

Chagrin Falls Exempted Village
School District
Cuyahoga County, Ohio

*Reports Issued Pursuant to
Government Auditing Standards*

For the Fiscal Year Ended
June 30, 2018

OHIO AUDITOR OF STATE KEITH FABER



Board of Education and Management
Chagrin Falls Exempted Village School District
400 East Washington Street
Chagrin Falls, OH 44022

We have reviewed the *Independent Auditor's Report* of the Chagrin Falls Exempted Village School District, Cuyahoga County, prepared by Rea & Associates, Inc., for the audit period July 1, 2017 through June 30, 2018. 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.

Ohio Auditor of State

A handwritten signature in cursive script that reads "Keith Faber".

January 15, 2019

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Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Table of Contents
June 30, 2018

	<i>Page</i>
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1

December 8, 2018

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Chagrin Falls Exempted Village School District, Cuyahoga County, Ohio (the "School District") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 8, 2018, wherein we noted the School District restated the net position balances to account for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Rea & Associates, Inc.

Medina, Ohio

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

**Comprehensive
Annual Financial Report**

For the Fiscal Year Ended June 30, 2018



Prepared by

Treasurer's Office
Anne Spano
Treasurer/CFO

**INTRODUCTORY
SECTION**

Chagrin Falls Exempted Village School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018
Table of Contents

I. Introductory Section	Page
Table of Contents	i
Letter of Transmittal	v
List of Principal Officials.....	xvi
Organization Chart.....	xvii
GFOA Certificate of Achievement	xviii
ASBO Certificate of Excellence	xix
 II. Financial Section	
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	16
Statement of Activities	17
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	18
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	19
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund	22
Statement of Fiduciary Net Position – Fiduciary Funds	23
Statement of Changes in Fiduciary Net Position – Private Purpose Trust Fund	24
Notes to the Basic Financial Statements	25

Chagrin Falls Exempted Village School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018
Table of Contents

Required Supplementary Information:

Schedule of the School District’s Proportionate Share of the Net Pension Liability.....	69
Schedule of the School District’s Contributions – Pension	70
Schedule of the School District’s Proportionate Share of the Net OPEB Liability	73
Schedule of the School District’s Contributions - OPEB	74
Notes to the Required Supplementary Information	76

Combining Statements and Individual Fund Schedules:

Combining Statements - Nonmajor Funds:

Description of Funds	80
Combining Balance Sheet – Nonmajor Governmental Funds	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	83
Combining Balance Sheet – Nonmajor Special Revenue Funds	84
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	87

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

General Fund	92
Bond Retirement Fund	96
Building Fund	97
Miscellaneous Grants Fund	98
Athletic/District Managed Fund	99
Auxiliary Services Fund.....	100
Data Communications Fund.....	101
Title VI-B Fund.....	102
Title I Fund.....	103
Preschool Handicapped Fund	104
Title II-A Fund	105
Miscellaneous Federal Grants Fund	106
Food Service Fund.....	107
Public School Support Fund.....	108
Uniform School Supplies Fund	109
Community Education Fund	110

Chagrin Falls Exempted Village School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018
Table of Contents

Permanent Improvement Fund	111
Agency Funds - Combining Statements:	
Description of Fund	114
Statement of Changes in Assets and Liabilities – Agency Fund	115
Supplemental Information:	
Background	118
Statement of Net Position – Including GASB 68 and GASB 75	120
Statement of Net Position – Excluding GASB 68 and GASB 75	121
Statement of Activities – Including GASB 68 and GASB 75	122
Statement of Activities – Excluding GASB 68 and GASB 75	123
 III. Statistical Section	
Net Position by Component - Last Ten Fiscal Years (Accrual Basis of Accounting)	S-2
Changes in Net Position - Last Ten Fiscal Years (Accrual Basis of Accounting).....	S-4
Program Revenues by Function/Program - Last Ten Fiscal Years (Accrual Basis of Accounting).....	S-8
Fund Balances, Governmental Funds - Last Ten Fiscal Years (Modified Accrual Basis of Accounting)	S-10
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years (Modified Accrual Basis of Accounting)	S-12
Assessed Valuation and Estimated Actual Value of Taxable Property - Last Ten Collection Years	S-14
Property Tax Rates - All Direct and Overlapping Governments (Per \$1,000 of Assessed Valuation) - Last Ten Collection Years	S-16
Property Tax Levies and Collections, Real, Public Utility Tax and Tangible Personal Property - Last Ten Collection Years	S-17
Principal Taxpayers - Real Estate Tax	S-18

Chagrin Falls Exempted Village School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018
Table of Contents

Principal Taxpayers - Public Utility.....	S-19
Computation of Legal Debt Margin – Last Ten Fiscal Years.....	S-20
Computation of Direct and Overlapping General Obligation Debt.....	S-22
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years.....	S-23
Ratio of Debt to Assessed Value and Debt per Capita - Last Ten Fiscal Years.....	S-24
Principal Employers - Current and Nine Years Ago.....	S-25
Demographic and Economic Statistics – Last Ten Years	S-26
Building Statistics by Function/Program – Last Ten Fiscal Years	S-28
Cost Per Pupil - Last Ten Fiscal Years	S-30
Enrollment Statistics - Last Ten Fiscal Years.....	S-31
Full-Time Equivalent School District Teachers by Education - Last Ten Fiscal Years.....	S-32
Attendance and Graduation Rates - Last Ten School Years	S-34
ACT Composite Scores - Last Ten Fiscal Years	S-35
SAT Scores - Last Ten Fiscal Years	S-36
School District Employees by Function/Program - Last Ten Fiscal Years.....	S-38

CHAGRIN FALLS

EXEMPTED VILLAGE SCHOOLS

Robert W. Hunt, Superintendent
Anne Spano, Treasurer/CFO

Board of Education
Sharon Broz, President • Kathryn Garvey, Vice President
Greg Kanzinger, Mary Kay O'Toole, Phil Rankin

December 8, 2018

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, 2018. This CAFR includes an audit opinion from the independent accounting firm of Rea and Associates, Inc. and conforms to generally accepted accounting principles as applicable to governmental entities. Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A compliments this letter of transmittal and should be read in conjunction with it. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the School District. This report will provide the taxpayers of the Chagrin Falls Exempted Village School District with comprehensive financial data in a format of which will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the local villages and cities comprising the School District, the Cuyahoga and Geauga County Public Libraries, major taxpayers, financial rating services, and other interested parties.

The School District

The Chagrin Falls Exempted Village School District is located in both Cuyahoga and Geauga counties in northeastern Ohio, approximately thirteen miles east of the City of Cleveland. The School District's territory encompasses the entire territory of Chagrin Falls Township and the Villages of Chagrin Falls, Bentleyville, South Russell, and a portion of the territories of the Village of Moreland Hills and the Townships of Bainbridge and Russell. The School District operates one elementary school (built in 1968 – PreK – grade 3), one intermediate school (built in 1914 – grades 4-6), one middle school (built in 1999 – grades 7-8) and a high school (built in 1960 – grades 9-12). Current enrollment (for the 2017-2018 school



year) is 1,906 and enrollment projections show that enrollment will remain relatively stable over the next ten years with 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 ensure 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 Cincinnati USA Regional Chamber Workers' Compensation Group Retro Plan (GRP), a public entity risk pool that is described in Note 15 to the basic financial statements.

Major Initiatives

Commitment to Improvement

We believe an organization becomes less relevant when improvement stagnates and therefore, the Chagrin Falls Exempted Village Schools is committed to continuous improvement. The School District has a comprehensive strategic plan that addresses many aspects of teaching and learning. This plan serves as a road map for the School District. Our mission is to provide an educational experience empowering students to maximize their potential and our vision is within five years, we will provide a personalized education for all students.

The 2017-18 school year was one of outstanding effort and accomplishment in many areas within our School District. The School District implemented year #4 of our strategic plan and significant progress has been made. A release of the state report card data indicates a significant increase in the School District performance index score which provides a combined analysis of student achievement on state assessments in grades 3-8 and high school end of course exams. Advanced Placement (AP) scores indicate continued growth in terms of student access and achievement. A five-year analysis of the program demonstrates a 61% increase in the number of exams taken while increasing the passage rate from 86% to 87.1% (average Ohio passage rate 64%).

Significant progress also was made on the construction of Chagrin Falls Intermediate School. The project is currently on schedule to be ready to open the building to students and staff in August 2019. Throughout the year, we completed selected demolition, site excavation, and foundations.

The Chagrin Falls Board of Education settled contracts with both employment unions this spring. This included changes to the medical plan for all School District employees which will help the School District manage costs and consequently meet commitments made to our community regarding the levy cycle.

The Chagrin Falls Exempted Village School District continues to be a model for technology use in education. We are entering our fifth year in a 1:1 computing model. All of our students use Chromebooks in the classroom to improve their skills in areas such as collaboration, research, and critical thinking. Our increased access has created an environment in which technology is embedded within daily teaching and learning across our School District, ensuring all our students can embrace it as a safe and productive learning tool. Google recently invited Chagrin Falls to serve as one of thirty-one schools across the country to serve on their K-12 customer advisory board.

We continue to provide a well-rounded, rigorous academic program that prepares our students for success. This is made possible through the unwavering support of our community. We are appreciative of the opportunity to work in such a special community that values public education. With the continued support of the community and hard work and dedication of our staff, our School District will continue to provide a personalized education so each student can maximize his or her fullest potential.

Providing Rigorous and Relevant Programming

The Chagrin Falls Exempted Village School District is committed to promoting ongoing growth. Continuing professional development and training for all staff reflects our investment in ongoing learning and improvement. We provide high-quality teaching and learning to enable us to maximize potential and personalize learning for all students. The personalization of learning begins with a holistic education, which yields exposure to music, art, technology, physical education, and world language for all students in grades K-12.

The ongoing collection and analysis of student data ensures we are able to monitor the progress of students throughout each school year and use it to appropriately identify student needs relative to intervention, enrichment, and/or accelerative options. Additionally, a systemic K-12 Response to Intervention (RTI) program has been thoughtfully implemented across the School District, ensuring that the varying needs of all students at each level are efficiently and effectively addressed consistently.

Through our Competency-Based Grant funds, many of our School District teachers have recently completed or will be completing graduate coursework toward Reading Endorsements, Tech Endorsements, Gifted Endorsements, and College Credit Plus Credentialing. Our teachers are committed to growing their capacity to meet the varied needs of our students.

Personalized Learning – Providing What Students Need, When They Need It

Intervention/Enrichment periods continue to be offered during the school day across the School District. They are designed to provide identified time for students to benefit from support in content areas and to investigate enrichment opportunities designed to match student interests, while fostering a lifelong love of

learning. We are seeking to reframe the idea of intervention, promoting the fact that all students can benefit from the ability to access support during the school day.

Refining Programming for Students

Throughout the 2017-18 school year, K-12 Math teachers reviewed and refined the Math curriculum. As a result of piloting, site visits, and a great deal of research and analysis, the Bridges in Math program was identified for adoption in grades K-5 Math and the CPM program was identified for renewal in grades 6-12 Math. A K-12 Math Coach position has been created to support teachers across the School District in meeting the needs of students. The high school Science department continued review of curricular materials, upon release of the new standards and identified programs for adoption and use, beginning in 2018-19. The School District also implemented double-block secondary level courses to ensure targeted students have the appropriate time to master content. Students enrolled in these courses showed significant gains via Ohio Department of Education State Testing data. In the 2017-18 school year, the School District implemented additional ways to meet the needs of advanced and gifted K-3 students in math and English/Language Arts (ELA) via Flexible Grouping in grades K-1 and Cluster-Grouping in grades 2-3. As of the 2017-18 school year, all K-3 classroom teachers who had not already earned a Gifted Endorsement, completed over 30 hours of Professional Development in Gifted Education, further enhancing their ability to meet the varying needs of all students within each K-3 classroom.

Maximizing the Potential of Students

The curriculum department uses data over periods of time to assist in determining the readiness of our students to move on to higher-level courses. The iReady assessments and MAP assessments in Math and Reading were implemented in grades 2-8 to monitor student growth throughout the school year and were used in-tandem with programs which provided electronic personalized learning pathways for students, relative to each student's needs. Data from these assessments was also used to inform readiness for student movement in gifted/advanced programming. Data from the PSAT 8/9 for freshmen, PSAT/NMSQT for sophomores, and the SAT for juniors, is also used, especially in identifying those students who may excel in Advanced Placement (AP) courses.

As of 2017-18, Chagrin Falls High School offered an outstanding array of 28 Advanced Placement courses (including the new AP Computer Science Principles) and four College Credit Plus offerings (including the new English Composition I and II courses). We have continued to grow the number of students enrolled in AP courses each year, for the past 5 years, with 228 students in 2014 and 340 students in 2018. While growing enrollment in AP courses by more than 67% in the past 5 years, we have also grown the percent of students scoring a 3 or higher on the AP exams, hitting a record high of over 87% of AP students enrolled scoring a 3 or higher in 2018.

As of the 2017-18 school year, the College Board identified 139 of our enrolled high school students as AP scholars. These awards recognize students who have demonstrated college-level achievement through AP courses and exams. Expansive programming in the fine and performing arts, world languages, technology, and business continues to flourish on the 7-12 campus, reflecting our School District commitment to providing all students with a truly holistic education.

Enhancing Our Practices to Promote Student Learning

In the 2017-18 school year, the administrative team researched ways to refine our student grading system via a book study of Myron Dueck's *Grading Smarter, Not Harder*. A team of teachers from the high school also participated in a two-day grading workshop with Rick Wormelli, one of the first nationally board certified teachers in America. School District administrators look forward to the book study of *Fair Isn't Always Equal*. This will position all schools to identify refinements to grading practices to be implemented by the 2020-21 school year.

Facility Master Plan

For many years, the Chagrin Falls Board of Education has had an established facilities committee. In recent years, the committee has been working with the purpose of developing a capital improvement plan. A great deal of research and planning was done to address the significant needs of the School District's facilities, specifically at the K-6 level. After four years of working with all of our stakeholders, the work came to fruition in May 2017 as our community voted to support a combined bond and operating issue. This will allow us to complete the rebuild and renovation of Chagrin Falls Intermediate School, as well as invest in capital improvements throughout the School District in upcoming years.

As a result, much has changed on the 7-12 campus recently with the addition of the Intermediate School Learning Village for students in grades 4-6 to use during the two year construction cycle. Funds from the bond sale also allowed for a new parking lot in the rear of the 7-12 campus to increase capacity for students and staff and afforded some upgrades to some athletic facilities.

The Chagrin Falls Intermediate School has completed year one of a two-year construction project under the design of Stantec Architects and construction managed by The Gilbane Building Company. Construction progress is continuing on the site and updates are being published on the district website. We are grateful for the local taxpayers investing in this real need to rebuild and renovate Chagrin Falls Intermediate School. This is certainly an exciting time for our School District as we progress forward and invest in our future.

The School District received a Cultural Facilities Grant that provides \$600,000 in State support to offset local funding and focuses on the development of a community center for learning and art performances at the Intermediate School Auditorium.

After completing a five year cycle of facilities master planning, the Board of Education recently entered into a Facilities Master Planning agreement with TDA, Then Design Architecture, to review conditions of district facilities, recommend value projects, and recommend budgeting and planning for ongoing regular maintenance and long-term capital improvements. This long-term outlook will examine district facility opportunities and provide a basis for dialogue of future needs.

Innovation Center

The Chagrin Falls Exempted Village Schools designed and built a new learning space called the Innovation Center in 2016 through the generous donation of many community members and the support of the Chagrin Falls Education Foundation. The Innovation Center creates a flexible learning environment for our students that integrates technology, fosters creativity and encourages them to reach beyond the traditional educational boundaries. The 4,300 square foot Innovation Center is located on the 7-12 Campus and includes three distinct, yet interconnected spaces, including a research center, collaboration classroom and a Maker's Space, or "Fab Lab." These spaces help to bring students' ideas to life with 3D printers, embroidery machines, laser cutters, a heat press, tools and more.

The Innovation Center is used for so many learning opportunities. For example:

- Middle School math students create 3D models as they study surface area and volume.
- 7-12 science students use the Collaboration Station to engage in virtual science labs and interact with scientists in the field.
- Middle School world language and social studies teachers use the Collaboration Station to Skype with historians, museum curators, archaeologists in the field, and classes of students throughout the world to study various regions and historical periods. Students are able to engage in remote field trips to ancient ruins and historical sites.
- 7-12 entrepreneurship and high school business/marketing students develop prototypes for product designs, create logos for student-run businesses, and make advertisements/commercials.
- High School chemistry students create models of compounds using 3D printing.
- AP physics students study energy through the construction of roller coasters.
- High school art students create 3D models of architectural designs and cut difficult or organic shapes for wood projects.

Future Projects

The 2018-2019 school year will be an exciting year as we reach the close of the current strategic plan and begin the process of setting strategic objectives moving forward. We look forward to engaging our staff and community around this work.

Professional development will continue to be a significant focus for the School District. BrightsBytes, a system for measuring technology integration at the point of instruction, was implemented in the spring of 2018. The tool determined strengths and gaps in our district's technology use. The data was used to create a professional development schedule designed to address those identified gaps. Chagrin Falls will also be implementing a data warehouse this school year. A data warehouse is a collection of assessments, student scores, and similar information aggregated together in an easy to read format for district personnel. The data warehouse will provide our staff with a platform to see insights, growth, and trends in how our students are performing.

Our School District is preparing for several new technology initiatives for the 2018-19 school year. The majority of our teaching staff have traded in their traditional PC laptops for Chromebooks. The transition to Chromebooks will provide teachers with a reliable, durable device that integrates seamlessly with the G Suite for Education platform we use. Students entering grades 4-7 will receive new Chromebooks additionally as part of our 1:1 refresh project. The Technology department will also be implementing new applications to automate many of the routine tasks involved in running a school district.

From the teaching and learning perspective, our educators will continue to use Google Classroom as their online communication platform. Google Classroom, which at no cost to the School District, is utilized in an ongoing way by teachers to engage students in blended learning experiences, allowing learning and collaboration to occur 24:7 within our district and beyond. The application offers teachers an easy way to post and grade assignments, create classroom announcements, and publish resources for student use. Students can see all of their classes, announcements, and deadlines through a single dashboard view. Several exciting new Classroom enhancements are being planned for the Fall that will further empower our teachers' use of this system.

Economic Conditions and Outlook

The Chagrin Falls Exempted Village School District area is an affluent residential community encompassing 27.5 square miles. The School District is rich in heritage, while maintaining an "old time" atmosphere with specialty shopping. Approximately 92 percent of the area is residential and 8 percent of the area is business property. The average federal adjusted gross income levels were at \$178,333 based on the 2016 Ohio Department of Taxation records, which maintains the Chagrin Falls Exempted Village School District as fifth in the State among 614 school districts. The School District has been ranked among the top ten school districts for the past twenty-eight years.

The School District's general area is served by diversified transportation facilities. School District residents have convenient access to four State and United States highways and to two interstate highways. The School District is adjacent to areas served by Conrail and Amtrak, and is served by passenger air service at Cleveland Hopkins International Airport, located in the City of Cleveland within a half-hour's drive of the School District. Public mass transit for the area is provided by the Greater Cleveland Regional Transit Authority.

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

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

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

The funding structure of public education in Ohio is such that school districts receive very little revenue growth as a result of inflationary increases in their tax base. As a result, school districts throughout Ohio must place funding issues on the ballot to receive significant revenue growth. Chagrin Falls Exempted Village School District garners excellent levy support from its constituents. Historically, constituents of the School District have approved operating levies that have been submitted to the voters, in advance of the School District experiencing financial shortcomings. An additional 5.5 mill operating levy and 3.4 mill bond issue was most recently approved by voters in May 2017.

Financial Information

Internal Accounting and Budgetary Control

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

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

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

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

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

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

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

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

Financial Condition

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

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

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

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

As part of this reporting model, management is responsible for preparing a Management Discussion and Analysis of the School District. This discussion provides an assessment of the School District's finances for 2018 and a discussion of current issues that affect the School District's outlook for the future.

Independent Audit

State statutes require the School District to be subjected to an annual audit by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. The independent accounting firm of Rea and Associates, Inc. rendered an opinion on the School District's financial statements for the year ended June 30, 2018. 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) as well as the Association of School Business Officials International (ASBO) 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, 2017. 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 and ASBO.

Acknowledgements

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

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

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

Respectfully,



Mr. Robert W. Hunt
Superintendent



Ms. Anne Spano
Treasurer

Chagrin Falls Exempted Village School District
Principal Officials
June 30, 2018

Board of Education

Sharon Broz	President
Kathryn Garvey	Vice President
Mary Kay O'Toole	Member
Greg Kanzinger	Member
Phil Rankin	Member

Treasurer/CFO

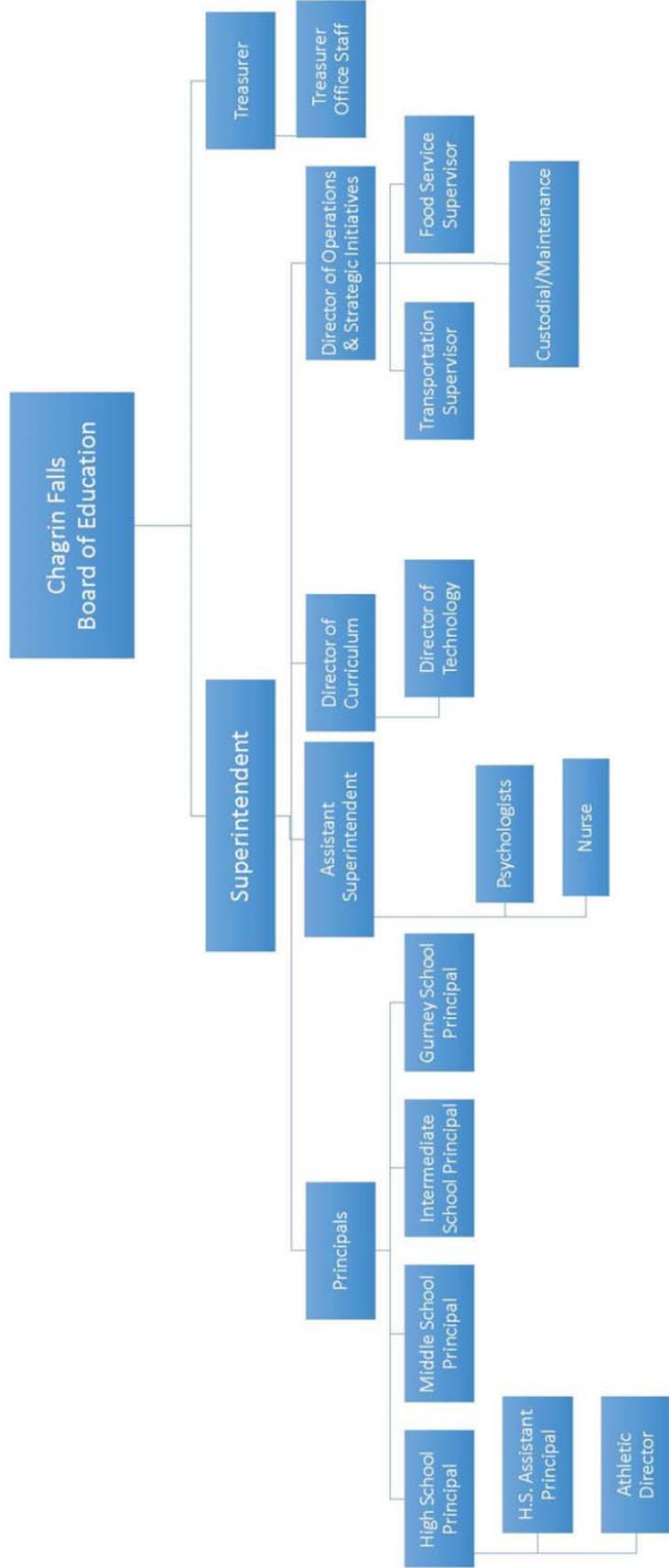
Anne Spano

Superintendent

Robert Hunt

CHAGRIN FALLS EXEMPTED VILLAGE SCHOOL DISTRICT

ORGANIZATION CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Chagrin Falls Exempted Village School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2017.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



A handwritten signature in black ink that reads 'Charles E. Peterson, Jr.' The signature is written in a cursive style.

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

A handwritten signature in black ink that reads 'John D. Musso'. The signature is written in a cursive style.

John D. Musso, CAE
Executive Director

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FINANCIAL SECTION

December 8, 2018

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

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Chagrin Falls Exempted Village School District, Cuyahoga County, Ohio, (the "School District") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Chagrin Falls Exempted Village School District, Cuyahoga County, Ohio, as of June 30, 2018, and the respective changes in financial position and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As described in Note 2, the School District restated the net position balances to account for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the School District's proportionate share of the net pension liability, the schedule of School District contributions - pension, the schedule of the School District's proportionate share of the net OPEB liability, and the schedule of the School District's Contributions - OPEB on pages 5-15, 69, 60-71, 73, and 74-75, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2018 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Rea & Associates, Inc.

Medina, Ohio

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Chagrin Falls Exempted Village School District

Cuyahoga County, Ohio

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2018

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, 2018. The intent of this discussion and analysis is to look at the School District's performance as a whole; readers should also review the transmittal letter, the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2018 are as follows:

- Net position increased \$16.7 million over fiscal year 2017, mainly due to changes in pension and OPEB liabilities.
- Capital assets increased \$4.1 million during fiscal year 2018 due to construction in progress for a renovation project.
- During the year, outstanding debt increased from \$17.8 million to \$47.3 million due to a \$31.5 million debt issuance, partially offset by principal payments and calling \$2.4 million in Series 2012 serial bonds.
- The School District implemented GASB 75, which reduced beginning net position as previously reported by \$9.9 million.
- A decrease in net pension liability and net OPEB liability substantially decreased all instructional and support services expenses compared to fiscal year 2017. See further explanation after Table 1.

Using this Comprehensive Annual Financial Report

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

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

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While the basic financial statements contain the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2018?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources 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 position and changes in net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio which restrict revenue growth, facility conditions, required educational programs, and other factors.

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 18. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions; however, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, bond retirement fund and building fund.

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

Reporting the School District's Fiduciary Responsibilities

The School District is the trustee, or fiduciary, for some of its scholarship and foundation programs. This activity is presented as a private purpose trust fund. The School District also acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in an agency fund. The School District's fiduciary activities are reported in

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 23 and 24. These activities are excluded from the School District's other financial statements because the assets cannot be utilized by the School District to finance its operations.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Because of the discussion below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows of resources and subtracting deferred outflows of resources related to pension and the net pension liability to the reported net position. Table 1 provides a summary of the School District's net position for 2018 compared to 2017:

Table 1
Net Position

	Governmental Activities	
	2018	Restated 2017
Assets		
Current and Other Assets	\$ 77,719,222	\$ 45,801,820
Capital Assets	29,525,873	25,431,973
<i>Total Assets</i>	107,245,095	71,233,793
Deferred Outflows of Resources		
Pension & OPEB	10,757,152	9,060,177
<i>Deferred Outflows of Resources</i>	10,757,152	9,060,177
Liabilities		
Other Liabilities	5,457,260	3,526,551
Long-Term Liabilities:		
Due Within One Year	4,026,052	2,137,764
Due in More Than One Year:		
Pension & OPEB	42,875,084	58,451,552
Other Amounts	45,165,386	17,605,416
<i>Total Liabilities</i>	97,523,782	81,721,283
Deferred Inflows of Resources		
Property Taxes	24,536,294	21,850,628
Pension & OPEB	2,821,323	277,382
<i>Deferred Inflows of Resources</i>	27,357,617	22,128,010
Net Position		
Net Investment in Capital Assets	10,306,485	8,843,233
Restricted	4,094,311	5,620,838
Unrestricted	(21,279,948)	(38,019,394)
<i>Total Net Position</i>	\$ (6,879,152)	\$ (23,555,323)

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

The net pension liability (NPL) is one of the largest liabilities reported by the School District at June 30, 2018 and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. For fiscal year 2018, the School District adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the School District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
- 2 Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the School District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the School District is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2017, from a deficit \$13.7 million to a deficit \$23.6 million.

At fiscal year end, capital assets represented 28 percent of total assets. Capital assets include land, construction in progress, buildings and improvements, furniture and equipment and vehicles. Net investment in capital assets was \$10.3 million at June 30, 2018. These capital assets are used to provide services to students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the School District's net position, \$4.1 million, represents resources that are subject to external restrictions on how they may be used. The balance of government-wide unrestricted net position is a deficit of \$21.3 million, which is primarily the result of GASB 68 and GASB 75.

Current assets showed an increase of \$31.9 million over fiscal year 2017, mainly due to an increase in cash for unspent bond proceeds to be used for school building renovations. Capital assets increased \$4.1 million in construction in progress from the renovation project, also impacting contracts payable, which increased \$1.5 million over fiscal year 2017.

Total other long-term liabilities increased as a result of the School District issuing \$31.5 million in bonds. Long term obligations due within one year showed a substantial increase mainly due to the fiscal year 2019 payment due on the bond issued during the current year coupled by a capital appreciation bond maturing in fiscal year 2019. The \$2.7 million increase in deferred inflows for property taxes can be attributed to the overall increase in property taxes related to the levy passed in May, 2017.

The significant decrease in net pension liability is largely the result of a change in benefit terms in which STRS reduced their COLA to zero coupled by a slight reduction in COLA benefits by SERS. The significant increase in deferred outflows and inflows related to pension/OPEB are primarily from the change of assumptions and the difference in projected and actual investments earnings, respectively. All components of pension and OPEB accruals contribute to the fluctuations in deferred outflows/inflows and NPL/NOL and are described in more detail in their respective notes.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2018 and 2017.

Table 2
Changes in Net Position

	Governmental Activities	
	2018	2017
Revenues		
<i>Program Revenues:</i>		
Charges for Services	\$ 2,669,768	\$ 2,449,515
Operating Grants	924,280	1,088,939
Capital Grants	332,834	0
<i>Total Program Revenues</i>	<u>3,926,882</u>	<u>3,538,454</u>
<i>General Revenues:</i>		
Property Taxes	29,399,136	22,406,327
Grants and Entitlements Not Restricted	5,413,502	5,456,810
Other	404,876	140,035
<i>Total General Revenues</i>	<u>35,217,514</u>	<u>28,003,172</u>
<i>Total Revenues</i>	<u>39,144,396</u>	<u>31,541,626</u>
Program Expenses		
Instruction:		
Regular	3,732,466	16,142,031
Special	2,222,586	2,669,221
Vocational	690,805	687,699
Student Intervention Services	64,401	51,092
Support Services:		
Pupils	1,302,274	1,656,899
Instructional Staff	1,268,891	1,560,187
Board of Education	103,620	104,709
Administration	2,137,244	2,790,840
Fiscal	958,316	976,038
Business	164,638	164,699
Operation and Maintenance of Plant	4,345,089	2,855,209
Pupil Transportation	1,540,405	1,778,495
Central	209,795	256,181
Operation of Non-Instructional Services:		
Food Service Operations	648,990	717,229
Community Services	388,974	498,008
Extracurricular Activities	804,808	1,056,642
Debt Service:		
Interest and Fiscal Charges	1,884,923	632,864
<i>Total Expenses</i>	<u>22,468,225</u>	<u>34,598,043</u>
<i>Change in Net Position</i>	<u>\$ 16,676,171</u>	<u>\$ (3,056,417)</u>

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$67,892 computed under GASB 45. GASB 45 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report negative OPEB expense of \$1,210,602. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

Total 2018 Program Expenses under GASB 75		\$ 22,468,225
Negative OPEB Expense under GASB 75		1,210,602
2018 Contractually Required Contribution		83,987
Adjusted 2018 Program Expenses		23,762,814
Total 2017 Program Expenses under GASB 45		34,598,043
Decrease in Program Expenses not Related to OPEB		\$ (10,835,229)

Capital grants increased \$0.3 million due to interest received on unspent bond proceeds. Property tax revenue increased \$7.0 million over fiscal year 2017 due to the levy that passed in May 2017, which will fund the school renovation project, and the increase in other revenue can be attributed to an increase in general interest revenue.

Expenses decreased \$12.1 million from fiscal year 2017, mainly attributable to the decrease in pension and OPEB liabilities. Operation and maintenance expenses increased \$1.5 million over the prior year due to expenses related to the modular units being used while the building renovations are being completed.

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.

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Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Table 3
Governmental Activities

	Total Cost of Service		Net Cost of Service	
	2018	2017	2018	2017
Instruction:				
Regular	\$ 3,732,466	\$ 16,142,031	\$ 2,954,713	\$ 15,298,529
Special	2,222,586	2,669,221	2,101,199	2,553,048
Vocational	690,805	687,699	252,911	287,998
Student Intervention Services	64,401	51,092	64,401	51,092
Support Services:				
Pupils	1,302,274	1,656,899	1,176,615	1,532,315
Instructional Staff	1,268,891	1,560,187	923,722	1,216,285
Board of Education	103,620	104,709	103,620	104,709
Administration	2,137,244	2,790,840	2,137,244	2,790,840
Fiscal	958,316	976,038	946,276	966,106
Business	164,638	164,699	164,638	164,699
Operation and Maintenance of Plant	4,345,089	2,855,209	4,012,255	2,855,209
Pupil Transportation	1,540,405	1,778,495	1,505,142	1,749,111
Central	209,795	256,181	209,795	256,181
Operation of Non-Instructional Services:				
Food Service Operations	648,990	717,229	(108,270)	37,235
Community Services	388,974	498,008	(29,370)	(94,629)
Extracurricular Activities	804,808	1,056,642	305,717	726,554
Debt Service:				
Interest and Fiscal Charges	1,884,923	632,864	1,820,735	564,307
<i>Total Expenses</i>	<u>\$ 22,468,225</u>	<u>\$ 34,598,043</u>	<u>\$ 18,541,343</u>	<u>\$ 31,059,589</u>

The dependence upon general revenues for governmental activities is apparent. Nearly 83 percent of governmental activities are supported through taxes and other general revenues; such revenues are 90 percent of total governmental revenues. The community, as a whole, is by far the primary support for the School District students.

The total and net cost of services changes were primarily caused by the change in COLA related to NPL as previously discussed.

Governmental Funds

Information about the School District's major funds starts on page 18. These funds are accounted for using the modified accrual basis of accounting. The governmental funds reported combined fund balances of \$46.9 million, an increase of \$27.1 million over fiscal year 2017. Approximately 23 percent or \$10.7 million of this amount is available for spending at the School District's discretion (unassigned fund balance).

The general fund's net change in fund balance for fiscal year 2018 was an increase of \$1.1 million which can partially be attributed to increased property tax revenue from the new levy.

The bond retirement fund showed an increase in fund balance of \$0.1 million over fiscal year 2017. This was primarily due to the payment of debt service in relation to when resources become available. In

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

fiscal year 2018, the bond retirement fund received \$2.2 million in premiums from the debt issuance and paid an additional \$2.4 million in principal payments for the bonds called during the year.

The building fund showed an increase in fund balance of \$25.2 million over fiscal year 2017 which is due to unspent bond proceeds for the renovation project.

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 2018, the School District amended its general fund budget. The School District uses site-based budgeting and budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, final budget basis revenue and actual revenues were \$32.7 million. Final budget basis revenues were \$6.3 million higher than original estimates as original budget did not reflect the increase in tax revenue from the new levy.

Final expenditure appropriations of \$30.0 million were \$0.2 million higher than the actual expenditures due to cost cutting efforts in regular instruction expenditures. Final appropriations were \$49,574 more than original appropriations of \$30.0 million.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2018, the School District had \$29.4 million invested in capital assets, net of depreciation. Table 4 shows fiscal year 2018 balances compared with 2017.

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

	Governmental Activities	
	2018	2017
Land	\$ 1,386,635	\$ 1,386,635
Construction in Progress	5,115,572	0
Buildings and Improvements	21,924,469	23,051,438
Furniture and Equipment	423,827	415,688
Vehicles	675,370	578,212
<i>Totals</i>	\$ 29,525,873	\$ 25,431,973

The \$4.1 million increase in capital assets was mainly attributable to construction in progress for the school building renovations. See Note 8 for more information about the capital assets of the School District.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Debt

At June 30, 2018, the School District had \$47.3 million in debt outstanding. See Note 13 for additional details. Table 5 summarizes bonds outstanding.

Table 5
Outstanding Debt at Year End

	Governmental Activities	
	2018	2017
2011 Energy Conservation Bonds	\$ 1,274,521	\$ 1,414,521
Unamortized Bond Premiums	21,755	24,863
2012 Series A School Improvement Refunding	2,975,000	6,830,000
Capital Appreciation Bonds (CAB)	225,000	225,000
Accretion on CAB	1,036,561	697,872
Unamortized Bond Premiums	439,521	586,031
2012 Series B School Improvement Refunding	6,595,000	6,595,000
Capital Appreciation Bonds (CAB)	95,000	215,000
Accretion on CAB	345,299	562,168
Unamortized Bond Premiums	648,444	698,325
2017 School Improvement Bonds	31,500,000	0
Unamortized Bond Premiums	2,096,528	0
<i>Total</i>	<u>\$ 47,252,629</u>	<u>\$ 17,848,780</u>

In fiscal year 2018, the School District issued \$31.5 million in School Improvement Bonds and made principal payments of \$4.1 million in general obligation bonds which included \$2.4 million in called bonds. There was no change in credit ratings from fiscal year 2017.

Current Issues

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a levy will not increase solely as a result of inflation due to Ohio House Bill 920 (passed in 1976). As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35 annually in taxes. If three years later the home was reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners), the effective tax rate would become 0.5 mills, and the owner would still pay \$35.

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 roughly 82 percent of revenues for governmental activities for the School District in fiscal year 2018.

The School District continues to be proactive in managing the financial burden on our local taxpayers. An additional 5.5 mill operating levy combined with a 3.4 mill bond issue was approved by the voters in May, 2017. These additional funds will be used to construct and renovate the Chagrin Falls Intermediate School, increase annual funding for capital improvements district-wide, and maintain student programming through 2020.

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

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018*

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 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 School District has committed itself to financial excellence for many years. The School District has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Financial Reporting every year since 2000 and the Association of School Business Officials International presented the Certificate of Excellence in Financial Reporting Award to the School District for its Comprehensive Annual Financial Report (CAFR) every year since 2014.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Treasurer/CFO of Chagrin Falls Exempted Village School District, 400 E. Washington Street, Chagrin Falls, Ohio 44022.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Statement of Net Position
June 30, 2018

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	\$ 47,514,702
Receivables:	
Intergovernmental	78,793
Property Taxes	30,125,727
Nondepreciable Capital Assets	6,502,207
Depreciable Capital Assets (Net)	23,023,666
<i>Total Assets</i>	<i>107,245,095</i>
Deferred Outflows of Resources	
Pension	10,412,854
OPEB	344,298
<i>Total Deferred Outflows of Resources</i>	<i>10,757,152</i>
Liabilities	
Accounts Payable	76,963
Accrued Wages and Benefits	2,582,987
Contracts Payable	1,829,637
Intergovernmental Payable	532,810
Retainage Payable	262,021
Accrued Vacation Leave Payable	90,546
Matured Compensated Absences Payable	82,296
Long Term Liabilities:	
Due Within One Year	4,026,052
Due In More Than One Year:	
Net Pension Liability	34,954,898
Net OPEB Liability	7,920,186
Other Amonts Due in More Than One Year	45,165,386
<i>Total Liabilities</i>	<i>97,523,782</i>
Deferred Inflows of Resources	
Property Taxes Levied for the Next Fiscal Year	24,536,294
Pension	1,841,461
OPEB	979,862
<i>Total Deferred Inflows of Resources</i>	<i>27,357,617</i>
Net Position	
Net Investment in Capital Assets	10,306,485
Restricted For:	
Capital Outlay	260,000
Debt Service	3,334,483
Food Service	265,661
Athletics	135,403
Other Purposes	98,764
Unrestricted	(21,279,948)
<i>Total Net Position</i>	<i>\$ (6,879,152)</i>

See accompanying notes to the basic financial statements.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2018

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Operating			Governmental Activities
		Charges for Services and Sales	Grants, Contributions and Interest	Capital Grants and Contributions	
Governmental Activities					
Instruction:					
Regular	\$ 3,732,466	\$ 672,558	\$ 105,195	\$ 0	\$ (2,954,713)
Special	2,222,586	50,628	70,759	0	(2,101,199)
Vocational	690,805	434,370	3,524	0	(252,911)
Student Intervention Services	64,401	0	0	0	(64,401)
Support Services:					
Pupils	1,302,274	93,116	32,543	0	(1,176,615)
Instructional Staff	1,268,891	0	345,169	0	(923,722)
Board of Education	103,620	0	0	0	(103,620)
Administration	2,137,244	0	0	0	(2,137,244)
Fiscal	958,316	12,040	0	0	(946,276)
Business	164,638	0	0	0	(164,638)
Operation and Maintenance of Plant	4,345,089	0	0	332,834	(4,012,255)
Pupil Transportation	1,540,405	0	35,263	0	(1,505,142)
Central	209,795	0	0	0	(209,795)
Operation of Non-Instructional Services:					
Food Service Operations	648,990	708,821	48,439	0	108,270
Community Services	388,974	248,443	169,901	0	29,370
Extracurricular Activities	804,808	449,792	49,299	0	(305,717)
Interest and Fiscal Charges	1,884,923	0	64,188	0	(1,820,735)
Total	\$ 22,468,225	\$ 2,669,768	\$ 924,280	\$ 332,834	(18,541,343)

General Revenues

Property Taxes Levied for:	
General Purposes	25,740,087
Debt Service	3,659,049
Grants and Entitlements Not Restricted to Specific Programs	5,413,502
Investment Earnings	288,237
Miscellaneous	116,639
Total General Revenues	35,217,514
Change in Net Position	16,676,171
Net Position Beginning of Year, Restated (See Note 2)	(23,555,323)
Net Position End of Year	\$ (6,879,152)

See accompanying notes to the basic financial statements.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Balance Sheet
Governmental Funds
June 30, 2018

	General Fund	Bond Retirement Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Investments	\$ 14,623,233	\$ 4,693,335	\$ 26,851,403	\$ 1,346,731	\$ 47,514,702
Receivables:					
Intergovernmental	78,712	0	0	81	78,793
Property Taxes	26,196,954	3,928,773	0	0	30,125,727
<i>Total Assets</i>	<u>\$ 40,898,899</u>	<u>\$ 8,622,108</u>	<u>\$ 26,851,403</u>	<u>\$ 1,346,812</u>	<u>\$ 77,719,222</u>
Liabilities					
Accounts Payable	\$ 43,284	\$ 0	\$ 5,250	\$ 28,429	\$ 76,963
Accrued Wages and Benefits	2,557,997	0	0	24,990	2,582,987
Contracts Payable	1,305	0	1,791,034	37,298	1,829,637
Intergovernmental Payable	525,489	0	0	7,321	532,810
Retainage Payable	0	0	262,021	0	262,021
Matured Compensated Absences Payable	82,296	0	0	0	82,296
<i>Total Liabilities</i>	<u>3,210,371</u>	<u>0</u>	<u>2,058,305</u>	<u>98,038</u>	<u>5,366,714</u>
Deferred Inflows of Resources					
Property Taxes Levied for the Next Fiscal Year	21,366,952	3,169,342	0	0	24,536,294
Delinquent Property Taxes	872,707	132,412	0	0	1,005,119
Unavailable Revenue	0	0	0	81	81
<i>Total Deferred Inflows of Resources</i>	<u>22,239,659</u>	<u>3,301,754</u>	<u>0</u>	<u>81</u>	<u>25,541,494</u>
Fund Balances					
Restricted	0	5,320,354	24,793,098	519,254	30,632,706
Assigned	4,797,245	0	0	729,479	5,526,724
Unassigned	10,651,624	0	0	(40)	10,651,584
<i>Total Fund Balances</i>	<u>15,448,869</u>	<u>5,320,354</u>	<u>24,793,098</u>	<u>1,248,693</u>	<u>46,811,014</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 40,898,899</u>	<u>\$ 8,622,108</u>	<u>\$ 26,851,403</u>	<u>\$ 1,346,812</u>	<u>\$ 77,719,222</u>

See accompanying notes to the basic financial statements.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2018

Total Governmental Fund Balances		\$ 46,811,014
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		29,525,873
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property Taxes	1,005,119	
Intergovernmental	81	1,005,200
The net pension and OPEB liabilities are not due and payable in the current period; therefore, the liabilities and related deferred inflows/outflows are not reported in the funds.		
Deferred Outflows - Pension	\$ 10,412,854	
Deferred Outflows - OPEB	344,298	
Net Pension Liability	(34,954,898)	
Net OPEB Liability	(7,920,186)	
Deferred Inflows - Pension	(1,841,461)	
Deferred Inflows - OPEB	(979,862)	(34,939,255)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds	42,344,521	
Capital Appreciation Bonds	320,000	
Bond Premium	3,206,248	
Accretion of Interest - Capital Appreciation Bonds	1,381,860	
Accrued Vacation Leave Payable	90,546	
Compensated Absences	1,938,809	(49,281,984)
<i>Net Position of Governmental Activities</i>		\$ (6,879,152)

See accompanying notes to the basic financial statements.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2018

	General Fund	Bond Retirement Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property and Other Local Taxes	\$ 25,569,597	\$ 3,609,540	\$ 0	\$ 0	\$ 29,179,137
Intergovernmental	5,213,078	374,159	0	715,089	6,302,326
Investment Income	288,237	0	332,834	3,967	625,038
Tuition and Fees	1,393,181	0	0	27,990	1,421,171
Extracurricular Activities	228,818	0	0	298,917	527,735
Rentals	12,040	0	0	0	12,040
Charges for Services	0	0	0	678,000	678,000
Contributions and Donations	28,572	0	0	70,681	99,253
Miscellaneous	113,521	0	0	3,116	116,637
<i>Total Revenues</i>	<u>32,847,044</u>	<u>3,983,699</u>	<u>332,834</u>	<u>1,797,760</u>	<u>38,961,337</u>
Expenditures:					
Current:					
Instruction:					
Regular	14,846,156	0	0	93,180	14,939,336
Special	2,896,328	0	0	0	2,896,328
Vocational	690,805	0	0	0	690,805
Student Intervention Services	64,401	0	0	0	64,401
Support Services:					
Pupils	1,703,599	0	0	9,236	1,712,835
Instructional Staff	1,020,343	0	0	343,700	1,364,043
Board of Education	103,620	0	0	0	103,620
Administration	2,761,858	0	0	0	2,761,858
Fiscal	1,005,514	17,939	0	0	1,023,453
Business	163,579	0	0	0	163,579
Operation and Maintenance of Plant	2,532,778	0	0	0	2,532,778
Pupil Transportation	1,586,929	0	0	0	1,586,929
Central	238,426	0	0	0	238,426
Extracurricular Activities	540,056	0	0	405,138	945,194
Operation of Non-Instructional Services:					
Food Service Operations	0	0	0	639,830	639,830
Community Services	249,447	0	0	144,973	394,420
Capital Outlay	2,949	0	6,668,322	652,945	7,324,216
Debt Service:					
Principal Retirement	0	4,115,000	0	0	4,115,000
Interest and Fiscal Charges	0	2,034,896	0	0	2,034,896
<i>Total Expenditures</i>	<u>30,406,788</u>	<u>6,167,835</u>	<u>6,668,322</u>	<u>2,289,002</u>	<u>45,531,947</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,440,256</u>	<u>(2,184,136)</u>	<u>(6,335,488)</u>	<u>(491,242)</u>	<u>(6,570,610)</u>
Other Financing Sources (Uses):					
Insurance Recoveries	5,860	0	0	0	5,860
Debt Issuance	0	0	31,500,000	0	31,500,000
Premium on Debt Issuance	0	2,168,822	0	0	2,168,822
Transfers In	0	147,408	0	1,231,174	1,378,582
Transfers Out	(1,378,582)	0	0	0	(1,378,582)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,372,722)</u>	<u>2,316,230</u>	<u>31,500,000</u>	<u>1,231,174</u>	<u>33,674,682</u>
<i>Net Change in Fund Balance</i>	1,067,534	132,094	25,164,512	739,932	27,104,072
<i>Fund Balances Beginning of Year</i>	<u>14,381,335</u>	<u>5,188,260</u>	<u>(371,414)</u>	<u>508,761</u>	<u>19,706,942</u>
<i>Fund Balances End of Year</i>	<u>\$ 15,448,869</u>	<u>\$ 5,320,354</u>	<u>\$ 24,793,098</u>	<u>\$ 1,248,693</u>	<u>\$ 46,811,014</u>

See accompanying notes to the basic financial statements.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio

*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2018*

Net Change in Fund Balances - Total Governmental Funds	\$	27,104,072
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital Asset Additions	\$ 5,427,798	
Current Year Depreciation	<u>(1,332,265)</u>	4,095,533
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(1,633)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	219,998	
Intergovernmental	<u>(36,939)</u>	183,059
Repayment of principal and accreted interest on capital appreciation bonds is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
General Obligation Bonds	3,995,000	
Capital Appreciation Bonds	120,000	
Accretion on Matured Capital Appreciation Bonds	<u>390,000</u>	4,505,000
Debt proceeds issued in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues.		
General Obligation Bonds	(31,500,000)	
Bond Premium	<u>(2,168,822)</u>	(33,668,822)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	2,431,569	
OPEB	<u>83,987</u>	2,515,556
Except for amount reported as deferred inflows/outflows, changes in the net pension and OPEB liabilities are reported as pension expense in the statement of activities.		
Pension	11,003,344	
OPEB	<u>1,210,602</u>	12,213,946
In the statement of activities, interest is accrued on outstanding bonds, and bond premium and gain/loss on refunding are amortized over the term of the bonds, whereas in governmental funds, an interest expenditure is reported when bonds are issued.		
Amortization of Premium on Bonds		271,793
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated Absences	(44,409)	
Vacations Payable	<u>13,896</u>	(30,513)
Accretion on capital appreciation bonds is an expenditure in the governmental funds, but is allocated as an expense over the life of the bonds in the statement of activities.		
		<u>(511,820)</u>
<i>Change in Net Position of Governmental Activities</i>	\$	<u>16,676,171</u>

See accompanying notes to the basic financial statements.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property and Other Local Taxes	\$ 21,024,439	\$ 26,005,994	\$ 26,005,994	\$ 0
Intergovernmental	4,313,291	5,335,287	5,335,287	0
Investment Income	233,024	288,237	288,237	0
Tuition and Fees	719,521	890,005	890,005	0
Extracurricular Activities	92,403	114,297	114,297	0
Rentals	9,734	12,040	12,040	0
Miscellaneous	24,835	30,720	30,720	0
<i>Total Revenues</i>	<u>26,417,247</u>	<u>32,676,580</u>	<u>32,676,580</u>	<u>0</u>
Expenditures				
Current:				
Instruction:				
Regular	14,725,757	14,695,320	14,461,558	233,762
Special	2,762,922	2,865,963	2,865,963	0
Vocational	544,434	695,620	692,637	2,983
Student Intervention Services	67,707	64,401	64,401	0
Support Services:				
Pupils	1,541,965	1,587,020	1,587,020	0
Instructional Staff	1,102,607	1,002,945	1,002,945	0
Board of Education	119,566	105,426	105,426	0
Administration	2,900,926	2,834,065	2,834,065	0
Fiscal	1,025,118	1,000,007	1,000,007	0
Business	171,120	163,500	163,500	0
Operation and Maintenance of Plant	2,466,505	2,538,509	2,538,343	166
Pupil Transportation	1,713,328	1,627,312	1,627,312	0
Central	250,855	240,268	240,268	0
Extracurricular Activities	548,295	578,660	578,660	0
Operation of Non-Instructional Services:				
Community Services	8,000	0	0	0
Capital Outlay	12,337	12,000	12,000	0
<i>Total Expenditures</i>	<u>29,961,442</u>	<u>30,011,016</u>	<u>29,774,105</u>	<u>236,911</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,544,195)</u>	<u>2,665,564</u>	<u>2,902,475</u>	<u>236,911</u>
Other Financing Sources (Uses)				
Insurance Recoveries	5,860	5,860	5,860	0
Refund of Prior Year Expenditures	99,030	99,030	99,030	0
Advances In	2,634,056	2,634,056	2,634,056	0
Transfers Out	(1,000,000)	(1,378,582)	(1,378,582)	0
<i>Total Other Financing Sources (Uses)</i>	<u>1,738,946</u>	<u>1,360,364</u>	<u>1,360,364</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,805,249)	4,025,928	4,262,839	236,911
<i>Fund Balance Beginning of Year</i>	9,750,516	9,750,516	9,750,516	0
Prior Year Encumbrances Appropriated	158,554	158,554	158,554	0
<i>Fund Balance End of Year</i>	<u>\$ 8,103,821</u>	<u>\$ 13,934,998</u>	<u>\$ 14,171,909</u>	<u>\$ 236,911</u>

See accompanying notes to the basic financial statements.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	Private Purpose Trust	Agency
Assets		
Equity in Pooled Cash and Investments	\$ 186,511	\$ 74,641
Liabilities		
Due to Students	0	\$ 74,641
Net Position		
Held in Trust for Scholarships	\$ 186,511	

See accompanying notes to the basic financial statements.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Statement of Changes in Fiduciary Net Position
Private Purpose Trust Fund
For the Fiscal Year Ended June 30, 2018

	Private Purpose Trust
Additions	
Gifts and Contributions	\$ 47,005
Investment Earnings	384
<i>Total Additions</i>	47,389
Deductions	
Payments in Accordance with Trust Agreements	7,226
<i>Change in Net Position</i>	40,163
<i>Net Position Beginning of Year</i>	146,348
<i>Net Position End of Year</i>	\$ 186,511

See accompanying notes to the basic financial statements.

Chagrin Falls Exempted Village School District

Cuyahoga County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2018

Note 1 - Description of School District

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

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

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

Reporting Entity

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

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

The School District participates in two jointly governed organizations and one insurance purchasing pool. These organizations are the Lake Geauga Computer Association, the Ohio Schools Council, and the Cincinnati USA Regional Chamber Workers' Compensation Group Rating Program. These organizations are presented in Notes 9, 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.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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

Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

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

Fund Accounting

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

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

Chagrin Falls Exempted Village School District

Cuyahoga County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2018

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

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

Building Fund The building capital projects fund accounts for financial resources to be used for the acquisition, construction or improvement of major capital facilities.

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

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

Measurement Focus

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

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

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

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Basis of Accounting

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

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

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

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 11 and 12.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension and, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2018, but which were levied to finance fiscal year 2019 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be

Chagrin Falls Exempted Village School District

Cuyahoga County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2018

collected within the available period. For the School District, unavailable revenue may include delinquent property taxes and grants and entitlements. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 11 and 12).

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

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

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 2018.

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

Cash and Investments

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

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

During fiscal year 2018, investments were limited to money markets, Freddie Mac, Federal National Mortgage Association, US Treasury Notes and STAR Ohio (the State Treasurer's Investment Pool). Except for nonparticipating investment contracts, investments are reported at fair value.

During the year 2018, the School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For the fiscal year 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

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 2018 amounted to \$288,237, which includes \$94,870 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."

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value 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:

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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

Compensated Absences

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

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

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

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

Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pension/OPEB, and pension/OPEB expense;(delete for cash basis) information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, net pension/OPEB liability 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 other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Net Position

Net position represent the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. At June 30, 2018, there was no net position restricted by enabling legislation.

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

Fund Balance

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

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

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

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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

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

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

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

Interfund Activity

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

Estimates

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

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Implementation of New Accounting Principles and Restatement of Net Position

For the fiscal year ended June 30, 2018, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial reporting for Postemployment Benefits other than Pensions*, GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, GASB Statement No. 85, *Omnibus 2017* and GASB Statement No. 86, *Certain Debt Extinguishments*.

GASB Statement No. 75 requires recognition of the entire net postemployment benefits other than pensions (other postemployment benefits or OPEB) liability and a more comprehensive measure of postemployment benefits expense for OPEB provided to the employees of state and local governmental employers through OPEB plans that are administered through trusts or equivalent arrangements. The implementation of GASB Statement No. 75 resulted in the inclusion of net OPEB liability and OPEB expense components on the accrual financial statements. See below for the effect on net position as previously reported.

GASB Statement No. 81 requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, it requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement also requires that a government recognize revenue when the resources become applicable to the reporting period. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the School District.

GASB Statement No. 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. These changes were incorporated in the School District's fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 86 addresses the reporting and disclosure requirements of certain debt extinguishments including in-substance defeasance transactions and prepaid insurance associated with debt that is extinguished. The implementation of GASB Statement No. 86 did not have an effect on the financial statements of the School District.

Net Position, June 30, 2017	\$ (13,704,984)
Adjustments:	
Net OPEB Liability	(9,918,321)
Deferred Outflow-Payments Subsequent to Measurement Date	67,982
Restated Net Position, July 1, 2017	\$ (23,555,323)

Other than employer contributions subsequent to the measurement date, the School District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 3 - Fund Balance

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

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

	General Fund	Bond Retirement Fund	Building Fund	Other Governmental Funds	Total
Restricted for:					
Debt Service	\$ 0	\$ 5,320,354	\$ 0	\$ 0	\$ 5,320,354
Capital Outlay	0	0	24,793,098	0	24,793,098
Extracurricular	0	0	0	135,403	135,403
Food Service	0	0	0	285,168	285,168
Other Purposes	0	0	0	98,683	98,683
Total Restricted	<u>0</u>	<u>5,320,354</u>	<u>24,793,098</u>	<u>519,254</u>	<u>30,632,706</u>
Assigned for:					
Public School Support	56,215	0	0	0	56,215
Encumbrances:					
Instruction	43,757	0	0	0	43,757
Support Services	10,906	0	0	0	10,906
Capital Outlay	9,051	0	0	0	9,051
Subsequent Year Appropriations	4,677,316	0	0	0	4,677,316
Permanent Improvement	<u>0</u>	<u>0</u>	<u>0</u>	<u>729,479</u>	<u>729,479</u>
Total Assigned	<u>4,797,245</u>	<u>0</u>	<u>0</u>	<u>729,479</u>	<u>5,526,724</u>
Unassigned	<u>10,651,624</u>	<u>0</u>	<u>0</u>	<u>(40) *</u>	<u>10,651,584</u>
Total Fund Balance	<u>\$ 15,448,869</u>	<u>\$ 5,320,354</u>	<u>\$24,793,098</u>	<u>\$ 1,248,693</u>	<u>\$ 46,811,014</u>

* Unassigned deficit fund balance included \$40 in the Title VI-B fund.

The deficit in the nonmajor governmental fund resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in this fund 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-

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

GAAP Basis) and Actual, is presented for the general fund on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as an assignment, commitment or restriction of fund balance (GAAP).
4. Some funds are included in the general fund (GAAP), but have separate legally adopted budgets (budget).

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

Net Change in Fund Balance

	General Fund
GAAP Basis	\$ 1,067,534
Net Adjustment for Revenue Accruals	3,157,931
Net Adjustment for Expenditure Accruals	180,138
Funds Budgeted Elsewhere **	15,790
Adjustment for Encumbrances	(158,554)
Budget Basis	\$ 4,262,839

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

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 5 - Deposits and Investments

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

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

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

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

Protection of the 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, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

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

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed two hundred seventy days from the purchase date in an amount not to exceed forty 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.

Investments: As of June 30, 2018, the School District had the following investments:

Rating	Investment	Measurement Amount	Investment Maturities (in years)			% Total Investments
			Less than 1	1 - 3	Over 3	
Net Asset Value (NAV):						
AAAm	STAR Ohio	\$ 43,604,725	\$43,604,725	\$ 0	\$ 0	92.01%
AAAm	Federated Government Obligations	145,317	145,317	0	0	0.32%
Fair Value:						
N/A	US Treasury Notes	3,134,226	424,233	961,476	1,748,517	6.62%
AA+	Federal National Mortgage Association	396,948	199,784	197,164	0	0.84%
AA+	Freddie Mac	98,212	0	98,212	0	0.21%
Totals		\$ 47,379,428	\$ 44,374,059	\$ 1,256,852	\$ 1,748,517	100.00%

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the School District's recurring fair value measurements as of June 30, 2018. The School District's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs).

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

Credit Risk: The School District's investments at June 30, 2018 are rated as shown above by S&P Global Ratings. US Treasury Notes are exempt from ratings since they are explicitly guaranteed by a U.S. Government Agency. The School District's policy on Credit Risk allows only for those investments as stated within the Ohio Revised Code.

STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30, 2018, is 49 days.

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

Note 6 - Property Taxes

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2018 represents collections of calendar year 2017 taxes. Real property taxes received in calendar year 2018 were levied after April 1, 2017, on the assessed value listed as of January 1, 2017, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2018 represents collections of calendar year 2017 taxes. Public utility real and tangible personal property taxes received in calendar year 2018 became a lien December 31, 2016, were levied after April 1, 2017 and are collected in 2018 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

The School District receives property taxes from Cuyahoga and Geauga Counties. The County Fiscal Officer periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2018, are available to finance fiscal year 2018 operations. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2018, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources.

On the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been reported as a deferred inflow of resources.

The assessed values upon which the fiscal year 2018 taxes were collected are:

	2017 Second Half Collections		2018 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$ 516,977,940	99.26%	\$525,356,970	99.21%
Public Utility Personal Property	3,866,660	0.74%	4,157,270	0.79%
	\$ 520,844,600	100.00%	\$ 529,514,240	100.00%
Tax rate per \$1,000 assessed valuation	\$ 115.20		\$ 124.10	

Note 7 - Receivables

Receivables at June 30, 2018, consisted of taxes and intergovernmental. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 8 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2018 was as follows:

	Balance 6/30/17	Additions	Reductions	Balance 6/30/18
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 1,386,635	\$ 0	\$ 0	\$ 1,386,635
Construction in progress	0	5,115,572	0	5,115,572
Capital Assets not being depreciated	1,386,635	5,115,572	0	6,502,207
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	42,758,185	0	0	42,758,185
Furniture and Equipment	2,003,356	93,407	(6,000)	2,090,763
Vehicles	1,953,649	218,819	(124,019)	2,048,449
Total Capital Assets, being depreciated	46,715,190	312,226	(130,019)	46,897,397
Less Accumulated Depreciation:				
Buildings and Improvements	(19,706,747)	(1,126,969)	0	(20,833,716)
Furniture and Equipment	(1,587,668)	(83,635)	4,367	(1,666,936)
Vehicles	(1,375,437)	(121,661)	124,019	(1,373,079)
Total Accumulated Depreciation	(22,669,852)	(1,332,265)	128,386	(23,873,731)
Total Capital Assets being depreciated, net	24,045,338	(1,020,039)	(1,633)	23,023,666
Governmental Activities Capital Assets, Net	\$ 25,431,973	\$ 4,095,533	\$ (1,633)	\$ 29,525,873

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Depreciation expense was charged as follows:

<i>Governmental Activities:</i>	
Instruction:	
Regular	\$ 971,728
Special	13,847
Support Services:	
Pupil	14,682
Instructional Staff	46,946
Operation and Maintenance of Plant	146,079
Pupil Transportaion	108,748
Operation of Non-Instructional Services:	
Food Service Operations	20,045
Community Services	3,281
Extracurricular Activities	<u>6,909</u>
Total Depreciation	<u>\$ 1,332,265</u>

Note 9 - Risk Management

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.

The School District insures its buildings and their contents through insurance having a \$10,000 deductible and providing replacement costs for such items. An inventory of all loose equipment is conducted annually.

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

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

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

Chagrin Falls Exempted Village School District

Cuyahoga County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2018

Workers' Compensation

The School District participates in the Cincinnati USA Regional Chamber Workers' Compensation Group Retro Plan (GRP), a public entity risk pool (Note 15). The intent of the GRP is to achieve the benefit of an overall reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP.

Each participant pays its workers' compensation premium to the state based on their individual experience rate. The Bureau of Workers' Compensation (BWC) will evaluate the total performance of the group annually for three years beginning one year after the end of the program year. If the group performs well, the BWC will issue a refund. If the group has higher claims cost (after the claims and premium are applied to a formula) than the premium paid, the group participants will receive an assessment (for Sheakley groups, that risk is a 10 percent assessment over the 3 years). The School District receives a percentage of that refund relative to the premium contributed to that group. Participation in the GRP is limited to entities that can meet the GRP's selection criteria. The firm of Sheakley UniService provides administrative, cost control and actuarial services to the GRP.

Note 10 - Other Employee Benefits

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 up 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 non-certified employees earn sick leave at the rate of one and one-fourth days per month. Administrative and non-union staff may accumulate sick leave to a maximum of 276 days. Certified and non-certified staff may accumulate a maximum of 310 sick days. Upon retirement, OAPSE employees and CFEA employees receive payment for a maximum of 77.5 days.

Insurance Benefits

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

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

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

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 11 - Defined Benefit Pension Plans

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the School District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the School District's obligation for this liability to annually required payments. The School District cannot control benefit terms or the manner in which pensions are financed; however, the School District does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description - School Employees Retirement System (SERS)

Plan Description – School District non-teaching employees participate in SERS, a statewide, cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017*	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

*Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first 30 years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

When a benefit recipient has received benefits for 12 months, an annual COLA is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a three percent simple annual COLA. For those retiring after January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at three percent.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2018, the allocation to pension, death benefits, and Medicare B was 14 percent. SERS allocated 0.5 percent of employer contributions to the Health Care Fund for fiscal year 2018.

The School District's contractually required contribution to SERS was \$558,967 for fiscal year 2018. Of this amount, \$30,211 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation was 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Members are eligible to retire at age 60 with five years of qualifying service credit, or at age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2018, plan members were required to contribute 14 percent of their annual covered salary. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2018 contribution rates were equal to the statutory maximum rates.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

The School District's contractually required contribution to STRS was \$1,872,602 for fiscal year 2018. Of this amount, \$313,988 is reported as an intergovernmental payable.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an independent actuarial valuation as of that date. The School District's employer allocation percentage of the net pension liability was based on the employer's share of employer contributions in the pension plan relative to the total employer contributions of all participating employers. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability:			
Current Measurement Date	0.12551500%	0.11557738%	
Prior Measurement Date	<u>0.12586600%</u>	<u>0.11747075%</u>	
Change in Proportionate Share	<u>-0.00035100%</u>	<u>-0.00189337%</u>	
Proportionate Share of the Net			
Pension Liability	\$ 7,499,244	\$ 27,455,654	\$ 34,954,898
Pension Expense	\$ (242,237)	\$ (10,761,107)	\$ (11,003,344)

Deferred outflows/inflows of resources represent the effect of changes in the net pension liability due to the difference between projected and actual investment earnings, differences between expected and actual actuarial experience, changes in assumptions and changes in the School District's proportion of the collective net pension liability. The deferred outflows and deferred inflows are to be included in pension expense over current and future periods. The difference between projected and actual investment earnings is recognized in pension expense using a straight line method over a five year period beginning in the current year. Deferred outflows and deferred inflows resulting from changes in sources other than differences between projected and actual investment earnings are amortized over the average expected remaining service lives of all members (both active and inactive) using the straight line method. Employer contributions to the pension plan subsequent to the measurement date are also required to be reported as a deferred outflow of resources.

At June 30, 2018 the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between Expected and			
Actual Experience	\$ 322,740	\$ 1,060,207	\$ 1,382,947
Changes of Assumptions	387,792	6,004,854	6,392,646
Changes in Proportion and Differences between			
School District Contributions and Proportionate			
Share of Contributions	59,270	146,422	205,692
School District Contributions Subsequent to the			
Measurement Date	<u>558,967</u>	<u>1,872,602</u>	<u>2,431,569</u>
Total Deferred Outflows of Resources	<u>\$ 1,328,769</u>	<u>\$ 9,084,085</u>	<u>\$ 10,412,854</u>

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

	SERS	STRS	Total
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	\$ 0	\$ 221,282	\$ 221,282
Net Difference between Projected and Actual Earnings on Pension Plan Investments	35,597	906,068	941,665
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	28,411	650,103	678,514
Total Deferred Inflows of Resources	<u>\$ 64,008</u>	<u>\$ 1,777,453</u>	<u>\$ 1,841,461</u>

\$2,431,569 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2019	\$ 327,992	\$ 1,075,750	\$ 1,403,742
2020	447,671	2,308,318	2,755,989
2021	104,953	1,686,622	1,791,575
2022	(174,822)	363,340	188,518
	<u>\$ 705,794</u>	<u>\$ 5,434,030</u>	<u>\$ 6,139,824</u>

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2017, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.50 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

Mortality rates among active members were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates and 110 percent of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period ending July 1, 2010 to June 30, 2015. The assumed rate of inflation, payroll growth assumption and assumed real wage growth were reduced in the most recent actuarial valuation. The rates of withdrawal, retirement and disability updated to reflect recent experience and mortality rates were also updated.

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Discount Rate The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's Proportionate Share of the Net Pension Liability	\$ 10,407,002	\$ 7,499,244	\$ 5,063,404

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3.00 percent
Cost-of-Living Adjustments	0.00 percent effective July 1, 2017

Post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the July 1, 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation*	Long Term Expected Real Rate of Return**
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	

*The target allocation percentage is effective as of July 1, 2017. Target weights will be phased in over a 24-month period concluding on July 1, 2019.

**Ten year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2017. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2017.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the School District's proportionate share of the net pension liability as of June 30, 2017, calculated using the current period discount rate assumption of 7.45 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45 percent) or one-percentage-point higher (8.45 percent) than the current assumption:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's Proportionate Share of the Net Pension Liability	\$ 39,356,746	\$ 27,455,654	\$ 17,430,768

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Assumption Changes since the Prior Measurement Date

The Retirement Board approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75 percent to 7.45 percent, the inflation assumption was lowered from 2.75 percent to 2.50 percent, the payroll growth assumption was lowered to 3.00 percent, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25 percent due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

Benefit Term Changes since the Prior Measurement Date

Effective July 1, 2017, the COLA was reduced to zero.

Note 12 - Defined Benefit OPEB Plans

Net OPEB Liability

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the School District's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the School District's obligation for this liability to annually required payments. The School District cannot control benefit terms or the manner in which OPEB are financed; however, the School District does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2018, .5 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2018, this amount was \$23,700. 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 2018, the School District's surcharge obligation was \$63,285.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$83,987 for fiscal year 2018. Of this amount \$64,404 is reported as an intergovernmental payable.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians’ fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2018, STRS did not allocate any employer contributions to post-employment health care.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net OPEB Liability			
Current Measurement Date	0.12709080%	0.11557738%	
Prior Measurement Date	<u>0.12756081%</u>	<u>0.11747075%</u>	
Change in Proportionate Share	<u>-0.00047001%</u>	<u>-0.00189337%</u>	
Proportionate Share of the Net OPEB Liability	\$ 3,410,783	\$ 4,509,403	\$ 7,920,186
OPEB Expense	\$ 179,889	\$ (1,390,491)	\$ (1,210,602)

At June 30, 2018, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between Expected and			
Actual Experience	\$ 0	\$ 260,311	\$ 260,311
School District Contributions Subsequent to the			
Measurement Date	<u>83,987</u>	<u>0</u>	<u>83,987</u>
Total Deferred Outflows of Resources	<u>\$ 83,987</u>	<u>\$ 260,311</u>	<u>\$ 344,298</u>

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

	SERS	STRS	Total
Deferred Inflows of Resources			
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	\$ 9,007	\$ 192,742	\$ 201,749
Changes of Assumptions	323,666	363,248	686,914
Changes in Proportionate Share and Differences between School District Contributions and Proportionate Share of Contributions	4,406	86,793	91,199
Total Deferred Inflows of Resources	\$ 337,079	\$ 642,783	\$ 979,862

\$83,987 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2019	\$ (121,119)	\$ (79,807)	\$ (200,926)
2020	(121,119)	(79,807)	(200,926)
2021	(92,590)	(79,807)	(172,397)
2022	(2,251)	(79,805)	(82,056)
2023	0	(31,621)	(31,621)
Thereafter	0	(31,625)	(31,625)
	\$ (337,079)	\$ (382,472)	\$ (719,551)

Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Chagrin Falls Exempted Village School District

Cuyahoga County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2018

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2017, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Municipal Bond Index Rate	
Measurement Date	3.56 percent
Prior Measurement Date	2.92 percent
Single Equivalent Interest Rate	
Measurement Date	3.63 percent, net of plan investment expense, including price inflation
Prior Measurement Date	2.98 percent, net of plan investment expense, including price inflation
Medical Trend Assumption	
Medicare	5.50 percent - 5.00 percent
Pre-Medicare	7.50 percent - 5.00 percent

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	<u>10.00</u>	3.00
Total	<u>100.00 %</u>	

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2017 was 3.63 percent. The discount rate used to measure total OPEB liability prior to June 30, 2017 was 2.98 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.56 percent, as of June 30, 2017 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.63 percent) and higher (4.63 percent) than the current discount rate (3.63 percent). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.5 percent decreasing to 4.0 percent) and higher (8.5 percent decreasing to 6.0 percent) than the current rate.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

	1% Decrease (2.63%)	Current Discount Rate (3.63%)	1% Increase (4.63%)
School District's Proportionate Share of the Net OPEB Liability	\$ 4,118,955	\$ 3,410,783	\$ 2,849,730

	1% Decrease	Current Trend Rate	1% Increase
School District's Proportionate Share of the Net OPEB Liability	\$ 2,767,595	\$ 3,410,783	\$ 4,262,054

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2017, actuarial valuation are presented below:

Inflation	2.50 percent
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.00 percent effective July 1, 2017
Blended Discount Rate of Return	4.13 percent
Health Care Cost Trends	6.00 percent to 11.00 percent, initial, 4.50 percent ultimate

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Also since the prior measurement date, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. Subsequent to the current measurement date, the date for discontinuing remaining Medicare Part B premium reimbursements was extended to January 2020.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return*</u>
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
	<u>100.00 %</u>	

*Ten year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actual rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total OPEB liability was 4.13 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was not projected to be sufficient to make all projected future benefit payments of current plan members. The OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2037. Therefore, the long-term expected rate of return on OPEB plan assets was used to determine the present value of the projected benefit payments through the fiscal year ending June 30, 2036 and the Bond Buyer 20-year municipal bond rate of 3.58 percent as of June 30, 2017 (i.e. municipal bond rate), was used to determine the present value of the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The blended discount rate of 4.13 percent, which represents the long-term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58 percent for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2017. A blended discount rate of 3.26 percent which represents the long term expected rate of return of 7.75 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 2.85 percent for the unfunded benefit payments was used to measure the total OPEB liability at June 30, 2016.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB liability as of June 30, 2017, calculated using the current period discount rate assumption of 4.13 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13 percent) or one percentage point higher (5.13 percent) than the current assumption. Also shown is the net OPEB liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
School District's Proportionate Share of the Net OPEB Liability	\$ 6,053,801	\$ 4,509,403	\$ 3,288,824
	1% Decrease	Current Trend Rate	1% Increase
School District's Proportionate Share of the Net OPEB Liability	\$ 3,132,940	\$ 4,509,403	\$ 6,320,989

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Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 13 - Long - Term Obligations

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

	Restated Outstanding 6/30/17	Additions	Reductions	Outstanding 6/30/18	Amounts Due in One Year
Governmental Activities:					
General Obligation Bonds:					
2011 Series A Energy Conservation Bonds					
Serial Bonds	\$ 820,000	\$ 0	\$ 90,000	\$ 730,000	\$ 90,000
Bond Premium	24,863	0	3,108	21,755	0
2011 Series B-1 Energy Conservation Bonds					
Tax Exempt Serial Bonds	50,000	0	50,000	0	0
2011 Series B-2 Energy Conservation Bonds					
Qualified School Construction Bonds	544,521	0	0	544,521	64,521
2012 Series A Refunding Bonds					
Serial Bonds	6,830,000	0	3,855,000	2,975,000	0
Capital Appreciation Bond	225,000	0	0	225,000	225,000
Accretion of Interest	697,872	338,689	0	1,036,561	1,036,561
Bond Premium	586,031	0	146,510	439,521	0
2012 Series B Refunding Bonds					
Serial Bonds	6,595,000	0	0	6,595,000	0
Capital Appreciation Bond	215,000	0	120,000	95,000	95,000
Accretion of Interest	562,168	173,131	390,000	345,299	345,299
Bond Premium	698,325	0	49,881	648,444	0
2017 School Improvement Bonds					
Serial Bonds	0	20,200,000	0	20,200,000	2,050,000
Term Bonds	0	11,300,000	0	11,300,000	0
Bond Premium	0	2,168,822	72,294	2,096,528	0
Total General Obligation Bonds	17,848,780	34,180,642	4,776,793	47,252,629	3,906,381
Net Pension Liability	48,533,231	0	13,578,333	34,954,898	0
Net OPEB Liability	9,918,321	0	1,998,135	7,920,186	0
Compensated Absences	1,894,400	231,232	186,823	1,938,809	119,671
Total Governmental Activities					
Long-Term Liabilities	<u>\$78,194,732</u>	<u>\$ 34,411,874</u>	<u>\$ 20,540,084</u>	<u>\$92,066,522</u>	<u>\$ 4,026,052</u>

2011 Series A Energy Conservation Improvement Bonds

On January 24, 2011, the School District issued \$1,342,983 in general obligation bonds for House Bill 264 improvements at an interest rate of 5.75 percent. The bonds mature in December 2025.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

2011 Series B-1 Energy Conservation Improvement Bonds

On January 24, 2011, the School District issued \$430,463 in tax exempt bonds for the purpose of energy conservation improvements to School District buildings. The bonds were issued at interest rates varying from 2.00 to 4.80 percent. The bonds matured on December 1, 2017.

2011 Series B-2 Energy Conservation Improvement Bonds

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

The Direct Payment Qualified School Construction Bonds were issued as term bonds and are subject to mandatory redemption at an interest rate of 4.85 percent with a final payment to be made on December 1, 2025.

2012 Series 2012 A School Improvement Refunding Bonds

On November 27, 2012, the School District issued \$10,540,000 refunding general obligation bonds. The proceeds of the bonds were used to refund \$10,540,000 of the School District's outstanding School Improvement Refunding Bonds, Series 2005. The bonds were issued for a 10 year period with final maturity at December 1, 2022. At the date of the refunding, \$11,426,599 (including premium and after underwriting fees) was deposited in an irrevocable trust to provide for all future payments on the refunded bonds. At June 30, 2018, \$5,760,000 of the defeased debt is outstanding.

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

This bond issue consists of \$10,315,000 in serial bonds and \$225,000 in capital appreciation bonds. The serial bonds were issued at an interest rate of 1.94 percent. The bonds maturing after December 1, 2018 are subject to early redemption by the School District prior to their stated maturity, in whole or in part, as selected by the School District (in whole multiples of \$5,000) on any date on or after December 1, 2017, at par.

On December 1, 2017, \$2,405,000 in serial bonds were called.

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

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

2012 Series 2012 B School Improvement Refunding Bonds

On November 27, 2012, the School District issued \$8,125,000 refunding general obligation bonds. The proceeds of the bonds were used to refund \$8,125,000 of the School District's outstanding School Improvement Bonds, Series 2005. The bonds were issued for an 18 year period with final maturity at December 1, 2030. At the date of the refunding, \$8,906,587 (including premium and after underwriting fees) was deposited in an irrevocable trust to provide for all future payments on the refunded bonds. At June 30, 2018, \$6,795,000 of the defeased debt is outstanding.

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

This bond issue consists of \$7,910,000 in serial bonds and \$215,000 in capital appreciation bonds. The serial bonds were issued at an interest rate of 2.30 percent. The bonds maturing on or after December 1, 2023 are subject to early redemption by the School District prior to their stated maturity, in whole or in part, as selected by the School District (in whole multiples of \$5,000) on any date on or after December 1, 2022, at par.

The capital appreciation bonds consist of one for \$120,000 which matured on December 1, 2017 and one for \$95,000 which matures on December 1, 2018. These bonds were purchased at a substantial discount at the time of issuance. At maturity all compounded interest is paid and the bond holder receives the face value of the bond. As the value of the bond increases, the accretion is reflected as principal liability. The maturity amount of the remaining bond is \$505,000.

2017 School Improvement Bonds

On August 22, 2017 the School District issued \$31,500,000 in School Improvement Bonds for renovations, construction and improvements to the buildings and real estate. The bonds were issued for a 30 year period maturing December 1, 2047. This bond issue consists of \$20,200,000 in serial bonds and \$11,300,000 in term bonds. The serial bonds were issued at interest rates varying from 2.00 to 5.00 percent.

The Bonds maturing on or after December 1, 2027 are subject to prior redemption, by and at the sole option of the School District, in whole or in part as selected by the School District (in whole multiples of \$5,000), on any date on or after June 1, 2027, at a redemption price equal to 100 percent of the principal amount redeemed, plus interest accrued to the redemption date.

The Bonds maturing on December 1, 2042 and December 1, 2047 are subject to mandatory sinking fund redemption at a redemption price equal to 100 percent of the principal amount redeemed, plus interest accrued to the redemption date.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

General obligation bonds will be paid from the bond retirement fund. Compensated absences will be paid from the general fund and the food service fund. There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the general fund. For additional information related to the net pension liability and net OPEB liability see Notes 11 and 12.

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2018 are as follows:

Fiscal Year Ending June 30,	General Obligation Bonds		Capital Appreciation Bonds		Total	
	Principal	Interest	Principal	Accretion	Principal	Accretion/ Interest
2019	\$ 2,204,521	\$ 1,495,741	\$320,000	\$ 1,660,000	\$ 2,524,521	\$ 3,155,741
2020	3,365,000	1,413,014	0	0	3,365,000	1,413,014
2021	3,205,000	1,293,557	0	0	3,205,000	1,293,557
2022	1,170,000	1,205,117	0	0	1,170,000	1,205,117
2023	1,205,000	1,168,470	0	0	1,205,000	1,168,470
2024 - 2028	6,370,000	5,139,432	0	0	6,370,000	5,139,432
2029 - 3033	6,010,000	3,951,385	0	0	6,010,000	3,951,385
2034 - 2038	5,160,000	3,096,710	0	0	5,160,000	3,096,710
2039 - 2043	6,220,000	2,024,506	0	0	6,220,000	2,024,506
2044 - 2048	7,435,000	766,700	0	0	7,435,000	766,700
Total	\$42,344,521	\$ 21,554,632	\$ 320,000	\$ 1,660,000	\$42,664,521	\$ 23,214,632

Note 14 - Jointly Governed Organizations

Lake Geauga Computer Association

The Lake Geauga Computer Association (LGCA) is a jointly governed organization that was formed for the purpose of providing computer services for accounting, grading, scheduling, EMIS and other applications to its twenty member school districts. Each of the districts supports LGCA based upon a per pupil charge. The executive committee (governing board) consists of the superintendents and treasurers of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the governing board. LGCA's continued existence is not dependent on the School District's continued participation. The School District paid \$149,311 to LGCA during fiscal year 2018. Financial information can be obtained from Lake Geauga Computer Association, 8140 Auburn Road, Painesville, Ohio 44077.

Ohio Schools Council

The Ohio Schools Council Association (Council) is a jointly governed organization among 198 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 2018, the School District paid \$505 to the Council. Financial information can be obtained by contacting William Zelei, the Executive Director of the Ohio Schools Council at 6933 Oak Tree Boulevard, Suite 377, Independence, Ohio, 44131.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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 Cincinnati USA Regional Chamber Workers' Compensation Group Retro Plan (GRP), a public entity risk pool. Each fiscal year, the School District pays an enrollment fee to the GRP to cover the costs of administering the program.

Note 16 - Contingencies

Grants

The School District received financial assistance from Federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2018, if applicable, cannot be determined at this time.

Litigation

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

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

School Foundation

School district Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2018 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2018 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the School District.

Note 17 - Interfund Transfers

Transfers made during fiscal year 2018 were as follows:

Fund	Transfer In	Transfer Out
General Fund	\$ 0	\$ 1,378,582
Bond Retirement Fund	147,408	0
Nonmajor Governmental Funds	1,231,174	0
Total	\$ 1,378,582	\$ 1,378,582

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

Note 18 - Set-Asides

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

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

	Capital Improvement Reserve
Set Aside Restricted Balance June 30, 2017	\$ 0
Current Year Set-Aside Requirement	351,153
Current Year Offsets	(1,200,674)
Total	\$ (849,521)
Balance Carried Forward to Fiscal Year 2019	\$ 0
Set Aside Balance June 30, 2018	\$ 0

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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

Note 19 – Commitments

Encumbrances

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

	Amount
General Fund	\$ 63,784
Building Fund	17,627,652
Nonmajor Governmental Funds	509,774
	\$ 18,201,210

Contractual Commitments

The School District had outstanding contractual commitments for renovations and improvements as follows:

	Contractual Commitment	Expended	Balance 6/30/2018
Gilbane Building Company	\$ 19,936,189	\$3,423,059	\$ 16,513,130
Terracon Consultants	40,384	12,796	27,588
Osborn Engineering	59,553	12,769	46,784
Western Reserve Developers	108,000	48,673	59,327
Stantec Architecture	1,648,922	1,209,021	439,901
	\$ 21,793,048	\$4,706,318	\$ 17,086,730

Based on timing of when contracts are encumbered, the contractual commitment identified above may or may not be included in the outstanding encumbrance commitments previously disclosed in this note.

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Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
Last Five Fiscal Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>School Employees Retirement System (SERS)</i>					
School District's Proportion of the Net Pension Liability	0.12551500%	0.12586600%	0.12650010%	0.12375700%	0.12375700%
School District's Proportionate Share of the Net Pension Liability	\$ 7,499,244	\$ 9,212,230	\$ 7,218,218	\$ 6,263,271	\$ 7,359,432
School District's Covered Payroll	\$ 4,074,414	\$ 4,410,379	\$ 4,045,364	\$ 3,632,460	\$ 3,756,684
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	184.06%	208.88%	178.43%	172.43%	195.90%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.50%	62.98%	69.16%	71.70%	65.52%
<i>State Teachers Retirement System (STRS)</i>					
School District's Proportion of the Net Pension Liability	0.11557738%	0.11747075%	0.11690597%	0.11852303%	0.11852303%
School District's Proportionate Share of the Net Pension Liability	\$ 27,455,654	\$ 39,321,001	\$ 32,309,391	\$ 28,828,903	\$ 34,340,800
School District's Covered Payroll	\$ 12,621,171	\$ 12,959,036	\$ 12,931,886	\$ 13,041,300	\$ 12,097,577
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	217.54%	303.43%	249.84%	221.06%	283.87%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.30%	66.80%	72.10%	74.70%	69.30%

(1) Information prior to 2014 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

See accompanying notes to the required supplementary information.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Required Supplementary Information
Schedule of the School District's Contributions - Pension
Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<i>School Employees Retirement System (SERS)</i>				
Contractually Required Contribution	\$ 558,967	\$ 570,418	\$ 617,453	\$ 533,179
Contributions in Relation to the Contractually Required Contribution	<u>(558,967)</u>	<u>(570,418)</u>	<u>(617,453)</u>	<u>(533,179)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered Payroll	\$ 4,140,496	\$ 4,074,414	\$ 4,410,379	\$ 4,045,364
Pension Contributions as a Percentage of Covered Payroll	13.50%	14.00%	14.00%	13.18%
<i>State Teachers Retirement System (STRS)</i>				
Contractually Required Contribution	\$ 1,872,602	\$ 1,766,964	\$ 1,814,265	\$ 1,810,464
Contributions in Relation to the Contractually Required Contribution	<u>(1,872,602)</u>	<u>(1,766,964)</u>	<u>(1,814,265)</u>	<u>(1,810,464)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered Payroll	\$ 13,375,729	\$ 12,621,171	\$ 12,959,036	\$ 12,931,886
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 503,459	\$ 519,925	\$ 557,109	\$ 471,835	\$ 554,164	\$ 362,227
<u>(503,459)</u>	<u>(519,925)</u>	<u>(557,109)</u>	<u>(471,835)</u>	<u>(554,164)</u>	<u>(362,227)</u>
<u>\$ 0</u>					
\$ 3,632,460	\$ 3,756,684	\$ 4,142,074	\$ 3,753,660	\$ 4,092,792	\$ 3,681,169
13.86%	13.84%	13.45%	12.57%	13.54%	9.84%
\$ 1,695,369	\$ 1,572,685	\$ 1,510,278	\$ 1,465,362	\$ 1,408,710	\$ 1,354,235
<u>(1,695,369)</u>	<u>(1,572,685)</u>	<u>(1,510,278)</u>	<u>(1,465,362)</u>	<u>(1,408,710)</u>	<u>(1,354,235)</u>
<u>\$ 0</u>					
\$ 13,041,300	\$ 12,097,577	\$ 11,617,523	\$ 11,272,015	\$ 10,836,231	\$ 10,417,192
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

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Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability
Last Two Fiscal Years (1)

	2018	2017
<i>School Employees Retirement System (SERS)</i>		
School District's Proportion of the Net OPEB Liability	0.12709080%	0.12756081%
School District's Proportionate Share of the Net OPEB Liability	\$ 3,410,783	\$ 3,635,955
School District's Covered Payroll	\$ 4,074,414	\$ 4,410,379
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	83.71%	82.44%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	12.46%	11.49%
<i>State Teachers Retirement System (STRS)</i>		
School District's Proportion of the Net OPEB Liability	0.11557738%	0.11747075%
School District's Proportionate Share of the Net OPEB Liability	\$ 4,509,403	\$ 6,282,366
School District's Covered Payroll	\$ 12,621,171	\$ 12,959,036
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	35.73%	48.48%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.10%	37.30%

(1) Information prior to 2017 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

See accompanying notes to the required supplementary information.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Required Supplementary Information
Schedule of the School District's Contributions - OPEB
Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<i>School Employees Retirement System (SERS)</i>				
Contractually Required Contribution (1)	\$ 83,987	\$ 67,982	\$ 64,587	\$ 93,360
Contributions in Relation to the Contractually Required Contribution	<u>(83,987)</u>	<u>(67,982)</u>	<u>(64,587)</u>	<u>(93,360)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered Payroll	\$ 4,140,496	\$ 4,074,414	\$ 4,410,379	\$ 4,045,364
OPEB Contributions as a Percentage of Covered Payroll (1)	2.03%	1.67%	1.46%	2.31%
<i>State Teachers Retirement System (STRS)</i>				
Contractually Required Contribution	\$ 0	\$ 0	\$ 0	\$ 0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered Payroll	\$ 13,375,729	\$ 12,621,171	\$ 12,959,036	\$ 12,931,886
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

(1) Includes surcharge

See accompanying notes to the required supplementary information.

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 61,816	\$ 59,561	\$ 73,781	\$ 104,112	\$ 67,832	\$ 200,264
<u>(61,816)</u>	<u>(59,561)</u>	<u>(73,781)</u>	<u>(104,112)</u>	<u>(67,832)</u>	<u>(200,264)</u>
<u>\$ 0</u>					
\$ 3,632,460	\$ 3,756,684	\$ 4,142,074	\$ 3,753,660	\$ 4,092,792	\$ 3,681,169
1.70%	1.59%	1.78%	2.77%	1.66%	5.44%
\$ 130,413	\$ 120,976	\$ 116,175	\$ 112,720	\$ 108,362	\$ 104,172
<u>(130,413)</u>	<u>(120,976)</u>	<u>(116,175)</u>	<u>(112,720)</u>	<u>(108,362)</u>	<u>(104,172)</u>
<u>\$ 0</u>					
\$ 13,041,300	\$ 12,097,577	\$ 11,617,523	\$ 11,272,015	\$ 10,836,231	\$ 10,417,192
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2018

Note 1 - Net Pension Liability

Changes in Assumptions - SERS

For fiscal year 2017, the SERS Board adopted the following assumption changes:

- Assumed rate of inflation was reduced from 3.25 percent to 3.00 percent
- Payroll Growth Assumption was reduced from 4.00 percent to 3.50 percent
- Assumed real wage growth was reduced from 0.75 percent to 0.50 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to the following:
 - RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females.
- Mortality among service retired members, and beneficiaries was updated to the following:
 - RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates.
- Mortality among disable member was updated to the following:
 - RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

Changes in Benefit Terms - SERS

For fiscal year 2018, the cost-of-living adjustment was changed from a fixed 3.00 percent to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.50 percent with a floor of zero percent beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

Changes in Assumptions - STRS

For fiscal year 2018, the Retirement Board approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75 percent to 7.45 percent, the inflation assumption was lowered from 2.75 percent to 2.50 percent, the payroll growth assumption was lowered to 3.00 percent, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25 percent due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

Changes in Benefit Terms - STRS

Effective for fiscal year 2018, the cost-of-living adjustment (COLA) was reduced to zero.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2018

Note 2 - Net OPEB Liability

Changes in Assumptions – SERS

Amounts reported for fiscal year 2018 incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Municipal Bond Index Rate:

Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

Single Equivalent Interest Rate, net of plan investment expense, including price inflation

Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Changes in Assumptions – STRS

For fiscal year 2018, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Also for fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.

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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. With the implementation of GASB No. 54, the public school support, uniform school supplies and community education special revenue funds have been classified with the general fund for GAAP reporting purposes. However, these funds have their own legally adopted budgets. As a result, an Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual have been presented for these funds. The title of each special revenue fund is descriptive of the activities accounted for therein. The special revenue funds are:

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

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

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

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

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

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

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

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

Miscellaneous Federal Grants Fund – This fund is used to account for monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere.

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

Chagrin Falls Exempted Village School District

Combining Statements – Nonmajor Funds

Nonmajor Special Revenue Funds (continued)

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

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

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

Nonmajor Capital Project Fund

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

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

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Nonmajor Special Revenue Funds	Permanent Improvement Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$ 557,337	\$ 789,394	\$ 1,346,731
Intergovernmental Receivable	81	0	81
<i>Total Assets</i>	<u>\$ 557,418</u>	<u>\$ 789,394</u>	<u>\$ 1,346,812</u>
Liabilities:			
Accounts Payable	\$ 5,812	\$ 22,617	\$ 28,429
Accrued Wages and Benefits	24,990	0	24,990
Contracts Payable	0	37,298	37,298
Intergovernmental Payable	7,321	0	7,321
<i>Total Liabilities</i>	<u>38,123</u>	<u>59,915</u>	<u>98,038</u>
Deferred Inflows of Resources:			
Unavailable Revenue	81	0	81
Fund Balances:			
Restricted	519,254	0	519,254
Assigned	0	729,479	729,479
Unassigned	(40)	0	(40)
<i>Total Fund Balances (Deficit)</i>	<u>519,214</u>	<u>729,479</u>	<u>1,248,693</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 557,418</u>	<u>\$ 789,394</u>	<u>\$ 1,346,812</u>

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2018

	Nonmajor Special Revenue Funds	Permanent Improvement Fund	Total Nonmajor Governmental Funds
Revenues:			
Intergovernmental	\$ 715,089	\$ 0	\$ 715,089
Investment Income	3,967	0	3,967
Tuition and Fees	27,990	0	27,990
Extracurricular Activities	298,917	0	298,917
Charges for Services	678,000	0	678,000
Contributions and Donations	69,825	856	70,681
Miscellaneous	3,116	0	3,116
<i>Total Revenues</i>	<u>1,796,904</u>	<u>856</u>	<u>1,797,760</u>
Expenditures:			
Current:			
Instruction:			
Regular	93,180	0	93,180
Support Services:			
Pupils	9,236	0	9,236
Instructional Staff	343,700	0	343,700
Extracurricular Activities	405,138	0	405,138
Operation of Non-Instructional Services:			
Food Service Operations	639,830	0	639,830
Community Services	144,973	0	144,973
Capital Outlay	0	652,945	652,945
<i>Total Expenditures</i>	<u>1,636,057</u>	<u>652,945</u>	<u>2,289,002</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	160,847	(652,089)	(491,242)
Other Financing Sources (Uses):			
Transfers In	30,500	1,200,674	1,231,174
<i>Net Change in Fund Balance</i>	191,347	548,585	739,932
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>327,867</u>	<u>180,894</u>	<u>508,761</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 519,214</u>	<u>\$ 729,479</u>	<u>\$ 1,248,693</u>

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

	Miscellaneous Grants Fund	Athletic/ District Managed Fund	Auxiliary Services Fund	Data Communications Fund
Assets:				
Equity in Pooled Cash and Investments	\$ 64,629	\$ 141,215	\$ 34,054	\$ 0
Intergovernmental Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$ 64,629</u>	<u>\$ 141,215</u>	<u>\$ 34,054</u>	<u>\$ 0</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 5,812	\$ 0	\$ 0
Accrued Wages and Benefits	0	0	0	0
Intergovernmental Payable	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>5,812</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources:				
Unavailable Revenue	0	0	0	0
Fund Balances:				
Restricted	64,629	135,403	34,054	0
Unassigned	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>64,629</u>	<u>135,403</u>	<u>34,054</u>	<u>0</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</i>	<u>\$ 64,629</u>	<u>\$ 141,215</u>	<u>\$ 34,054</u>	<u>\$ 0</u>

(continued)

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

	Title VI-B Fund	Title I Fund	Preschool Handicapped Fund	Title II-A Fund
Assets:				
Equity in Pooled Cash and Investments	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	35	0	0	0
Intergovernmental Payable	5	0	0	0
<i>Total Liabilities</i>	<u>40</u>	<u>0</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources:				
Unavailable Revenue	0	0	0	0
Fund Balances:				
Restricted	0	0	0	0
Unassigned	(40)	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>(40)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

(continued)

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

	Miscellaneous Federal Grants Fund	Food Service Fund	Total Nonmajor Special Revenue Funds
Assets:			
Equity in Pooled Cash and Investments	\$ 0	\$ 317,439	\$ 557,337
Intergovernmental Receivable	81	0	81
<i>Total Assets</i>	<u>\$ 81</u>	<u>\$ 317,439</u>	<u>\$ 557,418</u>
Liabilities:			
Accounts Payable	\$ 0	\$ 0	\$ 5,812
Accrued Wages and Benefits	0	24,955	24,990
Intergovernmental Payable	0	7,316	7,321
<i>Total Liabilities</i>	<u>0</u>	<u>32,271</u>	<u>38,123</u>
Deferred Inflows of Resources:			
Unavailable Revenue	81	0	81
Fund Balances:			
Restricted	0	285,168	519,254
Unassigned	0	0	(40)
<i>Total Fund Balances (Deficit)</i>	<u>0</u>	<u>285,168</u>	<u>519,214</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</i>	<u>\$ 81</u>	<u>\$ 317,439</u>	<u>\$ 557,418</u>

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2018

	Miscellaneous Grants Fund	Athletic/ District Managed Fund	Auxiliary Services Fund	Data Communications Fund
Revenues:				
Intergovernmental	\$ 0	\$ 0	\$ 149,449	\$ 7,200
Investment Income	0	0	508	0
Tuition and Fees	0	27,990	0	0
Extracurricular Activities	0	298,917	0	0
Charges for Services	0	0	0	0
Contributions and Donations	67,590	2,235	0	0
Miscellaneous	0	3,116	0	0
<i>Total Revenues</i>	<u>67,590</u>	<u>332,258</u>	<u>149,957</u>	<u>7,200</u>
Expenditures:				
Current:				
Instruction:				
Regular	15,741	0	0	7,200
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Extracurricular Activities	29,491	375,647	0	0
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	0
Community Services	0	0	125,197	0
<i>Total Expenditures</i>	<u>45,232</u>	<u>375,647</u>	<u>125,197</u>	<u>7,200</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	22,358	(43,389)	24,760	0
Other Financing Sources (Uses):				
Transfers In	0	30,500	0	0
<i>Net Change in Fund Balance</i>	22,358	(12,889)	24,760	0
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>42,271</u>	<u>148,292</u>	<u>9,294</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 64,629</u>	<u>\$ 135,403</u>	<u>\$ 34,054</u>	<u>\$ 0</u>

(continued)

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2018

	Title VI-B Fund	Title I Fund	Preschool Handicapped Fund	Title II-A Fund
Revenues:				
Intergovernmental	\$ 399,293	\$ 40,689	\$ 5,741	\$ 26,996
Investment Income	0	0	0	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Charges for Services	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>399,293</u>	<u>40,689</u>	<u>5,741</u>	<u>26,996</u>
Expenditures:				
Current:				
Instruction:				
Regular	0	40,689	5,741	23,809
Support Services:				
Pupils	0	0	0	0
Instructional Staff	343,700	0	0	0
Extracurricular Activities	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	0
Community Services	17,031	0	0	2,062
<i>Total Expenditures</i>	<u>360,731</u>	<u>40,689</u>	<u>5,741</u>	<u>25,871</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	38,562	0	0	1,125
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
<i>Net Change in Fund Balance</i>	38,562	0	0	1,125
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(38,602)</u>	<u>0</u>	<u>0</u>	<u>(1,125)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ (40)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

(continued)

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2018

	Miscellaneous Federal Grants Fund	Food Service Fund	Total Nonmajor Special Revenue Funds
Revenues:			
Intergovernmental	\$ 9,919	\$ 75,802	\$ 715,089
Investment Income	0	3,459	3,967
Tuition and Fees	0	0	27,990
Extracurricular Activities	0	0	298,917
Charges for Services	0	678,000	678,000
Contributions and Donations	0	0	69,825
Miscellaneous	0	0	3,116
<i>Total Revenues</i>	<u>9,919</u>	<u>757,261</u>	<u>1,796,904</u>
Expenditures:			
Current:			
Instruction:			
Regular	0	0	93,180
Support Services:			
Pupils	9,236	0	9,236
Instructional Staff	0	0	343,700
Extracurricular Activities	0	0	405,138
Operation of Non-Instructional Services:			
Food Service Operations	0	639,830	639,830
Community Services	683	0	144,973
<i>Total Expenditures</i>	<u>9,919</u>	<u>639,830</u>	<u>1,636,057</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	117,431	160,847
Other Financing Sources (Uses):			
Transfers In	0	0	30,500
<i>Net Change in Fund Balance</i>	0	117,431	191,347
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>0</u>	<u>167,737</u>	<u>327,867</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ 285,168</u>	<u>\$ 519,214</u>

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GOVERNMENTAL FUNDS

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

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance
Revenues:			
Property and Other Local Taxes	\$ 26,005,994	\$ 26,005,994	\$ 0
Intergovernmental	5,335,287	5,335,287	0
Investment Income	288,237	288,237	0
Tuition and Fees	890,005	890,005	0
Extracurricular Activities	114,297	114,297	0
Rentals	12,040	12,040	0
Miscellaneous	30,720	30,720	0
<i>Total Revenues</i>	<u>32,676,580</u>	<u>32,676,580</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	9,760,028	9,526,717	233,311
Fringe Benefits	3,762,219	3,761,768	451
Purchased Services	441,287	441,287	0
Materials and Supplies	467,252	467,252	0
Capital Outlay	254,727	254,727	0
Other	9,807	9,807	0
Total Regular	<u>14,695,320</u>	<u>14,461,558</u>	<u>233,762</u>
Special:			
Salaries and Wages	1,382,300	1,382,300	0
Fringe Benefits	416,721	416,721	0
Purchased Services	1,055,708	1,055,708	0
Materials and Supplies	11,234	11,234	0
Total Special	<u>2,865,963</u>	<u>2,865,963</u>	<u>0</u>
Vocational:			
Purchased Services	613,918	613,918	0
Materials and Supplies	78,719	78,719	0
Capital Outlay	2,983	0	2,983
Total Vocational	<u>695,620</u>	<u>692,637</u>	<u>2,983</u>
Student Intervention Services:			
Purchased Services	64,401	64,401	0
Total Instruction	<u>18,321,304</u>	<u>18,084,559</u>	<u>236,745</u>

(continued)

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance
Support Services:			
Pupils:			
Salaries and Wages	\$ 822,758	\$ 822,758	\$ 0
Fringe Benefits	249,154	249,154	0
Purchased Services	484,226	484,226	0
Materials and Supplies	14,689	14,689	0
Capital Outlay	16,193	16,193	0
Total Pupils	1,587,020	1,587,020	0
Instructional Staff:			
Salaries and Wages	649,429	649,429	0
Fringe Benefits	305,428	305,428	0
Purchased Services	37,346	37,346	0
Materials and Supplies	10,742	10,742	0
Total Instructional Staff	1,002,945	1,002,945	0
Board of Education:			
Salaries and Wages	9,600	9,600	0
Fringe Benefits	3,530	3,530	0
Purchased Services	49,817	49,817	0
Materials and Supplies	6,599	6,599	0
Other	35,880	35,880	0
Total Board of Education	105,426	105,426	0
Administration:			
Salaries and Wages	1,482,821	1,482,821	0
Fringe Benefits	660,314	660,314	0
Purchased Services	678,165	678,165	0
Materials and Supplies	12,765	12,765	0
Total Administration	2,834,065	2,834,065	0
Fiscal:			
Salaries and Wages	287,015	287,015	0
Fringe Benefits	154,363	154,363	0
Purchased Services	48,503	48,503	0
Materials and Supplies	3,882	3,882	0
Other	506,244	506,244	0
Total Fiscal	1,000,007	1,000,007	0
Business:			
Salaries and Wages	114,551	114,551	0
Fringe Benefits	48,949	48,949	0
Total Business	163,500	163,500	0

(continued)

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance
Operation and Maintenance of Plant:			
Salaries and Wages	\$ 1,025,529	\$ 1,025,363	\$ 166
Fringe Benefits	500,469	500,469	0
Purchased Services	1,000,922	1,000,922	0
Materials and Supplies	8,600	8,600	0
Capital Outlay	2,989	2,989	0
Total Operation and Maintenance of Plant	2,538,509	2,538,343	166
Pupil Transportation:			
Salaries and Wages	873,523	873,523	0
Fringe Benefits	322,724	322,724	0
Purchased Services	111,291	111,291	0
Materials and Supplies	133,974	133,974	0
Capital Outlay	185,800	185,800	0
Total Pupil Transportation	1,627,312	1,627,312	0
Central:			
Salaries and Wages	142,630	142,630	0
Fringe Benefits	84,698	84,698	0
Purchased Services	12,528	12,528	0
Materials and Supplies	412	412	0
Total Central	240,268	240,268	0
Total Support Services	11,099,052	11,098,886	166
Extracurricular Activities:			
Sport Oriented Activities:			
Salaries and Wages	490,114	490,114	0
Fringe Benefits	47,701	47,701	0
Purchased Services	20,945	20,945	0
Materials and Supplies	19,900	19,900	0
Total Extracurricular Activities	578,660	578,660	0
Capital Outlay:			
Purchased Services	12,000	12,000	0
Total Expenditures	30,011,016	29,774,105	236,911
Excess of Revenues Over (Under) Expenditures	2,665,564	2,902,475	236,911

(continued)

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance
Other Financing Sources (Uses):			
Insurance Recoveries	\$ 5,860	\$ 5,860	\$ 0
Refund of Prior Year Expenditures	99,030	99,030	0
Advances In	2,634,056	2,634,056	0
Transfers Out	(1,378,582)	(1,378,582)	0
<i>Total Other Financing Sources (Uses)</i>	<u>1,360,364</u>	<u>1,360,364</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	4,025,928	4,262,839	236,911
<i>Fund Balance (Deficit) at Beginning of Year</i>	9,750,516	9,750,516	0
Prior Year Encumbrances Appropriated	<u>158,554</u>	<u>158,554</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 13,934,998</u>	<u>\$ 14,171,909</u>	<u>\$ 236,911</u>

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Bond Retirement Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance
Revenues:			
Property and Other Local Taxes	\$ 3,412,997	\$ 3,412,997	\$ 0
Intergovernmental	424,159	374,159	(50,000)
<i>Total Revenues</i>	<u>3,837,156</u>	<u>3,787,156</u>	<u>(50,000)</u>
Expenditures:			
Current:			
Support Services:			
Fiscal:			
Other	19,495	17,939	1,556
Debt Service:			
Principal Retirement	4,115,000	4,115,000	0
Interest and Fiscal Charges	2,034,896	2,034,896	0
<i>Total Debt Service</i>	<u>6,149,896</u>	<u>6,149,896</u>	<u>0</u>
<i>Total Expenditures</i>	<u>6,169,391</u>	<u>6,167,835</u>	<u>1,556</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,332,235)</u>	<u>(2,380,679)</u>	<u>(48,444)</u>
Other Financing Sources (Uses):			
Premium on Debt Issuance	2,168,822	2,168,822	0
Transfers In	147,408	147,408	0
<i>Total Other Financing Sources (Uses)</i>	<u>2,316,230</u>	<u>2,316,230</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(16,005)	(64,449)	(48,444)
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>4,757,784</u>	<u>4,757,784</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 4,741,779</u>	<u>\$ 4,693,335</u>	<u>\$ (48,444)</u>

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Building Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance
Revenues:			
Investment Income	\$ 332,834	\$ 332,834	\$ 0
Expenditures:			
Capital Outlay:			
Architecture and Engineering Services:			
Purchased Services	60,666	60,666	0
Building Improvement Services:			
Purchased Services	2,414,355	0	2,414,355
Capital Outlay	24,485,261	24,485,261	0
Total Building Improvement Services	26,899,616	24,485,261	2,414,355
<i>Total Expenditures</i>	26,960,282	24,545,927	2,414,355
<i>Excess of Revenues Over (Under) Expenditures</i>	(26,627,448)	(24,213,093)	2,414,355
Other Financing Sources (Uses):			
Debt Issuance	31,500,000	31,500,000	0
Advances Out	(2,634,056)	(2,634,056)	0
<i>Total Other Financing Sources (Uses)</i>	28,865,944	28,865,944	0
<i>Net Change in Fund Balance</i>	2,238,496	4,652,851	2,414,355
<i>Fund Balance (Deficit) at Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	2,621,888	2,621,888	0
<i>Fund Balance (Deficit) at End of Year</i>	\$ 4,860,384	\$ 7,274,739	\$ 2,414,355

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Miscellaneous Grants Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance
Revenues:			
Gifts and Donations	\$ 67,590	\$ 67,590	\$ 0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	14,000	14,000	0
Materials and Supplies	1,941	1,941	0
Total Instruction	15,941	15,941	0
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Purchased Services	30,008	30,008	0
Materials and Supplies	250	250	0
<i>Total Expenditures</i>	46,199	46,199	0
<i>Net Change in Fund Balance</i>	21,391	21,391	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	42,271	42,271	0
<i>Fund Balance (Deficit) at End of Year</i>	\$ 63,662	\$ 63,662	\$ 0

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Athletic/District Managed Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance
Revenues:			
Tuition and Fees	\$ 27,990	\$ 27,990	\$ 0
Extracurricular Activities	298,917	298,917	0
Gifts and Donations	2,235	2,235	0
Miscellaneous	3,116	3,116	0
<i>Total Revenues</i>	<u>332,258</u>	<u>332,258</u>	<u>0</u>
Expenditures:			
Current:			
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Purchased Services	24,854	24,854	0
Materials and Supplies	60,891	60,891	0
Total Academic and Subject Oriented Activities	<u>85,745</u>	<u>85,745</u>	<u>0</u>
Sports Oriented Activities:			
Salaries and Wages	1,660	1,660	0
Purchased Services	194,666	194,666	0
Materials and Supplies	74,381	74,381	0
Capital Outlay	120	120	0
Total Sports Oriented Activities	<u>270,827</u>	<u>270,827</u>	<u>0</u>
School and Public Service Co-Curricular Activities:			
Materials and Supplies	25,708	25,708	0
<i>Total Expenditures</i>	<u>382,280</u>	<u>382,280</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(50,022)</u>	<u>(50,022)</u>	<u>0</u>
Other Financing Sources (Uses):			
Transfers In	30,500	30,500	0
<i>Net Change in Fund Balance</i>	(19,522)	(19,522)	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	143,655	143,655	0
Prior Year Encumbrances Appropriated	6,274	6,274	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 130,407</u>	<u>\$ 130,407</u>	<u>\$ 0</u>

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 149,449	\$ 149,449	\$ 0
Investment Income	508	508	0
<i>Total Revenues</i>	<u>149,957</u>	<u>149,957</u>	<u>0</u>
Expenditures:			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	97,862	97,862	0
Materials and Supplies	52,508	52,508	0
Capital Outlay	2,180	2,180	0
Other	5,978	5,978	0
<i>Total Expenditures</i>	<u>158,528</u>	<u>158,528</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(8,571)	(8,571)	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	17,300	17,300	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 8,729</u>	<u>\$ 8,729</u>	<u>\$ 0</u>

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Data Communications Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 7,200	\$ 7,200	\$ 0
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased Services	7,200	7,200	0
<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
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 399,293	\$ 399,293	\$ 0
Expenditures:			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	257,227	257,227	0
Fringe Benefits	111,607	111,607	0
Materials and Supplies	13,486	13,486	0
Total Support Services	382,320	382,320	0
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	17,031	17,031	0
Total Expenditures	399,351	399,351	0
Net Change in Fund Balance	(58)	(58)	0
Fund Balance (Deficit) at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	58	58	0
Fund Balance (Deficit) at End of Year	\$ 0	\$ 0	\$ 0

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 40,689	\$ 40,689	\$ 0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	32,575	32,575	0
Fringe Benefits	8,114	8,114	0
<i>Total Expenditures</i>	40,689	40,689	0
<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
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Preschool Handicapped Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 5,741	\$ 5,741	\$ 0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	5,741	5,741	0
<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
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Title II-A Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 26,996	\$ 26,996	\$ 0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	5,875	5,875	0
Purchased Services	19,059	19,059	0
Total Instruction	24,934	24,934	0
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	2,062	2,062	0
<i>Total Expenditures</i>	26,996	26,996	0
<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
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Miscellaneous Federal Grants Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 9,919	\$ 9,919	\$ 0
Expenditures:			
Current:			
Support Services:			
Pupils:			
Purchased Services	9,236	9,236	0
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	683	683	0
<i>Total Expenditures</i>	9,919	9,919	0
<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
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 44,663	\$ 44,663	\$ 0
Investment Income	3,459	3,459	0
Charges for Services	678,000	678,000	0
<i>Total Revenues</i>	<u>726,122</u>	<u>726,122</u>	<u>0</u>
Expenditures:			
Current:			
Operation of Non-Instructional Services:			
Food Service Operations:			
Salaries and Wages	204,694	204,694	0
Fringe Benefits	46,471	46,471	0
Purchased Services	4,596	4,596	0
Materials and Supplies	326,203	326,203	0
Capital Outlay	7,218	7,218	0
Other	24,468	24,468	0
<i>Total Expenditures</i>	<u>613,650</u>	<u>613,650</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	112,472	112,472	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>204,057</u>	<u>204,057</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 316,529</u>	<u>\$ 316,529</u>	<u>\$ 0</u>

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance
Revenues:			
Extracurricular Activities	\$ 114,521	\$ 114,521	\$ 0
Contributions and Donations	28,572	28,572	0
<i>Total Revenues</i>	<u>143,093</u>	<u>143,093</u>	<u>0</u>
Expenditures:			
Current:			
Support Services:			
Pupils:			
Salaries and Wages	1,000	1,000	0
Fringe Benefits	154	154	0
Purchased Services	71,981	58,876	13,105
Materials and Supplies	54,656	54,656	0
Total Support Services	<u>127,791</u>	<u>114,686</u>	<u>13,105</u>
			0
Extracurricular Activities:			
Purchased Services	1,950	1,950	0
Materials and Supplies	8,664	8,664	0
Total Extracurricular Activities	<u>10,614</u>	<u>10,614</u>	<u>0</u>
			0
<i>Total Expenditures</i>	<u>138,405</u>	<u>125,300</u>	<u>13,105</u>
<i>Net Change in Fund Balance</i>	4,688	17,793	13,105
<i>Fund Balance (Deficit) at Beginning of Year</i>	37,925	37,925	0
Prior Year Encumbrances Appropriated	<u>1,676</u>	<u>1,676</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 44,289</u>	<u>\$ 57,394</u>	<u>\$ 13,105</u>

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance
Revenues:			
Tuition and Fees	\$ 200,553	\$ 200,553	\$ 0
Miscellaneous	3,220	3,220	0
<i>Total Revenues</i>	<u>203,773</u>	<u>203,773</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased Services	38,495	0	38,495
Materials and Supplies	228,299	228,299	0
<i>Total Expenditures</i>	<u>266,794</u>	<u>228,299</u>	<u>38,495</u>
<i>Net Change in Fund Balance</i>	(63,021)	(24,526)	38,495
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>276,756</u>	<u>276,756</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 213,735</u>	<u>\$ 252,230</u>	<u>\$ 38,495</u>

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Community Education Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 248,443	\$ 248,443	\$ 0
Expenditures:			
Current:			
Support Services:			
Fiscal:			
Other	9,007	9,007	0
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	72,569	72,569	0
Fringe Benefits	11,834	11,834	0
Purchased Services	160,535	160,535	0
Total Operation of Non-Instructional Services	244,938	244,938	0
<i>Total Expenditures</i>	253,945	253,945	0
<i>Net Change in Fund Balance</i>	(5,502)	(5,502)	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	43,668	43,668	0
Prior Year Encumbrances Appropriated	13,387	13,387	0
<i>Fund Balance (Deficit) at End of Year</i>	\$ 51,553	\$ 51,553	\$ 0

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance
Revenues:			
Gifts and Donations	\$ 856	\$ 856	\$ 0
Expenditures:			
Capital Outlay:			
Architecture and Engineering Services:			
Purchased Services	10,496	10,496	0
Building Acquisitions and Construction Services:			
Purchased Services	97,159	97,159	0
Capital Outlay	1,019,365	1,019,365	0
Total Building Acquisitions and Construction Services	1,116,524	1,116,524	0
Building Improvement Services:			
Capital Outlay	63,500	3,500	60,000
Total Capital Outlay	1,190,520	1,130,520	60,000
<i>Total Expenditures</i>	1,190,520	1,130,520	60,000
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,189,664)	(1,129,664)	60,000
Other Financing Sources (Uses):			
Transfers In	1,200,674	1,200,674	0
<i>Net Change in Fund Balance</i>	11,010	71,010	60,000
<i>Fund Balance (Deficit) at Beginning of Year</i>	152,104	152,104	0
Prior Year Encumbrances Appropriated	28,790	28,790	0
<i>Fund Balance (Deficit) at End of Year</i>	\$ 191,904	\$ 251,904	\$ 60,000

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AGENCY FUNDS
Combining Statements

Chagrin Falls Exempted Village School District

Combining Statement – Agency Fund

Agency Fund

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

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

Chagrin Falls Exempted Village School District

Statement of Changes in Assets and Liabilities

Agency Fund

For the Fiscal Year Ended June 30, 2018

	Beginning Balance 7/1/17	Additions	Deductions	Ending Balance 6/30/18
Student Activities				
Assets				
Equity in Pooled Cash and Investments	\$ 71,771	\$ 80,174	\$ 77,304	\$ 74,641
Liabilities				
Due to Students	\$ 71,771	\$ 80,174	\$ 77,304	\$ 74,641

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Supplemental Schedules
Entity-Wide Accrual Statements
Reporting with GASB 68 and GASB 75
and without GASB 68 and GASB 75

Background:

The net pension liability (NPL) is one of the largest liabilities reported by the School District at June 30, 2018 and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions— an Amendment of GASB Statement 27*. For fiscal year 2018, the School District adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District’s actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan’s *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio’s statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the School District’s proportionate share of each plan’s collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees’ past service
2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer’s promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the School District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

The following schedules are summarized accrual basis financial statements for the fiscal year ending June 30, 2018, that report the financial statements including the impact of GASB 68 and GASB 75 and excluding the impact of GASB 68 and GASB 75.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Supplemental Schedule
Statement of Net Position - Including GASB 68 and GASB 75
June 30, 2018

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	\$ 47,514,702
Receivables:	
Intergovernmental	78,793
Property Taxes	30,125,727
Nondepreciable Capital Assets	6,502,207
Depreciable Capital Assets (Net)	23,023,666
<i>Total Assets</i>	<i>107,245,095</i>
Deferred Outflows of Resources	
Pension	10,412,854
OPEB	344,298
<i>Total Deferred Outflows of Resources</i>	<i>10,757,152</i>
Liabilities	
Accounts Payable	76,963
Accrued Wages and Benefits	2,582,987
Contracts Payable	1,829,637
Intergovernmental Payable	532,810
Retainage Payable	262,021
Accrued Vacation Leave Payable	90,546
Matured Compensated Absences Payable	82,296
Long Term Liabilities:	
Due Within One Year	4,026,052
Due In More Than One Year:	
Net Pension Liability	34,954,898
Net OPEB Liability	7,920,186
Other Amounts Due in More Than One Year	45,165,386
<i>Total Liabilities</i>	<i>97,523,782</i>
Deferred Inflows of Resources	
Property Taxes Levied for the Next Fiscal Year	24,536,294
Pension	1,841,461
OPEB	979,862
<i>Total Deferred Inflows of Resources</i>	<i>27,357,617</i>
Net Position	
Net Investment in Capital Assets	10,306,485
Restricted For:	
Capital Outlay	260,000
Debt Service	3,334,483
Food Service	265,661
Athletics	135,403
Other Purposes	98,764
Unrestricted	(21,279,948)
<i>Total Net Position</i>	<i>\$ (6,879,152)</i>

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Supplemental Schedule
Statement of Net Position - Excluding GASB 68 and GASB 75
June 30, 2018

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	\$ 47,514,702
Receivables:	
Intergovernmental	78,793
Property Taxes	30,125,727
Nondepreciable Capital Assets	6,502,207
Depreciable Capital Assets (Net)	23,023,666
<i>Total Assets</i>	<i>107,245,095</i>
Deferred Outflows of Resources	
Pension	0
OPEB	0
<i>Total Deferred Outflows of Resources</i>	<i>0</i>
Liabilities	
Accounts Payable	76,963
Accrued Wages and Benefits	2,582,987
Contracts Payable	1,829,637
Intergovernmental Payable	532,810
Retainage Payable	262,021
Accrued Vacation Leave Payable	90,546
Matured Compensated Absences Payable	82,296
Long Term Liabilities:	
Due Within One Year	4,026,052
Due In More Than One Year:	
Net Pension Liability	0
Net OPEB Liability	0
Other Amounts Due in More Than One Year	45,165,386
<i>Total Liabilities</i>	<i>54,648,698</i>
Deferred Inflows of Resources	
Property Taxes Levied for the Next Fiscal Year	24,536,294
Pension	0
OPEB	0
<i>Total Deferred Inflows of Resources</i>	<i>24,536,294</i>
Net Position	
Net Investment in Capital Assets	10,306,485
Restricted For:	
Capital Outlay	260,000
Debt Service	3,334,483
Food Service	265,661
Athletics	135,403
Other Purposes	98,764
Unrestricted	13,659,307
<i>Total Net Position</i>	<i>\$ 28,060,103</i>

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Supplemental Schedule
Statement of Activities - Including GASB 68 and GASB 75
For the Fiscal Year Ended June 30, 2018

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction:					
Regular	\$ 3,732,466	\$ 672,558	\$ 105,195	\$ 0	\$ (2,954,713)
Special	2,222,586	50,628	70,759	0	(2,101,199)
Vocational	690,805	434,370	3,524	0	(252,911)
Student Intervention Services	64,401	0	0	0	(64,401)
Support Services:					
Pupils	1,302,274	93,116	32,543	0	(1,176,615)
Instructional Staff	1,268,891	0	345,169	0	(923,722)
Board of Education	103,620	0	0	0	(103,620)
Administration	2,137,244	0	0	0	(2,137,244)
Fiscal	958,316	12,040	0	0	(946,276)
Business	164,638	0	0	0	(164,638)
Operation and Maintenance of Plant	4,345,089	0	0	332,834	(4,012,255)
Pupil Transportation	1,540,405	0	35,263	0	(1,505,142)
Central	209,795	0	0	0	(209,795)
Operation of Non-Instructional Services:					
Food Service Operations	648,990	708,821	48,439	0	108,270
Community Services	388,974	248,443	169,901	0	29,370
Extracurricular Activities	804,808	449,792	49,299	0	(305,717)
Interest and Fiscal Charges	1,884,923	0	64,188	0	(1,820,735)
Total	<u>\$ 22,468,225</u>	<u>\$ 2,669,768</u>	<u>\$ 924,280</u>	<u>\$ 332,834</u>	<u>(18,541,343)</u>

General Revenues

Property Taxes Levied for:

General Purposes	25,740,087
Debt Service	3,659,049
Grants and Entitlements Not Restricted to Specific Programs	5,413,502
Investment Earnings	288,237
Miscellaneous	116,639

Total General Revenues 35,217,514

Change in Net Position 16,676,171

Net Position Beginning of Year (23,555,323)

Net Position End of Year \$ (6,879,152)

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Supplemental Schedule
Statement of Activities - Excluding GASB 68 and GASB 75
For the Fiscal Year Ended June 30, 2018

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction:					
Regular	\$ 15,933,520	\$ 672,558	\$ 105,195	\$ 0	\$ (15,155,767)
Special	2,923,796	50,628	70,759	0	(2,802,409)
Vocational	690,805	434,370	3,524	0	(252,911)
Student Intervention Services	64,401	0	0	0	(64,401)
Support Services:					
Pupils	1,737,106	93,116	32,543	0	(1,611,447)
Instructional Staff	1,417,005	0	345,169	0	(1,071,836)
Board of Education	103,620	0	0	0	(103,620)
Administration	2,782,848	0	0	0	(2,782,848)
Fiscal	1,007,687	12,040	0	0	(995,647)
Business	164,638	0	0	0	(164,638)
Operation and Maintenance of Plant	4,535,520	0	0	332,834	(4,202,686)
Pupil Transportation	1,702,625	0	35,263	0	(1,667,362)
Central	238,007	0	0	0	(238,007)
Operation of Non-Instructional Services:					
Food Service Operations	663,096	708,821	48,439	0	94,164
Community Services	396,027	248,443	169,901	0	22,317
Extracurricular Activities	952,103	449,792	49,299	0	(453,012)
Interest and Fiscal Charges	1,884,923	0	64,188	0	(1,820,735)
Total	<u>\$ 37,197,727</u>	<u>\$ 2,669,768</u>	<u>\$ 924,280</u>	<u>\$ 332,834</u>	<u>(33,270,845)</u>

General Revenues

Property Taxes Levied for:	
General Purposes	25,740,087
Debt Service	3,659,049
Grants and Entitlements Not Restricted to Specific Programs	5,413,502
Investment Earnings	288,237
Miscellaneous	116,639
Total General Revenues	<u>35,217,514</u>
Change in Net Position	1,946,669
Net Position Beginning of Year	<u>26,113,434</u>
Net Position End of Year	<u>\$ 28,060,103</u>

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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-39

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

NOTE:

With the implementation of GASB No. 54 in fiscal year 2010, previously reported enterprise funds (business-type activities) have been recorded as governmental funds (governmental activities). Previous year's statistical tables have not been updated to reflect the impact this would have in previous years. Amounts are not deemed significant to impact the users of this Section. There have also been other minor reclassifications of funds (example special revenue funds consolidated with the general fund for GAAP purposes) with the implementation of GASB No. 54. Prior year amounts also have not been adjusted to reflect this change.

With the implementation of GASB No. 68 in fiscal year 2015, the calculation of pension expense has changed, however, government-wide expenses for 2014 and prior fiscal years were not restated to reflect this change.

With the implementation of GASB No. 75 in fiscal year 2018, the calculation of OPEB expense has changed, however, government-wide expenses for 2017 and prior fiscal years were not restated to reflect this change.

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

	<u>2018</u>	<u>Restated 2017</u>	<u>2016</u>	<u>2015</u>
Governmental Activities:				
Net Investment in Capital Assets	\$ 10,306,485	\$ 8,843,233	\$ 7,205,322	\$ 6,449,713
Restricted	4,094,311	5,620,838	6,027,257	5,304,461
Unrestricted	<u>(21,279,948)</u>	<u>(38,019,394)</u>	<u>(23,881,146)</u>	<u>(27,806,433)</u>
<i>Total Governmental Activities</i>				
<i>Net Position</i>	<u>\$ (6,879,152)</u>	<u>\$ (23,555,323)</u>	<u>\$ (10,648,567)</u>	<u>\$ (16,052,259)</u>
Business-Type Activities:				
Net Investment in Capital Assets	N/A	N/A	N/A	N/A
Unrestricted	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<i>Total Business-Type Activities</i>				
<i>Net Position</i>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Primary Government:				
Net Investment in Capital Assets	\$ 10,306,485	\$ 8,843,233	\$ 7,205,322	\$ 6,449,713
Restricted	4,094,311	5,620,838	6,027,257	5,304,461
Unrestricted	<u>(21,279,948)</u>	<u>(38,019,394)</u>	<u>(23,881,146)</u>	<u>(27,806,433)</u>
<i>Total Primary Government</i>				
<i>Net Position</i>	<u>\$ (6,879,152)</u>	<u>\$ (23,555,323)</u>	<u>\$ (10,648,567)</u>	<u>\$ (16,052,259)</u>

Restated 2014	2013	2012	2011	Restated 2010	2009
\$ 5,331,584	\$ 4,423,196	\$ 3,937,653	\$ 4,722,780	\$ 4,490,753	\$ 3,607,515
5,302,302	4,598,098	3,923,873	5,141,274	3,843,429	3,143,103
(31,425,677)	5,616,152	5,377,457	2,949,083	3,178,606	2,657,943
<u>\$ (20,791,791)</u>	<u>\$ 14,637,446</u>	<u>\$ 13,238,983</u>	<u>\$ 12,813,137</u>	<u>\$ 11,512,788</u>	<u>\$ 9,408,561</u>
N/A	N/A	N/A	N/A	N/A	\$ 81,412
N/A	N/A	N/A	N/A	N/A	119,858
<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>\$ 201,270</u>
\$ 5,331,584	\$ 4,423,196	\$ 3,937,653	\$ 4,722,780	\$ 4,490,753	\$ 3,688,927
5,302,302	4,598,098	3,923,873	5,141,274	3,843,429	3,143,103
(31,425,677)	5,616,152	5,377,457	2,949,083	3,178,606	2,777,801
<u>\$ (20,791,791)</u>	<u>\$ 14,637,446</u>	<u>\$ 13,238,983</u>	<u>\$ 12,813,137</u>	<u>\$ 11,512,788</u>	<u>\$ 9,609,831</u>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses:				
Governmental Activities:				
Regular Instruction	\$ 3,732,466	\$ 16,142,031	\$ 14,353,740	\$ 13,838,480
Special Instruction	2,222,586	2,669,221	2,575,475	2,498,548
Vocational Instruction	690,805	687,699	551,097	526,200
Student Intervention	64,401	51,092	49,565	35,037
Pupil Support	1,302,274	1,656,899	1,481,950	1,264,451
Instructional Staff Support	1,268,891	1,560,187	1,438,066	1,241,894
Board of Education	103,620	104,709	90,640	76,745
Administration	2,137,244	2,790,840	2,485,474	2,517,045
Fiscal	958,316	976,038	963,857	895,234
Business	164,638	164,699	151,958	150,570
Operation and Maintenance of Plant	4,345,089	2,855,209	2,586,843	2,789,538
Pupil Transportation	1,540,405	1,778,495	1,547,502	1,338,678
Central	209,795	256,181	193,220	213,827
Operation of Non-Instructional Services:				
Food Service Operations	648,990	717,229	660,231	630,912
Community Services	388,974	498,008	449,780	469,417
Extracurricular Activities	804,808	1,056,642	979,888	1,280,424
Interest and Fiscal Charges	1,884,923	632,864	549,369	538,746
<i>Total Governmental Activities Expenses</i>	<u>22,468,225</u>	<u>34,598,043</u>	<u>31,108,655</u>	<u>30,305,746</u>
Business-Type Activities:				
Food Service	N/A	N/A	N/A	N/A
Uniform School Supplies	N/A	N/A	N/A	N/A
Community Education	N/A	N/A	N/A	N/A
<i>Total Business-Type Activities Expenses</i>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<i>Total Primary Government Expenses</i>	<u>\$ 22,468,225</u>	<u>\$ 34,598,043</u>	<u>\$ 31,108,655</u>	<u>\$ 30,305,746</u>
Program Revenues:				
Governmental Activities:				
Charges for Services:				
Regular Instruction	\$ 672,558	\$ 669,228	\$ 669,598	\$ 595,483
Special Instruction	50,628	43,420	43,150	38,130
Vocational Instruction	434,370	396,161	602,995	345,774
Pupil Support	93,116	84,874	106,139	83,546
Fiscal	12,040	9,932	18,584	11,165
Operation and Maintenance of Plant	0	0	0	0
Food Service Operations	708,821	630,086	630,097	599,573
Community Services	248,443	290,504	316,053	301,948
Extracurricular Activities	449,792	325,310	305,609	349,997
Operating Grants, Contributions and Interest:				
Regular Instruction	105,195	174,274	637,549	859,660
Special Instruction	70,759	72,753	73,412	73,850
Vocational Instruction	3,524	3,540	3,802	2,708
Pupil Support	32,543	39,710	0	4,044
Instructional Staff Support	345,169	343,902	390,466	322,702
Administration	0	0	0	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	0	0	0	21,405
Pupil Transportation	35,263	29,384	44,185	41,843

	2014 (1)	2013	2012	Restated 2011	2010	2009
\$	14,621,735	\$ 13,475,875	\$ 12,969,392	\$ 12,815,102	\$ 12,856,519	\$ 11,527,572
	2,316,214	2,366,608	2,424,207	2,248,567	1,903,964	1,998,884
	673,506	608,328	657,097	519,757	438,535	112,692
	31,712	21,786	17,778	20,409	23,103	20,131
	1,247,197	1,419,630	1,253,869	1,148,707	1,174,071	899,849
	1,101,942	1,515,678	1,470,882	1,627,692	1,328,776	1,426,196
	74,759	75,162	79,204	65,485	75,274	80,176
	2,481,325	2,277,862	2,052,841	2,226,136	2,050,077	2,015,517
	918,196	854,924	934,832	918,514	885,475	828,131
	151,203	400	400	400	300	400
	2,622,626	2,075,031	2,463,010	2,626,552	1,990,526	2,473,588
	1,373,927	1,385,459	1,226,329	1,357,761	1,264,395	1,127,451
	253,174	12,700	15,564	18,801	12,933	16,632
	696,602	698,428	622,261	583,757	669,562	0
	411,546	492,505	468,432	505,349	160,455	283,041
	940,121	835,066	887,157	994,169	844,500	801,231
	461,441	1,133,102	1,159,994	1,369,563	1,360,443	1,320,426
	<u>30,377,226</u>	<u>29,389,994</u>	<u>28,703,249</u>	<u>29,046,721</u>	<u>27,038,908</u>	<u>24,931,917</u>
	N/A	N/A	N/A	N/A	N/A	706,059
	N/A	N/A	N/A	N/A	N/A	84,224
	N/A	N/A	N/A	N/A	N/A	342,088
	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>1,132,371</u>
\$	<u>30,377,226</u>	<u>29,389,994</u>	<u>28,703,249</u>	<u>29,046,721</u>	<u>27,038,908</u>	<u>26,064,288</u>

\$	547,588	\$ 299,308	\$ 402,152	\$ 321,113	\$ 416,414	\$ 229,320
	57,742	53,637	62,314	0	0	0
	280,039	368,117	405,326	273,403	371,189	0
	96,373	90,563	124,042	107,675	100,370	84,827
	15,749	4,210	5,410	320	3,988	17,221
	0	0	0	0	0	642
	620,888	598,193	603,607	568,535	616,442	0
	308,072	307,318	301,383	297,223	0	0
	416,675	312,874	315,908	336,643	236,417	215,933
	240,590	204,637	230,746	289,400	104,258	137,025
	64,877	0	0	488	2,010	25,418
	3,223	180,155	130,019			
	9,988	28,317	84,905	809	3,764	3,042
	281,680	320,317	263,333	456,368	512,006	305,995
	0	0	0	5,000	5,000	5,840
	0	0	0	0	0	1,985
	0	0	0	0	0	0
	40,684	85,362	3,675	17,272	0	0

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Food Service Operations	\$ 48,439	\$ 49,908	\$ 46,214	\$ 71,202
Community Services	169,901	302,133	149,082	152,954
Extracurricular Activities	49,299	4,778	67,116	37,956
Interest and Fiscal Charges	64,188	68,557	73,211	65,133
Capital Grants and Contributions:				
Regular Instruction	0	0	0	0
Operation and Maintenance of Plant	332,834	0	0	0
Extracurricular Activities	0	0	0	0
<i>Total Governmental Activities Program Revenues</i>	<u>3,926,882</u>	<u>3,538,454</u>	<u>4,177,262</u>	<u>3,979,073</u>
Business-Type Activities:				
Charges for Services:				
Food Service	N/A	N/A	N/A	N/A
Uniform School Supplies	N/A	N/A	N/A	N/A
Community Education	N/A	N/A	N/A	N/A
Operating Grants and Contributions:				
Food Service	N/A	N/A	N/A	N/A
<i>Total Business-Type Activities Program Revenues</i>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<i>Total Primary Government Program Revenues</i>	<u>3,926,882</u>	<u>3,538,454</u>	<u>4,177,262</u>	<u>3,979,073</u>
Net (Expense) Revenue:				
Governmental Activities	(18,541,343)	(31,059,589)	(26,931,393)	(26,326,673)
Business-Type Activities	N/A	N/A	N/A	N/A
<i>Total Primary Government Net Expense</i>	<u>\$ (18,541,343)</u>	<u>\$ (31,059,589)</u>	<u>\$ (26,931,393)</u>	<u>\$ (26,326,673)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property and Other Local Taxes Levied For:				
General Purposes	\$ 25,740,087	\$ 20,468,050	\$ 24,703,805	\$ 23,454,224
Debt Service	3,659,049	1,938,277	2,328,454	2,269,705
Grants and Entitlements not Restricted to Specific Programs	5,413,502	5,456,810	5,147,605	5,240,979
Investment Earnings	288,237	114,555	109,250	45,373
Miscellaneous	116,639	25,480	45,971	55,924
<i>Total Governmental Activities</i>	<u>35,217,514</u>	<u>28,003,172</u>	<u>32,335,085</u>	<u>31,066,205</u>
Business-Type Activities:				
Investment Earnings	N/A	N/A	N/A	N/A
Miscellaneous	N/A	N/A	N/A	N/A
<i>Total Business-Type Activities</i>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<i>Total Primary Government</i>	<u>\$ 35,217,514</u>	<u>\$ 28,003,172</u>	<u>\$ 32,335,085</u>	<u>\$ 31,066,205</u>
Change in Net Position				
Governmental Activities	\$ 16,676,171	\$ (3,056,417)	\$ 5,403,692	\$ 4,739,532
Business-Type Activities	N/A	N/A	N/A	N/A
<i>Total Primary Government</i>	<u>\$ 16,676,171</u>	<u>\$ (3,056,417)</u>	<u>\$ 5,403,692</u>	<u>\$ 4,739,532</u>

(1) Certain foundation payments for special education and transportation were reclassified to program revenue from general revenue in fiscal year 2015. For comparability purposes, fiscal year 2014 was updated but no years prior to fiscal year 2014 reflect this change.

Net position has fluctuated substantially since the implementation of GASB 68 and GASB 75. All components of pension and OPEB accruals contribute to these fluctuations. See Notes 11 and 12 for details.

	2014 (1)	2013	2012	Restated 2011	2010	2009
\$	65,009	\$ 66,166	\$ 58,971	\$ 61,047	\$ 60,804	\$ 0
	144,414	162,733	145,765	184,789	138,989	157,624
	54,717	42,582	17,034	57,599	0	0
	81,890	88,945	92,483	25,868	0	0
	0	0	0	0	0	0
	0	0	0	0	0	2,604
	0	0	0	272,000	0	0
	<u>3,330,198</u>	<u>3,213,434</u>	<u>3,247,073</u>	<u>3,275,552</u>	<u>2,571,651</u>	<u>1,187,476</u>
	N/A	N/A	N/A	N/A	N/A	\$ 599,641
	N/A	N/A	N/A	N/A	N/A	104,698
	N/A	N/A	N/A	N/A	N/A	357,764
	N/A	N/A	N/A	N/A	N/A	100,074
	N/A	N/A	N/A	N/A	N/A	1,162,177
	<u>3,330,198</u>	<u>3,213,434</u>	<u>3,247,073</u>	<u>3,275,552</u>	<u>2,571,651</u>	<u>2,349,653</u>
	(27,047,028)	(26,176,560)	(25,456,176)	(25,771,169)	(24,467,257)	(23,744,441)
	N/A	N/A	N/A	N/A	N/A	29,806
\$	<u>(27,047,028)</u>	<u>(26,176,560)</u>	<u>(25,456,176)</u>	<u>(25,771,169)</u>	<u>(24,467,257)</u>	<u>(23,714,635)</u>
\$	23,457,314	\$ 20,627,391	\$ 18,742,949	\$ 18,950,590	\$ 18,124,570	\$ 18,443,992
	2,379,168	2,180,526	2,185,659	2,397,179	2,478,184	2,486,452
	5,216,364	4,714,154	4,709,361	5,608,901	5,493,978	5,356,437
	50,131	1,135	67,385	71,014	60,186	105,901
	16,218	51,817	176,668	43,834	201,566	134,562
	<u>31,119,195</u>	<u>27,575,023</u>	<u>25,882,022</u>	<u>27,071,518</u>	<u>26,358,484</u>	<u>26,527,344</u>
	N/A	N/A	N/A	N/A	N/A	614
	N/A	N/A	N/A	N/A	N/A	0
	N/A	N/A	N/A	N/A	N/A	614
\$	<u>31,119,195</u>	<u>27,575,023</u>	<u>25,882,022</u>	<u>27,071,518</u>	<u>26,358,484</u>	<u>26,527,958</u>
\$	4,072,167	\$ 1,398,463	\$ 425,846	\$ 1,300,349	\$ 1,891,227	\$ 2,782,903
	N/A	N/A	N/A	N/A	N/A	30,420
\$	<u>4,072,167</u>	<u>1,398,463</u>	<u>425,846</u>	<u>1,300,349</u>	<u>1,891,227</u>	<u>2,813,323</u>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental Activities				
Regular Instruction	\$ 777,753	\$ 843,502	\$ 1,307,147	\$ 1,455,143
Special Instruction	121,387	116,173	116,562	111,980
Vocational Instruction	437,894	399,701	606,797	348,482
Pupil Support	125,659	124,584	106,139	87,590
Instructional Support	345,169	343,902	390,466	322,702
Administration	0	0	0	0
Fiscal	12,040	9,932	18,584	11,165
Operation and Maintenance of Plant	332,834	0	0	21,405
Pupil Transportation	35,263	29,384	44,185	41,843
Operation of Non-Instructional Services:				
Food Service Operations	757,260	679,994	676,311	670,775
Community Services	418,344	592,637	465,135	454,902
Extracurricular Activities	499,091	330,088	372,725	387,953
Interest and Fiscal Charges	64,188	68,557	73,211	65,133
<i>Total Governmental Activities</i>	<u>3,926,882</u>	<u>3,538,454</u>	<u>4,177,262</u>	<u>3,979,073</u>
Business-Type Activities				
Food Service	N/A	N/A	N/A	N/A
Uniform School Supplies	N/A	N/A	N/A	N/A
Community Education	N/A	N/A	N/A	N/A
<i>Total Business-Type Activities</i>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<i>Total Primary Government</i>	<u>\$ 3,926,882</u>	<u>\$ 3,538,454</u>	<u>\$ 4,177,262</u>	<u>\$ 3,979,073</u>

(1) Certain foundation payments for special education and transportation were reclassified to program revenue from general revenue in fiscal year 2015. For comparability purposes, fiscal year 2014 was updated but no years prior to fiscal year 2014 reflect this change.

	2014 (1)	2013	2012	Restated 2011	2010	2009
\$	788,178	\$ 503,945	\$ 632,898	\$ 610,513	\$ 520,672	\$ 366,345
	122,619	53,637	62,314	488	2,010	25,418
	283,262	548,272	535,345	273,403	371,189	0
	106,361	118,880	208,947	108,484	104,134	87,869
	281,680	320,317	263,333	456,368	512,006	305,995
	0	0	0	5,000	5,000	5,840
	15,749	4,210	5,410	320	3,988	19,206
	0	0	0	0	0	3,246
	40,684	85,362	3,675	17,272	0	0
	685,897	664,359	662,578	629,582	677,246	0
	452,486	470,051	447,148	482,012	138,989	157,624
	471,392	355,456	332,942	666,242	236,417	215,933
	81,890	88,945	92,483	25,868	0	0
	<u>3,330,198</u>	<u>3,213,434</u>	<u>3,247,073</u>	<u>3,275,552</u>	<u>2,571,651</u>	<u>1,187,476</u>
	N/A	N/A	N/A	N/A	N/A	699,715
	N/A	N/A	N/A	N/A	N/A	104,698
	N/A	N/A	N/A	N/A	N/A	357,764
	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>1,162,177</u>
\$	<u>3,330,198</u>	<u>\$ 3,213,434</u>	<u>\$ 3,247,073</u>	<u>\$ 3,275,552</u>	<u>\$ 2,571,651</u>	<u>\$ 2,349,653</u>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund				
Reserved	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A
Assigned	\$ 4,797,245	\$ 1,778,528	\$ 84,548	\$ 1,562,938
Unassigned	10,651,624	12,602,807	16,288,995	11,166,118
<i>Total General Fund</i>	<u>15,448,869</u>	<u>14,381,335</u>	<u>16,373,543</u>	<u>12,729,056</u>
All Other Governmental Funds				
Reserved	N/A	N/A	N/A	N/A
Unreserved, Reported in:				
Special Revenue Funds	N/A	N/A	N/A	N/A
Debt Service Funds	N/A	N/A	N/A	N/A
Capital Projects Funds	N/A	N/A	N/A	N/A
Restricted	30,632,706	5,555,854	5,952,438	5,277,736
Assigned	729,479	180,894	86,489	10,897
Unassigned	(40)	(411,141)	(38,198)	0
<i>Total All Other Governmental Funds</i>	<u>31,362,145</u>	<u>5,325,607</u>	<u>6,000,729</u>	<u>5,288,633</u>
<i>Total Governmental Funds</i>	<u>\$ 46,811,014</u>	<u>\$ 19,706,942</u>	<u>\$ 22,374,272</u>	<u>\$ 18,017,689</u>

For fiscal year 2010, the School District implemented GASB 54 which changes governmental fund classifications. The School District has elected not to restate fund balance amounts for fiscal years prior to implementation.

2014	2013	2012	2011	Restated 2010	2009
N/A	N/A	N/A	N/A	N/A	\$ 3,053,283
N/A	N/A	N/A	N/A	N/A	1,424,748
\$ 198,107	\$ 194,555	\$ 2,068,948	\$ 53,895	\$ 113,178	N/A
10,097,276	7,632,218	4,572,566	6,637,210	5,702,466	N/A
10,295,383	7,826,773	6,641,514	6,691,105	5,815,644	4,478,031
N/A	N/A	N/A	N/A	N/A	674,516
N/A	N/A	N/A	N/A	N/A	123,372
N/A	N/A	N/A	N/A	N/A	2,539,420
N/A	N/A	N/A	N/A	N/A	128,099
5,210,602	4,543,585	3,823,738	4,860,250	3,563,784	N/A
0	0	0	0	0	N/A
(27,020)	(40,369)	0	(12,317)	(69,232)	N/A
5,183,582	4,503,216	3,823,738	4,847,933	3,494,552	3,465,407
\$ 15,478,965	\$ 12,329,989	\$ 10,465,252	\$ 11,539,038	\$ 9,310,196	\$ 7,943,438

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

	2018	2017	2016	2015
Revenues:				
Property and Other Local Taxes	\$ 29,179,137	\$ 22,324,727	\$ 27,102,704	\$ 25,642,581
Intergovernmental	6,302,326	6,480,642	6,153,802	6,803,490
Investment Income	625,038	116,391	110,752	46,487
Tuition and Fees	1,421,171	1,329,384	1,572,701	1,247,832
Extracurricular Activities	527,735	480,113	482,468	488,327
Rentals	12,040	9,932	18,584	11,165
Charges for Services	678,000	630,264	602,009	599,907
Contributions and Donations	99,253	71,602	483,732	175,231
Miscellaneous	116,637	19,032	16,959	34,645
<i>Total Revenues</i>	<u>38,961,337</u>	<u>31,462,087</u>	<u>36,543,711</u>	<u>35,049,665</u>
Expenditures:				
Current:				
Instruction:				
Regular	14,939,336	13,877,488	13,416,725	13,407,086
Special	2,896,328	2,562,853	2,560,804	2,558,592
Vocational	690,805	687,699	551,097	532,862
Student Intervention Services	64,401	51,092	49,565	35,037
Support Services:				
Pupils	1,712,835	1,601,074	1,477,995	1,289,702
Instructional Staff	1,364,043	1,434,996	1,421,622	1,244,058
Board of Education	103,620	103,532	90,943	77,969
Administration	2,761,858	2,669,577	2,541,365	2,604,809
Fiscal	1,023,453	937,140	966,134	908,494
Business	163,579	158,782	152,110	148,124
Operation and Maintenance of Plant	2,532,778	2,499,840	2,446,336	2,492,464
Pupil Transportation	1,586,929	1,603,807	1,333,074	1,340,989
Central	238,426	229,927	203,441	212,624
Extracurricular Activities	945,194	1,031,642	985,471	990,624
Operation of Non-Instructional Services:				
Food Service Operations	639,830	674,837	645,510	640,708
Community Services	394,420	486,792	449,447	465,651
Capital Outlay	7,324,216	1,013,112	442,775	1,032,107
Debt Service:				
Principal Retirement	4,115,000	2,130,000	2,080,000	2,078,600
Interest and Fiscal Charges	2,034,896	378,970	377,718	453,551
<i>Total Expenditures</i>	<u>45,531,947</u>	<u>34,133,160</u>	<u>32,192,132</u>	<u>32,514,051</u>
<i>Excess (Deficiency) of Revenue Over (Under) Expenditures</i>	(6,570,610)	(2,671,073)	4,351,579	2,535,614
Other Financing Sources (Uses):				
Inception of Capital Lease	0	0	0	0
Debt Issuance	31,500,000	0	0	0
Refunding Bonds	0	0	0	0
Payment to Refund Bond Escrow Agent	0	0	0	0
Proceeds from Sale of Assets	0	0	0	0
Premiums on Debt Issuance	2,168,822	0	0	0
Insurance Recoveries	5,860	3,743	5,004	3,110
Transfers In	1,378,582	663,195	637,061	625,294
Transfers Out	(1,378,582)	(663,195)	(637,061)	(625,294)
<i>Total Financing Sources and (Uses)</i>	<u>33,674,682</u>	<u>3,743</u>	<u>5,004</u>	<u>3,110</u>
<i>Net Change in Fund Balance</i>	<u>\$ 27,104,072</u>	<u>\$ (2,667,330)</u>	<u>\$ 4,356,583</u>	<u>\$ 2,538,724</u>
Debt Service as a Percentage of Noncapital Expenditures	15.33%	7.48%	7.70%	7.88%

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

	2014	2013	2012	2011	Restated 2010	2009
\$	25,722,453	\$ 23,086,685	\$ 20,982,400	\$ 21,425,142	\$ 20,524,509	\$ 21,480,808
	6,088,167	5,687,827	5,759,317	6,583,553	6,126,192	5,992,945
	51,183	1,929	68,419	72,134	60,844	108,926
	1,215,101	986,886	1,082,797	846,097	831,786	314,147
	491,388	468,444	528,139	510,660	336,787	215,933
	15,749	4,210	5,410	320	3,988	17,863
	621,141	598,762	626,027	569,369	616,442	0
	112,248	140,830	128,652	380,991	145,181	91,937
	16,215	28,304	176,667	43,833	56,385	42,625
	<u>34,333,645</u>	<u>31,003,877</u>	<u>29,357,828</u>	<u>30,432,099</u>	<u>28,702,114</u>	<u>28,265,184</u>
	13,011,249	12,096,267	11,849,977	11,484,844	11,413,091	10,599,975
	2,296,504	2,346,902	2,406,039	2,218,241	1,859,174	1,998,852
	673,506	608,328	657,097	519,757	438,535	112,692
	31,712	21,786	17,778	20,409	23,103	20,131
	1,330,609	1,327,418	1,240,528	1,132,241	1,142,194	896,199
	1,083,004	1,371,116	1,421,094	1,580,327	1,257,778	1,283,972
	74,759	75,162	79,204	65,485	75,274	80,176
	2,457,317	2,191,399	2,053,193	2,283,321	2,036,099	1,980,521
	914,017	852,244	936,094	914,816	882,859	835,484
	132,302	400	400	400	300	400
	2,442,656	2,304,880	2,395,654	2,483,910	2,236,090	2,368,677
	1,320,863	1,236,951	1,136,568	1,257,667	1,304,983	1,182,167
	245,638	12,700	15,564	18,801	12,933	16,632
	940,121	844,758	887,157	994,169	844,243	797,899
	692,795	658,606	628,225	586,949	669,562	0
	436,734	505,333	447,529	460,736	133,465	276,529
	591,525	426,048	2,807,005	895,156	481,724	831,865
	1,742,155	1,286,696	505,974	1,032,466	1,544,128	1,485,870
	772,086	1,334,286	1,965,025	1,694,010	1,092,272	1,144,118
	<u>31,189,552</u>	<u>29,501,280</u>	<u>31,450,105</u>	<u>29,643,705</u>	<u>27,447,807</u>	<u>25,912,159</u>
	3,144,093	1,502,597	(2,092,277)	788,394	1,254,307	2,353,025
	0	0	0	97,465	0	0
	0	0	974,984	1,342,983	0	0
	0	18,665,000	0	0	0	0
	0	(20,333,186)	0	0	0	0
	0	0	0	0	5,782	0
	0	2,022,116	43,507	0	0	0
	4,883	8,210	0	0	0	0
	759,200	419,200	495,100	417,600	417,600	417,600
	(759,200)	(419,200)	(495,100)	(417,600)	(417,600)	(417,600)
	<u>4,883</u>	<u>362,140</u>	<u>1,018,491</u>	<u>1,440,448</u>	<u>5,782</u>	<u>0</u>
\$	<u>3,148,976</u>	<u>\$ 1,864,737</u>	<u>\$ (1,073,786)</u>	<u>\$ 2,228,842</u>	<u>\$ 1,260,089</u>	<u>\$ 2,353,025</u>
	8.16%	8.73%	8.64%	9.37%	9.81%	10.68%

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

<u>Collection Year</u>	<u>Real Property (1)</u>		<u>Public Utility (2)</u>	
	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>
2018	\$ 525,356,970	\$ 1,501,019,914	\$ 4,157,270	\$ 4,724,170
2017	516,977,940	1,477,079,829	3,866,660	4,393,932
2016	512,015,120	1,462,900,343	3,642,380	4,139,068
2015	500,105,120	1,428,871,771	3,591,390	4,081,125
2014	499,729,250	1,427,797,857	3,423,880	3,890,773
2013	497,600,170	1,421,714,771	3,119,270	3,544,625
2012	483,956,030	1,382,731,514	2,844,390	3,232,261
2011	482,312,310	1,378,035,171	5,968,250	6,782,102
2010	479,878,670	1,371,081,914	5,849,490	6,647,148
2009	484,579,200	1,384,512,000	5,489,790	6,238,398

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

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

<u>Tangible Personal Property (3)</u>		<u>Total</u>			
<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Ratio</u>	<u>Direct Rate</u>
\$ 0	\$ 0	\$ 529,514,240	\$ 1,505,744,084	35%	115.20
0	0	520,844,600	1,481,473,761	35%	115.20
0	0	515,657,500	1,467,039,411	35%	115.30
0	0	503,696,510	1,432,952,896	35%	115.30
0	0	503,153,130	1,431,688,630	35%	115.60
0	0	500,719,440	1,425,259,396	35%	115.60
0	0	486,800,420	1,385,963,775	35%	107.70
0	0	488,280,560	1,384,817,273	35%	107.70
0	0	485,728,160	1,377,729,062	35%	108.60
1,302,500	5,663,043	491,371,490	1,396,413,441	35%	108.30

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

Calendar Year	School Levy (1)	Cuyahoga County Levy	Geauga County Levy	Other (2)	City Levy	Total Levy	Debt Service Included in Total Levy			
							School	County	City	Total
2017	124.10	14.05	15.60	10.28	8.90	172.93	8.15	0.95	0.6	9.70
2016	115.20	14.05	15.60	9.78	9.30	163.93	4.75	0.95	1.0	6.70
2015	115.30	14.05	13.40	9.78	9.40	161.93	4.85	0.95	1.1	6.90
2014	115.30	14.05	14.10	9.78	9.30	162.53	4.85	0.85	1.0	6.70
2013	115.60	14.05	15.10	8.88	9.50	163.13	5.15	0.85	1.2	7.20
2012	115.60	13.22	15.10	7.98	9.50	161.40	5.15	0.17	1.2	6.52
2011	107.70	13.22	15.10	7.58	8.90	152.50	5.15	0.17	1.2	6.52
2010	107.70	13.32	15.10	7.98	11.20	155.30	5.15	0.27	2.9	8.32
2009	108.60	13.32	15.10	7.68	11.20	155.90	6.05	0.55	2.9	9.50
2008	108.60	13.32	15.10	7.68	11.20	155.90	6.05	0.50	2.9	9.45

(1)

	Operating Rates	Debt Service Rates	Total Direct Rate
2017	115.95	8.15	124.10
2016	110.45	4.75	115.20
2015	110.45	4.85	115.30
2014	110.45	4.85	115.30
2013	110.45	5.15	115.60
2012	110.45	5.15	115.60
2011	102.55	5.15	107.70
2010	102.55	5.15	107.70
2009	102.55	6.05	108.60
2008	102.55	6.05	108.60

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.

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

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

Year (2)	Total Tax Levy	Current Collections	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Percent of Total Tax Collections to Tax Levy
2017	\$ 28,532,269	\$ 27,662,271	96.95%	\$ 581,451	\$ 28,243,722	98.99%
2016	28,753,932	27,660,946	96.20%	609,928	28,270,874	98.32%
2015	28,437,389	27,174,172	95.56%	614,922	27,789,094	97.72%
2014	28,466,769	27,355,757	96.10%	507,781	27,863,538	97.88%
2013	27,887,640	27,218,366	97.60%	580,425	27,798,791	99.68%
2012	23,799,204	23,171,739	97.36%	676,584	23,848,323	100.21%
2011	23,687,638	22,887,139	96.62%	732,076	23,619,215	99.71%
2010	24,056,310	23,295,361	96.84%	740,353	24,035,714	99.91%
2009	24,110,035	23,262,773	96.49%	681,891	23,944,664	99.31%
2008	24,111,227	23,187,605	96.17%	829,265	24,016,870	99.61%

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. 2018 information cannot be presented because all collections have not been made by June 30.

Note: Cuyahoga and Geauga County collect property taxes on a calendar year basis, therefore, the above data has been presented on a calendar year basis. The counties do not identify delinquent collections by the year for which the tax was levied. Thus the "total collection" represents the total collections for the year instead of total collections of a particular tax year. As a result, "Percent of total tax collections to total levy" can exceed 100% in any particular year. The School District will continue to work with the County to try to obtain this information.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Principal Taxpayers
Real Estate Tax
December 31, 2017 and December 31, 2008

Name of Taxpayer	Assessed Value (1)	Percent of Real Assessed Value
December 31, 2017		
Cleveland Electric Illuminating Company	3,754,420	0.71%
Chagrin Falls Shopping Center	1,820,010	0.35%
Western Reserve Company	1,794,920	0.34%
Hamlet Hills LLC	1,662,520	0.32%
Harris Realty Co.	1,606,380	0.31%
Chagrin Woods LLC	1,531,150	0.29%
Bell Street Properties	1,268,650	0.24%
PCHE RP2 LLC	1,137,510	0.22%
Edmund A. Leopold	1,094,070	0.21%
Breedon, Winton H III & Tricia L.	907,940	0.17%
Totals	<u>\$ 16,577,570</u>	<u>3.16%</u>
Total Assessed Valuation	<u>\$ 525,356,970</u>	
December 31, 2008		
Western Reserve Company, LLC	\$ 1,844,970	0.38%
Hamlet Retirement LLC	1,731,880	0.36%
Edmund & Laura Leopold	1,703,050	0.35%
Chagrin Falls Shopping Center	1,684,380	0.35%
Harris Realty Co.	1,619,600	0.33%
Hamlet Atrium, LLC	1,303,760	0.27%
River Street Partners LLC	998,800	0.21%
Step North Equities LTD	930,790	0.19%
Hamlet Manor LLC	836,400	0.17%
Singerman, Lawrence J.	784,500	0.16%
Totals	<u>\$ 13,438,130</u>	<u>2.77%</u>
Total Assessed Valuation	<u>\$ 484,579,200</u>	

(1) Assessed values are for the 2018 collection year for 2017 and the 2009 collection year for 2008.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Principal Taxpayers
Public Utility
December 31, 2017 and December 31, 2008

Name of Taxpayer	Assessed Value (1)	Percent of Real Assessed Value
December 31, 2017		
Cleveland Electric Illuminating Company	1,749,090	42.07%
American Wireless Transmission	468,860	11.28%
East Ohio Gas	159,050	3.83%
Totals	<u>\$ 2,377,000</u>	<u>57.18%</u>
Total Assessed Valuation	<u>\$ 4,157,270</u>	
December 31, 2008		
Cleveland Electric Illuminating Company	\$ 2,684,940	48.91%
American Wireless Transmission	396,200	7.22%
Ohio Bell Telephone Company	243,250	4.43%
East Ohio Gas Company	233,370	4.25%
Totals	<u>\$ 3,557,760</u>	<u>64.81%</u>
Total Assessed Valuation	<u>\$ 5,489,790</u>	

Source: Cuyahoga and Geauga County Auditors

(1) Assessed values are for the 2018 collection year for 2017 and the 2009 collection year for 2008.

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Computation of Legal Debt Margin
Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Assessed Valuation (2)	\$ 525,356,970	\$ 516,977,940	\$ 512,015,120	\$ 500,105,120
Bonded Debt Limit - 9% of Assessed Value (1)	\$ 47,282,127	\$ 46,528,015	\$ 46,081,361	\$ 45,009,461
Outstanding Debt:				
General Obligation Bonds	47,252,629	15,279,521	17,409,521	19,489,521
Less Amount Available in Debt Service	<u>(3,334,483)</u>	<u>(5,271,163)</u>	<u>(5,211,013)</u>	<u>(4,822,762)</u>
Total	<u>43,918,146</u>	<u>10,008,358</u>	<u>12,198,508</u>	<u>14,666,759</u>
Amount of Debt Subject to Debt Limit:	<u>43,918,146</u>	<u>10,008,358</u>	<u>12,198,508</u>	<u>14,666,759</u>
Overall Debt Margin	<u>\$ 3,363,981</u>	<u>\$ 36,519,657</u>	<u>\$ 33,882,853</u>	<u>\$ 30,342,702</u>
Legal Debt Margin as a Percentage of Debt Limit	7%	78%	74%	67%
Bonded Debt Limit - .1% of Assessed Value (1)	\$ 525,357	\$ 516,978	\$ 512,015	\$ 500,105
Amount of Debt Applicable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Debt Margin	<u>\$ 525,357</u>	<u>\$ 516,978</u>	<u>\$ 512,015</u>	<u>\$ 500,105</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100%	100%	100%	100%

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

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

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

2014	2013	2012	2011	2010	2009
\$ 499,729,250	\$ 497,600,170	\$ 483,956,030	\$ 488,280,560	\$ 485,728,160	\$ 491,371,490
\$ 44,975,633	\$ 44,784,015	\$ 43,556,043	\$ 43,945,250	\$ 43,715,534	\$ 44,223,434
21,544,521 (4,489,197)	23,263,652 (4,049,716)	24,531,212 (3,426,592)	24,044,899 (3,196,966)	23,719,980 (3,118,852)	25,264,108 (2,944,092)
17,055,324	19,213,936	21,104,620	20,847,933	20,601,128	22,320,016
17,055,324	19,213,936	21,104,620	20,847,933	20,601,128	22,320,016
\$ 27,920,309	\$ 25,570,079	\$ 22,451,423	\$ 23,097,317	\$ 23,114,406	\$ 21,903,418
62%	57%	52%	53%	53%	50%
\$ 499,729	\$ 497,600	\$ 483,956	\$ 488,281	\$ 485,728	\$ 491,371
0	0	0	0	0	0
\$ 499,729	\$ 497,600	\$ 483,956	\$ 488,281	\$ 485,728	\$ 491,371
100%	100%	100%	100%	100%	100%

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Computation of Direct and Overlapping General Obligation Debt
as of June 30, 2018

	Outstanding Debt Obligations	Percentage Applicable to School District (1)	Amount Application to School District
Direct:			
Chagrin Falls Exempted Village	\$ 47,252,629	100.00%	\$ 47,252,629
Overlapping:			
Cuyahoga County	154,070,000	1.20%	1,848,840
Geauga County	4,392,782	6.16%	270,595
Chagrin Falls Village	159,000	100.00%	159,000
Russell Township	835,000	4.26%	35,571
Cuyahoga Community College Miscellaneous	227,500,000	1.20%	2,730,000
Geauga County Library District Miscellaneous	23,920,000	6.67%	1,595,464
Total Overlapping	410,876,782		6,639,470
Total	\$ 458,129,411		\$ 53,892,099

Source: Ohio Municipal Advisory Council.

(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.

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

Fiscal Year	Outstanding Debt Obligations (1)			Percentage of Personal Income	Net Debt Per Capita
	General Obligation Bonds	Capital Lease	Total		
2018	\$ 47,252,629	\$ 0	\$ 47,252,629	0.20%	\$ 3,903
2017	17,848,780	0	17,848,780	0.52%	1,490
2016	19,691,981	0	19,691,981	0.47%	1,626
2015	21,598,012	0	21,598,012	0.43%	1,784
2014	23,562,704	23,600	23,586,304	0.39%	1,946
2013	25,588,610	46,624	25,635,234	0.36%	2,114
2012	26,537,792	65,760	26,603,552	0.35%	2,192
2011	24,044,899	0	24,044,899	0.39%	1,986
2010	23,719,980	0	23,719,980	0.39%	2,042
2009	25,264,108	0	25,264,108	0.37%	2,194

Source:

(1) School District Financial Records

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
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 (3)	Resources Available to Pay Principal	Net General Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value	Net Debt Bonded Debt Per Capita
2018	12,107	\$ 1,497,539,186	\$ 47,252,629	\$ 3,334,483	\$ 43,918,146	2.93%	\$ 3,628
2017	12,107	1,473,652,268	17,848,780	5,271,163	12,577,617	0.85%	1,039
2016	12,107	1,459,599,966	19,691,981	5,211,013	14,480,968	0.99%	1,196
2015	12,107	1,425,716,384	21,598,012	4,822,762	16,775,250	1.18%	1,386
2014	12,107	1,424,819,245	23,562,704	4,489,197	19,073,507	1.34%	1,575
2013	12,107	1,418,991,338	25,588,610	4,049,716	21,538,894	1.52%	1,779
2012	12,107	1,380,173,801	26,537,792	3,426,592	23,111,200	1.67%	1,909
2011	12,107	1,384,817,274	24,044,899	3,196,966	20,847,933	1.51%	1,722
2010	11,617	1,377,729,062	23,719,980	3,118,852	20,601,128	1.50%	1,773
2009	11,514	1,396,413,441	25,264,108	2,944,092	22,320,016	1.60%	1,939

Source:

(1) U.S. Census of Population

(2) Cuyahoga and Geauga County Auditors

(3) Beginning in fiscal year 2012, general bonded debt outstanding includes all long term bonds of the governmental activities, net of related premiums, discounts and adjustments.

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

		December 31, 2016 (1)	
Employer	Nature of Business	Employees	Percent of Total Employment (2)
Chagrin Falls Exempted Village Schools	Public Schools	281	N/A
Chagrin Falls Village	Government	56	N/A
Live Nation Worldwide, Inc.	Retail	23	N/A
Personnel Research & Development	Consulting	19	N/A
Gleeson Construction, Inc.	Construction	19	N/A
Peppertree Capital Management	Financial Services	15	N/A
Merrill Lynch Pierce Fenner & Smith, Inc.	Financial Services	14	N/A
Wells Fargo Clearing Services	Financial Services	11	N/A
1192 Holdings	Financial Services	4	N/A
Lancor Partners LP	Financial Services	4	N/A

		December 31, 2008	
Employer	Nature of Business	Employees	Percent of Total Employment (2)
Chagrin Falls Exempted Village Schools	Public Schools	250	N/A
Giant Eagle, Inc.	Grocery Store	150	N/A
Hamlet Village LLC	Healthcare Services	125	N/A
Gamekeepers Hospitality, Inc.	Restaurant	120	N/A
Windsor Hospital	Healthcare Services	104	N/A
Village of Chagrin Falls	Government	67	N/A
Smith Barney	Financial Services	55	N/A
Gleeson Construction	Property Manager	55	N/A
First Union Securities	Financial Services	39	N/A

(1) This is the most recent readily available.

(2) Total employment not readily available

Source: 2008 - Chagrin Falls Village, Chagrin Falls Library and RITA
2016 - RITA

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

Fiscal Year	Cuyahoga County Population (1)	Geauga County Population (5)	Bentleyville Village Population (1)	Chagrin Falls Village Population (1)	Moreland Hills Village Population (1)
2018	1,265,111	93,918	863	4,079	3,306
2017	1,265,111	94,060	863	4,079	3,306
2016	1,265,111	94,295	863	4,079	3,306
2015	1,265,111	94,295	863	4,079	3,306
2014	1,265,111	93,978	863	4,079	3,306
2013	1,265,111	93,680	863	4,079	3,306
2012	1,270,294	93,228	864	4,113	3,320
2011	1,280,122	93,389	864	4,113	3,320
2010	1,275,709	99,060	894	3,620	3,041
2009	1,283,925	98,817	896	3,641	3,064

Source:

- (1) U.S. Census Bureau, Census.gov
- (2) Cuyahoga County
- (3) U.S. Census Bureau, 2010 Census
- (4) Estimated based on 2010 Census information
- (5) 2009 - 2016 U.S. Census Bureau
2017 - 2018 Geauga County
- (6) 2009 - 2016 Department of Job and Family Services
2017 - 2018 Geauga County

South Russell Village Population (1)	Personal Income Per Capita (3)	Total Personal Income (4)	Cuyahoga County Unemployment Rate (2)	Geauga County Unemployment Rate (6)
3,822	\$ 49,384	\$ 596,064,880	4.8	4.8
3,822	49,384	596,064,880	5.4	4.4
3,822	49,384	596,064,880	5.6	4.6
3,822	49,384	596,064,880	6.4	6.2
3,822	45,186	545,395,020	6.4	6.2
3,822	45,186	545,395,020	7.5	5.8
3,810	45,186	547,066,902	6.9	5.7
3,810	45,186	547,066,902	8.8	6.5
4,062	42,885	498,195,045	9.7	7.3
3,913	42,885	493,777,890	10.2	7.9

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
Building Statistics by Function/Program
Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Gurney Elementary School				
Constructed in 1966, additions in 1968,1971,1998				
Total Building Square Footage	66,472	66,472	66,472	66,472
Enrollment Grades	PreK-3	PreK-3	PreK-3	PreK-3
Student Capacity - enrollment	477	485	522	522
Regular Instruction Classrooms	39	39	39	39
Regular Instruction Teachers	28	28	28	28
Special Instruction Teachers	8	8	8	8
Chagrin Falls Intermediate School				
Constructed in 1914, additions in 1939, 1952				
Total Building Square Footage	71,243	71,243	71,243	71,243
Enrollment Grades	4-6	4-6	4-6	4-6
Student Capacity - enrollment	405	419	469	469
Regular Instruction Classrooms	28	28	28	28
Regular Instruction Teachers	24	24	24	24
Special Instruction Teachers	5	5	5	5
Chagrin Falls Middle School				
Constructed in 1999				
Total Building Square Footage	103,537	103,537	103,537	103,537
Enrollment Grades	7-8	7-8	7-8	7-8
Student Capacity - enrollment	332	343	343	343
Regular Instruction Classrooms	24	24	24	24
Regular Instruction Teachers	21	21	21	21
Special Instruction Teachers	4	4	4	4
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
Enrollment Grades	9-12	9-12	9-12	9-12
Student Capacity - enrollment	692	703	692	692
Regular Instruction Classrooms	44	44	44	44
Regular Instruction Teachers	47	47	38	38
Special Instruction Teachers	6	6	4	4

Source: School District Records

2014	2013	2012	2011	2010	2009
66,472	66,472	66,472	66,472	66,472	66,472
PreK-3	PreK-3	PreK-3	PreK-3	PreK-3	PreK-3
522	522	571	577	580	580
39	39	39	39	39	39
31	29	29	29	29	29
6	9	9	9	9	9
71,243	71,243	71,243	71,243	71,243	71,243
4-6	4-6	4-6	4-6	4-6	4-6
464	464	480	478	453	453
28	28	28	28	28	28
24	27	27	27	27	27
4	6	6	6	6	6
103,537	103,537	103,537	103,537	103,537	103,537
7-8	7-8	7-8	7-8	7-8	7-8
337	337	328	312	313	313
24	24	24	24	24	24
21	22	22	22	22	22
4	3	3	3	3	3
116,404	116,404	116,404	116,404	116,404	116,404
9-12	9-12	9-12	9-12	9-12	9-12
616	616	651	650	627	627
44	44	44	44	44	44
38	46	46	46	46	46
3	2	2	2	2	2

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

Year	General Fund Expenditures	Average Daily Student Enrollment	Cost Per Pupil
2018	\$ 30,406,788	1,906	\$ 15,953
2017	28,653,903	1,952	14,679
2016	27,361,822	2,041	13,406
2015	26,915,877	2,026	13,285
2014	26,656,084	1,975	13,497
2013	25,049,476	1,939	12,919
2012	24,483,735	2,030	12,061
2011	24,106,803	2,018	11,946
2010	22,036,369	2,016	10,931
2009	21,460,131	2,033	10,556

Source: School District Financial Records

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

Year	Elementary School	Intermediate School	Middle School	High School	Total
2018	477	405	332	692	1,906
2017	488	418	343	703	1,952
2016	511	478	343	709	2,041
2015	522	469	343	692	2,026
2014	534	471	343	627	1,975
2013	522	464	337	616	1,939
2012	571	480	328	651	2,030
2011	577	478	312	651	2,018
2010	574	478	282	682	2,016
2009	576	478	282	697	2,033

Source: School District Records

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

Degree	2018	2017	2016	2015	2014	2013
Bachelor's Degree	13	8	8	5	10	7
Bachelor + 10	4	4	2	2	0	2
Bachelor + 20	2	1	3	5	4	1
Bachelor + 30	5	6	8	7	8	9
Master's Degree	37	38	45	44	45	38
Master's + 10	36	36	36	40	41	46
Master's + 20	24	27	19	18	17	22
Master's + 30	22	24	24	23	20	21
Phd	3	2	2	2	2	2
Total	146	146	147	146	147	148

Source: School District Personnel Records.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
12	6	6	8
1	4	4	4
2	5	5	11
7	7	7	9
45	53	54	53
35	34	32	34
20	21	21	16
18	15	16	8
<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
<u>141</u>	<u>146</u>	<u>146</u>	<u>144</u>

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

Fiscal Year	Chagrin Falls Attendance Rate	State Average	Chagrin Falls Graduation Rate	State Average
2018	95.9%	N/A	95.6%	84.1%
2017	95.8	93.9	98.9	83.6
2016	95.9	94.1	99.4	83.5
2015	95.9	94.1	97.4	83.0
2014	96.4	94.3	99.3	82.0
2013	95.7	94.2	98.5	82.2
2012	95.9	94.5	98.7	81.3
2011	95.8	94.5	100.0	84.3
2010	95.6	94.3	99.3	83.0
2009	96.0	94.3	100.0	84.6

Source: Ohio Department of Education Local Report Cards

N/A This information is not currently available

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
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
2018	153	174	88%	26.4	20.3	20.8
2017	156	173	90%	26.5	22.0	21.0
2016	157	167	94%	25.7	22.0	20.8
2015	143	150	95%	25.9	22.0	21.0
2014	114	128	89%	25.6	22.0	21.0
2013	156	172	90%	25.4	21.8	20.9
2012	115	135	85%	25.5	21.8	21.1
2011	125	151	83%	26.2	21.8	21.1
2010	131	166	79%	25.8	21.8	21.0
2009	108	150	72%	25.5	21.7	21.1

Source: High School Guidance Office

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

School Year	Number of Test Takers	Number of Seniors	Percent of Students	Evidence-Based Reading and Writing		
				Chagrin Falls	Ohio	National
2018	158	174	91%	603	552	536
2017	70	173	41%	626	570	538
2016	61	167	37%	591	556	494
2015	60	150	40%	576	557	495
2014	61	128	48%	576	555	497
2013	111	172	65%	572	548	496
2012	97	135	72%	565	543	496
2011	117	151	77%	584	539	497
2010	124	166	75%	576	538	501
2009	111	150	74%	568	537	501

Source: High School Guidance Office

N/A - Not readily available

Chagrin Falls Math	Ohio Math	National Math	Chagrin Falls Writing	Ohio Writing	National Writing
604	547	531	N/A	N/A	N/A
631	565	533	N/A	N/A	N/A
616	563	508	572	534	482
601	563	511	585	537	484
603	562	573	572	535	487
584	556	514	565	556	514
574	552	514	562	525	488
600	545	514	570	522	489
605	548	516	572	522	492
600	546	515	569	523	493

Chagrin Falls Exempted Village School District
Cuyahoga County, Ohio
School District Employees by Function/Program
Last Ten Fiscal Years

Function	2018	2017	2016	2015	2014
Regular Instruction					
Elementary Classroom Teachers	29.00	28.00	29.00	29.00	31.00
Intermediate Classroom Teachers	25.00	24.00	28.00	28.00	24.00
Middle School Classroom Teachers	22.50	24.00	21.00	21.00	21.00
High School Classroom Teachers	45.50	47.00	38.00	38.00	38.00
Special Instruction					
Elementary Classroom Teachers	6.00	8.00	6.00	6.00	6.00
Intermediate Classroom Teachers	5.00	5.00	4.00	4.00	4.00
Middle School Classroom Teachers	4.00	4.00	4.00	4.00	4.00
High School Classroom Teachers	4.00	6.00	3.00	3.00	3.00
Pupil Support Services					
Guidance Counselors	6.00	6.00	6.00	6.00	6.00
Librarians	1.00	1.00	1.00	1.00	1.00
Psychologists	2.00	2.00	2.00	2.00	2.00
Speech and Language Pathologists	2.00	2.00	2.00	2.00	2.00
Non-Teaching Support Staff Central	2.00	2.00	2.00	2.00	2.00
Instructional Support Services					
Non-Teaching Support Staff Elementary	15.00	15.00	12.00	12.00	12.00
Non-Teaching Support Staff Intermediate	12.00	10.00	7.00	7.00	7.00
Non-Teaching Support Staff Middle	12.00	12.00	4.00	4.00	4.00
Non-Teaching Support Staff High	14.00	15.00	6.50	6.50	6.50
Non-Teaching Support Staff Central	2.00	2.00	2.00	2.00	2.00
Administration					
Elementary	1.00	1.00	1.00	1.00	1.00
Intermediate	1.00	1.00	1.00	1.00	1.00
Middle School	1.00	1.00	1.00	1.00	1.00
High School	2.00	2.00	2.00	2.00	2.00
Business					
Central	2.00	2.00	2.00	2.00	2.00
Business					
Treasurer Department	4.00	4.00	4.00	4.00	4.00
Operation of Plant					
Custodian Department	14.00	15.00	15.00	15.00	15.00
Maintenance Department	4.00	4.00	4.00	4.00	4.00
Pupil Transportation					
Bus Drivers	22.00	24.00	17.00	17.00	12.00
Mechanics	1.50	1.00	1.50	1.50	1.50
Transportation Support Staff	0.50	0.00	1.50	1.50	1.50
Central					
Community Relations	0.50	0.50	0.50	0.50	0.50
Technology	2.00	2.00	2.00	2.00	2.00
Curriculum/Instruction	2.00	2.00	2.00	2.00	0.00
Personnel	1.00	1.00	1.00	1.00	1.00
Extracurricular					
Athletic Department	2.00	2.00	2.00	2.00	2.00
Food Service Program					
Elementary	2.00	2.00	2.00	2.00	2.00
Intermediate	2.00	2.00	2.00	2.00	2.00
Middle School	2.00	2.00	2.00	2.00	2.00
High School Cooks	5.00	5.00	5.00	5.00	5.00
Central	0.00	0.00	1.00	1.00	1.00
Community Service					
Community Education	1.00	0.00	1.00	1.00	1.00
Totals	281.50	286.50	248.00	248.00	239.00

(continued)

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

Source: School District Records

2013	2012	2011	2010	2009
29.50	29.50	29.50	29.50	29.50
26.00	26.00	26.00	26.00	26.00
19.00	19.00	19.00	19.00	19.00
40.00	40.00	40.00	40.00	40.00
6.00	6.00	6.00	6.00	6.00
4.50	4.50	4.50	4.50	4.50
3.00	3.00	3.00	3.00	3.00
3.00	3.00	3.00	3.00	3.00
6.00	6.00	6.00	6.00	6.00
4.00	4.00	4.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00
2.00	2.00	2.00	2.00	2.00
12.00	12.00	12.00	12.00	12.00
7.00	7.00	7.00	7.00	7.00
4.00	4.00	4.00	4.00	4.00
6.50	6.50	6.50	6.50	6.50
2.00	2.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00
2.00	2.00	2.00	2.00	2.00
4.00	4.00	4.00	4.00	4.00
19.00	19.00	19.00	19.00	19.00
4.00	4.00	4.00	4.00	4.00
22.00	22.00	22.00	22.00	22.00
1.50	1.50	1.50	1.50	1.50
1.50	1.50	1.50	1.50	1.50
1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00
0.00	0.00	0.00	0.00	0.00
0.50	0.50	0.50	0.50	0.50
2.00	2.00	2.00	2.00	2.00
2.00	2.00	2.00	2.00	2.00
2.00	2.00	2.00	2.00	2.00
2.00	2.00	2.00	2.00	2.00
5.00	5.00	5.00	5.00	5.00
1.00	1.00	1.00	1.00	1.00
1.50	1.50	1.50	1.50	1.50
255.50	255.50	255.50	255.50	255.50

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OHIO AUDITOR OF STATE
KEITH FABER



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 29, 2019**