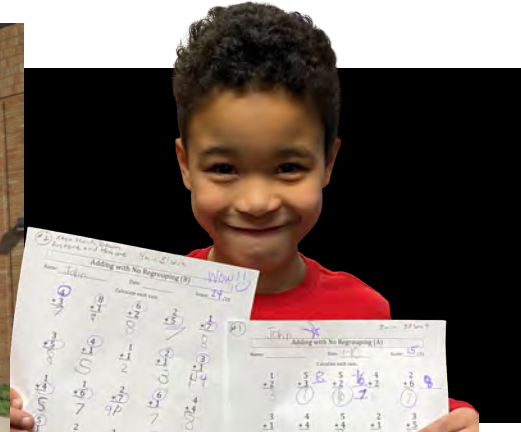


Annual Comprehensive Financial Report FOR THE FISCAL YEAR ENDED JUNE 30, 2023



CHARDON LOCAL SCHOOL DISTRICT
Chardon, Ohio

OHIO AUDITOR OF STATE
KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Board of Education
Chardon Local School District
428 North Street
Chardon, Ohio 44024

We have reviewed the *Independent Auditor's Report* of Chardon Local School District, Geauga County, prepared by Zupka & Associates, for the audit period July 1, 2022 through June 30, 2023. 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. Chardon Local School District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

March 07, 2024

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ANNUAL COMPREHENSIVE
FINANCIAL REPORT

OF THE

CHARDON LOCAL
SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2023

PREPARED BY
TREASURER'S OFFICE
DEB ARMBRUSTER, TREASURER/CFO

428 NORTH STREET
CHARDON, OHIO 44024

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**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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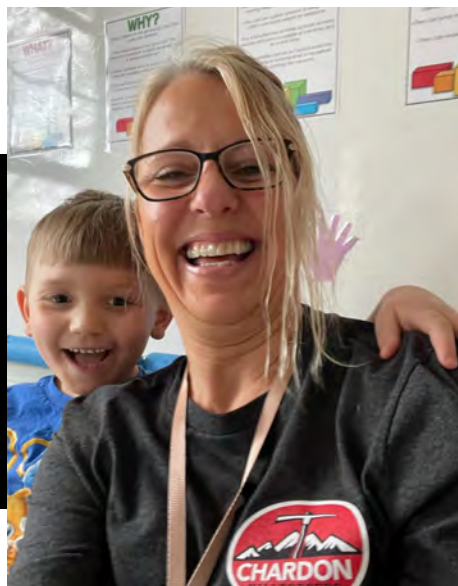
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INTRODUCTORY SECTION





December 22, 2023

The Board of Education and Residents of Chardon Local District:

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the Chardon Local District (the “District”) for the fiscal year ended June 30, 2023. This ACFR, which includes financial statements and other financial and statistical data, conforms to Generally Accepted Accounting Principles (GAAP) as applicable to governmental entities. The ACFR enables the District to comply with the Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP basis, and Ohio Revised Code Section 117.38 which requires school districts reporting on a GAAP basis to file an unaudited ACFR with the Auditor of State within 150 days of fiscal year end. The District reported on the cash-basis of accounting from fiscal years 2009 - 2020 and filed an ACFR for fiscal years 2021 and 2022.

Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the Districts’ financial activities have been included.

This report provides the taxpayers of the District, bond rating agencies and other interested parties with comprehensive financial information, enabling them to gain a clear understanding of the District’s finances. This report is intended to contribute to meeting the accountability requirements of the public. The District assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatement.

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 complement this letter of transmittal and should be read in conjunction with it.

Organizational Structure

Statutorily, the District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code, to provide services mandated by state and/or federal agencies. The Board of Education (the “Board”) of the District comprises five (5) members elected at large by the citizens of the District for overlapping four-year terms. The Board serves as the taxing authority, contracting body, and policy maker for the District. The Board is a politic and corporate, as defined by Section 3313.03 of the Ohio Revised Code and has only those powers and authority conferred upon it by the Ohio Revised Code. The Chardon Board of Education is comprised of the following members:

<u>Member</u>	<u>Term of Office</u>	<u>Years on the Board</u>
Mrs. Karen Blankenship	1/1/2020 - 12/31/2023	12
Mr. Keith Brewster	1/1/2020 - 12/31/2023	4
Mr. Todd Albright	1/1/2022 - 12/31/2025	2
Mr. CJ Paterniti	1/1/2022 - 12/31/2025	2
Dr. Guy Wilson	1/1/2020 - 12/31/2023	12

The Board elects its President and Vice President annually at the Organizational Meeting held in January. The Board is also responsible for hiring the Superintendent and the Treasurer.

The Superintendent is the Chief Executive Officer (CEO) of the District and is responsible directly to the Board for all operations within the District. Dr. Michael P. Hanlon, Jr., Ph.D. was appointed Superintendent of the District on August 1, 2013. He is currently employed under a five-year contract which ends on July 31, 2024.

The Treasurer is the Chief Financial Officer (CFO) of the District and is responsible directly to the Board for all financial operations and serves as Secretary to the Board. Mrs. Deb Armbruster was appointed Treasurer of the District on August 1, 2019. She is currently employed under a five-year contract which ends on July 31, 2027.

Profile of the District

The Chardon Local District is located in northeastern Ohio, east of the City of Cleveland. The District is primarily a residential suburban/rural community located in the northwest corner of Geauga County adjacent to the following Lake County communities; Concord Township; the Village of Kirtland Hills; the City of Kirtland; as well as the Geauga County communities of the City of Chesterland; the Village of Burton; the Village of Newbury; and the Village of Montville. It is approximately 25 miles southeast of Cleveland, 45 miles northwest of Youngstown, and 39 miles north of Akron.

When Chardon was established as a Western Reserve community, the pioneers, who mainly came from New England, modeled their new existence after their New England heritage. The settlers showed the importance they attached to common school education from which they had received so much benefit. They implemented voluntary associations for district schools wherever a sufficient number of youths and children could be gathered. Classes were held in homes, and school houses were built before any legal organizations were affected. The townships were geographically scattered, and because travel was restrictive, the pioneers created several small primary grade schools in each township and village for the local students. In 1938, Chardon High School was built on the Chardon Square and the townships sent their children to this institution for secondary education. Around 1957 the townships merged their grade schools to become what is currently the Chardon Local School District.

The Chardon Local District is the largest of the five (5) school districts located in Geauga County and serves the City of Chardon, Chardon Township (portion), Munson Township (portion), Claridon Township (portion) and Hambden Township. The District provides education to 2,648 students in grades Pre-Kindergarten through twelve. The District operates one high school, one middle school, two elementary schools and one Early Learning Center (PK - Kindergarten).

Students enrolled in the Chardon Local District attend classes in the following District owned buildings during the 2022-2023 school year:

Chardon High School (grades 8 – 12), built in 1951, additions in 1953, 1957, 1964, and 1974

Chardon Middle School (grades 4 – 7), built in 1965, additions in 1974

Chardon Early Learning Center (Pre-K – Kindergarten), built in 1958, additions in 1964

Munson Elementary School (1st – 3rd grade), built in 1955, additions in 1959, and 1974

Park Elementary School (1st – 3rd grade), built in 1938

The Chardon Local District is proud of the broad spectrum of programs it offers. In addition to many academic choices, Chardon offers a wide array of co-curricular and extra-curricular opportunities for students. Chardon Schools has enjoyed an excellent reputation as one of the top school districts in Ohio. This is due, at least in part, to its excellent and committed staff, the majority of whom hold advanced degrees.

Strategic Thinking, Mission, Beliefs and Goals

District Success Plan

In December 2019 the Strategic Planning committee met to begin updating the Vision 2020 Strategic Plan developed in 2015. Community collaboration included goals in Curriculum and Instruction, Safety and Security, School Facilities, Technology, School Finance, and the overall Strategic Planning Process. Strategic Thinking is the ability to recognize the relationships, complexities and implications of a situation and anticipate possibilities and plans. As a result of the onset of the COVID pandemic, the District temporarily suspended the strategic planning process to address the rapidly changing nature of education in this environment.

In 2022, a representative group of approximately fifty Chardon employees, community members, parents and students partnered in strategic planning sessions to gather important feedback from our stakeholders. These key leaders in the District and community provided valuable insight into the strategic thinking process to transform our classrooms and schools into an engagement-focused organization and formulated the following goals:

Our Vision

The Chardon Local Schools will be a model school district by 2028

Mission Statement

We commit to high achievement for all students

Strategic Plan Goal Areas

Communications

Chardon Local Schools will implement a highly-effective communications framework by 2028 to enhance accessibility, quality and reach of district and school news for external and internal stakeholders.

Safety and Security

Chardon Local Schools will develop a specific long-term plan by 2024 that addresses safety, security, and wellness.

Resources and Fiscal Responsibilities

Chardon Local Schools will complete, by 2026, a review of the use of all available resources to ensure they are being used in the most effective and efficient manner.

Facilities and Operations

Chardon Local Schools will enhance existing facilities and operations by 2025 to meet identified instructional and extracurricular needs, while developing a specific long-term plan by 2028.

Engaged Student Learning

Chardon Local Schools will align teaching and learning by 2028, engaging all students with educational experiences that prepare them for success.

Community Connections

Chardon Local Schools will develop a model comprehensive community connections program by 2028, including partnerships, engagement, and volunteering opportunities.

The Chardon Local Schools are equipped and ready to address the 4E's: Employment, Enlistment, Entrepreneurship, and Education. This includes an increased demand for college and career readiness, and to keep pace with necessary access to technology and information, academically and socially. The school district must emphasize the importance of students knowing and understanding their role as citizens; This awareness positions them to contribute and successfully function in our worldwide community. Students need to learn how to connect and collaborate with others in a broader community.

Employee Relations

Certified/licensed personnel including classroom teachers, tutors, librarians, guidance counselors, and specialists are represented by the Chardon Education Association (CEA) and are affiliated with the Ohio Education Association (OEA). On December 23, 2021, the District and the CEA announced ratification of a three-year collective bargaining agreement for the period of August 1, 2022 through July 31, 2025. The contract provided for a two percent (2.25%) cost of living adjustment (COLA) in each of the three (3) years of the agreement. For the 2022-23 school year, the base salary is \$41,761.98 and the base salary for the 2023-24 school year is \$42,701.62 and the base salary for the 2024-25 school year is \$43,662.41.

Classified employees (educational aides, cafeteria staff, secretarial-clerical, custodial, maintenance and grounds staff, transportation staff, mechanics, health aides and proctors) of the District are represented by the Chardon Association of Classified Employees (CACE) and are affiliated with the Ohio Education Association (OEA). On July 22, 2022, the District and CACE announced ratification of a three-year collective bargaining agreement for the period of July 1, 2022 through June 30, 2025. This contract provides for a two percent (2.25%) wage increase in each year of the agreement including a salary schedule adjustment in 2022-2023.

The District's certified/licensed administrators, supervisors and other exempt employees are not members of any bargaining unit and are provided individual contracts approved by the Board of Education.

The Reporting Entity

The District has reviewed its reporting entity definition in order to insure conformity with the Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and 34". In evaluating how to define the District for financial reporting purposes, Management considers all agencies, departments and organizations making up the District (the primary government) and its potential component units. The District has no component units and the District is not a component unit of any other governmental organization.

Excluded from the reporting entity because they are fiscally independent of the School District are the City of Chardon, Village of Aquilla, Chardon, Hambden, Claridon and Munson Townships, the Geauga County Library, the Parent Teacher Organizations, the nonpublic schools, the Chardon Athletic Boosters, Music and Academic clubs, the Gridiron Club, and the Chardon Schools Foundation.

The School District participates in NEONet and the Lake Geauga Computer Association, the Ohio Schools' Council Association, and the Auburn Career Center, jointly governed organizations, and the Ohio Association of School Business Officials Workers' Compensation Group Rating Program, an insurance purchasing pool.

A complete discussion of the District's reporting entity is provided in Note 2 to the basic financial statements.

Economic Condition and Outlook

In May 2018, the Chardon community supported a 3.9 mill operating levy. Funds generated by the operating levy were first collected in 2019 and are used to pay for the District's daily operation. The District receives approximately \$2.9 million annually related to the 3.9 mill levy. In addition, in May 2006, the Chardon community approved a permanent improvement levy of 2.0 mills. Funds generated by the bond issue are used to pay for capital improvements within the District including technology infrastructure, building repairs, heating and cooling upgrades, updates to the transportation department and updates to other facilities. In December 2020, the District borrowed against the Permanent Improvement fund (Tax Anticipation Note) at a 1.62% rate of interest reducing this revenue by roughly \$411,000 annually.

The District's primary sources of revenues are through the levying of property taxes on real and agricultural property, commercial and industrial property and public utilities (including state property tax reimbursements) and the State Foundation Program, which combined accounts for nearly ninety-two percent (92%) of total operating revenue used to pay for the day-to-day operating expenses of the District, including salaries, benefits, contracted services, supplies and materials, capital outlay, equipment and dues and fees.

Property Taxes

Property taxes are levied and assessed on a calendar year basis. Second half distributions generally occur in a new fiscal year. Property taxes include amounts levied against all real and public utilities located in the District. Assessed values are established by State law at thirty-five percent (35%) of appraised market value. All property is required to be revalued every six (6) years. The Ohio Revised Code and Ohio Administrative Code mandate Geauga County to conduct a re-appraisal of property every six (6) years, an update every three (3) years and annual valuation of improvements based upon building permits received from each township annually. The last re-appraisal took place for tax year 2017 for tax collections beginning in calendar year 2018 and the last update took place for tax year 2020 for tax collections beginning in calendar year 2021.

State laws grant tax relief to property owners (property tax rollbacks) in the form of a ten percent (10%) reduction in real property tax bills. This property tax rollback applies to levies currently in effect and approved by voters prior to 2013. In addition, a two and one-half percent (2.5%) reduction is granted for owner occupied homesteads (a total of 12.5%). Additionally, the State of Ohio contributes a portion of real estate taxes for qualified senior and/or disabled citizens, based on income thresholds, on the dwelling that is the individual's principal place of residence (known as the Homestead Exemption). The State reimburses the District for the loss of real property taxes as a result of the rollback provisions and the homestead exemption.

Ohio law grants tax credits to offset increases in taxes resulting from increases in the true value of real property. Legislation implementing a 1980 constitutional amendment classifies real property between (1) residential and agricultural and (2) all other real property, and provides for tax reduction factors to be separately computed for and applied to each class (1 & 2). These credits apply to certain voted levies on real property, and do not apply to unvoted tax levies or voted tax levies to pay debt service on general obligation debt.

Additionally, in 1976 the General Assembly passed House Bill 920 (HB 920). This law provides that real property owners receive tax credits equal to any tax increase caused by an increase in value of all real property in taxing districts as a result of reappraisal, update or readjustment. This does not apply to inside non-voted millage, tangible property or new construction. In effect, HB 920 removes inflationary revenue growth from the applicable real property by requiring an adjustment to the voted millage rate, thereby resulting in a lower effective millage rate.

Property taxes are also collected for the payment of principal and interest on voter approved bond issues related to the construction of buildings. Bond issue millage rates are set by the County Auditor, with information provided by the District, in order to generate sufficient revenue to pay the principal and interest on the bonds issued.

State Foundation Aid

The State's School Foundation program is the second largest source of revenue and accounts for approximately fourteen (14%) of the District's General Fund. The State assists public school districts under a statutory program, which includes direct payments to districts based upon a statutory formula. Such payments are made through the School Foundation program established by the Ohio Revised Code. School Foundation program funds distributed to a District are required to be used for current operating expenses, unless specifically allocated by the State for some other purpose. Basic eligibility for School Foundation program payments is based on a District's compliance with State-mandated minimum standards.

- amount to at least receive the same level of funding from the previous biennial budget

In the summer of 2021, the State of Ohio approved their FY 22-23 biennial budget which became law on July 1, 2021. Under the new biennial budget, the State Foundation Formula adopted the new Fair School Funding Plan. In this plan funding is driven by a base cost methodology that incorporates the four components identified as necessary to the education process. The base cost is currently calculated for two years using a statewide average from historical actual data. For Chardon Local Schools the calculated base cost total is \$7,357 in Fiscal Year 2023. There are four base cost component areas: Direct Classroom Instruction, Instructional and Student Support, Building Leadership and Operations, Leadership and Accountability. Of the total base cost about 78% is estimated for personnel related costs.

Ohio uses "district educated" enrollment which is composed of resident students attending and open enrollment "in" students to determine levels of State Foundation support for school districts. In prior funding formulas the District total/ formula ADM was used to calculate state funding. This change, in some cases reduces net state funding because the District is no longer receiving funding for community school, scholarship students, etc. However, at the same time, the District will not be expensing tuition to pay for these students and therefore costs will be lower.

The biennial budget decreased restricted funding for Student Wellness programs. The District received Student Wellness funds of \$140,168.64 in Fiscal Year 2023.

The Chardon Local District is a member of the Alliance for High Quality Education. This organization represents solutions for school funding problems, including participation in development of reforms in special, career/technical and gifted education; crafting additional local funding options to allow some growth in local revenues; protecting, to the extent possible, district tax bases; facilitating research into more objective school funding formulas; and, generally advocating for sufficient educational resources for every Ohio Public school student regardless of geographic location or socioeconomic circumstance.

Major Initiatives

In the Chardon Local District, learning is engaging, meaningful and aligned with the State of Ohio Academic Content Standards. Standards-based instruction is designed to promote deep and rich learning. Beyond consumers of important academic content, our goal is to nurture students to be thinkers and problem-solvers. All District teachers participated in professional development in the area of student engagement to ensure all students receive the support needed for engaged learning to maximize their individual growth. Within the framework of the Four E's - Enlistment, Enrollment, Entrepreneurship and Enrollment, student experiences are focused on the development of critical thinking skills, collaborative learning, communication strategies and the fostering of creativity.

In 2019, the District was awarded the Comprehensive Literacy grant from the Ohio Department of Education - an award of \$1.1 million over four years. District staff have engaged in professional development regarding the science of reading instruction, integrating a systematic phonics instructional program in preschool through third grade, and the implementation of rigorous texts for all students.

District teachers and principals continue to engage with implementation and professional development of Professional Learning Communities to ensure alignment of instruction, assessment, and interventions with curricular standards.

The District also has an agreement with the Educational Service Center of Northeast Ohio for education services through collaborating and partnering with local, regional and state agencies and organizations. The District believes this relationship provides greater opportunities for professional development, innovations, and collaborations with neighboring school districts. In addition, the District is an active participant in the ESC NEO Business Advisory Council, and Teaching and Learning Knowledge Network. The District is also a part of the Educational Service Center of the Western Reserve cooperative agreement for some special education services.

The District is actively involved with individuals, organizations, and businesses in planning for student success. The District maintains regular dialogue with many community organizations, to develop programs and initiatives to promote student growth. The District has partnered with the Chardon Chamber of Commerce, the Geauga Growth Partnership, the Geauga County Department of Jobs and Family Services, and the Alliance for Working Together. This combination connects Chardon students with community partners providing exceptional learning experiences that encourage career development with a strong focus on community business partnerships.

Committed to a holistic education, the District incorporates additional priorities within the academic program including citizenship, health, workforce development and wellness and innovation.

Innovation, Technology Integration

It is essential for the District to prepare our students for a technology-based economy. Recent advances in our technology infrastructure, devices and instructional support for teachers and students have allowed us to provide increased opportunities to develop digital skills. The targeted infusion of technology throughout the curriculum provides instructional enhancements, increases student engagement and offers real-world applications. Blending classroom instruction with online resources fosters unique and deep learning that expands the pace and place of their experience.

The District has demonstrated a commitment to integrate technology into the educational experience with the addition of one-to-one devices in the grades 4-12 and Chromebook carts in grades K-3, our students have ready access to this learning tool. Technology integration coaches in each building support the meaningful use of technology across the curriculum by supporting and guiding teachers and students.

As a Google district, all administrators, teachers and students are users of this common platform for instruction, communication and collaboration. Computing environments within the District include portable wireless stations for laptops, Chromebooks, multi-media labs and devices such as interactive flat panel white boards, projectors, document cameras, digital printers, and green screens which are available to our students.

It is a goal of the District to be innovative and forward-thinking while remaining practical and relevant. Some endeavors in this area include: district-wide LED lighting, hydration stations, recycling, outdoor classroom, etc..

Healthy Choices

Academic and life success is linked to physical activity and nutrition. The District has committed resources and curricular activities to educate and expose students to healthy lifestyle choices. Brain breaks, fitness rooms, increased recess and physical education periods are some of the ways we support this initiative. Through building activities, health and physical education classes and in collaboration with our food service department, we strive to model healthy practices in District decision-making. Building our capacity for the support of student mental and emotional wellness is a focus area for our district.

Positive Behavioral Interventions and Supports

Positive Behavioral Interventions and Supports are an essential component of Chardon's school culture for learning. PBIS is a framework that guides school teams in the selection, integration and implementation of evidence-based practices for improving academic, social and behavior outcomes for all students. Character traits based on Chardon's Portrait of a Hilltopper are identified and emphasized across all schools. District and building level committees use the Positive Behavioral Interventions and Supports (PBIS) framework to identify strategies to embed the goals of this program in everyday routines and expectations.

There is always an emphasis on student safety; with faculty reviews of safe training, development of the Emergency Plan, and parent education on internet safety as well as training on texting and driving. A review of the D.A.R.E. curriculum and collaborative efforts with the local police department identify the best methods to educate students on safe lifestyle choices. A resource office is present daily on campus to support the District's safety efforts.

College and Career Readiness

The District is committed to preparing students for life beyond our campus. This is accomplished through the development of individual pathways for each student. In addition to suggested academic pathways, students have ongoing opportunities to participate in business and community visitations, shadowing experiences, internships, technical training, speaker series, and career fairs to guide them in decision-making for their future.

Students have the opportunity to enroll in sixteen Advanced Placement courses: French, Spanish, US Government, US History, World History, Human Geography, Psychology, Biology, Chemistry, Physics 1, Physics C, Environmental Science, Calculus AB, Calculus BC, English Language & Composition, and English Literature. Additionally, students have the opportunity to enroll in seven courses for college credit offered through partnership with Lakeland Community College: Engineering, Business Ethics, Business Communications, Entrepreneurship, Accounting, Algebra, and Trigonometry.

Specific programs which support College and Career Readiness include: printed materials and a dedicated website for parent information, the addition of career tech courses at the Middle School and partnerships with local career centers and ESC's for student services.

Chardon's secondary program employs four Counselors at the high school, two Counselors at the middle school, and one Counselor at the elementary grades, all of whom have had training in academic and career advising. Additionally, the Counselors oversee the use of a digital platform, Naviance, in grades 6-12 which manages individual student records, career interests and college preparation activities.

College Credit Plus is a statewide program that allows students to earn college and high school credit simultaneously in a designated class offered on the Chardon campus or through community colleges or universities. The purpose of the program is to provide rigorous academic options to college ready students.

Major Academic Achievements and Honors

Academic Achievements

Chardon Local Schools students continue to exhibit a strong dedication to outstanding academic performance. Our students have consistently outperformed the Ohio and National averages of the ACT, SAT, and Advanced Placement (AP) exams.

The District is a member of the Auburn Career Center Joint Vocational Consortium and a member of the North Central Association of Colleges and Secondary Schools. Chardon Schools also partners with Lakeland Community College to offer multiple College Credit Plus (CCP) courses on our high school campus. Many students also take advantage of CCP courses at additional area colleges.

Graduates* 244

Ohio Graduation Seals 1,437

AP Scholars with Distinction 11

AP Scholars with Honors 12

AP Scholars 42

Valedictorians 20

Honors Diplomas 85

National Honor Society Members 49

International Thespian Society Members 19

National Technical Honor Society Members 7

Associates Degrees Earned Through CCP 3

Career Center Graduates 30

Industry 4.0 Credentialed Graduates 6

Rural & Small-Town Scholars 5

National Merit Commended Scholars 2

National Merit Hispanic Scholars 1

Rotary Club of Chardon (Service Above Self) Scholarships 6

Ohio Speech and Debate Association Program Oral Interpretation Event
Chardon High School Junior Charlotte Jons - State Champion, 2023

* Of the Class of 2023's 244 graduates, **69%** plan to attend a two- or four-year college or university, **28%** plan to enter the workforce, and **4%** are enlisting in the U.S. military.

School / Faculty / Department Awards

AFS Intercultural Programs USA - U.S. Department of State Medallion 2022-23

Chardon High School

AFS Intercultural Programs USA Certificate of Recognition 2022-23

Chardon High School

College Board AP School Honor Roll 2023

Chardon High School

College Success Award 2022, 2021, 2020, 2018

Chardon High School

Franklin B. Walter Outstanding Educator Award 2023

Jennifer Restly, Chardon Early Learning Center

Governor Finance Officers Association of the United States and Canada Certificate of Achievement for Excellence in Financial Reporting for Fiscal Year 2022, 2021

District Treasury Department

The Governor's Thomas Edison Award for Excellence in STEM Education & Student Research, 2023, 2022

Chardon Middle School

Ohio Music Education Association District VII Middle School Honors Band Selection 2023, 2022

Chardon Middle School

Ohio Music Education Association Large Group Choir Contest Selection 2023, 2022

Chardon High School

Ohio PBIS (Positive Behavioral Interventions and Support)

- Chardon Early Learning Center, Ohio Silver Recognition 2022
- Chardon High School, Ohio Bronze Recognition 2021
- Chardon Middle School, Ohio Silver Recognition 2022, 2021
- Munson Elementary School, Ohio Silver Recognition 2022, 2021
- Park Elementary School, Ohio Silver Recognition 2022, 2021

Ohio School Public Relations Association — Mark of Excellence Awards 2023, 2022

District Communications Department

U.S. News & World Report Best High Schools 2024

Chardon High School

U.S. News & World Report Best Middle Schools 2022

Chardon Middle School

U.S. News & World Report Best Elementary Schools 2022

Chardon Middle School

Long-Term Financial Planning

Annually, through a collaborative process, the administration assists the Board of Education in determining and prioritizing the needs of the District. As a result of this process, the District prepares a five-year financial forecast for the general operating fund of the District. The financial forecast is the foundation for the District's operations and is used as a financial planning tool to assist the District with short and long range financial planning which attempts to forecast the need for future educational and capital expenditures. The forecast provides a snapshot of the past three (3) fiscal year's actual revenue and expenses and projected revenue and expenses for the next five (5) years and is accompanied by the financial assumption notes. In accordance with state law, the Board of Education approves the financial forecast and submits it to the Ohio Department of Education prior to November 30th and updates it and submits again prior to May 31.

The most recent District five-year forecast (May, 2023) indicates a positive cash balance through Fiscal Year 2027, with a projected carryover balance of \$15,894,869 at the end of Fiscal Year 2027 before open purchase orders.

The Chardon Board of Education is committed to long-term financial planning and strongly supports this notion through its policy 6210 – Fiscal Planning (revised on January 11, 2021). This policy states as follows:

6210 - FISCAL PLANNING

The Board of Education shall collect and assemble the information necessary to discharge its responsibility for the fiscal management of the School District and to plan for the financial needs of the educational program. The Board will strive toward maintaining both short and long range projections of District financial requirements.

Accordingly, the Board directs the Treasurer and/or the Superintendent to:

- A. prepare a long range year-by-year plan for the maintenance and replacement of facilities and equipment;
- B. maintain a plan of anticipated local, State, and Federal revenues;
- C. report to the Board any serious financial implications that emerge from the District's ongoing fiscal planning.

In addition, the Board directs the Treasurer to maintain annually a detailed five (5) year projection of estimated revenues and expenditures, as required by Policy 6231.

Financial Information

Internal Accounting and Controls

In developing the 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 District utilizes an automated accounting and payroll system as designed by the state software development team. These systems, coupled with the manual auditing of each voucher prior to payment, ensures that the financial information generated is both accurate and reliable.

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

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

All disbursements and transfers of cash between funds require appropriation authority. Budgets are controlled at the fund level. All purchases must be approved by the appropriate levels of authority and purchase orders are certified by the treasurer, encumbering the necessary funds. The state software accounting system used by the District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date.

The District maintains a cash management program that expedites the receipt of revenues and prudently deposits and invests available cash in obligations collateralized by instruments issued by the U.S. government, government agencies, corporations, or the State of Ohio, or insured by the Federal Deposit Insurance Corporation (FDIC) and/or the Securities Investor Protection Corporation (SIPC.)

Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of the budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than custodial funds, are legally required to be budgeted and appropriated. The legal level of budgetary control has been established by the Board of Education at the fund level. Any budgetary modifications are made by board resolution.

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

Financial Reporting

The District's basic financial statements report on the 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 many businesses. The government-wide statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

Fund financial statements: The focus of fund financial statements is on major funds rather than reporting funds by type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and included reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Enterprise and fiduciary funds use the accrual basis of accounting.

Statements 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.

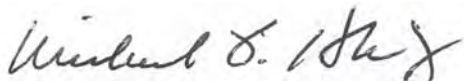
Independent Audit

State statutes require the District to be subjected to an annual examination either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. James G. Zupka, C.P.A., Inc. rendered an opinion on the District's financial statements as of June 30, 2023 and the Independent Auditor's Report on the basic financial statements is included in the financial section of this report. The independent audit was conducted by James G. Zupka, C.P.A., Inc. and the goal was to provide reasonable assurance that the financial statements of the District for the year ended June 30, 2023 are free of material misstatement.

Acknowledgments

The publication of this report significantly increases the accountability of the District to the taxpayers. This accomplishment would not have been possible without the support and efforts of the staff of the Treasurer's Office and various administrators and employees of the District. Assistance from the Geauga County Auditor's office staff, Geauga Growth Partnership, and other outside agencies made possible the fair presentation of statistical data. Special appreciation is expressed to Julian & Grube, for assistance in planning, designing, and compiling this financial report. Finally, sincere appreciation is extended to the Board of Education for its interest in and support of this project.

Respectfully submitted,



Dr. Michael P. Hanlon, Jr., Superintendent



Deb Armbruster, Treasurer/CFO

CHARDON LOCAL SCHOOL DISTRICT

BOARD OF EDUCATION

Mr. Keith Brewster	President
Dr. Guy Wilson	Vice-President
Mrs. Karen Blankenship	Member
Mr. Todd Albright	Member
Mr. CJ Paterniti	Member

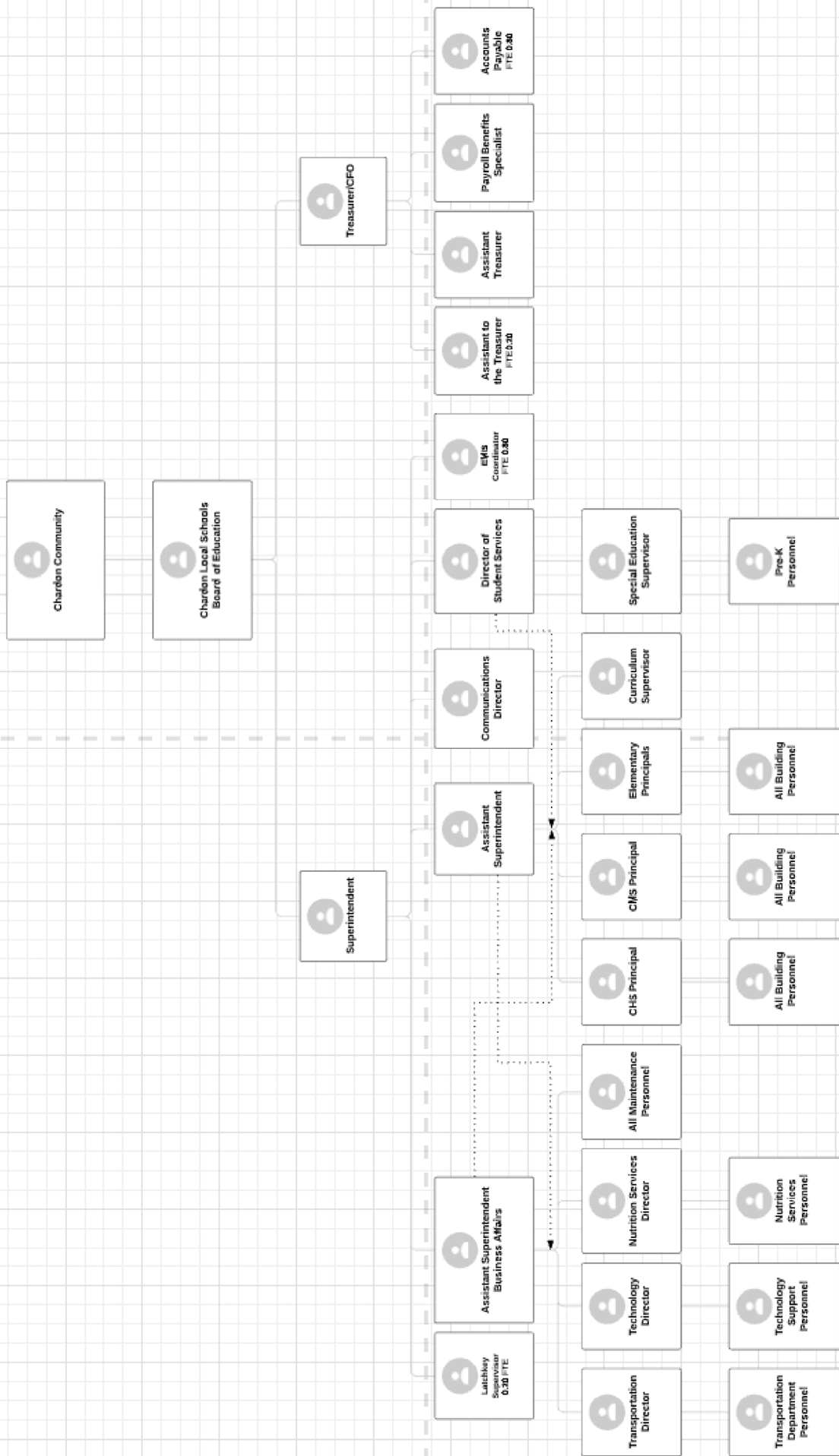
TREASURER

Mrs. Deb Armbruster

ADMINISTRATION

Dr. Michael Hanlon	Superintendent
Dr. Edward Klein	Assistant Superintendent Curriculum & Instruction
Mr. Steven Kofol	Assistant Superintendent Business Affairs
Mr. Douglas Murray	High School Principal
Mr. Adam Tomco	Middle School Principal
Ms. Rhonda Garrett	Elementary School Principal
Mr. Mathew Prezioso	Elementary School Principal
Ms. Linda Elegante	Director of Student Services
Ms. Josephine Culliton	Director of Nutrition Services
Mr. William Nells	Director of Technology
Ms. Andrea Ryan	Coordinator of Early Childhood Program
Mr. Amanda Bondi	Special Education Supervisor
Mr. Josh Nau	Business Affairs Supervisor
Ms. Jennifer Mismas	Assistant Treasurer

Chardon Local School District Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Chardon Local School District
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Chardon Local School District
Geauga County
428 North Street
Chardon, OH 44024

To the Members of the Board of Education:

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Chardon Local School District, Geauga County, Ohio, (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 Chardon Local School District as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedules of Net Pension and Postemployment Benefit Liabilities and Pension and Postemployment Benefit Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2023, on our consideration of the 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 solely 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 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 District's internal control over financial reporting and compliance.



Zupka & Associates
Certified Public Accountants

December 22, 2023

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**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

The discussion and analysis of the Chardon Local School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements, and financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2023 are as follows:

- During fiscal year 2023, net position of the District increased \$3,121,071 or 26.58% from 2022's net position.
- General revenues accounted for \$37,748,421 in revenue or 86.39% of total revenues. Program specific revenues in the form of charges for services and sales, operating and capital grants and contributions accounted for \$5,946,322 or 13.61% of total revenues of \$43,694,743.
- The District had \$40,573,672 in expenses related to governmental activities; only \$5,946,322 of these expenses was offset by program specific charges for services, operating and capital grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$37,748,421 were adequate to provide for these programs.
- The District's major governmental fund is the general fund. The general fund had \$38,011,442 in revenues and other financing sources and \$38,150,589 in expenditures and other financing uses. During fiscal year 2023, the general fund's fund balance decreased \$139,147 from a balance of \$29,235,508 to \$29,096,361.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an 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 District, presenting both an aggregate view of the 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 District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund is by far the most significant fund, and the only governmental fund reported as a major fund.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current fund's revenues and expenses regardless of when cash is received or paid.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

These two statements report the District's net position and changes in that position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the 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 District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net position and statement of activities, the governmental activities include the District's programs and services, including instruction, support services, extracurricular activities, and operation of non-instructional services.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental fund is the general fund.

Governmental Funds

Most of the 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 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.

Proprietary Funds

The District maintains only one type of proprietary fund. The internal service fund is an accounting device used to accumulate and allocate costs internally among the District's various functions. The District has internal service funds that account for a self-insurance program, which provides health and dental benefits to employees, and a Chromebook insurance program.

Reporting the District's Fiduciary Responsibilities

The District acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in custodial funds. The District's fiduciary activities are reported in a separate statement of changes in fiduciary net position. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations. During fiscal year 2023, the District's fiduciary activities reported no activity.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

Required supplementary information present information on the District's net pension liability and net OPEB liability/asset.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position at June 30, 2023 and June 30, 2022.

Net Position

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Current and other assets	\$ 63,508,965	\$ 66,163,599
Net OPEB asset	3,112,831	2,696,321
Capital assets, net	13,308,444	9,510,729
Total assets	<u>79,930,240</u>	<u>78,370,649</u>
<u>Deferred outflows</u>		
Pension	8,589,909	8,549,368
OPEB	932,485	1,029,661
Total deferred outflows	<u>9,522,394</u>	<u>9,579,029</u>
<u>Liabilities</u>		
Current liabilities	4,275,090	4,949,819
Long-term liabilities		
Due within one year	793,787	582,002
Due in more than one year		
Net pension liability	34,298,790	21,321,897
Net OPEB liability	2,003,832	2,630,102
Other amounts	4,412,924	4,632,212
Total liabilities	<u>45,784,423</u>	<u>34,116,032</u>
<u>Deferred inflows</u>		
Property taxes	19,641,254	20,152,690
Pension	4,235,742	17,157,415
OPEB	4,927,482	4,780,879
Total deferred inflows	<u>28,804,478</u>	<u>42,090,984</u>
<u>Net position</u>		
Net investment in capital assets	10,229,503	5,527,717
Restricted	3,774,302	5,695,838
Unrestricted (deficit)	859,928	519,107
Total net position (deficit)	<u>\$ 14,863,733</u>	<u>\$ 11,742,662</u>

The net pension liability is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the 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 and the net OPEB asset.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

GASB 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/asset to equal the 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 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 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/asset, respectively, not accounted for as deferred inflows/outflows.

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2023, the District's assets plus deferred outflows exceeded liabilities plus deferred inflows of resources by \$14,863,733.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

At year-end, capital assets represented 16.65% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, and intangible right to use assets. The net investment in capital assets at June 30, 2023, was \$10,229,503. These capital assets are used to provide services to the students and are not available for future spending. Although the 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. The District’s capital assets increased due to increased ongoing construction projects.

Current assets decreased due to a decrease in equity in pooled cash and cash equivalents due to current year operations.

For more information on the District’s deferred outflows related to pension and OPEB, see Note 12 and 13, respectively.

Total assets include a net OPEB asset reported by STRS. See Note 13 for more detail.

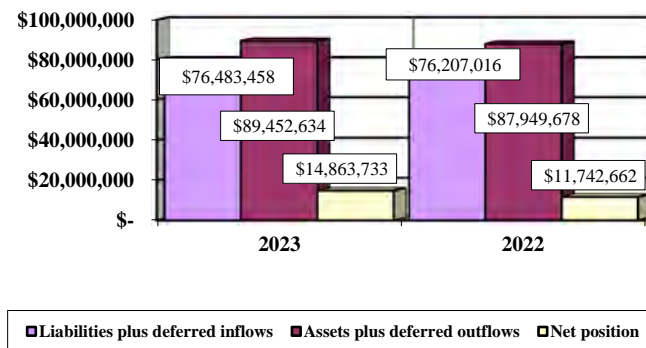
Long-term liabilities include amounts for the net pension liability and the net OPEB liability. These liabilities are outside of the control of the District. The District contributes its statutorily required contributions to the pension systems; however, it’s the pension systems that collect, hold and distribute pensions and OPEB to District employees, not the District. The net pension liability increased \$12,976,893 or 60.86% and deferred inflows of resources related to pension decreased \$12,921,673 or 75.31%. These changes were the result of changes at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS). Primarily, net investment income on investments at both pension systems were negative for the fiscal year 2022 measurement date that are used for the fiscal year 2023 reporting. This caused a large decrease in their respective fiduciary net positions which was a drastic change from the previous fiscal year’s large positive investment returns.

For more information on the District’s deferred inflows and inflows related to pension and OPEB, see Note 12 and 13, respectively.

A portion of the District’s net position, \$3,774,302, represents resources that are subject to external restriction on how they may be used. The balance of unrestricted net position is \$859,928.

The graphs below show the assets plus deferred outflows, liabilities plus deferred inflows and net position of the governmental activities at June 30, 2023 and June 30, 2022.

Governmental – Net Position



**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

The table below shows the changes in net position for 2023 and 2022.

Change in Net Position

	Governmental Activities	
	2023	2022
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 2,175,808	\$ 1,695,665
Operating grants and contributions	3,026,737	4,920,007
Capital grants and contributions	743,777	1,431,873
General revenues:		
Property taxes	28,177,162	29,783,647
Payments in lieu of taxes	432,707	280
Grants and entitlements	7,757,465	7,814,866
Investment earnings	1,293,804	72,677
Other	87,283	88,785
Total revenues	43,694,743	45,807,800
<u>Expenses</u>		
Instruction:		
Regular	16,109,428	12,583,506
Special	5,250,940	4,821,605
Vocational	234,071	124,325
Other	892,266	610,130
Support services:		
Pupil	2,769,627	2,375,356
Instructional staff	1,049,094	867,187
Board of education	53,102	55,286
Administration	3,051,967	2,528,158
Fiscal	1,198,289	1,035,574
Business	527,879	359,431
Operations and maintenance	3,166,947	2,785,789
Pupil transportation	3,275,623	2,997,758
Central	335,867	189,607
Operation of non-instructional services:		
Operation of non-instructional services	354,856	451,843
Food service	1,129,519	1,042,245
Extracurricular activities	1,120,419	1,001,146
Interest and fiscal charges	53,778	58,507
Total expenses	40,573,672	33,887,453
Changes in net position	3,121,071	11,920,347
Net position (deficit) at beginning of year	11,742,662	(177,685)
Net position at end of year	\$ 14,863,733	\$ 11,742,662

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

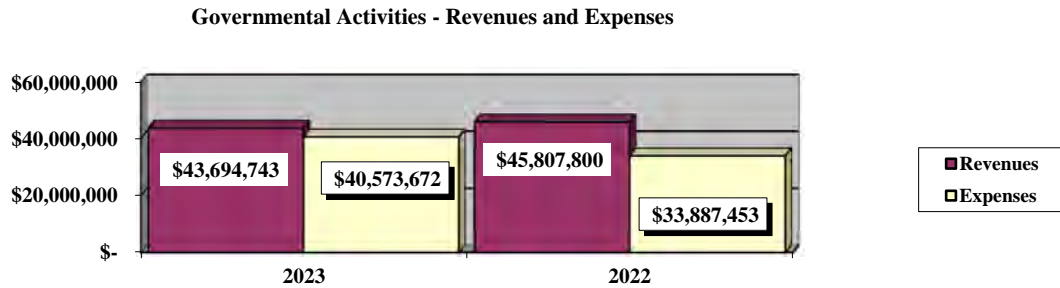
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Governmental Activities

For fiscal year 2023, the net position of the District's governmental activities increased \$3,121,071 from 2022's net position. Total governmental expenses of \$40,573,672 were partially offset by program revenues of \$5,946,322 and general revenues of \$37,748,421 were adequate to cover the remaining expense. Program revenues supported 14.66% of the total governmental expenses.

Overall, expenses of the governmental activities increased \$6,686,219 or 19.73%. This increase is primarily the result of an increase in pension expense. Pension expense increase approximately \$6,137,008. This increase was the result of an increase in expenses incurred at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS) due to a decrease in net investment income on investments compared to previous years.

The graph below presents the School District's governmental activities revenue and expenses for fiscal years 2023 and 2022.



**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2023 and 2022. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. As stated above, fluctuations in the pension expense reported under GASB 68 makes it difficult to compare financial information between years.

Governmental Activities

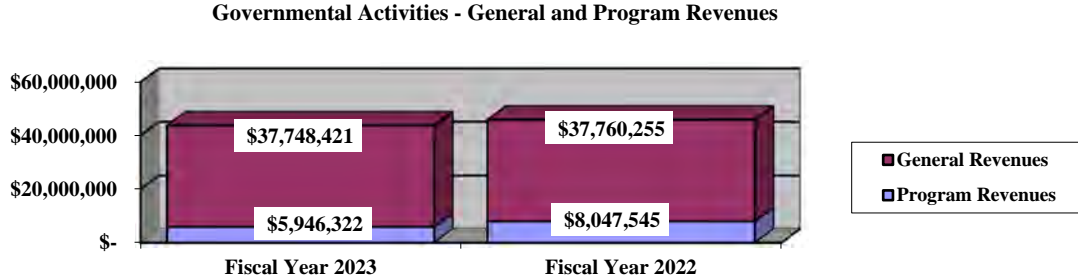
	Total Cost of Services <u>2023</u>	Net Cost of Services <u>2023</u>	Total Cost of Services <u>2022</u>	Net Cost of Services <u>2022</u>
Program expenses:				
Instruction:				
Regular	\$ 16,109,428	\$ 15,141,125	\$ 12,583,506	\$ 11,536,436
Special	5,250,940	4,051,888	4,821,605	3,459,357
Vocational	234,071	231,668	124,325	121,249
Other	892,266	765,002	610,130	462,908
Support services:				
Pupil	2,769,627	2,389,877	2,375,356	2,006,989
Instructional staff	1,049,094	920,654	867,187	525,950
Board of education	53,102	53,102	55,286	55,286
Administration	3,051,967	2,931,064	2,528,158	2,409,216
Fiscal	1,198,289	1,198,289	1,035,574	1,035,574
Business	527,879	324,379	359,431	(982,513)
Operations and maintenance	3,166,947	3,054,879	2,785,789	2,733,000
Pupil transportation	3,275,623	2,704,015	2,997,758	2,797,144
Central	335,867	332,049	189,607	188,916
Operation of non-instructional services:				
Operation of non-instructional services	354,856	(1,677)	451,843	57,122
Food service operations	1,129,519	(147,262)	1,042,245	(846,886)
Extracurricular activities	1,120,419	624,520	1,001,146	221,653
Interest and fiscal charges	<u>53,778</u>	<u>53,778</u>	<u>58,507</u>	<u>58,507</u>
Total expenses	<u>\$ 40,573,672</u>	<u>\$ 34,627,350</u>	<u>\$ 33,887,453</u>	<u>\$ 25,839,908</u>

The dependence upon tax revenues during fiscal year 2023 for governmental activities is apparent, as 89.78% of 2023 instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 85.34%. The District's taxpayers and unrestricted grants and entitlements from the State of Ohio, are the primary support for District's students.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

The graph below presents the District's governmental activities revenue for fiscal years 2023 and 2022.



The District's Funds

Governmental Funds

The District's governmental funds reported a combined fund balance of \$32,781,288, which is less than last year's fund balance of \$34,190,855.

The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2023 and 2022.

	Fund Balance <u>June 30, 2023</u>	Fund Balance <u>June 30, 2022</u>	<u>Change</u>
General	\$ 29,096,361	\$ 29,235,508	\$ (139,147)
Other governmental	3,684,927	4,955,347	(1,270,420)
Total	<u>\$ 32,781,288</u>	<u>\$ 34,190,855</u>	<u>\$ (1,409,567)</u>

General Fund

The District's general fund balance decreased \$139,147. The table that follows assists in illustrating the revenues of the general fund.

	2023 <u>Amount</u>	2022 <u>Amount</u>	Increase <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues				
Property taxes	\$ 26,954,755	\$ 28,304,204	\$ (1,349,449)	(4.77) %
Payment in lieu of taxes	432,427	-	432,427	100.00 %
Intergovernmental	8,309,111	8,412,143	(103,032)	(1.22) %
Investment earnings	1,293,804	72,677	1,221,127	1,680.21 %
Tuition and fees	669,583	658,140	11,443	1.74 %
Other revenues	307,587	261,660	45,927	17.55 %
Total	<u>\$ 37,967,267</u>	<u>\$ 37,708,824</u>	<u>\$ 258,443</u>	0.69 %

In total, revenues were \$37,967,267 and increased \$258,443 or 0.69% from the prior year. Property taxes revenue can fluctuate based on the taxes available for advance from the County and amounts collected. The amounts of taxes collected and available as advance to the general fund were \$7,461,639 and \$6,521,174 at June 30, 2023, and 2022, respectively. These amounts are reported as tax revenue by the District. Investment earnings increased due to increased interest rates on the District's investments. Payments in lieu of taxes increased due to the District receiving TIF money. All other revenues remained comparable to the prior year or changed by an insignificant amount.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>2023</u> <u>Amount</u>	<u>2022</u> <u>Amount</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>				
Instruction	\$ 21,380,446	\$ 19,256,892	\$ 2,123,554	11.03 %
Support services	16,048,794	12,711,391	3,337,403	26.26 %
Operation of non-instructional services	81,766	71,501	10,265	14.36 %
Extracurricular activities	109,597	103,485	6,112	5.91 %
Facilities acquisition and construction	44,175	-	44,175	100.00 %
Debt service	10,812	-	10,812	100.00 %
Total	<u>\$ 37,675,590</u>	<u>\$ 32,143,269</u>	<u>\$ 5,532,321</u>	17.21 %

In total, expenditures were \$37,675,590 in the general fund and increased \$5,532,321 or 17.21%. Instruction expenditures increased due to an increase in regular instructional services due to normal salary and benefit increases. Support services increased due to an increase in operation and maintenance support services due to increased repairs. All other expenditures remained comparable to the prior year or changed an insignificant amount.

General Fund Budgeting Highlights

The 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.

For the general fund, the original and final budgeted revenue and other financing sources were \$36,965,214 and \$36,408,063, respectively. Actual revenue and other financing sources were \$38,185,779, which was a \$1,777,716 increase from final budgeted amounts due to actual investments earnings being greater than budgeted amounts.

The original budgeted expenditures and other financing uses were \$37,716,716. Final budgeted expenditures and other financing uses were \$39,660,875, which was a \$1,944,159 increase due to changes in the operations and maintenance budget. Total actual expenditures and other financing uses on the budget basis (cash outlays plus encumbrances) were \$39,460,010. This amount was \$200,865 less than the final budgeted amount (appropriations plus prior year encumbrances).

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2023, the District had \$13,308,444 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, and intangible right to use assets. The following table shows fiscal year 2023 compared to 2022 balances:

Capital Assets at June 30 (Net of Depreciation)

	Governmental Activities	
	2023	2022
Land	\$ 1,694,528	\$ 45,853
Land improvements	1,873,259	1,727,954
Buildings and improvements	7,288,707	1,287,072
Furniture and equipment	734,673	431,763
Vehicles	1,664,822	1,529,187
Intangible right to use	52,455	-
Construction in progress	-	4,488,900
Total	\$ 13,308,444	\$ 9,510,729

Overall capital assets, net of accumulated depreciation/amortization, increased \$3,797,715 from fiscal year 2022 to fiscal year 2023. Capital outlays of \$4,691,257 exceeded depreciation/amortization expense of \$837,794 and disposals, net of depreciation/amortization of \$55,748 during the year. See Note 8 to the basic financial statements for more detail on the District's capital assets.

Debt Administration

At June 30, 2023, the District has \$3,078,941 in long-term debt outstanding. Of this total, \$370,600 is due within one year and \$2,708,341 is due in greater than one year. The following table summarizes outstanding long-term debt:

Outstanding Debt, at Year End

	Governmental Activities 2023	Governmental Activities 2022
	2023	2022
Tax anticipation notes	\$ 3,045,000	\$ 3,400,000
Financed purchase note payable	-	164,858
SBITA payable	33,941	-
Total	\$ 3,078,941	\$ 3,564,858

See Note 9 to the basic financial statements for more detail on the District's long-term obligations.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Current Financial Related Activities

The Chardon Local School District (the "District") is located in Geauga County. The District includes the City of Chardon, the Village of Aquilla and the Townships of Munson, Hambden, Chardon and part of Claridon. The District serves an area of approximately 88 square miles. It is staffed by 151 classified employees, 192 certified teaching personnel, and 18 administrative employees who provide services to 2,540 students and other community members. The District currently operates 5 instructional buildings, one bus garage, and one administrative facility.

The Board of Education and administration closely monitors revenues and expenditures so as to remain financially sound. The District is in a solid financial position stemming from the results of grade-level reconfiguration in 2019 and the passing of an operating levy in 2018. Property tax revenue comprise 74.68% of the annual total revenue while the State currently provides 14.8% in revenue.

The District's management will continue to carefully and prudently plan to provide effective and efficient programs and services to meet the needs of our students while taking advantage of all available resources. Other revenue is recorded at 10.5% for FY 2023. This is an increase over FY 2022 due to increased interest on investments. Chardon Local Schools continues to seek new revenue by investigating each and every revenue opportunity and grant for the qualifications to the specifications listed within each grant option.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional information, contact Deb Armbruster, Treasurer/CFO at Chardon Local School District, 428 North Street, Chardon, Ohio 44024 or e-mail at deb.armbruster@chardonschools.org.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	\$ 31,161,906
Receivables:	
Property taxes	31,849,197
Accounts	165,061
Intergovernmental	290,124
Prepayments	42,677
Net OPEB asset (Note 13)	3,112,831
Capital assets:	
Nondepreciable capital assets	1,694,528
Depreciable capital assets, net	11,613,916
Capital assets, net	13,308,444
Total assets	79,930,240
Deferred outflows of resources:	
Pension (Note 12)	8,589,909
OPEB (Note 13)	932,485
Total deferred outflows of resources	9,522,394
Liabilities:	
Accounts payable	494,636
Accrued wages and benefits payable	2,386,462
Intergovernmental payable	107,907
Pension and postemployment benefits payable	600,581
Accrued interest payable	4,704
Claims payable	680,800
Long-term liabilities:	
Due within one year	793,787
Due in more than one year:	
Net pension liability (Note 12)	34,298,790
Net OPEB liability (Note 13)	2,003,832
Other amounts due in more than one year	4,412,924
Total liabilities	45,784,423
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	19,641,254
Pension (Note 12)	4,235,742
OPEB (Note 13)	4,927,482
Total deferred inflows of resources	28,804,478
Net position:	
Net investment in capital assets	10,229,503
Restricted for:	
Capital projects	1,659,475
Debt service	18,654
State funded programs	200,275
Federally funded programs	372,676
Food service operations	1,021,846
Student activities	266,494
Other purposes	234,882
Unrestricted	859,928
Total net position	\$ 14,863,733

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

			Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities
Governmental activities:						
Instruction:						
Regular	\$ 16,109,428	\$ 611,573	\$ 68,036	\$ 288,694		\$ (15,141,125)
Special	5,250,940	98,302	1,100,750	-		(4,051,888)
Vocational	234,071	-	2,403	-		(231,668)
Other	892,266	-	127,264	-		(765,002)
Support services:						
Pupil	2,769,627	52,567	327,183	-		(2,389,877)
Instructional staff	1,049,094	12,441	108,062	7,937		(920,654)
Board of education	53,102	-	-	-		(53,102)
Administration	3,051,967	5,187	115,716	-		(2,931,064)
Fiscal	1,198,289	-	-	-		(1,198,289)
Business	527,879	-	-	203,500		(324,379)
Operations and maintenance	3,166,947	34,656	77,412	-		(3,054,879)
Pupil transportation	3,275,623	-	382,421	189,187		(2,704,015)
Central	335,867	3,128	690	-		(332,049)
Operation of non-instructional services:						
Food service operations	1,129,519	803,593	473,188	-		147,262
Other non-instructional services	354,856	134,019	201,590	20,924		1,677
Extracurricular activities	1,120,419	420,342	42,022	33,535		(624,520)
Interest and fiscal charges	53,778	-	-	-		(53,778)
Totals	\$ 40,573,672	\$ 2,175,808	\$ 3,026,737	\$ 743,777		(34,627,350)
General revenues:						
Property taxes levied for:						
						27,000,946
						420,000
						756,216
						432,707
						7,757,465
						1,293,804
						87,283
						37,748,421
						3,121,071
						11,742,662
						\$ 14,863,733

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 24,607,483	\$ 4,177,231	\$ 28,784,714
Receivables:			
Property taxes	30,543,502	1,305,695	31,849,197
Accounts	153,549	7,805	161,354
Interfund loans	614,489	-	614,489
Intergovernmental	91,231	198,893	290,124
Prepayments	41,328	1,349	42,677
Total assets	<u>\$ 56,051,582</u>	<u>\$ 5,690,973</u>	<u>\$ 61,742,555</u>
Liabilities:			
Accounts payable	\$ 368,603	\$ 124,667	\$ 493,270
Accrued wages and benefits payable	2,249,893	136,569	2,386,462
Compensated absences payable	354,868	-	354,868
Intergovernmental payable	106,688	1,219	107,907
Pension and postemployment benefits payable	570,869	29,712	600,581
Interfund loans payable	-	614,489	614,489
Total liabilities	<u>3,650,921</u>	<u>906,656</u>	<u>4,557,577</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	18,766,424	874,830	19,641,254
Delinquent property tax revenue not available	4,315,439	116,666	4,432,105
Intergovernmental revenue not available	91,231	107,894	199,125
Miscellaneous revenue not available	131,206	-	131,206
Total deferred inflows of resources	<u>23,304,300</u>	<u>1,099,390</u>	<u>24,403,690</u>
Fund balances:			
Nonspendable:			
Prepays	41,328	1,349	42,677
Unclaimed funds	11,035	-	11,035
Restricted:			
Debt service	-	22,841	22,841
Capital improvements	-	1,542,809	1,542,809
Food service operations	-	1,051,700	1,051,700
Non-public schools	-	1,163	1,163
State funded programs	-	199,105	199,105
Federally funded programs	-	372,675	372,675
Extracurricular	-	297,828	297,828
Other purposes	-	223,847	223,847
Committed:			
Latchkey programs	-	79,921	79,921
Underground storage tanks	11,000	-	11,000
Assigned:			
Student instruction	210,960	-	210,960
Student and staff support	215,611	-	215,611
Other purposes	145,607	-	145,607
Unassigned (deficit)	<u>28,460,820</u>	<u>(108,311)</u>	<u>28,352,509</u>
Total fund balances	<u>29,096,361</u>	<u>3,684,927</u>	<u>32,781,288</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 56,051,582</u>	<u>\$ 5,690,973</u>	<u>\$ 61,742,555</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2023

Total governmental fund balances		\$ 32,781,288
<i>Amounts reported for governmental activities on 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.		13,308,444
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable revenue in the funds.		
Delinquent property taxes receivable	\$ 4,432,105	
Unavailable revenue	131,206	
Intergovernmental receivable	199,125	
Total		4,762,436
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.		1,698,733
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(4,704)
The net pension liability and OPEB asset/liability are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows - pension	8,589,909	
Deferred inflows - pension	(4,235,742)	
Net pension liability	(34,298,790)	
Deferred outflows - OPEB	932,485	
Deferred inflows - OPEB	(4,927,482)	
Net OPEB asset	3,112,831	
Net OPEB liability	(2,003,832)	
Total		(32,830,621)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(1,772,902)	
SBITA payable	(33,941)	
Tax anticipation notes	(3,045,000)	
Total		(4,851,843)
Net position of governmental activities		\$ 14,863,733

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Property taxes	\$ 26,954,755	\$ 1,176,557	\$ 28,131,312
Intergovernmental	8,309,111	2,994,322	11,303,433
Investment earnings	1,293,804	55,663	1,349,467
Tuition and fees	669,583	133,698	803,281
Extracurricular	130,767	420,342	551,109
Rental income	34,608	-	34,608
Charges for services	-	803,914	803,914
Contributions and donations	46,186	139,088	185,274
Payment in lieu of taxes	432,427	280	432,707
Miscellaneous	96,026	35,836	131,862
Total revenues	<u>37,967,267</u>	<u>5,759,700</u>	<u>43,726,967</u>
Expenditures:			
Current:			
Instruction:			
Regular	15,771,136	278,983	16,050,119
Special	4,662,769	686,048	5,348,817
Vocational	233,275	-	233,275
Other	713,266	173,864	887,130
Support services:			
Pupil	2,531,657	271,790	2,803,447
Instructional staff	907,508	133,682	1,041,190
Board of education	53,477	-	53,477
Administration	2,972,467	124,756	3,097,223
Fiscal	1,153,649	19,017	1,172,666
Business	491,427	147,864	639,291
Operations and maintenance	4,679,653	2,147,624	6,827,277
Pupil transportation	2,979,583	541,374	3,520,957
Central	279,373	58,558	337,931
Operation of non-instructional services:			
Food service operations	-	1,201,604	1,201,604
Other non-instructional services	81,766	278,632	360,398
Extracurricular activities	109,597	893,704	1,003,301
Facilities acquisition and constructor	44,175	10,674	54,849
Debt service:			
Principal retirement	10,234	519,858	530,092
Interest and fiscal charges	578	53,171	53,749
Total expenditures	<u>37,675,590</u>	<u>7,541,203</u>	<u>45,216,793</u>
Excess of revenues over (under) expenditures	<u>291,677</u>	<u>(1,781,503)</u>	<u>(1,489,826)</u>
Other financing sources (uses):			
Sale of assets	-	36,084	36,084
Transfers in	-	474,999	474,999
Transfers (out)	(474,999)	-	(474,999)
SBITA transaction	44,175	-	44,175
Total other financing sources (uses)	<u>(430,824)</u>	<u>511,083</u>	<u>80,259</u>
Net change in fund balances	(139,147)	(1,270,420)	(1,409,567)
Fund balances at beginning of year	<u>29,235,508</u>	<u>4,955,347</u>	<u>34,190,855</u>
Fund balances at end of year	<u>\$ 29,096,361</u>	<u>\$ 3,684,927</u>	<u>\$ 32,781,288</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA 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, 2023

Net change in fund balances - total governmental funds	\$	(1,409,567)
<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/amortization expense.		
Capital asset additions	\$ 4,691,257	
Current year depreciation/amortization	<u>(837,794)</u>	
Total		3,853,463
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(55,748)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	45,850	
Classroom materials and fees	(25,847)	
Intergovernmental	<u>(54,082)</u>	
Total		(34,079)
Repayment of note, SBITA, and financed purchase principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		530,092
Issuance of SBITA payables are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position.		
		(44,175)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
(Increase) in accrued interest payable		(29)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	3,256,236	
OPEB	<u>107,584</u>	
Total		3,363,820
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	(3,270,915)	
OPEB	<u>691,417</u>	
Total		(2,579,498)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		(125,485)
An internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		<u>(377,723)</u>
Change in net position of governmental activities	\$	<u>3,121,071</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 27,350,623	\$ 25,696,478	\$ 26,014,290	\$ 317,812
Intergovernmental	8,040,649	8,424,766	8,292,779	(131,987)
Investment earnings	50,000	80,000	1,293,804	1,213,804
Tuition and fees	375,751	315,751	577,832	262,081
Rental income	10,000	10,000	24,650	14,650
Contributions and donations	-	-	15,000	15,000
Payment in lieu of taxes	-	432,427	432,427	-
Miscellaneous	20,000	20,000	62,620	42,620
Total revenues	<u>35,847,023</u>	<u>34,979,422</u>	<u>36,713,402</u>	<u>1,733,980</u>
Expenditures:				
Current:				
Instruction:				
Regular	15,422,144	15,908,135	15,905,365	2,770
Special	4,984,271	4,735,895	4,725,858	10,037
Vocational	137,817	226,150	224,896	1,254
Other	398,722	718,716	715,283	3,433
Support services:				
Pupil	2,374,718	2,507,451	2,490,323	17,128
Instructional staff	888,770	915,370	904,318	11,052
Board of education	83,643	55,322	54,747	575
Administration	3,014,925	2,899,809	2,882,480	17,329
Fiscal	1,511,581	1,289,722	1,182,209	107,513
Business	545,109	488,037	485,239	2,798
Operations and maintenance	2,845,664	4,528,302	4,515,601	12,701
Pupil transportation	3,287,743	2,957,445	2,947,256	10,189
Central	283,017	286,520	284,754	1,766
Operation of non-instructional services:				
Other non-instructional services	76,018	77,508	76,539	969
Extracurricular activities	89,884	112,160	110,809	1,351
Total expenditures	<u>35,944,026</u>	<u>37,706,542</u>	<u>37,505,677</u>	<u>200,865</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(97,003)</u>	<u>(2,727,120)</u>	<u>(792,275)</u>	<u>1,934,845</u>
Other financing sources (uses):				
Refund of prior year's expenditures	-	-	42,815	42,815
Transfers in	643,191	643,191	643,696	505
Transfers (out)	(1,297,690)	(1,339,844)	(1,339,844)	-
Advances in	475,000	785,450	785,450	-
Advances (out)	(475,000)	(614,489)	(614,489)	-
Sale of capital assets	-	-	416	416
Total other financing sources (uses)	<u>(654,499)</u>	<u>(525,692)</u>	<u>(481,956)</u>	<u>43,736</u>
Net change in fund balance	(751,502)	(3,252,812)	(1,274,231)	1,978,581
Fund balance at beginning of year	24,348,420	24,348,420	24,348,420	-
Prior year encumbrances appropriated	367,028	367,028	367,028	-
Fund balance at end of year	<u>\$ 23,963,946</u>	<u>\$ 21,462,636</u>	<u>\$ 23,441,217</u>	<u>\$ 1,978,581</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2023

	<u>Governmental Activities - Internal Service Fund</u>
Assets:	
Current assets:	
Equity in pooled cash and cash equivalents	\$ 2,377,192
Receivables:	
Accounts	<u>3,707</u>
Total assets	<u>2,380,899</u>
 Liabilities:	
Current liabilities:	
Accounts payable	1,366
Claims payable	<u>680,800</u>
Total liabilities	<u>682,166</u>
 Net position:	
Unrestricted	<u><u>\$ 1,698,733</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Governmental Activities - Internal Service Fund
Operating revenues:	
Charges for services	\$ 6,016,228
Operating expenses:	
Purchased services	871,345
Materials and supplies	2,917
Claims	5,519,689
Total operating expenses	6,393,951
Operating (loss) / change in net position	(377,723)
Net position at beginning of year	2,076,456
Net position at end of year	\$ 1,698,733

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Governmental Activities - Internal Service Fund
Cash flows from operating activities:	
Cash received from sales/charges for services	\$ 6,012,556
Cash payments for purchased services	(877,312)
Cash payments for materials and supplies	(2,917)
Cash payments for claims	<u>(5,562,489)</u>
Net cash (used in) operating activities	<u>(430,162)</u>
Net decrease in cash and cash cash equivalents	(430,162)
Cash and cash equivalents at beginning of year	<u>2,807,354</u>
Cash and cash equivalents at end of year	<u><u>\$ 2,377,192</u></u>
Reconciliation of operating (loss) to net cash (used in) operating activities:	
Operating (loss)	\$ (377,723)
Changes in assets and liabilities:	
(Increase) in accounts receivable	(3,672)
(Decrease) in accounts payable	(5,967)
(Decrease) in claims payable	<u>(42,800)</u>
Net cash (used in) operating activities	<u><u>\$ (430,162)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 - DESCRIPTION OF THE DISTRICT

Chardon Local School District (the "District") was organized in 1957 under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The District operates under a locally elected Board form of government consisting of five members elected at-large for staggered four year terms. The District provides educational services as authorized by State statute and federal guidelines.

The Chardon Local School District (the "District") is located in Geauga County. The District includes the City of Chardon, the Village of Aquilla and the Townships of Munson, Hambden, Chardon and part of Claridon. The District serves an area of approximately 88 square miles. It is staffed by 151 classified employees, 192 certified teaching personnel, and 18 administrative employees who provide services to 2,540 students and other community members. The District currently operates 5 instructional buildings, one bus garage, and one administrative facility.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's significant accounting policies are described below.

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34". The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The following organizations are described due to their relationship to the District:

JOINTLY GOVERNED ORGANIZATIONS

Lake Geauga Computer Association

The Lake Geauga Computer Association (the LGCA) is a jointly governed organization that was formed for the purpose of providing computer services for accounting, grading, scheduling, EMIS, and other applications to its eighteen member 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 Districts. The degree of control exercised by any participating District is limited to its representation on the Governing Board. LGCA's continued existence is not dependent on the District's continued participation. LGCA is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit or burden on the District. Financial information can be obtained from 8221 Auburn Road, Concord Twp., Ohio 44077.

Northeast Ohio Network for Educational Technology (NEOnet)

NEOnet was established as a jointly governed organization among sixteen school districts and the Summit County Educational Service Center that was formed July 1, 1995. NEOnet was formed for the purpose of applying modern technology (with the aid of computers and other electronic equipment) to improve administrative and instructional functions of member districts. NEOnet has since been restructured and organized as a council of governments (COG) under Ohio Revised Code 3301.075 and Chapter 167. The new COG is called the Metropolitan Regional Service Council. The Council serves several program functions for the nineteen school district members, such as NEOnet ITC functions and as a collaborative purchasing agent. The Council is self-supporting and conducts its fiscal services in house with a licensed treasurer.

The Council employs an Executive Director who works cooperatively with a seven-member Board of Directors consisting of four superintendents, the ESC superintendent, one member of the treasurers' committee and one member of the technology committee. The degree of control exercised by any participating school district is limited to its representation on the assembly, which elects the board of directors, who exercises total control over the operation of NEOnet including budgeting, appropriating, contracting and designating management. All revenues are generated from State funding and an annual fee per student to participating districts. The Metropolitan Regional Services Council and NEOnet are located at 700 Graham Rd., Cuyahoga Falls, Ohio 44221.

Auburn Career Center

The Auburn Career Center is a joint vocational District that is a jointly governed organization among eleven Districts. Each participating District appoints one member of the Auburn Career Center's Board of Education. The students of each participating District may attend classes. Each participant's control over the operation of the center is limited to its representation on the board. Continued existence of the Auburn Career Center is not dependent on the District's continued participation. In fiscal year 2022, the District paid nothing to the Career Center. Financial information can be obtained by writing the Auburn Career Center, 8140 Auburn Road, Painesville, Ohio 44077.

Ohio Schools' Council Association

The Ohio Schools' Council Association (Council) is a jointly governed organization among 241 Districts, educational service centers, joint vocational districts, and Developmental Disabilities boards in 33 Ohio counties. The jointly governed organization was formed to bring quality products and services at the lowest possible cost to the member Districts. The Council's Board consists of seven superintendents of the participating Districts whose terms rotate every year. The degree of control exercised by any District is limited to its representation on the Board. Financial information can be obtained by contacting William J. Zelei, the Executive Director of the Ohio Schools' Council at 6393 Oak Tree Blvd., Suite 377, Independence, Ohio 44131.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The District participates in the natural gas purchase program. This program allows the District to purchase natural gas at reduced rates. Compass Energy has been selected as the supplier and program manager. There are currently 161 program members in the program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning in September until the credits are exhausted and Districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

The Council partnered with the Ohio School Boards Association (OSBA), Ohio Association of School Business Officials (OASBO) and the Buckeye Association of School Administrators (BASA) to negotiate with First Energy Solutions for electric generation savings beginning June 1, 2011. The four education associations established the Power4Schools Program to endorse an electricity supplier, bringing savings on electricity and budget certainty to Ohio public schools. The program is for 8 ½ years. For the first three years (June 1, 2011 to May 31, 2014) the price for electric generation was \$0.0528 cents per kWh and the second three years (June 1, 2014 to May 31, 2017) the rate is \$0.0602 cents per kWh. In December 2021, the Council negotiated a new agreement to run from January 2022 through December 2023. These rates are for districts in First Energy territories (Ohio Edison, The Illuminating Company and Toledo Edison). Similar savings, depending on market conditions, will continue for the remaining 1 ½ years of the program.

INSURANCE PURCHASING POOL

Ohio School Plan

The Ohio School Plan (the "Plan") is a shared liability, property and fleet insurance risk pool which is governed by a Board of thirteen school superintendents, business managers and treasurers. Harcum-Schuett, the insurance agency, has one board seat. OSBA, BASA and OASBO executive directors serve as ex-officio members. 450 educational entities are served by the Plan. The Plan's board elects officers for one year terms to serve as the Board of Directors. The assembly exercises control over the operation of the plan. All Plan revenues are generated from charges for services. For more information, write to the Ohio School Plan, Hylant Administrative Services, LLC., 811 Madison Avenue, P.O. Box 2083, Toledo, Ohio 43603.

B. Fund Accounting

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

GOVERNMENTAL FUNDS

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

General fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Other governmental funds of the District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) financial resources that are restricted, committed, or assigned to expenditures for debt service, and (c) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

Proprietary Funds

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. The District has no enterprise funds. The following is a description of the District's internal service fund:

Internal Service Funds - Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the District on a cost reimbursement basis. The District's internal service funds are self-insurance funds; the Employee Benefits Self Insurance Fund and the Chromebook Insurance Fund.

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 custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. The District does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District's custodial fund accounts for monies collected on behalf of and disbursed to the Ohio High School Athletic Association. During fiscal year 2023, the District's fiduciary fund had no activity.

C. Basis of Presentation and Measurement Focus

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund operating activity is eliminated to avoid overstatement of revenues and expenses.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund 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 government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all nonmajor funds are aggregated into one column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current deferred outflows of resources, current liabilities and current 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.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenue of the District's internal service fund is charges for services. Operating expenses for internal service funds include claims and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

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 District, available means expected to be received within sixty days of fiscal year end.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donation. On an accrual basis, 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 District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the 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, and student fees.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 12 and 13 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

See Notes 12 and 13 for deferred inflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue.

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

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. Budgets

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Appropriations Resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than custodial funds, are legally required to be budgeted and appropriated. The legal level of budgetary control has been established by the Board of Education at the fund level for all budgeted funds. Any budgetary modifications are made by Board resolution.

Advances in and advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

Tax Budget:

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with the Geauga County Budget Commission for rate determination.

Estimated Resources:

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

Appropriations:

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is enacted by the Board of Education. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The District's legal level of budgetary control has been established at the fund level for all budgeted funds. The appropriation resolution, established at the legal level of control funds, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures may not exceed the appropriation totals at the legal level of control. Any revisions that alter the legal level of budgetary control must be approved by the Board of Education.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, all supplemental appropriations were legally enacted.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

Lapsing of Appropriations:

Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be re-appropriated. Cash disbursements plus encumbrances may not legally exceed budgeted appropriations at the legal level of control.

F. Cash and Investments

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

During fiscal year 2023, investments were limited to U.S. treasury bonds, U.S. government money market mutual fund, and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for investments in STAR Ohio, investments are reported at fair value, which is based on quoted market prices.

The 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 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 fiscal year 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours notice in advance of all deposits and withdrawals exceeding \$100 million is encouraged. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund or the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2023 amounted to \$1,293,804, which includes \$360,092 assigned from other District funds.

For presentation on the basic financial statements, investments purchased by the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments. An analysis of the District's investment account at fiscal year end is provided in Note 4.

G. Inventory

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

On the fund financial statements, reported inventory, except for food service inventory, is equally offset by nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory consists of expendable supplies held for consumption, donated food and purchased food. At June 30, 2023, the District had no inventory.

H. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

<u>Description</u>	Governmental Activities <u>Estimated Lives</u>
Land Improvements	5 - 30 Years
Buildings and Improvements	20 - 50 Years
Furniture and Equipment	5 - 20 Years
Vehicles	5 - 10 Years
SBITA assets	5 years

The District is reporting intangible right to use assets related to Subscription Based Information Technology Arrangements (SBITAs). The intangible assets are being amortized in a systematic and rational manner of the shorter of the subscription term or the useful life of the underlying asset.

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable/payable." These amounts are eliminated in the governmental activities column on the statement of net position.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

J. Compensated Absences

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees age 50 or greater with at least 10 years of service; or 20 years service at any age were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2023, and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

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

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements.

K. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and notes are recognized on the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

L. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

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

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 District Board of Education (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the 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 District for specific purposes but do not meet the criteria to be classified as restricted nor 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 District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes. When unassigned fund balance is a deficit in the general fund, assigned fund balance may not be presented in the general fund.

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 only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

M. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing (including contracts and retainage payable) 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 its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes represents local resources received that are restricted to support of school operations.

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

N. Estimates

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

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

O. Interfund Activity

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

P. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, net OPEB asset, deferred outflows of resources and deferred inflows of resources related pensions/OPEB, and pension/OPEB expense, 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.

Q. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepayments in both government-wide and fund financial statements. These items are reported in the financial statements using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

R. Fair Value Measurements

The 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.

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither one of these transactions occurred during fiscal year 2023.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2023, the District has implemented GASB Statement No. 91, "Conduit Debt Obligations", GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements", GASB Statement No. 96, "Subscription Based Information Technology Arrangements", certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, "Omnibus 2022".

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the District.

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the District.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. These changes were incorporated in the District’s fiscal year 2023 financial statements.

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on the financial statements of the District.

GASB Statement No. 99 to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the District.

B. Deficit Fund Balances

Fund balances at June 30, 2023 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Elementary and secondary school emergency relief	\$ 97,790
Title VI-B	9,553
Title II-A	726
Title IV-A	242

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the 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 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 the Board of Education has identified as not required for use within the current five-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 accounts, including passbook accounts.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or 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, and Government National Mortgage 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 fair 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, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

Protection of the 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.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the 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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Deposits with Financial Institutions

At June 30, 2023, the carrying amount of all District deposits was a deficit of \$578,055 due to timing of deposits and the bank balance of all District deposits was \$279,685. Of the bank balance, \$250,000 was covered by the FDIC, \$14,843 was covered by the Ohio Pooled Collateral System, and \$14,842 was exposed to custodial credit risk discussed below because those deposits were uninsured and uncollateralized.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) 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. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2023, the District's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

B. Investments

As of June 30, 2023, the District had the following investments and maturities:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>Investment Maturities</u>	
		<u>6 months or less</u>	
<i>Fair Value:</i>			
U.S. treasury bonds	\$ 10,356,009	\$	10,356,009
U.S. government money market mutual fund	939		939
<i>Amortized Cost:</i>			
STAR Ohio	21,383,013		21,383,013
Total	\$ 31,739,961	\$	31,739,961

The District's weighted average length to maturity for investments in is 0.09 years.

The District's investments in U.S Government money market mutual funds are valued using quoted market prices (Level 1 inputs). The District's investments in U.S. treasury bonds are valued using quoted market prices that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either direct or indirectly (Level 2 inputs).

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: The District's investments in U.S. Government money market mutual fund and STAR Ohio have been assigned an AAAM money market rating by Standard & Poor's. Ohio Law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District's investments in U.S. treasury bonds are rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The District has no investment policy dealing with credit risk.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk: The District's investment policy places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2023:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>% of Total</u>
<i>Fair Value:</i>		
U.S. treasury bonds	\$ 10,356,009	32.63
U.S. government money market mutual fund	939	-
<i>Amortized Cost:</i>		
STAR Ohio	<u>21,383,013</u>	<u>67.37</u>
Total	<u>\$ 31,739,961</u>	<u>100.00</u>

C. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported above on the statement of net position as of June 30, 2023:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ (578,055)
Investments	<u>31,739,961</u>
Total	<u>\$ 31,161,906</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	<u>\$ 31,161,906</u>

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund balances

Interfund balances at June 30, 2023 as reported on the fund statements consist of the following interfund loans receivable and payable:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	<u>\$ 614,489</u>

The primary purpose of the interfund balances is to cover negative cash balances in specific funds where revenues were not received by June 30. Interfund balances between governmental funds are eliminated on the government-wide financial statements.

B. Transfers

Interfund transfers for the fiscal year ended June 30, 2023, consisted of the following, as reported on the fund statements:

<u>Transfers from general fund to:</u>	<u>Amount</u>
Nonmajor governmental funds	<u>\$ 474,999</u>

Interfund transfers represent the use of unrestricted revenues collected in the general fund that are used to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers between governmental funds are eliminated for reporting on the statement of activities. All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the District fiscal year runs from July through June. First half tax collections are received by the 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 property and public utility property. Real property tax revenues received in calendar year 2023 represent the collection of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed values as of January 1, 2022, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised fair value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2023 represent the collection of calendar year 2022 taxes. Public utility real and personal property taxes received in calendar year 2023 became a lien on December 31, 2021, were levied after April 1, 2022, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Geauga County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2023, are available to finance fiscal year 2023 operations. The amount available as an advance at June 30, 2023 was \$7,461,639 in the general fund and \$314,199 in the permanent improvement fund. This amount is recorded as revenue. The amount available as an advance at June 30, 2022 was \$6,521,174 in the general fund and \$297,196 in the permanent improvement fund. This amount was recorded as revenue. 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.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 6 - PROPERTY TAXES - (Continued)

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2023 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.

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.

The assessed values upon which the fiscal year 2023 taxes were collected are:

	2022 Second Half Collections		2023 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 733,144,370	96.26	\$ 740,836,030	96.06
Public utility personal	<u>28,505,430</u>	<u>3.74</u>	<u>30,360,780</u>	<u>3.94</u>
Total	<u>\$ 761,649,800</u>	<u>100.00</u>	<u>\$ 771,196,810</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 80.68		\$ 80.68	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2023 consisted of taxes, accounts, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds.

A summary of the principal items of receivables reported on the statement of net position follows:

	<u>Governmental Activities</u>
Property taxes	\$ 31,849,197
Accounts	165,061
Intergovernmental	<u>290,124</u>
Total	<u>\$ 32,304,382</u>

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8 - CAPITAL ASSETS

Due to the implementation of GASB Statement No. 96 (see Note 3.A for detail), the District has reported capital assets for the right to use SBITA assets which are reflected in the schedule below. Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	Balance 06/30/22	Additions	Deductions	Balance 06/30/23
Governmental activities:				
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 45,853	\$ 1,648,675	\$ -	\$ 1,694,528
Construction in progress	4,488,900	1,522,900	(6,011,800)	-
Total capital assets, not being depreciated/amortized	4,534,753	3,171,575	(6,011,800)	1,694,528
<i>Capital assets, being depreciated/amortized:</i>				
Land improvements	4,606,310	339,642	-	4,945,952
Building and improvements	7,250,162	6,229,540	-	13,479,702
Furniture and equipment	1,912,938	421,443	-	2,334,381
Vehicles	4,034,033	473,618	(468,223)	4,039,428
Intangible right to use: SBITAs	-	67,239	-	67,239
Total capital assets, being depreciated/amortized	17,803,443	7,531,482	(468,223)	24,866,702
<i>Less: accumulated depreciation/amortization</i>				
Land improvements	(2,878,356)	(194,337)	-	(3,072,693)
Building and improvements	(5,963,090)	(227,905)	-	(6,190,995)
Furniture and equipment	(1,481,175)	(118,533)	-	(1,599,708)
Vehicles	(2,504,846)	(282,235)	412,475	(2,374,606)
Intangible right to use: SBITAs	-	(14,784)	-	(14,784)
Total accumulated depreciation/amortization	(12,827,467)	(837,794)	412,475	(13,252,786)
Governmental activities capital assets, net	\$ 9,510,729	\$ 9,865,263	\$ (6,067,548)	\$ 13,308,444

Depreciation/amortization expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 36,382
Special	5,824
<u>Support Services:</u>	
Pupil	3,402
Instructional staff	18,048
Administration	7,333
Fiscal	11,044
Operations and maintenance	324,213
Pupil transportation	259,156
<u>Operation of non-instructional services:</u>	
Food service operations	14,416
Other non-instructional services	1,613
Extracurricular activities	156,363
Total depreciation/amortization expense	\$ 837,794

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9 - LONG-TERM OBLIGATIONS

Due to the implementation of GASB Statement No. 96 (see Note 3.A for detail), the District has reported obligations for SBITA payable which are reflected in the schedule below. During fiscal year 2023, the following changes occurred in governmental and business-type activities long-term obligations.

	Balance 06/30/22	Additions	Deletions	Balance 06/30/23	Amount Due in One Year
Governmental Activities					
Series 2020, Tax Anticipation notes - direct borrowing	\$ 3,400,000	\$ -	\$ (355,000)	\$ 3,045,000	\$ 360,000
SBITA payables	-	44,175	(10,234)	33,941	10,600
Net Pension Liability	21,321,897	12,976,893	-	34,298,790	-
Net OPEB Liability	2,630,102	-	(626,270)	2,003,832	-
Compensated Absences	1,649,356	588,002	(109,588)	2,127,770	423,187
Financed purchase note payable	164,858	-	(164,858)	-	-
Total Governmental Long-Term Liabilities	<u>\$ 29,166,213</u>	<u>\$ 13,609,070</u>	<u>\$ (1,265,950)</u>	<u>\$ 41,509,333</u>	<u>\$ 793,787</u>

Series 2020 Tax anticipation notes

On December 15, 2020, the District issued \$3,750,000 in general obligation tax anticipation notes to provide for roof replacements for the District's buildings. The tax anticipation notes are capital related and long-term in nature and therefore are reported as a long-term obligation of the governmental activities. The notes bear an interest rate of 1.65% and mature on December 1, 2030. Interest payments are due June 1 and December 1 of each year. Principal and interest payments are paid from the bond retirement fund. As of June 30, 2023, the remaining balance of the Series 2020 Tax anticipation notes is \$3,045,000.

The tax anticipation note is considered a direct borrowing. Direct borrowings have terms negotiated directly between the District and the lender (Huntington Public Capital Corporation) and are not offered for public sale. The note is collateralized by future tax collections.

Principal and interest requirements to retire Series 2020 Tax anticipation notes outstanding at June 30, 2023, are as follows:

Fiscal Year Ending June 30	Tax anticipation notes		
	Principal	Interest	Total
2024	\$ 360,000	\$ 47,272	\$ 407,272
2025	365,000	41,291	406,291
2026	370,000	35,228	405,228
2027	375,000	29,082	404,082
2028	385,000	22,812	407,812
2029 - 2031	1,190,000	29,699	1,219,699
Total	<u>\$ 3,045,000</u>	<u>\$ 205,384</u>	<u>\$ 3,250,384</u>

Financed purchase note payable

During fiscal year 2021, the District entered into a financed purchase note payable for field turf for the stadium. The financed purchase matures on January 1, 2023 and carries a 0.00% interest rate. In fiscal year 2023, the financed purchase note payable was paid off.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

Net Pension Liability

The District's net pension liability is described in Note 12. The District pays obligations related to employee compensation from the fund benefitting from their service which, for the District, is primarily the general fund.

Net OPEB liability/asset

The District's net OPEB liability/asset is described in Note 13. The District pays obligations related to employee compensation from the fund benefitting from their service which, for the District, is primarily the general fund.

Compensated Absences

The liability for compensated absences will be paid from the fund from which the employee was paid. For the District, this is primarily the general fund and the food service fund (nonmajor enterprise fund).

SBITA Payable

The District has entered into agreements for the right to use subscription to software. Due to the implementation of GASB Statement No. 96, the District will report an intangible capital asset and corresponding liability for the future scheduled payments under the subscriptions. The subscription payments will be paid from the general fund.

The District has entered into an agreement for a subscription with the following terms:

<u>SBITA</u>	<u>Commencement Date</u>	<u>Years</u>	<u>End Date</u>	<u>Payment Method</u>
Accounting software	2022	4	2026	Monthly

The following is a schedule of future payments under the agreements:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 10,600	\$ 517	\$ 11,117
2025	11,285	388	11,673
2026	<u>12,056</u>	<u>200</u>	<u>12,256</u>
Total	<u>\$ 33,941</u>	<u>\$ 1,105</u>	<u>\$ 35,046</u>

Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation use in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2023, are a voted debt margin of \$66,385,554 (including available funds of \$22,841), an unvoted debt margin of \$771,197.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - COMPENSATED ABSENCES

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and state laws.

Only twelve-month (260-day contract) administrative, supervisors, and school support personnel accumulate annual vacation leave. Accumulated unused vacation time is paid upon termination of employment. Administrative personnel are advanced 20 days of vacation leave per their contract and Supervisors receive 20 paid vacation days per contract year. The Treasurer accumulates 20 days of vacation per contract year and the Superintendent accumulates 25 vacation days per contract year.

Each professional staff member is entitled to fifteen (15) days sick leave with pay for each year under contract. The sick leave accrues at the rate of one and one fourth (1-1/4) days for each calendar month under contract. An employee is paid a severance benefit based on their negotiated agreement or specific contract. The severance benefit is calculated at current approved retirement wage rates, upon retirement with the balance being forfeited.

NOTE 11 - RISK MANAGEMENT

A. Comprehensive

During fiscal year 2023, the District participated in the Ohio School Plan (OSP), a public entity insurance purchasing pool (See Note 2.A.). The District entered into an agreement with the OSP and its premium is based on types of coverage, limits of coverage and deductibles that it selects. The OSP is administered by Hylant Administrative Services, LLC. The following is the District's insurance coverage:

Type of Coverage	Coverage
Property, \$1,000 deductible	\$ 122,261,912
General Liability:	
Each occurrence	11,000,000
In aggregate	13,000,000
Limit	11,000,000
Medical Expense, any one person	10,000
Automobile Liability, single limit	11,000,000
Comprehensive deductible	1,000
Collision deductible	1,000

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

B. Employee Insurance Benefits

The District provides medical/prescription and dental insurance to employees through a self-insurance internal service fund. The District's self-insurance program has been administered by Medical Mutual of Ohio (MMO). Payments are made to MMO for the actual amount of claims processed, monthly stop-loss premiums, and administrative charges. Operating revenues of the internal service fund consist of payments from other funds and are based on self-insurance losses, stop-loss premiums, and other operating expenses.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 11 - RISK MANAGEMENT - (Continued)

The claims liability of \$680,800 reported in the internal service fund at June 30, 2023, is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 30, which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. The balance of claims payable at June 30, 2023 represents an estimate of the liability for unpaid claims costs provided by Medical Mutual of Ohio.

Changes in the claims liability for the past two fiscal years follows:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2023	\$ 723,600	\$ 5,519,689	\$ (5,562,489)	\$ 680,800
2022	566,700	4,520,505	(4,363,605)	723,600

C. Workers' Compensation

For fiscal year 2023, the District participated in the Ohio Group Retrospective Rating Program, which is administered by Sheakley UniService, a third-party administrator. The Group Retrospective Rating Program offers an opportunity for Districts that may not qualify for a traditional Group Rating program to receive substantial refunds on their premiums. There is also an increased emphasis on safety and claims management. Through the program, Districts are grouped together to achieve premium refunds based on the performance of the group. However, Districts continue to pay their own individual merit-rated premium to the Ohio BWC and depending on the performance, the participating Districts can receive either a retrospective premium refund or an assessment. Retrospective refunds are achieved when the standard premium of the group exceeds the developed claims costs. Sheakley UniComp, a manage care organization, assists the District in active claims management throughout the year.

D. Life Insurance

The District provides life insurance to most employees through the American United Life Insurance Company of Indianapolis, Indiana, by MEC/OSE – Chardon Local Schools in the amount of \$25,000 for qualified certified and classified staff. Each administrator/supervisor is provided \$200,000 in term life insurance. Each non-exempt Board Office staff member is provided \$100,000 in term life insurance. Each exempt Board Office staff member has their annual salary amount in term life insurance. The Superintendent is provided with two (2.5) times his annual salary in life insurance, and the Treasurer is provided two and a half (2.5) times her annual salary in life insurance.

NOTE 12 - DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Net OPEB Liability/Asset

The net pension liability and the net OPEB liability/asset reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/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 pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

The net pension/OPEB liability (asset) represent the District’s proportionate share of each pension/OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan’s fiduciary net position. The net pension/OPEB liability (asset) 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.

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients.

The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

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

Plan Description - School Employees Retirement System (SERS)

Plan Description - The District’s non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by 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.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire 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; or 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.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%. In 2022, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2023.

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary and the District is required to contribute 14.00% 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 10.00% for plan members and 14.00% 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, 2023, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$885,977 for fiscal year 2023. Of this amount, \$97,177 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - Licensed teachers participate in STRS, 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 website at www.strsoh.org.

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined (CO) 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 is 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until August 1, 2023, 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.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023 when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit regardless of age.

The DC Plan allows members to place all of their member contributions and 9.53% of the 14% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS Ohio. The remaining 4.47% of the 14% 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.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12% of the 14% member rate goes to the DC Plan and the remaining 2% 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 and after termination of employment.

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. 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. Eligible survivors of members who die before service retirement may qualify for monthly benefits. 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. The fiscal year 2023 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2023, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was \$2,370,259 for fiscal year 2023. Of this amount, \$395,820 is reported as pension and postemployment benefits payable.

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

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities.

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 prior measurement date	0.134721400%	0.127883599%	
Proportion of the net pension liability current measurement date	<u>0.140036900%</u>	<u>0.120217520%</u>	
Change in proportionate share	<u>0.005315500%</u>	<u>-0.007666079%</u>	
Proportionate share of the net pension liability	\$ 7,574,285	\$ 26,724,505	\$ 34,298,790
Pension expense	\$ 639,575	\$ 2,631,340	\$ 3,270,915

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

At June 30, 2023, the 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	\$ 306,765	\$ 342,111	\$ 648,876
Net difference between projected and actual earnings on pension plan investments	-	929,953	929,953
Changes of assumptions	74,737	3,198,121	3,272,858
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	300,259	181,727	481,986
Contributions subsequent to the measurement date	<u>885,977</u>	<u>2,370,259</u>	<u>3,256,236</u>
Total deferred outflows of resources	<u>\$ 1,567,738</u>	<u>\$ 7,022,171</u>	<u>\$ 8,589,909</u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 49,723	\$ 102,228	\$ 151,951
Net difference between projected and actual earnings on pension plan investments	264,308	-	264,308
Changes of assumptions	-	2,407,265	2,407,265
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>-</u>	<u>1,412,218</u>	<u>1,412,218</u>
Total deferred inflows of resources	<u>\$ 314,031</u>	<u>\$ 3,921,711</u>	<u>\$ 4,235,742</u>

\$3,256,236 reported as deferred outflows of resources related to pension resulting from 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, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2024	\$ 163,408	\$ (1,210,675)	\$ (1,047,267)
2025	125,344	(1,276,718)	(1,151,374)
2026	(25,517)	(1,899,971)	(1,925,488)
2027	<u>104,495</u>	<u>5,117,565</u>	<u>5,222,060</u>
Total	<u>\$ 367,730</u>	<u>\$ 730,201</u>	<u>\$ 1,097,931</u>

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 termination). 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.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2022, are presented below:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
COLA or ad hoc COLA:	
Current measurement date	2.00%
Prior measurement date	2.00%
Investment rate of return:	
Current measurement date	7.00% net of system expenses
Prior measurement date	7.00% net of system expenses
Discount rate:	
Current measurement date	7.00%
Prior measurement date	7.00%
Actuarial cost method	Entry age normal (level percent of payroll)

In 2022, mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

In the prior measurement date, mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The most recent experience study was completed for the five-year period ended June 30, 2020.

The long-term return expectation for the Pension Plan Investments has been determined 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 a 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 asset 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	2.00 %	(0.45) %
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	<u>100.00 %</u>	

Discount Rate - The total pension liability was calculated using the discount rate of 7.00%. 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 (7.00%). 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 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 net pension liability calculated using the discount rate of 7.00%, 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 (6.00%), or one percentage point higher (8.00%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
District's proportionate share of the net pension liability	\$ 11,148,986	\$ 7,574,285	\$ 4,562,648

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022, actuarial valuation are presented below:

	June 30, 2022	June 30, 2021
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.00%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

For the June 30, 2022 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

STRS Ohio's 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	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	<u>100.00 %</u>	

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS Ohio’s 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 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. 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 Ohio’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table represents the net pension liability as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 40,371,000	\$ 26,724,505	\$ 15,183,798

Changes Between Measurement Date and Reporting Date - STRS approved a one-time 1.00% cost-of-living adjustment to eligible benefit recipients effective July 1, 2023. It is unknown what effect this change will have on the net pension liability.

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 12 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The 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 Annual Comprehensive Financial Report which can be obtained on SERS’ website at www.ohsers.org under Employers/Audit Resources.

**CHARDON LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2023, SERS did not allocate any employer contributions to post-employment 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 2023, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the District's surcharge obligation was \$107,584.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$107,584 for fiscal year 2023. Of this amount, \$107,584 is reported as pension and postemployment benefits payable.

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. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely. 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% of covered payroll. For the fiscal year ended June 30, 2023, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability/asset was measured as of June 30, 2022, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

**CHARDON LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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/asset prior measurement date	0.138969000%	0.127883599%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.142722000%</u>	<u>0.120217520%</u>	
Change in proportionate share	<u>0.003753000%</u>	<u>-0.007666079%</u>	
Proportionate share of the net OPEB liability	\$ 2,003,832	\$ -	\$ 2,003,832
Proportionate share of the net OPEB asset	\$ -	\$ 3,112,831	\$ 3,112,831
OPEB expense	\$ (131,391)	\$ (560,026)	\$ (691,417)

At June 30, 2023, the 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	\$ 16,845	\$ 45,126	\$ 61,971
Net difference between projected and actual earnings on OPEB plan investments	10,414	54,188	64,602
Changes of assumptions	318,736	132,596	451,332
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	235,818	11,178	246,996
Contributions subsequent to the measurement date	<u>107,584</u>	<u>-</u>	<u>107,584</u>
Total deferred outflows of resources	<u>\$ 689,397</u>	<u>\$ 243,088</u>	<u>\$ 932,485</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 1,281,799	\$ 467,491	\$ 1,749,290
Changes of assumptions	822,588	2,207,302	3,029,890
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>142,229</u>	<u>6,073</u>	<u>148,302</u>
Total deferred inflows of resources	<u>\$ 2,246,616</u>	<u>\$ 2,680,866</u>	<u>\$ 4,927,482</u>

\$107,584 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2024.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2024	\$ (397,520)	\$ (713,019)	\$ (1,110,539)
2025	(402,046)	(704,079)	(1,106,125)
2026	(337,131)	(334,958)	(672,089)
2027	(187,529)	(138,061)	(325,590)
2028	(123,848)	(180,919)	(304,767)
Thereafter	<u>(216,729)</u>	<u>(366,742)</u>	<u>(583,471)</u>
Total	<u>\$ (1,664,803)</u>	<u>\$ (2,437,778)</u>	<u>\$ (4,102,581)</u>

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.

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.

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**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2022 are presented below:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
Investment rate of return:	
Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.00% net of investment expense, including inflation
Municipal bond index rate:	
Current measurement date	3.69%
Prior measurement date	1.92%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Current measurement date	4.08%
Prior measurement date	2.27%
Medical trend assumption:	
Current measurement date	7.00 to 4.40%
Prior measurement date	
Medicare	5.125 to 4.400%
Pre-Medicare	6.750 to 4.400%

In 2022, mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

In the prior measurement date, mortality rates were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The most recent experience study was completed for the five-year period ended June 30, 2020.

**CHARDON LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

The long-term expected rate of return on plan assets is reviewed as part of the actuarial 5-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board in 2021. 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 long-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, 7.00%, 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.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.45) %
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	<u>100.00 %</u>	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2022, was 4.08%. The discount rate used to measure total OPEB liability prior to June 30, 2022, was 2.27%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2022 and the June 30, 2021 total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 3.69% at June 30, 2022 and 1.92% at June 30, 2021.

Sensitivity of the 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, what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08%) and higher (5.08%) than the current discount rate (4.08%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate (7.00% decreasing to 4.40%).

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 2,488,789	\$ 2,003,832	\$ 1,612,339

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 1,545,314	\$ 2,003,832	\$ 2,602,730

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022 actuarial valuation, compared with June 30, 2021 actuarial valuation, are presented below:

	June 30, 2022		June 30, 2021	
Inflation	2.50%		2.50%	
Projected salary increases	Varies by service from 2.50% to 8.50%		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.00%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discount rate of return	7.00%		7.00%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	7.50%	3.94%	5.00%	4.00%
Medicare	-68.78%	3.94%	-16.18%	4.00%
Prescription Drug				
Pre-Medicare	9.00%	3.94%	6.50%	4.00%
Medicare	-5.47%	3.94%	29.98%	4.00%

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

For the June 30, 2022 actuarial valuation, for healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

Assumption Changes Since the Prior Measurement Date - The discount rate remained unchanged at 7.00% for the June 30, 2022 valuation.

Benefit Term Changes Since the Prior Measurement Date - Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based.

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	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	<u>1.00</u>	1.00
Total	<u><u>100.00 %</u></u>	

* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS Ohio's 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 OPEB liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on health care fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption. Also shown is the net OPEB asset 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.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 2,882,540	\$ 3,112,831	\$ 3,314,215
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 3,228,764	\$ 3,112,831	\$ 2,966,496

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); and,
- (d) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

Net Change in Fund Balance

	<u>General fund</u>
Budget basis	\$ (1,274,231)
Net adjustment for revenue accruals	969,056
Net adjustment for expenditure accruals	93,773
Net adjustment for other sources/uses	(170,017)
Funds budgeted elsewhere	(130,395)
Adjustment for encumbrances	<u>372,667</u>
GAAP basis	<u>\$ (139,147)</u>

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.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 15 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

B. Litigation

The District is involved in no material litigation as either plaintiff or defendant.

C. Foundation Funding

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2023 Foundation funding for the District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District.

NOTE 16 - SET-ASIDES

The District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2022	\$ -
Current year set-aside requirement	573,261
Current year offsets	<u>(573,261)</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2024	<u>\$ -</u>
Set-aside balance June 30, 2023	<u>\$ -</u>

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 17 - OTHER COMMITMENTS

The 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 to the extent fund balance is available. For the general fund, fund balance is not reported as assigned for encumbrances as unassigned fund balance is negative. At year end, the District’s commitments for encumbrances (less amounts already reported as payables) in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 4,924
Nonmajor governmental	<u>883,063</u>
Total	<u>\$ 887,987</u>

NOTE 18 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

The City of Chardon has entered into property tax abatement agreements with property owners under the Ohio Community Reinvestment Area (“CRA”) program within taxing districts of the District. The CRA program is a direct incentive tax exemption program benefiting property owners who renovate existing buildings or construct new buildings. Under this program, the City of Chardon has designated areas to encourage revitalization of the existing structures and the development of new structures.

The District has incurred a reduction in property tax receipts due to agreements entered into by the City of Chardon. During fiscal year 2023, the District’s property tax receipts were reduced under agreements entered into by the City of Chardon as follows:

<u>Government Entering Into Agreement</u>	<u>Tax Abatement Program CRA</u>
City of Chardon	<u>\$ 186,560</u>

The District is not receiving any amounts from the City of Newark in association with the forgone property tax receipts.

NOTE 19 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During fiscal year 2023, the District received COVID-19 funding. The District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

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REQUIRED SUPPLEMENTARY INFORMATION

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST FOUR FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net pension liability	0.14003690%	0.13472140%	0.12691710%	0.12919960%
District's proportionate share of the net pension liability	\$ 7,574,285	\$ 4,970,829	\$ 8,394,564	\$ 7,730,239
District's covered payroll	\$ 5,172,129	\$ 4,637,629	\$ 4,449,436	\$ 4,596,437
District's proportionate share of the net pension liability as a percentage of its covered payroll	146.44%	107.18%	188.67%	168.18%
Plan fiduciary net position as a percentage of the total pension liability	75.82%	82.86%	68.55%	70.85%

Note: Information prior to 2020 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST FOUR FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net pension liability	0.12021752%	0.12788360%	0.12617106%	0.12646761%
District's proportionate share of the net pension liability	\$ 26,724,505	\$ 16,351,068	\$ 30,528,907	\$ 27,967,552
District's covered payroll	\$ 15,299,964	\$ 15,965,343	\$ 15,488,814	\$ 14,847,786
District's proportionate share of the net pension liability as a percentage of its covered payroll	174.67%	102.42%	197.10%	188.36%
Plan fiduciary net position as a percentage of the total pension liability	78.88%	87.78%	75.48%	77.40%

Note: Information prior to 2020 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF SCHOOL DISTRICT PENSION CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST FIVE FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 885,977	\$ 724,098	\$ 649,268	\$ 622,921
Contributions in relation to the contractually required contribution	<u>(885,977)</u>	<u>(724,098)</u>	<u>(649,268)</u>	<u>(622,921)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 6,328,407	\$ 5,172,129	\$ 4,637,629	\$ 4,449,436
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

Note: Information prior to 2019 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019

\$ 620,519

(620,519)

\$ -

\$ 4,596,437

13.50%

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF SCHOOL DISTRICT PENSION CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST FIVE FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 2,370,259	\$ 2,141,995	\$ 2,235,148	\$ 2,168,434
Contributions in relation to the contractually required contribution	<u>(2,370,259)</u>	<u>(2,141,995)</u>	<u>(2,235,148)</u>	<u>(2,168,434)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 16,930,421	\$ 15,299,964	\$ 15,965,343	\$ 15,488,814
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

Note: Information prior to 2019 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019

\$ 2,078,690

(2,078,690)

\$ -

\$ 14,847,786

14.00%

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST FOUR FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net OPEB liability	0.14272200%	0.13896900%	0.13085210%	0.13202180%
District's proportionate share of the net OPEB liability	\$ 2,003,832	\$ 2,630,102	\$ 2,843,844	\$ 3,320,071
District's covered payroll	\$ 5,172,129	\$ 4,637,629	\$ 4,449,436	\$ 4,596,437
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	38.74%	56.71%	63.91%	72.23%
Plan fiduciary net position as a percentage of the total OPEB liability	30.34%	24.08%	18.17%	15.57%

Note: Information prior to 2020 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/ASSET
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST FOUR FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net OPEB liability/asset	0.12021752%	0.12788360%	0.12617106%	0.12646761%
District's proportionate share of the net OPEB liability/(asset)	\$ (3,112,831)	\$ (2,696,321)	\$ (2,217,455)	\$ (2,094,607)
District's covered payroll	\$ 15,299,964	\$ 15,965,343	\$ 15,488,814	\$ 14,847,786
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	20.35%	16.89%	14.32%	14.11%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	230.73%	174.73%	182.10%	174.70%

Note: Information prior to 2020 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF SCHOOL DISTRICT OPEB CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST FIVE FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 107,584	\$ 90,817	\$ 89,523	\$ 77,898
Contributions in relation to the contractually required contribution	<u>(107,584)</u>	<u>(90,817)</u>	<u>(89,523)</u>	<u>(77,898)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 6,328,407	\$ 5,172,129	\$ 4,637,629	\$ 4,449,436
Contributions as a percentage of covered payroll	1.70%	1.76%	1.93%	1.75%

Note: Information prior to 2019 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019

\$ 78,790

(78,790)

\$ -

\$ 4,596,437

1.71%

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF SCHOOL DISTRICT OPEB CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST FIVE FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 16,930,421	\$ 15,299,964	\$ 15,965,343	\$ 15,488,814
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

Note: Information prior to 2019 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019
<hr/>
\$ -
<hr/>
\$ -
<hr/> <hr/>
\$ 14,847,786
0.00%

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal year 2014.
- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.
- For fiscal year 2019, with the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) 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% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023.

(Continued)

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

PENSION (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal year 2014.
- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2019.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2021.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2022.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.
- For fiscal year 2023, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- There were no changes in benefit terms from the amounts reported for fiscal year 2018.
- There were no changes in benefit terms from the amounts reported for fiscal year 2019.
- There were no changes in benefit terms from the amounts reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts reported for fiscal year 2021.
- There were no changes in benefit terms from the amounts reported for fiscal year 2022.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.

(Continued)

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO (CONTINUED)

Changes in assumptions :

- For fiscal year 2017, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) 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, (f) 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% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) 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, (f) 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% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.
- For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.
- For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%, and (c) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22% to 2.63%.
- For fiscal year 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- For fiscal year 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 1.92% to 3.69%, (b) single equivalent interest rate when from 2.27% to 4.08% and (c) medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%.

(Continued)

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts previously reported for fiscal year 2017.
- For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% 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.
- For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For fiscal year 2020, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.
- For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.
- For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) 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 and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.
- For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.

(Continued)

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO (CONTINUED)

Changes in assumptions (continued) :

- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.
- For fiscal year 2023, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50% and (b) health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

SUPPLEMENTAL INFORMATION

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

MAJOR FUNDS

General Fund

The general fund is used to account for resources traditionally associated with a school district which are not required legally or by sound financial management to be accounted for in another fund. These activities include, but are not limited to, general instruction, pupil services, operation and maintenance of facilities, student transportation, and administration

Since the legal level of budgetary control is not greater than that presented in the basic financial statements, no additional financial statements are presented for the general fund.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 2,830,198	\$ 22,841	\$ 1,324,192	\$ 4,177,231
Receivables:				
Property taxes	-	-	1,305,695	1,305,695
Accounts	7,805	-	-	7,805
Intergovernmental	198,893	-	-	198,893
Prepayments	1,349	-	-	1,349
Total assets	<u>\$ 3,038,245</u>	<u>\$ 22,841</u>	<u>\$ 2,629,887</u>	<u>\$ 5,690,973</u>
Liabilities:				
Accounts payable	\$ 29,085	\$ -	\$ 95,582	\$ 124,667
Accrued wages and benefits	136,569	-	-	136,569
Intergovernmental payable	1,219	-	-	1,219
Pension and postemployment benefits payable	29,712	-	-	29,712
Interfund loan payable	614,489	-	-	614,489
Total liabilities	<u>811,074</u>	<u>-</u>	<u>95,582</u>	<u>906,656</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	-	874,830	874,830
Delinquent property tax revenue not available	-	-	116,666	116,666
Intergovernmental revenue not available	107,894	-	-	107,894
Total deferred inflows of resources	<u>107,894</u>	<u>-</u>	<u>991,496</u>	<u>1,099,390</u>
Fund balances:				
Nonspendable:				
Prepays	1,349	-	-	1,349
Restricted:				
Debt service	-	22,841	-	22,841
Capital improvements	-	-	1,542,809	1,542,809
Food service operations	1,051,700	-	-	1,051,700
Non-public schools	1,163	-	-	1,163
State funded programs	199,105	-	-	199,105
Federally funded programs	372,675	-	-	372,675
Extracurricular	297,828	-	-	297,828
Other purposes	223,847	-	-	223,847
Committed:				
Latchkey programs	79,921	-	-	79,921
Unassigned (deficit)	(108,311)	-	-	(108,311)
Total fund balances	<u>2,119,277</u>	<u>22,841</u>	<u>1,542,809</u>	<u>3,684,927</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 3,038,245</u>	<u>\$ 22,841</u>	<u>\$ 2,629,887</u>	<u>\$ 5,690,973</u>

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:				
Property taxes	\$ -	\$ 420,000	\$ 756,557	\$ 1,176,557
Intergovernmental	2,837,524	-	156,798	2,994,322
Investment earnings	53,353	-	2,310	55,663
Tuition and fees	133,698	-	-	133,698
Extracurricular	420,342	-	-	420,342
Charges for services	803,914	-	-	803,914
Contributions and donations	37,143	-	101,945	139,088
Payment in lieu of taxes	-	-	280	280
Miscellaneous	32,368	-	3,468	35,836
Total revenues	<u>4,318,342</u>	<u>420,000</u>	<u>1,021,358</u>	<u>5,759,700</u>
Expenditures:				
Current:				
Instruction:				
Regular	241,259	-	37,724	278,983
Special	686,048	-	-	686,048
Other	173,864	-	-	173,864
Support services:				
Pupil	271,790	-	-	271,790
Instructional staff	133,682	-	-	133,682
Administration	116,415	-	8,341	124,756
Fiscal	-	-	19,017	19,017
Business	147,864	-	-	147,864
Operations and maintenance	2,051	-	2,145,573	2,147,624
Pupil transportation	337,699	-	203,675	541,374
Central	-	-	58,558	58,558
Operation of non-instructional services:				
Food service operations	1,201,604	-	-	1,201,604
Other non-instructional services	278,632	-	-	278,632
Extracurricular activities	893,704	-	-	893,704
Facilities acquisition and construction	10,674	-	-	10,674
Debt service:				
Principal retirement	-	355,000	164,858	519,858
Interest and fiscal charges	-	53,171	-	53,171
Total expenditures	<u>4,495,286</u>	<u>408,171</u>	<u>2,637,746</u>	<u>7,541,203</u>
Excess of expenditures over (under) revenues	(176,944)	11,829	(1,616,388)	(1,781,503)
Other financing sources:				
Transfers in	474,999	-	-	474,999
Sale of assets	-	-	36,084	36,084
Total other financing sources	<u>474,999</u>	<u>-</u>	<u>36,084</u>	<u>511,083</u>
Net change in fund balances	298,055	11,829	(1,580,304)	(1,270,420)
Fund balances at beginning of year	1,821,222	11,012	3,123,113	4,955,347
Fund balances at end of year	<u>\$ 2,119,277</u>	<u>\$ 22,841</u>	<u>\$ 1,542,809</u>	<u>\$ 3,684,927</u>

CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO

FUND DESCRIPTIONS

Nonmajor Special Revenue Funds

The special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The title of each special revenue fund is descriptive of the activities accounted for therein. The nonmajor special revenue funds are:

Miscellaneous Grants

To account for a number of small local grants that are restricted for specific expenditures.

District Managed Student Activity

To account for those student activity programs which have student participation in the activity, but do not have student management of the programs. This fund includes athletic programs as well as band, cheerleaders, drama clubs, and other similar types of activities.

Auxiliary Services

To account for State funds which provide services and materials to students attending non-public schools within the boundaries of the District as provided by State law.

Student Managed Activity

To account for those student activity programs which have student participation in the activity and have students involved in the management of the program. This fund includes activities which consist of a student body, student president, student treasurer, and faculty advisor.

Athletic Tournament

To account for the District's revenues and expenditures related to hosting OHSAA tournament events.

Data Communications

To account for revenues received from the State to be used to install and provide support costs for data communication links to connect any school to the local A-site.

Special Trust

To account for scholarship programs, not administered through a trust agreement, where the District has administrative involvement in the selection of the scholarship recipient.

Endowment Fund

To account for scholarship programs, not administered through a trust agreement, where money was endowed to the District and where the District has administrative involvement in the selection of the scholarship recipient.

Student Wellness and Success

To account for revenues received from the State to be used for students well being and success, such as providing mental health services for students.

Miscellaneous State Grants

To account for monies received from State agencies which are not classified elsewhere.

Title VI-B

To account for Federal funds for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels; assist in the training of teachers, supervisors and other specialists in providing educational services to the handicapped.

Limited English Proficiency

To account for Federal funds to meet the educational needs of children of limited English proficiency at the preschool, elementary and secondary levels.

CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO

FUND DESCRIPTIONS

Nonmajor Special Revenue Funds (Continued)

Title I

To account for Federal funds for services provided to meet special educational needs of educationally deprived children.

EHA Preschool Grant

To account for Federal funds used for the improvement and expansion of services for handicapped children ages three through five years.

Title II-A

To account for a Federal grant aimed at providing resources effective instruction for students.

Miscellaneous Federal Grants

To account for Federal revenues received through State agencies from the Federal government or directly from the Federal government which are not classified elsewhere.

Food Service

To account for all revenues and expenditures related to the provision of food services, including breakfast and lunch, for the District students and staff.

Latchkey Programs

A fund to account for the revenues and expenditures of the District's Latchkey program.

Elementary and Secondary School Emergency Relief

To account for a Federal grant received by the District to combat the coronavirus pandemic.

Title IV-A

To account for a Federal grant received by the District to provide student support and academic enrichment programs.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

FUND DESCRIPTIONS

Nonmajor Special Revenue Funds (Continued)

The following funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis). These funds are not included in the combining statements for the nonmajor special revenue funds since they are reported in the general fund (GAAP basis); however, the budgetary schedules for these funds are presented in this section.

Uniform School Supplies

To account for the purchase and sale of school supplies for use in the schools of the District.

Adult Education Program

To account for revenues and expenditures related to providing adult education classes.

Workers Compensation

To account for employee workers compensation deductions and payment to the Ohio Bureau of Workers Compensation.

Rotary Fund - Special Services

To account for operations made in connection with goods and services provided by the District.

Underground Storage Tanks

To account for underground storage tank money required by ORC Section 1301: 7-9-05.

Public School Support

To account for specific local revenue sources (other than taxes) generated by individual school buildings (e.g. sales of pictures, profits from vending machines, etc.). Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

Termination Benefits

To account for cash accumulated for paying termination benefits or for paying salaries when the number of pay periods exceeds the usual and customary for a year.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	<u>Miscellaneous Grants</u>	<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>	<u>Student Managed Activity</u>	<u>Athletic Tournament</u>
Assets:					
Equity in pooled cash and cash equivalents	\$ 112,671	\$ 169,374	\$ 10,222	\$ 135,071	\$ 25,825
Receivables:					
Accounts	-	7,275	-	220	-
Intergovernmental	-	-	-	-	-
Prepayments	-	394	7	-	-
Total assets	<u>\$ 112,671</u>	<u>\$ 177,043</u>	<u>\$ 10,229</u>	<u>\$ 135,291</u>	<u>\$ 25,825</u>
Liabilities:					
Accounts payable	\$ 421	\$ 91	\$ 9,059	\$ 804	\$ -
Accrued wages and benefits	-	9,681	-	-	-
Intergovernmental payable	-	140	-	-	-
Pension and postemployment benefits payable	-	3,396	-	-	-
Interfund loan payable	-	-	-	-	-
Total liabilities	<u>421</u>	<u>13,308</u>	<u>9,059</u>	<u>804</u>	<u>-</u>
Deferred inflows of resources:					
Intergovernmental revenue not available	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Nonspendable:					
Prepays	-	394	7	-	-
Restricted:					
Food service operations	-	-	-	-	-
Non-public schools	-	-	1,163	-	-
State funded programs	-	-	-	-	-
Federally funded programs	-	-	-	-	-
Extracurricular	-	163,341	-	134,487	-
Other purposes	112,250	-	-	-	25,825
Committed:					
Latchkey programs	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficit)	<u>112,250</u>	<u>163,735</u>	<u>1,170</u>	<u>134,487</u>	<u>25,825</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 112,671</u>	<u>\$ 177,043</u>	<u>\$ 10,229</u>	<u>\$ 135,291</u>	<u>\$ 25,825</u>

<u>Data Communication</u>	<u>Special Trust</u>	<u>Endowment Fund</u>	<u>Miscellaneous State Grants</u>	<u>Title VI-B</u>	<u>Limited English Proficiency</u>	<u>Title I</u>
\$ 12,600	\$ 20,510	\$ 65,262	\$ 186,505	\$ 298,918	\$ 12,367	\$ 15,340
-	-	-	-	-	-	-
-	-	-	-	54,982	-	1,416
-	-	-	-	-	-	-
<u>\$ 12,600</u>	<u>\$ 20,510</u>	<u>\$ 65,262</u>	<u>\$ 186,505</u>	<u>\$ 353,900</u>	<u>\$ 12,367</u>	<u>\$ 16,756</u>
\$ -	\$ -	\$ -	\$ -	\$ 3,200	\$ -	\$ -
-	-	-	-	10,954	-	-
-	-	-	-	158	-	-
-	-	-	-	1,588	-	356
-	-	-	-	338,000	3,100	16,400
-	-	-	-	353,900	3,100	16,756
-	-	-	-	9,553	-	-
-	-	-	-	9,553	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
12,600	-	-	186,505	-	-	-
-	-	-	-	-	9,267	-
-	-	-	-	-	-	-
-	20,510	65,262	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	(9,553)	-	-
<u>12,600</u>	<u>20,510</u>	<u>65,262</u>	<u>186,505</u>	<u>(9,553)</u>	<u>9,267</u>	<u>-</u>
<u>\$ 12,600</u>	<u>\$ 20,510</u>	<u>\$ 65,262</u>	<u>\$ 186,505</u>	<u>\$ 353,900</u>	<u>\$ 12,367</u>	<u>\$ 16,756</u>

- Continued

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	<u>EHA Preschool Grant</u>	<u>Title II-A</u>	<u>Miscellaneous Federal Grants</u>	<u>Food Service</u>	<u>Latchkey Programs</u>
Assets:					
Equity in pooled cash and cash equivalents	\$ 16,888	\$ 4,941	\$ 393,583	\$ 1,136,885	\$ 85,541
Receivables:					
Accounts	-	-	-	310	-
Intergovernmental	7,512	10,271	18,025	-	-
Prepayments	-	-	-	815	133
Total assets	<u>\$ 24,400</u>	<u>\$ 15,212</u>	<u>\$ 411,608</u>	<u>\$ 1,138,010</u>	<u>\$ 85,674</u>
Liabilities:					
Accounts payable	-	878	200	12,850	158
Accrued wages and benefits	-	-	-	62,190	4,492
Intergovernmental payable	-	-	-	878	43
Pension and postemployment benefits payable	-	10	-	9,577	927
Interfund loan payable	24,400	14,500	48,000	-	-
Total liabilities	<u>24,400</u>	<u>15,388</u>	<u>48,200</u>	<u>85,495</u>	<u>5,620</u>
Deferred inflows of resources:					
Intergovernmental revenue not available	-	550	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>550</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Nonspendable:					
Prepays	-	-	-	815	133
Restricted:					
Food service operations	-	-	-	1,051,700	-
Non-public schools	-	-	-	-	-
State funded programs	-	-	-	-	-
Federally funded programs	-	-	363,408	-	-
Extracurricular	-	-	-	-	-
Other purposes	-	-	-	-	-
Committed:					
Latchkey programs	-	-	-	-	79,921
Unassigned (deficit)	<u>-</u>	<u>(726)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>-</u>	<u>(726)</u>	<u>363,408</u>	<u>1,052,515</u>	<u>80,054</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 24,400</u>	<u>\$ 15,212</u>	<u>\$ 411,608</u>	<u>\$ 1,138,010</u>	<u>\$ 85,674</u>

<u>ESSER</u>	<u>Title IV-A</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 99,862	\$ 27,833	2,830,198
-	-	7,805
97,870	8,817	198,893
-	-	1,349
<u>\$ 197,732</u>	<u>\$ 36,650</u>	<u>\$ 3,038,245</u>
\$ -	\$ 1,424	\$ 29,085
49,252	-	136,569
-	-	1,219
13,790	68	29,712
<u>134,689</u>	<u>35,400</u>	<u>614,489</u>
<u>197,731</u>	<u>36,892</u>	<u>811,074</u>
<u>97,791</u>	<u>-</u>	<u>107,894</u>
<u>97,791</u>	<u>-</u>	<u>107,894</u>
-	-	1,349
-	-	1,051,700
-	-	1,163
-	-	199,105
-	-	372,675
-	-	297,828
-	-	223,847
-	-	79,921
<u>(97,790)</u>	<u>(242)</u>	<u>(108,311)</u>
<u>(97,790)</u>	<u>(242)</u>	<u>2,119,277</u>
<u>\$ 197,732</u>	<u>\$ 36,650</u>	<u>\$ 3,038,245</u>

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Miscellaneous Grants</u>	<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>	<u>Student Managed Activity</u>	<u>Athletic Tournament</u>
Revenues:					
Intergovernmental	\$ 8,672	\$ -	\$ 147,348	\$ -	\$ -
Investments earnings	-	-	-	-	-
Tuition and fees	-	-	-	-	-
Extracurricular	-	337,946	-	61,368	21,028
Charges for services	-	-	-	-	-
Contributions and donations	-	17,581	-	12,412	-
Miscellaneous	-	11,929	-	100	-
Total revenues	<u>8,672</u>	<u>367,456</u>	<u>147,348</u>	<u>73,880</u>	<u>21,028</u>
Expenditures:					
Current:					
Instruction:					
Regular	9,462	-	-	-	-
Special	-	-	-	-	-
Other	-	-	-	-	-
Support services:					
Pupil	-	-	-	-	-
Instructional staff	-	-	-	-	-
Administration	-	-	-	-	-
Business	-	-	-	-	-
Operations and maintenance	-	-	-	-	-
Pupil transportation	-	-	-	-	-
Operation of non-instructional services:					
Food service operations	-	-	-	-	-
Other non-instructional services	-	-	162,401	-	-
Extracurricular activities	-	822,001	-	63,646	8,057
Facilities acquisition and construction	-	-	-	-	-
Total expenditures	<u>9,462</u>	<u>822,001</u>	<u>162,401</u>	<u>63,646</u>	<u>8,057</u>
Excess (deficiency) of revenues over (under) expenditures	(790)	(454,545)	(15,053)	10,234	12,971
Other financing sources:					
Transfers in	-	474,999	-	-	-
Net change in fund balances	(790)	20,454	(15,053)	10,234	12,971
Fund balances (deficit) at beginning of year	<u>113,040</u>	<u>143,281</u>	<u>16,223</u>	<u>124,253</u>	<u>12,854</u>
Fund balances (deficit) at end of year	<u>\$ 112,250</u>	<u>\$ 163,735</u>	<u>\$ 1,170</u>	<u>\$ 134,487</u>	<u>\$ 25,825</u>

<u>Data Communications</u>	<u>Special Trust</u>	<u>Endowment Fund</u>	<u>Student Wellness and Success</u>	<u>Miscellaneous State Grants</u>	<u>Title VI-B</u>	<u>Limited English Proficiency</u>	<u>Title I</u>
\$ 9,000	\$ -	\$ -	\$ -	\$ 112,895	\$ 684,838	\$ 4,171	\$ 257,663
-	-	7,571	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	7,150	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>9,000</u>	<u>7,150</u>	<u>7,571</u>	<u>-</u>	<u>112,895</u>	<u>684,838</u>	<u>4,171</u>	<u>257,663</u>
-	-	-	-	2,892	-	-	-
-	-	-	-	-	420,843	192	257,141
-	-	-	-	-	-	-	-
-	-	3,000	-	162,373	59,403	-	-
-	-	-	-	-	125	-	-
-	-	-	300	-	113,086	-	3,029
-	-	-	-	-	-	-	-
-	-	-	-	2,051	-	-	-
-	-	-	-	90,000	104,345	-	-
-	-	-	-	-	-	-	-
-	4,500	-	-	-	5,153	-	1,487
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>4,500</u>	<u>3,000</u>	<u>300</u>	<u>257,316</u>	<u>702,955</u>	<u>192</u>	<u>261,657</u>
9,000	2,650	4,571	(300)	(144,421)	(18,117)	3,979	(3,994)
-	-	-	-	-	-	-	-
<u>9,000</u>	<u>2,650</u>	<u>4,571</u>	<u>(300)</u>	<u>(144,421)</u>	<u>(18,117)</u>	<u>3,979</u>	<u>(3,994)</u>
<u>3,600</u>	<u>17,860</u>	<u>60,691</u>	<u>300</u>	<u>330,926</u>	<u>8,564</u>	<u>5,288</u>	<u>3,994</u>
<u>\$ 12,600</u>	<u>\$ 20,510</u>	<u>\$ 65,262</u>	<u>\$ -</u>	<u>\$ 186,505</u>	<u>\$ (9,553)</u>	<u>\$ 9,267</u>	<u>\$ -</u>

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**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>EHA Preschool Grant</u>	<u>Title II-A</u>	<u>Miscellaneous Federal Grants</u>	<u>Food Service</u>	<u>Latchkey Programs</u>
Revenues:					
Intergovernmental	\$ 13,573	\$ 111,590	\$ 734,322	\$ 434,150	\$ -
Investments earnings	-	-	6,744	39,038	-
Tuition and fees	-	-	-	-	133,698
Extracurricular	-	-	-	-	-
Charges for services	-	-	-	803,593	321
Contributions and donations	-	-	-	-	-
Miscellaneous	-	-	-	-	20,339
Total revenues	<u>13,573</u>	<u>111,590</u>	<u>741,066</u>	<u>1,276,781</u>	<u>154,358</u>
Expenditures:					
Current:					
Instruction:					
Regular	-	8,677	218,723	-	-
Special	4,433	-	-	-	-
Other	-	-	-	-	-
Support services:					
Pupil	56	-	-	-	-
Instructional staff	9,070	94,253	6,013	-	-
Administration	-	-	-	-	-
Business	-	-	-	-	-
Operations and maintenance	-	-	-	-	-
Pupil transportation	20	-	143,334	-	-
Operation of non-instructional services:					
Food service operations	-	-	-	1,201,604	-
Other non-instructional services	-	15,803	15,853	-	64,800
Extracurricular activities	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Total expenditures	<u>13,579</u>	<u>118,733</u>	<u>383,923</u>	<u>1,201,604</u>	<u>64,800</u>
Excess (deficiency) of revenues over (under) expenditures	(6)	(7,143)	357,143	75,177	89,558
Other financing sources:					
Transfers in	-	-	-	-	-
Net change in fund balances	(6)	(7,143)	357,143	75,177	89,558
Fund balances (deficit) at beginning of year	<u>6</u>	<u>6,417</u>	<u>6,265</u>	<u>977,338</u>	<u>(9,504)</u>
Fund balances (deficit) at end of year	<u>\$ -</u>	<u>\$ (726)</u>	<u>\$ 363,408</u>	<u>\$ 1,052,515</u>	<u>\$ 80,054</u>

<u>ESSER</u>	<u>Title IV-A</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 292,953	\$ 26,349	\$ 2,837,524
-	-	53,353
-	-	133,698
-	-	420,342
-	-	803,914
-	-	37,143
-	-	32,368
<u>292,953</u>	<u>26,349</u>	<u>4,318,342</u>
1,505	-	241,259
3,439	-	686,048
173,864	-	173,864
46,958	-	271,790
5,250	18,971	133,682
-	-	116,415
147,864	-	147,864
-	-	2,051
-	-	337,699
-	-	1,201,604
1,189	7,446	278,632
-	-	893,704
10,674	-	10,674
<u>390,743</u>	<u>26,417</u>	<u>4,495,286</u>
(97,790)	(68)	(176,944)
-	-	474,999
(97,790)	(68)	298,055
-	(174)	1,821,222
<u>\$ (97,790)</u>	<u>\$ (242)</u>	<u>\$ 2,119,277</u>

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Miscellaneous Grants				
Total Revenues and Other Sources	\$ 35,000	\$ 5,000	\$ 8,672	\$ 3,672
Total Expenditures and Other Uses	<u>113,000</u>	<u>118,040</u>	<u>9,052</u>	<u>108,988</u>
Net Change in Fund Balance	(78,000)	(113,040)	(380)	112,660
Fund balance at beginning of year	<u>113,040</u>	<u>113,040</u>	<u>113,040</u>	<u>-</u>
Fund balance at end of year	<u>\$ 35,040</u>	<u>\$ -</u>	<u>\$ 112,660</u>	<u>\$ 112,660</u>
District Managed Student Activity				
Total Revenues and Other Sources	\$ 709,000	\$ 817,500	\$ 845,173	\$ 27,673
Total Expenditures and Other Uses	<u>817,134</u>	<u>987,470</u>	<u>846,451</u>	<u>141,019</u>
Net Change in Fund Balance	(108,134)	(169,970)	(1,278)	168,692
Fund balance at beginning of year	161,836	161,836	161,836	-
Prior year encumbrances appropriated	<u>8,134</u>	<u>8,134</u>	<u>8,134</u>	<u>-</u>
Fund balance at end of year	<u>\$ 61,836</u>	<u>\$ -</u>	<u>\$ 168,692</u>	<u>\$ 168,692</u>
Auxiliary Services				
Total Revenues and Other Sources	\$ 78,000	\$ 147,348	\$ 147,348	\$ -
Total Expenditures and Other Uses	<u>100,400</u>	<u>170,062</u>	<u>170,062</u>	<u>-</u>
Net Change in Fund Balance	(22,400)	(22,714)	(22,714)	-
Fund balance at beginning of year	314	314	314	-
Prior year encumbrances appropriated	<u>22,400</u>	<u>22,400</u>	<u>22,400</u>	<u>-</u>
Fund balance at end of year	<u>\$ 314</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Student Managed Activity				
Total Revenues and Other Sources	\$ 100,000	\$ 70,000	\$ 74,602	\$ 4,602
Total Expenditures and Other Uses	<u>179,039</u>	<u>195,557</u>	<u>65,088</u>	<u>130,469</u>
Net Change in Fund Balances	(79,039)	(125,557)	9,514	135,071
Fund balance at beginning of year	124,618	124,618	124,618	-
Prior Year Encumbrances Appropriated	<u>939</u>	<u>939</u>	<u>939</u>	<u>-</u>
Fund balance at end of year	<u>\$ 46,518</u>	<u>\$ -</u>	<u>\$ 135,071</u>	<u>\$ 135,071</u>
Athletic Tournament				
Total Revenues and Other Sources	\$ 15,000	\$ 15,000	\$ 21,028	\$ 6,028
Total Expenditures and Other Uses	<u>27,854</u>	<u>27,854</u>	<u>8,057</u>	<u>19,797</u>
Net Change in Fund Balance	(12,854)	(12,854)	12,971	25,825
Fund balance at beginning of year	<u>12,854</u>	<u>12,854</u>	<u>12,854</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,825</u>	<u>\$ 25,825</u>
Data Communications				
Total Revenues and Other Sources	\$ 4,500	\$ 9,000	\$ 9,000	\$ -
Total Expenditures and Other Uses	<u>4,500</u>	<u>12,600</u>	<u>-</u>	<u>12,600</u>
Net Change in Fund Balance	-	(3,600)	9,000	12,600
Fund balance at beginning of year	<u>3,600</u>	<u>3,600</u>	<u>3,600</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,600</u>	<u>\$ -</u>	<u>\$ 12,600</u>	<u>\$ 12,600</u>

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Special Trust				
Total Revenues and Other Sources	\$ 500	\$ 500	\$ 7,150	\$ 6,650
Total Expenditures and Other Uses	4,000	18,340	4,500	13,840
Net Change in Fund Balances	(3,500)	(17,840)	2,650	20,490
Fund balance at beginning of year	17,860	17,860	17,860	-
Fund balance at end of year	<u>\$ 14,360</u>	<u>\$ 20</u>	<u>\$ 20,510</u>	<u>\$ 20,490</u>
Endowment Fund				
Total Revenues and Other Sources	\$ 2,500	\$ 540	\$ 7,571	\$ 7,031
Total Expenditures and Other Uses	3,200	61,231	3,000	58,231
Net Change in Fund Balances	(700)	(60,691)	4,571	65,262
Fund balance at beginning of year	60,691	60,691	60,691	-
Fund balance at end of year	<u>\$ 59,991</u>	<u>\$ -</u>	<u>\$ 65,262</u>	<u>\$ 65,262</u>
Student Wellness and Success				
Total Expenditures and Other Uses	300	300	300	-
Net Change in Fund Balances	(300)	(300)	(300)	-
Fund balance at beginning of year	-	-	-	-
Prior Year Encumbrances Appropriated	300	300	300	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Miscellaneous State Grants				
Total Revenues and Other Sources	\$ 195,000	\$ 98,328	\$ 112,895	\$ 14,567
Total Expenditures and Other Uses	<u>264,189</u>	<u>429,254</u>	<u>265,416</u>	<u>163,838</u>
Net Change in Fund Balance	(69,189)	(330,926)	(152,521)	178,405
Fund balance at beginning of year	311,737	311,737	311,737	-
Prior year encumbrances appropriated	<u>19,189</u>	<u>19,189</u>	<u>19,189</u>	<u>-</u>
Fund balance at end of year	<u>\$ 261,737</u>	<u>\$ -</u>	<u>\$ 178,405</u>	<u>\$ 178,405</u>
Title VI-B				
Total Revenues and Other Sources	\$ 832,522	\$ 1,044,015	\$ 1,046,342	\$ 2,327
Total Expenditures and Other Uses	<u>488,942</u>	<u>1,079,183</u>	<u>980,745</u>	<u>98,438</u>
Net Change in Fund Balance	343,580	(35,168)	65,597	100,765
Fund balance at beginning of year	33,226	33,226	33,226	-
Prior year encumbrances appropriated	<u>1,942</u>	<u>1,942</u>	<u>1,942</u>	<u>-</u>
Fund balance at end of year	<u>\$ 378,748</u>	<u>\$ -</u>	<u>\$ 100,765</u>	<u>\$ 100,765</u>
Limited English Proficiency				
Total Revenues and Other Sources	\$ 3,060	\$ 7,231	\$ 7,271	\$ 40
Total Expenditures and Other Uses	<u>3,060</u>	<u>16,819</u>	<u>4,492</u>	<u>12,327</u>
Net Change in Fund Balance	-	(9,588)	2,779	12,367
Fund balance at beginning of year	<u>9,588</u>	<u>9,588</u>	<u>9,588</u>	<u>-</u>
Fund balance at end of year	<u>\$ 9,588</u>	<u>\$ -</u>	<u>\$ 12,367</u>	<u>\$ 12,367</u>

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Title I				
Total Revenues and Other Sources	\$ 290,000	\$ 279,971	\$ 280,004	\$ 33
Total Expenditures and Other Uses	<u>45,000</u>	<u>280,072</u>	<u>264,765</u>	<u>15,307</u>
Net Change in Fund Balance	245,000	(101)	15,239	15,340
Fund balance at beginning of year	<u>101</u>	<u>101</u>	<u>101</u>	<u>-</u>
Fund balance at end of year	<u>\$ 245,101</u>	<u>\$ -</u>	<u>\$ 15,340</u>	<u>\$ 15,340</u>
EHA Preschool Grant				
Total Revenues and Other Sources	\$ -	\$ 30,427	\$ 30,461	\$ 34
Total Expenditures and Other Uses	<u>-</u>	<u>34,633</u>	<u>22,351</u>	<u>12,282</u>
Net Change in Fund Balance	-	(4,206)	8,110	12,316
Fund balance at beginning of year	<u>4,206</u>	<u>4,206</u>	<u>4,206</u>	<u>-</u>
Fund balance at end of year	<u>\$ 4,206</u>	<u>\$ -</u>	<u>\$ 12,316</u>	<u>\$ 12,316</u>
Title II-A				
Total Revenues and Other Sources	\$ 140,000	\$ 140,108	\$ 140,188	\$ 80
Total Expenditures and Other Uses	<u>92,209</u>	<u>157,553</u>	<u>153,652</u>	<u>3,901</u>
Net Change in Fund Balance	47,791	(17,445)	(13,464)	3,981
Fund balance at beginning of year	236	236	236	-
Prior year encumbrances appropriated	<u>17,209</u>	<u>17,209</u>	<u>17,209</u>	<u>-</u>
Fund balance at end of year	<u>\$ 65,236</u>	<u>\$ -</u>	<u>\$ 3,981</u>	<u>\$ 3,981</u>

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Miscellaneous Federal Grants				
Total Revenues and Other Sources	\$ 26,700	\$ 781,800	\$ 784,388	\$ 2,588
Total Expenditures and Other Uses	<u>30,023</u>	<u>791,834</u>	<u>403,851</u>	<u>387,983</u>
Net Change in Fund Balance	(3,323)	(10,034)	380,537	390,571
Fund balance at beginning of year	6,711	6,711	6,711	-
Prior year encumbrances appropriated	<u>3,323</u>	<u>3,323</u>	<u>3,323</u>	<u>-</u>
Fund balance at end of year	<u>\$ 6,711</u>	<u>\$ -</u>	<u>\$ 390,571</u>	<u>\$ 390,571</u>
Food Service				
Total Revenues and Other Sources	\$ 875,000	\$ 875,000	\$ 1,223,601	\$ 348,601
Total Expenditures and Other Uses	<u>997,784</u>	<u>1,861,751</u>	<u>1,090,670</u>	<u>771,081</u>
Net Change in Fund Balance	(122,784)	(986,751)	132,931	1,119,682
Fund balance at beginning of year	963,967	963,967	963,967	-
Prior year encumbrances appropriated	<u>22,784</u>	<u>22,784</u>	<u>22,784</u>	<u>-</u>
Fund balance at end of year	<u>\$ 863,967</u>	<u>\$ -</u>	<u>\$ 1,119,682</u>	<u>\$ 1,119,682</u>
Latchkey Programs				
Total Revenues and Other Sources	\$ 120,000	\$ 120,000	\$ 154,358	\$ 34,358
Total Expenditures and Other Uses	<u>121,000</u>	<u>161,013</u>	<u>110,203</u>	<u>50,810</u>
Net Change in Fund Balance	(1,000)	(41,013)	44,155	85,168
Fund balance at beginning of year	40,013	40,013	40,013	-
Prior year encumbrances appropriated	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Fund balance at end of year	<u>\$ 40,013</u>	<u>\$ -</u>	<u>\$ 85,168</u>	<u>\$ 85,168</u>

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Elementary and Secondary School Emergency Relief				
Total Revenues and Other Sources	\$ 752,000	\$ 968,125	\$ 968,145	\$ 20
Total Expenditures and Other Uses	<u>774,005</u>	<u>1,467,015</u>	<u>1,401,832</u>	<u>65,183</u>
Net Change in Fund Balance	(22,005)	(498,890)	(433,687)	65,203
Fund balance (deficit) at beginning of year	(11,670)	(11,670)	(11,670)	-
Prior year encumbrances appropriated	<u>522,229</u>	<u>522,229</u>	<u>522,229</u>	<u>-</u>
Fund balance at end of year	<u>\$ 488,554</u>	<u>\$ 11,669</u>	<u>\$ 76,872</u>	<u>\$ 65,203</u>
Title IV-A				
Total Revenues and Other Sources	\$ -	\$ 53,452	\$ 53,543	\$ 91
Total Expenditures and Other Uses	<u>950</u>	<u>54,902</u>	<u>28,585</u>	<u>26,317</u>
Net Change in Fund Balance	(950)	(1,450)	24,958	26,408
Fund balance at beginning of year	500	500	500	-
Prior year encumbrances appropriated	<u>950</u>	<u>950</u>	<u>950</u>	<u>-</u>
Fund balance at end of year	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 26,408</u>	<u>\$ 26,408</u>

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Uniform School Supplies				
Total Revenues and Other Sources	\$ 165,000	\$ 79,000	\$ 84,675	\$ 5,675
Total Expenditures and Other Uses	<u>91,000</u>	<u>213,390</u>	<u>81,761</u>	<u>131,629</u>
Net Change in Fund Balance	74,000	(134,390)	2,914	137,304
Fund balance at beginning of year	<u>134,390</u>	<u>134,390</u>	<u>134,390</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 208,390</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 137,304</u></u>	<u><u>\$ 137,304</u></u>
Adult Education Program				
Total Expenditures and Other Uses	<u>\$ 24,676</u>	<u>\$ 24,676</u>	<u>\$ 24,676</u>	<u>\$ -</u>
Net Change in Fund Balance	(24,676)	(24,676)	(24,676)	-
Fund balance at beginning of year	<u>24,676</u>	<u>24,676</u>	<u>24,676</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Workers Compensation				
Total Revenues and Other Sources	\$ 45,000	\$ 45,000	\$ 96,002	\$ 51,002
Total Expenditures and Other Uses	<u>189,652</u>	<u>189,652</u>	<u>84,012</u>	<u>105,640</u>
Net Change in Fund Balance	(144,652)	(144,652)	11,990	156,642
Fund balance at beginning of year	<u>144,652</u>	<u>144,652</u>	<u>144,652</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 156,642</u></u>	<u><u>\$ 156,642</u></u>

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Rotary Fund - Special Services				
Total Expenditures and Other Uses	\$ 4,175	\$ 4,175	\$ 4,175	\$ -
Net Change in Fund Balance	(4,175)	(4,175)	(4,175)	-
Fund balance at beginning of year	4,175	4,175	4,175	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Underground Storage Tanks				
Total Expenditures and Other Uses	\$ 11,000	\$ 11,000	\$ -	\$ 11,000
Net Change in Fund Balance	(11,000)	(11,000)	-	11,000
Fund balance at beginning of year	11,000	11,000	11,000	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,000</u>	<u>\$ 11,000</u>
Public School Support				
Total Revenues and Other Sources	\$ 330,000	\$ 175,100	\$ 188,282	\$ 13,182
Total Expenditures and Other Uses	258,304	372,774	169,185	203,589
Net Change in Fund Balance	71,696	(197,674)	19,097	216,771
Fund balance at beginning of year	195,570	195,570	195,570	-
Prior year encumbrances appropriated	2,104	2,104	2,104	-
Fund balance at end of year	<u>\$ 269,370</u>	<u>\$ -</u>	<u>\$ 216,771</u>	<u>\$ 216,771</u>
Termination Benefits				
Total Revenues and Other Sources	\$ 100,000	\$ 100,000	\$ 250,000	\$ 150,000
Total Expenditures and Other Uses	\$ 115,000	\$ 155,405	\$ 34,383	\$ 121,022
Net Change in Fund Balance	(15,000)	(55,405)	215,617	271,022
Fund balance at beginning of year	55,405	55,405	55,405	-
Fund balance at end of year	<u>\$ 40,405</u>	<u>\$ -</u>	<u>\$ 271,022</u>	<u>\$ 271,022</u>

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

FUND DESCRIPTION

Nonmajor Debt Service Fund

A fund used to account for and report financial resources that are restricted, committed, or assigned to expenditure for payment of general obligation bond principal and interest and certain long-term obligations from governmental resources when the government is obligated in some manner for payment. It is also used to account for the accumulation of resources and payment of general obligation bonds and library bonds payable, as required by Ohio Law.

Debt Service

To account for the accumulation of restricted resources and payment of general obligation bond and note principal and interest and related costs.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Debt Service				
Total Revenues and Other Sources	\$ 411,500	\$ 411,500	\$ 420,000	\$ 8,500
Total Expenditures and Other Uses	<u>408,200</u>	<u>411,500</u>	<u>408,171</u>	<u>3,329</u>
Net Change in Fund Balance	3,300	-	11,829	11,829
Fund balance at beginning of year	<u>11,012</u>	<u>11,012</u>	<u>11,012</u>	<u>-</u>
Fund balance at end of year	<u>\$ 14,312</u>	<u>\$ 11,012</u>	<u>\$ 22,841</u>	<u>\$ 11,829</u>

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

FUND DESCRIPTIONS

Nonmajor Capital Projects Fund

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition and construction of capital facilities and other capital assets. The nonmajor capital projects funds are:

Permanent Improvement

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

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Permanent Improvement				
Total Revenues and Other Sources	\$ 962,145	\$ 1,383,049	\$ 1,421,344	\$ 38,295
Total Expenditures and Other Uses	<u>3,333,165</u>	<u>4,503,089</u>	<u>3,956,440</u>	<u>546,649</u>
Net Change in Fund Balance	(2,371,020)	(3,120,040)	(2,535,096)	584,944
Fund balance at beginning of year	1,388,775	1,388,775	1,388,775	-
Prior year encumbrances appropriated	<u>1,731,265</u>	<u>1,731,265</u>	<u>1,731,265</u>	<u>-</u>
Fund balance at end of year	<u>\$ 749,020</u>	<u>\$ -</u>	<u>\$ 584,944</u>	<u>\$ 584,944</u>

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

FUND DESCRIPTION

Internal Service Funds

A fund category used to account for the financing of goods or services provided by one department or agency of the District to other departments or agencies on a cost-reimbursement basis. Charges are intended only to recoup the total cost of such services.

Employee Benefits Self-Insurance

This fund is provided to account for monies received from other funds as payment for providing dental benefits. The Self-Insured fund may make payments for services provided to employees, for reimbursement to employees who have paid providers, to third party administrators for claims payment or administration, for stop-loss coverage, or for any other reinsurance or other similar purposes.

Chromebook Self-Insurance

This fund is provided to account for monies received from other funds as payment for providing Chromebook insurance.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2023

	Employee Benefits Self- Insurance	Chromebook Self- Insurance	Total Internal Service Funds
Assets:			
Current:			
Equity in pooled cash and cash equivalents	\$ 2,235,598	\$ 141,594	\$ 2,377,192
Receivables:			
Accounts	544	3,163	3,707
Total assets	2,236,142	144,757	2,380,899
Liabilities:			
Current:			
Accounts payable	1,366	-	1,366
Claims payable	680,800	-	680,800
Total liabilities	682,166	-	682,166
Net position:			
Unrestricted	\$ 1,553,976	\$ 144,757	\$ 1,698,733

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Employee Benefits Self- Insurance	Chromebook Self- Insurance	Total Internal Service Funds
Operating revenues:			
Charges for services	\$ 5,961,065	\$ 55,163	\$ 6,016,228
Operating expenses:			
Purchased services	871,345	-	871,345
Materials and supplies	248	2,669	2,917
Claims	5,519,689	-	5,519,689
Total operating expenses	6,391,282	2,669	6,393,951
Operating income (loss) / change in net position	(430,217)	52,494	(377,723)
Net position at beginning of year	1,984,193	92,263	2,076,456
Net position at end of year	\$ 1,553,976	\$ 144,757	\$ 1,698,733

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Employee Benefits Self- Insurance	Chromebook Self- Insurance	Total Internal Service Funds
Cash flows from operating activities:			
Cash received from sales/CFS	\$ 5,960,521	\$ 52,035	\$ 6,012,556
Cash payments for purchased services	(877,312)	-	(877,312)
Cash payments for materials and supplies	(248)	(2,669)	(2,917)
Cash payments for claims	(5,562,489)	-	(5,562,489)
Net cash provided by (used in) operating activities	(479,528)	49,366	(430,162)
Net increase (decrease) in cash and cash equivalents	(479,528)	49,366	(430,162)
Cash and cash equivalents at beginning of year	2,715,126	92,228	2,807,354
Cash and cash equivalents at end of year	\$ 2,235,598	\$ 141,594	\$ 2,377,192
 Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (430,217)	\$ 52,494	\$ (377,723)
Changes in assets and liabilities:			
(Increase) in accounts receivable	(544)	(3,128)	(3,672)
(Decrease) in accounts payable	(5,967)	-	(5,967)
(Decrease) in claims payable	(42,800)	-	(42,800)
Net cash provided by (used in) operating activities	\$ (479,528)	\$ 49,366	\$ (430,162)

**CHARDON LOCAL SCHOOL DISTRICT
GEOUGA COUNTY, OHIO**

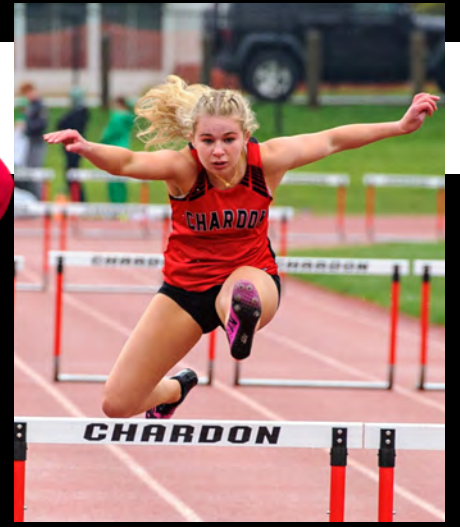
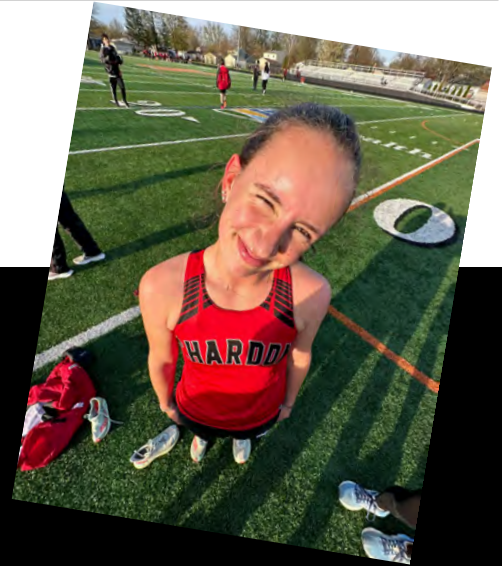
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Employee Benefits Self-Insurance				
Total Operating and Non-operating Revenues	\$ 5,800,000	\$ 5,800,000	\$ 5,960,521	\$ 160,521
Total Operating and Non-operating Expenses	<u>6,397,970</u>	<u>8,515,126</u>	<u>6,448,266</u>	<u>2,066,860</u>
Net change in fund equity	(597,970)	(2,715,126)	(487,745)	2,227,381
Fund equity at beginning of year	2,698,656	2,698,656	2,698,656	-
Prior year encumbrances appropriated	<u>16,470</u>	<u>16,470</u>	<u>16,470</u>	<u>-</u>
Fund equity at end of year	<u>\$ 2,117,156</u>	<u>\$ -</u>	<u>\$ 2,227,381</u>	<u>\$ 2,227,381</u>
Chromebook Self-Insurance				
Total Revenues and Other Sources	\$ 30,000	\$ 30,000	\$ 52,035	\$ 22,035
Total Expenditures and Other Uses	<u>20,000</u>	<u>122,228</u>	<u>2,669</u>	<u>119,559</u>
Net change in fund equity	10,000	(92,228)	49,366	141,594
Fund equity at beginning of year	<u>92,228</u>	<u>92,228</u>	<u>92,228</u>	<u>-</u>
Fund equity at end of year	<u>\$ 102,228</u>	<u>\$ -</u>	<u>\$ 141,594</u>	<u>\$ 141,594</u>

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STATISTICAL SECTION



**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

STATISTICAL SECTION

This part of the Chardon Local School District's annual comprehensive 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 District's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	140-145
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	146-152
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	153-159
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	161-162
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	164-175

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

NET POSITION BY COMPONENT
LAST THREE FISCAL YEARS (1)
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Governmental activities			
Net investment in capital assets	\$ 10,229,503	\$ 5,527,717	\$ 1,058,774
Restricted for:			
Capital projects	1,659,475	3,658,274	6,367,949
Debt service	18,654	6,337	26,125
State funded programs	200,275	351,049	416,695
Federally funded programs	372,676	280,156	70,389
Food service operations	1,021,846	943,618	183,938
Student activities	266,494	236,676	175,148
Other purposes	234,882	219,728	219,978
Unrestricted (deficit)	859,928	519,107	(8,696,681)
Total governmental activities net position	<u>\$ 14,863,733</u>	<u>\$ 11,742,662</u>	<u>\$ (177,685)</u>

(1) The District presented GAAP-basis statements starting in 2021.

Note: Information prior to 2021 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Source: District financial records.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

CHANGES IN NET POSITION
LAST THREE FISCAL YEARS (1)
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Expenses			
Governmental activities:			
Instruction:			
Regular	\$ 16,109,428	\$ 12,583,506	\$ 15,759,899
Special	5,250,940	4,821,605	5,270,432
Vocational	234,071	124,325	121,668
Other instructional	892,266	610,130	1,587,708
Support services:			
Pupil	2,769,627	2,375,356	2,473,027
Instructional staff	1,049,094	867,187	727,329
Board of education	53,102	55,286	55,659
Administration	3,051,967	2,528,158	2,812,204
Fiscal	1,198,289	1,035,574	998,189
Business	527,879	359,431	462,056
Operations and maintenance	3,166,947	2,785,789	2,320,342
Pupil transportation	3,275,623	2,997,758	3,236,362
Central	335,867	189,607	230,034
Operation of non-instructional services:			
Food service operations	1,129,519	1,042,245	978,426
Other of non-instructional services	354,856	451,843	1,462,088
Extracurricular activities	1,120,419	1,001,146	920,404
Interest and fiscal charges	53,778	58,507	33,687
Total governmental activities expenses	<u>40,573,672</u>	<u>33,887,453</u>	<u>39,449,514</u>

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

CHANGES IN NET POSITION
LAST THREE FISCAL YEARS - (Continued) (1)
(ACCRUAL BASIS OF ACCOUNTING)

	2023	2022	2021
Program Revenues			
Governmental activities:			
Charges for services:			
Instruction:			
Regular	\$ 611,573	\$ 598,427	\$ 894,657
Special	98,302	102,336	82,911
Vocational	-	272	-
Other	-	-	3
Support services:			
Pupil	52,567	87,211	58,792
Instructional staff	12,441	11,383	-
Administration	5,187	5,346	5,513
Operations and maintenance	34,656	33,459	11,068
Central	3,128	629	16,193
Operation of non-instructional services:			
Food service operations	803,593	197,807	110,692
Other of non-instructional services	134,019	108,020	24,767
Extracurricular activities	420,342	550,775	388,176
Operating grants and contributions:			
Instruction:			
Regular	68,036	448,643	255,008
Special	1,100,750	1,259,912	1,172,627
Vocational	2,403	2,804	7,501
Other	127,264	147,222	91,918
Support services:			
Pupil	327,183	281,156	538,741
Instructional staff	108,062	329,854	48,537
Administration	115,716	113,596	177,810
Business	-	95,454	80,583
Operations and maintenance	77,412	19,330	1,920
Pupil transportation	382,421	200,614	216,329
Central	690	62	9,467
Operation of non-instructional services:			
Food service operations	473,188	1,691,324	1,041,785
Other of non-instructional services	201,590	286,701	1,269,570
Extracurricular activities	42,022	43,335	205,024
Capital grants and contributions:			
Support services:			
Regular	288,694	-	-
Instructional staff	7,937	-	-
Business	203,500	1,246,490	-
Pupil transportation	189,187	-	19,209
Operation of non-instructional services:			
Other of non-instructional services	20,924	-	-
Extracurricular activities	33,535	185,383	-
Total governmental program revenues	5,946,322	8,047,545	6,728,801
Net (Expense)/Revenue			
Governmental activities	(34,627,350)	(25,839,908)	(32,720,713)

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

CHANGES IN NET POSITION
LAST THREE FISCAL YEARS - (Continued) (1)
(ACCRUAL BASIS OF ACCOUNTING)

General Revenues and Other Changes in Net Position	<u>2023</u>	<u>2022</u>	<u>2021</u>
Governmental activities:			
Property taxes levied for:			
General purposes	\$ 27,000,946	\$ 28,380,662	\$ 31,065,710
Debt service	420,000	388,719	59,812
Capital outlay	756,216	1,014,266	1,124,015
Payments in lieu of taxes	432,707	280	560
Grants and entitlements not restricted to specific programs	7,757,465	7,814,866	7,923,851
Investment earnings	1,293,804	72,677	38,214
Miscellaneous	87,283	88,785	116,357
Total governmental activities	<u>37,748,421</u>	<u>37,760,255</u>	<u>40,328,519</u>
Change in Net Position			
Governmental activities	<u>3,121,071</u>	<u>11,920,347</u>	<u>7,607,806</u>

Source: School District financial records.

(1) The District presented GAAP-basis statements starting in 2021.

Note: Information prior to 2021 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

FUND BALANCES, GOVERNMENTAL FUNDS
LAST THREE FISCAL YEARS (1)
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2023</u>	<u>2022</u>	<u>2021</u>
General Fund:			
Nonspendable	\$ 52,363	\$ 49,221	\$ 49,943
Committed	11,000	64,466	26,258
Assigned	572,178	1,141,663	708,157
Unassigned	<u>28,460,820</u>	<u>27,980,158</u>	<u>23,210,595</u>
Total general fund	<u>\$ 29,096,361</u>	<u>\$ 29,235,508</u>	<u>\$ 23,994,953</u>
All Other Governmental Funds:			
Nonspendable	1,349	1,340	1,268
Restricted	3,711,968	4,963,850	6,975,105
Committed	79,921	-	21,627
Unassigned (deficit)	<u>(108,311)</u>	<u>(9,843)</u>	<u>(108,234)</u>
Total all other governmental funds	<u>3,684,927</u>	<u>4,955,347</u>	<u>6,889,766</u>
Total governmental funds	<u>\$ 32,781,288</u>	<u>\$ 34,190,855</u>	<u>\$ 30,884,719</u>

Source: School District financial records.

(1) The District presented GAAP-basis statements starting in 2021.

Note: Information prior to 2021 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST THREE FISCAL YEARS (1)
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Revenues			
From local sources:			
Taxes	\$ 28,131,312	\$ 29,737,870	\$ 31,712,079
Intergovernmental	11,303,433	13,776,381	12,894,426
Investment earnings	1,349,467	76,590	38,878
Tuition and fees	803,281	769,398	1,000,245
Extracurricular	551,109	637,482	393,526
Rental income	34,608	36,606	28,972
Charges for services	803,914	197,807	110,692
Contributions and donations	185,274	249,403	80,571
Payment in lieu of taxes	432,707	280	560
Miscellaneous	131,862	157,096	187,649
Total revenues	<u>43,726,967</u>	<u>45,638,913</u>	<u>46,447,598</u>
Expenditures			
Current:			
Instruction:			
Regular	16,050,119	14,409,823	15,126,971
Special	5,348,817	5,329,222	5,308,149
Vocational	233,275	138,689	127,787
Other	887,130	660,092	1,588,028
Support services:			
Pupil	2,803,447	2,653,762	2,569,197
Instructional staff	1,041,190	1,015,627	737,294
Board of education	53,477	57,244	55,275
Administration	3,097,223	2,851,786	2,820,963
Fiscal	1,172,666	1,094,664	1,016,507
Business	639,291	1,641,678	489,413
Operations and maintenance	6,827,277	5,499,144	3,030,975
Pupil transportation	3,520,957	3,203,345	3,128,932
Central	337,931	208,467	235,377
Operation of non-instructional services:			
Food service operations	1,201,604	1,133,157	953,166
Other non-instructional services	360,398	475,948	1,445,276
Extracurricular activities	1,003,301	959,776	919,961
Facilities acquisition and construction	54,849	426,507	-
Capital outlay	-	-	494,575
Debt service:			
Principal retirement	530,092	514,858	164,859
Interest and fiscal charges	53,749	58,988	28,531
Total expenditures	<u>45,216,793</u>	<u>42,332,777</u>	<u>40,241,236</u>
Excess of revenues over (under) expenditures	(1,489,826)	3,306,136	6,206,362
Other Financing Sources (Uses)			
Sale of capital assets	\$ 36,084	\$ -	\$ 127,000
Sale of tax anticipation notes	-	-	3,750,000
Lease transaction	-	-	494,575
SBITA transaction	44,175	-	-
Transfers in	474,999	325,000	269,500
Transfers out	(474,999)	(325,000)	(269,500)
Total other financing sources (uses)	<u>80,259</u>	<u>-</u>	<u>4,371,575</u>
Net change in fund balances	<u>\$ (1,409,567)</u>	<u>\$ 3,306,136</u>	<u>\$ 10,577,937</u>
Capital expenditures	4,691,257	4,690,266	1,553,279
Debt service principal and interest as a percentage of noncapital expenditures	1.4%	1.5%	0.5%

Source: School District financial records.

(1) The District presented GAAP-basis statements starting in 2021.

Note: Information prior to 2021 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

Collection Year	Real Property (a)			Tangible Public Utility	
	Assessed Value		Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
	Residential/ Agricultural	Commercial/ Industrial/PU			
2023	\$ 643,542,230	\$ 97,293,800	2,116,674,371	\$ 30,360,780	34,500,886
2022	640,166,310	92,978,060	2,094,698,200	28,505,430	32,392,534
2021	637,365,680	91,787,800	2,083,295,657	26,840,230	30,500,261
2020	575,997,420	89,679,510	1,901,934,086	28,517,310	32,406,034
2019	573,386,380	82,306,460	1,873,408,114	27,061,210	30,751,375
2018	569,657,970	82,005,590	1,861,895,886	24,619,630	27,976,852
2017	542,212,030	83,807,860	1,788,628,257	24,666,620	28,030,250
2016	539,990,250	85,719,820	1,787,743,057	23,914,950	27,176,080
2015	536,921,060	86,089,810	1,780,031,057	19,974,660	22,698,477
2014	532,320,290	85,757,920	1,765,937,743	19,037,280	21,633,273

Source: Office of the County Auditor, Geauga County, Ohio

- (1) This amount is calculated based on the following percentages:
Real estate is assessed at 35% of actual value.
Public utility personal is assessed at 88% of actual value.

Total

Assessed Value	Estimated Actual Value	Total Direct Tax Rate	%
771,196,810	2,151,175,257	80.68	35.85%
761,649,800	2,127,090,734	80.68	35.81%
755,993,710	2,113,795,918	80.68	35.76%
694,194,240	1,934,340,120	80.68	35.89%
682,754,050	1,904,159,489	80.68	35.86%
676,283,190	1,889,872,738	76.78	35.78%
650,686,510	1,816,658,507	76.78	35.82%
649,625,020	1,814,919,137	76.78	35.79%
642,985,530	1,802,729,534	76.78	35.67%
637,115,490	1,787,571,016	76.78	35.64%

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER \$1,000 OF ASSESSED VALUE)
LAST TEN YEARS**

Tax Year/ Collection Year	Voted Levies								
	Unvoted Levy	1976 Current Expense	1977 Current Expense	1982 Current Expense	1987 Current Expense	1989 Current Expense	1995 Current Expense	2000 Current Expense	2006 Perm Imp
2022/2023	4.50	26.60	5.50	4.90	5.50	7.30	5.80	4.78	2.00
2021/2022	4.50	26.60	5.50	4.90	5.50	7.30	5.80	4.78	2.00
2020/2021	4.50	26.60	5.50	4.90	5.50	7.30	5.80	4.78	2.00
2019/2020	4.50	26.60	5.50	4.90	5.50	7.30	5.80	4.78	2.00
2018/2019	4.50	26.60	5.50	4.90	5.50	7.30	5.80	4.78	2.00
2017/2018	4.50	26.60	5.50	4.90	5.50	7.30	5.80	4.78	2.00
2016/2017	4.50	26.60	5.50	4.90	5.50	7.30	5.80	4.78	2.00
2015/2016	4.50	26.60	5.50	4.90	5.50	7.30	5.80	4.78	2.00
2014/2015	4.50	26.60	5.50	4.90	5.50	7.30	5.80	4.78	2.00
2013/2014	4.50	26.60	5.50	4.90	5.50	7.30	5.80	4.78	2.00

Source: Office of the County Auditor, Geauga County, Ohio and the Ohio Department of Taxation

(1) Other levies include the Chardon Township, City of Chardon, Claridon Township, Aquilla Village, Hambden Township, Munson Township, Auburn Joint Vocational School District and the Geauga County Library District

Voted Levies

<u>2006 Current Expense</u>	<u>2013 Current Expense</u>	<u>2018 Current Expense</u>	<u>Total School Levy</u>	<u>County Levy</u>	<u>Other Levies (1)</u>	<u>Total Levy</u>
4.00	5.90	3.90	80.68	12.15	81.91	174.74
4.00	5.90	3.90	80.68	12.65	73.32	166.65
4.00	5.90	3.90	80.68	15.50	65.68	161.86
4.00	5.90	3.90	80.68	15.60	65.74	162.02
4.00	5.90	3.90	80.68	15.60	66.50	162.78
4.00	5.90	-	76.78	15.60	62.95	155.33
4.00	5.90	-	76.78	15.60	62.45	154.83
4.00	5.90	-	76.78	15.60	60.80	153.18
4.00	5.90	-	76.78	13.40	60.05	150.23
4.00	5.90	-	76.78	14.10	60.05	150.93

**CHARDON LOCAL SCHOOL DISTRICT
GEOUGA COUNTY, OHIO**

PRINCIPAL TAXPAYERS
REAL ESTATE TAX
DECEMBER 31, 2022 AND DECEMBER 31, 2013

December 31, 2022			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Sisters of Notre Dame of Cleveland OH	\$ 6,462,950	1	0.87%
WalMart Real Estate Business Trust	3,619,250	2	0.49%
Geauga County Board of Commissioners	2,859,110	3	0.39%
Omega Healthcare	2,752,550	4	0.37%
ML Plaza LLC	2,140,500	5	0.29%
HD Development of Maryland Inc	2,023,820	6	0.27%
Chardon Asst Ownership LLC	1,890,000	7	0.26%
University Hospitals Geauga Medical Center	1,762,250	8	0.24%
Chardon Giant Eagle LLC	1,683,860	9	0.23%
Aveni Chardon Ltd	1,683,050	10	0.23%
 Total	 \$ 26,877,340		 3.64%
Total Real Estate Valuation	\$ 740,836,030		

December 31, 2013			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
WalMart Real Estate Business Trust	\$ 3,711,690	1	0.60%
Chardon Giant Eagle LLC	2,205,000	2	0.36%
Maple Leaf Plaza LLC	2,170,000	3	0.35%
HD Development of Maryland Inc.	1,985,030	4	0.32%
Aveni Chardon LTD	1,976,840	5	0.32%
Chardon De Bartolo LLC	1,850,290	6	0.30%
Heinens Inc. an Ohio Corporation	1,322,550	7	0.21%
Leaders Properties LLC	1,313,140	8	0.21%
Chardon Hills LLC	1,155,010	9	0.19%
Seventh Avenue Properties LTD	1,137,510	10	0.18%
 Total	 \$ 18,827,060		 3.04%
Total Real Estate Valuation	\$ 618,078,210		

Source: Office of the County Auditor, Geauga County, Ohio

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

PRINCIPAL PROPERTY TAX PAYERS
PUBLIC UTILITY PROPERTY TAX
DECEMBER 31, 2022 AND DECEMBER 31, 2013

December 31, 2022			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Public Utility Assessed Value
CLE Elec Illuminating Co	\$ 20,144,800	1	66.35%
American Transmission Systems Inc	6,699,410	2	22.07%
East Ohio Gas Co Dominion East Ohio	1,811,640	3	5.97%
Northeast Ohio Natural	404,610	4	1.33%
Knox Energy Cooperative	23,470	5	0.08%
Total	\$ 29,083,930		95.80%
Total Public Utility Assessed Valuation	\$ 30,360,780		

December 31, 2013			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Public Utility Assessed Value
CLE Elec Illuminating Co	\$ 15,850,060	1	83.26%
American Transmission Systems Inc	1,183,300	2	6.22%
East Ohio Gas Co. Dominion East Ohio	851,850	3	4.47%
Orwell Natrual Gas Company Inc.	149,640	4	0.79%
Total	\$ 18,034,850		94.74%
Total Public Utility Assessed Valuation	\$ 19,037,280		

Source: Office of the County Auditor, Geauga County, Ohio

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

PROPERTY TAX LEVIES AND COLLECTIONS (1)
LAST TEN FISCAL YEARS

Tax Year/ Collection Year (2)	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Total Tax Levy	Delinquent Tax Collections (3)	Total Tax Collection	Total Collection As a Percent of Total Levy
2022	\$ 31,646,434	\$ 30,958,894	97.83%	\$ 557,773	31,516,667	99.59%
2021	31,000,620	30,467,635	98.28%	546,309	31,013,944	100.04%
2020	30,107,834	29,565,202	98.20%	610,954	30,176,156	100.23%
2019	29,693,755	29,016,691	97.72%	421,171	29,437,862	99.14%
2018	26,668,182	26,210,268	98.28%	411,632	26,621,900	99.83%
2017	26,387,553	25,838,933	97.92%	714,054	26,552,987	100.63%
2016	26,577,178	25,389,244	95.53%	662,369	26,051,613	98.02%
2015	25,919,427	25,255,498	97.44%	598,410	25,853,908	99.75%
2014	25,538,159	24,741,927	96.88%	560,704	25,302,631	99.08%
2013	21,680,187	21,234,236	97.94%	678,998	21,913,234	101.07%

Source: Office of the County Auditor, Geauga County, Ohio

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

(2) Data is presented on a calendar year basis, consistent with the County Auditor's method of maintaining the information.

(3) The County is aware of the requirement to report delinquent tax collections by levy year rather than by collection year. The County's current computer system tracks levy amounts by either current levy or delinquent levy. Once amounts become part of the delinquent levy, the ability to track information by levy year is lost. The County is looking at options to provide this information in the future.

**CHARDON LOCAL SCHOOL DISTRICT
GEOUGA COUNTY, OHIO**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2023

<u>Governmental Unit</u>	<u>Net General Tax Supported Debt</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt of Chardon Local School District:			
General obligation debt (Net)	\$ 3,078,941	100.00%	\$ 3,078,941
	<u>3,078,941</u>		<u>3,078,941</u>
Overlapping debt:			
Geauga County	12,727,727	21.12%	2,688,096
Lake County	18,980,000	0.02%	3,796
Chardon City	3,574,000	100.00%	3,574,000
Concord Township	7,490,000	0.22%	16,478
Auburn Career Center JVSD	2,645,000	13.87%	366,862
Geauga County Library District	21,595,000	22.89%	4,943,096
Lake County Community College	31,780,000	0.02%	6,356
Total overlapping debt	<u>98,791,727</u>		<u>11,598,684</u>
 Total direct and overlapping debt	 <u>\$ 101,870,668</u>		 <u>\$ 14,677,625</u>

Note: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the District's taxable assessed value that is within the subdivision's boundaries and dividing it by the District's total taxable assessed value. Net general tax supported debt includes accreted interest on capital appreciation bonds but excludes unamortized bond premiums, discounts and deferred losses on refundings.

**CHARDON LOCAL SCHOOL DISTRICT
GEOUGA COUNTY, OHIO**

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Estimated Actual Value of Taxable Property (2)</u>	<u>General Bonded Debt Outstanding</u>	<u>Resources Available to Pay Principal (3)</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Ratio of Net Bonded Debt to Estimated Actual Value</u>	<u>Net Bonded Debt per Capita</u>
2023	21,829	2,151,175,257	3,045,000	18,654	3,026,346	0.14%	139
2022	N/A	2,127,090,734	3,400,000	6,337	3,393,663	0.16%	N/A
2021	21,520	2,113,795,918	3,750,000	26,125	3,723,875	0.18%	173
2020	21,551	1,934,340,120	-	-	-	0.00%	-
2019	21,610	1,904,159,489	-	-	-	0.00%	-
2018	21,606	1,889,872,738	-	-	-	0.00%	-
2017	21,476	1,816,658,507	-	-	-	0.00%	-
2016	21,510	1,814,919,137	-	-	-	0.00%	-
2015	21,746	1,802,729,534	-	-	-	0.00%	-
2014	21,575	1,787,571,016	-	-	-	0.00%	-

Source: (1) U.S. Census Bureau - 2010 Census

(2) Office of the Auditor, Geauga County, Ohio

(3) Resources available to pay principal is obtained from the District's Statement of Net Position for net position restricted for debt service

Note: N/A - information not available

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**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	Voted Debt Limit	Total Debt Applicable to Limit (1)	Debt Service Available Balance	Net Debt Applicable to Limit	Voted Legal Debt Margin
2023	\$ 69,407,713	\$ 3,045,000	\$ 22,841	\$ 3,022,159	\$ 66,385,554
2022	68,548,482	3,400,000	11,012	3,388,988	65,159,494
2021	68,039,434	3,750,000	-	3,750,000	64,289,434
2020	62,477,482	-	-	-	62,477,482
2019	61,447,865	-	-	-	61,447,865
2018	60,865,487	-	-	-	60,865,487
2017	58,561,786	-	-	-	58,561,786
2016	58,466,252	-	-	-	58,466,252
2015	57,868,698	-	-	-	57,868,698
2014	57,340,394	-	-	-	57,340,394

Source: Office of the Auditor, Geauga County, Ohio and School District Financial Records.

Note: Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt. House Bill 530 became effective on March 30, 2006, which excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations.

Legal Debt Margin as a Percentage of Debt Limit	Unvoted Debt Limit	Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit
95.65%	\$ 771,197	100.00%
95.06%	761,650	100.00%
94.49%	755,994	100.00%
100.00%	694,194	100.00%
100.00%	682,754	100.00%
100.00%	676,283	100.00%
100.00%	650,687	100.00%
100.00%	649,625	100.00%
100.00%	642,986	100.00%
100.00%	637,115	100.00%

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST THREE FISCAL YEARS (3)**

Fiscal Year	Tax Anticipation Notes	SBITA Payable	Finance Purchase Note Payable	Total Primary Government	Percentage of Actual Taxable Value of Property (1)	Percentage of Personal Income (2)
2023	\$ 3,045,000	\$ 33,941	\$ -	3,078,941	0.14%	0.32%
2022	3,400,000	-	164,858	3,564,858	0.17%	N/A
2021	3,750,000	\$ -	329,716	4,079,716	0.19%	0.49%

Note: The balances of outstanding debt should tie to the financial statements, that is they should be presented net of premiums and discounts.

Source: Details regarding the School District's outstanding debt can be found in the notes to the financial statements.

(1) See schedule "Assessed and Estimated Actual Value of Taxable Property, Last Ten Years" for property value date.

(2) See schedule "Deomographic and Economic Statistics, Last Ten Years" for per capita personal income and population data.

Note: N/A - information not available

(3) Note: The District did not have debt prior to fiscal year 2021. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**Per
Capita (2)**

141

N/A

190

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**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Year	Population (1)	Total Personal Income (2)	Per Capita Personal Income (1)	Geauga County Unemployment Rate (3)
2023	21,829	963,182,796	\$ 44,124	3.0%
2022	N/A	N/A	N/A	4.2%
2021	21,520	834,072,160	38,758	4.7%
2020	21,551	N/A	N/A	9.5%
2019	21,610	859,969,950	39,795	4.0%
2018	21,606	862,187,430	39,905	5.2%
2017	21,476	815,422,244	37,969	5.4%
2016	21,510	785,115,000	36,500	4.6%
2015	21,746	777,549,976	35,756	5.4%
2014	21,575	726,300,800	33,664	6.2%

Sources: (1) U.S. Census Bureau - 2010 Census
(2) Computation of per capital personal income multiplied by population
(3) Ohio Department of Job and Family Services - Ohio Labor Market Information as of June 30th
of fiscal year.

Note: N/A - information not available

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

PRINCIPAL EMPLOYERS
DECEMBER 31, 2022 AND DECEMBER 31, 2013

Employer	December 31, 2022		
	Number of Employees (1)	Rank	Percentage of Total City Employment
University Hospitals Geauga MD and other staff	1,398	1	28.42%
Walmart Supercenter	335	2	6.81%
Chardon Local School District	321	3	6.53%
Heinen's	300	4	6.10%
Heather Hill Care Communities	228	5	4.64%
Chardon Custom Polymers LLC	220	6	4.47%
Gauga County Offices	200	7	4.07%
Giant Eagle	190	7	3.86%
Sisters Of Notre Dame	177	9	3.60%
Camp Wise	150	10	3.05%
Total	3,519		71.55%
Total Employment within the School District (2)	4,919		

Employer	December 31, 2013		
	Number of Employees (1)	Rank	Percentage of Total City Employment
University Hospitals Geauga	1,285	1	28.81%
Gauga County	1,080	2	24.22%
Chardon Local School District	430	3	9.64%
Walmart Supercenter	425	4	9.53%
Henen's	350	5	7.85%
Chardon Custom Polymers LLC	220	6	4.93%
Giant Eagle	220	7	4.93%
Gauga County Sheriff's Office	150	8	3.36%
Rhein Chemie	150	8	3.36%
Pentair	150	8	3.36%
Total	4,460		100.00%
Total Employment within the School District (2)	4,460		

(1) Obtained from the Dun and Bradstreet's "Million Dollar Database" through Cuyahoga County Library Search Engine.

(2) Obtained from the 2000 and 2010 U.S. Census Bureau

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**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

BUILDING STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Chardon High School				
Constructed in 1951, 1953, 1957, 1964, 1974				
Total Building Square Footage	121,416	121,416	121,416	121,416
Enrollment Grades	8-12	8-12	8-12	8-12
Enrollment	1,103	1,114	1,147	1,156
Student Capacity	1,150	1,150	1,150	1,150
Regular Instruction Classroom	48	48	48	48
Regular Instruction Teachers	53	57	57	59
Special Instruction Teachers	7	7	8	8
Chardon Middle School				
Constructed in 1965, 1974				
Total Building Square Footage	89,224	89,224	89,224	89,224
Enrollment Grades	4-7	4-7	4-7	4-7
Enrollment	760	733	751	795
Student Capacity	792	792	792	792
Regular Instruction Classroom	33	33	33	33
Regular Instruction Teachers	45	42	45	42
Special Instruction Teachers	7	6	8	8
Park Elementary				
Constructed in 1938				
Total Building Square Footage	44,300	44,300	44,300	44,300
Enrollment Grades	1-3	1-3	1-3	K-3
Enrollment	237	267	265	359
Student Capacity	500	500	500	500
Regular Instruction Classroom	16	20	20	20
Regular Instruction Teachers	13	12	16	15
Special Instruction Classroom	4	2	2	2
Special Instruction Teachers	4	5	4	4
Munson Elementary				
Constructed in 1955, 1959, 1974				
Total Building Square Footage	31,228	31,228	31,228	31,228
Enrollment Grades	1-3	1-3	1-3	K-3
Enrollment	269	281	239	352
Student Capacity	408	408	408	408
Regular Instruction Classroom	16	17	17	17
Regular Instruction Teachers	15	14	16	16
Special Instruction Classroom	4	2	2	2
Special Instruction Teachers	5	4	5	4
Maple Elementary - Chardon Early Learning Center				
Constructed in 1958, 1964				
Total Building Square Footage	26,520	26,520	26,520	26,520
Enrollment Grades	P-K	P-K	P-K	P
Enrollment	253	236	229	82
Student Capacity	350	350	350	350
Regular Instruction Classroom	12	16	16	16
Regular Instruction Teachers	8	7	8	8
Special Instruction Classroom	3	1	1	1
Special Instruction Teachers	7	7	4	4
Hambden Elementary				
Constructed in 1922, 1949, 1964				
Total Building Square Footage	24,887	24,887	24,887	24,887
Enrollment Grades	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A
Student Capacity	225	225	225	225
Regular Instruction Classroom	0	0	0	0
Regular Instruction Teachers	0	0	0	0
Special Instruction Classroom	0	0	0	0
Special Instruction Teachers	0	0	0	0

Source: Information provided by the Chardon Local School District
Note: N/A - information not available

2019	2018	2017	2016	2015	2014
121,416	121,416	121,416	121,416	121,416	121,416
8-12	9-12	9-12	9-12	9-12	9-12
1,176	953	921	918	946	1,037
1,150	1,150	1,150	1,150	1,104	1,104
48	47	46	46	45	45
60	49	49	49	50	N/A
8	6	8	7	7	N/A
89,224	89,224	89,224	89,224	89,224	89,224
4-7	6-8	6-8	6-8	6-8	6-8
842	725	730	921	918	752
792	792	792	792	792	792
33	33	33	33	33	33
41	39	38	39	N/A	N/A
8	6	8	7	7	N/A
44,300	44,300	44,300	44,300	44,300	44,300
K-3	K-5	K-5	K-5	K-5	K-5
347	309	317	336	338	340
500	500	500	500	528	528
20	20	20	20	20	20
18	14	16	17	21	N/A
2	2	2	2	2	2
4	5	3	5	3	N/A
31,228	31,228	31,228	31,228	31,228	31,228
K-3	K-5	K-5	K-5	K-5	K-5
319	288	326	310	331	389
408	408	408	408	408	408
17	17	17	17	17	17
20	18	18	16	19	N/A
2	2	2	2	2	2
3	3	2	1	3	N/A
26,520	26,520	26,520	26,520	26,520	26,520
P	K-5	K-5	K-5	K-5	K-5
59	223	247	280	251	285
350	350	350	350	336	336
16	14	14	14	14	14
N/A	13	15	18	18	N/A
1	3	3	3	3	3
4	4	3	1	1	N/A
-	-	-	-	-	-
24,887	24,887	24,887	24,887	24,887	24,887
N/A	K-5	K-5	K-5	K-5	K-5
N/A	243	257	254	231	263
225	225	225	225	225	225
0	11	11	11	11	11
0	11	11	11	14	N/A
0	2	2	2	2	2
0	2	2	2	2	N/A

**CHARDON LOCAL SCHOOL DISTRICT
GEOUGA COUNTY, OHIO**

**COST PER PUPIL
LAST TEN FISCAL YEARS**

Year	Student Enrollment		General Government (2)		Governmental Activities	
	Average Enrollment (1)	Percentage Change	Total Expenditures	Cost Per Pupil	Total Expenses	Cost Per Pupil
2023	2,622	-0.34%	\$ 44,632,952	\$ 17,022	\$ 40,573,672	\$ 15,474
2022	2,631	0.00%	41,758,931	15,872	33,887,453	12,880
2021	2,631	-4.12%	40,047,846	15,222	39,449,514	14,994
2020	2,744	0.04%	N/A	N/A	N/A	N/A
2019	2,743	0.07%	N/A	N/A	N/A	N/A
2018	2,741	-2.04%	N/A	N/A	N/A	N/A
2017	2,798	-0.43%	N/A	N/A	N/A	N/A
2016	2,810	0.43%	N/A	N/A	N/A	N/A
2015	2,798	-8.14%	N/A	N/A	N/A	N/A
2014	3,046	-1.36%	N/A	N/A	N/A	N/A
2013	3,088	-0.74%	N/A	N/A	N/A	N/A

Source: Chardon Local School District Records.

(1) Based upon EMIS information provided to the Ohio Department of Education (ODE)

(2) Debt Service expenditures and other financing uses have been excluded.

Note: N/A - information not available

Note: Expenditure/expense information prior to fiscal year 2021 is not available. The District began reporting on a GAAP-Basis during fiscal year 2021.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

ENROLLMENT STATISTICS
LAST TEN FISCAL YEARS

Year	Elementary Schools (1)	Middle School	Senior High School	Total
2023	759	760	1,103	2,622
2022	784	733	1,114	2,631
2021	733	751	1,147	2,631
2020 (2)	793	795	1,156	2,744
2019 (2)	725	842	1,176	2,743
2018	1,063	725	953	2,741
2017	1,147	730	921	2,798
2016	1,180	712	918	2,810
2015	1,151	701	946	2,798
2014	1,277	732	1,037	3,046

Source: Based upon EMIS information provided to the Ohio Department of Education.
 (1) Includes Pre-School Students
 (2) The School District provided enrollment figures for 2020 and 2019.
 Information from ODE was unavailable.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

**FULL-TIME EQUIVALENT TEACHERS BY EDUCATION
LAST TEN FISCAL YEARS**

Year	Bachelor's			Master's			PhD	Total
	Degree	Degree +18	Degree +30	Degree	Degree +18	Degree +30		
2023	27.00	2.00	10.00	60.00	24.00	61.00	3.00	187.00
2022	16.00	6.00	13.00	67.00	26.00	57.00	2.00	187.00
2021	16.00	9.00	12.00	66.00	25.00	58.00	2.00	188.00
2020	17.00	11.00	14.00	68.00	30.00	58.00	1.00	199.00
2019	17.00	10.00	12.00	69.00	33.00	50.00	1.00	192.00
2018	21.00	13.00	13.00	74.00	31.00	46.00	1.00	199.00
2017	22.00	14.00	15.00	75.00	29.00	44.00	-	199.00
2016	28.00	12.00	11.00	80.00	27.00	41.00	-	199.00
2015	31.00	9.00	13.00	76.00	29.00	36.00	-	194.00
2014	26.00	12.00	11.00	82.00	28.00	38.00	1.00	198.00

Source: Chardon Local School District Payroll Department.
Executive Secretary Chardon Local Schools H/R Records

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

ATTENDANCE AND GRADUATION RATES
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Chardon Attendance Rate</u>	<u>State Average</u>	<u>Chardon Graduation Rate</u>	<u>State Average</u>
2023	92.5%	91.0%	95.1%	87.3%
2022	92.1%	90.4%	97.8%	87.0%
2021	93.0%	91.8%	97.8%	N/A
2020	95.8%	94.9%	96.0%	87.2%
2019	95.1%	93.4%	95.5%	85.9%
2018	95.3%	93.7%	94.6%	85.3%
2017	95.7%	N/A	97.0%	84.1%
2016	96.2%	N/A	92.9%	83.6%
2015	96.2%	N/A	95.7%	N/A
2014	96.4%	N/A	89.1%	N/A

Source: Ohio Department of Educational Local Report Cards.

N/A - Information was not available at time of completion.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

SCHOOL DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Regular Instruction						
Elementary Classroom Teachers	36.00	32.00	41.00	39.00	38.00	56.00
Middle School Classroom Teachers	45.00	42.00	45.00	42.00	42.00	41.00
High School Classroom Teachers	53.00	54.00	57.00	59.00	60.00	49.00
Districtwide Classroom Teachers	134.00	128.00	143.00	140.00	140.00	147.00
Special Instruction						
Elementary Classroom Teachers	16.00	16.00	13.00	12.00	11.00	14.00
Middle School Classroom Teachers	7.00	6.00	8.00	8.00	8.00	6.00
High School Classroom Teachers	7.00	7.00	8.00	8.00	9.00	8.00
Other Instruction						
Elementary Tutors	6.00	10.00	16.00	13.00	14.00	42.00
Middle School Tutors	12.00	11.00	11.00	18.00	12.00	11.00
High School Tutors	2.00	3.00	3.00	4.00	3.00	8.00
Districtwide Tutors	2.00	5.00	5.00	6.00	6.00	11.00
Pupil Support Services						
Guidance Counselors	7.00	8.00	8.00	7.00	7.00	6.00
Speech and Language Pathologists	5.00	4.00	4.00	4.00	4.00	3.00
Nurse	3.00	3.00	4.00	2.00	5.00	6.00
Non-Teaching Support Staff Elementary	13.00	7.00	10.00	10.00	8.00	29.00
Non-Teaching Support Staff Middle School	3.00	2.00	5.00	5.00	5.00	3.00
Non-Teaching Support Staff High School	4.00	N/A	N/A	N/A	N/A	1.00
Non-Teaching Support Staff Districtwide	2.00	4.00	-	-	-	-
Instructional Support Services						
Librarian	9.00	4.00	4.00	4.00	3.00	7.00
Technology	5.00	2.00	2.00	2.00	2.00	2.00
Non-Teaching Support Staff Elementary-Aides	10.00	17.00	19.00	17.00	5.00	18.00
Non-Teaching Support Staff Middle School	8.00	4.00	6.00	4.00	5.00	4.00
Non-Teaching Support Staff High School	1.00	5.00	7.00	6.00	5.00	7.00
Non-Teaching Support Staff Central	2.00	9.00	9.00	9.00	14.00	1.00
Administrators, Supervisors and Support Staff						
Elementary	9.00	7.00	9.00	7.00	6.00	13.00
Middle School	5.00	6.00	6.00	7.00	6.00	6.00
High School	10.00	10.00	11.00	10.00	10.00	14.00
Central Office	8.00	10.00	11.00	11.00	11.00	9.00
Other	1.00	1.00	3.00	3.00	3.00	2.00
Business						
Districtwide	2.00	2.00	2.00	2.00	2.00	2.00
Fiscal						
Treasurer's Office	6.00	6.00	5.00	6.00	5.00	6.00
Operations and Maintenance of Plant Services						
Custodial Department	17.00	15.00	18.00	17.00	18.00	22.00
Maintenance Department	5.00	5.00	6.00	5.00	6.00	5.00
Pupil Transportation						
Bus Drivers	24.00	23.00	32.00	33.00	36.00	35.00
Bus Aides	10.00	14.00	6.00	7.00	6.00	7.00
Mechanics	2.00	2.00	2.00	2.00	3.00	3.00
Transportation Support Staff	1.00	N/A	1.00	2.00	1.00	2.00
Central						
Community Relations	N/A	N/A	N/A	N/A	N/A	N/A
Food Service Program						
Elementary Cooks	3.00	3.00	4.00	2.00	4.00	5.00
Middle School Cooks	4.00	4.00	4.00	4.00	5.00	4.00
High School Cooks	5.00	5.00	4.00	5.00	6.00	9.00
Totals:	<u>504.00</u>	<u>496.00</u>	<u>552.00</u>	<u>542.00</u>	<u>534.00</u>	<u>624.00</u>

Source: Chardon Local School District's Staff Total FTE Report

Method: Used full-time equivalency (FTE) for each full, part-time and seasonal employee.

(1) During fiscal year 2012, the District converted from EMIS to Infinite Campus software and the Local Report Cards are currently unavailable. As a result of these two factors, information pertaining to this table is unavailable for fiscal years 2012 - 2014.

N/A - Information was not available at time of completion.

2017	2016	2015	2014 (1)
60.00	62.00	72.00	N/A
39.00	38.00	39.00	N/A
49.00	49.00	50.00	N/A
148.00	149.00	161.00	N/A
10.00	10.00	9.00	N/A
8.00	7.00	7.00	N/A
7.00	7.00	7.00	N/A
48.00	41.00	37.00	N/A
12.00	8.00	5.00	N/A
8.00	10.00	9.00	N/A
11.00	4.00	7.00	N/A
6.00	7.00	5.00	N/A
3.00	3.00	3.00	N/A
6.00	7.00	6.00	N/A
30.00	26.00	22.00	N/A
2.00	2.00	3.00	N/A
3.00	2.00	N/A	N/A
-	-	-	-
7.00	9.00	7.00	N/A
2.00	2.00	1.00	N/A
13.00	17.00	15.00	N/A
4.00	6.00	6.00	N/A
8.00	5.00	5.00	N/A
N/A	N/A	1.00	N/A
13.00	13.00	13.00	N/A
6.00	5.00	6.00	N/A
14.00	12.00	12.00	N/A
9.00	8.00	6.00	N/A
2.00	2.00	1.00	N/A
2.00	2.00	2.00	N/A
5.00	7.00	5.00	N/A
22.00	21.00	20.00	N/A
5.00	5.00	4.00	N/A
37.00	38.00	36.00	N/A
7.00	8.00	8.00	N/A
4.00	3.00	4.00	N/A
1.00	1.00	N/A	N/A
1.00	1.00	1.00	N/A
5.00	5.00	5.00	N/A
4.00	4.00	4.00	N/A
7.00	7.00	8.00	N/A
<u>628.00</u>	<u>613.00</u>	<u>612.00</u>	<u>-</u>

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

CAPITAL ASSET STATISTICS
LAST THREE FISCAL YEARS (1)

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Land	\$ 1,694,528	\$ 45,853	\$ 45,853
Land improvements	1,873,259	1,727,954	1,907,749
Buildings and improvements	7,288,707	1,287,072	1,000,432
Furniture, fixtures and equipment	734,673	431,763	311,608
Vehicles	1,664,822	1,529,187	1,527,023
Intangible right to use:			
SBITA assets	52,455	-	-
Construction in progress	-	4,488,900	691,650
	<u> </u>	<u> </u>	<u> </u>
Total Governmental Activities Capital Assets, net	<u>\$ 13,308,444</u>	<u>\$ 9,510,729</u>	<u>\$ 5,484,315</u>

Source: District financial records.

Note: Amounts above are presented net of accumulated depreciation.

(1) The District presented GAAP-basis statements starting in 2021.

Note: Information prior to 2021 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

FREE OR REDUCED LUNCH PROGRAM PERCENTAGES
LAST TEN SCHOOL YEARS

School Year	Students	Students Applicable for Free Lunch	Percentage of Applicable Students for the Free Lunch Program	Students Applicable for Reduced Lunch	Percentage of Applicable Students for the Reduced Lunch Program
2023	2,753	371	13.48%	115	4.18%
2022	2,631	254	9.65%	113	4.29%
2021	2,631	357	13.57%	89	3.38%
2020	2,814	406	14.43%	95	3.38%
2019	2,776	318	11.46%	60	2.16%
2018	2,853	353	12.37%	71	2.49%
2017	2,875	392	13.63%	83	2.89%
2016	2,955	381	12.89%	114	3.86%
2015	3,017	425	14.09%	142	4.71%
2014	3,067	497	16.20%	138	4.50%

Source: "Data for Free and Reduced Priced Meal Eligibility" obtained from the Ohio Department of Education

Total Students Applicable for the Free and Reduced Lunch Program	Total Percentage of Applicable Students for the Free and Reduced Lunch Programs
486	17.65%
367	13.95%
446	16.95%
501	17.80%
378	13.62%
424	14.86%
475	16.52%
495	16.75%
567	18.79%
635	20.70%

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**CHARDON LOCAL
SCHOOL DISTRICT
GEAUGA COUNTY, OHIO**

SINGLE AUDIT REPORT

**FOR THE FISCAL YEAR
ENDED JUNE 30, 2023**

Zupka & Associates
Certified Public Accountants

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Expenditures	Non-Cash Expenditures
<u>U.S. Department of Agriculture</u>			
<i>Passed through Ohio Department of Education</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	\$ 227,191	\$ 0
National School Lunch Program	10.555	716,655	53,004
COVID-19 - National School Lunch Program	10.555	70,164	0
Total Child Nutrition Cluster		<u>1,014,010</u>	<u>53,004</u>
COVID-19 - Pandemic EBT Administrative Costs	10.649	628	0
Total U.S. Department of Agriculture		<u>1,014,638</u>	<u>53,004</u>
<u>U.S. Department of Education</u>			
<i>Passed through Ohio Department of Education</i>			
Title I - Grants to Local Educational Agencies	84.010	<u>261,353</u>	<u>0</u>
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027	684,550	0
COVID-19 - Special Education - Grants to States	84.027X	8,586	0
Special Education - Preschool Grants	84.173	4,488	0
COVID-19 - Special Education - Preschool Grants	84.173X	9,071	0
Total Special Education Cluster		<u>706,695</u>	<u>0</u>
English Language Acquisition State Grants	84.365	<u>192</u>	<u>0</u>
Striving Readers	84.371	<u>234,602</u>	<u>0</u>
Improving Teacher Quality State Grants	84.367	<u>127,522</u>	<u>0</u>
Student Support and Academic Enrichment Program	84.424	<u>25,110</u>	<u>0</u>
Education Stabilization Fund:			
COVID-19 - ESSER II	84.425D	140,965	0
COVID-19 - ARP ESSER	84.425U	590,811	0
COVID-19 - ARP ESSER Homeless	84.425W	6,866	0
<i>Total ALN #84.425</i>		<u>738,642</u>	<u>0</u>
Total U.S. Department of Education		<u>2,094,116</u>	<u>0</u>
<u>U.S. Department of the Treasury</u>			
<i>Passed through Ohio Facilities Construction Commission</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	<u>143,334</u>	<u>0</u>
Total U.S. Department of the Treasury		<u>143,334</u>	<u>0</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 3,252,088</u>	<u>\$ 53,004</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Chardon Local School District under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Chardon Local School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the Chardon Local School District.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3: INDIRECT COST RATE

Chardon Local School District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4: CHILD NUTRITION CLUSTER

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

NOTE 5: FOOD DONATION PROGRAM

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair value of the commodities received.

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

Chardon Local School District
Geauga County
428 North Street
Chardon, OH 44024

To the Members of the Board of Education:

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 Chardon Local School District, Geauga County, Ohio, (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 22, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 District'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.

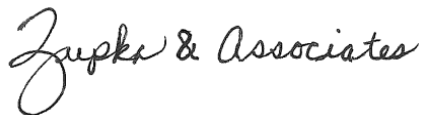
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Zupka & Associates
Certified Public Accountants

December 22, 2023

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

Chardon Local School District
Geauga County
428 North Street
Chardon, OH 44024

To the Members of the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Chardon Local School District, Geauga County, Ohio's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2023. The District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Chardon Local School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted an audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Chardon Local School District, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Chardon Local School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements to the Chardon Local School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Chardon Local School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Chardon Local School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Chardon Local School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Chardon Local School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Chardon Local School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

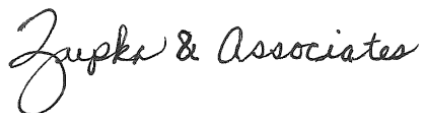
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 22, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Zupka & Associates
Certified Public Accountants

December 22, 2023

**CHARDON LOCAL SCHOOL DISTRICT
 GEAUGA COUNTY, OHIO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

1. SUMMARY OF AUDITOR'S RESULTS

2023(i)	Type of Financial Statement Opinion	Unmodified
2023(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2023(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2023(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2023(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2023iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2023(v)	Type of Major Programs' Compliance Opinions	Unmodified
2023(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2023(vii)	Major Programs (list): Education Stabilization Fund - COVID-19 - ESSER II - ALN #84.425D COVID-19 -ARP ESSER - ALN #84.425U COVID-19 - ARP ESSER Homeless - ALN #84.425W	
2023(viii)	Dollar Threshold: A/B Program	Type A: \$750,000 Type B: All Others less than \$750,000
2023(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

The prior audit report, as of June 30, 2022, included no findings. Management letter recommendations, as of June 30, 2022, have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

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OHIO AUDITOR OF STATE KEITH FABER



CHARDON LOCAL SCHOOL DISTRICT

GEAUGA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 3/21/2024

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov