

CHARDON LOCAL SCHOOL DISTRICT

Audit Report

For the Year Ended June 30, 2002

CHARLES E. HARRIS & ASSOCIATES, INC.
Certified Public Accountants



**Auditor of State
Betty Montgomery**

Board of Education
Chardon Local School District
Chardon, Ohio

We have reviewed the Independent Auditor's Report of the Chardon Local School District, Geauga County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2001 through June 30, 2002. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

March 3, 2003

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CHARDON LOCAL SCHOOL DISTRICT
Audit Report
For the Year Ended June 30, 2002

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland, OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

**OPINION ON SUPPLEMENTARY SCHEDULE
OF FEDERAL AWARDS EXPENDITURES**

**Board of Education
Chardon Local School District
Chardon, Ohio**

We have audited the basic financial statements of the Chardon Local School District as of and for the year ended June 30, 2002, and have issued our report thereon dated January 24, 2003, wherein we noted the District adopted Governmental Accounting Standards Board Statement No. 34 for the year ended June 30, 2002. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits conducted in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Chardon Local School District taken as a whole. The accompanying Schedule of Federal Awards Expenditures is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget, Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Charles E. Harris & Associates, Inc.
January 24, 2003

CHARDON LOCAL SCHOOL DISTRICT, OHIO
Schedule of Federal Awards Expenditures
For the Year Ended June 30, 2002

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Receipts	Expenditures
U.S. Department of Agriculture				
Pass through Ohio Department of Education				
Nutrition Cluster:				
Food Distribution - Commodities - See Note 2	10.550	n/a	\$ 31,542	\$ 31,542
National School Lunch Program	10.555	47183-04-PU-02	84,647	84,647
Breakfast Program	10.553	47183-05-PU-02	<u>3,356</u>	<u>3,356</u>
U.S. Department of Agriculture - Nutrition Cluster			119,545	119,545
U.S. Department of Education				
Pass through Ohio Department of Education				
Title I - Financial Assistance to Meet Special Educational Needs of Disadvantaged Children				
Title I - FY00 - Carryover	84.010	47183-C1-S1-00CY	-	14,560
Title I - FY01	84.010	47183-C1-S1-01	1,709	24,109
Title I - FY01 - Carryover	84.010	47183-C1-S1-01CY	46,116	46,116
Title I - FY02	84.010	47183-C1-S1-02	<u>172,057</u>	<u>141,786</u>
Total Title I			219,882	226,571
Title VI - B, Special Education - Assistance to States for Education of Handicapped Children				
Title VI - B - FY01	84.027	47183-6B-SF-01P	-	40,100
Title VI - B - FY02	84.027	47183-6B-SF-02P	<u>252,466</u>	<u>148,453</u>
Total Title VI - B			252,466	188,553
Education of Economic Security Act - Eisenhower Grant				
Eisenhower Grant - FY00	84.281	47183-MS-S1-00	4,787	6,105
Eisenhower Grant - FY01	84.281	47183-MS-S1-01	-	6,512
Eisenhower Grant - FY02	84.281	47183-MS-S1-02	<u>10,229</u>	<u>3,958</u>
Total Eisenhower Grant			15,016	16,575
Drug - Free School Grant				
Drug - Free School Grant - FY01	84.186	47183-DR-S1-01	-	3,009
Drug - Free School Grant - FY02	84.186	47183-DR-S1-02	<u>11,969</u>	<u>6,255</u>
Total Drug - Free School Grant			11,969	9,264
Innovative Education Program Strategies				
Innovative Education Program Strategies - FY00	84.298	47183-C2-S1-00	-	1,243
Innovative Education Program Strategies - FY01	84.298	47183-C2-S1-01	-	5,171
Innovative Education Program Strategies - FY02	84.298	47183-C2-S1-02	<u>14,367</u>	<u>8,308</u>
Total Innovative Education Program Strategies			14,367	14,722
Reducing Class Size				
Reducing Class Size - FY01	84.340	47183-CR-S1-01	-	26,440
Reducing Class Size - FY02	84.340	47183-CR-S1-02	<u>53,371</u>	<u>53,347</u>
Total Reducing Class Size			53,371	79,787
Total U.S. Department of Education			567,071	535,472
TOTAL FEDERAL AWARDS EXPENDITURES			<u>686,616</u>	<u>655,017</u>

See Notes to the Schedule of Awards Expenditures

CHARDON LOCAL SCHOOL DISTRICT
Notes to the Schedule of Federal Awards Expenditures
For the Year Ended June 30, 2002

1. Significant Accounting Policies

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

2. Food Distribution

Nonmonetary assistance is reported in the schedule at fair market value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2002, the District had food commodities in inventory recorded in the Enterprise Fund.

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

**Board of Education
Chardon Local School District
Chardon, Ohio**

We have audited the basic financial statements of the Chardon Local School District as of and for the year ended June 30, 2002, and have issued our report thereon dated January 24, 2003, wherein we noted the District adopted Governmental Accounting Standards Board Statement No. 34 for the year ended June 30, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2002-001. We also noted certain immaterial instances of noncompliance that we have reported to management in a separate letter dated January 24, 2003.

Internal Controls Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the District in a separate letter dated January 24, 2003.

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

Charles E. Harris & Associates, Inc.
January 24, 2003

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

**Board of Education
Chardon Local School District
Chardon, Ohio**

Compliance

We have audited the compliance of the Chardon Local School District with the types of compliance requirements described in *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2002. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2002.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with *OMB Circular A-133*.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

Charles E. Harris & Associates, Inc.
January 24, 2003

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505**

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY
JUNE 30, 2002**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unqualified
(d)(1)(ii)	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(ii)	<i>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(iii)	<i>Was there any reported material non-compliance at the financial statement level (GAGAS)?</i>	Yes
(d)(1)(iv)	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any other reportable internal control weakness conditions reported for major federal programs?</i>	No
(d)(1)(v)	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
(d)(1)(vi)	<i>Are there any reportable findings under Section .510</i>	No
(d)(1)(vii)	<i>Major Programs:</i>	Title I CFDA # 84.010
(d)(1)(viii)	<i>Dollar Threshold: Type A\B Programs</i>	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	<i>Low Risk Auditee?</i>	Yes

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - (continued)
OMB CIRCULAR A-133 SECTION .505

CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY
JUNE 30, 2002

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

Finding Number **2002-001**

The following funds had total appropriations in excess of estimated resources plus carryover balances in violation of Section 5705.39, Ohio Revised Code:

	Revenues plus Carryover Balances	Appropriations	Amount
Special Revenue Funds			
Public School Support	\$ 102,422	\$ 105,613	\$ 3,191
Other Grants	20,424	28,823	8,399
Athletic and Music	279,242	314,311	35,069
Auxiliary Services	991,915	1,001,569	9,654
SchoolNet Professional Development	10,107	13,557	3,450
Eisenhower Math and Science Grant	23,370	25,868	2,498
Title I	229,518	256,840	27,322
Title VI	22,333	32,317	9,984
Special Trust	31,878	31,910	32
Enterprise Funds			
Food Service	757,518	803,925	46,407

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit report, for the period ending June 30, 2001, included material citations or recommendations. They have either been corrected or repeated in the current audit.



**CHARDON LOCAL
SCHOOL DISTRICT**

**Chardon, Ohio
Geauga County**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2002**

Chardon Local School District

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2002

The mission of the Chardon Local School District is to produce educated, responsible citizens equipped with the skills necessary for success in an ever-changing, highly diverse, technological world through a committed partnership with staff, parents and the community.

Issued by:
David Piskac, Treasurer
Treasurer's Office

INTRODUCTORY SECTION

Chardon Local School District
Comprehensive Annual Financial Report
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Comprehensive Annual Financial Report
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Chardon Local School District

428 North Street
Chardon, Ohio 44024
Phone: (440) 285-4052

Administrative Offices



Pursuing Excellence

January 24, 2003

Board of Education Members
Chardon Local School District

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Chardon Local School District for the fiscal year ended June 30, 2002. This CAFR includes an opinion from Charles E. Harris and Associates, Inc. and conforms to generally accepted accounting principles as applicable to government entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data 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 various funds and account groups of the School District. This report will provide the taxpayers of the Chardon Local School District with comprehensive financial data in a format which will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to officials of the City of Chardon, the Village of Aquilla, the Chardon Township, Claridon, Hambden and Munson, the Geauga County Public Library, major taxpayers, financial rating services and other interested parties.

The Comprehensive Annual Financial Report is presented in three sections as follows:

1. The Introductory Section, which contains a Table of Contents, Letter of Transmittal, List of Principal Officials, Organizational Chart of the District and the GFOA Certificate of Achievement.
2. The Financial Section which begins with the Report of Independent Accountants and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the School District's financial position and operating results, the Combining Statements by Fund Type, and other statements that provide detailed information relative to the Basic Financial Statements.
3. The Statistical Section, which presents social and economic data, financial trends and fiscal capacity of the District.

The School District

Chardon Local School District is located in northeastern Ohio, approximately 40 miles east of Cleveland. The District includes the City of Chardon, the Village of Aquilla and the Townships of Munson, Hambden, Chardon and part of Claridon.

Chardon is one of seven school districts located in Geauga County. Approximately 5,000 people live in Chardon, while over 90,895 reside in surrounding Geauga County. 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 schoolhouses were built before any legal organizations were effected. 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 1908, 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 District consists of one high school, one middle school, four elementary schools, one administration building and one bus garage.

Chardon School District is one of the 612 school districts in the State of Ohio. The District provides education to 3,124 students in grade K-12, including special education services to 399 students.

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

The Reporting Entity and Services Provided

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

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 and the nonpublic schools.

The School District participates in five jointly governed organizations and one insurance purchasing pool. These organizations are the Lake Geauga Computer Association, the Ohio Schools' Council, the Auburn Career Center, the East Shore Center, the East Shore Regional Transportation System and the Ohio School Boards Association Worker's Compensation Group Rating Program. These organizations are presented in Notes 14 and 15 to the basic financial statements.

A complete discussion of the School District's reporting entity is provided in Note 1 to the basic financial statements.

Economic Condition and Outlook

The School District is located near the intersections of Route 90 and Route 44 about 40 miles east of Cleveland. The School District is home to many young families with incomes and housing values that are above state and county averages. Residential property is upper middle class, and properties are well kept. The Chardon area also encompasses a diverse and growing mix of commercial and light industrial properties. Major employers include Chardon Rubber, Eltech System Corporation and Litton Industrial Automation.

The School District is very fortunate in that the tax base continues to grow as more and more land is developed for housing and business. The District anticipates the assessed valuations to increase every year. For calendar year 2000, the District's assessed valuation was \$488,807,010 and for calendar year 2001 it was \$505,733,460.

Contrary to popular belief, the School District does not benefit financially in comparison to the percentage increases to assessed valuation from year to year. Rather, the School District benefits significantly less due to House Bill 920, which was passed in 1976. House Bill 920 prohibits school districts from realizing additional revenue from previously voted millage due to reappraisal of existing property values. Thus, the district must obtain approval of voters for additional revenue through tax levies. Fortunately for the Chardon Local School District, voters have been extremely supportive of operating levies. This was evident in March of 2000, as voters approved a continuing operating levy of 4.78 mills. Voters in the District have approved continuing tax levies of 5.5 mills, 4.9 mills, 5.5 mills, 7.3 mills and 5.8 mills in 1977, 1982, 1987, 1989, and 1995, respectively.

Of the School District's general fund operations, 65.53 percent of the general fund revenue comes from real estate taxes on residential, commercial and industrial properties and tangible personal property taxpayers with 30.78 percent being received from various forms of State aid including reimbursement of homestead and rollback reductions on property taxes. Investment earnings are .49 percent and other revenues are 3.20 percent.

The School District maintains a strategic fiscal plan, which incorporates the State required five-year plan. The current long-term fiscal plan reflects a negative cash balance during the 2006 fiscal year. The School District has a long history of local support. Continued voter support, and a healthy tax base are crucial to the long-term financial health of the School District.

Major Initiatives

The Chardon Local District is excited about the future. Voters approved a 4.78 mill operating levy in March of 2000. With the success of this issue, the District will be able to accomplish a number of initiatives in the area of curriculum development, programming, and student services. Our Strategic Planning was initiated in March 1995 and was completed last year.

During the planning stages for the Strategic Plan, major efforts were geared toward developing, improving, and refining educational services to improve students' academic success.

Specifically:

- Curriculum Process Model
- Assessment in all subject areas Grades K-12
- Technology that is integrated with the instructional areas
- Implemented curriculum in mathematics using NCTM standards
- Hands-on science curriculum and materials introduced at elementary grade levels and expanded through the middle and high school grade levels
- Additional communications and meetings throughout the District for parents and members of the community
- Continued staff development opportunities developed from the curriculum development process and building level CIP committees
- Intervention assistance for Proficiency Tests at all levels
- Parent organizations and opportunities for involvement at all levels
- Upgrading technology at all levels. This includes both management and instructional usage
- Business Advisory Council
- Chardon Schools Foundation
- New Gifted, Art, Foreign Language and Library Media Curriculums
- Community Service Projects developed at all levels
- Career education opportunities and resources at all levels
- New K-12 Math and Business Education Curriculum
- Park School recognized as Hall of Fame School
- Munson School recognized as Hall of Fame School
- District selected as School Match School for what Parents want in schools
- Nursing support at all buildings
- Upgraded all school facilities, both inside and outside, within current operating budget
- District received 22 out of 22 indicators on the State Report Card – Excellent School Rating
- Strategic Plan developed for long-term goals of the district

Outlook for the Future

For the future, the School District's overall focus will be to continue to improve the educational program for the benefit of students, parents and community residents. The process involves assessing current programs, identifying strengths and weaknesses, developing and implementing new courses of action, and evaluating the results.

Guiding the way will be the School District's Strategic Plan. Initially developed in 1994 with input from more than 200 people, including parents, volunteers, students, school administrators, teachers, classified staff members, representatives from business, industry and the community at large, the plan provides the framework to move the District into the 21st century. Many of the initiatives for this school year are outgrowths of our Strategic Plan. Specific initiatives for 2001-02 were as follows:

- To continue to improve student achievement, including raising proficient scores at all levels – elementary, middle school, and high school.
- To continue to focus on issues related to student behavior, high expectations, a positive school climate, and a productive learning environment.

- To continue to integrate the use of technology into the instructional setting, grades pre-K through 12.
- To develop and implement an aggressive plan to unite our communities in support of our mission and strategic plan.
- To continue to foster a positive working relationship among the certified, classified, and administrative teams, so as to maintain a productive working environment.
- To continue efforts to improve the parent involvement and partnerships throughout the District.
- To plan for our facilities for the future in our community.

Service Efforts

Preparing students to be responsible adults is an important tenet of the School District's mission to prepare students to be good citizens. Students are encouraged to work collaboratively with their communities in a variety of ways. For example, students sponsor food and clothing drives for needy families, perform musical selections for residents of local nursing homes, and create artwork to brighten the rooms of residents at a local hospice. Other examples of students' community service efforts during the last school year are as follows:

- Gold Card - recognizing Senior Citizens
- Students partnerships with Heather Hill
- Jump Start to Reading Program for pre-school children
- Jump Start for Heart Program at elementary schools
- Students participate in HANDS Program
- Students involved in grounds clean-up
- WomenSafe - student participation
- Veterans Day Activities
- United Way fundraising drive
- Hunger Task Force
- Coats for Kids at Middle School
- Holiday projects for needy - all schools
- Landscaping projects throughout the District
- Walk for Diabetes

Financial Information

Internal Accounting and Budgetary Control

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

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

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

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

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the object level within a function and fund. All purchase order requests must be approved by either the Superintendent or Assistant Superintendent and certified by the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests that exceed the available appropriation are rejected until additional appropriations are secured.

The accounting system used by the School District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date.

Each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible. In addition, an on line inquiry system is available at each cost center site. As an additional safeguard, all employees are covered by a blanket bond, and certain individuals in policy-making roles are covered by a separate, higher limit bond.

The basis of accounting and the various funds and account groups utilized by Chardon Local Schools are fully described in Note 2 of the basic financial statements. Additional information on the School District's budgetary accounting can also be found in Note 3.

Financial Condition

This is the first year the School District has prepared financial statements following GASB Statement 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." GASB 34 creates new basic financial statements for reporting on the School District's financial activities as follows:

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

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

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

As part of this new reporting model, management is responsible for preparing a Discussion and Analysis of the School District. This discussion follows this letter of transmittal, providing an assessment of the School District's finances for 2002. Because that discussion focuses on major funds, other nonmajor funds are discussed briefly in this letter.

Financial Highlights – Internal Service Fund The only internal service fund carried on the financial records of the School District is related to self-insurance. This fund accounts for the revenues and expenses related to the provision of dental and medical benefits to School District employees. The School District has implemented a medical self-insurance program. The internal service fund had net assets of \$40,142 at June 30, 2002, compared with net assets of \$83,650 at June 30, 2001, reflecting a net decrease of \$43,508.

Financial Highlights – Fiduciary Funds The trust fund carried on the financial records of the School District is a private purpose trust fund that has net assets totaling \$142,862 at June 30, 2002.

Cash Management

The Board has established a cash management program that expedites the collection of local and state funds through electronic fund transfer and daily deposits. Funds deposited in local financial institutions are insured by the Federal Deposit Insurance Corporation as well as collateralized by investments in instruments issued by the United States Government or the State of Ohio. The total amount of interest earned in the General Fund for the year ended June 30, 2002 was \$115,920.

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

Risk Management

The School District manages the medical, dental and prescription drug benefits for its employees on a self-insured basis. A third party administrator processes and pays the claims. Unobligated reserves at June 30, 2002 are sufficient to meet claim obligations.

The School District uses the State Workers' Compensation plan and pays the premium based on a rate per \$100 of salaries. The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program. See Note 15 of the basic financial statements.

The School District maintains general liability insurance, professional liability insurance, fleet insurance, and insurance on buildings and contents with Westfield Companies and Indiana Insurance Company. See Note 8 of the basic financial statements for limits and deductibles.

Pension Plans

All School District employees are covered by the statewide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS) with the exception of Board of Education members who have chosen to participate in Social Security. The School District's employer contributions to both systems are based on a percentage of employees' salaries. State law requires the School District to pay the employer share as determined by each retirement system. See Note 11 to the basic financial statements for complete details.

Independent Audit

State statutes require the School District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent auditor Charles Harris & Associates, Inc. was selected to render an opinion on the School District's financial statements as of fiscal year 2002. The opinion appears in the financial section of this report.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all governments in Ohio. The School District adopted and has been in conformance with that system beginning with its financial report for the 1981 fiscal year.

Awards

Student Awards

Chardon Local School District is proud of its students for their accomplishments. In past years, some of our outstanding achievements included:

- Park Elementary School - Hall of Fame Award
- Munson Elementary School – Hall of Fame Award
- Learn and Serve Partnership Grant
- School Match Award - Top 12% of schools nationwide for sixth year. “What Parents Want” Award
- Various awards and grants through Partnerships with Business and Industry to recognize both students and teachers.
- Recognized as “Excellent” school district by the State of Ohio

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Chardon Local School District a Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2001. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

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

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

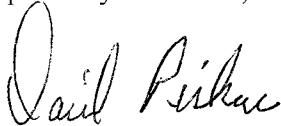
Acknowledgements

The publication of this report continues the School District's commitment to professionalism in financial reporting. The accomplishment of this report would not have been made possible without the assistance, support and efforts of the School District's administration. Assistance from the Geauga County Auditor's Office staff, specifically Jeff Nokes, made possible the fair presentation of the statistical data.

Special recognition is extended to Irma Bucaro, Executive Secretary for whose efforts, dedication and assistance has made this report possible.

Finally, sincere appreciation is extended to the Board of Education for their support for this project.

Respectfully submitted,



David Piskac, MBA, CPA
Treasurer



Dr. M. Jane Hayman
Superintendent

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Chardon Local
School District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2001

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



William Patrick Pate
President

Jeffrey L. Esser
Executive Director

Chardon Local School District

Principal Officials

June 30, 2002

Board of Education

Mr. Larry Reiter..... President
Mr. Robert Faehnle..... Vice-President
Mrs. Bonnie Clemson..... Member
Mrs. Betty Ferrall..... Member
Mrs. Judith May..... Member

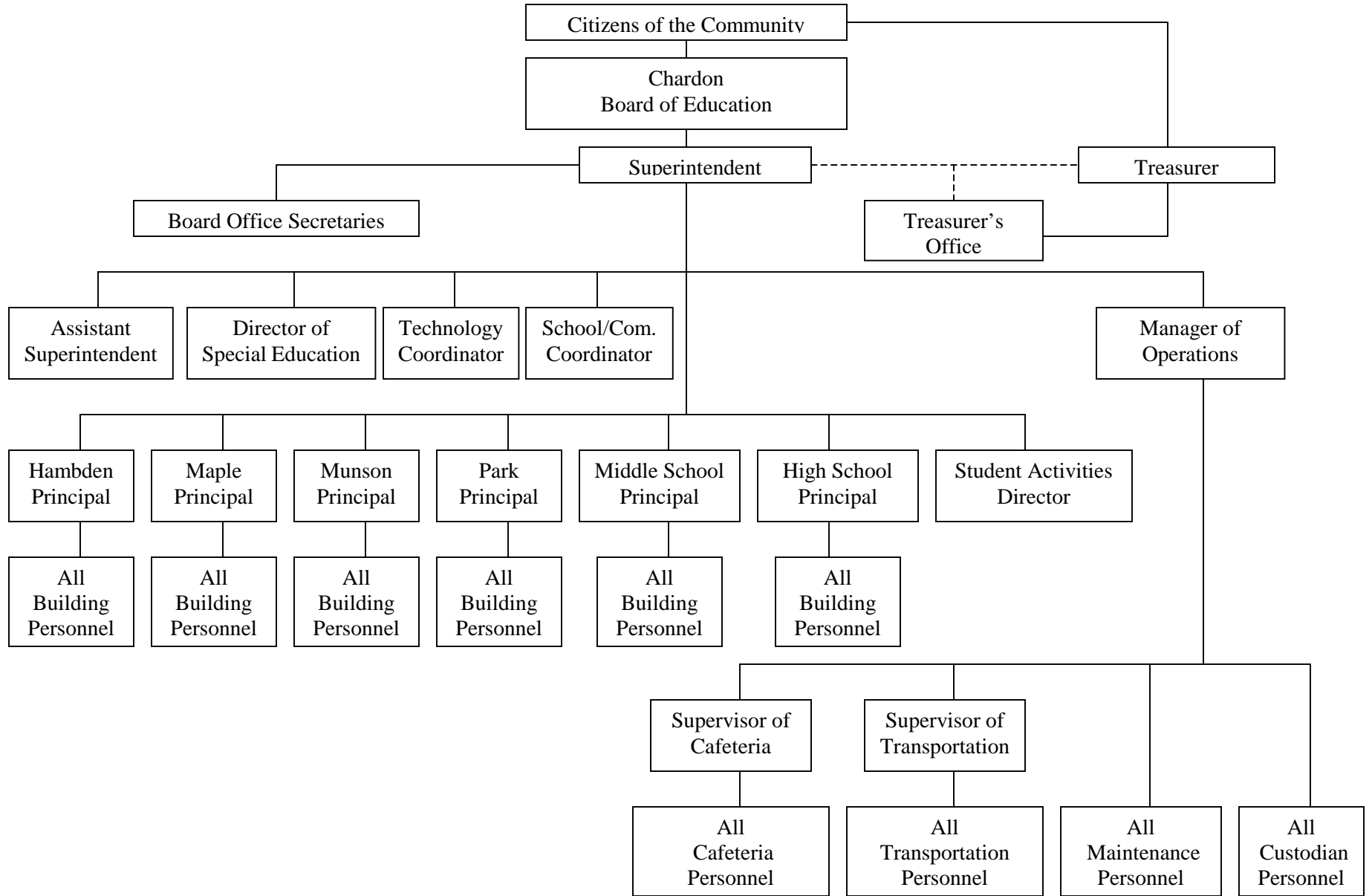
Treasurer

Mr. David Piskac, MBA, CPA

Administration

Dr. M. Jane Hayman..... Superintendent
Dr. Randy Continenza..... Assistant Superintendent
Mr. Dana Stearns..... Manager of Operations

CHARDON LOCAL SCHOOL DISTRICT ORGANIZATIONAL CHART



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FINANCIAL SECTION

Charles E. Harris & Associates, Inc.
Certified Public Accountants

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

REPORT OF INDEPENDENT ACCOUNTANTS

**Board of Education
Chardon Local School District
Chardon, Ohio**

We have audited the accompanying basic financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Chardon Local School District (the District), as of and for the year ended June 30, 2002, which collectively comprise the District's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2002, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General fund for the year ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 19 to the basic financial statements, the District adopted Governmental Accounting and Standards Board Statement No. 34 for the year ended June 30, 2002.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 24, 2003 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the basic financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund statements and statistical tables are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects, in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Charles E. Harris & Associates, Inc.
Charles E. Harris & Associates, Inc.
January 24, 2003

Chardon Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

The discussion and analysis of Chardon Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2002. The intent of this discussion and analysis is to look at the School 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 School District's financial performance.

Financial Highlights

Key financial highlights for 2002 are as follows:

Overall:

- For governmental activities, net assets increased \$1.38 million, which represents a 45 percent increase from 2001. Net assets of business-type related activities increased \$50,648 or 68 percent from 2001.
- General revenues accounted for \$23.4 million in revenue or 92 percent of all governmental revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2.03 million or 8 percent of total governmental revenues of \$25.5 million.
- The School District had \$24.1 million in expenses related to governmental activities; only \$2.03 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$23.4 million were adequate to provide for these programs.
- Among major funds, the general fund had \$23.3 million in revenues and \$21.6 million in expenditures. The general fund's fund balance increased to \$1.8 million from \$.99 million. The School District is in the early cycle of a recently passed tax levy, which was a major contributing factor to the general fund increase.
- Net assets for enterprise funds increased significantly due to \$90,000 in operating transfers of which, \$81,000 was for food service operations. Total enterprise expenditures were \$896,525; only \$855,825 of these expenses were offset by program specific charges for services, grants or contributions. Management increased pricing of food service items, but the increases were insufficient to meet expenses.

Chardon Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Chardon Local School 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 Assets* and *Statement of Activities* provides information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term and what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Chardon Local School District, the general fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2002?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include *all assets* and *liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

Chardon Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 16. Fund financial reports provide detailed information about the School District's major fund. The School District uses many funds to account for a multitude of financial transactions. However, these financial statements focus on the School District's most significant funds. The School District's major governmental fund is the general fund.

Governmental Funds Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual*, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the School District's general governmental 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 difference) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

Proprietary Funds Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in statements for the School District as a whole.

Chardon Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

The School District as a Whole

Governmental Activities

Table 1 shows net assets for fiscal year 2002. Since this is the first year the School District has prepared financial statements following GASB Statement 34, net asset comparisons to prior fiscal years are not available.

Table 1

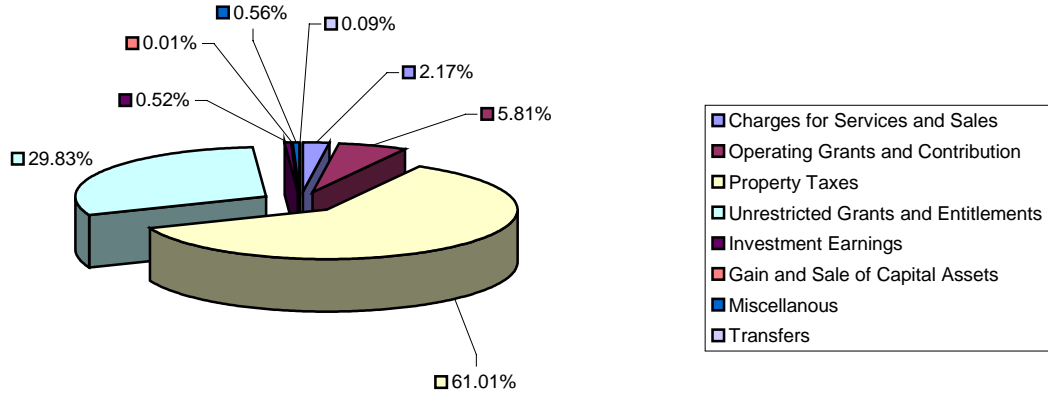
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Current and Other Assets	\$18,018,944	\$135,274	\$18,154,218
Capital Assets	<u>3,230,186</u>	<u>30,220</u>	<u>3,260,406</u>
Total Assets	<u>21,249,130</u>	<u>165,494</u>	<u>21,414,624</u>
<u>Liabilities</u>			
Long-Term Liabilities	1,001,480	16,014	1,017,494
Other Liabilities	<u>15,771,054</u>	<u>24,596</u>	<u>15,795,650</u>
Total Liabilities	<u>16,772,534</u>	<u>40,610</u>	<u>16,813,144</u>
<u>Net Assets</u>			
Invested in Capital Assets Net of Debt	3,230,186	30,220	3,260,406
Restricted	296,541	0	296,541
Unrestricted (Deficit)	<u>949,869</u>	<u>94,664</u>	<u>1,044,533</u>
Total Net Assets	<u>\$4,476,596</u>	<u>\$124,884</u>	<u>\$4,601,480</u>

What are the School Districts Revenue Sources?

The following pie graph provides a summary of the School District's Governmental Activities Revenue sources for 2002.

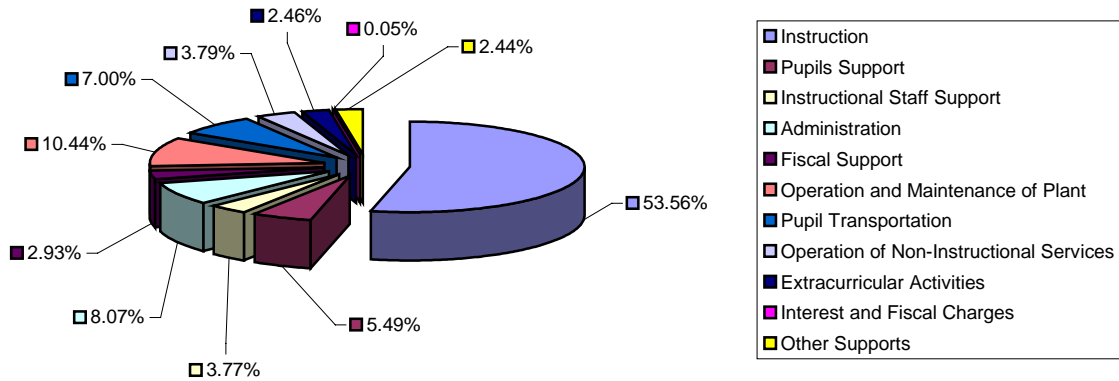
Chardon Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

Revenues - Percentage View



Where does the School District spend its revenues?

Expenditures - Percentage View



Chardon Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Thus school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of service. Property taxes made up 60.5 percent of revenue for governmental activities for Chardon Local School District in fiscal year 2002, a slight increase from prior years.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 2 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted state entitlements.

Table 2

**Total and Cost of Program Services
Governmental Activities**

	<u>Total Cost of Service</u>	<u>Net Cost of Service</u>
Instruction	\$12,905,203	\$12,458,975
Support Services		
Pupil and Instruction Staff	2,234,026	2,055,629
Board of Education, Administration, Fiscal and Business	3,021,796	2,988,540
Operation and Maintenance of Plant	2,516,021	2,353,119
Pupil Transportation	1,686,187	1,597,755
Central	217,090	208,970
Operation of Non-Instructional Services	912,238	38,194
Extracurricular Activities	591,572	349,697
Interest and Fiscal Charges	<u>11,861</u>	<u>11,861</u>
 Total Expenses	 <u>\$24,095,994</u>	 <u>\$22,062,740</u>

Chardon Local School District
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2002
Unaudited

The dependence upon general tax revenues for governmental activities is apparent. Over 96.5 percent of instruction activities are supported through taxes and other general revenues; for all governmental activities general revenue support is 91.6 percent as shown in the above table. The community, as a whole, is by far the primary support for Chardon Local School District students.

Business-Type Activities

Business-type activities include food service, uniform school supply, summer school and adult/community education.

Overall Net (Expense) Revenue for business-type activities ended on a \$40,700 negative balance. Food service operations experienced an \$66,482 negative operating balance for fiscal year 2002. Management anticipates food service deficits to continue in future fiscal years even though food prices were increased to offset future operating losses. Food service was supplemented \$81,000 by the general fund in fiscal year 2002 and management anticipates future general fund support to food service operations. Table 3 provides a revenue and expense summary for the School District's business-type activities.

Table 3

Revenue and Expense for Business Type Activities

	Food	Uniform	Summer	Adult
	Services	School Supplies	School	Education
Revenues	\$751,108	\$29,314	\$41,104	\$34,299
Expenditures	<u>817,590</u>	<u>30,495</u>	<u>32,796</u>	<u>15,644</u>
Net	(66,482)	(1,181)	8,308	18,655

The School District's Funds

Information about the School District's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$25.6 million and expenditures of \$24.2 million. The net change in fund balance for the year was most significant in the General Fund, where the General Fund net assets increased by \$.88 million for fiscal year 2002.

Chardon Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

General Fund Budgeting Highlights

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

During the course of fiscal year 2002 the School District amended its General Fund budget numerous times. The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the General Fund, budget basis revenue was \$23.6 million, over the original budget estimate of \$22.6 million. Of this \$1.0 million difference, personal property tax revenue was approximately \$.3 million and intergovernmental revenue was approximately \$.7 million over original estimates. These two revenue line items fluctuate year to year and are budgeted on a conservative basis to avoid revenue overestimations.

Total actual expenditures on the budget basis (cash outlays plus encumbrances) were \$22.5 million, \$1.1 million below revenues.

Capital Assets and Debt Administration

At the end of fiscal year 2002, the School District had \$3.26 million (net) invested in land, buildings, equipment and vehicles, \$3.23 million (net) in governmental activities.

Table 4 shows fiscal 2002 gross fixed asset balances for governmental type activities and business-type activities (net of depreciation) compared to the prior fiscal year.

Table 4

	<u>Governmental Type Activities</u>		<u>Business-Type Activities</u> (net of depreciation)	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Land and Improvements	\$737,878	\$735,280	\$0	\$0
Buildings	6,548,505	6,548,505	0	0
Furniture and Fixtures	2,741,742	2,595,409	\$30,220	\$24,599
Vehicles	<u>1,943,411</u>	<u>1,774,885</u>	<u>0</u>	<u>0</u>
Totals	<u>\$11,971,536</u>	<u>\$11,654,079</u>	<u>\$30,220</u>	<u>\$24,599</u>

Chardon Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

The decrease in capital assets is due to recognizing a \$373,837 prior period adjustment for a fixed asset revaluation done in fiscal year 2002. In addition, the School District recognized \$523,035 in depreciation expense for 2002, offset by \$710,984 in acquisitions. These acquisitions were distributed among furniture and equipment and vehicles. The District also retired \$383,837 of fully depreciated assets. The District continued its ongoing commitment to maintaining and improving its fixed assets.

For fiscal year 1999, a change in Ohio law required school districts to set aside two percent of certain revenues for capital improvements and an additional two-percent for textbooks; this amount was increased to three percent beginning in fiscal year 2000. For fiscal year 2002, this amounted to \$371,455 for each set aside. For fiscal year 2002, the School District had qualifying disbursements or offsets exceeding these requirements for textbooks and capital improvements. During fiscal year 2002, the School District maintained a \$568,753 Budgetary Stabilization Fund.

Debt

Currently, the district does not have any debt obligations or judgments levied against it.

Current Financial Related Activities

Chardon Local School District is strong financially. As the preceding information shows, the School District heavily depends on its property taxpayers. With the passage of a 4.78 mill operating levy and collection beginning January 2001 the School District has been able to continue its education programs. However, financially the future is not without challenges.

While the School District was successful in increasing its tax revenue base in 2000, this increase is a one-time increase. State law fixes the amount of this increase, forcing it to remain nearly constant. Thus management must diligently plan expenses, staying carefully within the School District's five-year forecast.

Declining state foundation payments due to increased property valuations provide no significant increase in future revenues. This decline is due to the increasing valuation charge-offs in determining state foundation payments. The increases in property tax revenues are almost offset to decreases in state foundation payments. With its major sources of revenue not keeping pace with expenditure increases, the District must seek additional tax revenues to continue current operations. However, the District cannot look to the State of Ohio for increased revenue.

Chardon Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding plan is unconstitutional. The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...". The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations. Virtually, no additional state revenue will be available to Chardon Local School District. Thus, both taxes and state revenue are fixed or declining.

The scenario requires management to plan carefully and prudently to provide the resources to meet student needs over the next several years.

Chardon Local School District has committed itself to financial excellence for many years. The School District has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting since 1999. The School District is one of a few school districts in Geauga County to exercise early implementation of the new financial reporting model. This report represents the first report using this new financial reporting model.

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizen's, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact David Piskac, Treasurer at Chardon Local School District, 428 North Street, Chardon, Ohio 44024.

Chardon Local School District
Statement of Net Assets
June 30, 2002

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 3,675,603	\$ 108,770	\$ 3,784,373
Cash and Cash Equivalents in Segregated Accounts	50,366	-	50,366
Receivables:			
Taxes	14,129,600	-	14,129,600
Accounts	9,623	703	10,326
Intergovernmental	12,484	15,149	27,633
Prepaid Assets	33,373	-	33,373
Inventory Held for Resale	-	9,913	9,913
Materials and Supplies Inventory	107,895	739	108,634
Nondepreciable Capital Assets	610,812	-	610,812
Depreciable Capital Assets, Net	<u>2,619,374</u>	<u>30,220</u>	<u>2,649,594</u>
<i>Total Assets</i>	<u>\$ 21,249,130</u>	<u>\$ 165,494</u>	<u>\$ 21,414,624</u>
Liabilities			
Accounts Payable	\$ 85,734	-	\$ 85,734
Accrued Wages and Benefits	1,597,029	\$ 2,332	1,599,361
Intergovernmental Payable	34,659	476	35,135
Pension Obligation Payable	473,090	8,204	481,294
Deferred Revenue	12,914,328	8,282	12,922,610
Claims Payable	284,691	-	284,691
Long-Term Liabilities:			
Due Within One Year	381,523	5,302	386,825
Due Within More Than One Year	<u>1,001,480</u>	<u>16,014</u>	<u>1,017,494</u>
<i>Total Liabilities</i>	<u>\$ 16,772,534</u>	<u>\$ 40,610</u>	<u>\$ 16,813,144</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	\$ 3,230,186	\$ 30,220	\$ 3,260,406
Restricted for:			
Capital Projects	94,930	-	94,930
Other Purposes	201,611	-	201,611
Unrestricted (Deficit)	<u>949,869</u>	<u>94,664</u>	<u>1,044,533</u>
<i>Total Net Assets</i>	<u>\$ 4,476,596</u>	<u>\$ 124,884</u>	<u>\$ 4,601,480</u>

See accompanying notes to the basic financial statements

Chardon Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2002

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
Instruction:				
Regular	\$ 10,510,930	\$ 80,065	\$ 84,963	\$ -
Special	1,940,607	14,745	262,968	-
Vocational	243,240	1,861	-	-
Other	210,426	1,626	-	-
Support Services:				
Pupils	1,325,621	8,042	145,046	-
Instructional Staff	908,405	-	25,309	-
Board of Education	48,091	-	-	-
Administration	1,944,781	-	-	-
Fiscal	705,015	33,256	-	-
Business	323,909	-	-	-
Operation and Maintenance of Plant	2,516,021	162,249	653	-
Pupil Transportation	1,686,187	21,008	67,424	-
Central	217,090	-	8,120	-
Operation of Non-Instructional Services	912,238	-	874,044	-
Extracurricular Activities	591,572	229,073	12,802	-
Interest and Fiscal Charges	11,861	-	-	-
<i>Total Governmental Activities</i>	<u>\$ 24,095,994</u>	<u>\$ 551,925</u>	<u>\$ 1,481,329</u>	<u>\$ -</u>
Business-Type Activities				
Food Service	\$ 817,590	\$ 588,369	\$ 162,739	\$ -
Uniform School Supplies	30,495	29,314	-	-
Summer School	32,796	33,553	7,551	-
Adult Education	15,644	30,299	4,000	-
<i>Total Business-Type Activities</i>	<u>896,525</u>	<u>681,535</u>	<u>174,290</u>	<u>-</u>
<i>Totals</i>	<u>\$ 24,992,519</u>	<u>\$ 1,233,460</u>	<u>\$ 1,655,619</u>	<u>\$ -</u>

General Revenues

Property Taxes Levied for:

General Purposes

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Gain on Sale of Capital Assets

Miscellaneous

Transfers

Total General Revenues

Changes in Net Assets

Net Assets Beginning of Year - As Restated (See Note 19)

Net Assets End of Year

See accompany notes to the basic financial statements

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (10,345,902)	\$ -	\$ (10,345,902)
(1,662,894)	-	(1,662,894)
(241,379)	-	(241,379)
(208,800)	-	(208,800)
(1,172,533)	-	(1,172,533)
(883,096)	-	(883,096)
(48,091)	-	(48,091)
(1,944,781)	-	(1,944,781)
(671,759)	-	(671,759)
(323,909)	-	(323,909)
(2,353,119)	-	(2,353,119)
(1,597,755)	-	(1,597,755)
(208,970)	-	(208,970)
(38,194)	-	(38,194)
(349,697)	-	(349,697)
(11,861)	-	(11,861)
<u>\$ (22,062,740)</u>	<u>\$ -</u>	<u>\$ (22,062,740)</u>
\$ -	\$ (66,482)	\$ (66,482)
-	(1,181)	(1,181)
-	8,308	8,308
-	18,655	18,655
<u>-</u>	<u>(40,700)</u>	<u>(40,700)</u>
<u>\$ (22,062,740)</u>	<u>\$ (40,700)</u>	<u>\$ (22,103,440)</u>
\$ 15,547,509	\$ -	\$ 15,547,509
7,599,207	-	7,599,207
131,864	1,348	133,212
1,327	-	1,327
141,842	-	141,842
23,267	90,000	113,267
<u>23,445,016</u>	<u>91,348</u>	<u>23,536,364</u>
1,382,276	50,648	1,432,924
<u>3,094,320</u>	<u>74,236</u>	<u>3,168,556</u>
<u>\$ 4,476,596</u>	<u>\$ 124,884</u>	<u>\$ 4,601,480</u>

Chardon Local School District
Balance Sheet
Governmental Funds
June 30, 2002

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 2,229,788	\$ 603,891	\$ 2,833,679
Restricted Assets:			
Cash and Cash Equivalents	568,753	-	568,753
Receivables:			
Taxes	14,129,600	-	14,129,600
Accounts	6,578	1,749	8,327
Intergovernmental	-	12,484	12,484
Prepaid Items	32,983	390	33,373
Materials and Supplies Inventory	107,895	-	107,895
<i>Total Assets</i>	17,075,597	618,514	17,694,111
Liabilities			
Accounts Payable	51,136	34,598	85,734
Accrued Wages and Benefits	1,589,139	7,890	1,597,029
Compensated Absences Payable	30,120	-	30,120
Pension Obligation Payable	264,376	1,922	266,298
Intergovernmental Payable	34,563	96	34,659
Deferred Revenue	13,245,100	-	13,245,100
<i>Total Liabilities</i>	15,214,434	44,506	15,258,940
Fund Balances			
Reserved for:			
Encumbrances	637,237	268,338	905,575
Prepaid Items	32,983	390	33,373
Inventory	107,895	-	107,895
Property Taxes	884,500	-	884,500
Budget Stabilization	568,753	-	568,753
Unreserved:			
Undesignated	(370,205)	305,280	(64,925)
<i>Total Fund Balances</i>	1,861,163	574,008	2,435,171
<i>Total Liabilities and Fund Balances</i>	\$ 17,075,597	\$ 618,514	\$ 17,694,111

See accompany notes to the basic financial statements

Chardon Local School District
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2002*

Total Governmental Fund Balances		\$ 2,435,171
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		3,230,186
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes	330,772	
Total		330,772
An internal service fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		40,142
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	(1,352,883)	
Pension Obligation Payable	(206,792)	
Total	(1,559,675)	
<i>Net Assets of Governmental Activities</i>		\$ <u>4,476,596</u>

Chardon Local School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2002

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 15,216,737	\$ -	\$ 15,216,737
Intergovernmental	7,646,777	1,433,759	9,080,536
Interest	115,920	15,578	131,498
Extracurricular Activities	33,043	235,856	268,899
Transportation Fees	21,008	-	21,008
Classroom Materials and Fees	117,216	7,260	124,476
Miscellaneous	202,854	76,530	279,384
<i>Total Revenues</i>	<u>23,353,555</u>	<u>1,768,983</u>	<u>25,122,538</u>
Expenditures			
Current:			
Instruction:			
Regular	9,741,193	149,986	9,891,179
Special	1,718,973	171,251	1,890,224
Vocational	237,428	-	237,428
Other	210,426	-	210,426
Support Services:			
Pupils	1,114,390	187,496	1,301,886
Instructional Staff	858,778	132,779	991,557
Board of Education	41,151	-	41,151
Administration	1,897,271	-	1,897,271
Fiscal	701,718	-	701,718
Business	318,878	-	318,878
Operation and Maintenance of Plant	2,051,894	736	2,052,630
Pupil Transportation	1,790,935	15,845	1,806,780
Central	191,575	25,620	217,195
Operation of Non-Instructional Services	44,363	834,328	878,691
Extracurricular Activities	338,550	221,771	560,321
Capital Outlay	411,608	-	411,608
Debt Service:			
Interest	-	11,861	11,861
<i>Total Expenditures</i>	<u>21,669,131</u>	<u>1,751,673</u>	<u>23,420,804</u>
<i>Excess of Revenue Over/(Under) Expenditures</i>	<u>1,684,424</u>	<u>17,310</u>	<u>1,701,734</u>
Other Financing Sources (Uses)			
Proceeds from Sale of Fixed Assets	1,327	-	1,327
Operating Transfer In	-	511,832	511,832
Operating Transfer Out	(801,832)	-	(801,832)
<i>Total Other Financing Sources (Uses)</i>	<u>(800,505)</u>	<u>511,832</u>	<u>(288,673)</u>
<i>Net Change in Fund Balances</i>	883,919	529,142	1,413,061
<i>Fund Balances Beginning of Year</i>	988,060	44,866	1,032,926
Increase in Reserved for Inventory	(10,816)	-	(10,816)
<i>Fund Balances End of Year</i>	<u>\$ 1,861,163</u>	<u>\$ 574,008</u>	<u>\$ 2,435,171</u>

See accompany notes to the basic financial statements

Chardon Local School District
*Reconciliation of the Statement of Revenues, Expenditures
and Changes in the Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2002*

Net Change in Fund Balances - Total Governmental Funds \$ 1,413,061

***Amounts reported for governmental activities in the
statement of activities are different because***

Governmental funds report capital outlays as expenditures.
However, in the statement of activities, the cost of these assets is
allocated over their estimated useful lives as depreciation expense.
This is the amount by which depreciation exceeded capital outlay
in the current period.

Fixed Assets Additions	700,094	
Current Year Depreciation	(517,765)	
Total		182,329

Revenues in the statement of activities that do not provide current
financial resources are not reported as revenues in the funds.

Taxes	330,772	
Total		330,772

Some expenses reported in the statement of activities, such as
compensated absences and intergovernmental payable which
represents contractually required pension contributions, do not
required the use of current financial resources and therefore are
not reported as expenditures in the governmental funds.

Pension Obligation Payable	(29,079)	
Compensated Absences Payable	(460,483)	
Change in Inventory	(10,816)	
Total		(500,378)

The internal service fund used by management to charge the cost
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 services fund is allocated
among the governmental activities.

		(43,508)
<i>Change in Net Assets of Governmental Activities</i>		<u><u>1,382,276</u></u>

Chardon Local School District

Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amount			Variance with
	Original	Final	Actual	Final Budget
				Favorable/ (Unfavorable)
<u>Revenue:</u>				
Taxes	\$ 15,220,700	\$ 15,535,837	\$ 15,535,837	\$ -
Intergovernmental	6,954,259	7,635,207	7,646,777	11,570
Interest	213,265	234,369	115,920	(118,449)
Tuition	2,051	2,254	-	(2,254)
Extracurricular Activities	31,041	33,612	33,043	(569)
Transportation Fees	2,711	2,979	21,008	18,029
Classroom Materials and Fees	109,665	119,269	117,216	(2,053)
Miscellaneous	92,971	102,171	204,950	102,779
Total Revenues	22,626,663	23,665,698	23,674,751	9,053
<u>Expenditures:</u>				
Instruction:				
Regular	10,175,962	10,394,229	10,078,914	315,315
Special	1,931,380	2,114,459	1,938,023	176,436
Vocational	206,675	240,275	234,254	6,021
Other	49,158	259,228	216,446	42,782
Support Services:				
Pupils	1,148,747	1,180,335	1,133,867	46,468
Instructional Support	884,855	941,653	887,856	53,797
Board of Education	48,232	49,055	45,414	3,641
Administration	1,929,451	2,012,907	1,866,812	146,095
Fiscal	671,504	792,972	676,926	116,046
Business	286,636	325,929	305,499	20,430
Operation and Maintenance of Plant	2,137,937	2,246,695	2,107,582	139,113
Pupil Transportation	1,976,926	2,094,525	2,070,570	23,955
Central	145,445	158,503	147,620	10,883
Operation of Non-Instructional Services	91,347	53,934	46,529	7,405
Extracurricular Activities	339,872	383,421	339,522	43,899
Capital Outlay	435,508	453,634	449,784	3,850
Total Expenditures	22,459,635	23,701,754	22,545,618	1,156,136
Excess of Revenues Over/ (Under) Expenditures	167,028	(36,056)	1,129,133	1,165,189
<u>Other Financing Sources/(Uses):</u>				
Proceeds from Sale of Fixed Assets	5,127	5,634	1,327	(4,307)
Refund of Prior Year Expenditures	1,025	1,127	712	(415)
Contingencies	-	(11,000)	-	11,000
Advance In	47,876	52,614	57,194	4,580
Advance Out	-	(13,514)	(13,514)	-
Operating Transfer Out	(48,175)	(801,832)	(801,832)	-
Total Other Financing Sources/(Uses)	5,853	(766,971)	(756,113)	10,858
Excess of Revenues, Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	172,881	(803,027)	373,020	1,176,047
Fund Balance/(Deficit) at the Beginning of Year	1,411,719	1,411,719	1,411,719	-
Prior year encumbrances appropriated	313,220	313,220	313,220	-
Fund Balance/(Deficit) at the End of Year	\$ 1,897,820	\$ 921,912	\$ 2,097,959	\$ 1,176,047

See accompanying notes to the basic financial statements

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Chardon Local School District
Statement of Fund Net Assets
Proprietary Funds
June 30, 2002

	Business-Type Activities -		
	Food Service	Uniform School Supplies	Summer School
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 31,417	\$ 9,197	\$ 48,848
Cash and Cash Equivalents:			
In Segregated Accounts	-	-	-
Receivables:			
Accounts	583	-	120
Intergovernmental	15,149	-	-
Inventory Held For Resale	9,913	-	-
Materials and Supplies Inventory	739	-	-
	57,801	9,197	48,968
<i>Total Current Assets</i>			
Capital Assets, Net	30,220	-	-
	88,021	9,197	48,968
<i>Total Assets</i>			
Liabilities			
Accrued Wages	2,332	-	-
Compensated Absences Payable	5,302	-	-
Intergovernmental Payable	435	-	41
Deferred Revenue	8,282	-	-
Pension Obligation Payable	4,524	-	3,680
Claims Payable	-	-	-
	20,875	-	3,721
<i>Total Current Liabilities</i>			
Long-Term Liabilities:			
Compensated Absences Payable	16,014	-	-
	36,889	-	3,721
<i>Total Liabilities</i>			
Net Assets			
Invested in Capital Assets	30,220	-	-
Unrestricted	20,912	9,197	45,247
	51,132	9,197	45,247
<i>Total Net Assets (Deficit)</i>	\$ 51,132	\$ 9,197	\$ 45,247

See accompanying notes to the basic financial statements

<u>Enterprise Funds</u>		
<u>Adult Education</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Fund</u>
\$ 19,308	\$ 108,770	\$ 273,171
-	-	50,366
-	703	1,296
-	15,149	-
-	9,913	-
-	739	-
<u>19,308</u>	<u>135,274</u>	<u>324,833</u>
<u>-</u>	<u>30,220</u>	<u>-</u>
19,308	165,494	324,833
-	2,332	-
-	5,302	-
-	476	-
-	8,282	-
-	8,204	-
-	-	284,691
<u>-</u>	<u>24,596</u>	<u>284,691</u>
<u>-</u>	<u>16,014</u>	<u>-</u>
-	40,610	284,691
-	30,220	-
<u>19,308</u>	<u>94,664</u>	<u>40,142</u>
<u>\$ 19,308</u>	<u>\$ 124,884</u>	<u>\$ 40,142</u>

Chardon Local School District
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2002

	Business-Type Activities -		
	Food Service	Uniform School Supplies	Summer School
Operating Revenues			
Tuition	\$ -	\$ -	\$ 33,673
Charges for Services	-	-	-
Food Services	581,501	-	-
Classroom Materials and Fees	-	29,314	-
Other Operating Revenues	583	-	-
	<u>582,084</u>	<u>29,314</u>	<u>33,673</u>
<i>Total Operating Revenues</i>			
	<u>582,084</u>	<u>29,314</u>	<u>33,673</u>
Operating Expenses			
Salaries	311,615	-	23,155
Fringe Benefits	93,121	-	8,991
Purchased Services	-	-	-
Materials and Supplies	118,879	30,495	650
Cost of Sales	288,706	-	-
Depreciation	5,269	-	-
Claims	-	-	-
Other	-	-	-
	<u>817,590</u>	<u>30,495</u>	<u>32,796</u>
<i>Total Operating Expenses</i>			
	<u>817,590</u>	<u>30,495</u>	<u>32,796</u>
<i>Operating Income (Loss)</i>	<u>(235,506)</u>	<u>(1,181)</u>	<u>877</u>
Non-Operating Revenues (Expenses)			
Federal Donated Commodities	52,661	-	-
Intergovernmental	110,078	-	7,551
Interest	1,348	-	-
Other Non-operating Revenues	6,165	-	-
Operating Transfers In	81,000	9,000	-
	<u>251,252</u>	<u>9,000</u>	<u>7,551</u>
<i>Total Non-Operating Revenues</i>			
	<u>251,252</u>	<u>9,000</u>	<u>7,551</u>
<i>Change in Net Assets</i>	15,746	7,819	8,428
<i>Net Assets (Deficit) Beginning of Year</i>	<u>35,386</u>	<u>1,378</u>	<u>36,819</u>
<i>Net Asstes (Deficit) End of Year</i>	<u>\$ 51,132</u>	<u>\$ 9,197</u>	<u>\$ 45,247</u>

See accompanying notes to the basic financial statements

Enterprise Funds			Governmental Activities - Internal Service Fund
Adult Education	Total		
\$ 30,299	\$ 63,972	\$ -	-
-	-	1,929,010	-
-	581,501	-	-
-	29,314	-	-
-	583	-	-
<u>30,299</u>	<u>675,370</u>	<u>1,929,010</u>	
-	334,770	-	-
1,641	103,753	-	-
13,523	13,523	340,750	-
17	150,041	-	-
-	288,706	-	-
-	5,269	-	-
-	-	1,832,134	-
463	463	-	-
<u>15,644</u>	<u>896,525</u>	<u>2,172,884</u>	
<u>14,655</u>	<u>(221,155)</u>	<u>(243,874)</u>	
-	52,661	-	-
4,000	121,629	-	-
-	1,348	366	-
-	6,165	-	-
-	90,000	200,000	-
<u>4,000</u>	<u>271,803</u>	<u>200,366</u>	
18,655	50,648	(43,508)	
653	74,236	83,650	
<u>\$ 19,308</u>	<u>\$ 124,884</u>	<u>\$ 40,142</u>	

Chardon Local School District
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2002

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Fund
	Food Service	Uniform School Supplies	Summer School	Adult Education	Total	
Increase (Decrease) in Cash and Cash Equivalents						
Cash Flows from Operating Activities						
Cash Received from Customers	\$ 581,501	\$ 29,314	\$ 33,553	\$ 30,299	\$ 674,667	\$ 1,928,264
Other Cash Receipts	6,165	-	-	-	6,165	-
Cash Payments to Employees for Services	(309,941)	-	(30,073)	-	(340,014)	-
Cash Payments for Employees Benefit	(89,277)	-	(5,357)	(1,641)	(96,275)	-
Cash Payments for Goods and Services	(359,532)	(30,495)	(650)	(13,976)	(404,653)	(340,750)
Cash Payments for Claims	-	-	-	-	-	(1,812,698)
Other Cash Payments	-	-	-	(463)	(463)	-
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>(171,084)</u>	<u>(1,181)</u>	<u>(2,527)</u>	<u>14,219</u>	<u>(160,573)</u>	<u>(225,184)</u>
Cash Flows from Noncapital Financing Activities						
Grants Received	94,929	-	7,551	4,000	106,480	-
Operating Transfer In	81,000	9,000	-	-	90,000	200,000
<i>Net Cash Provided by (Use by) Noncapital Financing Activities</i>	<u>175,929</u>	<u>9,000</u>	<u>7,551</u>	<u>4,000</u>	<u>196,480</u>	<u>200,000</u>
Cash Flows from Capital Financing Activities						
Acquisition of Capital Assets	(11,368)	-	-	-	(11,368)	-
<i>Net Cash Provided by (Used by) Capital Financing Activities</i>	<u>(11,368)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,368)</u>	<u>-</u>
Cash Flows from Investing Activities						
Interest on Investment	1,348	-	-	-	1,348	366
<i>Net Cash Provided by (Used by) Investing Financing Activities</i>	<u>1,348</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,348</u>	<u>366</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(5,175)	7,819	5,024	18,219	25,887	(24,818)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>36,592</u>	<u>1,378</u>	<u>43,824</u>	<u>1,089</u>	<u>82,883</u>	<u>348,355</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$ 31,417</u>	<u>\$ 9,197</u>	<u>\$ 48,848</u>	<u>\$ 19,308</u>	<u>\$ 108,770</u>	<u>\$ 323,537</u>
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities						
<i>Operating Income (Loss)</i>	\$ (235,506)	\$ (1,181)	\$ 877	\$ 14,655	\$ (221,155)	\$ (243,874)
Adjustments:						
Depreciation	5,269	-	-	-	5,269	-
Other Non-Operating Revenues	6,165	-	-	-	6,165	-
Donated Commodities	52,661	-	-	-	52,661	-
(Increase) Decrease in Assets:						
Accounts Receivable	(583)	-	(120)	-	(703)	(746)
Inventory Held for Resale	(1,379)	-	-	-	(1,379)	-
Materials and Supplies Inventory	128	-	-	-	128	-
Increase (Decrease) in Liabilities:						
Accounts Payable	(9,286)	-	-	-	(9,286)	-
Accrued Wages	1,239	-	(6,959)	-	(5,720)	-
Compensated Absences Payable	8,619	-	-	-	8,619	-
Pension Obligation Payable	4,524	-	3,680	-	8,204	-
Intergovernmental Payable	(8,386)	-	(5)	(436)	(8,827)	-
Deferred Revenue	5,451	-	-	-	5,451	-
Claims Payable	-	-	-	-	-	19,436
<i>Total Adjustments</i>	<u>64,422</u>	<u>-</u>	<u>(3,404)</u>	<u>(436)</u>	<u>60,582</u>	<u>18,690</u>
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>\$ (171,084)</u>	<u>\$ (1,181)</u>	<u>\$ (2,527)</u>	<u>\$ 14,219</u>	<u>\$ (160,573)</u>	<u>\$ (225,184)</u>

Noncash Non-Capital Financing Activities:

During the fiscal year ended June 30, 2002, the District received and used \$52,661 of federal donated commodities.

See accompanying notes to the basic financial statements

Chardon Local School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2002

	Private Purpose Trust	
	Scholarship	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	\$ 142,862	\$ 52,618
<i>Total Assets</i>	142,862	52,618
Liabilities		
Accounts Payable	-	115
Due to Students	-	52,503
<i>Total Liabilities</i>	-	\$ 52,618
Net Assets		
Held in Trust for Scholarships	142,862	
<i>Total Net Assets</i>	\$ 142,862	

See accompanying notes to the basic financial statements

Chardon Local School District
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2002

	Private Purpose Trust
	Scholarship
Addition	
Interest	\$ 3,638
Deduction	
Other	1,415
<i>Change in Net Assets</i>	2,223
<i>Net Assets Beginning of Year</i>	140,639
<i>Net Assets End of Year</i>	\$ 142,862

See accompanying notes to the basic financial statements

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 1 – Description of the School District and Reporting Entity

Chardon Local School District is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The School District operates under a locally-elected five-member Board form of government and provides educational services as mandated by State and/or federal agencies. The Board of Education controls the School District's seven instructional/support facilities staffed by 138 classified employees and 209 certificated full and part-time teaching personnel who provide services to 3,124 students and other community members.

Reporting Entity

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

Nonpublic schools within the School District boundaries, there are various nonpublic schools. Current State legislation provides funding to this non-public school. These monies are received and disbursed by the School District on behalf of the non-public school by the Treasurer of the School District, as directed by the non-public school. This activity is reflected in a special revenue fund for financial reporting purposes.

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

The School District participates in five jointly governed organizations and one insurance purchasing pool. These organizations are the Lake Geauga Computer Association, the Ohio Schools' Council, the Auburn Career Center, the East Shore Center, the East Shore Regional Transportation System and the Ohio School Boards Association Workers' Compensation Group Rating Program. These organizations are presented in Notes 14 and 15 to the basic financial statements.

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 2 – Summary of Significant Accounting Policies

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

A. Fund Accounting

The School District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

For financial statement presentation purposes, the various funds of the School District are grouped into the following generic fund types under the broad fund categories governmental, proprietary and fiduciary.

Governmental Fund Types Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District major governmental funds:

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

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

Proprietary Fund Types Proprietary funds focus on the determination of the changes in net assets, financial position and cash flows and are classified as either enterprise or internal service.

Enterprise Funds Enterprise funds are used to account for any activity for which a fee is charged to external users for goods or services. The School District's major enterprise funds are:

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

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

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

Summer School Fund This fund accounts for tuition received for the purpose of summer school education.

Adult Education Fund This Fund accounts for tuition received for the purpose of adult/community education program.

Internal Service Fund The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District, or to other governments, on a cost reimbursement basis. The only internal service fund of the School District accounts for a self-insurance program which provides medical, dental and vision benefits to employees.

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

B. Basis Of Presentation

Government-wide Financial Statements The statement of net assets and statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the School District that are considered business type activities.

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 relation between the governmental-wide statements and the statements to governmental funds.

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

The governmental-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the School District and for each function or program of the School 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 and services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements Fund financial statements report detailed information about the School District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is represented in a separate column. Non-major funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financial uses) of current financial resources.

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

The trust fund is reported using the economic resources measurement focus.

C. 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 fund also use the accrual basis of accounting.

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 5). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2002, but which were levied to finance fiscal year 2003 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue. On the modified accrual basis, receivables that will not be collected within the available period have also been reported as deferred revenue.

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

D. Budgetary Data

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 agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the object level within each fund and function.

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 Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School 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 School District Treasurer.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statement reflect the amounts in the final amended certificate issued during fiscal year 2002.

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 at the fund, function, and object level of expenditures. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission. Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund does not exceed the amounts set forth in the most recent certificate of estimated resources.

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

The amounts reported as the original budgeted amounts in the budgetary statements reflect the appropriation in the first complete appropriated budget, including amounts automatically carried over from the prior years. The amounts reported as the final budgeted amounts in the statement of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds consistent with statutory provisions.

Encumbrances As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Encumbrances plus expenditures may not legally exceed appropriations at the legal level of control. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for proprietary funds.

Lapsing of Appropriations At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

E. Cash and Cash Equivalents

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

The School District uses Aetna U.S. Healthcare to serve as a claim administrator for its self-insurance program. The balance of this account is presented on the combined balance sheet as "cash and cash equivalents in segregated accounts" and represents deposits.

During fiscal year 2002, investments were limited to STAR Ohio, the State Treasurer's Investment Pool. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of The Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2002.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest. Interest revenue credited to the general fund during fiscal year 2002 amounted to \$115,920.

For presentation on the financial statements, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an original maturity of more than three months that are not made from the pool are considered to be investments.

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

F. Restricted Assets

Restricted assets in the General Fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include amounts required by statute to be set-aside by the School District for the creation of a reserve for budget stabilization. See Note 17 for additional information regarding set-asides.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2002, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

H. Inventory

On governmental-wide financial statements, inventories are represented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

I. Capital Assets

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

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

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

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	20 years	N/A
Building and Improvements	40 years	N/A
Furniture	10 years	10 years
Equipment	5 years	5 years
Vehicles	10 years	N/A

J. Interfund Balances

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

K. Compensated Absences

In accordance with the provisions of Statement No. 16 of the Governmental Accounting Standards Board, “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. A liability for severance 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 severance on employees expected to become eligible to retire in the future, all classified and non-classified employees age fifty-five (55) or greater; or aged fifty (50) with at least ten (20) years of service; or in any age with at least twenty-five (25) years of service were considered expected to become eligible to retire in accordance with GASB 16.

The total liability for vacation and severance payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using available expendable resources. These amounts are recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated unpaid leave are paid. The non-current portion of the liability is not reported. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

L. Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. In general, liabilities that mature or come due for payment during the fiscal year are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements when due.

M. Interfund Activity

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

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 as reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid from them are not presented on the financial statements. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers.

N. Fund Balance Reserves

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriations or expenditures. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, prepaid items, materials and supplies inventory, property taxes, and budget stabilization.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures.

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

O. Net Assets

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

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

P. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of fixed assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2002.

R. Estimates

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

S. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are tuition for summer school and adult education classes, sales for food service and uniform school supplies, and charges for services for self-insurance programs. Operating expenses are necessary cost occurred to provide the good or service that is the primary activity of the fund.

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 3 – Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances –Budget (Non-GAAP Basis) and Actual 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 GAAP basis are:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for (GAAP basis).
4. Principal and interest payments on the notes and the corresponding revenues are reported in the debt service fund (budget) rather than in permanent improvement fund (GAAP).

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund:

<u>Net Change in Fund Balance</u>	
Budget Basis	\$373,020
Net Adjustment for Revenue Accruals	(379,102)
Net Adjustment for Expenditure Accruals	1,578,375
Adjustment for Encumbrances	<u>(688,374)</u>
GAAP Basis	<u>\$883,919</u>

Note 4 – Deposits and Investments

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

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

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

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

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

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

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

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

Cash on Hand At year end, the School District had \$4,600 in undeposited cash on hand which is included on the balance sheet of the School District as part of equity in pooled cash and cash equivalents.

Deposits At fiscal year end, the carrying amount of the School District's deposits was \$250,299 and the bank balance was \$460,873. Of the bank balance:

1. \$100,000 was covered by federal depository insurance; and
2. \$360,873 was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

Investments The School District's investments are required to be categorized below to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. The School District invested in STAROhio during fiscal year 2002, which is not classified by degree of credit risk since it is not evidenced by securities that exist in physical or book entry form.

	<u>Fair Value</u>
STAROhio	<u>\$3,775,320</u>

The classification of cash and cash equivalents, and investments on the basic financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting." A reconciliation between the classifications of cash and investments on the basic financial statements and the classification per GASB Statement No. 3 is as follows:

Chardon Local School District
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	Cash and Cash Equivalents	Investments
GASB Statement 9	\$4,030,219	\$0
Cash on Hand	(4,600)	0
Investments which are part of the Cash Management Pool: STAROhio	(3,775,320)	3,775,320
GASB Statement 3	\$250,299	\$3,775,320

Note 5 – Property Taxes

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

Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Property tax revenue received during calendar 2002 for real and public utility property taxes represents collections of calendar 2001 taxes. Property tax payments received during calendar 2002 for tangible personal property (other than public utility property) is for calendar 2002 taxes.

2002 real property taxes are levied after April 1, 2002, on the assessed value listed as of January 1, 2002, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value: public utility real property is assessed at thirty-five percent of true value. 2002 public utility property taxes became a lien December 31, 2001, are levied after April 1, 2002, and are collected in 2003 with real property taxes.

2002 tangible personal property taxes are levied after April 1, 2002 on the value as of December 31, 2001. Collections are made in 2002. Tangible personal property assessments are twenty-five percent of true value.

	2001 Second Half Collections		2002 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$434,768,020	89.33%	\$451,161,920	89.21%
Public Utility	22,718,540	4.30	19,116,360	3.78
Tangible Personal Property	31,319,220	6.64	35,455,180	7.01
Total Assessed Value	\$488,805,780	100.00%	\$505,733,460	100.00%

Tax rate per \$1,000 of assessed valuation	\$64.88	\$64.88
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Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

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

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

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including Chardon Local School District. The County Auditor periodically remits to the School District its portion of taxes. Second-half real property tax payments collected by the County by June 30, 2001, are available to finance fiscal year 2002 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2002 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 was levied to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current year operations. The amount available as an advance is recognized as revenue.

The amount available as an advance at June 30, 2002, was \$884,500. The entire amount was available to the general fund.

Note 6 – Receivables

Receivables at June 30, 2002, consisted of property taxes, accounts (rent, billings for user charged services, and tuition and fees), and intergovernmental grants. All receivables are considered collectible in full.

Intergovernmental receivables consisted of \$2,499 in the Eisenhower math and science fund for a grant, \$9,985 in Title VI fund for a grant, and \$15,149 in the food services fund for a grant.

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 7 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2002, was as follows:

	Balance 7/1/2001	Addition	Deletion	Balance 6/30/2002
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 608,214	\$ 2,598	\$ -	\$ 610,812
<i>Total Capital Assets, not being depreciated:</i>	<u>608,214</u>	<u>2,598</u>	<u>-</u>	<u>610,812</u>
<i>Capital Asset, being depreciated:</i>				
Improvements	127,066	-	-	127,066
Buildings and Improvements	6,548,505	-	-	6,548,505
Furniture and Equipment	2,595,409	427,494	(281,161)	2,741,742
Vehicles	1,774,885	270,002	(101,476)	1,943,411
<i>Total Capital Assets, being depreciated:</i>	<u>11,045,865</u>	<u>697,496</u>	<u>(382,637)</u>	<u>11,360,724</u>
Less Accumulated Depreciation:				
Improvements	(37,783)	(4,170)	-	(41,953)
Building and Improvements	(5,367,439)	(110,643)	-	(5,478,082)
Furniture and Equipment	(2,017,576)	(265,596)	281,161	(2,002,011)
Vehicles	(1,183,424)	(137,356)	101,476	(1,219,304)
<i>Total Accumulated Depreciation</i>	<u>(8,606,222)</u>	<u>(517,765)</u>	<u>382,637</u>	<u>(8,741,350)</u>
<i>Total Capital Assets being depreciated, net</i>	<u>2,439,643</u>	<u>179,731</u>	<u>-</u>	<u>2,619,374</u>
Governmental Activities Capital Assets, Net	<u>\$3,047,857</u>	<u>\$ 182,329</u>	<u>\$ -</u>	<u>\$3,230,186</u>
Business-Type Activities				
Furniture and Equipment	\$ 199,414	\$ 10,890	\$ (1,200)	\$ 209,104
Less Accumulated Depreciation	<u>(174,815)</u>	<u>(5,269)</u>	<u>1,200</u>	<u>(178,884)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 24,599</u>	<u>\$ 5,621</u>	<u>\$ -</u>	<u>\$ 30,220</u>

Chardon Local School District
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Depreciation expense was charged to governmental functions as follows:

Instruction:		
Regular	\$	120,646
Special		2,718
Vocational		593
Support Services:		
Pupil		4,708
Instructional Staff		162,680
Administration		6,940
Fiscal		1,399
Operation and Maintenance of Plant		19,884
Pupil Transportation		144,408
Central		1,696
Operation of Non-instructional Services		42,004
Extracurricular Activities		10,089
		10,089
Total Depreciation Expense	\$	517,765

In fiscal year 2002, the School District performed a physical inventory count on the capital assets and discovered an overstatement of the capital assets. The School District reduced the beginning capital assets in the governmental activities by \$370,537. In business-type activities, the beginning balance for the capital assets was reduced by \$3,300 and the accumulated depreciation was increased by \$3,300.

Note 8 – Risk Management

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of or damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2002, the School District contracted with Indiana Insurance Company, Westfield Companies, and Zurich Specialties London Limited. Coverages are as follows:

Type of Coverage	Deductible	Coverage
Building and Content	\$1,000	\$35,005,000
Valuable Papers	0	100,000
Crime Coverage	0	25,000
Boiler/Machinery	1,000	35,005,000
Equipment Breakdown		
- Hazardous (Including Spoilage)	1,000	25,000
- CFC Refrigerates	1,000	100,000
Property in Transit		
- Computer Equipment	0	100,000
- Software	0	10,000
Inland Marine	250	Various

Chardon Local School District
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General Liability		
- Each Occurrence	\$0	\$1,000,000
- Fire Damage	0	300,000
- Any One Person	0	15,000
- Personal & Advertising Injury Limit	0	1,000,000
- General Aggregate	0	2,000,000
- Products-Completed Operations Aggregate Limit		
Employee Benefits Coverage		
- Each Loss Limit	1,000	1,000,000
- Aggregate Limit	1,000	3,000,000
Employers Stop Gap Liability		
- Bodily Injury by Accident (Each Accident)	0	1,000,000
- Bodily Injury by Disease (Policy Limit)	0	1,000,000
- Bodily Injury by Disease (Each Employee Limit)	0	1,000,000
- Aggregate Limit	0	2,000,000
Umbrella Liability		
- Each Occurrence	0	2,000,000
- General Aggregate	0	2,000,000
- Product/Completed Operations Aggregate	0	2,000,000
- Retained Limit	0	10,000
Automobile Coverage	0	2,000,000
Uninsured/Underinsured Motorist	0	500,000
Medical Payments	0	5,000
Comprehensive	500	0
Collision	1,000	0
Limited of Liability		
- Each Wrongful Act	7,500	3,000,000
- Annual Aggregate	7,500	3,000,000

Settlement claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the past three years.

All employees handling monies of the District are covered by a blanket bond, while certain individuals in policy making roles are covered by a separate limit bond coverage.

Chardon Local School District
Notes to the Basic Financial Statements
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B. Workers' Compensation

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (the Plan), an insurance purchasing pool (Note 15). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". The "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm Gates McDonald & Company provides administrative, cost control and actuarial services to the GRP.

C. Employee Medical Benefits

The School District has elected to provide medical, prescription and dental benefits through a self-insurance program. The School District maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. The monthly premiums for insurance coverage is as follows:

	Family Plan	Single Plan
Medical	\$648.00	\$324.00
Dental	60.00	60.00
Life Insurance	5.25	5.25

A third party administrator, Aetna U.S. Healthcare, reviews all claims which are then paid by the School District. The premiums are paid by the fund that pays the salary for the employee and are based on historical cost information based upon the number of family and single plans.

The claims liability of \$284,691 reported in the internal service fund at June 30, 2002 was estimated by the third party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims 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. Changes in the fund's claims liability amount in 2001 and 2002 were:

	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2001	\$232,164	\$1,583,149	\$1,550,058	\$265,255
2002	\$265,255	\$1,832,134	\$1,812,698	\$284,691

Chardon Local School District
Notes to the Basic Financial Statements
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Note 9 – Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn five to twenty-three days of vacation per year, depending upon length of service and hours worked. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators who are not on a twelve month contract do not earn vacation time. Full time Certified and Non-Certified employees are entitled to fifteen days sick leave with pay for each year under contract and accrue sick leave at a rate of one and one-fourth days for each month under contract. Upon retirement, certified employees receive payment for one-third of the total sick leave accumulation, up to a maximum accumulation of 210 days. Classified employees receive payment for one-fourth of the total sick leave accumulation, up to a maximum accumulation of 120 days.

Note 10 – Defined Benefit Pension Plans

A. School Employees Retirement System

The School District contributes to the School Employees System of Ohio (SERS), a cost-sharing multiple employer defined pension system. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Board Street, Suite 100, Columbus, Ohio 43215-3746 or by calling 222-5853.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$517,128, \$500,183, and \$489,022, respectively; 56.54 percent has been contributed for fiscal year 2002 and 100 percent for the fiscal years 2001 and 2000. \$256,525 representing the unpaid contribution for fiscal year 2002 is recorded as a liability.

B. State Teachers Retirement System

The School District participates in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371.

Chardon Local School District
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For the Fiscal Year Ended June 30, 2002

For the fiscal year ended June 30, 2002, plan members are required to contribute 9.3 percent of their annual covered salaries. The School District is required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$1,419,816, \$1,346,421, and \$1,320,903 respectively; 96.50 percent has been contributed for fiscal year 2002 and 100 percent for the fiscal years 2001 and 2000. \$224,769 representing the unpaid contribution for fiscal year 2002 is recorded as a liability.

Note 11 - Postemployment Benefits

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll.

For the fiscal year ended June 30, 2001 (the latest information available), the STRS Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$456,369 for fiscal year 2002.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2001, the balance in the Fund was \$3.256 billion. For the year ended June 30, 2001, net health care costs paid by STRS were \$300,772,000 and STRS had 102,132 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium. After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2001 (the latest information available), employer contributions to fund health care benefits were 9.80 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2001, the minimum pay was established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2002 fiscal year equaled \$366,948

Chardon Local School District
Notes to the Basic Financial Statements
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The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2001 (the latest information available), were \$161,439,934 and the target level was \$242.2 million. At June 30, 2001, SERS had net assets available for payment of health care benefits of \$315.7 million. SERS has approximately 50,000 participants currently receiving health care benefits.

Note 12 - Note Debt

The School District retired a \$470,000 of the 2001 real estate acquisition note, and paid \$11,861 of interest associated with the note in fiscal year 2002. There is no outstanding note remaining at June 30, 2002.

Note 13 - Long Term Obligations

The changes in the School District's long-term obligations during fiscal year 2002 were as follows:

	Principal Outstanding 7/1/2001	Additions	Deductions	Principal Outstanding 6/30/2002	Amount Due in One Year
Governmental Activities					
Compensated Absences	\$ 892,400	\$ 490,603	\$ -	\$ 1,383,003	\$ 381,523
Total Governmental Activities Long-term Liabilities	<u>\$ 892,400</u>	<u>\$ 490,603</u>	<u>\$ -</u>	<u>\$ 1,383,003</u>	<u>\$ 381,523</u>
Business-Type Activities					
Compensated Absences	\$ 12,697	\$ 8,619	\$ -	\$ 21,316	\$ 5,302

At June 30, 2002 the School District's overall debt margin was \$45,516,011 with an unvoted debt margin of \$505,733.

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 14 – Jointly Governed Organizations

Lake Geauga Computer Association The Lake Geauga Computer Association (LGCA) is a jointly governed organization that was formed for the purpose of providing computer services for accounting, grading, scheduling, EMIS and other applications to its eighteen member school districts. Each of the districts supports LGCA based upon a per pupil charge. The executive committee (governing board) consists of the superintendents and treasurers of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the governing board. LGCA's continued existence is not dependent on the School District's continued participation. LGCA is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit or burden on the School District. In fiscal year 2002, the School District paid \$83,468 to LGCA. Financial information can be obtained from Loretta Peterson, the Treasurer of the Lake Geauga Computer Association, 8140 Auburn Road, Painesville, Ohio 44077.

Ohio Schools' Council The Ohio Schools' Council Association (Council) is a jointly governed organization among eighty-two school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2002, the School District paid \$750 to the Council. Financial information can be obtained by contacting Albert G. Vasek, the Executive Secretary/Treasurer of the Ohio Schools' Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The School District participates in the Council's electric purchase program which was implemented during fiscal year 1998. This program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating for an eight year period. The participants make monthly payments based on estimated usage. Each June these estimated payments are compared to their actual usage for the year and any necessary adjustments are made.

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

Auburn Career Center The Auburn Career Center is joint vocational school district that is a jointly governed organization among eleven school districts. Each participating school district appoints one member of the Auburn Career Center's Board of Education. The students of each participating school 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. Financial information can be obtained by writing the Auburn Career Center, 8140 Auburn Road, Painesville, Ohio 44077

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East Shore Center The East Shore Center is a jointly governed organization that was formed for the purpose of providing special education for the handicapped children in the sixteen member school districts. The governing board consists of the superintendents of the member school districts. The degree of control exercised by any participating school district is limited to its representation of the governing board. East Shore Center is not accumulating significant financial resources or experiencing fiscal distress. Financial information can be obtained by writing the fiscal agent, Mentor Exempted Village School District, 6451 Center Street, Mentor, Ohio 44060.

East Shore Regional Transportation System The East Shore Regional Transportation System (the "ESRTA") is a jointly governed organization was formed for the purpose of providing a transportation system for the handicapped children in the 16 member school districts. The transportation committee (governing board) consists of the superintendents of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the governing board. ESRTA's continued existence is not dependent on the School District's continued participation. ESRTA is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit or burden on the School District. Financial information can be obtained from the Kirtland Board of Education, 9252 Chillicothe Road, Kirtland, Ohio 44094.

Note 15 – Insurance Purchasing Pool

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

Note 16 – Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2002.

B. Litigation

The School District is party to legal proceedings. The School District is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the School District.

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 17 – Set-Aside Requirements

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

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

	<u>Textbooks</u>	<u>Capital Improvement</u>	<u>Budget Reserve</u>	<u>Total</u>
Set-aside balance as of June 30, 2001	\$ (214,880)	\$ 0	\$ 411,644	\$ 196,764
Current year set-aside requirement	\$ 371,455	\$ 371,455	\$ 0	\$ 742,910
Reduction in requirement based on revised legislation.	\$ 0	\$ 0	\$ (40,189)	\$ (40,189)
Qualifying expenditures	\$ <u>(456,681)</u>	\$ <u>(852,203)</u>	\$ <u>0</u>	\$ <u>(1,308,884)</u>
Totals	\$ <u>(300,106)</u>	\$ <u>(480,748)</u>	\$ <u>371,455</u>	\$ <u>(409,399)</u>
Cash balance carried forward to FY 2003	\$ <u>(300,106)</u>	\$ <u>0</u>	\$ <u>371,455</u>	\$ <u>71,349</u>
Amount restricted for budget stabilization				\$ <u>371,455</u>
Board designated budget stabilization allocation				\$ <u>197,298</u>
Total restricted assets				\$ <u><u>568,753</u></u>

The School District had qualifying disbursements during the fiscal year that reduced the textbook set-aside amounts below zero. This extra amount may be used to reduce the set-aside requirements in future fiscal years.

Although the School District had qualifying disbursements during the fiscal year that reduced the set-aside amount to below zero for the capital acquisition set-aside, this amount may not be used to reduce the set-aside requirement of future years. This negative balance is therefore not presented as being carried forward to future years. The total reserve balance for the three set asides at the end of the fiscal year was \$568,753.

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 18 – Subsequent Event

On December 11, 2002, The Ohio Supreme Court issued its latest opinion regarding the State’s school funding plan. The decision reaffirmed earlier decisions that Ohio’s current school funding plan is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed “...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...” The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations.

Note 19 – Changes in Accounting Principals and Restatement of Fund Balance

Changes in Accounting Principles For the fiscal year 2002, the School District has implemented GASB No. 34, “Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments.”

GASB 34 creates new basic financial statements for reporting on the School District’s financial activities. The financial statements now include governmental-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

The governmental-wide financial statements split the School District’s programs between business-type and governmental activities. Except for the restatement explained below, the beginning net asset amount for the business-type activities equals fund equity of the enterprise funds from last year. The beginning net asset amount for governmental programs reflects the changes in fund balance for governmental funds at June 30, 2001, cause by elimination of the internal service fund and the conversion to the accrual basis of accounting.

The transition from governmental fund balance to net assets of the governmental activities is presented as follow:

	General fund	Nonmajor funds	Total
Fund Balance June 30, 2001	\$988,060	\$44,866	\$1,032,926
Capital Asset Revaluation			(370,537)
GASB 34 Adjustments:			
Capital Assets			3,418,394
Internal Service Fund			83,650
Long-Term Liabilities			(1,070,113)
Governmental Activities Net Assets, June 30, 2001			\$3,094,320

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

At June 30, 2001, the Enterprise fund – Food service fixed assets were overstated by \$3,300 and the accumulated depreciation was understated by \$3,300. There was no effect on the fund equity as it was previously reported.

Note 20 – Accountability and Compliances

- A. Various funds in the special revenue funds and enterprise funds had total appropriations in excess of estimated resources plus carryover balances in violation of Ohio Revised Code §5705.39.
- B. The School District did not properly encumber an immaterial amount of expenditures contrary to Ohio Revised Code §5705.41(D).
- C. Several accounts in the general fund and special revenue funds had expenditures plus encumbrances in excess of appropriations at the legal level of budgetary control in violation of Ohio Revised Code §5705.41(B).

Chardon Local School District

Combining and Individual Fund Statements

Chardon Local School District

Combining Statements – Nonmajor Funds

Nonmajor Special Revenue Funds

Special Revenue Funds are established to account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes. A description of the School District's special revenue funds follows:

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

Other Grants Fund This fund accounts for monies received to promote community involvement and to support activities between the school and community.

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

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

Disadvantaged Pupil Program Fund This fund accounts for State monies received for disadvantaged pupils.

Teacher Development Fund This fund accounts for State monies used to assist teachers in gaining new skills and becoming familiar with new teaching methodologies.

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

Data Communication Fund This fund accounts for State monies received to provide Ohio Educational Computer Network Connections.

SchoolNet Professional Development Fund This fund accounts for State monies to assist staff in gaining knowledge of technology.

Ohio Reads Grant Fund This fund accounts for State monies to improve reading outcomes, especially on the fourth grade reading proficiency test and for volunteer coordinators in public schools and costs associated with volunteer coordination, for background checks for volunteers, to evaluate the Ohio Reads Program, and for operating expenses associated with administering the program.

Chardon Local School District

Nonmajor Special Revenue Funds

(continued)

Conflict Management Fund This fund accounts for State monies provided to educate students on proper social behavior.

Eisenhower Math and Science Grant Fund This fund accounts for monies used to improve the skills of teachers and the quality of instruction in mathematics, science, foreign languages and computer learning.

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

Title I Fund This fund accounts for Federal monies used to assist the School District in meeting the special needs of educationally deprived children.

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

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

Class Size Reduction Fund This fund accounts for Federal monies used to reduce class sizes in elementary schools.

Special Trust Fund This fund accounts for monies used for purposes that are beneficial to the overall operation of the School District.

Nonmajor Capital Projects Funds

Capital Projects Funds

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

Permanent Improvement Fund This fund accounts for State monies to be used for various capital improvements within the School District.

SchoolNet Plus Fund This fund accounts for State monies to be used to provide wiring to all classrooms that supports the transmission of voice, video and data, and to provide a computer workstation and related technology for every classroom.

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Chardon Local School District
Combining Balance Sheet
Nonmajor Governmental Funds
 June 30,2002

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 508,961	\$ 94,930	\$ 603,891
Receivables:			
Accounts	1,749	-	1,749
Intergovernmental	12,484	-	12,484
Prepaid Items	390	-	390
	<u> </u>	<u> </u>	<u> </u>
<i>Total Assets</i>	<u>\$ 523,584</u>	<u>\$ 94,930</u>	<u>\$ 618,514</u>
Liabilities			
Accounts Payable	\$ 34,598	\$ -	\$ 34,598
Accrued Wages	7,890	-	7,890
Pension Obligation Payable	1,922	-	1,922
Intergovernmental Payable	96	-	96
	<u> </u>	<u> </u>	<u> </u>
<i>Total Liabilities</i>	<u>\$ 44,506</u>	<u>\$ -</u>	<u>\$ 44,506</u>
Fund Equity			
Fund Balance:			
Reserved for Encumbrances	\$ 174,012	\$ 94,326	\$ 268,338
Reserved for Prepaid Items	390	-	390
Unreserved:			
Undesignated	304,676	604	305,280
	<u> </u>	<u> </u>	<u> </u>
<i>Total Fund Equity (Deficit)</i>	<u>\$ 479,078</u>	<u>\$ 94,930</u>	<u>\$ 574,008</u>
Total Liabilities and Fund Equity	<u>\$ 523,584</u>	<u>\$ 94,930</u>	<u>\$ 618,514</u>

Chardon Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30,2002

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Intergovernmental	\$ 1,433,759	\$ -	\$ 1,433,759
Interest	11,772	3,806	15,578
Extracurricular Activities	235,856	-	235,856
Classroom Materials and Fees	7,260	-	7,260
Miscellaneous	76,530	-	76,530
<i>Total Revenues</i>	1,765,177	3,806	1,768,983
Expenditures			
Current:			
Instruction:			
Regular	149,986	-	149,986
Special	171,251	-	171,251
Support Services:			
Pupils	187,496	-	187,496
Instructional Staff	32,956	99,823	132,779
Operation and Maintenance of Plant	736	-	736
Pupil Transportation	15,845	-	15,845
Central	8,120	17,500	25,620
Operation of Non-Instructional Services	834,328	-	834,328
Extracurricular Activities	221,771	-	221,771
Debt Service:			
Interest and Fiscal Charges	-	11,861	11,861
<i>Total Expenditures</i>	1,622,489	129,184	1,751,673
<i>Excess of Revenues Over (Under) Expenditures</i>	142,688	(125,378)	17,310
Other Financing Sources (Uses)			
Operating Transfers In	23,267	488,565	511,832
<i>Total Other Financing Sources (Uses)</i>	23,267	488,565	511,832
<i>Net Change in Fund Balances</i>	165,955	363,187	529,142
Fund Balance (Deficit) Beginning of Year	313,123	(268,257)	44,866
Fund Balance (Deficit) End of Year	\$ 479,078	\$ 94,930	\$ 574,008

Chardon Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2002

	Public School Support	Other Grants	Athletic and Music	Auxiliary Services
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 30,136	\$ 15,702	\$ 91,094	\$ 163,918
Receivables:				
Accounts	1,166	-	583	-
Intergovernmental	-	-	-	-
Prepaid Items	-	-	-	-
<i>Total Assets</i>	<u>\$ 31,302</u>	<u>\$ 15,702</u>	<u>\$ 91,677</u>	<u>\$ 163,918</u>
Liabilities				
Accounts Payable	\$ 385	\$ -	\$ -	\$ 33,303
Accrued Wages	-	-	-	-
Pension Obligation Payable	-	-	-	333
Intergovernmental Payable	-	-	7	-
<i>Total Liabilities</i>	<u>\$ 385</u>	<u>\$ -</u>	<u>\$ 7</u>	<u>\$ 33,636</u>
Fund Equity				
Fund Balance:				
Reserved for Encumbrances	\$ 3,065	\$ -	\$ 4,690	\$ 95,688
Reserved for Prepaid Items	-	-	-	-
Unreserved:				
Undesignated	27,852	15,702	86,980	34,594
<i>Total Fund Equity (Deficit)</i>	<u>\$ 30,917</u>	<u>\$ 15,702</u>	<u>\$ 91,670</u>	<u>\$ 130,282</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$ 31,302</u>	<u>\$ 15,702</u>	<u>\$ 91,677</u>	<u>\$ 163,918</u>

Disadvantaged Pupil Program	Teacher Development	Educational Management Information System	Data Communication	SchoolNet Professional Development	Ohio Reads Grant
\$ -	\$ 896	\$ 23,705	\$ 4,759	\$ 4,787	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 896</u>	<u>\$ 23,705</u>	<u>\$ 4,759</u>	<u>\$ 4,787</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	3	-	-	-	-
<u>\$ -</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 714	\$ -	\$ -	\$ 378	\$ -
-	-	-	-	-	-
-	179	23,705	4,759	4,409	-
<u>\$ -</u>	<u>\$ 893</u>	<u>\$ 23,705</u>	<u>\$ 4,759</u>	<u>\$ 4,787</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 896</u>	<u>\$ 23,705</u>	<u>\$ 4,759</u>	<u>\$ 4,787</u>	<u>\$ -</u>

(Continued)

Chardon Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds - (Continued)
June 30, 2002

	Conflict Management	Eisenhower Math and Science Grant	Title IV-B	Title I
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 6,795	\$ 103,653	\$ 29,920
Receivables:				
Accounts	-	-	-	-
Intergovernmental	-	2,499	-	-
Prepaid Items	-	-	390	-
<i>Total Assets</i>	<u>\$ -</u>	<u>\$ 9,294</u>	<u>\$ 104,043</u>	<u>\$ 29,920</u>
Liabilities				
Accounts Payable	\$ -	\$ -	\$ 827	\$ -
Accrued Wages	-	-	-	7,890
Pension Obligation Payable	-	-	-	1,589
Intergovernmental Payable	-	2	20	63
<i>Total Liabilities</i>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 847</u>	<u>\$ 9,542</u>
Fund Equity				
Fund Balance:				
Reserved for Encumbrances	\$ -	\$ 1,240	\$ 61,115	\$ 4,098
Reserved for Prepaid Items	-	-	390	-
Unreserved:				
Undesignated	-	8,052	41,691	16,280
<i>Total Fund Equity (Deficit)</i>	<u>\$ -</u>	<u>\$ 9,292</u>	<u>\$ 103,196</u>	<u>\$ 20,378</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$ -</u>	<u>\$ 9,294</u>	<u>\$ 104,043</u>	<u>\$ 29,920</u>

Title VI	Drug Free Schools Grant	Class Size Reduction	Special Trust	Total Nonmajor Special Revenue Funds
\$ 7,562	\$ 5,714	\$ 24	\$ 20,296	\$ 508,961
-	-	-	-	1,749
9,985	-	-	-	12,484
-	-	-	-	390
<u>\$ 17,547</u>	<u>\$ 5,714</u>	<u>\$ 24</u>	<u>\$ 20,296</u>	<u>\$ 523,584</u>
\$ -	\$ 83	\$ -	\$ -	\$ 34,598
-	-	-	-	7,890
-	-	-	-	1,922
1	-	-	-	96
<u>\$ 1</u>	<u>\$ 83</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,506</u>
\$ -	\$ 3,024	\$ -	\$ -	\$ 174,012
-	-	-	-	390
<u>17,546</u>	<u>2,607</u>	<u>24</u>	<u>20,296</u>	<u>304,676</u>
<u>\$ 17,546</u>	<u>\$ 5,631</u>	<u>\$ 24</u>	<u>\$ 20,296</u>	<u>\$ 479,078</u>
<u>\$ 17,547</u>	<u>\$ 5,714</u>	<u>\$ 24</u>	<u>\$ 20,296</u>	<u>\$ 523,584</u>

Chardon Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ending June 30, 2002

	Public School Support	Other Grants	Athletic and Music	Auxiliary Services
Revenues				
Intergovernmental	\$ -	\$ 4,000	\$ -	\$ 831,061
Interest	-	-	-	11,216
Extracurricular Activities	39,848	-	196,008	-
Classroom Materials and Fees	7,260	-	-	-
Miscellaneous	26,425	18,497	21,658	-
<i>Total Revenues</i>	73,533	22,497	217,666	842,277
Expenditures				
Current:				
Instruction:				
Regular	-	3,431	-	-
Special	-	-	-	-
Support Services:				
Pupils	75,460	-	-	-
Instructional Staff	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Pupil Transportation	-	200	-	-
Central	-	-	-	-
Operation of Non-Instructional Services	-	-	-	777,282
Extracurricular Activities	-	8,000	213,771	-
<i>Total Expenditures</i>	75,460	11,631	213,771	777,282
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,927)	10,866	3,895	64,995
Other Financing Sources (Uses):				
Operating Transfers In	-	-	21,823	1,444
<i>Total Other Financing Sources (Uses)</i>	-	-	21,823	1,444
<i>Net Change in Fund Balances</i>	(1,927)	10,866	25,718	66,439
Fund Balance (Deficit) Beginning of Year	32,844	4,836	65,952	63,843
Fund Balance (Deficit) End of Year	\$ 30,917	\$ 15,702	\$ 91,670	\$ 130,282

Disadvantaged Pupil Program	Teacher Development	Educational Management Information System	Data Communication	SchoolNet Professional Development	Ohio Reads Grant
\$ -	\$ -	\$ 11,428	\$ 21,000	\$ 7,592	\$ 8,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	11,428	21,000	7,592	8,000
-	6,947	-	-	-	7,978
-	-	-	-	-	-
2,182	-	-	18,891	1,070	-
-	-	889	-	7,700	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	8,120	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,182	6,947	9,009	18,891	8,770	7,978
(2,182)	(6,947)	2,419	2,109	(1,178)	22
-	-	-	-	-	-
-	-	-	-	-	-
(2,182)	(6,947)	2,419	2,109	(1,178)	22
2,182	7,840	21,286	2,650	5,965	(22)
\$ -	\$ 893	\$ 23,705	\$ 4,759	\$ 4,787	\$ -

(Continued)

Chardon Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds - (Continued)
For the Year Ending June 30, 2002

	Conflict Management	Eisenhower Math and Science Grant	Title IV-B	Title I
Revenues				
Intergovernmental	\$ -	\$ 17,482	\$ 250,957	\$ 192,557
Interest	-	-	-	-
Extracurricular Activities	-	-	-	-
Classroom Materials and Fees	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total Revenues</i>	-	17,482	250,957	192,557
Expenditures				
Current:				
Instruction:				
Regular	-	6,105	56,007	14,560
Special	-	-	-	168,975
Support Services:				
Pupils	400	10,378	74,168	-
Instructional Staff	-	-	10,368	13,999
Operation and Maintenance of Plant	-	-	-	-
Pupil Transportation	-	-	14,530	-
Central	-	-	-	-
Operation of Non-Instructional Services	3,419	-	31,761	-
Extracurricular Activities	-	-	-	-
<i>Total Expenditures</i>	3,819	16,483	186,834	197,534
<i>(Under) Expenditures</i>	(3,819)	999	64,123	(4,977)
Other Financing Sources (Uses):				
Operating Transfers In	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	-	-	-	-
<i>Expenditures and Other Financing Uses</i>	(3,819)	999	64,123	(4,977)
Fund Balance (Deficit) Beginning of Year	3,819	8,293	39,073	25,355
Fund Balance (Deficit) End of Year	\$ -	\$ 9,292	\$ 103,196	\$ 20,378

Title VI	Drug Free Schools Grant	Class Size Reduction	Special Trust	Total Nonmajor Special Revenue Funds
\$ 24,342	\$ 11,969	\$ 53,371	\$ -	\$ 1,433,759
-	-	-	556	11,772
-	-	-	-	235,856
-	-	-	-	7,260
-	-	-	9,950	76,530
24,342	11,969	53,371	10,506	1,765,177
-	1,774	53,184	-	149,986
2,276	-	-	-	171,251
-	4,947	-	-	187,496
-	-	-	-	32,956
-	736	-	-	736
-	1,115	-	-	15,845
-	-	-	-	8,120
10,251	-	-	11,615	834,328
-	-	-	-	221,771
12,527	8,572	53,184	11,615	1,622,489
11,815	3,397	187	(1,109)	142,688
-	-	-	-	23,267
-	-	-	-	23,267
11,815	3,397	187	(1,109)	165,955
5,731	2,234	(163)	21,405	313,123
\$ 17,546	\$ 5,631	\$ 24	\$ 20,296	\$ 479,078

Chardon Local School District
Combining Balance Sheet
Nonmajor Capital Project Funds
 June 30,2002

	Permanent Improvement	SchoolNet Plus	Total Nonmajor Capital Projects Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 94,930	\$ 94,930
<i>Total Assets</i>	\$ -	\$ 94,930	\$ 94,930
 Liabilities - None			
Fund Equity			
Fund Balance:			
Reserved for Encumbrances	\$ -	\$ 94,326	\$ 94,326
Unreserved:			
Undesignated	-	604	604
<i>Total Fund Equity (Deficit)</i>	\$ -	\$ 94,930	\$ 94,930
Total Liabilities and Fund Equity	\$ -	\$ 94,930	\$ 94,930

Chardon Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Project Funds
For the Year Ending June 30,2002

	Permanent Improvement	SchoolNet Plus	Total Nonmajor Capital Projects Funds
Revenues			
Interest	\$ -	\$ 3,806	\$ 3,806
<i>Total Revenues</i>	-	3,806	3,806
Expenditures			
Current:			
Support Services:			
Instructional Staff	-	99,823	99,823
Central	-	17,500	17,500
Interest and Fiscal Charges	11,861	-	11,861
<i>Total Expenditures</i>	11,861	117,323	129,184
<i>Excess of Revenues Over (Under) Expenditures</i>	(11,861)	(113,517)	(125,378)
Other Financing Sources (Uses)			
Operating Transfers In	488,565	-	488,565
<i>Total Other Financing Sources (Uses)</i>	488,565	-	488,565
<i>Net Change in Fund Balances</i>	476,704	(113,517)	363,187
Fund Balance (Deficit) Beginning of Year	(476,704)	208,447	(268,257)
Fund Balance (Deficit) End of Year	\$ -	\$ 94,930	\$ 94,930

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Chardon Local School District

**Individual Fund Statements of Revenues, Expenditures/Expenses
and Change in Fund Balances – Budget (Non-GAAP Basis) and Actual**

Chardon Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 15,220,700	\$ 15,535,837	\$ 15,535,837	\$ -
Intergovernmental	6,954,259	7,635,207	7,646,777	11,570
Interest	213,265	234,369	115,920	(118,449)
Tuition	2,051	2,254	-	(2,254)
Extracurricular Activities	31,041	33,612	33,043	(569)
Transportation Fees	2,711	2,979	21,008	18,029
Classroom Materials and Fees	109,665	119,269	117,216	(2,053)
Miscellaneous	92,971	102,171	204,950	102,779
Total Revenues	22,626,663	23,665,698	23,674,751	9,053
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	7,054,283	7,271,043	7,194,142	76,901
Fringe Benefits	2,071,209	2,151,466	1,953,386	198,080
Purchased Services	87,755	269,212	245,769	23,443
Materials and Supplies	925,267	647,953	633,802	14,151
Capital Outlay - New	24,525	31,195	28,665	2,530
Capital Outlay - Replacement	12,923	23,360	23,150	210
Total Regular	10,175,962	10,394,229	10,078,914	315,315
Special:				
Salaries and Wages	921,324	1,064,277	1,037,523	26,754
Fringe Benefits	262,034	266,598	262,884	3,714
Purchased Services	713,254	754,458	611,611	142,847
Materials and Supplies	26,380	26,879	24,758	2,121
Capital Outlay - New	8,388	2,247	1,247	1,000
Total Special	1,931,380	2,114,459	1,938,023	176,436
Vocational:				
Salaries and Wages	149,512	182,073	176,521	5,552
Fringe Benefits	46,916	48,240	48,196	44
Purchased Services	354	360	292	68
Materials and Supplies	5,961	6,067	5,882	185
Capital Outlay - New	1,327	1,350	1,197	153
Capital Outlay - Replacement	2,605	2,185	2,166	19
Total Vocational	206,675	240,275	234,254	6,021
Other:				
Purchased Services	49,158	259,228	216,446	42,782
Total Other	49,158	259,228	216,446	42,782
Total Instruction	12,363,175	13,008,191	12,467,637	540,554

Chardon Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2002

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support Services:				
Pupils:				
Salaries and Wages	\$ 589,567	\$ 657,018	\$ 649,067	\$ 7,951
Fringe Benefits	164,328	178,779	154,113	24,666
Purchased Services	389,634	337,230	326,167	11,063
Materials and Supplies	5,218	7,308	4,520	2,788
Total Pupils	1,148,747	1,180,335	1,133,867	46,468
Instructional Staff:				
Salaries and Wages	477,473	519,898	519,848	50
Fringe Benefits	128,069	132,000	125,301	6,699
Purchased Services	70,808	87,314	73,809	13,505
Materials and Supplies	109,269	108,806	98,726	10,080
Capital Outlay - New	49,252	43,796	28,113	15,683
Capital Outlay - Replacement	49,984	49,839	42,059	7,780
Total Instructional Staff	884,855	941,653	887,856	53,797
Board of Education:				
Salaries and Wages	4,618	4,697	4,640	57
Fringe Benefits	968	985	839	146
Purchased Services	9,766	9,930	7,758	2,172
Materials and Supplies	379	385	199	186
Other	32,501	33,058	31,978	1,080
Total Board of Education	48,232	49,055	45,414	3,641
Administration:				
Salaries and Wages	1,236,288	1,311,361	1,297,168	14,193
Fringe Benefits	453,841	461,689	392,600	69,089
Purchased Services	159,747	160,590	117,428	43,162
Materials and Supplies	64,336	66,260	51,236	15,024
Capital Outlay - New	3,834	3,730	2,530	1,200
Capital Outlay - Replacement	3,878	1,830	830	1,000
Other	7,527	7,447	5,020	2,427
Total Administration	1,929,451	2,012,907	1,866,812	146,095
Fiscal:				
Salaries and Wages	165,962	173,831	159,375	14,456
Fringe Benefits	53,991	56,116	52,767	3,349
Purchased Services	64,887	66,673	51,198	15,475
Materials and Supplies	8,888	12,540	12,097	443
Capital Outlay - New	12,235	6,437	5,664	773
Capital Outlay - Replacement	1,966	7,000	3,412	3,588
Other	363,575	470,375	392,413	77,962
Total Fiscal	671,504	792,972	676,926	116,046

Chardon Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2002

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Business:				
Salaries and Wages	\$ 176,065	\$ 188,127	\$ 174,745	\$ 13,382
Fringe Benefits	65,619	68,065	62,686	5,379
Purchased Services	44,440	68,779	67,330	1,449
Materials and Supplies	512	958	738	220
Total Business	286,636	325,929	305,499	20,430
Operation and Maintenance of Plant:				
Salaries and Wages	878,433	902,880	888,191	14,689
Fringe Benefits	293,757	342,788	309,970	32,818
Purchased Services	692,800	710,438	655,002	55,436
Materials and Supplies	242,469	267,322	231,152	36,170
Capital Outlay - New	22,613	20,335	20,335	-
Capital Outlay - Replacement	6,882	2,232	2,232	-
Other	983	700	700	-
Total Operation and Maintenance of Plant	2,137,937	2,246,695	2,107,582	139,113
Pupil Transportation:				
Salaries and Wages	1,023,029	1,100,553	1,100,515	38
Fringe Benefits	384,511	364,698	360,614	4,084
Purchased Services	46,450	115,127	114,227	900
Materials and Supplies	246,952	234,418	215,485	18,933
Capital Outlay - New	11,798	12,076	12,076	-
Capital Outlay - Replacement	264,186	267,653	267,653	-
Total Pupils Transportation	1,976,926	2,094,525	2,070,570	23,955
Central:				
Salaries and Wages	90,850	99,173	93,261	5,912
Fringe Benefits	26,034	30,280	30,854	(574)
Purchased Services	24,284	24,400	19,257	5,143
Materials and Supplies	1,573	1,300	1,032	268
Capital Outlay - Replacement	492	800	775	25
Other	2,212	2,550	2,441	109
Total Central	145,445	158,503	147,620	10,883
Total Support Services	9,229,733	9,802,574	9,242,146	560,428
Operation of Non-Instructional Services:				
Food Services Operation:				
Salaries and Wages	40,332	228	228	-
Fringe Benefits	8,537	-	-	-
Total Food Services Operation	48,869	228	228	-

Chardon Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2002

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Community Services:				
Salaries and Wages	\$ 35,580	\$ 41,190	\$ 36,250	\$ 4,940
Fringe Benefits	6,898	12,516	10,051	2,465
Total Community Services	42,478	53,706	46,301	7,405
Total Operation of Non-Instructional Services	91,347	53,934	46,529	7,405
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	18,162	27,073	22,684	4,389
Fringe Benefits	993	4,036	3,725	311
Total Academic and Subject Oriented Activities	19,155	31,109	26,409	4,700
Sports Oriented Activities:				
Salaries and Wages	232,057	246,032	240,979	5,053
Fringe Benefits	53,976	50,902	33,078	17,824
Total Sports Oriented Activities	286,033	296,934	274,057	22,877
Co-Curricular Activities:				
Salaries and Wages	29,729	50,238	33,927	16,311
Fringe Benefits	4,955	5,140	5,129	11
Total Co-Curricular Activities	34,684	55,378	39,056	16,322
Total Extracurricular Activities	339,872	383,421	339,522	43,899
Capital Outlay				
Site Acquisition:				
Capital Outlay - New	-	2,598	2,598	-
Total Site Acquisition	-	2,598	2,598	-
Site Improvement:				
Purchased Services	85,535	87,520	87,520	-
Total Site Improvement	85,535	87,520	87,520	-
Architectures and Engineering:				
Purchased Services	53,530	54,088	52,238	1,850
Total Architectures and Engineering	53,530	54,088	52,238	1,850
Building Improvement:				
Purchased Services	296,443	309,428	307,428	2,000
Total Building Improvement	296,443	309,428	307,428	2,000
Total Capital Outlay	435,508	453,634	449,784	3,850

Chardon Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2002

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Total Expenditures</i>	\$ 22,459,635	\$ 23,701,754	\$ 22,545,618	\$ 1,156,136
<i>Excess of Revenues Over/(Under) Expenditures</i>	167,028	(36,056)	1,129,133	1,165,189
Other Financing Sources (Uses):				
Proceeds from Sale of Fixed Assets	5,127	5,634	1,327	(4,307)
Refund of Prior Year Expenditures	1,025	1,127	712	(415)
Contingencies	-	(11,000)	-	11,000
Advances In	47,876	52,614	57,194	4,580
Advances Out	-	(13,514)	(13,514)	-
Operating Transfers Out	(48,175)	(801,832)	(801,832)	-
<i>Total Other Financing Sources (Uses)</i>	5,853	(766,971)	(756,113)	10,858
Net Change in Fund Balance	172,881	(803,027)	373,020	1,176,047
Fund Balance (Deficit) at The Beginning of Year	1,411,719	1,411,719	1,411,719	-
Prior Year Encumbrances Appropriated	313,220	313,220	313,220	-
Fund Balance (Deficit) at The End of Year	<u>\$ 1,897,820</u>	<u>\$ 921,912</u>	<u>\$ 2,097,959</u>	<u>\$ 1,176,047</u>

Chardon Local School District
*Statement of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 Public School Support Fund
 For the Fiscal Year Ended June 30, 2002*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Extracurricular Activities	\$ -	\$ 13,122	\$ 39,848	\$ 26,726
Classroom Materials and Fees	-	-	7,260	7,260
Miscellaneous	72,555	56,887	26,090	(30,797)
Total Revenues	<u>72,555</u>	<u>70,009</u>	<u>73,198</u>	<u>3,189</u>
Expenditures:				
Current:				
Support Services:				
Pupils:				
Purchased Services	4,549	3,926	3,028	898
Materials and Supplies	681	29,002	19,977	9,025
Capital Outlay - New	279	8,955	6,873	2,082
Capital Outlay - Replacement	-	619	285	334
Other	71,064	63,111	48,762	14,349
Total Pupils	<u>76,573</u>	<u>105,613</u>	<u>78,925</u>	<u>26,688</u>
Total Support Services	<u>76,573</u>	<u>105,613</u>	<u>78,925</u>	<u>26,688</u>
Total Expenditures	<u>76,573</u>	<u>105,613</u>	<u>78,925</u>	<u>26,688</u>
<i>Excess of Revenues Over/(Under) Expenditures</i>	<u>(4,018)</u>	<u>(35,604)</u>	<u>(5,727)</u>	<u>29,877</u>
Net Change in Fund Balance	(4,018)	(35,604)	(5,727)	29,877
Fund Balance (Deficit) at The Beginning of Year	28,395	28,395	28,395	-
Prior Year Encumbrances Appropriated	4,018	4,018	4,018	-
Fund Balance (Deficit) at The End of Year	<u>\$ 28,395</u>	<u>\$ (3,191)</u>	<u>\$ 26,686</u>	<u>\$ 29,877</u>

Chardon Local School District
*Statement of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 Other Grants Fund
 For the Fiscal Year Ended June 30, 2002*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 4,000	\$ 4,000	\$ 4,000	\$ -
Miscellaneous	11,454	10,098	18,497	8,399
Total Revenues	15,454	14,098	22,497	8,399
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased Services	-	470	45	425
Materials and Supplies	4,194	8,539	4,876	3,663
Total Regular	4,194	9,009	4,921	4,088
Special:				
Materials and Supplies	-	8,708	-	8,708
Total Special	-	8,708	-	8,708
Total Instruction	4,194	17,717	4,921	12,796
Support Services:				
Pupils:				
Purchased Services	-	303	-	303
Total Pupils	-	303	-	303
Instructional Staff:				
Purchased Services	-	1,203	-	1,203
Total Instructional Staff	-	1,203	-	1,203
Administration:				
Purchased Services	-	1,400	-	1,400
Total Administration	-	1,400	-	1,400
Pupil Transportation:				
Purchased Services	-	200	200	-
Total Pupils Transportation	-	200	200	-
Total Support Services	-	3,106	200	2,906
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Purchased Services	-	1,377	1,377	-
Materials and Supplies	-	2,623	2,623	-
Other	4,000	4,000	4,000	-
Total Academic and Subject Oriented Activities	4,000	8,000	8,000	-
Total Extracurricular Activities	4,000	8,000	8,000	-

(Continued)

Chardon Local School District
*Statement of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 Other Grants Fund (continued)
 For the Fiscal Year Ended June 30, 2002*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Total Expenditures</i>	\$ 8,194	\$ 28,823	\$ 13,121	\$ 15,702
<i>Excess of Revenues Over/(Under) Expenditures</i>	7,260	(14,725)	9,376	24,101
Net Change in Fund Balance	7,260	(14,725)	9,376	24,101
Fund Balance (Deficit) at The Beginning of Year	4,836	4,836	4,836	-
Prior Year Encumbrances Appropriated	1,490	1,490	1,490	-
Fund Balance (Deficit) at The End of Year	<u>\$ 13,586</u>	<u>\$ (8,399)</u>	<u>\$ 15,702</u>	<u>\$ 24,101</u>

Chardon Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Athletic and Music Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Extracurricular Activities	\$ 130,759	\$ 155,787	\$ 196,008	\$ 40,221
Miscellaneous	23,894	28,468	21,490	(6,978)
Total Revenues	154,653	184,255	217,498	33,243
Expenditures:				
Current:				
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Purchased Services	26,983	32,667	26,746	5,921
Materials and Supplies	10,874	32,398	20,470	11,928
Capital Outlay - New	2,384	3,421	2,415	1,006
Capital Outlay - Replacement	1,788	1,010	556	454
Other	4,451	24,614	18,891	5,723
Total Academic and Subject Oriented Activities	46,480	94,110	69,078	25,032
Sports Oriented Activities:				
Salaries and Wages	2,734	7,953	5,418	2,535
Fringe Benefits	104	1,042	1,042	-
Purchased Services	4,770	96,092	83,010	13,082
Materials and Supplies	4,689	17,845	14,751	3,094
Capital Outlay - New	-	10,636	6,866	3,770
Capital Outlay - Replacement	703	12,419	8,730	3,689
Other	109,726	63,595	37,154	26,441
Total Sports Oriented Activities	122,726	209,582	156,971	52,611
Co-Curricular Activities:				
Materials and Supplies	2,370	4,500	18	4,482
Capital Outlay - New	-	138	-	138
Other	1,258	5,181	1,038	4,143
Total Co-Curricular Activities	3,628	9,819	1,056	8,763
Total Extracurricular Activities	172,834	313,511	227,105	86,406
Total Expenditures	172,834	313,511	227,105	86,406
Excess of Revenues Over/(Under) Expenditures	(18,181)	(129,256)	(9,607)	119,649
Other Financing Sources (Uses):				
Advances In	800	800	800	-
Advances Out	-	(800)	(800)	-
Operating Transfers In	-	20,000	21,823	1,823
Total Other Financing Sources (Uses)	800	20,000	21,823	1,823
Net Change in Fund Balance	(17,381)	(109,256)	12,216	121,472
Fund Balance (Deficit) at The Beginning of Year	56,806	56,806	56,806	-
Prior Year Encumbrances Appropriated	17,381	17,381	17,381	-
Fund Balance (Deficit) at The End of Year	\$ 56,806	\$ (35,069)	\$ 86,403	\$ 121,472

Chardon Local School District
*Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2002*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 779,538	\$ 831,400	\$ 831,399	\$ (1)
Interest	-	13,622	11,216	(2,406)
Total Revenues	<u>779,538</u>	<u>845,022</u>	<u>842,615</u>	<u>(2,407)</u>
Expenditures:				
Current:				
Community Services:				
Salaries and Wages	633,094	117,073	111,404	5,669
Fringe Benefits	146,444	41,473	33,934	7,539
Purchased Services	8,476	293,019	290,714	2,305
Materials and Supplies	55,326	331,844	317,970	13,874
Capital Outlay - New	76,596	147,536	147,513	23
Other	-	33,256	33,256	-
Total Community Services	<u>919,936</u>	<u>964,201</u>	<u>934,791</u>	<u>29,410</u>
Total Operation of Non-Instructional Services	<u>919,936</u>	<u>964,201</u>	<u>934,791</u>	<u>29,410</u>
Total Expenditures	<u>919,936</u>	<u>964,201</u>	<u>934,791</u>	<u>29,410</u>
Excess of Revenues Over/(Under) Expenditures	<u>(140,398)</u>	<u>(119,179)</u>	<u>(92,176)</u>	<u>27,003</u>
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	-	(338)	(338)	-
Contingency	-	(5,516)	-	5,516
Advances In	-	2,213	2,213	-
Advances Out	-	(19,454)	(19,454)	-
Operating Transfers In	-	1,444	1,444	-
Operating Transfers Out	-	(12,060)	(12,060)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(33,711)</u>	<u>(28,195)</u>	<u>5,516</u>
Net Change in Fund Balance	<u>(140,398)</u>	<u>(152,890)</u>	<u>(120,371)</u>	<u>32,519</u>
Fund Balance (Deficit) at The Beginning of Year	2,838	2,838	2,838	-
Prior Year Encumbrances Appropriated	140,398	140,398	140,398	-
Fund Balance (Deficit) at The End of Year	<u>\$ 2,838</u>	<u>\$ (9,654)</u>	<u>\$ 22,865</u>	<u>\$ 32,519</u>

Chardon Local School District
*Statement of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 Disadvantaged Pupil Program Fund
 For the Fiscal Year Ended June 30, 2002*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	\$ (2,182)	\$ (2,182)	\$ (2,182)	\$ -
<i>Total Other Financing Sources (Uses)</i>	(2,182)	(2,182)	(2,182)	-
Net Change in Fund Balance	(2,182)	(2,182)	(2,182)	-
Fund Balance (Deficit) at The Beginning of Year	2,182	2,182	2,182	-
Fund Balance (Deficit) at The End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Chardon Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Teacher Development Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 13,539	\$ -	\$ -	\$ -
Total Revenues	13,539	-	-	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	12,192	1,472	1,390	82
Fringe Benefits	1,347	465	366	99
Purchased Services	149	5,436	5,436	-
Materials and Supplies	200	472	472	-
Total Regular	13,888	7,845	7,664	181
Total Instruction	13,888	7,845	7,664	181
Total Expenditures	13,888	7,845	7,664	181
Excess of Revenues Over/(Under) Expenditures	(349)	(7,845)	(7,664)	181
Net Change in Fund Balance	(349)	(7,845)	(7,664)	181
Fund Balance (Deficit) at The Beginning of Year	7,496	7,496	7,496	-
Prior Year Encumbrances Appropriated	349	349	349	-
Fund Balance (Deficit) at The End of Year	\$ 7,496	\$ -	\$ 181	\$ 181

Chardon Local School District
*Statement of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 Education Management Information Systems
 For the Fiscal Year Ended June 30, 2002*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 8,719	\$ 11,428	\$ 11,428	\$ -
Total Revenues	8,719	11,428	11,428	-
Expenditures:				
Current:				
Support Services:				
Instructional Staff:				
Capital Outlay - New	364	889	889	-
Total Instructional Staff	364	889	889	-
Central:				
Salaries and Wages	6,770	16,527	6,000	10,527
Fringe Benefits	937	2,288	538	1,750
Purchased Services	126	307	307	-
Capital Outlay - New	522	1,275	1,275	-
Total Central	8,355	20,397	8,120	12,277
Total Support Services	8,719	21,286	9,009	12,277
Total Expenditures	8,719	21,286	9,009	12,277
<i>Excess of Revenues Over/(Under) Expenditures</i>	-	(9,858)	2,419	12,277
Net Change in Fund Balance	-	(9,858)	2,419	12,277
Fund Balance (Deficit) at The Beginning of Year	21,287	21,287	21,287	-
Fund Balance (Deficit) at The End of Year	21,287	11,429	23,706	12,277

Chardon Local School District
*Statement of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 Data Communication Fund
 For the Fiscal Year Ended June 30, 2002*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 21,000	\$ 21,000	\$ -
Total Revenues	-	21,000	21,000	-
Expenditures:				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	-	17,921	17,921	-
Purchased Services	11,113	12,108	12,108	-
Total Pupils	11,113	30,029	30,029	-
Total Support Services	11,113	30,029	30,029	-
Total Expenditures	11,113	30,029	30,029	-
Excess of Revenues Over/(Under) Expenditures	(11,113)	(9,029)	(9,029)	-
Other Financing Sources (Uses):				
Operating Transfers Out	-	(4,759)	-	4,759
Total Other Financing Sources (Uses)	-	(4,759)	-	4,759
Net Change in Fund Balance	(11,113)	(13,788)	(9,029)	4,759
Fund Balance (Deficit) at The Beginning of Year	2,675	2,675	2,675	-
Prior Year Encumbrances Appropriated	11,113	11,113	11,113	-
Fund Balance (Deficit) at The End of Year	<u>\$ 2,675</u>	<u>\$ -</u>	<u>\$ 4,759</u>	<u>\$ 4,759</u>

Chardon Local School District
*Statement of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 SchoolNet Professional Development Fund
 For the Fiscal Year Ended June 30, 2002*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 4,142	\$ 7,592	\$ 3,450
Total Revenues	-	4,142	7,592	3,450
Expenditures:				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	-	1,712	1,070	642
Total Pupils	-	1,712	1,070	642
Instructional Staff:				
Purchased Services	1,965	11,845	8,077	3,768
Total Instructional Staff	1,965	11,845	8,077	3,768
Total Support Services	1,965	13,557	9,147	4,410
<i>Total Expenditures</i>	1,965	13,557	9,147	4,410
<i>Excess of Revenues Over/(Under) Expenditures</i>	(1,965)	(9,415)	(1,555)	7,860
Net Change in Fund Balance	(1,965)	(9,415)	(1,555)	7,860
Fund Balance (Deficit) at The Beginning of Year	4,000	4,000	4,000	-
Prior Year Encumbrances Appropriated	1,965	1,965	1,965	-
Fund Balance (Deficit) at The End of Year	<u>\$ 4,000</u>	<u>\$ (3,450)</u>	<u>\$ 4,410</u>	<u>\$ 7,860</u>

Chardon Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Ohio Reads Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amount			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 8,000	\$ 8,000	\$ 8,000	\$ -
Total Revenues	8,000	8,000	8,000	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	4,000	4,000	4,000	-
Purchased Services	4,000	4,000	4,000	-
Total Regular	8,000	8,000	8,000	-
Total Instruction	8,000	8,000	8,000	-
Total Expenditures	8,000	8,000	8,000	-
<i>Excess of Revenues Over/(Under) Expenditures</i>	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance (Deficit) at The Beginning of Year	-	-	-	-
Fund Balance (Deficit) at The End of Year	\$ -	\$ -	\$ -	\$ -

Chardon Local School District
*Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Conflict Management Fund
For the Fiscal Year Ended June 30, 2002*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Support Services:				
Pupils:				
Materials and Supplies	\$ 690	\$ 400	\$ 400	\$ -
Total Pupils	690	400	400	-
Total Support Services	690	400	400	-
Operation of Non-Instructional Services:				
Community Services:				
Other	-	1,860	1,860	-
Total Community Services	-	1,860	1,860	-
Total Operation of Non-Instructional Services	-	1,860	1,860	-
<i>Total Expenditures</i>	690	2,260	2,260	-
<i>Excess of Revenues Over/(Under) Expenditures</i>	(690)	(2,260)	(2,260)	-
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	-	(1,559)	(1,559)	-
<i>Total Other Financing Sources (Uses)</i>	-	(1,559)	(1,559)	-
Net Change in Fund Balance	(690)	(3,819)	(3,819)	-
Fund Balance (Deficit) at The Beginning of Year	3,129	3,129	3,129	-
Prior Year Encumbrances Appropriated	690	690	690	-
Fund Balance (Deficit) at The End of Year	<u>\$ 3,129</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Chardon Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Eisenhower Math and Science Grant Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,923	\$ 15,016	\$ 15,016	\$ -
Total Revenues	3,923	15,016	15,016	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	764	375	375	-
Fringe Benefits	147	67	67	-
Purchased Services	-	275	275	-
Materials and Supplies	-	5,388	5,388	-
Total Regular	911	6,105	6,105	-
Total Instruction	911	6,105	6,105	-
Support Services:				
Pupils:				
Salaries and Wages	448	8,950	6,065	2,885
Fringe Benefits	72	2,070	1,422	648
Purchased Services	-	6,954	3,827	3,127
Materials and Supplies	-	1,756	364	1,392
Total Pupils	520	19,730	11,678	8,052
Total Support Services	520	19,730	11,678	8,052
<i>Total Expenditures</i>	1,431	25,835	17,783	8,052
<i>Excess of Revenues Over/(Under) Expenditures</i>	2,492	(10,819)	(2,767)	8,052
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	-	(33)	(33)	-
<i>Total Other Financing Sources (Uses)</i>	-	(33)	(33)	-
Net Change in Fund Balance	2,492	(10,852)	(2,800)	8,052
Fund Balance (Deficit) at The Beginning of Year	8,354	8,354	8,354	-
Fund Balance (Deficit) at The End of Year	\$ 10,846	\$ (2,498)	\$ 5,554	\$ 8,052

Chardon Local School District
*Statement of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 Title VI-B Fund
 For the Fiscal Year Ended June 30, 2002*

	Budgeted Amount			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 160,710	\$ 252,466	\$ 252,466	\$ -
Total Revenues	160,710	252,466	252,466	-
Expenditures:				
Current:				
Special:				
Purchased Services	-	55,898	47,898	8,000
Materials and Supplies	-	15,000	8,228	6,772
Total Special	-	70,898	56,126	14,772
Total Instruction	-	70,898	56,126	14,772
Support Services:				
Pupils:				
Purchased Services	-	125,823	120,385	5,438
Materials and Supplies	-	12,547	7,295	5,252
Capital Outlay - New	-	3,158	3,158	-
Total Pupils	-	141,528	130,838	10,690
Instructional Staff:				
Salaries and Wages	-	5,000	-	5,000
Fringe Benefits	-	850	20	830
Purchased Services	350	7,350	2,071	5,279
Materials and Supplies	-	5,000	5,213	(213)
Capital Outlay - New	-	7,760	7,760	-
Total Instructional Staff	350	25,960	15,064	10,896
Pupil Transportation:				
Purchased Services	-	15,000	14,530	470
Total Pupils Transportation	-	15,000	14,530	470
Total Support Services	350	182,488	160,432	22,056
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	148,115	31,309	27,750	3,559
Fringe Benefits	12,595	6,362	5,039	1,323
Total Community Services	160,710	37,671	32,789	4,882
Total Operation of Non-Instructional Services	160,710	37,671	32,789	4,882
Total Expenditures	161,060	291,057	249,347	41,710
Excess of Revenues Over/(Under) Expenditures	(350)	(38,591)	3,119	41,710

(Continued)

Chardon Local School District
*Statement of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 Title VI-B Fund (continued)
 For the Fiscal Year Ended June 30, 2002*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	-	(1,509)	(1,509)	-
<i>Total Other Financing Sources (Uses)</i>	-	(1,509)	(1,509)	-
Net Change in Fund Balance	\$ (350)	\$ (40,100)	\$ 1,610	\$ 41,710
Fund Balance (Deficit) at The Beginning of Year	39,750	39,750	39,750	-
Prior Year Encumbrances Appropriated	350	350	350	-
Fund Balance (Deficit) at The End of Year	<u>\$ 39,750</u>	<u>\$ -</u>	<u>\$ 41,710</u>	<u>\$ 41,710</u>

Chardon Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 168,417	\$ 192,557	\$ 192,557	\$ -
Total Revenues	168,417	192,557	192,557	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	-	14,560	14,560	-
Total Regular	-	14,560	14,560	-
Special:				
Salaries and Wages	153,662	155,745	139,807	15,938
Fringe Benefits	7,454	28,539	26,389	2,150
Purchased Services	-	582	225	357
Materials and Supplies	-	8,351	8,351	-
Total Special	161,116	193,217	174,772	18,445
Total Instruction	161,116	207,777	189,332	18,445
Support Services:				
Instructional Staff:				
Salaries and Wages	6,807	17,239	12,597	4,642
Fringe Benefits	494	3,000	1,766	1,234
Total Instructional Staff	7,301	20,239	14,363	5,876
Pupil Transportation:				
Salaries and Wages	-	1,245	-	1,245
Fringe Benefits	-	255	-	255
Total Pupils Transportation	-	1,500	-	1,500
Total Support Services	7,301	21,739	14,363	7,376
Total Expenditures	168,417	229,516	203,695	25,821
<i>Excess of Revenues Over/(Under) Expenditures</i>	<i>-</i>	<i>(36,959)</i>	<i>(11,138)</i>	<i>25,821</i>
Other Financing Sources (Uses):				
Operating Transfers Out	-	(27,324)	(27,324)	-
Total Other Financing Sources (Uses)	-	(27,324)	(27,324)	-
Net Change in Fund Balance	-	(64,283)	(38,462)	25,821
Fund Balance (Deficit) at The Beginning of Year	36,961	36,961	36,961	-
Fund Balance (Deficit) at The End of Year	<u>\$ 36,961</u>	<u>\$ (27,322)</u>	<u>\$ (1,501)</u>	<u>\$ 25,821</u>

Chardon Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title VI Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 19,135	\$ 14,367	\$ 14,367	\$ -
Total Revenues	19,135	14,367	14,367	-
Expenditures:				
Current:				
Special:				
Salaries and Wages	17,735	17,479	3,723	13,756
Fringe Benefits	1,400	4,081	788	3,293
Total Special	19,135	21,560	4,511	17,049
Total Instruction	19,135	21,560	4,511	17,049
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	2,136	6,452	5,833	619
Materials and Supplies	131	4,295	4,418	(123)
Total Community Services	2,267	10,747	10,251	496
Total Operation of Non-Instructional Services	2,267	10,747	10,251	496
<i>Total Expenditures</i>	21,402	32,307	14,762	17,545
<i>Excess of Revenues Over/(Under) Expenditures</i>	(2,267)	(17,940)	(395)	17,545
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	-	(10)	(10)	-
<i>Total Other Financing Sources (Uses)</i>	-	(10)	(10)	-
Net Change in Fund Balance	(2,267)	(17,950)	(405)	17,545
Fund Balance (Deficit) at The Beginning of Year	5,699	5,699	5,699	-
Prior Year Encumbrances Appropriated	2,267	2,267	2,267	-
Fund Balance (Deficit) at The End of Year	<u>\$ 5,699</u>	<u>\$ (9,984)</u>	<u>\$ 7,561</u>	<u>\$ 17,545</u>

Chardon Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Drug Free Schools Grant Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amount			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 15,906	\$ 11,969	\$ 11,969	\$ -
Total Revenues	15,906	11,969	11,969	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased Services	-	26	26	-
Materials and Supplies	7,185	4,355	1,747	2,608
Total Regular	7,185	4,381	1,773	2,608
Total Instruction	7,185	4,381	1,773	2,608
Support Services:				
Pupils:				
Purchased Services	7,950	7,814	7,814	-
Materials and Supplies	-	708	708	-
Total Pupils	7,950	8,522	8,522	-
Operation and Maintenance of Plant:				
Purchased Services	-	960	960	-
Total Operation and Maintenance of Plant	-	960	960	-
Pupil Transportation:				
Purchased Services	2,000	1,115	1,115	-
Total Pupils Transportation	2,000	1,115	1,115	-
Total Support Services	9,950	10,597	10,597	-
Total Expenditures	17,135	14,978	12,370	2,608
<i>Excess of Revenues Over/(Under) Expenditures</i>	<i>(1,229)</i>	<i>(3,009)</i>	<i>(401)</i>	<i>2,608</i>
Net Change in Fund Balance	(1,229)	(3,009)	(401)	2,608
Fund Balance (Deficit) at The Beginning of Year	1,781	1,781	1,781	-
Prior Year Encumbrances Appropriated	1,229	1,229	1,229	-
Fund Balance (Deficit) at The End of Year	<u>\$ 1,781</u>	<u>\$ 1</u>	<u>\$ 2,609</u>	<u>\$ 2,608</u>

Chardon Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Class Size Reduction Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 35,248	\$ 53,371	\$ 53,371	\$ -
Total Revenues	35,248	53,371	53,371	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	28,034	53,347	53,347	-
Fringe Benefits	7,214	-	-	-
Total Regular	35,248	53,347	53,347	-
Total Instruction	35,248	53,347	53,347	-
Total Expenditures	35,248	53,347	53,347	-
Excess of Revenues Over/(Under) Expenditures	-	24	24	-
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	-	(24)	-	24
Advances Out	-	(26,440)	(26,440)	-
Total Other Financing Sources (Uses)	-	(26,464)	(26,440)	24
Net Change in Fund Balance	-	(26,440)	(26,416)	24
Fund Balance (Deficit) at The Beginning of Year	26,440	26,440	26,440	-
Fund Balance (Deficit) at The End of Year	\$ 26,440	\$ -	\$ 24	\$ 24

Chardon Local School District
*Statement of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 Special Trust Fund
 For the Fiscal Year Ended June 30, 2002*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 500	\$ 523	\$ 556	\$ 33
Miscellaneous	11,000	9,950	9,950	-
Total Revenues	11,500	10,473	10,506	33
Expenditures:				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Other	11,533	31,910	11,615	20,295
Total Community Services	11,533	31,910	11,615	20,295
Total Operation of Non-Instructional Services	11,533	31,910	11,615	20,295
<i>Total Expenditures</i>	<i>11,533</i>	<i>31,910</i>	<i>11,615</i>	<i>20,295</i>
<i>Excess of Revenues Over/(Under) Expenditures</i>	<i>(33)</i>	<i>(21,437)</i>	<i>(1,109)</i>	<i>20,328</i>
Net Change in Fund Balance	(33)	(21,437)	(1,109)	20,328
Fund Balance (Deficit) at The Beginning of Year	21,372	21,372	21,372	-
Prior Year Encumbrances Appropriated	33	33	33	-
Fund Balance (Deficit) at The End of Year	\$ 21,372	\$ (32)	\$ 20,296	\$ 20,328

Chardon Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Debt Service Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Debt Service:				
Principal Retirement	\$ -	\$ 470,000	\$ 470,000	\$ -
Interest and Fiscal Charges	-	18,565	18,565	-
Total Debt Service	-	488,565	488,565	-
<i>Total Expenditures</i>	-	488,565	488,565	-
<i>Excess of Revenues Over/(Under) Expenditures</i>	-	(488,565)	(488,565)	-
Other Financing Sources (Uses):				
Operating Transfers In	-	488,565	488,565	-
<i>Total Other Financing Sources (Uses)</i>	-	488,565	488,565	-
Net Change in Fund Balance	-	-	-	-
Fund Balance (Deficit) at The Beginning of Year	-	-	-	-
Fund Balance (Deficit) at The End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Chardon Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
SchoolNet Plus Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 84,870	\$ -	\$ -	\$ -
Interest	-	5,639	3,806	(1,833)
Total Revenues	84,870	5,639	3,806	(1,833)
Expenditures:				
Current:				
Support Services:				
Instructional Staff:				
Materials and Supplies	-	15,034	14,999	35
Capital Outlay - New	-	179,719	179,150	569
Total Instructional Staff	-	194,753	194,149	604
Central:				
Capital Outlay - New	-	17,500	17,500	-
Total Central	-	17,500	17,500	-
Total Support Services	-	212,253	211,649	604
Total Expenditures	-	212,253	211,649	604
Excess of Revenues Over/(Under) Expenditures	84,870	(206,614)	(207,843)	(1,229)
Other Financing Sources (Uses):				
Operating Transfers Out	(84,870)	-	-	-
Total Other Financing Sources (Uses)	(84,870)	-	-	-
Net Change in Fund Balance	-	(206,614)	(207,843)	(1,229)
Fund Balance (Deficit) at The Beginning of Year	208,447	208,447	208,447	-
Fund Balance (Deficit) at The End of Year	\$ 208,447	\$ 1,833	\$ 604	\$ (1,229)

Chardon Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues:				
Food Services	\$ 569,727	\$ 558,599	\$ 581,501	\$ 22,902
<i>Total Operating Revenues</i>	<u>569,727</u>	<u>558,599</u>	<u>581,501</u>	<u>22,902</u>
Operating Expenses:				
Salaries:				
Food Services Operation	279,987	316,957	309,941	7,016
Total Salaries	<u>279,987</u>	<u>316,957</u>	<u>309,941</u>	<u>7,016</u>
Fringe Benefits:				
Food Services Operation	69,620	95,395	89,277	6,118
Total Fringe Benefits	<u>69,620</u>	<u>95,395</u>	<u>89,277</u>	<u>6,118</u>
Purchase Services:				
Food Services Operation	2,533	2,500	2,366	134
Total Purchase Services	<u>2,533</u>	<u>2,500</u>	<u>2,366</u>	<u>134</u>
Supplies and Materials:				
Food Services Operation	349,938	377,673	360,426	17,247
Total Supplies and Materials	<u>349,938</u>	<u>377,673</u>	<u>360,426</u>	<u>17,247</u>
Capital Outlay - Replacement:				
Food Services Operation	11,145	11,400	11,368	32
Total Capital Outlay - Replacement	<u>11,145</u>	<u>11,400</u>	<u>11,368</u>	<u>32</u>
<i>Total Operating Expenses</i>	<u>713,223</u>	<u>803,925</u>	<u>773,378</u>	<u>30,547</u>
<i>Excess of Operating Revenues Over/ (Under) Operating Expenses</i>	(143,496)	(245,326)	(191,877)	53,449
Non-Operating Revenues/(Expenses):				
Intergovernmental Revenues	83,237	81,612	94,929	13,317
Interest	842	826	1,348	522
Miscellaneous Revenues	7,324	7,181	6,165	(1,016)
Operating Transfers In	36,620	72,707	81,000	8,293
<i>Total Other Financing Sources (Uses)</i>	<u>128,023</u>	<u>162,326</u>	<u>183,442</u>	<u>21,116</u>
Net Change in Fund Balance	(15,473)	(83,000)	(8,435)	74,565
Fund Balance (Deficit) at The Beginning of Year	21,120	21,120	21,120	-
Prior Year Encumbrances Appropriated	15,473	15,473	15,473	-
Fund Balance (Deficit) at The End of Year	<u>\$ 21,120</u>	<u>\$ (46,407)</u>	<u>\$ 28,158</u>	<u>\$ 74,565</u>

Chardon Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues:				
Classroom Materials and Fees	\$ 26,806	\$ 28,940	\$ 29,314	\$ 374
<i>Total Operating Revenues</i>	<u>26,806</u>	<u>28,940</u>	<u>29,314</u>	<u>374</u>
Operating Expenses:				
Salaries:				
Regular Instruction	35,806	30,495	30,495	-
Total Salaries	<u>35,806</u>	<u>30,495</u>	<u>30,495</u>	<u>-</u>
<i>Total Operating Expenses</i>	<u>35,806</u>	<u>30,495</u>	<u>30,495</u>	<u>-</u>
<i>Excess of Operating Revenues Over/ (Under) Operating Expenses</i>	(9,000)	(1,555)	(1,181)	374
Non-Operating Revenues/(Expenses):				
Operating Transfers In	9,000	9,000	9,000	-
<i>Total Other Financing Sources (Uses)</i>	<u>9,000</u>	<u>9,000</u>	<u>9,000</u>	<u>-</u>
Net Change in Fund Balance	-	7,445	7,819	374
Fund Balance (Deficit) at The Beginning of Year	<u>1,378</u>	<u>1,378</u>	<u>1,378</u>	<u>-</u>
Fund Balance (Deficit) at The End of Year	<u>\$ 1,378</u>	<u>\$ 8,823</u>	<u>\$ 9,197</u>	<u>\$ 374</u>

Chardon Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Summer School Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues:				
Tuition	\$ 25,480	\$ 17,174	\$ 33,553	\$ 16,379
Total Operating Revenues	25,480	17,174	33,553	16,379
Operating Expenses:				
Salaries:				
Regular Instruction	29,498	32,445	28,860	3,585
Instructional Staff	617	628	-	628
Administration	657	1,213	1,213	-
Total Salaries	30,772	34,286	30,073	4,213
Fringe Benefits:				
Regular Instruction	951	5,377	5,089	288
Administration	7	268	268	-
Total Fringe Benefits	958	5,645	5,357	288
Supplies and Materials:				
Regular Instruction	278	1,162	789	373
Administration	-	4	4	-
Total Supplies and Materials	278	1,166	793	373
Other:				
Administration	6,680	-	-	-
Total Other	6,680	-	-	-
Total Operating Expenses	38,688	41,097	36,223	4,874
Excess of Operating Revenues Over/ (Under) Operating Expenses	(13,208)	(23,923)	(2,670)	21,253
Non-Operating Revenues/(Expenses):				
Intergovernmental Revenues	12,930	8,715	7,551	(1,164)
<i>Total Other Financing Sources (Uses)</i>	12,930	8,715	7,551	(1,164)
Net Change in Fund Balance	(278)	(15,208)	4,881	20,089
Fund Balance (Deficit) at The Beginning of Year	43,544	43,544	43,544	-
Prior Year Encumbrances Appropriated	278	278	278	-
Fund Balance (Deficit) at The End of Year	<u>\$ 43,544</u>	<u>\$ 28,614</u>	<u>\$ 48,703</u>	<u>\$ 20,089</u>

Chardon Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Adult Education Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues:				
Tuition	\$ 36,700	\$ 25,715	\$ 30,299	\$ 4,584
<i>Total Operating Revenues</i>	<u>36,700</u>	<u>25,715</u>	<u>30,299</u>	<u>4,584</u>
Operating Expenses:				
Fringe Benefits:				
Adult/Continuing Instruction	2,393	1,641	1,641	-
Total Fringe Benefits	<u>2,393</u>	<u>1,641</u>	<u>1,641</u>	<u>-</u>
Purchased Services:				
Adult/Continuing Instruction	-	25,026	15,614	9,412
Total Purchased Services	<u>-</u>	<u>25,026</u>	<u>15,614</u>	<u>9,412</u>
Supplies and Materials:				
Adult/Continuing Instruction	-	500	17	483
Total Supplies and Materials	<u>-</u>	<u>500</u>	<u>17</u>	<u>483</u>
Other:				
Adult/Continuing Instruction	38,307	516	463	53
Total Other	<u>38,307</u>	<u>516</u>	<u>463</u>	<u>53</u>
<i>Total Operating Expenses</i>	<u>40,700</u>	<u>27,683</u>	<u>17,735</u>	<u>9,948</u>
<i>Excess of Operating Revenues Over/ (Under) Operating Expenses</i>	(4,000)	(1,968)	12,564	14,532
Non-Operating Revenues/(Expenses):				
Intergovernmental Revenues	4,000	4,000	4,000	-
<i>Total Other Financing Sources (Uses)</i>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Net Change in Fund Balance	-	2,032	16,564	14,532
Fund Balance (Deficit) at The Beginning of Year	1,089	1,089	1,089	-
Fund Balance (Deficit) at The End of Year	<u>\$ 1,089</u>	<u>\$ 3,121</u>	<u>\$ 17,653</u>	<u>\$ 14,532</u>

Chardon Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Self Insurance Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues:				
Charges for Services	\$ 1,800,000	\$ 1,800,000	\$ 1,928,264	\$ 128,264
<i>Total Operating Revenues</i>	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,928,264</u>	<u>128,264</u>
Operating Expenses:				
Fringe Benefits:				
Central Support Services	1,485,000	1,943,707	1,812,698	131,009
Total Fringe Benefits	<u>1,485,000</u>	<u>1,943,707</u>	<u>1,812,698</u>	<u>131,009</u>
Purchased Services:				
Central Support Services	315,000	365,377	340,750	24,627
Total Purchased Services	<u>315,000</u>	<u>365,377</u>	<u>340,750</u>	<u>24,627</u>
<i>Total Operating Expenses</i>	<u>1,800,000</u>	<u>2,309,084</u>	<u>2,153,448</u>	<u>155,636</u>
<i>Excess of Operating Revenues Over/ (Under) Operating Expenses</i>	-	(509,084)	(225,184)	283,900
Non-Operating Revenues/(Expenses):				
Operating Transfers In	-	200,000	-	(200,000)
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
Net Change in Fund Balance	-	(309,084)	(225,184)	83,900
Fund Balance (Deficit) at The Beginning of Year	348,355	348,355	348,355	-
Fund Balance (Deficit) at The End of Year	<u>\$ 348,355</u>	<u>\$ 39,271</u>	<u>\$ 123,171</u>	<u>\$ 83,900</u>

Chardon Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Scholarship Trust Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues:				
Interest	\$ 5,000	\$ 3,407	\$ 3,638	\$ 231
<i>Total Operating Revenues</i>	5,000	3,407	3,638	231
Operating Expenses:				
Other:				
Pupils	5,000	10,645	1,415	9,230
Total Other	5,000	10,645	1,415	9,230
<i>Total Operating Expenses</i>	5,000	10,645	1,415	9,230
Net Change in Fund Balance	-	(7,238)	2,223	9,461
Fund Balance (Deficit) at The Beginning of Year	140,639	140,639	140,639	-
Fund Balance (Deficit) at The End of Year	\$ 140,639	\$ 133,401	\$ 142,862	\$ 9,461

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STATISTICAL SECTION

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Chardon Local School District
 General Governmental
 Revenue by Source and Expenses/Expenditures by Function (1)
 Last Ten Fiscal Years

	2002		2001	2000
	Full Accrual	Modified Accrual		
Program Revenues				
Charges for Services	\$ 551,925	N/A	N/A	N/A
Operating Grants and Contributions	1,481,329	N/A	N/A	N/A
General Revenues				
Taxes	15,547,509	\$ 15,216,737	\$ 14,264,615	\$ 11,964,463
Intergovernmental	7,599,207	7,646,777	6,977,629	6,210,276
Interest	131,864	115,920	193,856	213,538
Tuition and Fees	-	-	187,211	119,357
Classroom Materials and Fees	-	117,216	-	-
Extracurricular Activities	-	33,043	22,465	23,969
Transportation Fees	-	21,008	-	-
Rentals	-	-	69,220	-
Gain on Sales of Capital Asset	1,327	-	-	-
Miscellaneous	141,842	202,854	372,390	213,776
Transfers	23,267	-	-	-
Total	\$ 25,478,270	\$ 23,353,555	\$ 22,087,386	\$ 18,745,379
Expenses/Expenditures				
Current:				
Instruction:				
Regular	\$ 10,510,930	\$ 9,741,193	\$ 9,182,563	\$ 9,031,286
Special	1,940,607	1,718,973	2,006,638	1,682,687
Vocational	243,240	237,428	202,198	213,127
Other	210,426	210,426	-	86,277
Support Services:				
Pupil	1,325,621	1,114,390	876,703	787,874
Instructional Staff	908,405	858,778	767,296	625,274
Board of Education	48,091	41,151	51,710	36,874
Administration	1,944,781	1,897,271	1,838,176	1,672,156
Fiscal	705,015	701,718	630,525	764,460
Business	323,909	318,878	266,331	298,745
Operation and Maintenance of Plant	2,516,021	2,051,894	1,999,208	1,924,341
Pupil Transportation	1,686,187	1,790,935	2,172,874	1,602,288
Central	217,090	191,575	125,981	113,078
Operation of Non-instructional Services	912,238	44,363	91,629	80,536
Extracurricular Activities	591,572	338,550	337,411	304,464
Capital Outlay	-	411,608	322,234	395,394
Debt Service	11,861	-	-	-
Total	\$ 24,095,994	\$ 21,669,131	\$ 20,871,477	\$ 19,618,861

Source: School District Financial Records

(1) Includes General fund for modified accrual and all governmental activities for full accrual.

1999	1998	1997	1996	1995	1994	1993
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
\$ 12,041,895	\$ 11,708,682	\$ 12,272,914	\$ 10,217,600	\$ 9,063,781	\$ 8,754,824	\$ 8,713,116
5,833,639	5,162,280	4,956,941	4,637,742	4,517,304	4,367,009	4,297,062
189,717	159,785	138,985	119,495	109,806	106,985	136,291
108,910	122,423	122,906	199,070	159,428	93,170	144,896
-	-	-	-	-	-	-
923	24,218	23,520	21,705	21,798	22,398	20,655
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
132,614	383,217	127,433	101,823	94,942	83,264	86,607
-	-	-	-	-	-	-
<u>\$ 18,307,698</u>	<u>\$ 17,560,605</u>	<u>\$ 17,642,699</u>	<u>\$ 15,297,435</u>	<u>\$ 13,967,059</u>	<u>\$ 13,427,650</u>	<u>\$ 13,398,627</u>
\$ 8,766,671	\$ 7,993,438	\$ 8,258,079	\$ 7,705,985	\$ 7,218,286	\$ 7,228,612	\$ 6,832,548
1,295,931	1,036,258	1,160,420	873,637	821,436	778,378	726,120
209,116	343,640	352,539	287,302	279,461	268,432	254,382
42,007	89,275	74,528	66,714	62,663	101,914	68,332
692,340	632,733	603,625	542,274	519,958	475,970	453,218
697,867	471,804	524,222	456,521	430,378	450,531	318,282
43,257	50,333	27,301	73,774	31,689	24,461	25,293
1,608,187	1,312,185	1,354,287	1,232,605	1,335,296	1,346,661	1,232,623
632,471	617,070	635,250	522,523	425,379	370,012	364,353
268,896	238,235	240,782	213,650	220,912	222,567	225,941
1,766,499	1,674,545	1,643,388	1,726,300	1,488,543	1,574,323	1,559,756
1,480,629	1,274,185	1,391,246	1,286,986	1,331,957	1,411,812	1,153,867
100,555	53,105	48,653	9,233	13,478	151,994	238,897
70,056	66,549	62,429	61,551	24,010	33,030	1,213
289,501	282,057	282,360	267,615	251,098	249,686	242,377
536,413	262,622	161,128	137,343	243,238	188,728	349,743
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 18,500,396</u>	<u>\$ 16,398,034</u>	<u>\$ 16,820,237</u>	<u>\$ 15,464,013</u>	<u>\$ 14,697,782</u>	<u>\$ 14,877,111</u>	<u>\$ 14,046,945</u>

Chardon Local School District
Property Tax Levies and Collections
Real and Tangible Personal Property (1)
Last Nine Years (2)

Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection As a Percent of Current Levy
2001	\$ 17,063,561	\$ 886,616	\$ 17,950,177	\$ 16,564,524	97.08%	\$ 430,111	\$ 16,994,635	99.60%
2000	14,126,172	626,376	14,752,548	13,637,173	96.54	295,604	13,932,777	98.63
1999	13,676,065	612,573	14,288,638	13,306,702	97.30	247,971	13,554,673	99.11
1998	13,175,578	570,012	13,745,590	12,848,967	97.52	218,048	13,067,015	99.18
1997	12,691,458	587,687	13,279,145	12,421,446	97.87	224,685	12,646,131	99.64
1996	12,258,340	487,125	12,745,465	11,989,319	97.81	146,309	12,135,628	99.00
1995	10,041,694	508,006	10,549,700	9,844,916	98.04	171,457	10,016,373	99.75
1994	9,824,378	496,906	10,321,284	9,584,945	97.56	187,617	9,772,562	99.47
1993	9,540,131	495,634	10,035,765	9,323,989	97.73	191,860	9,515,849	99.75

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

- (1) Includes Homestead/Rollback taxes assessed locally, but distribution through the State and reported as Intergovernmental Revenue.
- (2) Information prior to 1993 is not available.
- (3) Represents the collection year. The 2002 information cannot be presented because all collections have not been made by June 30.
- (4) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

Chardon Local School District
Assessed and Estimated Actual Value of Taxable Property
Last Ten Calendar Years

Collection Year	Real Property		Public Utility/ Personal Property		Tangible Personal Property		Total		Ratio of Assessed Value to Estimated Actual Value
	Assessed Value	Estimated Actual Value(1)	Assessed Value	Estimated Actual Value(1)	Assessed Value	Estimated Actual Value(1)	Assessed Value	Estimated Actual Value(1)	
2002	\$451,161,920	\$1,289,034,057	\$19,116,360	\$21,723,136	\$35,455,180	\$141,820,720	\$505,733,460	\$1,452,577,913	35%
2001	434,768,020	1,242,194,343	22,718,540	25,816,523	31,319,220	125,276,880	488,805,780	1,393,287,746	35
2000	416,470,710	1,189,916,314	21,512,370	24,445,874	31,105,800	124,423,200	469,088,880	1,338,785,388	35
1999	340,161,560	971,890,171	23,339,420	26,511,840	30,861,280	123,445,120	394,353,260	1,121,847,131	35
1998	321,778,320	919,366,629	23,776,900	27,019,204	27,426,470	109,705,880	372,981,690	1,056,091,713	35
1997	308,634,610	881,813,171	24,867,730	28,258,783	26,374,360	105,497,440	359,876,700	1,015,569,394	35
1996	273,589,130	781,683,229	25,437,850	28,906,647	24,576,800	98,307,200	323,603,780	908,897,076	35
1995	263,865,210	753,900,600	25,391,670	28,854,170	23,238,690	92,954,760	312,495,570	875,709,530	36
1994	255,424,350	729,783,357	25,582,960	29,071,545	22,472,260	89,889,040	303,479,570	848,743,942	36
1993	215,147,080	614,705,943	24,541,220	27,887,749	23,988,180	95,952,720	263,676,480	738,546,412	36

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

- (1) This amount is calculated based on the following percentages:
Real property is assessed at 35 percent of actual value.
Public utility/personal property is assessed at 88 percent of actual value.
Tangible personal property is assessed at 25 percent of actual value.

Chardon Local School District
Property Tax Rates – Direct and Overlapping Governments
(per \$1,000 of Assessed Valuation)
Last Ten Calendar Years

Year	School Levy	JVS	County Levy	Village Levy	Library Levy	Total Levy	Debt Service Included in Total Levy		
							School	County	Total
2001	64.88	1.50	14.40	11.00	1.00	92.78	0.00	0.30	0.30
2000	60.10	1.50	13.65	11.00	1.00	87.25	0.00	0.30	0.30
1999	60.10	1.50	13.45	11.00	1.00	87.05	0.00	0.30	0.30
1998	60.10	1.50	13.45	11.00	1.00	87.05	0.00	0.30	0.30
1997	60.10	1.50	13.45	9.20	1.00	85.25	0.00	0.30	0.30
1996	60.10	1.50	13.85	9.20	1.00	85.65	0.00	0.30	0.30
1995	54.30	1.50	11.85	9.20	1.00	77.85	0.00	0.30	0.30
1994	54.60	1.50	11.85	9.20	1.00	78.15	0.30	0.30	0.60
1993	55.00	1.50	11.20	9.20	1.00	77.90	0.70	0.30	1.00
1992	55.10	1.50	11.20	9.20	1.00	78.00	0.80	0.30	1.10

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

Chardon Local School District
Ratio of Net Obligation Bonded Debt to
Assessed Value and Net Bonded Debt Per Capita
June 30, 2002

Year	Net General Obligation Bonded Debt (1)	Assessed Value (2)	Chardon LSD Area Population (3)	Ratio of Net Debt to Assessed Value	Net Debt Per Capita
2002	-	\$ 505,733,460	20,219	-	-
2001	-	488,805,780	20,019	-	-
2000	-	469,088,880	19,252	-	-
1999	-	394,353,260	18,573	-	-
1998	-	372,981,690	18,573	-	-
1997	-	359,876,700	18,573	-	-
1996	-	323,603,780	18,573	-	-
1995	-	312,495,570	17,569	-	-
1994	\$ 135,000	303,479,570	17,569	0.04	\$ 7.68
1993	270,000	263,676,480	17,569	0.10	15.37

Source:

- (1) School District Financial Records
- (2) Geauga County, Ohio; County Auditor
- (3) Northern Ohio Data and Information Center (Includes Chardon Township, Hambden Township, Munson Township and City of Chardon).

Chardon Local School District
 Computation of Direct and Overlapping
 General Obligation Bonded Debt
 June 30, 2002

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Applicable to School District</u>
Direct:			
Chardon Local School District	\$ <u>470,000</u>	100.00%	\$ <u>470,000</u>
Overlapping:			
Geauga County	5,216,223	21.10	1,100,623
Chardon Village	3,230,000	26.39	852,397
Munson Township	<u>200,000</u>	37.00	74,000
Total Overlapping	<u>8,646,223</u>		<u>2,027,020</u>
Totals:	\$ <u><u>9,116,223</u></u>		\$ <u><u>2,497,020</u></u>

Source: Geauga County Auditor and Chardon Local School District

(1) Percentage were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2001 collection year.

Chardon Local School District
Computation of Legal Debt Margin
June 30, 2002

Assessed Valuation	<u>\$505,733,460</u>
Debt Limit – 9% of Assessed Value (1)	\$45,516,011
Amount of Debt Applicable	<u>0</u>
Overall Debt Margin	<u>\$45,516,011</u>
Debt Limit – 0.10% of Assessed Value (1)	\$505,733
Amount of Debt Applicable	<u>0</u>
Unvoted Debt Margin	<u>\$505,733</u>

Source: Geauga County Auditor and School District Financial Records

(1) Ohio Bond Law sets an overall limit of 9% for total debt and 1/10 of 1% for unvoted debt.

Chardon Local School District
Ratio of Annual Debt Service Expenditures for
General Obligation Bonded Debt to General Fund Expenditures
Last Ten Fiscal Years

Year	General Obligation Principal	General Obligation Interest	General Obligation Debt Service	Total General Fund Operating Expenditures	Ratio of General Obligation Debt Service to General Fund Operating Expenditures
2002	-	-	-	\$21,669,131	-
2001	-	-	-	20,871,477	-
2000	-	-	-	19,618,861	-
1999	-	-	-	18,500,396	-
1998	-	-	-	16,398,034	-
1997	-	-	-	16,820,237	-
1996	-	-	-	15,464,013	-
1995	-	-	-	14,697,782	-
1994	\$135,000	\$6,750	\$141,750	14,877,111	0.95%
1993	135,000	13,500	148,500	14,046,945	1.06

Source: School District Financial Records

Chardon Local School District
Demographic Statistics
Last Ten Years

Year	Geauga County Population (1)	Chardon LSD Area Population (2)	School Enrollment (3)	Geauga County Unemployment Rate (4)
2002	90,895	20,219	3,124	4.3%
2001	90,895	20,219	3,096	2.9
2000	87,913	19,252	3,046	2.8
1999	87,913	18,573	3,065	3.0
1998	86,054	18,573	3,037	3.5
1997	86,054	18,573	3,081	3.6
1996	84,260	18,573	3,001	3.8
1995	83,400	17,569	2,913	5.1
1994	83,241	17,569	2,863	5.8
1993	82,094	17,569	2,863	5.4

Source:

- (1) Estimated Figure from U.S. Census Bureau
- (2) State of Ohio – Office of Strategic Research
- (3) School District Records
- (4) Ohio Bureau of Employment Services

Chardon Local School District
 Financial Institution Deposits, Property Value and Building Permits
 Last Nine Years (1)

Year	Property Value (2) (Real Estate Only)	Financial Institution Deposit Banks	Value of Permits Issued Geauga County	Value of Permits Issued City of Chardon	Value of Permits Issued Chardon Township	Value of Permits Issued Hambden Township	Value of Permits Issued Munson Township
2001	\$ 434,768,020	\$ 253,635,000	\$ 212,264,882	\$ 3,238,777	\$ 3,746,235	\$ 9,899,308	\$ 11,264,100
2000	416,470,710	222,518,000	199,824,566	7,228,590	6,016,722	10,605,590	9,355,117
1999	340,161,560	249,478,000	65,015,002	7,434,678	2,619,585	3,827,009	5,079,955
1998	321,778,320	254,641,000	47,503,140	5,914,001	8,424,575	7,876,660	14,403,845
1997	308,634,610	222,202,000	38,142,850	5,081,400	7,414,600	7,100,658	8,122,400
1996	273,589,130	212,641,000	41,162,110	4,712,500	6,744,040	4,880,200	147,292,000
1995	263,865,210	194,409,000	35,438,050	3,792,900	5,597,000	3,454,000	10,522,783
1994	255,424,350	188,020,000	28,009,880	5,682,438	6,592,697	2,415,025	5,681,300
1993	215,147,080	184,462,000	23,820,980	3,369,260	6,434,164	2,923,110	5,295,500

Sources: Geauga County Auditor
 Federal Reserve Bank of Cleveland
 Building Department reports

- (1) Information prior to 1993 is unavailable.
- (2) Represents assessed value.

Chardon Local School District
Principal Taxpayers
Real Property Tax
December 31, 2001

Taxpayer	Assessed Value (1)	Percentage of Total Real Property Tax Assessed Value
Maple Leaf Plaza, LLC.	\$ 2,495,610	0.55%
Joseph K. Juster	2,368,040	0.52
Maple Leaf Expansion, Inc.	2,216,000	0.49
Structural North America	1,693,340	0.38
Bull Rum Properties, LLC.	1,581,150	0.35
Center Six Corporation	1,540,540	0.34
Chardon Hills Apartments	1,328,530	0.29
Burlington Group, Inc.	1,188,780	0.26
Walter C. Bert, Inc.	986,040	0.23
Timberwood Farms Ltd.	956,650	0.22
	\$ 16,354,680	3.63%
 Total Real Property Tax Assessed Valuation	 \$ 451,161,920	

Sources: Geauga County Auditor

(1) Assessed values are for the 2002 collection year

Chardon Local School District
Principal Taxpayers
Tangible Personal Property Tax
December 31, 2001

Taxpayer	Assessed Value(1)	Percentage of Total Tangible Personal Property Tax Assessed Value
Eltech System Corporation	\$ 3,841,050	10.83%
Essef Corporation	3,460,670	9.76
Bert Sand Corporation	2,211,770	6.24
Bayer Corporation	2,054,500	5.79
Unova Industrial Automated System, Inc.	1,666,350	4.70
Chardon Rubber	1,192,760	3.36
Lawson Ford and Mercury, Inc.	838,420	2.36
Junction Auto Sales	779,890	2.20
Chardon Metal Products	674,100	1.90
Rite Aid of Ohio, Inc.	644,450	1.83
	<u>\$ 17,363,960</u>	<u>48.97%</u>
Total Tangible Personal Property Tax Assessed Valuation	<u>\$ 35,455,180</u>	

Sources: Geauga County Auditor

(1) Assessed values are for the 2002 collection year

Chardon Local School District
Principal Taxpayers
Public Utilities Tangible Property Tax
December 31, 2001

Taxpayer	Assessed Value(1)	Percentage of Total Public Utility Tangible Property Tax Assessed Value
Cleveland Electric Illuminating	\$ 10,898,880	57.01%
Western Reserve Telephone	4,845,850	25.35
American Transmission	1,084,940	5.68
East Ohio Gas	477,950	2.50
	\$ 17,307,620	90.54%
 Total Public Utility Tangible Property Tax Assessed Valuation	 \$ 19,116,360	

Sources: Geauga County Auditor

(1) Assessed values are for the 2002 collection year

Chardon Local School District
Per Pupil Cost
Last Ten Fiscal Years

Year	General Fund Expenditures	Average Daily Membership	Per Pupil Cost
2002	\$ 21,669,131	3,124	\$ 6,936
2001	20,871,477	3,096	6,741
2000	19,618,861	3,046	6,441
1999	18,500,396	3,065	6,036
1998	16,398,034	3,037	5,399
1997	16,820,237	3,081	5,459
1996	15,464,013	3,001	5,153
1995	14,697,782	2,913	5,046
1994	14,877,111	2,863	5,196
1993	14,046,945	2,863	4,906

Sources: School District Financial Records

Chardon Local School District
Teacher Education and Experience
June 30, 2002

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	37	17.54%
Bachelor + 18 hours	12	5.69%
Bachelor + 30 hours	23	10.90%
Master's Degree	80	37.91%
Master's + 18 Hours	14	6.64%
Master's + 30 Hours	36	17.06%
Master's + 45 Hours	5	2.37%
PHD's	<u>4</u>	<u>1.90%</u>
Total	<u><u>211</u></u>	<u><u>100.00%</u></u>

<u>Year of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	37	17.54%
6 - 10	48	22.75%
11 and Over	<u>126</u>	<u>59.72%</u>
Total	<u><u>211</u></u>	<u><u>100.00%</u></u>

Source: School District Personnel Records

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**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

CHARDON LOCAL SCHOOL DISTRICT

GEAUGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 13, 2003**