,634)</u>
<i>Total Expenditures</i>	<u>241,697</u>	<u>148,785</u>	<u>(92,912)</u>
<i>Net Change in Fund Balance</i>	(26,697)	(29,137)	(2,440)
<i>Fund Balance (Deficit) at Beginning of Year</i>	49,692	49,692	0
Prior Year Encumbrances Appropriated	<u>23,141</u>	<u>23,141</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 46,136</u>	<u>\$ 43,696</u>	<u>\$ (2,440)</u>

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenditures, and
Budget (Non-GAAP Basis) and Actual
Athletic/District Managed Fund
For the Fiscal Year Ended June 30, 2007*

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Intergovernmental	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Extracurricular Activities	190,425	168,239	(22,186)
Gifts and Donations	3,000	24,440	21,440
<i>Total Revenues</i>	<u>193,425</u>	<u>192,679</u>	<u>(746)</u>
Expenditures:			
Current:			
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Salaries and Wages	1,850	1,850	0
Fringe Benefits	286	286	0
Purchased Services	21,023	16,179	(4,844)
Materials and Supplies	22,822	21,836	(986)
Total Academic and Subject Oriented Activities	<u>45,981</u>	<u>40,151</u>	<u>(5,830)</u>
Sports Oriented Activities:			
Fringe Benefits	15	15	0
Purchased Services	80,420	70,829	(9,591)
Materials and Supplies	91,118	91,117	(1)
Capital Outlay - New	1,175	1,175	0
Total Sports Oriented Activities	<u>172,728</u>	<u>163,136</u>	<u>(9,592)</u>
School and Public Service Co-Curricular Activities:			
Purchased Services	820	0	(820)
Materials and Supplies	26,923	26,012	(911)
Total School and Public Service Co-Curricular Activities	<u>27,743</u>	<u>26,012</u>	<u>(1,731)</u>
Total Extracurricular Activities	<u>246,452</u>	<u>229,299</u>	<u>(17,153)</u>
<i>Total Expenditures</i>	<u>246,452</u>	<u>229,299</u>	<u>(17,153)</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(53,027)</u>	<u>(36,620)</u>	<u>16,407</u>
Other Financing Sources (Uses):			
Transfers In	0	13,600	13,600
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>13,600</u>	<u>13,600</u>
<i>Net Change in Fund Balance</i>	(53,027)	(23,020)	30,007
<i>Fund Balance (Deficit) at Beginning of Year</i>	43,230	43,230	0
Prior Year Encumbrances Appropriated	27,951	27,951	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 18,154</u>	<u>\$ 48,161</u>	<u>\$ 30,007</u>

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenditures, and
 Budget (Non-GAAP Basis) and Actual
 Auxiliary Services
 For the Fiscal Year Ended June 30, 2007*

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Intergovernmental	\$ 143,000	\$ 138,309	\$ (4,691)
Investment Income	2,000	732	(1,268)
<i>Total Revenues</i>	<u>145,000</u>	<u>139,041</u>	<u>(5,959)</u>
Expenditures:			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	42,957	42,957	0
Fringe Benefits	11,032	11,032	0
Purchased Services	53,317	53,317	0
Materials and Supplies	32,155	26,271	(5,884)
Other	5,464	5,464	0
Total Community Services	<u>144,925</u>	<u>139,041</u>	<u>(5,884)</u>
Total Other Operation of Non-Instructional Services	<u>144,925</u>	<u>139,041</u>	<u>(5,884)</u>
<i>Total Expenditures</i>	<u>144,925</u>	<u>139,041</u>	<u>(5,884)</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>75</u>	<u>0</u>	<u>(75)</u>
Other Financing Sources (Uses):			
Advances In	0	75	75
Transfers Out	(75)	(75)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(75)</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	9,986	9,986	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 9,986</u>	<u>\$ 9,986</u>	<u>\$ 0</u>

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenditures, and
 Budget (Non-GAAP Basis) and Actual
 Educational Management Information Systems
 For the Fiscal Year Ended June 30, 2007*

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Intergovernmental	\$ 6,700	\$ 6,563	\$ (137)
<i>Total Revenues</i>	<u>6,700</u>	<u>6,563</u>	<u>(137)</u>
Expenditures:			
Current:			
Support Services:			
Administration:			
Salaries and Wages	6,249	6,249	0
Purchased Services	409	272	(137)
Other	42	42	0
Total Administration	<u>6,700</u>	<u>6,563</u>	<u>(137)</u>
Total Support Services	<u>6,700</u>	<u>6,563</u>	<u>(137)</u>
<i>Total Expenditures</i>	<u>6,700</u>	<u>6,563</u>	<u>(137)</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	<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
*Schedule of Revenues, Expenditures, and
 Budget (Non-GAAP Basis) and Actual
 Entry Year Programs
 For the Fiscal Year Ended June 30, 2007*

	Final Budget	Actual	Variance Over (Under)
Revenues:	\$ 0	\$ 0	\$ 0
Expenditures:	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	0	0	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenditures, and
 Budget (Non-GAAP Basis) and Actual
 Data Communications
 For the Fiscal Year Ended June 30, 2007*

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Intergovernmental	\$ 12,000	\$ 12,000	\$ 0
<i>Total Revenues</i>	<u>12,000</u>	<u>12,000</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased Services	12,000	12,000	0
Total Regular	<u>12,000</u>	<u>12,000</u>	<u>0</u>
Total Instruction	<u>12,000</u>	<u>12,000</u>	<u>0</u>
<i>Total Expenditures</i>	<u>12,000</u>	<u>12,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	<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
*Schedule of Revenues, Expenditures, and
 Budget (Non-GAAP Basis) and Actual
 SchoolNet Professional Development
 For the Fiscal Year Ended June 30, 2007*

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Intergovernmental	\$ 3,500	\$ 3,300	\$ (200)
<i>Total Revenues</i>	<u>3,500</u>	<u>3,300</u>	<u>(200)</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Materials and Supplies	4,680	2,921	(1,759)
Total Regular	<u>4,680</u>	<u>2,921</u>	<u>(1,759)</u>
Total Instruction	<u>4,680</u>	<u>2,921</u>	<u>(1,759)</u>
<i>Total Expenditures</i>	<u>4,680</u>	<u>2,921</u>	<u>(1,759)</u>
<i>Net Change in Fund Balance</i>	(1,180)	379	(1,559)
<i>Fund Balance (Deficit) at Beginning of Year</i>	1,180	1,180	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ 1,559</u>	<u>\$ (1,559)</u>

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenditures, and
 Budget (Non-GAAP Basis) and Actual
 Ohio Reads Grant
 For the Fiscal Year Ended June 30, 2007*

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Intergovernmental	\$ 2,000	\$ 2,000	\$ 0
<i>Total Revenues</i>	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	2,000	2,000	0
Total Regular	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Total Instruction	<u>2,000</u>	<u>2,000</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,000</u>	<u>2,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	4,467	4,467	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 4,467</u>	<u>\$ 4,467</u>	<u>\$ 0</u>

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenditures, and
 Budget (Non-GAAP Basis) and Actual
 Miscellaneous State Grants
 For the Fiscal Year Ended June 30, 2007*

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Intergovernmental	\$ 2,000	\$ 2,000	\$ 0
<i>Total Revenues</i>	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Materials and Supplies	1,393	1,393	0
Total Regular	<u>1,393</u>	<u>1,393</u>	<u>0</u>
Total Instruction	<u>1,393</u>	<u>1,393</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,393</u>	<u>1,393</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	607	607	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	<u>1,393</u>	<u>1,393</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 0</u>

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenditures, and
 Budget (Non-GAAP Basis) and Actual*
 Title VI-B
 For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Intergovernmental	\$ 390,000	\$ 381,724	\$ (8,276)
<i>Total Revenues</i>	<u>390,000</u>	<u>381,724</u>	<u>(8,276)</u>
Expenditures:			
Current:			
Instruction:			
Special:			
Salaries and Wages	272	272	0
Fringe Benefits	228	228	0
Purchased Services	4,769	4,769	0
Total Special	<u>5,269</u>	<u>5,269</u>	<u>0</u>
Total Instruction	<u>5,269</u>	<u>5,269</u>	<u>0</u>
Support Services:			
Instructional Staff:			
Salaries and Wages	187,990	187,990	0
Fringe Benefits	70,996	70,996	0
Purchased Services	103,560	100,286	(3,274)
Materials and Supplies	0	0	0
Total Instructional Staff	<u>362,546</u>	<u>359,272</u>	<u>(3,274)</u>
Total Support Services	<u>362,546</u>	<u>359,272</u>	<u>(3,274)</u>
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	14,584	14,584	0
Fringe Benefits	2,253	2,253	0
Purchased Services	5,616	5,616	0
Total Community Services	<u>22,453</u>	<u>22,453</u>	<u>0</u>
Total Other Operation of Non-Instructional Services	<u>22,453</u>	<u>22,453</u>	<u>0</u>
<i>Total Expenditures</i>	<u>390,268</u>	<u>386,994</u>	<u>(3,274)</u>
<i>Net Change in Fund Balance</i>	(268)	(5,270)	(5,002)
<i>Fund Balance (Deficit) at Beginning of Year</i>	5,270	5,270	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 5,002</u>	<u>\$ 0</u>	<u>\$ (5,002)</u>

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenditures, and
 Budget (Non-GAAP Basis) and Actual*
 Title VI
 For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Intergovernmental	\$ 5,800	\$ 2,886	\$ (2,914)
<i>Total Revenues</i>	<u>5,800</u>	<u>2,886</u>	<u>(2,914)</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	8,278	5,433	(2,845)
Purchased Services	468	467	(1)
Materials and Supplies	199	131	(68)
Total Regular	<u>8,945</u>	<u>6,031</u>	<u>(2,914)</u>
Total Instruction	<u>8,945</u>	<u>6,031</u>	<u>(2,914)</u>
Operation of Non-Instructional Services:			
Community Services:			
Materials and Supplies	299	299	0
Total Community Services	<u>299</u>	<u>299</u>	<u>0</u>
Total Other Operation of Non-Instructional Services	<u>299</u>	<u>299</u>	<u>0</u>
<i>Total Expenditures</i>	<u>9,244</u>	<u>6,330</u>	<u>(2,914)</u>
<i>Net Change in Fund Balance</i>	(3,444)	(3,444)	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	6,588	6,588	0
Prior Year Encumbrances Appropriated	<u>3,340</u>	<u>3,340</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 6,484</u>	<u>\$ 6,484</u>	<u>\$ 0</u>

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenditures, and
 Budget (Non-GAAP Basis) and Actual
 Drug Free Schools
 For the Fiscal Year Ended June 30, 2007*

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Intergovernmental	\$ 4,400	\$ 3,458	\$ (942)
<i>Total Revenues</i>	<u>4,400</u>	<u>3,458</u>	<u>(942)</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	4,245	3,302	(943)
Total Regular	<u>4,245</u>	<u>3,302</u>	<u>(943)</u>
Total Instruction	<u>4,245</u>	<u>3,302</u>	<u>(943)</u>
Support Services:			
Instructional Staff:			
Materials and Supplies	1,900	1,900	0
Total Instructional Staff	<u>1,900</u>	<u>1,900</u>	<u>0</u>
Total Support Services	<u>1,900</u>	<u>1,900</u>	<u>0</u>
<i>Total Expenditures</i>	<u>6,145</u>	<u>5,202</u>	<u>(943)</u>
<i>Net Change in Fund Balance</i>	(1,745)	(1,744)	1
<i>Fund Balance (Deficit) at Beginning of Year</i>	1,792	1,792	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 47</u>	<u>\$ 48</u>	<u>\$ 1</u>

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenditures, and
 Budget (Non-GAAP Basis) and Actual
 Preschool Handicapped Grant
 For the Fiscal Year Ended June 30, 2007*

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Intergovernmental	\$ 12,900	\$ 12,771	\$ (129)
<i>Total Revenues</i>	<u>12,900</u>	<u>12,771</u>	<u>(129)</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	12,771	12,771	0
Materials and Supplies	4	0	(4)
Total Regular	<u>12,775</u>	<u>12,771</u>	<u>(4)</u>
Total Instruction	<u>12,775</u>	<u>12,771</u>	<u>(4)</u>
<i>Total Expenditures</i>	<u>12,775</u>	<u>12,771</u>	<u>(4)</u>
<i>Net Change in Fund Balance</i>	125	0	(125)
<i>Fund Balance (Deficit) at Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 125</u>	<u>\$ 0</u>	<u>\$ (125)</u>

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenditures, and
 Budget (Non-GAAP Basis) and Actual*
 Title II-A
 For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Intergovernmental	\$ 30,000	\$ 29,560	\$ (440)
<i>Total Revenues</i>	<u>30,000</u>	<u>29,560</u>	<u>(440)</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	28,828	24,568	(4,260)
Fringe Benefits	733	733	0
Purchased Services	9,221	9,221	0
Materials and Supplies	170	170	0
Total Regular	<u>38,952</u>	<u>34,692</u>	<u>(4,260)</u>
Total Instruction	<u>38,952</u>	<u>34,692</u>	<u>(4,260)</u>
<i>Total Expenditures</i>	<u>38,952</u>	<u>34,692</u>	<u>(4,260)</u>
<i>Net Change in Fund Balance</i>	(8,952)	(5,132)	3,820
<i>Fund Balance (Deficit) at Beginning of Year</i>	16,931	16,931	0
Prior Year Encumbrances Appropriated	<u>7,800</u>	<u>7,800</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 15,779</u>	<u>\$ 19,599</u>	<u>\$ 3,820</u>

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenditures, and
 Budget (Non-GAAP Basis) and Actual
 Miscellaneous Federal Grants
 For the Fiscal Year Ended June 30, 2007*

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Intergovernmental	\$ 6,000	\$ 6,000	\$ 0
<i>Total Revenues</i>	<u>6,000</u>	<u>6,000</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	4,500	4,500	0
Fringe Benefits	740	740	0
Purchased Services	760	760	0
Total Regular	<u>6,000</u>	<u>6,000</u>	<u>0</u>
Total Instruction	<u>6,000</u>	<u>6,000</u>	<u>0</u>
<i>Total Expenditures</i>	<u>6,000</u>	<u>6,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	<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
*Schedule of Revenues, Expenditures, and
 Budget (Non-GAAP Basis) and Actual
 Bond Retirement
 For the Fiscal Year Ended June 30, 2007*

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues:				
Taxes	\$ 2,480,379	\$ 2,080,379	\$ 2,565,871	\$ 485,492
Intergovernmental	296,000	204,111	315,383	111,272
<i>Total Revenues</i>	<u>2,776,379</u>	<u>2,284,490</u>	<u>2,881,254</u>	<u>596,764</u>
Expenditures:				
Debt Service:				
Principal Retirement	1,140,000	1,347,176	1,295,000	(52,176)
Interest and Fiscal Charges	1,260,000	1,277,824	1,271,402	(6,422)
				0
Total Debt Service	<u>2,400,000</u>	<u>2,625,000</u>	<u>2,566,402</u>	<u>(58,598)</u>
<i>Net Change in Fund Balance</i>	376,379	(340,510)	314,852	655,362
<i>Fund Balance (Deficit) at Beginning of Year</i>	2,082,765	2,082,765	2,082,765	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 2,459,144</u>	<u>\$ 1,742,255</u>	<u>\$ 2,397,617</u>	<u>\$ 655,362</u>

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenditures, and
 Budget (Non-GAAP Basis) and Actual
 Permanent Improvement
 For the Fiscal Year Ended June 30, 2007*

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues:				
Investment Income	\$ 150,000	\$ 176,500	\$ 251,918	\$ 75,418
Rentals	0	0	5,120	5,120
Charges for Services	0	0	22,662	22,662
Gifts and Donations	0	195,000	196,739	1,739
<i>Total Revenues</i>	<u>150,000</u>	<u>371,500</u>	<u>476,439</u>	<u>104,939</u>
Expenditures:				
Current:				
Capital Outlay:				
Architecture and Engineering Services:				
Purchased Services	760,987	546,793	546,293	(500)
Total Architecture and Engineering Services	<u>760,987</u>	<u>546,793</u>	<u>546,293</u>	<u>(500)</u>
Building Acquisitions and Construction Services:				
Purchased Services	38,690	33,843	33,611	(232)
Capital Outlay - New	262,994	268,142	268,113	(29)
Total Building Acquisitions and Construction Services	<u>301,684</u>	<u>301,985</u>	<u>301,724</u>	<u>(261)</u>
Building Improvement Services:				
Purchased Services	286,311	391,274	391,274	0
Materials and Supplies	1,250	6,598	6,598	0
Capital Outlay - New	7,277,772	7,193,528	7,099,912	(93,616)
Capital Outlay - Replacement	203,009	390,836	390,452	(384)
Total Building Improvement Services	<u>7,768,342</u>	<u>7,982,236</u>	<u>7,888,236</u>	<u>(94,000)</u>
Total Capital Outlay	<u>8,831,013</u>	<u>8,831,014</u>	<u>8,736,253</u>	<u>(94,761)</u>
<i>Total Expenditures</i>	<u>8,831,013</u>	<u>8,831,014</u>	<u>8,736,253</u>	<u>(94,761)</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(8,681,013)</u>	<u>(8,459,514)</u>	<u>(8,259,814)</u>	<u>199,700</u>
Other Financing Sources (Uses):				
Transfers In	300,000	300,000	300,000	0
Total Other Financing Sources (Uses)	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(8,381,013)</u>	<u>(8,159,514)</u>	<u>(7,959,814)</u>	<u>199,700</u>
<i>Fund Balance (Deficit) at Beginning of Year</i>	2,012,113	2,012,113	2,012,113	0
Prior Year Encumbrances Appropriated	<u>7,735,695</u>	<u>7,735,695</u>	<u>7,735,695</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 1,366,795</u>	<u>\$ 1,588,294</u>	<u>\$ 1,787,994</u>	<u>\$ 199,700</u>

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PROPRIETARY FUNDS

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

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenses, and
Budget (Non-GAAP Basis) and Actual
Food Service
For the Fiscal Year Ended June 30, 2007*

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Sales	\$ 599,650	\$ 529,535	\$ (70,115)
<i>Total Revenues</i>	599,650	529,535	(70,115)
Expenses:			
Salaries	230,012	187,851	(42,161)
Fringe Benefits	57,724	57,724	0
Purchased Services	25,990	10,749	(15,241)
Materials and Supplies	309,237	309,237	0
Capital Outlay	2,470	0	(2,470)
Other	4,452	4,452	0
<i>Total Expenses</i>	629,885	570,013	(59,872)
<i>Excess of Revenues Over (Under) Expenses</i>	(30,235)	(40,478)	(10,243)
Non-Operating Revenues (Expenses):			
Operating Grants	25,350	32,479	7,129
Interest Income	0	1,560	1,560
<i>Total Non-Operating Revenues (Expenses)</i>	25,350	34,039	8,689
<i>Income (Loss) Before Operating Transfers</i>	(4,885)	(6,439)	(1,554)
Transfers Out	(1,204)	0	1,204
<i>Net Change in Fund Equity</i>	(6,089)	(6,439)	(350)
<i>Fund Equity (Deficit) at Beginning of Year</i>	5,712	5,712	0
<i>Prior Year Encumbrances Appropriated</i>	36,084	36,084	0
<i>Fund Equity (Deficit) at End of Year</i>	<u>\$ 35,707</u>	<u>\$ 35,357</u>	<u>\$ (350)</u>

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenses, and
 Budget (Non-GAAP Basis) and Actual
 Uniform Supplies
 For the Fiscal Year Ended June 30, 2007*

	Final Budget	Actual	Variance Over (Under)
Sales	\$ 110,000	\$ 97,554	\$ (12,446)
<i>Total Revenues</i>	110,000	97,554	(12,446)
Expenses:			
Purchased Services	96,671	96,671	0
<i>Total Expenses</i>	96,671	96,671	0
<i>Income (Loss) Before Operating Transfers</i>	13,329	883	(12,446)
Advances Out	(13,394)	(11,337)	2,057
Transfers In	0	11,337	11,337
<i>Net Change in Fund Equity</i>	(65)	883	948
<i>Fund Equity (Deficit) at Beginning of Year</i>	2,134	2,134	0
<i>Prior Year Encumbrances Appropriated</i>	1,284	1,284	0
<i>Fund Equity (Deficit) at End of Year</i>	<u>\$ 3,353</u>	<u>\$ 4,301</u>	<u>\$ 948</u>

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenses, and
Budget (Non-GAAP Basis) and Actual
Adult Education
For the Fiscal Year Ended June 30, 2007*

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Tuition	\$ 425,000	\$ 448,362	\$ 23,362
<i>Total Revenues</i>	425,000	448,362	23,362
Expenses:			
Salaries	96,783	96,783	0
Fringe Benefits	18,314	18,314	0
Purchased Services	261,952	239,529	(22,423)
Materials and Supplies	387	387	0
Capital Outlay	415	415	0
Other	5,249	5,249	0
<i>Total Expenses</i>	383,100	360,677	(22,423)
<i>Excess of Revenues Over (Under) Expenses</i>	41,900	87,685	45,785
Non-Operating Revenues (Expenses):			
Refund of Prior Year Expenses	0	45	45
<i>Net Change in Fund Equity</i>	41,900	87,730	45,830
<i>Fund Equity (Deficit) at Beginning of Year</i>	39,374	39,374	0
<i>Prior Year Encumbrances Appropriated</i>	13,230	13,230	0
<i>Fund Equity (Deficit) at End of Year</i>	<u>\$ 94,504</u>	<u>\$ 140,334</u>	<u>\$ 45,830</u>

AGENCY FUNDS
Combining Statements

Chagrin Falls Exempted Village School District

Combining Statements – Agency Funds

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

Rotary Fund - This fund accounts for activities associated with the collection and disbursement of funds used for student field trips and advance placement testing that are not part of the programs provided by the School District. It is a flow-through account, funds received are held until entirely expended for a specific purpose.

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 Assets and Liabilities

Agency Funds

June 30, 2007

	<u>Rotary</u>	<u>Student Activities</u>	<u>Total Agency Funds</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 9,213	\$ 61,585	\$ 70,798
<i>Total Assets</i>	<u>\$ 9,213</u>	<u>\$ 61,585</u>	<u>\$ 70,798</u>
Liabilities and Fund Balances			
Liabilities			
Undistributed Monies	9,213	0	9,213
Due to Students	<u>0</u>	<u>61,585</u>	<u>61,585</u>
<i>Total Liabilities</i>	<u>\$ 9,213</u>	<u>\$ 61,585</u>	<u>\$ 70,798</u>

Chagrin Falls Exempted Village School District
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2007

	Beginning Balance 7/1/06	Additions	Deductions	Ending Balance 6/30/07
Rotary				
Assets				
Equity in Pooled Cash and Investments	\$ 8,727	\$ 51,312	\$ 50,826	\$ 9,213
Liabilities				
Undistributed Monies	\$ 8,727	\$ 51,312	\$ 50,826	\$ 9,213
Student Activities				
Assets				
Equity in Pooled Cash and Investments	\$ 75,185	\$ 126,936	\$ 140,536	\$ 61,585
Liabilities				
Due to Students	\$ 75,185	\$ 126,936	\$ 140,536	\$ 61,585
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Investments	\$ 83,912	\$ 178,248	\$ 191,362	\$ 70,798
Liabilities				
Undistributed Monies	\$ 8,727	\$ 51,312	\$ 50,826	\$ 9,213
Due to Students	75,185	126,936	140,536	61,585
<i>Total Liabilities</i>	<u>\$ 83,912</u>	<u>\$ 178,248</u>	<u>\$ 191,362</u>	<u>\$ 70,798</u>

**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>
Financial Trends 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
Revenue Capacity These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	S-14 - S-20
Debt Capacity 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-21 - S-25
Economic and Demographic Information 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-26 - S-27
Operating Information 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-27 - S-41

Sources: Unless otherwise notes, 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.

Chagrin Falls Exempted Village School District
Net Assets by Component
Last Seven Fiscal Years
(Accrual Basis of Accounting)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental Activities:				
Invested in Capital Assets, Net of Related Debt	\$ 1,070,070	\$ 2,200,744	\$ 1,946,362	\$ 1,567,981
Restricted	4,770,065	1,104,831	879,207	2,155,299
Unrestricted	<u>(1,222,306)</u>	<u>(1,038,726)</u>	<u>383,288</u>	<u>408,187</u>
<i>Total Governmental Activities Net Assets</i>	<u>\$ 4,617,829</u>	<u>\$ 2,266,849</u>	<u>\$ 3,208,857</u>	<u>\$ 4,131,467</u>
Business-Type Activities				
Invested in Capital Assets, Net of Related Debt	\$ 151,180	\$ 169,306	\$ 170,001	\$ 187,256
Restricted	0	0	0	0
Unrestricted	<u>82,439</u>	<u>(3,267)</u>	<u>89,820</u>	<u>83,728</u>
<i>Total Business-Type Activities Net Assets</i>	<u>\$ 233,619</u>	<u>\$ 166,039</u>	<u>\$ 259,821</u>	<u>\$ 270,984</u>
Primary Government				
Invested in Capital Assets, Net of Related Debt	\$ 1,221,250	\$ 2,370,050	\$ 2,116,363	\$ 1,755,237
Restricted	4,770,065	1,104,831	879,207	2,155,299
Unrestricted	<u>(1,139,867)</u>	<u>(1,041,993)</u>	<u>473,108</u>	<u>491,915</u>
<i>Total Primary Government Net Assets</i>	<u>\$ 4,851,448</u>	<u>\$ 2,432,888</u>	<u>\$ 3,468,678</u>	<u>\$ 4,402,451</u>

2003	2002	2001
\$ 1,544,335	\$ 1,497,343	\$ 1,661,446
1,855,906	2,393,854	2,328,980
(87,075)	1,598,300	1,447,713
\$ 3,313,166	\$ 5,489,497	\$ 5,438,139
\$ 196,624	\$ 207,659	\$ 203,534
0	0	0
98,548	63,570	25,129
\$ 295,172	\$ 271,229	\$ 228,663
\$ 1,740,959	\$ 1,705,002	\$ 1,864,980
1,855,906	2,393,854	2,328,980
11,473	1,661,870	1,472,842
\$ 3,608,338	\$ 5,760,726	\$ 5,666,802

Chagrin Falls Exempted Village School District
Changes in Net Assets
Last Seven Fiscal Years
(Accrual Basis of Accounting)

	2007	2006	2005	2004
Expenses:				
Governmental Activities:				
Regular Instruction	\$ 9,933,444	\$ 9,893,476	\$ 10,026,597	\$ 10,019,345
Special Instruction	1,712,549	1,483,639	1,636,142	1,350,026
Vocational Instruction	162,699	123,302	71,620	92,934
Adult/Continuing Instruction	0	0	0	0
Other Instruction	13,210	34,060	29,720	37,335
Pupil Support	995,334	1,072,115	1,139,741	1,098,885
Instructional Staff Support	1,398,338	1,489,359	1,297,374	1,159,805
Board of Education	94,466	89,991	83,165	79,892
Administration	2,069,076	1,976,027	1,816,179	1,610,209
Fiscal	1,284,233	640,702	936,955	643,052
Business	800	800	800	800
Operation and Maintenance of Plant	2,828,169	3,020,408	2,479,388	2,499,738
Pupil Transportation	1,126,296	1,215,315	1,120,571	1,097,121
Central	22,099	25,809	24,281	21,452
Operation of Non-Instructional Services	184,844	173,704	160,332	198,003
Extracurricular Activities	731,019	702,459	690,406	746,022
Capital Outlay	0	0		
Interest and Fiscal Charges	1,461,470	1,442,066	2,548,040	1,240,118
Reissuance Costs	0	0	188,590	0
<i>Total Governmental Activities Expenses</i>	<u>24,018,046</u>	<u>23,383,232</u>	<u>24,249,901</u>	<u>21,894,737</u>
Business-Type Activities:				
Food Service	623,945	594,929	668,197	686,168
Uniform School Supplies	108,859	93,703	106,213	71,642
Adult Education	343,265	217,837	164,844	208,061
Windsor Educational	0	0	0	0
<i>Total Business-Type Activities Expenses</i>	<u>1,076,069</u>	<u>906,469</u>	<u>939,254</u>	<u>965,871</u>
<i>Total Primary Government Expenses</i>	<u>25,094,115</u>	<u>24,289,701</u>	<u>\$ 25,189,155</u>	<u>22,860,608</u>
Program Revenues:				
Governmental Activities:				
Charges for Services:				
Regular Instruction	\$ 46,728	\$ 84,170	\$ 51,244	\$ 52,944
Special Instruction	0	0	5	0
Pupil Support	117,182	220,695	206,626	200,094
Fiscal	22,624	19,908	51,352	17,456
Operation and Maintenance of Plant	27,782	0	0	0
Extracurricular Activities	168,239	160,390	148,019	140,112
Operating Grants and Contributions				
Regular Instruction	78,149	73,776	118,098	113,975
Special Instruction	72,521	76,445	95,065	3,776
Pupil Support	0	53,674	92,846	33,527
Instructional Staff Support	351,980	323,026	233,134	207,882
Administration	6,563	6,611	6,188	7,174
Operation and Maintenance of Plant	0	0	0	0
Operation of Non Instructional	164,254	144,668	150,036	139,144
Extracurricular Activities	0	0	0	0
Capital Grants and Contributions				
Regular Instruction	0	0	16,905	0
Instructional Staff Support	0	0		0
Pupil Transportation	0	0		0
<i>Total Governmental Activities Program Revenues</i>	<u>1,056,022</u>	<u>1,163,363</u>	<u>1,169,518</u>	<u>916,084</u>

	2003	2002	2001
\$	9,291,338	\$ 9,002,902	\$ 9,432,792
	1,189,814	1,348,927	1,155,300
	108,138	101,713	55,069
	0	0	0
	5,912	18,144	0
	1,055,832	966,542	927,785
	986,686	1,065,858	754,176
	63,685	66,055	57,583
	1,510,595	1,349,681	1,309,319
	668,701	598,479	414,824
	800	750	0
	2,427,389	2,242,666	2,094,832
	1,063,140	946,889	827,971
	21,381	21,729	0
	209,998	129,891	185,448
	696,643	688,806	392,947
	1,283,851	1,237,510	1,358,729
	0	0	0
	<u>20,583,903</u>	<u>19,786,542</u>	<u>18,966,775</u>
	584,811	492,126	459,191
	64,589	59,940	65,405
	176,678	150,584	70,037
	68,146	0	0
	<u>894,224</u>	<u>702,650</u>	<u>594,633</u>
\$	<u>21,478,127</u>	<u>20,489,192</u>	<u>\$ 19,561,408</u>
\$	81,992	\$ 220,964	\$ 64,217
	0	0	0
	176,243	162,001	162,652
	19,715	17,859	0
	0	0	0
	143,374	141,978	155,244
	92,858	38,134	59,442
	0	0	2,650
	56,541	9,851	7,815
	104,580	105,498	166,904
	7,076	6,933	7,510
	0	0	10,800
	151,189	137,152	185,448
	0	38,103	29,078
	30,718	14,000	45,941
			174
			<u>19,811</u>
	<u>864,286</u>	<u>892,473</u>	<u>917,686</u>

Chagrin Falls Exempted Village School District
Changes in Net Assets
Last Seven Fiscal Years
(Accrual Basis of Accounting)

	2007	2006	2005	2004
Business-Type Activities				
Charges for Services:				
Food Service	529,535	527,520	619,966	641,834
Uniform School Supplies	97,554	92,293	96,152	74,349
Adult Education	448,362	243,275	184,228	191,304
Windsor Educational	0	0	0	0
Operating Grants and Contributions				
Food Service	55,301	37,221	25,531	33,586
<i>Total Business-Type Activities Program Revenues</i>	<u>1,130,752</u>	<u>900,309</u>	<u>925,877</u>	<u>941,073</u>
<i>Total Primary Government Program Revenues</i>	<u>2,186,774</u>	<u>2,063,672</u>	<u>2,095,395</u>	<u>1,857,157</u>
Net (Expense) Revenue:				
Governmental Activities	(22,962,024)	(22,219,869)	(23,080,383)	(20,978,653)
Business-Type Activities	54,683	(6,160)	(13,377)	(24,798)
<i>Total Primary Government Net Expense</i>	<u>\$ (22,907,341)</u>	<u>\$ (22,226,029)</u>	<u>\$ (23,093,760)</u>	<u>\$ (21,003,451)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Property and Other Local Taxes Levied For:				
General Purposes	\$ 17,540,958	\$ 14,083,975	\$ 15,599,444	\$ 15,342,604
Debt Service	2,661,472	2,147,078	2,065,233	2,146,903
Grants and Entitlements not Restricted to Specific Programs	4,324,197	4,255,426	4,247,210	4,203,459
Investment Earnings	506,124	505,332	91,320	15,472
Miscellaneous	291,590	168,579	154,566	88,516
<i>Total Governmental Activities</i>	<u>25,324,341</u>	<u>21,160,390</u>	<u>22,157,773</u>	<u>21,796,954</u>
Business-Type Activities:				
Investment Earnings	1,560	3,671	2,214	610
Miscellaneous	0	26,178	0	0
<i>Total Business-Type Activities</i>	<u>1,560</u>	<u>29,849</u>	<u>2,214</u>	<u>610</u>
<i>Total Primary Government</i>	<u>\$ 25,325,901</u>	<u>\$ 21,190,239</u>	<u>\$ 22,159,987</u>	<u>\$ 21,797,564</u>
Change in Net Assets				
Governmental Activities	2,362,317	(1,059,479)	(922,610)	818,301
Business-Type Activities	56,243	23,689	(11,163)	(24,188)
<i>Total Primary Government</i>	<u>\$ 2,418,560</u>	<u>\$ (1,035,790)</u>	<u>\$ (933,773)</u>	<u>\$ 794,113</u>

2003	2002	2001
549,986	499,914	446,752
69,600	66,862	65,833
171,745	145,053	83,840
67,909	0	0
<u>55,464</u>	<u>30,762</u>	<u>23,922</u>
<u>914,704</u>	<u>742,591</u>	<u>620,347</u>
<u>1,778,990</u>	<u>1,635,064</u>	<u>1,538,033</u>
(19,719,617)	(18,894,069)	(18,049,089)
<u>20,480</u>	<u>39,941</u>	<u>25,714</u>
<u>\$ (19,699,137)</u>	<u>\$ (18,854,128)</u>	<u>\$ (18,023,375)</u>
\$ 11,672,680	\$ 13,315,386	\$ 11,634,491
1,839,749	1,563,514	1,920,748
3,881,296	3,820,383	3,655,753
47,382	225,968	345,430
<u>102,179</u>	<u>20,176</u>	<u>28,824</u>
<u>17,543,286</u>	<u>18,945,427</u>	<u>17,585,246</u>
3,226	2,625	2,312
<u>0</u>	<u>0</u>	<u>0</u>
<u>3,226</u>	<u>2,625</u>	<u>2,312</u>
<u>\$ 17,546,512</u>	<u>\$ 18,948,052</u>	<u>\$ 17,587,558</u>
(2,176,331)	51,358	(463,843)
<u>23,706</u>	<u>42,566</u>	<u>28,026</u>
<u>\$ (2,152,625)</u>	<u>\$ 93,924</u>	<u>\$ (435,817)</u>

Chagrin Falls Exempted Village School District
Program Revenues by Function/Program
Last Seven Fiscal Years
(Accrual Basis of Accounting)

	2007	2006	2005	2004
Governmental Activities				
Regular Instruction	\$ 124,877	\$ 157,946	\$ 186,247	\$ 166,919
Special Instruction	72,521	76,445	95,070	3,776
Pupil Support	117,182	274,369	299,472	233,621
Instructional Support	351,980	323,026	233,134	207,882
Administration	6,563	6,611	6,188	7,174
Fiscal	22,624	19,908	51,352	17,456
Operation and Maintenance of Plant	27,782	0	0	0
Pupil Transportation	0	0	0	0
Operation of Non Instructional	164,254	144,668	150,036	139,144
Extracurricular Activities	168,239	160,390	148,019	140,112
<i>Total Governmental Activities</i>	<u>1,056,022</u>	<u>1,163,363</u>	<u>1,169,518</u>	<u>916,084</u>
Business-Type Activities				
Food Service	584,836	564,741	645,497	675,420
Uniform School Supplies	97,554	92,293	96,152	74,349
Adult Education	448,362	243,275	184,228	191,304
Windsor Educational	0	0	0	0
<i>Total Business-Type Activities</i>	<u>1,130,752</u>	<u>900,309</u>	<u>925,877</u>	<u>941,073</u>
<i>Total Primary Government</i>	<u>\$ 2,186,774</u>	<u>\$ 2,063,672</u>	<u>\$ 2,095,395</u>	<u>\$ 1,857,157</u>

	2003	2002	2001
\$	174,850	\$ 273,098	\$ 169,600
	0	0	2,650
	232,784	171,852	170,467
	135,298	105,498	167,078
	7,076	6,933	7,510
	19,715	17,859	10,800
	0	0	0
	0	0	19,811
	151,189	137,152	185,448
	143,374	180,081	184,322
	<u>864,286</u>	<u>892,473</u>	<u>917,686</u>
	605,450	530,676	470,674
	69,600	66,862	65,833
	171,745	145,053	83,840
	67,909	0	0
	<u>914,704</u>	<u>742,591</u>	<u>620,347</u>
\$	<u>1,778,990</u>	<u>\$ 1,635,064</u>	<u>\$ 1,538,033</u>

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund					
Reserved	\$ 2,852,743	\$ 2,233,821	\$ 3,709,598	\$ 2,738,475	\$ 1,618,655
Unreserved	(2,987,439)	(2,343,891)	(2,539,529)	(2,125,432)	(1,462,800)
<i>Total General Fund</i>	<u>(134,696)</u>	<u>(110,070)</u>	<u>1,170,069</u>	<u>613,043</u>	<u>155,855</u>
All Other Governmental Funds					
Reserved	1,691,974	8,125,446	1,348,098	491,541	313,346
Unreserved, Reported in:					
Special Revenue Funds	161,629	122,621	131,387	192,206	226,609
Debt Service Funds	2,397,617	2,082,765	1,936,245	1,400,736	1,251,625
Capital Projects Funds	724,220	626,179	9,002,702	40,976	68,594
Permanent Funds	0	0	53	0	0
<i>Total All Other Governmental Funds</i>	<u>4,975,440</u>	<u>10,957,011</u>	<u>12,418,485</u>	<u>2,125,459</u>	<u>1,860,174</u>
<i>Total Governmental Funds</i>	<u>\$ 4,840,744</u>	<u>\$ 10,846,941</u>	<u>\$ 13,588,554</u>	<u>\$ 2,738,502</u>	<u>\$ 2,016,029</u>

2002	2001	2000	1999	1998
\$ 2,541,652 (407,207)	\$ 1,644,965 402,935	\$ 1,803,982 633,422	\$ 1,799,117 914,003	\$ 1,630,884 1,001,139
<u>2,134,445</u>	<u>2,047,900</u>	<u>2,437,404</u>	<u>2,713,120</u>	<u>2,632,023</u>
345,549	345,565	320,611	2,784,310	12,791,985
221,399	200,068	213,329	103,800	98,825
1,113,357	977,462	835,249	601,157	348,752
518,257	673,101	1,363,673	2,216,603	4,031,213
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>2,198,562</u>	<u>2,196,196</u>	<u>2,732,862</u>	<u>5,705,870</u>	<u>17,270,775</u>
<u>\$ 4,333,007</u>	<u>\$ 4,244,096</u>	<u>\$ 5,170,266</u>	<u>\$ 8,418,990</u>	<u>\$ 19,902,798</u>

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

	2007	2006	2005	2004	2003
Revenues:					
Taxes	\$ 19,173,424	\$ 16,139,165	\$ 18,329,367	\$ 17,162,148	\$ 13,302,500
Intergovernmental	4,997,664	4,933,626	4,959,482	4,708,937	4,324,258
Interest	506,124	505,332	91,320	15,472	47,382
Tuition and Fees	46,728	67,152	49,999	49,061	80,678
Extracurricular Activities	285,421	382,353	355,895	329,479	320,931
Rentals	27,744	19,908	51,352	17,456	19,715
Charges for Services	22,662	15,750	0	14,610	0
Contributions and Donations	263,145	154,981	113,747	87,483	80,252
Miscellaneous	28,445	13,418	4,429	10,133	33,738
<i>Total Revenues</i>	<u>25,351,357</u>	<u>22,231,685</u>	<u>23,955,591</u>	<u>22,394,779</u>	<u>18,209,454</u>
Expenditures:					
Current:					
Instruction:					
Regular	9,605,336	9,250,195	9,596,898	9,174,555	8,467,549
Special	1,679,725	1,476,836	1,646,045	1,336,903	1,175,284
Vocational	162,699	123,302	71,620	92,934	108,138
Adult Continuing	0	0	0	0	0
Other	13,210	34,060	29,720	37,335	5,912
Support Services:					
Pupils	975,776	1,104,862	1,146,396	1,082,514	1,066,929
Instructional Staff	1,387,321	1,357,804	1,204,234	1,073,138	981,533
Board of Education	94,356	89,883	83,115	79,733	63,569
Administration	2,045,032	1,883,737	1,875,080	1,573,006	1,475,971
Fiscal	1,277,306	603,709	945,044	614,891	640,565
Business	800	800	800	800	800
Operation and Maintenance of Plant	2,516,357	2,489,294	2,334,061	2,305,252	2,152,062
Pupil Transportation	1,115,895	1,143,620	1,130,762	1,058,296	1,066,596
Central	22,099	25,809	24,936	21,452	21,381
Operation of Non-Instructional Services	161,178	158,724	151,141	181,176	193,699
Extracurricular Activities	724,915	697,089	695,109	727,167	726,783
Capital Outlay	7,001,158	2,213,235	707,912	251,793	281,643
Debt Service:					
Principal Retirement	1,295,000	1,146,145	853,647	821,488	814,952
Interest and Fiscal Charges	1,271,402	1,285,623	1,174,244	1,240,118	1,283,851
Bond Issuance Costs	0	0	188,590	0	0
<i>Total Expenditures</i>	<u>31,349,565</u>	<u>25,084,727</u>	<u>23,859,354</u>	<u>21,672,551</u>	<u>20,527,217</u>
<i>Excess (Deficiency) of Revenue Over (Under) Expenditures</i>	(5,998,208)	(2,853,042)	96,237	722,228	(2,317,763)
Other Financing Sources (Uses):					
Inception of Capital Lease	0	0	0	0	0
Proceeds of Debt Issuance	0	0	9,949,990	0	0
Refunding Bonds	0	0	16,819,988	0	0
Payment to Refund Bond Escrow Agent	0	0	(18,082,289)	0	0
Proceeds from Sales of Capital Assets	3,348	1,205	0	245	785
Bond Premiums	0	0	2,066,126	0	0
Transfers In	313,600	430,471	315,750	325,450	478,409
Transfers Out	(324,937)	(320,247)	(315,750)	(325,450)	(478,409)
<i>Total Financing Sources and (Uses)</i>	<u>(7,989)</u>	<u>111,429</u>	<u>10,753,815</u>	<u>245</u>	<u>785</u>
<i>Net Change in Fund Balance</i>	<u>\$ (6,006,197)</u>	<u>\$ (2,741,613)</u>	<u>\$ 10,850,052</u>	<u>\$ 722,473</u>	<u>\$ (2,316,978)</u>
Debt Service as a Percentage of Noncapital Expenditures	5.47%	4.99%	3.73%	3.86%	4.06%

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

	2002	2001	2000	1999	1998
\$	14,855,371	\$ 13,548,353	\$ 13,065,299	\$ 12,475,336	\$ 11,574,253
	4,189,224	4,102,753	3,896,047	3,649,354	3,551,367
	227,195	345,430	462,074	985,389	1,442,964
	218,409	48,658	140,660	16,012	86,350
	306,534	320,430	309,015	281,422	261,959
	17,859	14,020	15,781	10,029	7,303
	0	0	0	0	0
	0	46,478	108,254	67,461	59,355
	74,718	11,424	24,027	88,707	112,244
	<u>19,889,310</u>	<u>18,437,546</u>	<u>18,021,157</u>	<u>17,573,710</u>	<u>17,095,795</u>
	8,125,303	8,278,904	7,591,192	7,333,117	7,056,559
	1,335,649	1,162,013	935,067	740,261	691,861
	101,713	55,069	93,237	50,860	83,922
	0	0	0	0	0
	18,144	0	0	0	0
	969,626	918,002	828,402	712,100	719,057
	944,988	775,947	805,682	652,331	605,383
	65,947	57,571	69,321	73,104	60,420
	1,383,754	1,244,528	1,449,521	1,202,036	1,031,493
	547,204	428,235	426,562	449,769	410,866
	750	0	17,726	700	1,250
	2,114,661	2,057,061	1,937,576	1,650,103	1,687,855
	988,953	762,138	942,333	858,975	758,032
	21,729	0	20,571	19,903	17,592
	131,840	223,963	142,115	116,903	119,316
	690,347	632,153	621,872	549,811	563,341
	248,154	753,847	3,742,530	12,876,362	5,894,112
	767,723	742,172	439,058	283,101	189,727
	1,349,265	1,361,834	1,404,466	1,448,710	1,472,629
	0	0	0		
	<u>19,805,750</u>	<u>19,453,437</u>	<u>21,467,231</u>	<u>29,018,146</u>	<u>21,363,415</u>
	83,560	(1,015,891)	(3,446,074)	(11,444,436)	(4,267,620)
	6,636	31,426	142,726	0	110,836
	0	0	0	0	21,842,920
	0	0	0	0	0
	0	0	0	0	0
	1,465	0	8,469	2,312	1,230
	0	0	0	0	0
	51,992	45,578	347,485	245,201	240,400
	(54,742)	(45,578)	(347,485)	(260,454)	(240,400)
	<u>5,351</u>	<u>31,426</u>	<u>151,195</u>	<u>(12,941)</u>	<u>21,954,986</u>
\$	<u>88,911</u>	<u>(984,465)</u>	<u>(3,294,879)</u>	<u>(11,457,377)</u>	<u>17,687,366</u>
	3.96%	3.98%	2.42%	2.61%	1.37%

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

<u>Collection Year</u>	<u>Real Property (1)</u>		<u>Public Utility (2)</u>	
	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>
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
2003	402,220,270	1,149,200,771	6,465,970	7,347,693
2002	387,295,710	1,106,559,171	7,051,550	8,013,125
2001	382,568,900	1,093,054,000	8,017,290	9,110,557
2000	345,547,240	987,277,829	8,504,240	9,663,909
1999	322,021,960	920,062,743	8,789,110	9,987,625
1998	317,890,080	908,257,371	9,112,050	10,354,602

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis as this is the manner in which Information is maintained by the County Auditor

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

Tangible Personal Property (3)			Total		
<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Ratio</u>	
\$ 4,045,333	\$ 17,588,404	\$ 493,539,423	\$ 1,404,866,698	35%	
5,919,019	25,734,865	465,961,459	1,327,797,723	35%	
7,210,137	31,348,422	448,282,327	1,279,716,888	35%	
9,333,450	40,580,217	447,312,570	1,280,121,510	35%	
10,781,967	43,127,874	419,468,207	1,199,676,338	35%	
10,129,867	40,519,468	404,477,127	1,155,091,764	35%	
9,737,879	38,951,516	400,324,069	1,141,116,073	35%	
10,445,953	41,783,812	364,497,433	1,038,725,550	35%	
9,536,826	38,147,304	340,347,896	968,197,672	35%	
9,021,757	36,087,028	336,023,887	954,699,001	35%	

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

Collection Year	School Levy	Cuyahoga County Levy	Geauga County Levy	City Levy	Total Levy	Debt Service Included in Total Levy			
						School	County	City	Total
2006	100.40	13.42	15.10	11.20	140.12	5.75	0.74	2.9	9.39
2005	100.90	20.30	15.10	11.50	147.80	6.25	0.50	3.20	9.95
2004	99.80	19.40	15.10	10.40	144.70	5.15	0.91	3.20	9.26
2003	92.20	17.60	14.60	10.40	134.80	5.45	0.91	2.10	8.46
2002	92.10	17.60	14.40	10.40	134.50	5.35	0.86	2.10	8.31
2001	92.30	17.60	14.40	10.50	134.80	5.55	0.79	2.20	8.54
2000	92.80	16.70	13.65	10.60	133.75	6.05	0.85	2.30	9.20
1999	88.00	16.70	13.45	10.70	128.85	5.45	0.72	2.40	8.57
1998	88.90	18.00	13.45	10.70	131.05	5.75	0.60	0.00	6.35
1997	83.90	18.00	13.45	6.50	121.85	1.35	0.90	0.00	2.25

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

Chagrin Falls Exempted Village School District

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

Year (2)	Total Tax Levy	Current Collections	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Percent of Total Tax Collections to Tax Levy
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%
2002	16,715,910	15,247,743	91.22%	469,969	15,717,712	94.03%
2001	16,632,773	15,487,332	93.11%	129,365	15,616,697	93.89%
2000	16,316,023	15,384,560	94.29%	357,567	15,742,127	96.48%
1999	14,530,724	13,543,133	93.20%	475,513	14,018,646	96.48%
1998	14,083,263	13,235,117	93.98%	247,088	13,482,205	95.73%
1997	11,772,598	11,509,984	97.77%	311,206	11,821,190	100.41%

Source: Cuyahoga County Auditor for 2006 and Cuyahoga and Geauga County Auditors for 1997 through 2005 - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) Represents collection year. 2007 information cannot be presented because all collections have not been made by June 30.

Chagrin Falls Exempted Village School District
Principal Taxpayers
Real Estate Tax
December 31, 2006 and December 31, 2001

Name of Taxpayer	Assessed Value (1)	Percent of Real Assessed Value
December 31, 2006		
Edmund A. Leopold	1,703,050	0.35%
Cleveland Electric Illuminating Company	1,493,950	0.31%
Western Reserve Company, LLC	1,332,420	0.28%
Chagrin Falls Shopping Center	1,292,200	0.27%
Hamlet Atrium, LLC	1,241,490	0.26%
Manorcare Health Service	1,032,500	0.21%
Harris Realty Co.	971,980	0.20%
530 Washington LLC	776,310	0.16%
Hamlet Manor LLC	755,620	0.16%
River Street Partners LLC	751,660	0.16%
Totals	<u>\$ 11,351,180</u>	<u>0.89%</u>
Total Assessed Valuation	<u>\$ 482,941,000</u>	
December 31, 2001		
Edmund A. Leopold	\$ 1,653,960	0.43%
Ivex Paper Mill Corp	1,333,230	0.35%
Merida Health System	1,219,410	0.32%
Manorcare Health Services	843,050	0.22%
Chagrin Woods LLC	726,620	0.19%
The Bares Group	640,230	0.17%
Brewster & Stroud Co.	450,350	0.12%
Cablevision	359,310	0.09%
Cipriani Investments	339,930	0.09%
Chagrin Knolls	330,250	0.09%
Totals	<u>\$ 7,896,340</u>	<u>2.06%</u>
Total Assessed Valuation	<u>\$ 382,568,900</u>	

Source: Cuyahoga and Geauga County Auditors

(1) Assessed values are for the 2007 collection year for 2006 and the 2002 collection year for 2001.

Information prior to 2000 was not available.

Chagrin Falls Exempted Village School District
Principal Taxpayers
Tangible Personal Property Tax
December 31, 2006 and December 31, 2001

Name of Taxpayer	Assessed Value (1)	Percent of Real Assessed Value
December 31, 2006		
Ohio Bell	245,570	6.07%
Chagrin Pet and Garden	145,070	3.59%
Cuff's Clothing	141,370	3.49%
CVS Pharmacy	130,370	3.22%
Time Warner Cable	119,770	2.96%
Siemens Medical Solutions	115,210	2.85%
Giant Eagle	108,220	2.68%
Adelphia	141,130	3.49%
Medtronic USA, Inc.	98,870	2.44%
Nalco Company	97,860	2.42%
Totals	<u>\$ 1,343,440</u>	<u>33.21%</u>
Total Assessed Valuation	<u>\$ 4,045,333</u>	
December 31, 2001		
Stride Tool, Inc.	\$ 826,460	8.49%
Cablevision of Midwest, Inc.	246,880	2.54%
IBI Brake Productis	122,930	1.26%
Alterra Healthcare	73,040	0.75%
New Par	59,740	0.61%
Norfold Southern Combined	59,260	0.61%
Althans Insurance Company	47,500	0.49%
Lad Lavicka, Inc.	36,110	0.37%
Cameo CC	30,780	0.32%
Drs. Slaten & Fury, Inc.	30,200	0.31%
Totals	<u>\$ 1,532,900</u>	<u>15.75%</u>
Total Assessed Valuation	<u>\$ 9,737,879</u>	

Source: Cuyahoga and Geauga County Auditors.

Information prior to 2000 was not available.

Chagrin Falls Exempted Village School District
Principal Taxpayers
Public Utility Personal Property Tax
December 31, 2006 and December 31, 2001

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Real Assessed Value</u>
December 31, 2006		
Cleveland Electric Illuminating Company	4,494,220	58.00%
Ohio Bell Telephone Company	889,720	11.10%
American Wireless Transmission	382,410	5.54%
Alltel Ohio	224,260	16.11%
New Par	185,500	5.18%
Totals	<u>\$ 6,176,110</u>	<u>95.93%</u>
Total Assessed Valuation	<u>\$ 6,552,990</u>	
December 31, 2001		
Cleveland Electric Illuminating Company	\$ 4,078,130	50.87%
Ohio Bell Telephone Company	998,530	12.45%
American Wireless Transmission	396,710	4.95%
Western Reserve Telephone Company	253,370	3.16%
Alltel Ohio LTD	112,390	1.40%
Totals	<u>\$ 5,839,130</u>	<u>72.83%</u>
Total Assessed Valuation	<u>\$ 8,017,290</u>	

Source: Cuyahoga and Geauga County Auditors.

Information prior to 2000 was not available.

Chagrin Falls Exempted Village School District
*Computation of Direct & Overlapping General Obligation Bonded Debt
as of June 30, 2007*

	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Application to School District</u>
Direct:			
Chagrin Falls Exempted Village	\$ 16,434,689	100.00%	\$ 16,434,689
Overlapping:			
Cuyahoga County	214,338,691	0.90%	1,923,378
Regional Transit Authority	156,500,000	0.90%	1,404,360
Bentleyville Village	885,000	21.81%	193,003
Chagrin Falls Village	1,185,000	16.49%	195,420
Moreland Hills Village	<u>3,855,000</u>	61.70%	<u>2,378,557</u>
Total Overlapping	<u>376,763,691</u>		<u>6,094,718</u>
Total	<u>\$ 393,198,380</u>		<u>\$ 22,529,407</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 2007 collection year.

Chagrin Falls Exempted Village School District
Computation of Legal Debt Margin
 June 30, 2007

	2007	2006	2005	2004
Assessed Valuation	\$ 493,539,423	\$ 465,961,459	\$ 448,282,327	\$ 447,312,570
Bonded Debt Limit - 9% of Assessed Value (1)	\$ 44,418,548	\$ 41,936,531	\$ 40,345,409	\$ 40,258,131
Outstanding debt:				
General Obligation Bonds	28,184,978	29,479,978	30,619,978	21,515,000
Less Amount Available in Debt Service	<u>(2,706,487)</u>	<u>(2,445,341)</u>	<u>(2,447,563)</u>	<u>(1,754,657)</u>
Total	<u>25,478,491</u>	<u>27,034,637</u>	<u>28,172,415</u>	<u>19,760,343</u>
Exemptions:				
Tax Anticipation Notes	-	-	-	-
Energy Conservation Note	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amount of Debt Subject to Debt Limit:	<u>25,478,491</u>	<u>27,034,637</u>	<u>28,172,415</u>	<u>19,760,343</u>
Overall Debt Margin	<u>\$ 18,940,057</u>	<u>\$ 14,901,894</u>	<u>\$ 12,172,994</u>	<u>\$ 20,497,788</u>
Bonded Debt Limit - .1% of Assessed Value (1)	493,539	465,961	448,282	447,313
Amount of Debt Applicable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unvoted Debt Margin	<u>\$ 493,539</u>	<u>\$ 465,961</u>	<u>\$ 448,282</u>	<u>\$ 447,313</u>

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.

2003	2002	2001	2000	1999	1998
<u>\$ 418,605,651</u>	<u>\$ 404,477,127</u>	<u>\$ 400,324,069</u>	<u>\$ 364,497,433</u>	<u>\$ 340,347,896</u>	<u>\$ 316,990,448</u>
\$ 37,674,509	\$ 36,402,941	\$ 36,029,166	\$ 32,804,769	\$ 30,631,311	\$ 28,529,140
22,310,000	23,080,000	23,775,000	24,450,000	24,840,000	3,435,000
<u>(1,432,349)</u>	<u>(1,414,155)</u>	<u>(1,167,897)</u>	<u>(1,086,369)</u>	<u>(838,631)</u>	<u>(339,701)</u>
<u>20,877,651</u>	<u>21,665,845</u>	<u>22,607,103</u>	<u>23,363,631</u>	<u>24,001,369</u>	<u>3,095,299</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>20,877,651</u>	<u>21,665,845</u>	<u>22,607,103</u>	<u>23,363,631</u>	<u>24,001,369</u>	<u>3,095,299</u>
<u>\$ 16,796,858</u>	<u>\$ 14,737,096</u>	<u>\$ 13,422,063</u>	<u>\$ 9,441,138</u>	<u>\$ 6,629,942</u>	<u>\$ 25,433,841</u>
418,606	404,477	400,324	364,497	340,348	316,990
-	-	-	-	-	-
<u>\$ 418,606</u>	<u>\$ 404,477</u>	<u>\$ 400,324</u>	<u>\$ 364,497</u>	<u>\$ 340,348</u>	<u>\$ 316,990</u>

Chagrin Falls Exempted Village School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds (1)	Percentage of Personal Income (2)	Net Debt Per Capita
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
2003	22,310,000	N/A	1,541
2002	23,080,000	N/A	1,594
2001	23,775,000	N/A	1,642
2000	24,450,000	N/A	1,948
1999	24,840,000	N/A	2,054
1998	25,095,000	N/A	2,075

Source:

(1) School District Financial Records

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

Chagrin Falls Exempted Village School District
Ratio of Debt
to Assessed Value and Debt per Capita
Last Ten Fiscal Years

Fiscal Year	Population (1)	Estimated Actual Value of Taxable Property (2)	General Bonded Debt Outstanding	Resources Available to Pay Principal	Net General Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value	Net Debt Bonded Debt Per Capita
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
2003	14,481	1,155,091,764	22,310,000	1,432,349	20,877,651	1.81%	1,442
2002	14,481	1,141,116,073	23,080,000	1,414,155	21,665,845	1.90%	1,496
2001	14,481	1,038,725,550	23,775,000	1,167,897	22,607,103	2.18%	1,561
2000	12,552	968,197,672	24,450,000	1,086,369	23,363,631	2.41%	1,861
1999	12,096	954,699,001	24,840,000	838,631	24,001,369	2.51%	1,984
1998	11,938	901,794,654	3,435,000	339,701	3,095,299	0.34%	259

Source:

(1) U.S. Census of Population

(2) Cuyahoga and Geauga County Auditors.

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

Year	Cuyahoga County Population (1)	Geauga County Population (1)	Bentleyville Village Population (2)	Chagrin Falls Village Population (2)
2007	1,386,096	90,895	900	4,652
2006	1,386,096	90,895	900	4,652
2005	1,386,096	90,895	900	4,652
2004	1,386,096	90,895	900	4,652
2003	1,386,096	90,895	900	4,652
2002	1,386,096	90,895	900	4,652
2001	1,386,096	90,895	900	4,652
2000	1,386,096	89,598	900	4,652
1999	1,386,096	87,913	900	4,652
1998	1,397,694	86,054	1,017	4,146

Information for 2007 was not available.

(1) Cleveland Plain Dealer Newspaper.

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

(3) Department of Job and Family Services.

Moreland Hills Village Population (2)	South Russell Township Population (2)	Per Capita Income	Personal Income	Cuyahoga County Unemployment Rate (3)	Geauga County Unemployment Rate (3)
3,400	5,560	1.6	92,991	4.9	3.4
3,400	5,560	1.6	92,991	4.9	3.4
3,400	5,560	N/A	N/A	4.8	3.2
3,400	5,560	N/A	N/A	4.8	3.2
3,400	5,560	N/A	N/A	4.8	3.2
3,400	5,560	N/A	N/A	4.8	3.2
3,400	5,529	N/A	N/A	4.6	3.0
3,400	3,600	N/A	N/A	4.6	2.8
3,400	3,600	N/A	N/A	4.5	3.0
3,354	3,579	N/A	N/A	4.0	3.5

Chagrin Falls Exempted Village School District
Principal Employers
Current and Five Years Ago

Employer	Nature of Business	2007		
		Employees	Rank	Percentage of Total Employment (1)
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
Gamekeepers 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

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

2002		
Employees (1)	Rank (1)	Percentage of Total Employment (1)
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A

Chagrin Falls Exempted Village School District
Building Statistics by Function/Program
Current Fiscal Year

Gurney Elementary School

Constructed in 1966, additions in 1968,1971,1998	
Total Building Square Footage	66,472
Enrollment Grades	PreK-3
Student Capacity - enrollment	581
Regular Instruction Classrooms	39
Regular Instruction Teachers	29
Special Instruction Teachers	9

Chagrin Falls Intermediate School

Constructed in 1914, additions in 1939, 1952	
Total Building Square Footage	71,243
Enrollment Grades	4-6
Student Capacity - enrollment	431
Regular Instruction Classrooms	28
Regular Instruction Teachers	27
Special Instruction Teachers	6

Chagrin Falls Middle School

Constructed in 1999	
Total Building Square Footage	103,537
Enrollment Grades	7-8
Student Capacity - enrollment	296
Regular Instruction Classrooms	24
Regular Instruction Teachers	22
Special Instruction Teachers	3

Chagrin Falls High School

Constructed in 1957, additions in 1961,1965,1968,1971	
Total Building Square Footage	116,404
Enrollment Grades	9-12
Student Capacity - enrollment	651
Regular Instruction Classrooms	44
Regular Instruction Teachers	46
Special Instruction Teachers	2

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

Year	General Fund Expenditures	Average Daily Student Enrollment	Cost Per Pupil
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
2003	20,583,903	1,967	10,465
2002	19,786,542	1,914	10,338
2001	15,879,362	1,919	8,275
2000	15,237,712	1,935	7,875
1999	13,874,579	1,866	7,435
1998	13,417,929	1,901	7,058
1997	12,986,327	1,855	7,001

Source: School District Financial Records

Chagrin Falls Exempted Village School District
Full-Time Equivalent School District Teachers by Education
Last Ten Fiscal Years

Degree	2007	2006	2005	2004
Bachelor's Degree	18	18	15	21
Bachelor + 10	7	8	6	9
Bachelor + 20	9	10	17	15
Bachelor + 30	13	14	17	17
Master's Degree	56	56	46	40
Master's + 10	27	28	29	26
Master's + 20	12	12	12	14
Master's + 30	11	9	10	10
Phd	1	1	1	1
Total	154	156	153	153

Source: School District Personnel Records.

2003	2002	2001	2000	1999	1998
22	23	30	22	21	18
13	12	9	10	10	10
15	15	14	19	19	19
14	14	16	14	13	11
45	47	45	42	41	35
23	18	21	19	21	21
10	12	7	10	10	7
10	8	7	9	9	11
1	1	1	1	1	1
153	150	150	146	145	133

Chagrin Falls Exempted Village School District
Enrollment Statistics
Last Ten Fiscal Years

Year	Elementary School	Intermediate School	Middle School	High School	Total
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
2003	458	447	330	632	1,867
2002	475	447	327	597	1,846
2001	483	458	338	580	1,859
2000	490	470	338	556	1,854
1999	444	328	466	555	1,793
1998	409	335	453	567	1,764

Source: School District Records

Chagrin Falls Exempted Village School District
Average Number of Students Per Teacher
Last Nine Fiscal Years

Fiscal Year	Chagrin Falls Average	State Average
2007	16.3	19.6
2006	16.5	18.9
2005	17.2	18.5
2004	17.5	18.5
2003	15.5	16.6
2002	16.1	16.9
2001	17.8	18.0
2000	18.0	18.1
1999	18.6	18.6

Source: Ohio Department of Education, EMIS Reports.

Chagrin Falls Exempted Village School District
Attendance and Graduation Rates
Last Ten School Years

Fiscal Year	Chagrin Falls Attendance Rate	State Average	Chagrin Falls Graduation Rate	State Average
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
2003	95.4	94.5	96.6	83.9
2002	96.1	94.3	98.6	82.8
2001	95.6	93.9	97.1	81.2
2000	96.2	93.6	99.3	80.7
1999	95.3	93.5	99.2	81.4
1998	95.8	93.9	96.3	79.9

Source: Ohio Department of Education Local Report Cards

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Chagrin Falls Exempted Village School District
SAT Scores
Last Nine Fiscal Years

School Year	Number of Test Takers	Number of Seniors	Percent of Students	Chagrin Falls Verbal	Ohio Verbal	National Verbal
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
2003	121	139	87	555	536	507
2002	133	144	92	547	533	504
2001	121	137	88	544	534	506
2000	124	135	92	547	533	505
1999	104	120	87	541	534	505

Source: High School Guidance Office

Chagrin Falls Math	Ohio Math	National Math	Chagrin Falls Writing	Ohio Writing	National Writing
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
597	541	519	N/A	N/A	N/A
589	540	516	N/A	N/A	N/A
570	539	514	N/A	N/A	N/A
579	539	514	N/A	N/A	N/A
565	538	511	N/A	N/A	N/A

Chagrin Falls Exempted Village School District
ACT Composite Scores
Last Nine Fiscal Years

School Year	Number of Test Takers	Number of Seniors	Percent of Students	Chagrin Falls Composite	Ohio Composite	National Composite
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
2003	95	139	68%	24.9	21.4	20.8
2002	97	144	67%	24.6	21.4	20.8
2001	101	137	74%	23.6	21.4	21.0
2000	103	135	76%	23.5	21.4	21.0
1999	93	120	78%	23.2	21.4	21.0

Source: High School Guidance Office

Chagrin Falls Exempted Village School District
School District Employees by Function/Program
Last Three Fiscal Years

Function	2007	2006	2005
Regular Instruction			
Elementary Classroom Teachers	29.00	28.00	27.00
Intermediate Classroom Teachers	26.50	25.00	24.50
Middle School Classroom Teachers	20.00	21.50	20.50
High School Classroom Teachers	42.50	42.00	42.00
Special Instruction			
Elementary Classroom Teachers	6.00	7.00	7.50
Intermediate Classroom Teachers	4.50	5.50	5.00
Middle School Classroom Teachers	2.50	2.50	2.00
High School Classroom Teachers	3.00	2.00	2.00
Pupil Support Services			
Guidance Counselors	6.00	6.00	6.00
Librarians	2.00	2.00	2.00
Psychologists	1.00	1.00	1.00
Speech and Language Pathologists	2.00	2.00	2.00
Non-Teaching Support Staff Central	3.50	2.00	2.00
Instructional Support Services			
Non-Teaching Support Staff Elementary	12.50	13.50	12.50
Non-Teaching Support Staff Intermediate	7.00	7.00	7.00
Non-Teaching Support Staff Middle	5.00	5.00	4.00
Non-Teaching Support Staff High	7.50	6.50	6.00
Non-Teaching Support Staff Central	3.50	3.00	3.00
Administration			
Elementary	1.00	1.00	1.00
Intermediate	1.00	1.00	1.00
Middle School	1.00	1.00	1.00
High School	2.00	2.00	2.00
Business			
Central	2.50	2.50	2.50
Business			
Treasurer Department	4.00	4.00	4.00
Operation of Plant			
Custodian Department	19.00	19.00	19.00
Maintenance Department	4.00	4.00	5.00
Pupil Transportation			
Bus Drivers	20.50	20.00	21.00
Mechanics	1.50	1.50	1.50
Transportation Support Staff	0.50	0.50	0.50
Central			
Community Relations	1.00	1.00	1.00
Technology	3.00	3.00	3.00
Personnel	0.50	0.50	0.50
Extracurricular			
Athletic Department	2.00	2.00	2.00
Food Service Program			
Elementary	2.00	2.00	2.00
Intermediate	2.00	2.00	2.00
Middle School	2.00	2.00	3.00
High School Cooks	5.00	5.00	5.00
Central	1.00	1.00	1.00
Adult Education/Community Service			
Adult Education	1.50	1.50	1.50
Totals	261.00	258.00	255.50

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



Mary Taylor, CPA
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 22, 2008