

Chagrin Falls Exempted Village School District

* * * *

Report Letters

June 30, 2010



Dave Yost • 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, 2009 through June 30, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

January 14, 2011

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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.

November 19, 2010

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 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 Chagrin Falls Exempted Village School District, Ohio (the School District) as of and for the year ended June 30, 2010, which collectively comprise the School District's basic financial statements and have issued our report thereon dated November 19, 2010. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the 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, but not for the purpose of opining on the effectiveness of the School District's 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, 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 reasonably assuring whether the School District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We noted a certain immaterial matter that we have reported to management of Chagrin Falls Exempted Village School District in a separate letter dated November 19, 2010.

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 those specified parties.

Rea & Associates, Inc.



Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

November 19, 2010

To the Board of Education and Audit Committee
Chagrin Falls Exempted Village School District
400 East Washington Street
Chagrin Falls, Ohio 44022

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Compliance

We have audited the compliance of the Chagrin Falls Exempted Village School District, Ohio (the 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 could have a direct and material effect on its major federal program for the year ended June 30, 2010. The School District's major federal program is identified in the summary of auditor's results section of the accompanying *Schedule of Findings*. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of School District's management. Our responsibility is to express an opinion on the 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 included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School District's compliance with those requirements.

In our opinion, Chagrin Falls Exempted Village School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2010.

Internal Control over Compliance

The School District's management 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 the School District's internal control over compliance with requirements that could directly and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal controls over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

Schedule of Expenditures of Federal Awards

We have audited 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, 2010, and have issued our report thereon dated November 19, 2010. Our audit was performed for the purpose of forming an opinion on the basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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.

Rea & Associates, Inc.

Chagrin Falls Exempted Village School District
Schedule of Expenditures of Federal Awards - Cash Basis
For The Fiscal Year Ended June 30, 2010

Federal Grantor/Pass-through Grantor Program Title	CFDA Number	Program Year	Federal Receipts	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION (Passed through Ohio Department of Education)				
<i>Special Education Cluster</i>				
Special Education - Grants to States	84.027	2009	\$ 0	\$ 5,888
Special Education - Grants to States	84.027	2010	323,247	333,494
ARRA - Special Education - Grants to States	84.391	2010	25,150	18,990
Special Education - Preschool Grants	84.173	2010	9,440	9,440
<i>Total Special Education Cluster</i>			<u>357,837</u>	<u>367,812</u>
Title I - Grants to Local Educational Agencies	84.010	2010	47,017	47,017
Title V - Innovative Education	84.298	2009	0	95
Title II-A - Improving Teacher Quality	84.367	2010	32,743	28,783
Safe and Drug-Free Schools	84.186	2010	3,429	2,388
Title II-D - Educational Technology	84.318	2009	24	24
Title II-D - Educational Technology	84.318	2010	421	421
Total Title II-D - Educational Technology			<u>445</u>	<u>445</u>
ARRA - State Fiscal Stabilization Fund	84.394	2010	118,385	118,385
Total U. S. Department of Education			559,856	564,925
U. S. DEPARTMENT OF AGRICULTURE (Passed through Ohio Department of Education)				
Child Nutrition Cluster:				
Non-Cash Assistance (Food Distribution):				
National School Lunch Program (A)(B)	10.555		20,043	20,043
Cash Assistance:				
National School Lunch Program (B)	10.555		39,935	39,935
<i>Total Child Nutrition Cluster</i>			<u>59,978</u>	<u>59,978</u>
Total US Department of Agriculture			<u>59,978</u>	<u>59,978</u>
Total Federal Financial Assistance			<u>\$ 619,834</u>	<u>\$ 624,903</u>

- (A) Program regulations do not require the School District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance and related expenditures are reported in this schedule at the value of the commodities received as assessed by the U.S. Department of Agriculture (entitlement value).
- (B) Federal money commingled with state subsidy reimbursements. It is assumed federal moneys are expended first.

**Chagrin Falls Exempted Village School District
Schedule of Findings
OMB Circular A-133, Section .505
June 30, 2010**

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)?	No
(d) (1) (iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Was there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any other significant deficiencies reported for major federal programs?	No
(d) (1) (v)	Type of Major 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, 84.391
(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

None noted

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
--

None noted

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

Chagrin Falls, Ohio

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2010

Chagrin Falls, Ohio Exempted Village School District

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2010

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, 2010
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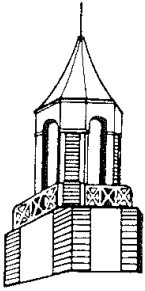
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**INTRODUCTORY
SECTION**



Chagrin Falls Exempted Village Schools

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STEPHEN L. THOMPSON
Superintendent

ROBERT W. HUNT
Assistant Superintendent

KURT GABRAM
Business Manager

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

BOARD OF EDUCATION

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KAREN PENLER, CPA

ANNE B. THOMAS, Ph.D.

ANNE SPANO

Treasurer/CFO

November 19, 2010

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, 2010. 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 1966 – PreK – grade 3), one intermediate school (built in 1914 – grades 4-6), one middle school (built in 1999 – grades 7-8) and a high school (built in 1957 – grades 9-12). Current enrollment (for the 2009-2010 school year) was 2,016, 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 2009 – 2010 school year once again continued the long tradition of excellence that exists in our school system. That excellence is easily observed as we reflect on the past school year. The Chagrin Falls School District was again rated as an “Excellent” school by the Ohio Department of Education. We were awarded a special banner for being among a very elite group of districts in the State of Ohio to receive this distinction for the tenth consecutive year. As in the past, this recognition was based on our high proficiency scores, our exceptional attendance, and our outstanding graduation rate. Also, the Certificate of Achievement for Excellence in Financial Reporting was awarded to our school district by the Government Finance Officers Association. In addition, the Intermediate School was honored as a 2009 National Blue Ribbon School. *U.S. News and World Report* selected Chagrin Falls High School as one of its “Top Schools” in the country, ranking number 121 in the nation. Due to its strong academic performance, the Middle School was nominated for the National Blue Ribbon School Award which was announced in the fall of 2010. Finally, Gurney School received the President’s Award for Youth Service in recognition of their efforts to service the seniors at Hamlet Village.

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 2009-2010 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 programs, students identified with exceptional needs are supported by the assistance of intervention specialists, speech therapists, an occupational therapist, a physical therapist, reading specialists, and a guidance counselor. Weekly instruction was provided for all students in art, music, physical education, and library. Second and Third Graders also received instruction in Chinese and Spanish. Along with those specialty areas, each classroom teacher utilizes the computer lab, smart boards/mimios, digital storytelling applications, blogs, digital/flip cameras and extensive science materials to supplement and extend learning experiences. Grade level teams worked together to create instructional units that engaged students in the learning process. Kindergarteners learned to collect data and read graphs and charts. Their reading and writing skills soared through poetry and writer’s workshop. First Graders took off in their reading and writing skills by producing their very own class and individual books. Second Graders learned basic economics concepts and created their own societies with currency and businesses. Third Graders enjoyed science and social studies rotations among all of their teachers through which students were challenged and engaged with hands-on activities. Both Second and Third Graders enjoyed a literacy day with the Seventh and Eighth Graders at Chagrin Falls Middle School where they were able to read together and share pieces of their own writing. In specialty areas, students demonstrated great skills. Of course the famous Gurney Holiday Show was a fantastic musical hit. In art class our third graders produced their own Guitar Mania. And, in physical education class, our students learned dances from all over the world as they combined with music classes.

Chagrin Falls Intermediate School houses our district’s fourth, fifth and sixth graders. In the 2009-2010 school year the enrollment reached 478 students. The faculty and student body work together to transition from Gurney School to the Middle School in just three short years. The Intermediate School staff worked on several goals this year. The first was to continue the implementation of *Understanding by Design* as a framework for lesson and unit planning. The second goal of the Intermediate School staff was to restructure intervention periods to track students by ability level to remediate at-risk students and challenge gifted students. The third goal the

Intermediate School staff worked on this year was to continue developing and implementing Short Cycle Assessments in all content areas two times a year. Finally, the Intermediate School staff began learning about Tier I, II and III RTI (Response to Intervention) strategies. This is a goal that we will continue working on as we implement what we learned and put it into practice. The Intermediate School Spring Art Show ran concurrently with the May concerts. Also, all of our students took Chinese and Spanish as part of our specials programming. The Intermediate School enjoyed many assemblies and special events this year to help enhance our learning. We had COSI-on-Wheels come in this year to present *Investigating Energy* to all of our students. With the help of over sixty volunteers, students were able to perform many hands-on experiments that were designed to help our students understand the complexities of energy. This year the Intermediate School was awarded the National Blue Ribbon School Award. This very prestigious award goes to schools that are in the top ten percent of the state for their Achievement Test Scores. This award illustrates the commitment of our staff, students and parents. The Intermediate School was the recipient of the Governor's Buckeye Best Healthy School Silver Medal Award for the sixth year in a row. To earn this award a school must have complete offerings and programs that promote physical education, nutrition and drug and alcohol awareness. Also, one of our teachers, Mrs. Sarah Read, was awarded the Chagrin Valley Rotary's "Today's Teacher" award. Mrs. Read is an outstanding fourth grade math teacher who is best known for her involvement and leadership in the school wearing so many different hats. This is the fourth teacher from our school to win this award.

Chagrin Falls Middle School had a student enrollment of almost 290 seventh and eighth graders for the 2009-2010 academic year. The Middle School staff provided many opportunities for academic and social growth for the entire student population. Middle School students also benefited from a shared high school/ middle school campus. This year, students were provided many educational opportunities that included an eighty-four minute block of language arts, accelerated courses for high school credit, several foreign language opportunities, and special classes including choir, band, art, computer, health, PE, and consumer science. Students performed exceptionally well on the Ohio Achievement Tests administered in the spring. In reading, 99.3% of all seventh graders and 98.4% of all eighth graders performed above the proficient level. In math, 98% of all seventh graders and 87.2% of all eighth graders performed above the proficient level. In science, 89.6% of all eighth graders performed above the proficient level. Because of our strong academic performance, the Middle School has been nominated for the National Blue Ribbon School Award to be given out in the fall of 2010. The eighth graders traveled to Washington, DC in May and the seventh graders participated in an extended day trip to Cleveland. These trips extended student learning and supported state standards in all content areas. The Middle School hosted the Chagrin Valley Art Forum with nine schools in attendance. The Middle School focused on effective education by organizing a variety of student development days. Topics included bullying, tolerance and diversity, literacy, internet safety and effective study skills. Students also used their advisory time to raise over \$3,000 for Kick-It for Cancer.

Chagrin Falls High School is a four-year comprehensive high school that continues to be recognized as a National School of Excellence. We had yet another successful Advanced Placement testing season in which 226 juniors and seniors took 552 tests. Last year our results were outstanding and we expect sustained outcomes this year. During the 2009-2010 school year, Chagrin Falls High School had an enrollment of 682 students. Small class sizes, over 134 course offerings and 18 advanced placement classes provided students with the opportunity for academic and personal growth. The commitment to academic excellence was highlighted with six commended and two finalists in the National Merit Corporation competition. This is the second year of the Performing Arts Academy at Chagrin. Twenty three students enrolled in first year Performing Arts I and 17 students returned for their second year. This program is an accredited, half day program under the umbrella of northeast Ohio's Mayfield Consortium. The Academy is a college preparatory program that inspires character development and self discovery. We recognized over 386 students for their excellence in education. Tiger of the Semester – 30 students; Cum Laude Society – 16 students; Principal Academic Distinction – 165 students and Principal Academic Merit – 175 students. 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 Mouse that Roared and The Music Man. Our Music Program featured marching band and concert bands, string

orchestra, women's choir and mixed ensemble. Many of our art students received recognition at the local, state and national levels for their work. The school is committed to the full development of its student-athletes by offering 24 varsity sports. Football, cross country, tennis, boys soccer, golf, girls soccer, swimming, diving, and gymnastics all were league champions. All students 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. 150 of our graduating seniors took part in the senior project, which provided them with an opportunity to experience on-the-job training in various career settings. As proud as we were of our students' achievements, our staff continues to demonstrate success and excellence. High School Teacher Christine Deighan was the 2010 recipient of the Irene C. Heller Award recognizing outstanding high school chemistry teaching. Numerous teachers continue to develop themselves professionally through post graduate course work and seminars.

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 results. Course of study revisions for the 2010 - 2011 school year are business, family and consumer science and Foreign Language. The district continues to develop and expand the use of technology in the classroom. The district is implementing a response to intervention model to assist at risk students. The elementary teachers are focused on integrating a new literacy program while secondary teachers are in the evaluation stage. The district remains committed to offering a well-rounded education that promotes international mindedness. We continue to foster international collaborative relationships in China and are investigating possible partners in South Africa throughout the year.

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. Ohio House Bill 1 was approved by the Ohio Legislature during the summer of 2009 and introduced the Ohio Evidence Based Funding Model. 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). The district completed contract negotiations with the certificated union during the spring of 2010 and will engage in contract negotiations with the non-certificated union in the 2010-2011 school year.

The School District will also seek the Certificate of Excellence in Financial Reporting for the School District's 2010 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. The average federal adjusted gross income levels were at \$150,261 based on the 2008 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 twenty-one years.

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. Federal Stimulus dollars were available during the 2009-2010 school year and will be available to the district in the upcoming year. The effects of increases in utility costs and bus fuel will continue to negatively impact the district. Student

enrollment has increased at a manageable rate. The 2009-2010 enrollment of 2,016 students reflects a decrease of seventeen students as compared to the 2008-09 school year, and an increase of 162 students compared to the 1999-2000 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 operating levies that have been submitted to the voters, in advance of the School District experiencing financial shortcomings.

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 fund level for all funds. All purchase order requests must be approved by the Building Principal and certified by the Treasurer; necessary funds are then encumbered and purchase orders released to

vendors. Those requests which exceed the available appropriation are rejected until additional appropriations are secured.

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

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

Financial Condition

This is the tenth 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 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 2010 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 \$86,722 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 \$60,844 for the year ended June 30, 2010; \$60,186 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 no deductible. The School District also carries a single occurrence \$5,000,000 limit for professional liability with no deductible and automobile liability which has a \$5,000,000 combined single limit of liability. Property insurance has a \$1,000 deductible with a limit of \$70,291,989 and inland marine insurance has a deductible of \$500 with a limit of \$185,000.

The Chagrin Falls Exempted Village School District has insurance contracts for vehicle insurance 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, 2010. 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, 2009. 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,



Mr. Stephen Thompson
Superintendent



Ms. Anne Spano
Treasurer

Chagrin Falls Exempted Village School District
Principal Officials
June 30, 2010

Board of Education

Elizabeth H. O'Neil	President
Karen Wise	Vice President
Mary Kay O'Toole	Member
Karen Penler	Member
Anne B. Thomas Ph.D.	Member

Treasurer/CFO

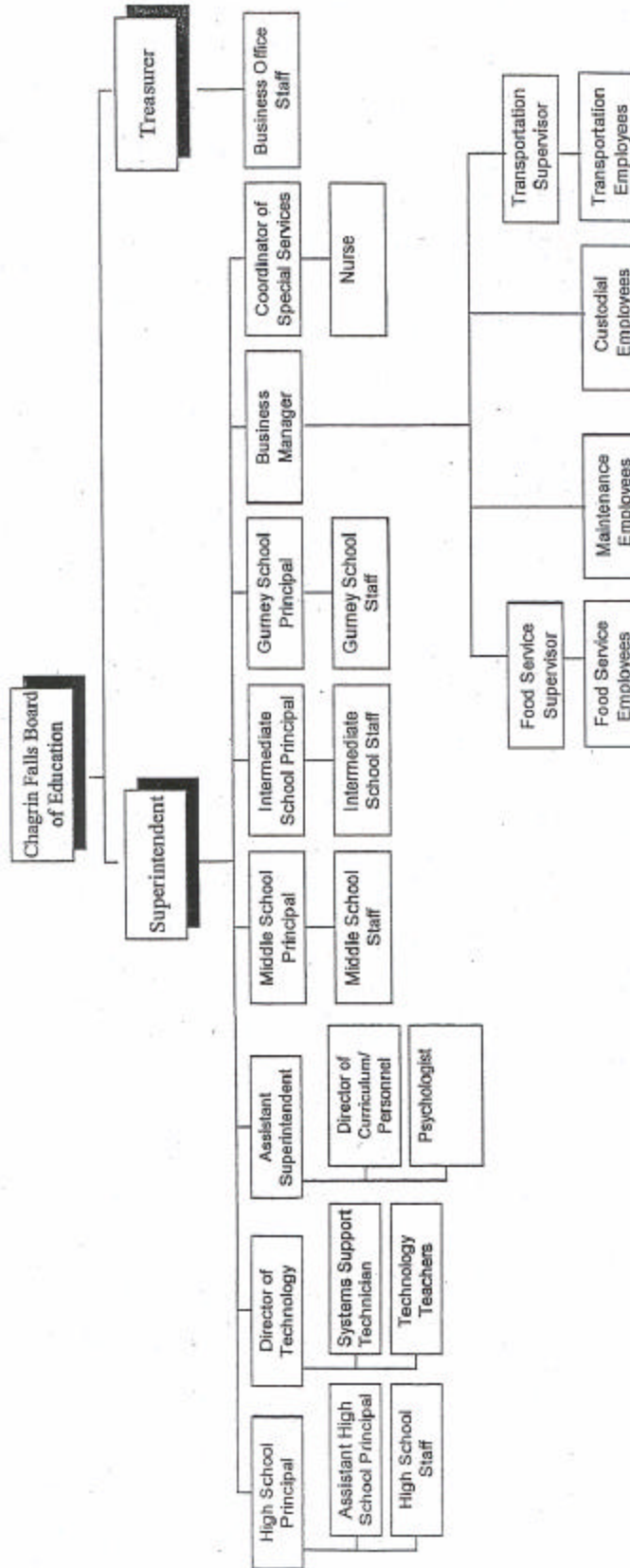
Ms. Anne Spano

Superintendent

Mr. Stephen Thompson

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, 2009

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.



President

Executive Director

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FINANCIAL SECTION



Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

November 19, 2010

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, 2010, 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, 2010, 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 November 19, 2010, 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, 2010

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, 2010. 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 2010 are as follows:

- ❑ General Revenues accounted for \$26.4 million in revenue or 95% of all revenues in the governmental activities. Program specific revenues in the form of charges for services and sales, grants, contributions and interest accounted for approximately \$1.5 million or 5% of total revenues of \$27.8 million. Program expenses amounted to \$25.9 million for the governmental activities.
- ❑ The business-type activities had total revenues of \$1.2 million and operating expenses of \$1.1 million.
- ❑ Net assets increased \$1.9 million from governmental activities and business-type activities increased almost \$10,000 in fiscal year 2010.
- ❑ Capital assets in the governmental activities decreased \$.8 million through depreciation exceeding acquisitions. In fiscal year 2010, the School District continued with building improvements and purchased two school buses, a snow plow and equipment.
- ❑ Outstanding bonded debt and related liabilities decreased from \$28.1 million to \$26.8 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, 2010

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 2010?" 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 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 and the debt service fund.

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

Chagrin Falls Exempted Village School District

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2010

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 and debt service fund, both 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 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 are 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, 2010

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 2010 compared to 2009:

(Table 1)
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Assets						
Current and Other Assets	\$ 30,688,447	\$ 28,792,022	\$ 236,506	\$ 204,811	\$ 30,924,953	\$ 28,996,833
Capital Assets	29,385,902	30,150,306	73,317	81,412	29,459,219	30,231,718
Total Assets	60,074,349	58,942,328	309,823	286,223	60,384,172	59,228,551
Liabilities						
Other Liabilities	20,492,244	20,149,999	69,257	59,534	20,561,501	20,209,533
Long-Term Liabilities	28,227,362	29,383,768	29,367	25,419	28,256,729	29,409,187
Total Liabilities	48,719,606	49,533,767	98,624	84,953	48,818,230	49,618,720
Net Assets						
Invested in Capital						
Assets Net of Debt	4,417,436	3,607,515	73,317	81,412	4,490,753	3,688,927
Restricted	3,260,324	3,143,103	0	0	3,260,324	3,143,103
Unrestricted (Deficit)	3,676,983	2,657,943	137,882	119,858	3,814,865	2,777,801
Total Net Assets	\$ 11,354,743	\$ 9,408,561	\$ 211,199	\$ 201,270	\$ 11,565,942	\$ 9,609,831

The total assets increased by \$1.2 million comprised mostly by the governmental activities which includes an increase in cash. A decrease of approximately \$.8 million in total capital assets reflects depreciation exceeding additional purchases. Other liabilities increased by \$.4 million due to an increase in deferred tax revenue in the governmental activities. Tax revenue available to the School District at June 30, 2010 decreased from the prior which increases the amount of revenue deferred to finance fiscal year 2011 activities.

The net assets of the School District's governmental activities increased approximately \$2.0 million or 21% and the business-type activities increased 5%.

Chagrin Falls Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010

Table 2 shows the changes in net assets for fiscal year 2010 compared to 2009.

(Table 2)
Governmental and Business-Type Activities

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
<i>Program Revenues:</i>						
Charges for Services	\$ 714,303	\$ 547,943	\$ 1,095,401	\$ 1,062,103	\$ 1,809,704	\$ 1,610,046
Operating Grants	766,027	636,929	60,804	100,074	826,831	737,003
Capital Grants	0	2,604	0	0	0	2,604
<i>General Revenue:</i>						
Property Taxes	20,602,754	20,930,444	0	0	20,602,754	20,930,444
Grants and Entitlements, not Restricted to Specific Programs	5,493,978	5,356,437	0	0	5,493,978	5,356,437
Other	261,752	240,463	0	614	261,752	241,077
Total Revenues	27,838,814	27,714,820	1,156,205	1,162,791	28,995,019	28,877,611
Program Expenses						
Instruction	14,745,407	13,659,279	0	0	14,745,407	13,659,279
Support Services	8,781,827	8,867,940	0	0	8,781,827	8,867,940
Operation of Non-Instructional	160,455	283,041	0	0	160,455	283,041
Extracurricular Activities	844,500	801,231	0	0	844,500	801,231
Interest and Fiscal Charges	1,360,443	1,320,426	0	0	1,360,443	1,320,426
Food Service	0	0	669,562	706,059	669,562	706,059
Uniform School Supplies	0	0	118,911	84,224	118,911	84,224
Community Education	0	0	357,803	342,088	357,803	342,088
Total Expenses	25,892,632	24,931,917	1,146,276	1,132,371	27,038,908	26,064,288
Increase (Decrease) in Net Assets	\$ 1,946,182	\$ 2,782,903	\$ 9,929	\$ 30,420	\$ 1,956,111	\$ 2,813,323

The vast majority of revenue supporting governmental activities is general revenue (property taxes). General revenue in governmental activities decreased approximately 1% from \$26.5 million in 2009 to \$26.4 million in 2010. Program revenues in governmental activities increased \$.3 million over fiscal year 2009. Additional grants through the ARRA program and increased donations contributed to this increase. Program expenses in governmental activities increased from \$24.9 million in 2009 to \$25.9 million in 2010 or 4%. An increase in regular instructional expenses accounts for the majority of the change.

Chagrin Falls Exempted Village School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2010

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 \$27.8 million and expenses of \$25.9 million in fiscal year 2010.

(Table 3)
Governmental Activities

	2010		2009	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$ 14,745,407	\$ 14,265,611	\$ 13,659,279	\$ 13,267,516
Support Services:				
Pupil and Instructional Staff	2,502,847	1,886,707	2,326,045	1,932,181
Board of Education, Administration and Fiscal	3,011,126	3,002,138	2,924,224	2,899,178
Operation and Maintenance of Plant	1,990,526	1,990,526	2,473,588	2,470,342
Pupil Transportation and Central	1,277,328	1,277,328	1,144,083	1,144,083
Operation of Non-Instructional	160,455	21,466	283,041	125,417
Extracurricular Activities	844,500	608,083	801,231	585,298
Interest and Fiscal Charges	1,360,443	1,360,443	1,320,426	1,320,426
Total Expenses	<u>\$ 25,892,632</u>	<u>\$ 24,412,302</u>	<u>\$ 24,931,917</u>	<u>\$ 23,744,441</u>

Total net cost of service for 2010 was 3% over 2009. Instruction and student support services comprise 67% of governmental program expenses. Interest and fiscal charges were 5%. Interest expense was attributable to the outstanding bonds and fiscal expenses including payments to the County Auditors for administrative fees. Pupil transportation accounts for 5% and the operation and maintenance of facilities accounts for 8% 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 community education programs, the food service operations, and the sale of uniform school supplies. These programs had revenues of \$1.2 million and expenses of \$1.1 million for fiscal year 2010. There was nearly a \$10,000 increase in net assets from fiscal year 2009. Business-type 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, 2010

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 page 18) reported a total fund balance of \$9.2 million, which is \$1.3 million over last year's balance of \$7.9 million. The most significant changes within the School District's major funds were reported in the general fund with an increase in fund balance of \$1.1 million and the debt service fund with an increase in fund balance of \$.2 million.

General Fund

The general fund is the main operating fund of the School District. At the end of fiscal year 2010, the fund balance in the general fund was \$5.6 million. This \$1.1 million increase from 2009 is due, in part, to the timing of the taxes and intergovernmental revenues received.

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 2010, the fund balance in the debt service fund was \$3.1 million, an increase of \$.2 million, which is consistent with the prior year.

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 2010, 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 \$.1 million between the final budgeted revenue of \$24.2 million and the original budget estimates of \$24.1 million mainly in property taxes and intergovernmental revenues. There was a difference of \$.8 million between the original and final budgeted appropriations. Instruction and pupil and instructional support appropriations were originally estimated to be slightly higher.

Final appropriations were less than \$70,000 more than the \$22.1 million actual expenditures.

Chagrin Falls Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2010, the School District had \$29.5 million invested in land, buildings and improvements, furniture and equipment, vehicles and textbooks. A total of \$29.4 million of this was for governmental activities with the remainder attributable to business-type activities. Table 4 shows fiscal year 2010 balances compared with 2009.

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

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 1,386,635	\$ 1,386,635	\$ 0	\$ 0	\$ 1,386,635	\$ 1,386,635
Buildings and Improvements	26,790,009	27,555,045	0	0	26,790,009	27,555,045
Furniture and Equipment	446,668	454,764	73,317	81,412	519,985	536,176
Vehicles	519,572	480,854	0	0	519,572	480,854
Textbooks	243,018	273,008	0	0	243,018	273,008
Totals	\$ 29,385,902	\$ 30,150,306	\$ 73,317	\$ 81,412	\$ 29,459,219	\$ 30,231,718

The \$.8 million decrease in capital assets was attributable to depreciation expense exceeding additional purchases, which included building improvements, a snow plow and two new buses. Additional information on capital assets can be found in Note 8 to the basic financial statements.

Debt

At June 30, 2010, the School District had \$26.8 million in bonds and related liabilities outstanding with \$1.7 million due within one year. During fiscal year 2010, \$1.7 million of general obligation bonds were retired. Table 5 summarizes bonds outstanding.

Chagrin Falls Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010

(Table 5)
Outstanding Debt, at June 30

	Governmental Activities	
	2010	2009
General Obligation Bonds:		
1988 Additions/Facilities	\$ 385,000	\$ 745,000
2005 Capital Improvement (Refunding)	13,905,000	14,765,000
Unamortized Bond Premiums (Refunding)	1,248,486	1,278,683
Capital Appreciation Bonds (Refunding)	409,990	449,118
Accretion on Capital Appreciation Bonds (Refunding)	1,025,192	794,401
2005 School Improvement Bonds	8,725,000	9,010,000
Unamortized Bond Premiums (School Improvement)	494,286	510,998
Capital Appreciation Bonds (School Improvement)	294,990	294,990
Accretion on Capital Appreciation Bonds (School Improvement)	333,267	243,855
Totals	\$ 26,821,211	\$ 28,092,045

In 1988, the School District passed a bond issue providing \$4.3 million for renovations to the four buildings in the School 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 issue. More information about the long-term obligations is in Note 13 to the basic financial statements.

At June 30, 2010, the School District's overall bonded debt limit was \$43,715,534 and the unvoted debt margin was \$485,728. 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, 2010

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. Local property taxes made up 74% of revenues for governmental activities for the Chagrin Falls Schools in fiscal year 2010.

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). 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.

Maintaining a four year levy cycle continues to be increasingly difficult in light of rising utility and gasoline costs, increased special education services required for our students, and potential increases in health insurance and property/liability/fleet insurance.

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, 2009. The School District anticipates no increased funding throughout this funding period. In fact, the statewide budget cuts were partially offset with federal stimulus dollars that were awarded to school districts for fiscal years 2010 and 2011.

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, 2010

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 ten 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 Anne Spano, Treasurer/CFO of Chagrin Falls Exempted Village School District, 400 E. Washington Street, Chagrin Falls, Ohio 44022, or e-mail at Anne.Spano@ChagrinSchools.org.

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Chagrin Falls Exempted Village School District
Statement of Net Assets
June 30, 2010

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Investments	\$ 9,494,504	\$ 233,448	\$ 9,727,952
Cash and Cash Equivalents			
In Segregated Accounts	39,756	0	39,756
Receivables:			
Taxes	20,939,527	0	20,939,527
Intergovernmental	214,660	0	214,660
Inventory	0	3,058	3,058
Nondepreciable Capital Assets	1,386,635	0	1,386,635
Depreciable Capital Assets (Net)	27,999,267	73,317	28,072,584
<i>Total Assets</i>	<u>60,074,349</u>	<u>309,823</u>	<u>60,384,172</u>
Liabilities			
Accounts Payable	43,644	7,844	51,488
Accrued Wages and Benefits	2,057,525	30,348	2,087,873
Vacation Benefits Payable	129,474	2,503	131,977
Intergovernmental Payable	674,205	28,562	702,767
Unearned Revenue	17,466,604	0	17,466,604
Accrued Interest Payable	59,708	0	59,708
Matured Compensated Absences	61,084	0	61,084
Long Term Liabilities:			
Due Within One Year	1,801,609	0	1,801,609
Due in More Than One Year	26,425,753	29,367	26,455,120
<i>Total Liabilities</i>	<u>48,719,606</u>	<u>98,624</u>	<u>48,818,230</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	4,417,436	73,317	4,490,753
Restricted for:			
Capital Projects	330,009	0	330,009
Debt Service	2,719,253	0	2,719,253
Other Purposes	211,062	0	211,062
Unrestricted	3,676,983	137,882	3,814,865
<i>Total Net Assets</i>	<u>\$ 11,354,743</u>	<u>\$ 211,199</u>	<u>\$ 11,565,942</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, 2010

	Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest
Governmental Activities			
Current:			
Instruction:			
Regular	\$ 12,737,608	\$ 373,528	\$ 104,258
Special	1,903,964	0	2,010
Vocational	80,732	0	0
Adult Continuing	23,103	0	0
Support Services:			
Pupils	1,174,071	100,370	3,764
Instructional Staff	1,328,776	0	512,006
Board of Education	75,274	0	0
Administration	2,050,077	0	5,000
Fiscal	885,475	3,988	0
Business	300	0	0
Operation and Maintenance of Plant	1,990,526	0	0
Pupil Transportation	1,264,395	0	0
Central	12,933	0	0
Operation of Non-Instructional Services	160,455	0	138,989
Extracurricular Activities	844,500	236,417	0
Interest and Fiscal Charges	1,360,443	0	0
<i>Total Governmental Activities</i>	<u>25,892,632</u>	<u>714,303</u>	<u>766,027</u>
Business-Type Activities			
Food Service	669,562	616,442	60,804
Uniform School Supplies	118,911	107,770	0
Community Education	357,803	371,189	0
<i>Total Business-Type Activities</i>	<u>1,146,276</u>	<u>1,095,401</u>	<u>60,804</u>
<i>Totals</i>	<u>\$ 27,038,908</u>	<u>\$ 1,809,704</u>	<u>\$ 826,831</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

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
\$ (12,259,822)	\$ 0	\$ (12,259,822)
(1,901,954)	0	(1,901,954)
(80,732)	0	(80,732)
(23,103)	0	(23,103)
(1,069,937)	0	(1,069,937)
(816,770)	0	(816,770)
(75,274)	0	(75,274)
(2,045,077)	0	(2,045,077)
(881,487)	0	(881,487)
(300)	0	(300)
(1,990,526)	0	(1,990,526)
(1,264,395)	0	(1,264,395)
(12,933)	0	(12,933)
(21,466)	0	(21,466)
(608,083)	0	(608,083)
(1,360,443)	0	(1,360,443)
(24,412,302)	0	(24,412,302)
0	7,684	7,684
0	(11,141)	(11,141)
0	13,386	13,386
0	9,929	9,929
(24,412,302)	9,929	(24,402,373)
18,124,570	0	18,124,570
2,478,184	0	2,478,184
5,493,978	0	5,493,978
60,186	0	60,186
201,566	0	201,566
26,358,484	0	26,358,484
1,946,182	9,929	1,956,111
9,408,561	201,270	9,609,831
<u>\$ 11,354,743</u>	<u>\$ 211,199</u>	<u>\$ 11,565,942</u>

Chagrin Falls Exempted Village School District
Balance Sheet
Governmental Funds
June 30, 2010

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>
Assets			
Equity in Pooled Cash and Investments	\$ 6,146,206	\$ 2,814,709	\$ 533,589
Cash and Cash Equivalents			
In Segregated Accounts	0	0	39,756
Receivables:			
Taxes	18,586,816	2,352,711	0
Interfund	37,281	0	0
Intergovernmental	20,701	0	193,959
<i>Total Assets</i>	<u>\$ 24,791,004</u>	<u>\$ 5,167,420</u>	<u>\$ 767,304</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ 22,273	\$ 0	\$ 21,371
Accrued Wages and Benefits	2,009,064	0	48,461
Interfund Payable	0	0	37,281
Intergovernmental Payable	663,502	0	10,703
Deferred Revenue	16,415,864	2,048,568	193,959
Matured Compensated Absences	61,084	0	0
<i>Total Liabilities</i>	19,171,787	2,048,568	311,775
Fund Balances			
Reserved for Encumbrances	89,194	0	201,907
Reserved for Tax Revenue Unavailable for Appropriation	2,191,653	304,143	0
Unreserved, Undesignated, Reported in:			
General Fund	3,338,370	0	0
Special Revenue Funds	0	0	91,217
Debt Service Fund	0	2,814,709	0
Capital Projects Fund	0	0	162,405
<i>Total Fund Balances</i>	<u>5,619,217</u>	<u>3,118,852</u>	<u>455,529</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 24,791,004</u>	<u>\$ 5,167,420</u>	<u>\$ 767,304</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, 2010*

Total Governmental Funds	Total Governmental Fund Balances	\$ 9,193,598
	<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
\$ 9,494,504	Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	29,385,902
39,756		
20,939,527	Other long-term assets are not available to pay for current- period expenditures and therefore, are deferred in the funds.	
37,281	Grants	\$ 193,959
214,660	Excess Costs	20,701
	Delinquent Property and Personal Property Taxes	977,127
<u>\$ 30,725,728</u>		1,191,787
	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.	
\$ 43,644	General Obligation Bonds	23,015,000
2,057,525	Capital Appreciation Bonds	2,063,439
37,281	Unamortized Bond Premiums	1,742,772
674,205	Compensated Absences	1,406,151
18,658,391	Vacation Benefits Payable	129,474
61,084	Accrued Interest Payable	59,708
		<u>(28,416,544)</u>
21,532,130	<i>Net Assets of Governmental Activities</i>	<u>\$ 11,354,743</u>
291,101		
2,495,796		
3,338,370		
91,217		
2,814,709		
162,405		
<u>9,193,598</u>		
<u>\$ 30,725,728</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, 2010

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>
Revenues:			
Taxes	\$ 18,047,567	\$ 2,476,942	\$ 0
Intergovernmental	5,015,232	363,198	687,321
Investment Income	60,186	0	295
Tuition and Fees	352,827	0	0
Extracurricular Activities	0	0	336,787
Rentals	3,988	0	0
Gifts and Donations	74,362	0	70,819
Miscellaneous	35,211	0	21,174
<i>Total Revenues</i>	<u>23,589,373</u>	<u>2,840,140</u>	<u>1,116,396</u>
Expenditures:			
Current:			
Instruction:			
Regular	11,201,296	0	92,884
Special	1,737,957	0	121,217
Vocational	80,732	0	0
Adult Continuing	23,103	0	0
Support Services:			
Pupils	1,022,773	0	119,421
Instructional Staff	910,982	0	346,796
Board of Education	75,274	0	0
Administration	2,031,124	0	4,975
Fiscal	853,879	28,980	0
Business	300	0	0
Operation and Maintenance of Plant	2,236,090	0	0
Pupil Transportation	1,304,983	0	0
Central	12,933	0	0
Operation of Non-Instructional Services	8,314	0	125,151
Extracurricular Activities	536,629	0	307,614
Capital Outlay	0	0	481,724
Debt Service:			
Principal Retirement	0	1,544,128	0
Interest and Fiscal Charges	0	1,092,272	0
<i>Total Expenditures</i>	<u>22,036,369</u>	<u>2,665,380</u>	<u>1,599,782</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	1,553,004	174,760	(483,386)
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	5,782	0	0
Transfers In	0	0	417,600
Transfers Out	(417,600)	0	0
<i>Total Financing Sources and (Uses)</i>	<u>(411,818)</u>	<u>0</u>	<u>417,600</u>
<i>Net Change in Fund Balance</i>	1,141,186	174,760	(65,786)
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>4,478,031</u>	<u>2,944,092</u>	<u>521,315</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 5,619,217</u>	<u>\$ 3,118,852</u>	<u>\$ 455,529</u>

See accompanying notes to the basic financial statements.

Chagrin Falls Exempted Village School District
Reconciliation of the Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2010

Total Governmental Funds	Net Change in Fund Balances - Total Governmental Funds	\$	1,250,160
	<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
\$ 20,524,509	Governmental funds report capital outlays as expenditures,		
6,065,751	However, in the statement of activities, the cost of those		
60,481	assets is allocated over their estimated useful lives as		
352,827	depreciation expense. This is the amount by which		
336,787	depreciation exceeded capital expenditures in the current period.		
3,988	Capital Asset Additions	\$ 563,268	
145,181	Current Year Depreciation	<u>(1,327,672)</u>	(764,404)
56,385			
<u>27,545,909</u>	Revenues in the statement of activities that do not provide		
	current financial resources are not reported as revenues		
	in the funds.		
	Grants	193,959	
	Excess Costs	20,701	
	Delinquent Property and Personal Property Taxes	<u>78,245</u>	292,905
11,294,180			
1,859,174	Repayment of bond principal is an expenditure in the governmental		
80,732	funds, but the repayment reduces long-term liabilities in the		
23,103	statement of net assets.		
	Bond Principal	1,505,000	
1,142,194	Capital Appreciation Bonds	<u>39,128</u>	1,544,128
1,257,778			
75,274	In the statement of activities interest is accrued on outstanding		
2,036,099	bonds, whereas in governmental funds, interest is expensed		
882,859	when due.		5,123
300			
2,236,090	Some expenses reported in the statement of activities do not		
1,304,983	use the current financial resources and therefore, are not reported		
12,933	as expenditures in governmental funds.		
133,465	(Increase) Decrease in Compensated Absences	(114,428)	
844,243	(Increase) Decrease in Vacation Payable	5,992	
481,724	(Increase) Decrease in Bond Accretion	(320,203)	
	Amortization of Bond Premium	<u>46,909</u>	<u>(381,730)</u>
1,544,128			
<u>1,092,272</u>	Change in Net Assets of Governmental Activities		<u>\$ 1,946,182</u>
<u>26,301,531</u>			
1,244,378			
5,782			
417,600			
<u>(417,600)</u>			
<u>5,782</u>			
1,250,160			
<u>7,943,438</u>			
<u>\$ 9,193,598</u>			

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, 2010*

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 18,172,545	\$ 18,689,537	\$ 18,689,537	\$ 0
Intergovernmental	5,392,910	5,015,232	5,015,232	0
Investment Income	80,000	60,186	60,186	0
Tuition and Fees	372,400	352,827	352,827	0
Rentals	10,000	3,988	3,988	0
Gifts and Donations	0	74,362	74,362	0
Miscellaneous	33,500	35,211	35,211	0
<i>Total Revenues</i>	<u>24,061,355</u>	<u>24,231,343</u>	<u>24,231,343</u>	<u>0</u>
Expenditures:				
Current:				
Instruction	13,429,184	13,040,214	13,032,812	(7,402)
Support Services:				
Pupils	1,144,644	982,788	974,460	(8,328)
Instructional Staff	1,026,024	945,896	925,317	(20,579)
Board of Education	95,936	74,706	74,706	0
Administration	2,163,506	2,051,900	2,051,900	0
Fiscal	850,315	855,890	855,890	0
Business	400	300	300	0
Operation and Maintenance of Plant	2,456,946	2,417,385	2,384,752	(32,633)
Pupil Transportation	1,279,003	1,275,522	1,275,522	0
Central	16,633	12,933	12,933	0
Operation of Non-Instructional Services	7,913	9,755	9,755	0
Extracurricular Activities	514,543	545,967	545,967	0
<i>Total Expenditures</i>	<u>22,985,047</u>	<u>22,213,256</u>	<u>22,144,314</u>	<u>(68,942)</u>
Excess of Revenues Over (Under) Expenditures	1,076,308	2,018,087	2,087,029	68,942
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	5,782	5,782	0
Advances In	0	24	24	0
Advances Out	(50,000)	(37,281)	(37,281)	0
Transfers Out	(497,600)	(417,600)	(417,600)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(547,600)</u>	<u>(449,075)</u>	<u>(449,075)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	528,708	1,569,012	1,637,954	68,942
<i>Fund Balance (Deficit) at Beginning of Year</i>	4,308,981	4,308,981	4,308,981	0
Prior Year Encumbrances Appropriated	58,134	58,134	58,134	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 4,895,823</u>	<u>\$ 5,936,127</u>	<u>\$ 6,005,069</u>	<u>\$ 68,942</u>

See accompanying notes to the basic financial statements.

Chagrin Falls Exempted Village School District
Statement of Fund Net Assets
Proprietary Funds
June 30, 2010

	Business-Type Activities - Enterprise Funds			
	Food Service	Uniform School Supplies	Community Education	Total
Assets				
Current Assets:				
Equity in Pooled Cash and Investments	\$ 70,480	\$ 12,793	\$ 150,175	\$ 233,448
Inventory	3,058	0	0	3,058
<i>Total Current Assets</i>	73,538	12,793	150,175	236,506
Non Current Assets:				
Depreciable Capital Assets (Net)	73,317	0	0	73,317
<i>Total Assets</i>	146,855	12,793	150,175	309,823
Liabilities				
Current Liabilities:				
Accounts Payable	200	0	7,644	7,844
Accrued Wages and Benefits	24,710	0	5,638	30,348
Vacation Benefits Payable	2,503	0	0	2,503
Intergovernmental Payable	22,755	0	5,807	28,562
<i>Total Current Liabilities</i>	50,168	0	19,089	69,257
Long Term Liabilities:				
Compensated Absences	27,170	0	2,197	29,367
<i>Total Liabilities</i>	77,338	0	21,286	98,624
Net Assets				
Invested in Capital Assets	73,317	0	0	73,317
Unrestricted	(3,800)	12,793	128,889	137,882
<i>Total Net Assets</i>	\$ 69,517	\$ 12,793	\$ 128,889	\$ 211,199

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, 2010

	Business-Type Activities - Enterprise Funds			
	Food Service	Uniform School Supplies	Community Education	Total
Operating Revenues:				
Tuition and Fees	\$ 0	\$ 0	\$ 371,189	\$ 371,189
Sales	616,442	107,770	0	724,212
<i>Total Operating Revenues</i>	<u>616,442</u>	<u>107,770</u>	<u>371,189</u>	<u>1,095,401</u>
Operating Expenses:				
Salaries	210,764	0	115,382	326,146
Fringe Benefits	63,508	0	17,634	81,142
Purchased Services	32,338	0	217,280	249,618
Materials and Supplies	351,557	118,911	62	470,530
Depreciation	8,095	0	0	8,095
Capital Outlay	3,048	0	0	3,048
Other Operating Expenses	252	0	7,445	7,697
<i>Total Operating Expenses</i>	<u>669,562</u>	<u>118,911</u>	<u>357,803</u>	<u>1,146,276</u>
Operating Income (Loss)	<u>(53,120)</u>	<u>(11,141)</u>	<u>13,386</u>	<u>(50,875)</u>
Non-Operating Revenues (Expenses):				
Federal Donated Commodities	20,043	0	0	20,043
Operating Grants	40,398	0	0	40,398
Interest	363	0	0	363
<i>Total Non-Operating Revenues (Expenses)</i>	<u>60,804</u>	<u>0</u>	<u>0</u>	<u>60,804</u>
<i>Change in Net Assets</i>	7,684	(11,141)	13,386	9,929
<i>Net Assets (Deficit) Beginning of Year</i>	<u>61,833</u>	<u>23,934</u>	<u>115,503</u>	<u>201,270</u>
<i>Net Assets (Deficit) End of Year</i>	<u>\$ 69,517</u>	<u>\$ 12,793</u>	<u>\$ 128,889</u>	<u>\$ 211,199</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, 2010

	Business-Type Activities - Enterprise Funds			Total
	Food Service	Uniform School Supplies	Community Education	
Cash Flows From Operating Activities:				
Cash Received from Customers	\$ 616,442	\$ 107,770	\$ 371,189	\$ 1,095,401
Cash Paid for Goods and Services	(363,385)	(119,071)	(218,596)	(701,052)
Cash Paid to Employees	(275,219)	0	(128,196)	(403,415)
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>(22,162)</u>	<u>(11,301)</u>	<u>24,397</u>	<u>(9,066)</u>
Cash Flows From Non-Capital Financing Activities:				
Grants	40,398	0	0	40,398
<i>Net Cash Provided By (Used For) Non-Capital Financing Activities</i>	<u>40,398</u>	<u>0</u>	<u>0</u>	<u>40,398</u>
Cash Flows From Investing Activities:				
Interest on Investments	363	0	0	363
<i>Net Cash Provided By (Used For) Investing Activities</i>	<u>363</u>	<u>0</u>	<u>0</u>	<u>363</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	18,599	(11,301)	24,397	31,695
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>51,881</u>	<u>24,094</u>	<u>125,778</u>	<u>201,753</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$ 70,480</u>	<u>\$ 12,793</u>	<u>\$ 150,175</u>	<u>\$ 233,448</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:				
Operating Income (Loss)	\$ (53,120)	\$ (11,141)	\$ 13,386	\$ (50,875)
Adjustments:				
Depreciation	8,095	0	0	8,095
Federal Donated Commodities	20,043	0	0	20,043
Increase (Decrease) in Liabilities				
Accounts Payable	(85)	(160)	6,558	6,313
Accrued Wages and Benefits	(4,913)	0	4,471	(442)
Compensated Absences Payable	3,966	0	349	4,315
Intergovernmental Payable	3,852	0	(367)	3,485
<i>Total Adjustments</i>	<u>30,958</u>	<u>(160)</u>	<u>11,011</u>	<u>41,809</u>
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>\$ (22,162)</u>	<u>\$ (11,301)</u>	<u>\$ 24,397</u>	<u>\$ (9,066)</u>

Noncash items:
The Food Service Fund received \$20,043 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, 2010

Assets

Equity in Pooled Cash and Investments	\$ <u>86,722</u>
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Liabilities

Due to Students	\$ <u>86,722</u>
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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, 2010

Note 1 - Description of The School District

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

The School District operates under a locally-elected five-member Board form of government and provides educational services as mandated by the State and federal agencies. Each member is elected to a four year term. The Board of Education controls the School District's four instructional support facilities staffed by 104 classified employees, 148 certified full-time teaching personnel and 11 administrators who provide services to 2,016 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, community education and student related activities of the School District.

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

The School District participates in two jointly governed organizations and one 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 applies generally accepted accounting principles that were issued prior to November 30, 1989 by the Financial Accounting Standards Board ("FASB") to

Chagrin Falls Exempted Village School District

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010

its governmental and business-type activities and proprietary funds provided they do not conflict with or contradict GASB pronouncements. The School District has elected not to follow FASB guidance for business-type activities and enterprise funds issued after November 30, 1989. The FASB has codified its standards and the standards issued prior to November 30, 1989 are included in the codification.

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 internal activities within "activity" types are eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

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

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

Chagrin Falls Exempted Village School District

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010

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

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 and renovation of facilities.

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.

Community Education Fund This fund accounts for educational opportunities offered on a tuition basis to residents 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, 2010

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, 2010

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, 2010, but which were levied to finance fiscal year 2011 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 2010.

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, 2010

amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

F. Cash and Investments

To improve cash management, all cash received by the School District is pooled. Monies for all funds, 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 investments" 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 2010, investments were limited to Victory Federal Money Market, Fifth Third Money Market, Freddie Mac, Federal National Mortgage Association, Federal Home Loan Bank Notes, Federal Home Loan Mortgage Association Notes, Federal Farm Credit Banks 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, 2010. 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 2010 amounted to \$60,186, which includes \$23,959 assigned from other School District funds.

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

G. 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 may include amounts required by statute to be set-aside for the purchase of textbooks and other instructional materials or for the

Chagrin Falls Exempted Village School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

acquisition and construction of capital improvements. See Note 19 for additional information regarding set asides or for the acquisition or construction of capital improvements.

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 thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

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	10 - 15 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

Chagrin Falls Exempted Village School District

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010

some other means. These amounts are recorded as “vacation benefits payable” in the basic financial statements.

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

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

In governmental funds, the liability for unpaid compensated absences is the unused reimbursable leave still outstanding following an employee's resignation or retirement. In proprietary funds, the entire amount of compensated absences is reported as a fund liability. These amounts are recorded in the account “matured compensated absences” in the fund from which the employees who have accumulated leave are paid.

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 and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Bonds and capital leases are recognized as a liability on the fund financial statements when due.

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 and property taxes.

Chagrin Falls Exempted Village School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

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

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 community education programs, sales for food service and uniform school supplies. 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 non-operating.

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 2010.

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.

T. Changes in Accounting Principles

For the year ended June 30, 2010, the School District has implemented GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets," GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments," and GASB Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies."

Chagrin Falls Exempted Village School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

GASB Statement No. 51 establishes standards of accounting and financial reporting for intangible assets for all state and local governments. Inconsistencies in the accounting and financial reporting for intangible assets, particularly in the areas of recognition, initial measurement, and amortization, have occurred in practice due to the absence of sufficiently specific authoritative guidance that addresses these questions. The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments.

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code.

Implementation of these GASB Statements did not affect the presentation of the financial statements of the School District.

Note 3 - Accountability

Fund balances at June 30, 2010 included the following individual fund deficits:

	<u>Fund Balance</u>
Nonmajor Governmental Funds:	
Auxiliary Services	\$ 9,234
Educational Management Information Systems	28
Title VI-B	54,301
Fiscal Stabilization	3,669
Title III	2,000

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

Note 4 - Budgetary Basis of Accounting

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

Chagrin Falls Exempted Village School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

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).

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

Net Change in Fund Balance

GAAP Basis	\$ 1,141,186
Net Adjustment for Revenue Accruals	641,970
Advance In	24
Advance Out	(37,281)
Net Adjustment for Expenditure Accruals	33,196
Adjustment for Encumbrances	<u>(141,141)</u>
Budget Basis	<u><u>\$ 1,637,954</u></u>

Note 5 - Deposits and Investments

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

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

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.

Chagrin Falls Exempted Village School District

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010

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

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

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

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.

Chagrin Falls Exempted Village School District

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010

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

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

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

Deposits: The carrying value of the School District's deposits totaled \$1,474,237 and the bank balances of the deposits totaled \$1,634,784. All of the bank balance was covered by federal depository insurance. 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, 2010, the School District had the following investments:

Standard & Poors Rating		Fair Value	Investment Maturities (in months)				% Total Investments
			0 - 12	12 - 24	25 - 36	37 - 60	
AA-	Fifth Third US Treasury Money Market	\$ 58,239	\$ 58,239	\$ 0	\$ 0	\$ 0	0.70%
AAA	Victory Federal Money Market	1,193,667	1,193,667	0	0	0	14.25%
AAA	STAROhio	3,651,143	3,651,143	0	0	0	43.57%
AAA	Federal National Mortgage Association	1,329,182	0	201,500	254,626	873,056	15.86%
AAA	Freddie Mac	835,304	0	229,211	100,781	505,312	9.97%
AAA	Federal Home Loan Mortgage	437,562	0	25,250	204,938	207,374	5.22%
AAA	Federal Farm Credit Bank	25,922	0	0	25,922	0	0.31%
AAA	Federal Home Loan Bank	848,174	0	227,579	201,188	419,407	10.12%
Totals		\$ 8,379,193	\$ 4,903,049	\$ 683,540	\$ 787,455	\$ 2,005,149	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.

Chagrin Falls Exempted Village School District

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010

Credit Risk: The School District's investments at June 30, 2010 in Federal National Mortgage Association, Freddie Mac, Federal Home Loan Mortgage, Federal Farm Credit Bank and Federal Home Loan Bank 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. The School District's policy on Credit Risk allows only for those investments as stated within the Ohio Revised Code.

Concentration of Credit Risk: The School District places no limit on the amount the School District may invest in any one issuer. More than 50 percent of the School District's investments are in the Victory Federal Money Market 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 2010 for real and public utility property taxes represents collections of calendar 2009 taxes. 2010 real property taxes are levied after April 1, 2009, 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. 2010 public utility property taxes became a lien December 31, 2009, are levied after April 1, 2010 and are collected in 2010 with real property taxes.

Tangible personal property tax revenues received in calendar year 2010 (other than public utility property) represent the collection of calendar year 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Amounts 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 District prior to June 30.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies and railroads. The tax on general business and railroad property was eliminated in calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the School District due to the phasing out of the tax. In calendar years 2006-2010, the School District

Chagrin Falls Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The assessed values upon which the fiscal year 2010 taxes were collected are:

	2009 Second Half Collections		2010 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$ 484,579,200	98.61%	\$ 442,799,400	91.17%
Public Utility	5,489,790	1.12%	37,079,270	7.63%
Tangible Personal Property	1,302,500	0.27%	5,849,490	1.20%
	<u>\$ 491,371,490</u>	<u>100.00%</u>	<u>\$ 485,728,160</u>	<u>100.00%</u>
Tax rate per \$1,000 assessed valuation	\$ 108.60		\$ 108.60	

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.

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, 2010, are available to finance fiscal year 2010 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, 2010 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, 2010, was \$2,495,796 and is recognized as revenue. \$2,191,653 was available to the general fund and \$304,143 was available to the debt service fund.

Note 7 - Receivables

Receivables at June 30, 2010, consisted of taxes, interfund and intergovernmental. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. Intergovernmental receivables consisted of excess costs receivable in general fund of \$20,701 and \$193,959 of grants receivable in special revenue funds.

Chagrin Falls Exempted Village School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

Note 8 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

	Balance 6/30/09	Additions	Reductions	Balance 6/30/10
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 1,386,635	\$ 0	\$ 0	\$ 1,386,635
	<u>1,386,635</u>	<u>0</u>	<u>0</u>	<u>1,386,635</u>
 <i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	38,378,418	283,004	0	38,661,422
Furniture and Equipment	1,528,903	47,878	0	1,576,781
Vehicles	1,633,099	150,494	(108,329)	1,675,264
Textbooks	632,263	81,892	(154,747)	559,408
	<u>42,172,683</u>	<u>563,268</u>	<u>(263,076)</u>	<u>42,472,875</u>
Total Capital Assets, being depreciated	42,172,683	563,268	(263,076)	42,472,875
 Less Accumulated Depreciation:				
Buildings and Improvements	(10,823,373)	(1,048,040)	0	(11,871,413)
Furniture and Equipment	(1,074,139)	(55,974)	0	(1,130,113)
Vehicles	(1,152,245)	(111,776)	108,329	(1,155,692)
Textbooks	(359,255)	(111,882)	154,747	(316,390)
	<u>(13,409,012)</u>	<u>(1,327,672)</u>	<u>263,076</u>	<u>(14,473,608)</u>
Total Accumulated Depreciation	(13,409,012)	(1,327,672)	263,076	(14,473,608)
Total Capital Assets being depreciated, net	<u>28,763,671</u>	<u>(764,404)</u>	<u>0</u>	<u>27,999,267</u>
 Governmental Activities Capital Assets, Net				
	<u>\$ 30,150,306</u>	<u>\$ (764,404)</u>	<u>\$ 0</u>	<u>\$ 29,385,902</u>
 Business-Type Activities				
<i>Capital Assets being depreciated</i>				
Furniture and Equipment	\$ 176,176	\$ 0	\$ 0	\$ 176,176
Less Accumulated Depreciation	<u>(94,764)</u>	<u>(8,095)</u>	<u>0</u>	<u>(102,859)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 81,412</u>	<u>\$ (8,095)</u>	<u>\$ 0</u>	<u>\$ 73,317</u>

Chagrin Falls Exempted Village School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

Depreciation expense was charged as follows:

Governmental Activities:

Instruction:

Regular	\$ 1,057,402
Special	16,301

Support Services:

Pupil	17,654
Instructional Staff	52,162
Administration	1,776
Operation and Maintenance of Plant	56,368
Pupil Transportaion	106,527
Operation of Non-Instructional Services	18,763
Extracurricular Activities	<u>719</u>

Total Depreciation	<u><u>\$ 1,327,672</u></u>
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Business-Type Activities:

Food Service	<u><u>\$ 8,095</u></u>
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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 2010, 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	\$ 69,191,989
	Extra Expense	1,000,000
	Valuable Papers	100,000
	Inland Marine	185,000
	Computers	1,350,000
	Automobile Liability	5,000,000
	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

Chagrin Falls Exempted Village School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage Amount</u>
Indiana Insurance	Sexual Misconduct/Molestation	\$ 1,000,000
	Employee Benefits	
	- Per loss	1,000,000
	- Aggregate	3,000,000
	Umbrella Liability	5,000,000
Ohio Casualty	Employee Dishonesty	500,000
	Money and Securities	10,000

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 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.

Chagrin Falls Exempted Village School District

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010

B. Insurance Benefits

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

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

Note 11 - Pension Plans

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (614) 222-5853. It is also posted on SERS' website, www.ohsers.org, under *Employers/Audit Resources*.

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. 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 contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2010, 12.78 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2009 the amount was 9.09 percent and for fiscal year 2008 the amount was 9.16 percent. The contributions to SERS for pension obligations for the fiscal years ended June 30, 2010, 2009, and 2008 were \$523,059, \$334,618 and \$305,240, respectively; 43 percent has been contributed for fiscal year 2010 and 100 percent for the fiscal years 2009 and 2008. \$324,223 represents the unpaid contribution for fiscal year 2010, 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

Chagrin Falls Exempted Village School District

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010

stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling 1-888-227-7877, 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 divided by an actuarially determined annuity factor. The DC Plan allows members to allocate their member contributions and employer contributions equal to 10.5 percent of earned compensation among various investment accounts. 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. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

For the fiscal year ended June 30, 2010, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2009, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employer contributions.

The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2010, 2009, and 2008 were \$1,408,710, \$1,354,235 and \$1,332,273, respectively. Contributions to the DC and Combined Plans for fiscal year 2010 were \$99,679 made by the School District and \$71,199 made by the plan members. 83 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008. \$255,948 represents the unpaid contribution for fiscal year 2010, and is recorded as a liability within the respective funds.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2010, 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

A. School Employees Retirement System

The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by SERS for non-certified retirees and their beneficiaries, a Health Care Plan and a

Chagrin Falls Exempted Village School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

Medicare Part B Plan. The Health Care Plan included hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of SERS' Health Care and Medicare B plans are included in its *Comprehensive Annual Financial Report*. The report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under *Employers/Audit Resources*.

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14 percent contribution to the Health Care Fund. At June 30, 2010, the health care allocation was .46 percent, at June 30, 2009 and 2008, the health care allocations were 4.16 percent and 4.18 percent, respectively. The District's contributions for the years ended June 30, 2010, 2009 and 2008 were \$18,827, \$153,137 and \$139,291, respectively.

An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2010, the minimum compensation level was established at \$35,800. For the School District during fiscal year 2010 this amounted to \$49,005.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2010, the actuarially required allocation was .76 percent and for fiscal year 2009 and 2008 the required allocations were .75 percent and .66 percent, respectively. The School District contributions for the fiscal years 2010, 2009 and 2008 were \$31,105, \$27,609 and \$21,993, respectively.

B. State Teachers Retirement System

The School District contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling 1-888-227-7877.

Ohio law authorized STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a portion of the health care cost in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14 percent employer contribution rate, 1 percent of covered payroll was allocated to Health Care Stabilization Fund for the years ended June 30, 2010, 2009 and 2008. The School District's contributions for health care for fiscal years ended June 30, 2010, 2009 and 2008 were \$109,320, \$106,153 and \$100,173, respectively.

Chagrin Falls Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 13 - Long - Term Obligations

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

	Outstanding 6/30/09	Additions	Reductions	Outstanding 6/30/10	Amounts Due in One Year
Governmental Activities:					
General Obligation Bonds:					
1988 Additions/Facilities 7.50%	\$ 745,000	\$ 0	\$ 360,000	\$ 385,000	\$ 385,000
2005 Refunding Bonds					
Serial Bonds \$16,320,000					
at 2.5% - 4.125%	14,765,000	0	860,000	13,905,000	110,000
Bond Premium	1,278,683	0	30,197	1,248,486	0
Capital Appreciation Bonds					
at 2.5% - 4.125%	449,118	0	39,128	409,990	228,064
Accretion of Interest	794,401	306,663	75,872	1,025,192	666,936
2005 School Improvement Bonds					
Current Interest Bonds \$9,655,000					
at 3.71% - 3.94%	9,010,000	0	285,000	8,725,000	295,000
Bond Premium	510,998	0	16,712	494,286	0
Capital Appreciation Bonds					
at 2.5% - 4.125%	294,990	0	0	294,990	0
Accretion of Interest	243,855	89,412	0	333,267	0
Total General Obligation Bonds	28,092,045	396,075	1,666,909	26,821,211	1,685,000
Compensated Absences	1,291,723	175,512	61,084	1,406,151	116,609
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 29,383,768</u>	<u>\$ 571,587</u>	<u>\$ 1,727,993</u>	<u>\$ 28,227,362</u>	<u>\$ 1,801,609</u>
Business-Type Activities					
Compensated Absences **	<u>\$ 25,419</u>	<u>\$ 6,998</u>	<u>\$ 3,050</u>	<u>\$ 29,367</u>	<u>\$ 0</u>

** The School District had no severance payouts in the business-type activities in fiscal year 2010 and does not anticipate any in fiscal year 2011.

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 2010.

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 2022.

Chagrin Falls Exempted Village School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 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 bonds outstanding method. Amortization expense for June 30, 2010 was \$16,712.

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 2010, \$89,412 was accreted for a liability of \$628,257.

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, 2010, \$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 expense over the life of the bonds using the bonds outstanding method. The amortization for June 30, 2010 was \$30,197. 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.

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 2010, \$306,663 was accreted for a liability of \$1,435,182.

Chagrin Falls Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

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 community education enterprise funds.

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2010 are as follows:

Fiscal Year Ending June 30,	Serial Bonds		Capital Appreciation Bonds		Total	
	Principal	Interest	Principal	Accretion	Principal	Accretion/ Interest
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	1,015,000	715,353	97,560	207,440	1,112,560	922,793
2014	1,045,000	665,410	83,668	221,332	1,128,668	886,742
2015	1,390,000	844,129	0	0	1,390,000	844,129
2016 - 2020	7,820,000	3,275,709	0	0	7,820,000	3,275,709
2021 - 2025	6,480,000	1,458,820	0	0	6,480,000	1,458,820
2026 - 2030	2,550,000	686,935	0	0	2,550,000	686,935
2032 - 2033	1,815,000	121,990	0	0	1,815,000	121,990
Total	\$ 23,015,000	\$ 8,099,644	\$ 704,980	\$ 2,005,020	\$ 23,719,980	\$ 10,104,664

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 \$78,145 to LGCA during fiscal year 2010. Financial information can be obtained from Lake Geauga Computer Association, 8140 Auburn Road, Painesville, Ohio 44077.

B. Ohio Schools Council

The Ohio Schools Council Association (Council) is a jointly governed organization among eighty-three school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2010, the School District paid \$1,345 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.

Chagrin Falls Exempted Village School District

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010

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.

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, 2010.

Chagrin Falls Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 17 - Interfund Transfers

Transfers made during fiscal year 2010 were as follows:

Fund	Transfer In	Transfer Out
General Fund	\$ 0	\$ 417,600
Nonmajor Governmental Funds	417,600	0
	\$ 417,600	\$ 417,600
Total	\$ 417,600	\$ 417,600

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

Note 18 - Interfund Balances

Interfund balances at June 30, 2010 consisted of the following:

	Interfund Receivable	Interfund Payable
General Fund	\$ 37,281	\$ 0
Nonmajor Governmental Funds	0	37,281
	\$ 37,281	\$ 37,281
Total	\$ 37,281	\$ 37,281

The general fund advanced monies to nonmajor governmental funds to cover expenditures until expected revenues were received. All interfund loans will be repaid in fiscal year 2011 with monies to be received from reimbursable expenditures incurred during fiscal year 2010.

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 improvement. Disclosure of this information is required by State statute.

Chagrin Falls Exempted Village School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

	Capital Improvement Reserve	Textbook Instructional Materials Reserve	Total
Set-Aside Cash Balance as of June 30, 2009	\$ 103,891	\$ 74,313	\$ 178,204
Current Year Set-Aside Requirement	328,285	328,285	656,570
Qualifying Disbursements	<u>(672,622)</u>	<u>(481,584)</u>	<u>(1,154,206)</u>
Total	<u>\$ (240,446)</u>	<u>\$ (78,986)</u>	<u>\$ (319,432)</u>
Balance Carried Forward to FY 2011	<u>\$ 0</u>	<u>\$ (78,986)</u>	<u>\$ (78,986)</u>
Amount to Restrict for Set-Asides			<u>\$ 0</u>
Total Restricted Assets			<u>\$ 0</u>

The School District may use any negative amount in the textbooks set-aside to reduce set-aside requirements of future fiscal years. Although the School District had qualifying disbursements during the fiscal year that reduced the set-aside requirement to below zero for the capital improvement reserve, this amount may not be used to reduce the set-aside requirement of future years.

Note 20 – Subsequent Event

On October 18, 2010, the Board of Education authorized the issuance and sale of bonds in the maximum aggregate amount of \$1,342,983 for the purpose of a House Bill 264 project. The School District has not issued any bonds by the deadline of November 17, 2010.

The School District may request an extension for the House Bill 264 project.

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

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.

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

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.

Fiscal Stabilization Fund – This fund accounts for State and Federal revenues from the Education State Fiscal Stabilization Fund to help minimize or avoid reductions in education and essential services.

Title II-D Fund – This fund accounts for Federal monies used primarily for assistive mobility and learning devices for orthopedically handicapped students.

Title III Fund – This fund accounts for monies to develop and carry out elementary and secondary school programs including activities to meet the needs of children with limited English proficiency.

Chagrin Falls Exempted Village School District

Combining Statements – Nonmajor Funds

Nonmajor Special Revenue Funds (continued)

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

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

Nonmajor Capital Project Fund

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

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

Chagrin Falls Exempted Village School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	Nonmajor Special Revenue Funds	Permanent Improvement Projects Fund	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Investments	\$ 199,289	\$ 334,300	\$ 533,589
Cash and Cash Equivalents			
In Segregated Accounts	39,756	0	39,756
Intergovernmental Receivable	193,959	0	193,959
<i>Total Assets</i>	<u>\$ 433,004</u>	<u>\$ 334,300</u>	<u>\$ 767,304</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	17,080	4,291	\$ 21,371
Accrued Wages and Benefits	48,461	0	48,461
Interfund Payable	37,281	0	37,281
Intergovernmental Payable	10,703	0	10,703
Deferred Revenue	193,959	0	193,959
<i>Total Liabilities</i>	<u>307,484</u>	<u>4,291</u>	<u>311,775</u>
Fund Balances (Deficit)			
Reserved for Encumbrances	34,303	167,604	201,907
Unreserved, Undesignated			
Special Revenue Funds	91,217	0	91,217
Capital Projects Fund	0	162,405	162,405
<i>Total Fund Balances (Deficit)</i>	<u>125,520</u>	<u>330,009</u>	<u>455,529</u>
<i>Total Liabilities and Fund Balances (Deficit)</i>	<u>\$ 433,004</u>	<u>\$ 334,300</u>	<u>\$ 767,304</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, 2010

	Nonmajor Special Revenue Funds	Permanent Improvement Projects Fund	Total Nonmajor Governmental Funds
Revenues:			
Intergovernmental	\$ 687,321	\$ 0	\$ 687,321
Investment Income	295	0	295
Extracurricular Activities	336,787	0	336,787
Gifts and Donations	70,819	0	70,819
Miscellaneous	0	21,174	21,174
<i>Total Revenues</i>	<u>1,095,222</u>	<u>21,174</u>	<u>1,116,396</u>
Expenditures:			
Current:			
Instruction:			
Regular	92,884	0	92,884
Special	121,217	0	121,217
Support Services:			
Pupils	119,421	0	119,421
Instructional Staff	346,796	0	346,796
Administration	4,975	0	4,975
Operation of Non-Instructional Services	125,151	0	125,151
Extracurricular Activities	307,614	0	307,614
Capital Outlay	0	481,724	481,724
<i>Total Expenditures</i>	<u>1,118,058</u>	<u>481,724</u>	<u>1,599,782</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(22,836)	(460,550)	(483,386)
Other Financing Sources (Uses):			
Transfers In	17,600	400,000	417,600
<i>Net Change in Fund Balance</i>	(5,236)	(60,550)	(65,786)
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>130,756</u>	<u>390,559</u>	<u>521,315</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 125,520</u>	<u>\$ 330,009</u>	<u>\$ 455,529</u>

Chagrin Falls Exempted Village School District

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2010

	Special Trust	Miscellaneous Grants	Public School Support	Athletic/ District Managed
Assets				
Equity in Pooled Cash and Investments	\$ 53,692	\$ 125	\$ 24,917	\$ 80,888
Cash and Cash Equivalents				
In Segregated Accounts	39,756	0	0	0
Intergovernmental Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$ 93,448</u>	<u>\$ 125</u>	<u>\$ 24,917</u>	<u>\$ 80,888</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ 0	\$ 0	\$ 914	\$ 8,575
Accrued Wages and Benefits	0	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	0	0	19	223
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>933</u>	<u>8,798</u>
Fund Balances (Deficit)				
Reserved for Encumbrances	0	0	0	243
Unreserved, Undesignated, Reported in				
Special Revenue Funds	93,448	125	23,984	71,847
<i>Total Fund Balances (Deficit)</i>	<u>93,448</u>	<u>125</u>	<u>23,984</u>	<u>72,090</u>
<i>Total Liabilities and Fund Balances (Deficit)</i>	<u>\$ 93,448</u>	<u>\$ 125</u>	<u>\$ 24,917</u>	<u>\$ 80,888</u>

Auxiliary Services	Educational Management Information Systems	Data Communications	Title VI-B	Fiscal Stabilization
\$ 327	\$ 0	\$ 1,145	\$ 31,185	\$ 0
0	0	0	0	0
0	0	0	185,508	0
<u>\$ 327</u>	<u>\$ 0</u>	<u>\$ 1,145</u>	<u>\$ 216,693</u>	<u>\$ 0</u>
\$ 3,456	\$ 0	\$ 0	\$ 1,095	\$ 0
4,533	0	0	40,273	3,655
0	0	0	35,271	0
1,572	28	0	8,847	14
0	0	0	185,508	0
<u>9,561</u>	<u>28</u>	<u>0</u>	<u>270,994</u>	<u>3,669</u>
0	0	0	30,090	0
0	0	0	0	0
(9,234)	(28)	1,145	(84,391)	(3,669)
<u>(9,234)</u>	<u>(28)</u>	<u>1,145</u>	<u>(54,301)</u>	<u>(3,669)</u>
<u>\$ 327</u>	<u>\$ 0</u>	<u>\$ 1,145</u>	<u>\$ 216,693</u>	<u>\$ 0</u>

(continued)

Chagrin Falls Exempted Village School District

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2010

	<u>Title II-D</u>	<u>Title III</u>	<u>Title I</u>	<u>Title VI</u>
Assets				
Equity in Pooled Cash and Investments	\$ 0	\$ 2,010	\$ 0	\$ 0
Cash and Cash Equivalents				
In Segregated Accounts	0	0	0	0
Intergovernmental Receivable	0	2,010	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total Assets</i>	<u>\$ 0</u>	<u>\$ 4,020</u>	<u>\$ 0</u>	<u>\$ 0</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ 0	\$ 2,000	\$ 0	\$ 0
Accrued Wages and Benefits	0	0	0	0
Interfund Payable	0	2,010	0	0
Intergovernmental Payable	0	0	0	0
Deferred Revenue	0	2,010	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total Liabilities</i>	<u>0</u>	<u>6,020</u>	<u>0</u>	<u>0</u>
Fund Balances (Deficit)				
Reserved for Encumbrances	0	10	0	0
Unreserved, Undesignated, Reported in				
Special Revenue Funds	0	(2,010)	0	0
<i>Total Fund Balances (Deficit)</i>	<hr/>	<hr/>	<hr/>	<hr/>
	0	(2,000)	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total Liabilities and Fund Balances (Deficit)</i>	<u>\$ 0</u>	<u>\$ 4,020</u>	<u>\$ 0</u>	<u>\$ 0</u>

Drug Free Schools	Preschool Handicapped	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 1,040	\$ 0	\$ 3,960	\$ 0	\$ 199,289
0	0	0	0	39,756
0	6,441	0	0	193,959
<u>\$ 1,040</u>	<u>\$ 6,441</u>	<u>\$ 3,960</u>	<u>\$ 0</u>	<u>\$ 433,004</u>
\$ 1,040	\$ 0	\$ 0	\$ 0	\$ 17,080
0	0	0	0	48,461
0	0	0	0	37,281
0	0	0	0	10,703
0	6,441	0	0	193,959
<u>1,040</u>	<u>6,441</u>	<u>0</u>	<u>0</u>	<u>307,484</u>
0	0	3,960	0	34,303
0	0	0	0	91,217
0	0	3,960	0	125,520
<u>\$ 1,040</u>	<u>\$ 6,441</u>	<u>\$ 3,960</u>	<u>\$ 0</u>	<u>\$ 433,004</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, 2010

	Special Trust	Miscellaneous Grants	Public School Support	Athletic/ District Managed
Revenues:				
Intergovernmental	\$ 0	\$ 0	\$ 0	\$ 0
Investment Income	225	0	0	0
Extracurricular Activities	0	0	100,370	236,417
Gifts and Donations	17,000	10,000	2,240	41,579
Total Revenues	17,225	10,000	102,610	277,996
Expenditures:				
Current:				
Instruction:				
Regular	0	0	0	0
Special	0	0	0	0
Support Services:				
Pupils	11,822	0	104,060	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	9,875	0	297,739
Total Expenditures	11,822	9,875	104,060	297,739
<i>Excess of Revenues Over (Under) Expenditures</i>	5,403	125	(1,450)	(19,743)
Other Financing Sources (Uses):				
Transfers In	0	0	0	17,600
<i>Net Change in Fund Balance</i>	5,403	125	(1,450)	(2,143)
<i>Fund Balance (Deficit) at Beginning of Year</i>	88,045	0	25,434	74,233
<i>Fund Balance (Deficit) at End of Year</i>	\$ 93,448	\$ 125	\$ 23,984	\$ 72,090

Auxiliary Services	Educational Management Information Systems	Data Communications	Title VI-B	Fiscal Stabilization
\$ 116,157	\$ 5,000	\$ 9,145	\$ 348,397	\$ 115,548
70	0	0	0	0
0	0	0	0	0
0	0	0	0	0
116,227	5,000	9,145	348,397	115,548
0	0	8,000	0	0
0	0	0	0	119,217
0	0	0	0	0
0	0	0	346,796	0
0	4,975	0	0	0
109,556	0	0	14,833	0
0	0	0	0	0
109,556	4,975	8,000	361,629	119,217
6,671	25	1,145	(13,232)	(3,669)
0	0	0	0	0
6,671	25	1,145	(13,232)	(3,669)
(15,905)	(53)	0	(41,069)	0
\$ (9,234)	\$ (28)	\$ 1,145	\$ (54,301)	\$ (3,669)

(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, 2010

	Title II-D	Title III	Title I	Title VI
Revenues:				
Intergovernmental	\$ 421	\$ 0	\$ 47,017	\$ 0
Investment Income	0	0	0	0
Extracurricular Activities	0	0	0	0
Gifts and Donations	0	0	0	0
Total Revenues	421	0	47,017	0
Expenditures:				
Current:				
Instruction:				
Regular	285	0	47,017	95
Special	0	2,000	0	0
Support Services:				
Pupils	110	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Operation of Non-Instructional Services	26	0	0	0
Extracurricular Activities	0	0	0	0
Total Expenditures	421	2,000	47,017	95
<i>Excess of Revenues Over (Under) Expenditures</i>	0	(2,000)	0	(95)
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
<i>Net Change in Fund Balance</i>	0	(2,000)	0	(95)
<i>Fund Balance (Deficit) at Beginning of Year</i>	0	0	0	95
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ (2,000)</u>	<u>\$ 0</u>	<u>\$ 0</u>

Drug Free Schools	Preschool Handicapped	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 3,429	\$ 9,440	\$ 32,743	\$ 24	\$ 687,321
0	0	0	0	295
0	0	0	0	336,787
0	0	0	0	70,819
3,429	9,440	32,743	24	1,095,222
0	9,440	28,047	0	92,884
0	0	0	0	121,217
3,429	0	0	0	119,421
0	0	0	0	346,796
0	0	0	0	4,975
0	0	736	0	125,151
0	0	0	0	307,614
3,429	9,440	28,783	0	1,118,058
0	0	3,960	24	(22,836)
0	0	0	0	17,600
0	0	3,960	24	(5,236)
0	0	0	(24)	130,756
\$ 0	\$ 0	\$ 3,960	\$ 0	\$ 125,520

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, 2010*

	Final	Actual	Variance with Final Budget Over (Under)
Revenues:			
Taxes	\$ 18,689,537	\$ 18,689,537	\$ 0
Intergovernmental	5,015,232	5,015,232	0
Investment Income	60,186	60,186	0
Tuition and Fees	352,827	352,827	0
Rentals	3,988	3,988	0
Gifts and Donations	74,362	74,362	0
Miscellaneous	35,211	35,211	0
Total Revenues	24,231,343	24,231,343	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	8,117,664	8,116,952	(712)
Fringe Benefits	2,407,226	2,406,133	(1,093)
Purchased Services	51,461	51,461	0
Materials and Supplies	386,396	386,396	0
Capital Outlay - New	177,391	177,391	0
Other	7,217	7,217	0
Total Regular	11,147,355	11,145,550	(1,805)
Special:			
Salaries and Wages	956,007	956,007	0
Fringe Benefits	283,728	283,728	0
Purchased Services	532,913	527,316	(5,597)
Materials and Supplies	18,817	18,817	0
Total Special	1,791,465	1,785,868	(5,597)
Vocational:			
Purchased Services	78,291	78,291	0
Total Vocational	78,291	78,291	0
Adult/Continuing:			
Purchased Services	23,103	23,103	0
Total Adult/Continuing	23,103	23,103	0
Total Instruction	13,040,214	13,032,812	(7,402)
Support Services:			
Pupils:			
Salaries and Wages	719,250	710,922	(8,328)
Fringe Benefits	187,632	187,632	0
Purchased Services	70,590	70,590	0
Materials and Supplies	5,316	5,316	0
Total Pupils	982,788	974,460	(8,328)

(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, 2010

	Final	Actual	Variance with Final Budget Over (Under)
Instructional Staff:			
Salaries and Wages	499,300	487,796	(11,504)
Fringe Benefits	159,053	152,125	(6,928)
Purchased Services	270,059	267,912	(2,147)
Materials and Supplies	17,484	17,484	0
Total Instructional Staff	945,896	925,317	(20,579)
Board of Education:			
Salaries and Wages	8,960	8,960	0
Fringe Benefits	791	791	0
Purchased Services	22,802	22,802	0
Materials and Supplies	7,288	7,288	0
Other	34,865	34,865	0
Total Board of Education	74,706	74,706	0
Administration:			
Salaries and Wages	1,188,433	1,188,433	0
Fringe Benefits	508,409	508,409	0
Purchased Services	340,399	340,399	0
Materials and Supplies	14,659	14,659	0
Total Administration	2,051,900	2,051,900	0
Fiscal:			
Salaries and Wages	235,168	235,168	0
Fringe Benefits	121,489	121,489	0
Purchased Services	57,744	57,744	0
Materials and Supplies	2,079	2,079	0
Other	439,410	439,410	0
Total Fiscal	855,890	855,890	0
Business:			
Materials and Supplies	300	300	0
Total Business	300	300	0
Operation and Maintenance of Plant:			
Salaries and Wages	1,025,718	1,025,718	0
Fringe Benefits	416,683	416,683	0
Purchased Services	830,484	798,149	(32,335)
Materials and Supplies	143,941	143,643	(298)
Capital Outlay - New	559	559	0
Total Operation and Maintenance of Plant	2,417,385	2,384,752	(32,633)
Pupil Transportation:			
Salaries and Wages	675,404	675,404	0
Fringe Benefits	220,770	220,770	0
Purchased Services	59,377	59,377	0
Materials and Supplies	140,902	140,902	0
Capital Outlay - Replacement	179,069	179,069	0
Total Pupil Transportation	1,275,522	1,275,522	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, 2010*

	Final	Actual	Variance with Final Budget Over (Under)
Central:			
Materials and Supplies	12,933	12,933	0
Total Central	12,933	12,933	0
Total Support Services	8,617,320	8,555,780	61,540
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	4,861	4,861	0
Fringe Benefits	888	888	0
Purchased Services	4,006	4,006	0
Total Community Services	9,755	9,755	0
Total Other Operation of Non-Instructional Services	9,755	9,755	0
Extracurricular Activities:			
Sports Oriented Activities:			
Salaries and Wages	468,708	468,708	0
Fringe Benefits	61,178	61,178	0
Purchased Services	16,081	16,081	0
Total Sports Oriented Activities	545,967	545,967	0
Total Extracurricular Activities	545,967	545,967	0
<i>Total Expenditures</i>	22,213,256	22,144,314	(68,942)
<i>Excess of Revenues Over (Under) Expenditures</i>	2,018,087	2,087,029	68,942
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	5,782	5,782	0
Advances In	24	24	0
Advances Out	(37,281)	(37,281)	0
Transfers Out	(417,600)	(417,600)	0
<i>Total Other Financing Sources (Uses)</i>	(449,075)	(449,075)	0
<i>Net Change in Fund Balance</i>	1,569,012	1,637,954	68,942
<i>Fund Balance (Deficit) at Beginning of Year</i>	4,308,981	4,308,981	0
Prior Year Encumbrances Appropriated	58,134	58,134	0
<i>Fund Balance (Deficit) at End of Year</i>	\$ 5,936,127	\$ 6,005,069	\$ 68,942

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Special Trust Fund
 For the Fiscal Year Ended June 30, 2010*

	Final	Actual	Variance with Final Budget Over (Under)
Revenues:			
Investment Income	\$ 225	\$ 225	\$ 0
Gifts and Donations	17,000	17,000	0
<i>Total Revenues</i>	<u>17,225</u>	<u>17,225</u>	<u>0</u>
Expenditures:			
Current:			
Support Services:			
Pupils:			
Purchased Services	410	232	(178)
Other	11,590	11,590	0
Total Pupils	<u>12,000</u>	<u>11,822</u>	<u>(178)</u>
<i>Total Expenditures</i>	<u>12,000</u>	<u>11,822</u>	<u>(178)</u>
<i>Net Change in Fund Balance</i>	5,225	5,403	178
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>88,045</u>	<u>88,045</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 93,270</u>	<u>\$ 93,448</u>	<u>\$ 178</u>

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenditures, and
 Budget (Non-GAAP Basis) and Actual
 Miscellaneous Grants Fund
 For the Fiscal Year Ended June 30, 2010*

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Gifts and Donations	\$ 10,000	\$ 10,000	\$ 0
<i>Total Revenues</i>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Expenditures:			
Current:			
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Purchased Services	9,875	9,875	0
Total Academic and Subject Oriented Activities	<u>9,875</u>	<u>9,875</u>	<u>0</u>
<i>Total Expenditures</i>	<u>9,875</u>	<u>9,875</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	125	125	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u><u>\$ 125</u></u>	<u><u>\$ 125</u></u>	<u><u>\$ 0</u></u>

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenditures, and
Budget (Non-GAAP Basis) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2010*

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Extracurricular Activities	\$ 100,370	\$ 100,370	\$ 0
Gifts and Donations	2,240	2,240	0
<i>Total Revenues</i>	<u>102,610</u>	<u>102,610</u>	<u>0</u>
Expenditures:			
Current:			
Support Services:			
Pupils:			
Salaries and Wages	2,350	2,350	0
Fringe Benefits	490	490	0
Purchased Services	63,390	63,390	0
Materials and Supplies	36,605	36,605	0
Capital Outlay - New	2,898	0	(2,898)
Other	489	489	0
Total Pupils	<u>106,222</u>	<u>103,324</u>	<u>(2,898)</u>
<i>Total Expenditures</i>	<u>106,222</u>	<u>103,324</u>	<u>(2,898)</u>
<i>Net Change in Fund Balance</i>	(3,612)	(714)	2,898
<i>Fund Balance (Deficit) at Beginning of Year</i>	24,247	24,247	0
Prior Year Encumbrances Appropriated	<u>1,214</u>	<u>1,214</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 21,849</u>	<u>\$ 24,747</u>	<u>\$ 2,898</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, 2010*

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Extracurricular Activities	\$ 236,417	\$ 236,417	\$ 0
Gifts and Donations	41,579	41,579	0
<i>Total Revenues</i>	<u>277,996</u>	<u>277,996</u>	<u>0</u>
Expenditures:			
Current:			
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Salaries and Wages	2,725	2,725	0
Fringe Benefits	152	152	0
Purchased Services	23,381	23,382	1
Materials and Supplies	29,611	29,611	0
Total Academic and Subject Oriented Activities	<u>55,869</u>	<u>55,870</u>	<u>1</u>
Sports Oriented Activities:			
Purchased Services	118,881	118,881	0
Materials and Supplies	95,625	95,590	(35)
Capital Outlay - New	2,986	2,986	0
Total Sports Oriented Activities	<u>217,492</u>	<u>217,457</u>	<u>(35)</u>
School and Public Service Co-Curricular Activities:			
Materials and Supplies	23,845	23,845	0
Total School and Public Service Co-Curricular Activities	<u>23,845</u>	<u>23,845</u>	<u>0</u>
Total Extracurricular Activities	<u>297,206</u>	<u>297,172</u>	<u>(34)</u>
<i>Total Expenditures</i>	<u>297,206</u>	<u>297,172</u>	<u>(34)</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(19,210)</u>	<u>(19,176)</u>	<u>34</u>
Other Financing Sources (Uses):			
Transfers In	17,600	17,600	0
<i>Net Change in Fund Balance</i>	(1,610)	(1,576)	34
<i>Fund Balance (Deficit) at Beginning of Year</i>	74,046	74,046	0
Prior Year Encumbrances Appropriated	500	500	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 72,936</u>	<u>\$ 72,970</u>	<u>\$ 34</u>

Chagrin Falls Exempted Village School District
Schedule of Revenues, Expenditures, and
Budget (Non-GAAP Basis) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Intergovernmental	\$ 116,157	\$ 116,157	\$ 0
Investment Income	70	70	0
<i>Total Revenues</i>	<u>116,227</u>	<u>116,227</u>	<u>0</u>
Expenditures:			
Operation of Non-Instructional Services:			
Enterprise Operations:			
Salaries and Wages	20,875	20,875	0
Fringe Benefits	4,264	4,264	0
Purchased Services	72,071	72,071	0
Materials and Supplies	18,900	18,900	0
Total Enterprise Operations	<u>116,110</u>	<u>116,110</u>	<u>0</u>
<i>Total Expenditures</i>	<u>116,110</u>	<u>116,110</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	117	117	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 117</u>	<u>\$ 117</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 Fund
 For the Fiscal Year Ended June 30, 2010*

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Intergovernmental	\$ 5,000	\$ 5,000	\$ 0
<i>Total Revenues</i>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Expenditures:			
Current:			
Support Services:			
Administration:			
Salaries and Wages	4,504	4,504	0
Fringe Benefits	11	11	0
Purchased Services	485	485	0
Total Administration	<u>5,000</u>	<u>5,000</u>	<u>0</u>
<i>Total Expenditures</i>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenditures, and
 Budget (Non-GAAP Basis) and Actual
 Data Communications Fund
 For the Fiscal Year Ended June 30, 2010*

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Intergovernmental	\$ 9,145	\$ 9,145	\$ 0
<i>Total Revenues</i>	<u>9,145</u>	<u>9,145</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased Services	8,000	8,000	0
Total Regular	<u>8,000</u>	<u>8,000</u>	<u>0</u>
Total Instruction	<u>8,000</u>	<u>8,000</u>	<u>0</u>
<i>Total Expenditures</i>	<u>8,000</u>	<u>8,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	1,145	1,145	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 1,145</u>	<u>\$ 1,145</u>	<u>\$ 0</u>

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenditures, and
Budget (Non-GAAP Basis) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2010*

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Intergovernmental	\$ 348,397	\$ 348,397	\$ 0
<i>Total Revenues</i>	<u>348,397</u>	<u>348,397</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Capital Outlay - New	14,129	14,129	0
Total Regular	<u>14,129</u>	<u>14,129</u>	<u>0</u>
Total Instruction	<u>14,129</u>	<u>14,129</u>	<u>0</u>
Support Services:			
Instructional Staff:			
Salaries and Wages	229,596	229,596	0
Fringe Benefits	98,274	98,274	0
Purchased Services	19,263	19,263	0
Materials and Supplies	2,703	2,703	0
Total Instructional Staff	<u>349,836</u>	<u>349,836</u>	<u>0</u>
Total Support Services	<u>349,836</u>	<u>349,836</u>	<u>0</u>
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	9,848	9,848	0
Purchased Services	5,976	5,976	0
Materials and Supplies	167	167	0
Total Community Services	<u>15,991</u>	<u>15,991</u>	<u>0</u>
Total Other Operation of Non-Instructional Services	<u>15,991</u>	<u>15,991</u>	<u>0</u>
Capital Outlay:			
Facilities Acquisitions and Construction Services:			
Site Acquisition Services:			
Capital Outlay - New	9,600	9,600	0
Total Site Acquisition Services	<u>9,600</u>	<u>9,600</u>	<u>0</u>
Total Capital Outlay	<u>9,600</u>	<u>9,600</u>	<u>0</u>
<i>Total Expenditures</i>	<u>389,556</u>	<u>389,556</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(41,159)</u>	<u>(41,159)</u>	<u>0</u>
Other Financing Sources (Uses):			
Advances In	35,271	35,271	0
<i>Total Other Financing Sources (Uses)</i>	<u>35,271</u>	<u>35,271</u>	<u>35,271</u>
<i>Net Change in Fund Balance</i>	(5,888)	(5,888)	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	<u>5,888</u>	<u>5,888</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
 Fiscal Stabilization Fund
 For the Fiscal Year Ended June 30, 2010*

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Intergovernmental	\$ 115,548	\$ 115,548	\$ 0
<i>Total Revenues</i>	<u>115,548</u>	<u>115,548</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Special:			
Salaries and Wages	100,626	100,626	0
Fringe Benefits	14,922	14,922	0
Total Special	<u>115,548</u>	<u>115,548</u>	<u>0</u>
Total Instruction	<u>115,548</u>	<u>115,548</u>	<u>0</u>
<i>Total Expenditures</i>	<u>115,548</u>	<u>115,548</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenditures, and
 Budget (Non-GAAP Basis) and Actual
 Title II-D Fund
 For the Fiscal Year Ended June 30, 2010*

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Intergovernmental	\$ 421	\$ 421	\$ 0
<i>Total Revenues</i>	<u>421</u>	<u>421</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Materials and Supplies	285	285	0
Total Regular	<u>285</u>	<u>285</u>	<u>0</u>
Total Instruction	<u>285</u>	<u>285</u>	<u>0</u>
Support Services:			
Pupils:			
Purchased Services	110	110	0
Total Pupils	<u>110</u>	<u>110</u>	<u>0</u>
Total Support Services	<u>110</u>	<u>110</u>	<u>0</u>
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	26	26	0
Total Community Services	<u>26</u>	<u>26</u>	<u>0</u>
Total Other Operation of Non-Instructional Services	<u>26</u>	<u>26</u>	<u>0</u>
<i>Total Expenditures</i>	<u>421</u>	<u>421</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
<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
 Title III Fund
 For the Fiscal Year Ended June 30, 2010*

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:	\$ 0	\$ 0	\$ 0
Expenditures:			
Current:			
Instruction:			
Regular:			
Materials and Supplies	2,010	2,010	0
Total Regular	2,010	2,010	0
Total Instruction	2,010	2,010	0
<i>Total Expenditures</i>	2,010	2,010	0
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,010)	(2,010)	0
Other Financing Sources (Uses):			
Advances In	2,010	2,010	0
<i>Total Other Financing Sources (Uses)</i>	2,010	2,010	2,010
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	0	0	0
<i>Fund Balance (Deficit) at End of Year</i>	\$ 0	\$ 0	\$ 0

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenditures, and
 Budget (Non-GAAP Basis) and Actual
 Title I Fund
 For the Fiscal Year Ended June 30, 2010*

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Intergovernmental	\$ 47,017	\$ 47,017	\$ 0
<i>Total Revenues</i>	<u>47,017</u>	<u>47,017</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	32,214	32,214	0
Fringe Benefits	7,273	7,273	0
Capital Outlay - New	7,530	7,530	0
Total Regular	<u>47,017</u>	<u>47,017</u>	<u>0</u>
Total Instruction	<u>47,017</u>	<u>47,017</u>	<u>0</u>
<i>Total Expenditures</i>	<u>47,017</u>	<u>47,017</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenditures, and
 Budget (Non-GAAP Basis) and Actual
 Title VI Fund
 For the Fiscal Year Ended June 30, 2010*

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:	\$ 0	\$ 0	\$ 0
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased Services	95	95	0
Total Regular	95	95	0
Total Instruction	95	95	0
<i>Total Expenditures</i>	95	95	0
<i>Net Change in Fund Balance</i>	(95)	(95)	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	95	95	0
<i>Fund Balance (Deficit) at End of Year</i>	\$ 0	\$ 0	\$ 0

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenditures, and
 Budget (Non-GAAP Basis) and Actual
 Drug Free Schools Fund
 For the Fiscal Year Ended June 30, 2010*

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Intergovernmental	\$ 3,429	\$ 3,429	\$ 0
<i>Total Revenues</i>	<u>3,429</u>	<u>3,429</u>	<u>0</u>
Expenditures:			
Current:			
Support Services:			
Pupils:			
Capital Outlay - New	3,047	3,047	0
Total Pupils	<u>3,047</u>	<u>3,047</u>	<u>0</u>
Total Support Services	<u>3,047</u>	<u>3,047</u>	<u>0</u>
Operation of Non-Instructional Services:			
Community Services:			
Materials and Supplies	382	382	0
Total Community Services	<u>382</u>	<u>382</u>	<u>0</u>
Total Other Operation of Non-Instructional Services	<u>382</u>	<u>382</u>	<u>0</u>
<i>Total Expenditures</i>	<u>3,429</u>	<u>3,429</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
<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
 Preschool Handicapped Fund
 For the Fiscal Year Ended June 30, 2010*

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Intergovernmental	\$ 9,440	\$ 9,440	\$ 0
<i>Total Revenues</i>	<u>9,440</u>	<u>9,440</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	8,640	8,640	0
Purchased Services	800	800	0
Total Regular	<u>9,440</u>	<u>9,440</u>	<u>0</u>
Total Instruction	<u>9,440</u>	<u>9,440</u>	<u>0</u>
<i>Total Expenditures</i>	<u>9,440</u>	<u>9,440</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenditures, and
 Budget (Non-GAAP Basis) and Actual
 Title II-A Fund
 For the Fiscal Year Ended June 30, 2010*

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Intergovernmental	\$ 32,743	\$ 32,743	\$ 0
<i>Total Revenues</i>	<u>32,743</u>	<u>32,743</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	5,664	5,664	0
Purchased Services	<u>26,343</u>	<u>26,343</u>	<u>0</u>
Total Regular	<u>32,007</u>	<u>32,007</u>	<u>0</u>
Total Instruction	<u>32,007</u>	<u>32,007</u>	<u>0</u>
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	<u>736</u>	<u>736</u>	<u>0</u>
Total Community Services	<u>736</u>	<u>736</u>	<u>0</u>
Total Other Operation of Non-Instructional Services	<u>736</u>	<u>736</u>	<u>0</u>
<i>Total Expenditures</i>	<u>32,743</u>	<u>32,743</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenditures, and
 Budget (Non-GAAP Basis) and Actual
 Miscellaneous Federal Grants Fund
 For the Fiscal Year Ended June 30, 2010*

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Intergovernmental	\$ 24	\$ 24	\$ 0
<i>Total Revenues</i>	<u>24</u>	<u>24</u>	<u>0</u>
Expenditures:	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>24</u>	<u>24</u>	<u>0</u>
Other Financing Sources (Uses):			
Advances Out	<u>(24)</u>	<u>(24)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenditures, and
 Budget (Non-GAAP Basis) and Actual
 Bond Retirement Fund
 For the Fiscal Year Ended June 30, 2010*

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Taxes	\$ 2,577,471	\$ 2,577,471	\$ 0
Intergovernmental	363,198	363,198	0
<i>Total Revenues</i>	<u>2,940,669</u>	<u>2,940,669</u>	<u>0</u>
Expenditures:			
Current:			
Support Services:			
Fiscal:			
Other	31,000	28,980	(2,020)
Total Fiscal	<u>31,000</u>	<u>28,980</u>	<u>(2,020)</u>
Debt Service:			
Principal Retirement	1,620,000	1,620,000	0
Interest and Fiscal Charges	1,017,000	1,016,400	(600)
			0
Total Debt Service	<u>2,637,000</u>	<u>2,636,400</u>	<u>(600)</u>
<i>Total Expenditures</i>	<u>2,668,000</u>	<u>2,665,380</u>	<u>(2,620)</u>
<i>Net Change in Fund Balance</i>	272,669	275,289	2,620
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>2,539,420</u>	<u>2,539,420</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 2,812,089</u>	<u>\$ 2,814,709</u>	<u>\$ 2,620</u>

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenditures, and
Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2010*

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Miscellaneous	\$ 21,174	\$ 21,174	\$ 0
<i>Total Revenues</i>	<u>21,174</u>	<u>21,174</u>	<u>0</u>
Expenditures:			
Capital Outlay:			
Building Acquisitions and Construction Services:			
Purchased Services	117,749	104,617	(13,132)
Capital Outlay - New	<u>593,824</u>	<u>593,824</u>	<u>0</u>
Total Building Acquisitions and Construction Services	<u>711,573</u>	<u>698,441</u>	<u>(13,132)</u>
Building Improvement Services:			
Capital Outlay - Replacement	<u>34,774</u>	<u>34,774</u>	<u>0</u>
Total Building Improvement Services	<u>34,774</u>	<u>34,774</u>	<u>0</u>
Total Capital Outlay	<u>746,347</u>	<u>733,215</u>	<u>(13,132)</u>
<i>Total Expenditures</i>	<u>746,347</u>	<u>733,215</u>	<u>(13,132)</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(725,173)</u>	<u>(712,041)</u>	<u>13,132</u>
Other Financing Sources (Uses):			
Transfers In	<u>400,000</u>	<u>400,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(325,173)	(312,041)	13,132
<i>Fund Balance (Deficit) at Beginning of Year</i>	128,099	128,099	0
Prior Year Encumbrances Appropriated	<u>346,347</u>	<u>346,347</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 149,273</u>	<u>\$ 162,405</u>	<u>\$ 13,132</u>

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 Fund
 For the Fiscal Year Ended June 30, 2010*

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Sales	\$ 616,442	\$ 616,442	\$ 0
<i>Total Revenues</i>	<u>616,442</u>	<u>616,442</u>	<u>0</u>
Expenses:			
Salaries	211,909	211,909	0
Fringe Benefits	59,460	59,458	(2)
Purchased Services	12,389	12,389	0
Materials and Supplies	351,842	351,842	0
Capital Outlay - New	3,048	3,048	0
Other	252	252	0
<i>Total Expenses</i>	<u>638,900</u>	<u>638,898</u>	<u>(2)</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(22,458)	(22,456)	2
Non-Operating Revenues (Expenses):			
Operating Grants	40,398	40,398	0
Interest Income	363	363	0
Total Non-Operating Revenues (Expenses)	<u>40,761</u>	<u>40,761</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	18,303	18,305	2
<i>Fund Equity (Deficit) at Beginning of Year</i>	<u>51,881</u>	<u>51,881</u>	<u>0</u>
<i>Fund Equity (Deficit) at End of Year</i>	<u>\$ 70,184</u>	<u>\$ 70,186</u>	<u>\$ 2</u>

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenses, and
 Budget (Non-GAAP Basis) and Actual
 Uniform Supplies Fund
 For the Fiscal Year Ended June 30, 2010*

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Sales	\$ 107,770	\$ 107,770	\$ 0
<i>Total Revenues</i>	<u>107,770</u>	<u>107,770</u>	<u>0</u>
Expenses:			
Materials and Supplies	119,100	119,071	(29)
<i>Total Expenses</i>	<u>119,100</u>	<u>119,071</u>	<u>(29)</u>
<i>Net Change in Fund Equity</i>	(11,330)	(11,301)	29
<i>Fund Equity (Deficit) at Beginning of Year</i>	<u>24,094</u>	<u>24,094</u>	<u>0</u>
<i>Fund Equity (Deficit) at End of Year</i>	<u>\$ 12,764</u>	<u>\$ 12,793</u>	<u>\$ 29</u>

Chagrin Falls Exempted Village School District
*Schedule of Revenues, Expenses, and
 Budget (Non-GAAP Basis) and Actual
 Community Education Fund
 For the Fiscal Year Ended June 30, 2010*

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:			
Tuition	\$ 371,189	\$ 371,189	\$ 0
<i>Total Revenues</i>	<u>371,189</u>	<u>371,189</u>	<u>0</u>
Expenses:			
Salaries	110,896	110,896	0
Fringe Benefits	17,681	17,667	(14)
Purchased Services	237,107	237,107	0
Materials and Supplies	62	62	0
Other	7,445	7,445	0
<i>Total Expenses</i>	<u>373,191</u>	<u>373,177</u>	<u>(14)</u>
<i>Net Change in Fund Equity</i>	(2,002)	(1,988)	14
<i>Fund Equity (Deficit) at Beginning of Year</i>	109,588	109,588	0
<i>Prior Year Encumbrances Appropriated</i>	<u>16,190</u>	<u>16,190</u>	<u>0</u>
<i>Fund Equity (Deficit) at End of Year</i>	<u>\$ 123,776</u>	<u>\$ 123,790</u>	<u>\$ 14</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, 2010

	Rotary	Student Activities	Total Agency Funds
Assets			
Equity in Pooled Cash and Investments	\$ 28,564	\$ 58,158	\$ 86,722
<i>Total Assets</i>	<u>\$ 28,564</u>	<u>\$ 58,158</u>	<u>\$ 86,722</u>
Liabilities			
Due to Students	\$ 28,564	\$ 58,158	\$ 86,722
<i>Total Liabilities</i>	<u>\$ 28,564</u>	<u>\$ 58,158</u>	<u>\$ 86,722</u>

Chagrin Falls Exempted Village School District
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2010

	Rotary	Student Activities	Total Agency Funds
Assets			
Equity in Pooled Cash and Investments	\$ 28,564	\$ 58,158	\$ 86,722
<i>Total Assets</i>	<u>\$ 28,564</u>	<u>\$ 58,158</u>	<u>\$ 86,722</u>
Liabilities			
Due to Students	\$ 28,564	\$ 58,158	\$ 86,722
<i>Total Liabilities</i>	<u>\$ 28,564</u>	<u>\$ 58,158</u>	<u>\$ 86,722</u>

Chagrin Falls Exempted Village School District
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2010

	Beginning Balance 7/1/09	Additions	Deductions	Ending Balance 6/30/10
Rotary				
Assets				
Equity in Pooled Cash and Investments	\$ 5,883	\$ 375,759	\$ 353,078	\$ 28,564
Liabilities				
Due to Students	\$ 5,883	\$ 375,759	\$ 353,078	\$ 28,564
Student Activities				
Assets				
Equity in Pooled Cash and Investments	\$ 54,081	\$ 111,900	\$ 107,823	\$ 58,158
Liabilities				
Due to Students	\$ 54,081	\$ 111,900	\$ 107,823	\$ 58,158
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Investments	\$ 59,964	\$ 487,659	\$ 460,901	\$ 86,722
Liabilities				
Due to Students	\$ 59,964	\$ 487,659	\$ 460,901	\$ 86,722

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**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-19
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-20 - S-24
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-25 - 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-28 - S-38

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

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Governmental Activities:				
Invested in Capital Assets, Net of Related Debt	\$ 4,417,436	\$ 3,607,515	\$ 1,611,681	\$ 1,070,070
Restricted	3,260,324	3,143,103	4,004,857	4,770,065
Unrestricted	<u>3,676,983</u>	<u>2,657,943</u>	<u>1,009,120</u>	<u>(1,222,306)</u>
<i>Total Governmental Activities Net Assets</i>	<u>\$ 11,354,743</u>	<u>\$ 9,408,561</u>	<u>\$ 6,625,658</u>	<u>\$ 4,617,829</u>
Business-Type Activities:				
Invested in Capital Assets Unrestricted	\$ 73,317	\$ 81,412	\$ 93,071	\$ 151,180
	<u>137,882</u>	<u>119,858</u>	<u>77,779</u>	<u>82,439</u>
<i>Total Business-Type Activities Net Assets</i>	<u>\$ 211,199</u>	<u>\$ 201,270</u>	<u>\$ 170,850</u>	<u>\$ 233,619</u>
Primary Government:				
Invested in Capital Assets, Net of Related Debt	\$ 4,490,753	\$ 3,688,927	\$ 1,704,752	\$ 1,221,250
Restricted	3,260,324	3,143,103	4,004,857	4,770,065
Unrestricted	<u>3,814,865</u>	<u>2,777,801</u>	<u>1,086,899</u>	<u>(1,139,867)</u>
<i>Total Primary Government Net Assets</i>	<u>\$ 11,565,942</u>	<u>\$ 9,609,831</u>	<u>\$ 6,796,508</u>	<u>\$ 4,851,448</u>

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 2,200,744	\$ 1,946,362	\$ 1,567,981	\$ 1,544,335	\$ 1,497,343	\$ 1,661,446
1,104,831	879,207	2,155,299	1,855,906	2,393,854	2,328,980
(1,038,726)	383,288	408,187	(87,075)	1,598,300	1,447,713
<u>\$ 2,266,849</u>	<u>\$ 3,208,857</u>	<u>\$ 4,131,467</u>	<u>\$ 3,313,166</u>	<u>\$ 5,489,497</u>	<u>\$ 5,438,139</u>
\$ 169,306	\$ 170,001	\$ 187,256	\$ 196,624	\$ 207,659	\$ 203,534
(3,267)	89,820	83,728	98,548	63,570	25,129
<u>\$ 166,039</u>	<u>\$ 259,821</u>	<u>\$ 270,984</u>	<u>\$ 295,172</u>	<u>\$ 271,229</u>	<u>\$ 228,663</u>
\$ 2,370,050	\$ 2,116,363	\$ 1,755,237	\$ 1,740,959	\$ 1,705,002	\$ 1,864,980
1,104,831	879,207	2,155,299	1,855,906	2,393,854	2,328,980
(1,041,993)	473,108	491,915	11,473	1,661,870	1,472,842
<u>\$ 2,432,888</u>	<u>\$ 3,468,678</u>	<u>\$ 4,402,451</u>	<u>\$ 3,608,338</u>	<u>\$ 5,760,726</u>	<u>\$ 5,666,802</u>

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

	2010	2009	2008	2007
Expenses:				
Governmental Activities:				
Regular Instruction	\$ 12,737,608	\$ 11,527,572	\$ 10,211,305	\$ 9,933,444
Special Instruction	1,903,964	1,998,884	1,851,409	1,712,549
Vocational Instruction	80,732	112,692	108,040	162,699
Other Instruction	23,103	20,131	0	13,210
Pupil Support	1,174,071	899,849	962,287	995,334
Instructional Staff Support	1,328,776	1,426,196	1,343,348	1,398,338
Board of Education	75,274	80,176	62,223	94,466
Administration	2,050,077	2,015,517	1,963,707	2,069,076
Fiscal	885,475	828,131	707,475	1,284,233
Business	300	400	800	800
Operation and Maintenance of Plant	1,990,526	2,473,588	2,442,552	2,828,169
Pupil Transportation	1,264,395	1,127,451	1,157,144	1,126,296
Central	12,933	16,632	16,001	22,099
Operation of Non-Instructional Services	160,455	283,041	165,741	184,844
Extracurricular Activities	844,500	801,231	623,811	731,019
Interest and Fiscal Charges	1,360,443	1,320,426	1,333,641	1,461,470
Reissuance Costs	0	0	0	0
<i>Total Governmental Activities Expenses</i>	<u>25,892,632</u>	<u>24,931,917</u>	<u>22,949,484</u>	<u>24,018,046</u>
Business-Type Activities:				
Food Service	669,562	706,059	657,655	623,945
Uniform School Supplies	118,911	84,224	99,922	108,859
Community Education	357,803	342,088	400,043	343,265
Windsor Educational	0	0	0	0
<i>Total Business-Type Activities Expenses</i>	<u>1,146,276</u>	<u>1,132,371</u>	<u>1,157,620</u>	<u>1,076,069</u>
<i>Total Primary Government Expenses</i>	<u>\$ 27,038,908</u>	<u>\$ 26,064,288</u>	<u>\$ 24,107,104</u>	<u>\$ 25,094,115</u>
Program Revenues:				
Governmental Activities:				
Charges for Services:				
Regular Instruction	\$ 373,528	\$ 229,320	\$ 108,321	\$ 46,728
Special Instruction	0	0	0	0
Pupil Support	100,370	84,827	89,748	117,182
Fiscal	3,988	17,221	29,053	22,624
Operation and Maintenance of Plant	0	642	0	27,782
Extracurricular Activities	236,417	215,933	143,706	168,239
Operating Grants and Contributions:				
Regular Instruction	104,258	137,025	75,556	78,149
Special Instruction	2,010	25,418	67,296	72,521
Pupil Support	3,764	3,042	3,940	0
Instructional Staff Support	512,006	305,995	381,111	351,980
Administration	5,000	5,840	13,322	6,563
Fiscal	0	1,985	0	0
Operation and Maintenance of Plant	0	0	0	0
Operation of Non Instructional	138,989	157,624	151,237	164,254
Extracurricular Activities	0	0	0	0
Capital Grants and Contributions:				
Regular Instruction	0	0	13,202	0
Instructional Staff Support	0	0	0	0
Operation and Maintenance of Plant	0	2,604	36,345	0
Pupil Transportation	0	0	0	0
<i>Total Governmental Activities Program Revenues</i>	<u>1,480,330</u>	<u>1,187,476</u>	<u>1,112,837</u>	<u>1,056,022</u>

2006	2005	2004	2003	2002	2001
\$ 9,893,476	\$ 10,026,597	\$ 10,019,345	\$ 9,291,338	\$ 9,002,902	\$ 9,432,792
1,483,639	1,636,142	1,350,026	1,189,814	1,348,927	1,155,300
123,302	71,620	92,934	108,138	101,713	55,069
34,060	29,720	37,335	5,912	18,144	0
1,072,115	1,139,741	1,098,885	1,055,832	966,542	927,785
1,489,359	1,297,374	1,159,805	986,686	1,065,858	754,176
89,991	83,165	79,892	63,685	66,055	57,583
1,976,027	1,816,179	1,610,209	1,510,595	1,349,681	1,309,319
640,702	936,955	643,052	668,701	598,479	414,824
800	800	800	800	750	0
3,020,408	2,479,388	2,499,738	2,427,389	2,242,666	2,094,832
1,215,315	1,120,571	1,097,121	1,063,140	946,889	827,971
25,809	24,281	21,452	21,381	21,729	0
173,704	160,332	198,003	209,998	129,891	185,448
702,459	690,406	746,022	696,643	688,806	392,947
1,442,066	2,548,040	1,240,118	1,283,851	1,237,510	1,358,729
0	188,590	0	0	0	0
23,383,232	24,249,901	21,894,737	20,583,903	19,786,542	18,966,775
594,929	668,197	686,168	584,811	492,126	459,191
93,703	106,213	71,642	64,589	59,940	65,405
217,837	164,844	208,061	176,678	150,584	70,037
0	0	0	68,146	0	0
906,469	939,254	965,871	894,224	702,650	594,633
\$ 24,289,701	\$ 25,189,155	\$ 22,860,608	\$ 21,478,127	\$ 20,489,192	\$ 19,561,408
\$ 84,170	\$ 51,244	\$ 52,944	\$ 81,992	\$ 220,964	\$ 64,217
0	5	0	0	0	0
220,695	206,626	200,094	176,243	162,001	162,652
19,908	51,352	17,456	19,715	17,859	0
0	0	0	0	0	0
160,390	148,019	140,112	143,374	141,978	155,244
73,776	118,098	113,975	92,858	38,134	59,442
76,445	95,065	3,776	0	0	2,650
53,674	92,846	33,527	56,541	9,851	7,815
323,026	233,134	207,882	104,580	105,498	166,904
6,611	6,188	7,174	7,076	6,933	7,510
0	0	0	0	0	0
0	0	0	0	0	10,800
144,668	150,036	139,144	151,189	137,152	185,448
0	0	0	0	38,103	29,078
0	16,905	0	0	14,000	45,941
0	0	0	30,718	0	174
0	0	0	0	0	0
0	0	0	0	0	19,811
1,163,363	1,169,518	916,084	864,286	892,473	917,686

(continued)

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

	2010	2009	2008	2007
Business-Type Activities:				
Charges for Services:				
Food Service	\$ 616,442	\$ 599,641	\$ 600,990	\$ 529,535
Uniform School Supplies	107,770	104,698	101,299	97,554
Community Education	371,189	357,764	363,369	448,362
Windsor Educational	0	0	0	0
Operating Grants and Contributions:				
Food Service	60,804	100,074	76,331	55,301
<i>Total Business-Type Activities Program Revenues</i>	<u>1,156,205</u>	<u>1,162,177</u>	<u>1,141,989</u>	<u>1,130,752</u>
<i>Total Primary Government Program Revenues</i>	<u>2,636,535</u>	<u>2,349,653</u>	<u>2,254,826</u>	<u>2,186,774</u>
Net (Expense) Revenue:				
Governmental Activities	(24,412,302)	(23,744,441)	(21,836,647)	(22,962,024)
Business-Type Activities	9,929	29,806	(15,631)	54,683
<i>Total Primary Government Net Expense</i>	<u>\$ (24,402,373)</u>	<u>\$ (23,714,635)</u>	<u>\$ (21,852,278)</u>	<u>\$ (22,907,341)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Property and Other Local Taxes Levied For:				
General Purposes	\$ 18,124,570	\$ 18,443,992	\$ 17,044,074	\$ 17,540,958
Debt Service	2,478,184	2,486,452	2,267,975	2,661,472
Grants and Entitlements not Restricted to Specific Programs	5,493,978	5,356,437	4,815,085	4,324,197
Investment Earnings	60,186	105,901	232,816	506,124
Miscellaneous	201,566	134,562	127,169	291,590
<i>Total Governmental Activities</i>	<u>26,358,484</u>	<u>26,527,344</u>	<u>24,487,119</u>	<u>25,324,341</u>
Business-Type Activities:				
Investment Earnings	0	614	2,432	1,560
Miscellaneous	0	0	120	0
<i>Total Business-Type Activities</i>	<u>0</u>	<u>614</u>	<u>2,552</u>	<u>1,560</u>
<i>Total Primary Government</i>	<u>\$ 26,358,484</u>	<u>\$ 26,527,958</u>	<u>\$ 24,489,671</u>	<u>\$ 25,325,901</u>
Change in Net Assets				
Governmental Activities	1,946,182	2,782,903	2,650,472	2,362,317
Business-Type Activities	9,929	30,420	(13,079)	56,243
<i>Total Primary Government</i>	<u>\$ 1,956,111</u>	<u>\$ 2,813,323</u>	<u>\$ 2,637,393</u>	<u>\$ 2,418,560</u>

2006	2005	2004	2003	2002	2001
\$ 527,520	\$ 619,966	\$ 641,834	\$ 549,986	\$ 499,914	\$ 446,752
92,293	96,152	74,349	69,600	66,862	65,833
243,275	184,228	191,304	171,745	145,053	83,840
0	0	0	67,909	0	0
37,221	25,531	33,586	55,464	30,762	23,922
900,309	925,877	941,073	914,704	742,591	620,347
2,063,672	2,095,395	1,857,157	1,778,990	1,635,064	1,538,033
(22,219,869)	(23,080,383)	(20,978,653)	(19,719,617)	(18,894,069)	(18,049,089)
(6,160)	(13,377)	(24,798)	20,480	39,941	25,714
\$ (22,226,029)	\$ (23,093,760)	\$ (21,003,451)	\$ (19,699,137)	\$ (18,854,128)	\$ (18,023,375)
\$ 14,083,975	\$ 15,599,444	\$ 15,342,604	\$ 11,672,680	\$ 13,315,386	\$ 11,634,491
2,147,078	2,065,233	2,146,903	1,839,749	1,563,514	1,920,748
4,255,426	4,247,210	4,203,459	3,881,296	3,820,383	3,655,753
505,332	91,320	15,472	47,382	225,968	345,430
168,579	154,566	88,516	102,179	20,176	28,824
21,160,390	22,157,773	21,796,954	17,543,286	18,945,427	17,585,246
3,671	2,214	610	3,226	2,625	2,312
26,178	0	0	0	0	0
29,849	2,214	610	3,226	2,625	2,312
\$ 21,190,239	\$ 22,159,987	\$ 21,797,564	\$ 17,546,512	\$ 18,948,052	\$ 17,587,558
(1,059,479)	(922,610)	818,301	(2,176,331)	51,358	(463,843)
23,689	(11,163)	(24,188)	23,706	42,566	28,026
\$ (1,035,790)	\$ (933,773)	\$ 794,113	\$ (2,152,625)	\$ 93,924	\$ (435,817)

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

	2010	2009	2008	2007
Governmental Activities				
Regular Instruction	\$ 477,786	\$ 366,345	\$ 197,079	\$ 124,877
Special Instruction	2,010	25,418	67,296	72,521
Pupil Support	104,134	87,869	93,688	117,182
Instructional Support	512,006	305,995	381,111	351,980
Administration	5,000	5,840	13,322	6,563
Fiscal	3,988	19,206	29,053	22,624
Operation and Maintenance of Plant	0	3,246	36,345	27,782
Pupil Transportation	0	0	0	0
Operation of Non Instructional	138,989	157,624	151,237	164,254
Extracurricular Activities	236,417	215,933	143,706	168,239
<i>Total Governmental Activities</i>	<u>1,480,330</u>	<u>1,187,476</u>	<u>1,112,837</u>	<u>1,056,022</u>
Business-Type Activities				
Food Service	677,246	699,715	677,321	584,836
Uniform School Supplies	107,770	104,698	101,299	97,554
Community Education	371,189	357,764	363,369	448,362
Windsor Educational	0	0	0	0
<i>Total Business-Type Activities</i>	<u>1,156,205</u>	<u>1,162,177</u>	<u>1,141,989</u>	<u>1,130,752</u>
<i>Total Primary Government</i>	<u>\$ 2,636,535</u>	<u>\$ 2,349,653</u>	<u>\$ 2,254,826</u>	<u>\$ 2,186,774</u>

	2006	2005	2004	2003	2002	2001
\$	157,946	\$ 186,247	\$ 166,919	\$ 174,850	\$ 273,098	\$ 169,600
	76,445	95,070	3,776	0	0	2,650
	274,369	299,472	233,621	232,784	171,852	170,467
	323,026	233,134	207,882	135,298	105,498	167,078
	6,611	6,188	7,174	7,076	6,933	7,510
	19,908	51,352	17,456	19,715	17,859	10,800
	0	0	0	0	0	0
	0	0	0	0	0	19,811
	144,668	150,036	139,144	151,189	137,152	185,448
	160,390	148,019	140,112	143,374	180,081	184,322
	<u>1,163,363</u>	<u>1,169,518</u>	<u>916,084</u>	<u>864,286</u>	<u>892,473</u>	<u>917,686</u>
	564,741	645,497	675,420	605,450	530,676	470,674
	92,293	96,152	74,349	69,600	66,862	65,833
	243,275	184,228	191,304	171,745	145,053	83,840
	0	0	0	67,909	0	0
	<u>900,309</u>	<u>925,877</u>	<u>941,073</u>	<u>914,704</u>	<u>742,591</u>	<u>620,347</u>
\$	<u>2,063,672</u>	<u>\$ 2,095,395</u>	<u>\$ 1,857,157</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>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund				
Reserved	\$ 2,280,847	\$ 3,053,283	\$ 2,879,582	\$ 2,852,743
Unreserved	3,338,370	1,424,748	0	(2,987,439)
<i>Total General Fund</i>	<u>5,619,217</u>	<u>4,478,031</u>	<u>2,879,582</u>	<u>(134,696)</u>
All Other Governmental Funds				
Reserved	506,050	674,516	408,383	1,691,974
Unreserved, Reported in:				
Special Revenue Funds	91,217	123,372	2,304,098	161,629
Debt Service Funds	2,814,709	2,539,420	172,850	2,397,617
Capital Projects Funds	162,405	128,099	0	724,220
Permanent Funds	0	0	0	0
<i>Total All Other Governmental Funds</i>	<u>3,574,381</u>	<u>3,465,407</u>	<u>2,885,331</u>	<u>4,975,440</u>
<i>Total Governmental Funds</i>	<u>\$ 9,193,598</u>	<u>\$ 7,943,438</u>	<u>\$ 5,764,913</u>	<u>\$ 4,840,744</u>

2006	2005	2004	2003	2002	2001
\$ 2,233,821 (2,343,891)	\$ 3,709,598 (2,539,529)	\$ 2,738,475 (2,125,432)	\$ 1,618,655 (1,462,800)	\$ 2,541,652 (407,207)	\$ 1,644,965 402,935
(110,070)	1,170,069	613,043	155,855	2,134,445	2,047,900
8,125,446	1,348,098	491,541	313,346	345,549	345,565
122,621	131,387	192,206	226,609	221,399	200,068
2,082,765	1,936,245	1,400,736	1,251,625	1,113,357	977,462
626,179	9,002,702	40,976	68,594	518,257	673,101
0	53	0	0	0	0
10,957,011	12,418,485	2,125,459	1,860,174	2,198,562	2,196,196
<u>\$ 10,846,941</u>	<u>\$ 13,588,554</u>	<u>\$ 2,738,502</u>	<u>\$ 2,016,029</u>	<u>\$ 4,333,007</u>	<u>\$ 4,244,096</u>

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Revenues:				
Taxes	\$ 20,524,509	\$ 21,480,808	\$ 19,398,904	\$ 19,173,424
Intergovernmental	6,065,751	5,992,945	5,517,743	4,997,664
Interest	60,481	108,926	272,167	506,124
Tuition and Fees	352,827	314,147	108,321	46,728
Extracurricular Activities	336,787	215,933	233,454	285,421
Rentals	3,988	17,863	29,053	27,744
Charges for Services	0	0	0	22,662
Contributions and Donations	145,181	91,937	92,018	263,145
Miscellaneous	56,385	42,625	35,151	28,445
<i>Total Revenues</i>	<u>27,545,909</u>	<u>28,265,184</u>	<u>25,686,811</u>	<u>25,351,357</u>
Expenditures:				
Current:				
Instruction:				
Regular	11,294,180	10,599,975	9,494,487	9,605,336
Special	1,859,174	1,998,852	1,842,475	1,679,725
Vocational	80,732	112,692	108,040	162,699
Other	23,103	20,131	0	13,210
Support Services:				
Pupils	1,142,194	896,199	962,350	975,776
Instructional Staff	1,257,778	1,283,972	1,251,731	1,387,321
Board of Education	75,274	80,176	62,223	94,356
Administration	2,036,099	1,980,521	2,039,699	2,045,032
Fiscal	882,859	835,484	723,495	1,277,306
Business	300	400	800	800
Operation and Maintenance of Plant	2,236,090	2,368,677	2,253,916	2,516,357
Pupil Transportation	1,304,983	1,182,167	1,124,880	1,115,895
Central	12,933	16,632	16,001	22,099
Operation of Non-Instructional Services	133,465	276,529	157,167	161,178
Extracurricular Activities	844,243	797,899	620,941	724,915
Capital Outlay	481,724	831,865	1,703,012	7,001,158
Debt Service:				
Principal Retirement	1,544,128	1,485,870	1,435,000	1,295,000
Interest and Fiscal Charges	1,092,272	1,144,118	1,141,325	1,271,402
Bond Issuance Costs	0	0	0	0
<i>Total Expenditures</i>	<u>26,301,531</u>	<u>25,912,159</u>	<u>24,937,542</u>	<u>31,349,565</u>
<i>Excess (Deficiency) of Revenue Over (Under) Expenditures</i>	1,244,378	2,353,025	749,269	(5,998,208)
Other Financing Sources (Uses):				
Inception of Capital Lease	0	0	0	0
Proceeds of Debt Issuance	0	0	0	0
Refunding Bonds	0	0	0	0
Payment to Refund Bond Escrow Agent	0	0	0	0
Proceeds from Sale of Capital Assets	5,782	0	400	3,348
Bond Premiums	0	0	0	0
Transfers In	417,600	417,600	313,600	313,600
Transfers Out	(417,600)	(417,600)	(313,600)	(324,937)
<i>Total Financing Sources and (Uses)</i>	<u>5,782</u>	<u>0</u>	<u>400</u>	<u>(7,989)</u>
<i>Net Change in Fund Balance</i>	<u>\$ 1,250,160</u>	<u>\$ 2,353,025</u>	<u>\$ 749,669</u>	<u>\$ (6,006,197)</u>
Debt Service as a Percentage of Noncapital Expenditures	10.24%	10.68%	11.18%	10.84%

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

	2006	2005	2004	2003	2002	2001
\$	16,139,165	\$ 18,329,367	\$ 17,162,148	\$ 13,302,500	\$ 14,855,371	\$ 13,548,353
	4,933,626	4,959,482	4,708,937	4,324,258	4,189,224	4,102,753
	505,332	91,320	15,472	47,382	227,195	345,430
	67,152	49,999	49,061	80,678	218,409	48,658
	382,353	355,895	329,479	320,931	306,534	320,430
	19,908	51,352	17,456	19,715	17,859	14,020
	15,750	0	14,610	0	0	0
	154,981	113,747	87,483	80,252	0	46,478
	13,418	4,429	10,133	33,738	74,718	11,424
	<u>22,231,685</u>	<u>23,955,591</u>	<u>22,394,779</u>	<u>18,209,454</u>	<u>19,889,310</u>	<u>18,437,546</u>
	9,250,195	9,596,898	9,174,555	8,467,549	8,125,303	8,278,904
	1,476,836	1,646,045	1,336,903	1,175,284	1,335,649	1,162,013
	123,302	71,620	92,934	108,138	101,713	55,069
	34,060	29,720	37,335	5,912	18,144	0
	1,104,862	1,146,396	1,082,514	1,066,929	969,626	918,002
	1,357,804	1,204,234	1,073,138	981,533	944,988	775,947
	89,883	83,115	79,733	63,569	65,947	57,571
	1,883,737	1,875,080	1,573,006	1,475,971	1,383,754	1,244,528
	603,709	945,044	614,891	640,565	547,204	428,235
	800	800	800	800	750	0
	2,489,294	2,334,061	2,305,252	2,152,062	2,114,661	2,057,061
	1,143,620	1,130,762	1,058,296	1,066,596	988,953	762,138
	25,809	24,936	21,452	21,381	21,729	0
	158,724	151,141	181,176	193,699	131,840	223,963
	697,089	695,109	727,167	726,783	690,347	632,153
	2,213,235	707,912	251,793	281,643	248,154	753,847
	1,146,145	853,647	821,488	814,952	767,723	742,172
	1,285,623	1,174,244	1,240,118	1,283,851	1,349,265	1,361,834
	0	188,590	0	0	0	0
	<u>25,084,727</u>	<u>23,859,354</u>	<u>21,672,551</u>	<u>20,527,217</u>	<u>19,805,750</u>	<u>19,453,437</u>
	(2,853,042)	96,237	722,228	(2,317,763)	83,560	(1,015,891)
	0	0	0	0	6,636	31,426
	0	9,949,990	0	0	0	0
	0	16,819,988	0	0	0	0
	0	(18,082,289)	0	0	0	0
	1,205	0	245	785	1,465	0
	0	2,066,126	0	0	0	0
	430,471	315,750	325,450	478,409	51,992	45,578
	(320,247)	(315,750)	(325,450)	(478,409)	(54,742)	(45,578)
	<u>111,429</u>	<u>10,753,815</u>	<u>245</u>	<u>785</u>	<u>5,351</u>	<u>31,426</u>
\$	<u>(2,741,613)</u>	<u>\$ 10,850,052</u>	<u>\$ 722,473</u>	<u>\$ (2,316,978)</u>	<u>\$ 88,911</u>	<u>\$ (984,465)</u>
	10.58%	9.68%	9.68%	10.45%	10.93%	11.30%

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>
2010	\$ 479,878,670	\$ 1,371,081,914	\$ 5,849,490	\$ 6,647,148
2009	484,579,200	1,384,512,000	5,489,790	6,238,398
2008	486,429,360	1,389,798,171	5,218,290	5,929,875
2007	482,941,100	1,379,831,714	6,552,990	7,446,580
2006	452,868,880	1,293,911,086	7,173,560	8,151,772
2005	434,192,870	1,240,551,057	6,879,320	7,817,409
2004	431,105,710	1,231,730,600	6,873,410	7,810,693
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

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

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

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>	<u>Direct Rate</u>
\$ -	\$ -	\$ 485,728,160	\$ 1,377,729,062	35%	108.60
1,302,500	5,663,043	491,371,490	1,396,413,441	35%	108.30
2,905,855	12,634,152	494,553,505	1,408,362,199	35%	108.30
4,045,333	17,588,404	493,539,423	1,404,866,698	35%	100.40
5,919,019	25,734,865	465,961,459	1,327,797,723	35%	100.90
7,210,137	31,348,422	448,282,327	1,279,716,888	35%	99.80
9,333,450	40,580,217	447,312,570	1,280,121,510	35%	92.20
10,781,967	43,127,874	419,468,207	1,199,676,338	35%	92.10
10,129,867	40,519,468	404,477,127	1,155,091,764	35%	92.30
9,737,879	38,951,516	400,324,069	1,141,116,073	35%	92.80

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

Calendar Year	School Levy (1)	Cuyahoga County Levy	Geauga County Levy	Other (2)	City Levy	Total Levy	Debt Service Included in Total Levy			
							School	County	City	Total
2009	108.60	13.32	15.10	7.68	11.20	155.90	6.05	0.55	2.9	9.50
2008	108.60	13.32	15.10	7.68	11.20	155.90	5.75	0.50	2.9	9.15
2007	108.30	13.42	15.10	7.18	11.20	155.20	5.75	0.74	2.9	9.39
2006	100.40	13.42	15.10	7.18	11.20	147.30	5.75	0.74	2.9	9.39
2005	100.90	20.30	15.10	N/A	11.50	147.80	6.25	0.50	3.20	9.95
2004	99.80	19.40	15.10	N/A	10.40	144.70	5.15	0.91	3.20	9.26
2003	92.20	17.60	14.60	N/A	10.40	134.80	5.45	0.91	2.10	8.46
2002	92.10	17.60	14.40	N/A	10.40	134.50	5.35	0.86	2.10	8.31
2001	92.30	17.60	14.40	N/A	10.50	134.80	5.55	0.79	2.20	8.54
2000	92.80	16.70	13.65	N/A	10.60	133.75	6.05	0.85	2.30	9.20

(1)

	Current	Debt Service	Total
2009	102.55	6.05	108.60
2008	102.55	6.05	108.60
2007	102.55	5.75	108.30
2006	94.65	5.75	100.40
2005	N/A	N/A	100.90
2004	N/A	N/A	99.80
2003	N/A	N/A	92.20
2002	N/A	N/A	92.10
2001	N/A	N/A	92.30
2000	N/A	N/A	92.80

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

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

N/A This information is not readily available.

Chagrin Falls Exempted Village School District
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
2009	\$ 24,110,035	\$ 23,262,773	96.49%	\$ 681,891	\$ 23,944,664	99.31%
2008	24,111,227	23,187,605	96.17%	829,265	24,016,870	99.61%
2007	21,912,082	19,583,534	89.37%	979,469	20,563,003	93.84%
2006	13,736,651	12,083,719	87.97%	314,553	12,398,272	90.26%
2005	21,047,815	18,951,580	90.04%	818,133	19,769,713	93.93%
2004	20,789,650	19,109,806	91.92%	522,175	19,631,981	94.43%
2003	17,181,312	15,408,518	89.68%	566,722	15,975,240	92.98%
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%

Source: Cuyahoga and Geauga County Auditors.

Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditors.

(1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.

(2) Represents collection year. 2010 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, 2009 and December 31, 2001

Name of Taxpayer	Assessed Value (1)	Percent of Real Assessed Value
December 31, 2009		
Edmund A. Leopold	\$ 1,907,060	0.40%
Western Reserve Company	1,844,620	0.38%
Hamlet Retirement LLC	1,731,880	0.36%
Chagrin Falls Shopping Center	1,684,380	0.35%
Harris Realty Co.	1,619,040	0.34%
Hamlet Atrium, LLC	1,303,760	0.27%
River Street Partners, LLC	948,850	0.20%
Step North Equities, LTD	930,790	0.19%
Hamlet Manor, LLC	836,400	0.17%
Talisman, Alan G. Trustee	834,550	0.17%
Totals	<u>\$ 13,641,330</u>	<u>1.01%</u>
Total Assessed Valuation	<u>\$ 479,878,670</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 for 2009 and Cuyahoga County Auditor for 2001.

(1) Assessed values are for the 2010 collection year for 2009 and the 2002 collection year for 2001.

Information prior to 2000 was not available

Chagrin Falls Exempted Village School District
Principal Taxpayers
Public Utility Personal Property Tax
December 31, 2009 and December 31, 2001

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Real Assessed Value</u>
December 31, 2009		
Cleveland Electric Illuminating Company	2,859,780	48.89%
Ohio Bell Telephone Company	243,250	4.16%
American Wireless Transmission	205,120	3.51%
East Ohio Gas	82,630	1.41%
Totals	<u>\$ 3,390,780</u>	<u>57.97%</u>
Total Assessed Valuation	<u>\$ 5,849,490</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%
Norfolk Southern Combined	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.

(1) Assessed values are for the 2010 collection year for 2009 and the 2002 collection year for 2001.

Chagrin Falls Exempted Village School District
Computation of Legal Debt Margin
 June 30, 2010

	2010	2009	2008	2007
Assessed Valuation	\$ 485,728,160	\$ 491,371,490	\$ 494,553,505	\$ 493,539,423
Bonded Debt Limit - 9% of Assessed Value (1)	\$ 43,715,534	\$ 44,223,434	\$ 44,509,815	\$ 44,418,548
Outstanding debt:				
General Obligation Bonds	23,719,980	25,264,108	26,749,978	28,184,978
Less Amount Available in Debt Service	(3,118,852)	(2,944,092)	(2,709,481)	(2,706,487)
Total	20,601,128	22,320,016	24,040,497	25,478,491
Amount of Debt Subject to Debt Limit:	20,601,128	22,320,016	24,040,497	25,478,491
Overall Debt Margin	\$ 23,114,406	\$ 21,903,418	\$ 20,469,318	\$ 18,940,057
Bonded Debt Limit - .1% of Assessed Value (1)	485,728	491,371	494,554	493,539
Amount of Debt Applicable	-	-	-	-
Unvoted Debt Margin	\$ 485,728	\$ 491,371	\$ 494,554	\$ 493,539

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.

2006	2005	2004	2003	2002	2001
\$ 465,961,459	\$ 448,282,327	\$ 447,312,570	\$ 418,605,651	\$ 404,477,127	\$ 400,324,069
\$ 41,936,531	\$ 40,345,409	\$ 40,258,131	\$ 37,674,509	\$ 36,402,941	\$ 36,029,166
29,479,978 (2,445,341)	30,619,978 (2,447,563)	21,515,000 (1,754,657)	22,310,000 (1,432,349)	23,080,000 (1,414,155)	23,775,000 (1,167,897)
27,034,637	28,172,415	19,760,343	20,877,651	21,665,845	22,607,103
27,034,637	28,172,415	19,760,343	20,877,651	21,665,845	22,607,103
\$ 14,901,894	\$ 12,172,994	\$ 20,497,788	\$ 16,796,858	\$ 14,737,096	\$ 13,422,063
465,961	448,282	447,313	418,606	404,477	400,324
-	-	-	-	-	-
\$ 465,961	\$ 448,282	\$ 447,313	\$ 418,606	\$ 404,477	\$ 400,324

Chagrin Falls Exempted Village School District
*Computation of Direct & Overlapping General Obligation Bonded Debt
as of June 30, 2010*

	General Obligation Bonded Debt Outstanding	Percentage Applicable to School District (1)	Amount Application to School District
Direct:			
Chagrin Falls Exempted Village	\$ 23,719,980	100.00%	\$ 23,719,980
Overlapping:			
Cuyahoga County	336,472,572	1.01%	3,399,240
Regional Transit Authority	163,025,000	1.01%	1,646,973
Bentleyville Village	610,000	21.82%	133,125
Chagrin Falls Village	2,560,000	58.47%	1,496,739
Moreland Hills Village	805,000	15.39%	123,922
Total Overlapping	503,472,572		6,799,999
Total	\$ 527,192,552		\$ 30,519,979

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 2009 collection year.

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
2010	\$ 23,719,980	0.39%	\$ 2,042
2009	25,264,108	0.37%	2,194
2008	26,749,978	0.35%	2,303
2007	28,184,978	0.33%	1,946
2006	29,479,978	0.32%	2,036
2005	30,619,978	N/A	2,114
2004	21,515,000	N/A	1,486
2003	22,310,000	N/A	1,541
2002	23,080,000	N/A	1,594
2001	23,775,000	N/A	1,642

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
2010	11,617	\$ 1,377,729,062	\$ 23,719,980	\$ 3,118,852	\$ 20,601,128	1.50%	\$ 1,773
2009	11,514	1,396,413,441	25,264,108	2,944,092	22,320,016	1.60%	1,939
2008	11,614	1,408,362,199	26,749,978	2,709,481	24,040,497	1.71%	2,070
2007	14,481	1,404,866,698	28,184,978	2,706,487	25,478,491	1.81%	1,759
2006	14,481	1,327,797,723	29,479,978	2,445,341	27,034,637	2.04%	1,867
2005	14,481	1,280,121,510	30,619,978	2,447,563	28,172,415	2.20%	1,945
2004	14,481	1,199,676,338	21,515,000	1,754,657	19,760,343	1.65%	1,365
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

Source:

(1) U.S. Census of Population

(2) Cuyahoga and Geauga County Auditors

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

Employer	Nature of Business	2010		
		Employees	Rank	Percentage of Total Employment (1)
Chagrin Falls Exempted Village Schools	Public Schools	262	1	N/A
Hamlet Village LLC	Healthcare Services	160	2	N/A
Village of Chagrin Falls	Government	75	3	N/A
Howard Hanna Smyth Cramer, Inc.	Real Estate	60	4	N/A
Game Keepers Hospitality, Inc.	Restaurant	60	5	N/A
Yours Truly of Chagrin Falls	Restaurant	60	6	N/A
Giant Eagle, Inc.	Grocery Store	60	7	N/A
Hyde Park Restaurant Systems	Restaurant	53	8	N/A
Re/Max Traditions	Real Estate	35	9	N/A
South Russell Village	Government	30	10	N/A

Employer	Nature of Business	2006 (2)		
		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
Game Keepers Hospitality, Inc.	Restaurant	120	4	N/A
Windsor Hospital	Healthcare Services	104	5	N/A
Village of Chagrin Falls	Government	67	6	N/A
Smith Barney	Financial Services	55	7	N/A
Gleeson Construction	Property Manager	55	8	N/A
First Union Securities	Financial Services	39	9	N/A

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

(2) This is the most recent readily available.

Source: Chagrin Falls Village, Chagrin Falls Library and RITA

Chagrin Falls Exempted Village School District
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)
2010	1,275,709	99,060	894	3,620
2009	1,283,925	98,817	896	3,641
2008	1,341,241	95,676	905	3,678
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

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

(2) Department of Job and Family Services

(3) U.S. Census Bureau, 2000 Census

(4) Estimated based on 2000 Census information

Moreland Hills Village Population (2)	South Russell Village Population (2)	Personal Income Per Capita (3)	Total Personal Income (4)	Cuyahoga County Unemployment Rate (2)	Geauga County Unemployment Rate (2)
3,041	4,062	42,885	498,195,045	9.7	7.3
3,064	3,913	42,885	493,777,890	10.2	7.9
3,093	3,938	42,885	498,066,390	8.1	6.3
3,400	5,560	42,885	622,347,120	4.9	3.4
3,400	5,560	42,885	622,347,120	4.9	3.4
3,400	5,560	42,885	622,347,120	4.8	3.2
3,400	5,560	42,885	622,347,120	4.8	3.2
3,400	5,560	42,885	622,347,120	4.8	3.2
3,400	5,560	42,885	622,347,120	4.8	3.2
3,400	5,560	42,885	622,347,120	4.8	3.2
3,400	5,529	42,885	621,017,685	4.6	3.0

Chagrin Falls Exempted Village School District
Building Statistics by Function/Program
Last Five Fiscal Years (1)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Gurney Elementary School					
Constructed in 1966, additions in 1968,1971,1998					
Total Building Square Footage	66,472	66,472	66,472	66,472	66,472
Enrollment Grades	PreK-3	PreK-3	PreK-3	PreK-3	PreK-3
Student Capacity - enrollment	580	580	592	581	584
Regular Instruction Classrooms	39	39	39	39	39
Regular Instruction Teachers	29	29	29	29	29
Special Instruction Teachers	9	9	9	9	9
Chagrin Falls Intermediate School					
Constructed in 1914, additions in 1939, 1952					
Total Building Square Footage	71,243	71,243	71,243	71,243	71,243
Enrollment Grades	4-6	4-6	4-6	4-6	4-6
Student Capacity - enrollment	453	453	436	431	436
Regular Instruction Classrooms	28	28	28	28	28
Regular Instruction Teachers	27	27	27	27	27
Special Instruction Teachers	6	6	6	6	6
Chagrin Falls Middle School					
Constructed in 1999					
Total Building Square Footage	103,537	103,537	103,537	103,537	103,537
Enrollment Grades	7-8	7-8	7-8	7-8	7-8
Student Capacity - enrollment	313	313	322	296	292
Regular Instruction Classrooms	24	24	24	24	24
Regular Instruction Teachers	22	22	22	22	22
Special Instruction Teachers	3	3	3	3	3
Chagrin Falls High School					
Constructed in 1957, additions in 1961,1965,1968,1971					
Total Building Square Footage	116,404	116,404	116,404	116,404	116,404
Enrollment Grades	9-12	9-12	9-12	9-12	9-12
Student Capacity - enrollment	627	627	647	651	649
Regular Instruction Classrooms	44	44	44	44	44
Regular Instruction Teachers	46	46	46	46	46
Special Instruction Teachers	2	2	2	2	2

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

Source: School District Records

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

Year	General Fund Expenditures	Average Daily Student Enrollment	Cost Per Pupil
2010	\$ 22,036,369	2,016	\$ 10,931
2009	21,460,131	2,033	10,556
2008	19,633,885	1,997	9,832
2007	20,788,743	1,959	10,612
2006	19,296,420	1,956	9,865
2005	24,249,901	1,901	12,756
2004	21,894,737	1,970	11,114
2003	20,583,903	1,967	10,465
2002	19,786,542	1,914	10,338
2001	15,879,362	1,919	8,275

Source: School District Financial Records

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

Degree	2010	2009	2008	2007	2006
Bachelor's Degree	6	8	10	18	18
Bachelor + 10	4	4	9	7	8
Bachelor + 20	5	11	9	9	10
Bachelor + 30	7	9	12	13	14
Master's Degree	54	53	48	56	56
Master's + 10	32	34	30	27	28
Master's + 20	21	16	16	12	12
Master's + 30	16	8	9	11	9
Phd	1	1	1	1	1
Total	146	144	144	154	156

Source: School District Personnel Records.

2005	2004	2003	2002	2001
15	21	22	23	30
6	9	13	12	9
17	15	15	15	14
17	17	14	14	16
46	40	45	47	45
29	26	23	18	21
12	14	10	12	7
10	10	10	8	7
1	1	1	1	1
153	153	153	150	150

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

Year	Elementary School	Intermediate School	Middle School	High School	Total
2010	574	478	282	682	2,016
2009	576	478	282	697	2,033
2008	592	436	322	647	1,997
2007	581	431	296	651	1,959
2006	515	422	315	651	1,903
2005	464	446	315	638	1,863
2004	462	431	314	645	1,852
2003	458	447	330	632	1,867
2002	475	447	327	597	1,846
2001	483	458	338	580	1,859

Source: School District Records

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

Fiscal Year	Chagrin Falls Average	State Average
2010 (1)	N/A	N/A
2009 (1)	N/A	N/A
2008	17.8	18.6
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

Source: Ohio Department of Education, EMIS Reports.

(1) Information not readily available.

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
2010	95.6	94.3	99.3	83.0
2009	96.0	94.3	100.0	84.6
2008	96.0	94.2	100.0	86.9
2007	95.9	94.1	98.8	86.1
2006	96.1	94.1	98.8	86.2
2005	96.0	94.3	100.0	85.9
2004	95.7	94.5	100.0	84.3
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

Source: Ohio Department of Education Local Report Cards

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

School Year	Number of Test Takers	Number of Seniors	Percent of Students	Chagrin Falls Composite	Ohio Composite	National Composite
2010	131	166	79%	25.8	21.8	21.0
2009	108	150	72%	25.5	21.7	21.1
2008	122	163	75%	25.4	21.7	21.1
2007	123	171	72%	25.5	21.6	21.2
2006	108	168	64%	25.1	21.5	20.9
2005	131	174	75%	25.4	21.4	20.9
2004	103	164	63%	24.1	21.4	20.9
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

Source: High School Guidance Office

Chagrin Falls Exempted Village School District

SAT Scores

Last Ten Fiscal Years

School Year	Number of Test Takers	Number of Seniors	Percent of Students	Chagrin Falls Critical Reading	Ohio Critical Reading	National Critical Reading
2010	124	166	75	576	538	501
2009	111	150	74	568	537	501
2008	128	163	79	560	534	502
2007	139	171	81	561	536	502
2006	151	168	90	554	535	503
2005	153	174	88	569	538	508
2004	142	164	87	555	538	508
2003	121	139	87	555	536	507
2002	133	144	92	547	533	504
2001	121	137	88	544	534	506

Source: High School Guidance Office

Chagrin Falls Math	Ohio Math	National Math	Chagrin Falls Writing	Ohio Writing	National Writing
605	548	516	572	522	492
600	546	515	569	523	493
590	544	515	559	521	494
584	542	515	564	522	494
592	544	518	549	521	493
595	542	518	N/A	N/A	N/A
580	542	518	N/A	N/A	N/A
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

Chagrin Falls Exempted Village School District
School District Employees by Function/Program
Last Six Fiscal Years (1)

Function	2010	2009	2008	2007	2006	2005
Regular Instruction						
Elementary Classroom Teachers	29.50	29.50	29.00	29.00	28.00	27.00
Intermediate Classroom Teachers	26.00	26.00	26.50	26.50	25.00	24.50
Middle School Classroom Teachers	19.00	19.00	20.00	20.00	21.50	20.50
High School Classroom Teachers	40.00	40.00	42.50	42.50	42.00	42.00
Special Instruction						
Elementary Classroom Teachers	6.00	6.00	6.00	6.00	7.00	7.50
Intermediate Classroom Teachers	4.50	4.50	4.50	4.50	5.50	5.00
Middle School Classroom Teachers	3.00	3.00	2.50	2.50	2.50	2.00
High School Classroom Teachers	3.00	3.00	3.00	3.00	2.00	2.00
Pupil Support Services						
Guidance Counselors	6.00	6.00	6.00	6.00	6.00	6.00
Librarians	4.00	4.00	4.00	2.00	2.00	2.00
Psychologists	1.00	1.00	1.00	1.00	1.00	1.00
Speech and Language Pathologists	2.00	2.00	2.00	2.00	2.00	2.00
Non-Teaching Support Staff Central	2.00	2.00	3.50	3.50	2.00	2.00
Instructional Support Services						
Non-Teaching Support Staff Elementary	12.00	12.00	12.50	12.50	13.50	12.50
Non-Teaching Support Staff Intermediate	7.00	7.00	7.00	7.00	7.00	7.00
Non-Teaching Support Staff Middle	4.00	4.00	5.00	5.00	5.00	4.00
Non-Teaching Support Staff High	6.50	6.50	7.50	7.50	6.50	6.00
Non-Teaching Support Staff Central	2.00	2.00	3.50	3.50	3.00	3.00
Administration						
Elementary	1.00	1.00	1.00	1.00	1.00	1.00
Intermediate	1.00	1.00	1.00	1.00	1.00	1.00
Middle School	1.00	1.00	1.00	1.00	1.00	1.00
High School	2.00	2.00	2.00	2.00	2.00	2.00
Business						
Central	2.00	2.00	2.00	2.50	2.50	2.50
Business						
Treasurer Department	4.00	4.00	4.00	4.00	4.00	4.00
Operation of Plant						
Custodian Department	19.00	19.00	19.00	19.00	19.00	19.00
Maintenance Department	4.00	4.00	4.00	4.00	4.00	5.00
Pupil Transportation						
Bus Drivers	22.00	22.00	20.50	20.50	20.00	21.00
Mechanics	1.50	1.50	1.50	1.50	1.50	1.50
Transportation Support Staff	1.50	1.50	0.50	0.50	0.50	0.50
Central						
Community Relations	1.00	1.00	1.00	1.00	1.00	1.00
Technology	2.00	2.00	2.00	3.00	3.00	3.00
Personnel	0.50	0.50	0.50	0.50	0.50	0.50
Extracurricular						
Athletic Department	2.00	2.00	2.00	2.00	2.00	2.00
Food Service Program						
Elementary	2.00	2.00	2.00	2.00	2.00	2.00
Intermediate	2.00	2.00	2.00	2.00	2.00	2.00
Middle School	2.00	2.00	2.00	2.00	2.00	3.00
High School Cooks	5.00	5.00	5.00	5.00	5.00	5.00
Central	1.00	1.00	1.00	1.00	1.00	1.00
Community Service						
Community Education	1.50	1.50	1.50	1.50	1.50	1.50
Totals	255.50	255.50	261.50	261.00	258.00	255.50

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

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

Source: School District Records

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Dave Yost • Auditor of State

CHAGRIN FALLS EXEMPTED VILLAGE SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 27, 2011**