

CHARDON LOCAL SCHOOL DISTRICT

Audit Report

For the Year Ended June 30, 2001

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



STATE OF OHIO
OFFICE OF THE AUDITOR

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Board of Education
Chardon Local School District
428 North Street
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We have reviewed the Independent Auditor's Report of the Chardon Local School District, Geauga County, prepared by Charles E. Harris & Associates, for the audit period July 1, 2000 through June 30, 2001. 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.

JIM PETRO
Auditor of State

March 15, 2002

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CHARDON LOCAL SCHOOL DISTRICT
Audit Report
For the Year Ended June 30, 2001

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

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

We have audited the general purpose financial statements of the Chardon Local School District as of and for the year ended June 30, 2001, and have issued our report thereon dated February 15, 2002, wherein we noted the District adopted Governmental Accounting Standards Board Statements Nos. 33 and 36 for the year ended June 30, 2001. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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 general purpose 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 general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Charles E. Harris & Associates, Inc.
February 15, 2002

CHARDON LOCAL SCHOOL DISTRICT, OHIO
Schedule of Federal Awards Expenditures
For the Year Ended June 30, 2001

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	\$ 43,017	\$ 40,185
National School Lunch Program	10.555	47813-04-PU-01	82,100	82,100
Breakfast Program	10.553	47813-05-PU-02	<u>2,547</u>	<u>2,547</u>
U.S. Department of Agriculture - Nutrition Cluster			<u>127,664</u>	<u>124,832</u>
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	84.010	47183-C1-S1-00	4,113	12,233
Title I - FY00 - Carryover	84.010	47183-C1-S1-00CY	14,560	-
Title I - FY01	84.010	47183-C1-S1-01	<u>150,701</u>	<u>126,592</u>
Total Title I			<u>169,374</u>	<u>138,825</u>
Title VI - B, Special Education - Assistance to States for Education of Handicapped Children				
Title VI - B - FY00	84.027	47183-6B-SF-00P	0	60,999
Title VI - B - FY01	84.027	47183-6B-SF-01P	<u>204,035</u>	<u>163,565</u>
Total Title VI - B			<u>204,035</u>	<u>224,564</u>
Education of Economic Security Act - Eisenhower Grant				
Eisenhower Grant - FY99	84.164	47183-MS-S1-99	0	152
Eisenhower Grant - FY00	84.164	47183-MS-S1-00	0	2,374
Eisenhower Grant - FY01	84.164	47183-MS-S1-01	<u>7,682</u>	<u>647</u>
Total Eisenhower Grant			<u>7,682</u>	<u>3,173</u>
Drug - Free School Grant				
Drug - Free School Grant - FY00	84.186	47183-DR-S1-00	2,440	3,735
Drug - Free School Grant - FY01	84.186	47183-DR-S1-01	<u>12,331</u>	<u>9,322</u>
Total Drug - Free School Grant			<u>14,771</u>	<u>13,057</u>
Innovative Education Program Strategies				
Innovative Education Program Strategies - FY00	84.298	47183-C2-S1-00	7,433	6,733
Innovative Education Program Strategies - FY01	84.298	47183-C2-S1-01	<u>23,062</u>	<u>16,108</u>
Total Innovative Education Program Strategies			<u>30,495</u>	<u>22,841</u>
Reducing Class Size				
Reducing Class Size - FY01	84.340	47183-CR-S1-01	<u>37,771</u>	<u>37,771</u>
Total U.S. Department of Education			<u>464,128</u>	<u>440,231</u>
TOTAL FEDERAL AWARDS EXPENDITURES			<u>591,792</u>	<u>565,063</u>

See Notes to the Schedule of Federal Awards Expenditures

CHARDON LOCAL SCHOOL DISTRICT
Notes to the Schedule of Federal Awards Expenditures
For the Year Ended June 30, 2001

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, 2001, 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 general purpose financial statements of the Chardon Local School District as of and for the year ended June 30, 2001, and have issued our report thereon dated February 15, 2002, wherein we noted the District adopted Governmental Accounting Standards Board Statements Nos. 33 and 36 for the year ended June 30, 2001. 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 general purpose 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items CLSD01-001 and CLSD01-002. We also noted certain immaterial instances of noncompliance that we have reported to management in a separate letter dated February 15, 2002.

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 general purpose 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 general purpose 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 February 15, 2002.

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.
February 15, 2002

**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, 2001. 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, 2001.

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.
February 15, 2002

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

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY
JUNE 30, 2001**

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 VI - B CFDA # 84.027
(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, 2001

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

Finding Number **CLSD01-001**

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

	<u>Revenues plus Carryover Balances</u>	<u>Appropriations</u>	<u>Amount</u>
Special Revenue Funds			
Public School Support	\$ 109,217	\$ 110,200	\$ 983
Auxiliary Services	975,940	1,751,113	775,173
Teacher Development	14,605	28,163	13,558
Educational Management Information System	21,373	26,171	4,798
Conflict Management	5,857	7,714	1,857
Eisenhower Math and Science	11,559	20,148	8,589
Title VI-B	265,033	367,245	102,212
Title I	177,494	193,880	16,386
Drug Free Schools Grant	16,066	21,525	5,459
Class Size Reduction	64,211	75,542	11,331
Capital Projects Fund			
SchoolNet Plus	281,679	324,323	42,644
Enterprise Funds			
Summer School	77,081	88,310	11,229
Adult Education	27,387	36,426	9,039

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

CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY
JUNE 30, 2001

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

Finding Number	CLSD01-002
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Contrary to Section 5705.41(B), Ohio Revised Code, the following accounts had expenditures plus encumbrances in excess of appropriations:

Fund/Function/Object	Appropriations	Expenditures Plus Encumbrances	Excess
General Fund			
Current			
Instruction			
Special			
Purchased Services	\$ 627,995	\$ 771,069	\$ 143,074
Support Services			
Administration			
Salaries	1,082,550	1,220,839	138,289
Fringe Benefits	395,521	461,129	65,608
Fiscal			
Salaries	146,291	163,888	17,597
Fringe Benefits	361,116	377,623	16,507
Business			
Salaries	159,013	173,865	14,852
Fringe Benefits	56,407	65,782	9,375
Purchased Services	43,924	46,708	2,784
Operation and Maintenance of Plant			
Salaries	769,098	867,456	98,358
Fringe Benefits	250,538	292,888	42,350
Purchased Services	569,463	736,394	166,931
Materials and Supplies	237,134	257,930	20,796
Capital Outlay - New	13,299	14,961	1,662
Pupil Transportation			
Salaries	917,641	1,010,246	92,605
Materials and Supplies	210,715	243,343	32,628
Capital Outlay - New	0	68,087	68,087
Capital Outlay - Replacement	248,963	280,804	31,841
Operation of Non-Instructional Services			
Community Services			
Salaries	70,875	74,964	4,089
Fringe Benefits	15,252	16,153	901
Extracurricular Services			
Sport Oriented Activities			
Salaries	203,920	229,157	25,237
Fringe Benefits	45,920	51,793	5,873
School and Public Service			
Co-Curricular Activities			
Salaries	26,067	29,357	3,290

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

CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY
JUNE 30, 2001

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (continued)

Finding Number **CLSD01-002**

Fund/Function/Object	Appropriations	Plus Encumbrances	Excess
Special Revenue Funds			
Other Grants			
Current			
Instruction			
Regular			
Purchased Services	\$ 5,123	\$ 5,789	\$ 666
Athletics			
Current			
Extracurricular Activities			
Academic Oriented Activities			
Purchased Services	26,993	34,449	7,456
Materials and Supplies	18,513	23,393	4,880
Other	39,522	58,103	18,581
Sports Oriented Activities			
Purchased Services	62,901	95,814	32,913
SchoolNet Professional Development			
Current			
Support Services			
Instructional Staff			
Purchased Services	1,000	4,000	3,000
Ohio Reads Grant			
Current			
Instruction			
Regular			
Salaries	3,720	4,000	280
Capital Projects Fund			
Power Up Capacity			
Current			
Support Services			
Instructional Staff			
Purchased Services	29,242	286,102	256,860
Enterprise Fund			
Uniform School Supplies			
Materials and Supplies			
Regular Instruction	20,478	27,746	7,248
Internal Service Fund			
Self Insurance			
Purchased Services			
Claims	272,229	286,172	13,943
	1,378,500	1,550,058	171,558

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, 2000, included no material citations or recommendations.



**CHARDON LOCAL
SCHOOL DISTRICT**

**Chardon, Ohio
Geauga County**

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

Chardon Local School District
Chardon, Ohio

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

Prepared by

Treasurer's Office
David Piskac
Treasurer

Chardon Local School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2001
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Introductory Section

Chardon Local School District

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



Administrative Offices

Pursuing Excellence

February 15, 2002

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, 2001. This CAFR includes an opinion from Charles E. Harris and Associates and conforms to generally accepted accounting principles as applicable to governmental 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 School District and the GFOA Certificate of Achievement.
2. The Financial Section which begins with the Report of Independent Accountants and includes the General Purpose 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 schedules that provide detailed information relative to the General Purpose Financial Statements.
3. The Statistical Section which presents social and economic data, financial trends and the fiscal capacity of the Chardon Local School District.

The School District

Chardon Local School District is located in northeastern Ohio, approximately 40 miles east of Cleveland. The School 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 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

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 Community.

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 School District consists of one high school, one middle school, four elementary schools, one administration building and one garage.

Chardon School District is one of the 612 school districts in the State of Ohio. The School District provides education to 3,096 students in grades K-12, including special education services to 441 students.

Statutorily, the School District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 of the Ohio Revised Code, to provide education services mandated by 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 Workers' Compensation Group Rating Program. These organizations are presented in Notes 18 and 20 to the general purpose financial statements..

A complete discussion of the School District's reporting entity is provided in Note 1 to the general purpose 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 School District anticipates the assessed valuations to increase every year. For 2000, the School District's assessed valuation was \$469,088,880 and for 2001 it was \$488,805,780.

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, a school 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 School 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, 64.61 percent of the general fund revenue comes from real estate taxes on residential, commercial and industrial properties and tangible personal property taxpayers with 31.60 percent being received from various forms of State aid including reimbursement of homestead and rollback reductions on property taxes. Investment earnings are .88 percent and other revenue are 2.91 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 School 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 School District will be able to accomplish a number of initiatives in the area of curriculum development, programming, and student services. Our Strategic Plan 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
- Competency assessment in major subject areas Grades 1-8
- Technology that is integrated with the content areas
- Implemented curriculum in mathematics using NCTM standards
- Hands-on science curriculum and materials introduces at grade level and expanded through the grade levels
- Additional communications and parent meetings throughout the District for parents and members of the community
- Continued staff development opportunities developed from the curriculum development process and building level committees
- Intervention assistance for Proficiency Tests at the high school and middle school
- 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
- District was selected as School Match School
- Nursing support at all buildings
- Upgraded all school facilities, both inside and outside, with current operating budget
- District received 26 out of 27 indicators on the State Report Card – Effective School
- 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 2000-01 were as follows:

- To continue to improve student achievement, including raising proficiency 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
- Jump Start to Reading Program for pre-school children
- Jump Start for Heart Program at elementary schools
- Students participate in Hands Program
- WomenSafe - student participation
- Coats for Kids at Middle School
- Landscaping projects throughout the School District
- Students partnerships with Heather Hill
- Veterans Day Activities
- Hunger Task Force
- Students involved in grounds clean-up
- United Way fundraising drive
- Holiday projects for needy - all schools
- Walk for Diabetes

Financial Information

Internal Accounting and Budgetary Control

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

In developing the School District's accounting system much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance

regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

The School District utilizes a fully automated accounting system as well as an automated system of control for fixed assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensures 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 account level within a fund and function. All purchase order requests must be approved by either the Superintendent or the Assistant Superintendent and certified by the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests which exceed the available appropriation are rejected until additional appropriations are secured.

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

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 financial statements. Additional information on the School District's budgetary accounting can also be found in Note 2.

General Governmental Functions

The following schedule presents a summary of governmental funds' revenues for the fiscal years ended June 30, 2000 and 2001, and the amount and percentage of increases and decreases in relation to the prior year's revenues.

	2000 Amount	2001 Amount	Percent of Total	Change	Percent Change
Revenues					
Taxes	\$11,964,463	\$14,264,615	59.66%	\$2,300,152	19.22%
Intergovernmental	7,542,974	8,444,393	35.32	901,419	11.95
Interest	236,747	225,846	0.94	(10,901)	(4.60)
Tuition and Fees	127,062	192,915	0.81	65,853	51.83
Extracurricular Activities	173,805	263,501	1.10	89,696	51.61
Contributions and Donations	0	51,466	0.22	51,466	100.00
Rentals	0	69,220	0.29	69,220	100.00
Miscellaneous	290,081	397,867	1.66	107,786	37.16
<i>Total Revenues</i>	<u>\$20,335,132</u>	<u>\$23,909,823</u>	<u>100.00%</u>	<u>\$3,574,691</u>	

Taxes revenue increased \$2,300,152 or 19.22 percent due to the School District realizing a half year of revenue from the March 2000 levy.

Intergovernmental revenue increased \$901,419 or 11.95 percent due to an increase in State foundation and Schoolnet and Power Up grant monies.

Tuition and Fees revenue increased \$65,853 or 51.83 percent due to an increase in tuition students for fiscal year 2001.

Extracurricular Activities increased \$89,696 or 51.61 percent due to an increase in athletic and band revenue.

Miscellaneous revenue increased \$107,786 or 37.16 percent due to a one time insurance reimbursement for two buses that burned as well as a one time workers' compensation refund.

The following schedule presents a summary of governmental funds' expenditures for the fiscal years ended June 30, 2000 and 2001, and the amount and percentage of increases and decreases in relation to the prior year's expenditures.

Expenditures	<u>2000 Amount</u>	<u>2001 Amount</u>	<u>Percent of Total</u>	<u>Change</u>	<u>Percent Change</u>
<i>Current:</i>					
Instruction:					
Regular	\$9,145,744	\$9,261,686	39.68%	\$115,942	1.27%
Special	1,993,678	2,162,798	9.27	169,120	8.48
Vocational	213,471	202,198	0.87	(11,273)	(5.28)
Support Services:					
Pupils	957,480	1,158,895	4.96	201,415	21.04
Instructional Staff	763,298	801,190	3.43	37,892	4.96
Board of Education	36,874	51,710	0.22	14,836	40.23
Administration	1,672,156	1,838,176	7.88	166,020	9.93
Fiscal	764,460	630,525	2.70	(133,935)	(17.52)
Business	298,745	266,331	1.14	(32,414)	(10.85)
Operation and					
Maintenance Of Plant	1,924,341	1,999,208	8.56	74,867	3.89
Pupil Transportation	1,602,288	2,172,874	9.31	570,586	35.61
Central	114,074	126,067	0.54	11,993	10.51
Operation of Non-					
Instructional Services	872,841	1,021,646	4.38	148,805	17.05
Extracurricular Activities	473,789	604,636	2.59	130,847	27.62
<i>Capital Outlay</i>	532,532	1,037,114	4.44	504,582	94.75
<i>Debt Service:</i>					
Interest and Fiscal Charges	0	6,704	0.03	6,704	100.00
<i>Total Expenditures</i>	<u>\$21,365,771</u>	<u>\$23,341,758</u>	<u>100.00%</u>	<u>\$1,975,987</u>	

Pupils Support Services increased \$201,415 or 21.04 percent due to an increase in Title VI-B and special education expenditures.

Board of Education increased \$14,836 or 40.23 percent due to an increase in liability insurance for board members.

Fiscal Support Services decreased \$133,935 or 17.52 percent due to a decrease in purchased services.

Capital Outlay increased \$504,582 or 94.75 percent due to the acquisition of the new high school site as well as an increase in Power up grant expenditures.

General Fund Balance

The fund balance of the general fund increased from (\$8,748) at June 30, 2000 to \$998,060 at June 30, 2001. The increase is due to the School District receiving a half year of collections on the March 2000, 4.78 mill levy.

Financial Highlights - Enterprise Funds

Food service, uniform school supplies, summer school and adult education are classified as enterprise operations since they resemble those activities found in private industry; management periodically desires to determine the amount of profit/loss resulting from these operations that are significantly financed from user fees. In total, the enterprise funds had a net income of \$54,807 for the fiscal year ended June 30, 2001.

Financial Highlights - Internal Service Fund

The only internal service fund carried on the financial records related to self-insurance. This fund accounts for the revenues and expenses related to the provision of medical, dental and prescription drug benefits to the School District employees. The internal service fund had retained earnings of \$83,650 at June 30, 2001 compared with retained earnings of \$100,000 at June 30, 2000, reflecting a net loss of \$16,350.

Cash Management

The Board has established a cash management program that expedites the collection of local and state funds through electronic fund transfers 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 for the year ended June 30, 2001, was \$234,581, of which \$193,856 was credited to the general fund.

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation as well as by qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. The market value of the pooled collateral must equal at least 105 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Board 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, 2001 are sufficient to meet claim obligations.

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program.

The School District maintains general liability insurance, professional liability insurance, fleet insurance, and insurance on buildings and contents with Utica National Insurance Group.

Pension Plans

All School District employees are covered by the state-wide 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 13 to the general purpose financial statements for complete details.

General Fixed Assets

The general fixed assets of the Chardon School District are used to carry on the main education and support function of the system and are not financial resources available for expenditure. The total general fixed assets at June 30, 2001 was \$12,024,616. Such assets are accounted for at historical cost. Depreciation is not recognized on general fixed assets.

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 E. Harris and Associates was selected to render an opinion on the School District's financial statements as of and for the year ended June 30, 2001. The opinion appears at the beginning of the financial section of this report.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all governments in Ohio. The School District adopted and has been in conformance with that system beginning with its financial report for the 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
- 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 "Effective" school district by the State of Ohio

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Chardon Local School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2000. 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.

Acknowledgments

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 Gauga 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 and Peggy Guillo, Board Secretary/Switchboard, for whose efforts, dedication and assistance has made this report possible.

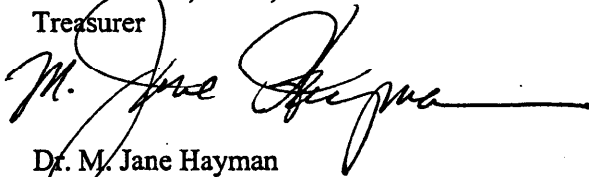
Special appreciation is expressed to the Local Government Services Division of State Auditor Jim Petro's office for assistance in planning, designing and reviewing this financial report.

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

Chardon Local School District

Principal Officials

June 30, 2001

Board of Education

Mrs. Elizabeth Ferrall President
Mrs. Judith May. Vice-President
Dr. Robert Fawhne Member
Mrs. Laura Palaima Member
Mr. Lawrence Reiter Member

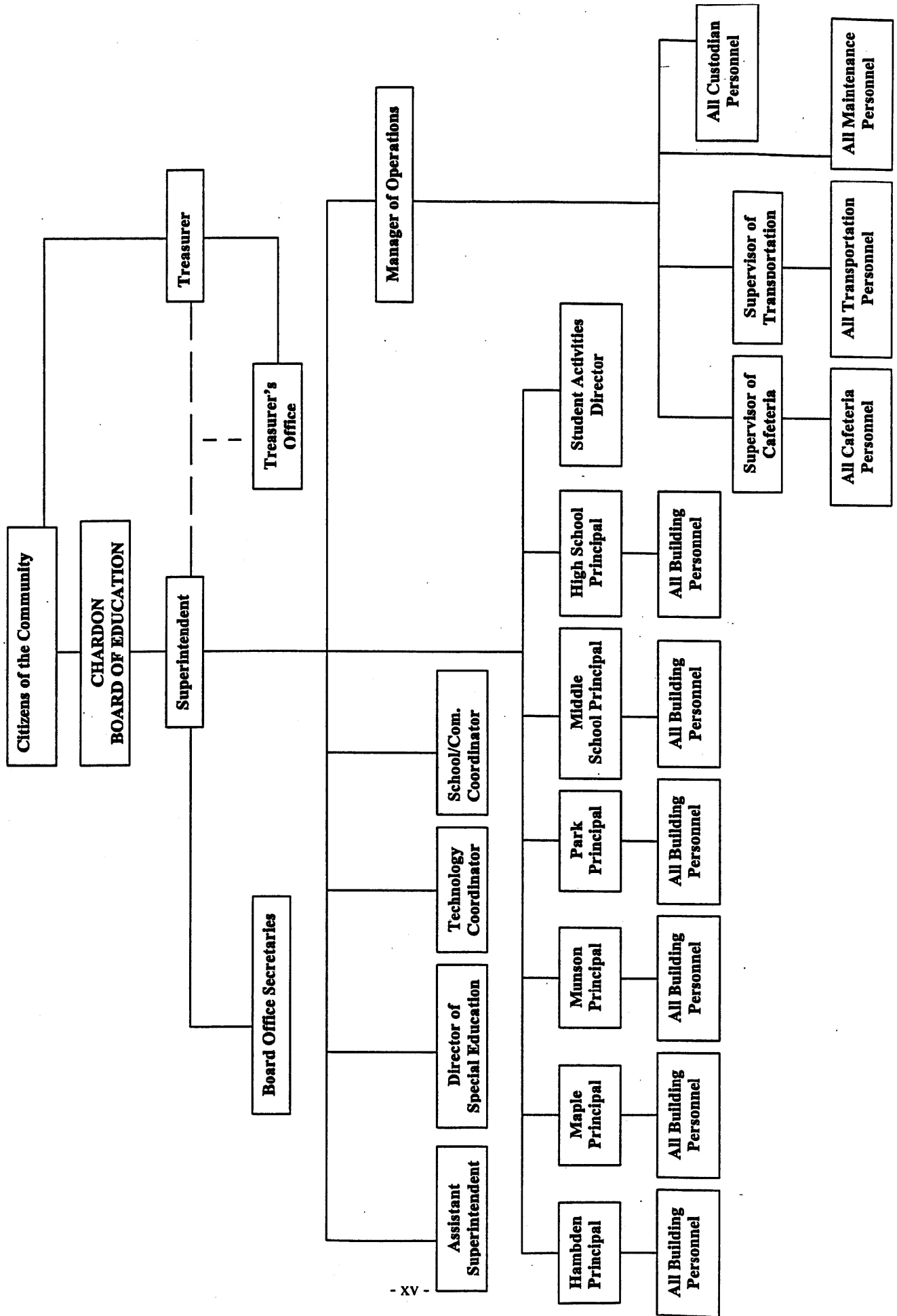
Treasurer

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**



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, 2000

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.



Joseph A. Hunt
President

Jeffrey L. Esler
Executive Director

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 general purpose financial statements of the Chardon Local School District (the District), as of and for the year ended June 30, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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 general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2001 and the results of its operations and cash flows of its proprietary fund types and non-expendable trust funds for the year then ended in conformity with generally accepted accounting principles.

As described in Note 3 to the financial statements, the District adopted Governmental Accounting and Standards Board Statements Nos. 33 and 36 for the year ended June 30, 2001.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 15, 2002 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.

**Chardon Local School District
Report of Independent Accountants
Page – 2 –**

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the general purpose financial statements of the Chardon Local School District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

We did not audit the introductory and statistical information as listed in the table of contents and therefore express no opinion thereon.

***Charles E. Harris & Associates, Inc.*
February 15, 2002**

General Purpose Financial Statements

The following general purpose financial statements, along with the notes to the general purpose financial statements, present an overview of the School District's financial position at June 30, 2001, and the results of operations and changes in cash flows of its proprietary funds for the fiscal year then ended.

Chardon Local School District
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 2001

	Governmental Fund Types			Proprietary
	General	Special Revenue	Capital Projects	Enterprise
Assets and Other Debits				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,313,293	\$455,290	\$208,447	\$82,883
Cash and Cash Equivalents In Segregated Accounts	0	0	0	0
Receivables:				
Taxes	15,383,371	0	0	0
Accounts	5,336	1,246	0	0
Intergovernmental	3,338	906	0	0
Interfund Receivable	43,681	0	0	0
Inventory Held for Resale	0	0	0	8,534
Materials and Supplies Inventory	118,711	0	0	867
Restricted Assets:				
Cash and Cash Equivalents	411,644	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	24,599
Other Debits				
Amount to be Provided from General Government Resources	0	0	0	0
Total Assets and Other Debits	\$17,279,374	\$457,442	\$208,447	\$116,883

Fund Types	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Internal Service	Trust and Agency			
\$298,355	\$182,151	\$0	\$0	\$2,540,419
50,000	0	0	0	50,000
0	0	0	0	15,383,371
550	0	0	0	7,132
0	0	0	0	4,244
0	0	0	0	43,681
0	0	0	0	8,534
0	0	0	0	119,578
0	0	0	0	411,644
0	0	12,024,616	0	12,049,215
0	0	0	1,070,113	1,070,113
<u>\$348,905</u>	<u>\$182,151</u>	<u>\$12,024,616</u>	<u>\$1,070,113</u>	<u>\$31,687,931</u>

(continued)

Chardon Local School District
Combined Balance Sheet
All Fund Types and Account Groups (continued)
June 30, 2001

	Governmental Fund Types			Proprietary
	General	Special Revenue	Capital Projects	Enterprise
Liabilities, Fund Equity and Other Credits				
Liabilities				
Accounts Payable	\$307,751	\$81,513	\$0	\$9,286
Accrued Wages and Benefits	1,398,778	9,543	0	8,052
Compensated Absences Payable	42,056	0	0	12,697
Interfund Payable	0	43,681	0	0
Intergovernmental Payable	362,958	8,676	0	9,781
Deferred Revenue	14,179,771	906	0	2,831
Due to Students	0	0	0	0
Accrued Interest Payable	0	0	6,704	0
Notes Payable	0	0	470,000	0
Claims Payable	0	0	0	0
Total Liabilities	16,291,314	144,319	476,704	42,647
Fund Equity and Other Credits				
Investment in General Fixed Assets	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	74,236
Fund Balance (Deficit):				
Reserved for Encumbrances	255,636	99,641	0	0
Reserved for Inventory	118,711	0	0	0
Reserved for Property Taxes	1,203,600	0	0	0
Reserved for Budget Stabilization	411,644	0	0	0
Reserved for Contributions	0	0	0	0
Unreserved:				
Undesignated	(1,001,531)	213,482	(268,257)	0
Total Fund Equity (Deficit) and Other Credits	988,060	313,123	(268,257)	74,236
Total Liabilities, Fund Equity and Other Credits	\$17,279,374	\$457,442	\$208,447	\$116,883

See accompanying notes to the general purpose financial statements

Fund Types	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Internal Service	Trust and Agency			
\$0	\$677	\$0	\$0	\$399,227
0	0	0	0	1,416,373
0	0	0	892,400	947,153
0	0	0	0	43,681
0	0	0	177,713	559,128
0	0	0	0	14,183,508
0	40,835	0	0	40,835
0	0	0	0	6,704
0	0	0	0	470,000
265,255	0	0	0	265,255
265,255	41,512	0	1,070,113	18,331,864
0	0	12,024,616	0	12,024,616
83,650	0	0	0	157,886
0	0	0	0	355,277
0	0	0	0	118,711
0	0	0	0	1,203,600
0	0	0	0	411,644
0	133,482	0	0	133,482
0	7,157	0	0	(1,049,149)
83,650	140,639	12,024,616	0	13,356,067
<u>\$348,905</u>	<u>\$182,151</u>	<u>\$12,024,616</u>	<u>\$1,070,113</u>	<u>\$31,687,931</u>

Chardon Local School District
*Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Fund Types
For the Fiscal Year Ended June 30, 2001*

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Revenues				
Taxes	\$14,264,615	\$0	\$0	\$14,264,615
Intergovernmental	6,977,629	1,334,390	132,374	8,444,393
Interest	193,856	20,879	11,111	225,846
Tuition and Fees	187,211	5,704	0	192,915
Extracurricular Activities	22,465	241,036	0	263,501
Contributions and Donations	0	51,466	0	51,466
Rentals	69,220	0	0	69,220
Miscellaneous	372,390	25,477	0	397,867
<i>Total Revenues</i>	<u>22,087,386</u>	<u>1,678,952</u>	<u>143,485</u>	<u>23,909,823</u>
Expenditures				
Current:				
Instruction:				
Regular	9,182,563	79,123	0	9,261,686
Special	2,006,638	156,160	0	2,162,798
Vocational	202,198	0	0	202,198
Support Services:				
Pupils	876,703	282,192	0	1,158,895
Instructional Staff	767,296	33,894	0	801,190
Board of Education	51,710	0	0	51,710
Administration	1,838,176	0	0	1,838,176
Fiscal	630,525	0	0	630,525
Business	266,331	0	0	266,331
Operation and Maintenance of Plant	1,999,208	0	0	1,999,208
Pupil Transportation	2,172,874	0	0	2,172,874
Central	125,981	86	0	126,067
Operation of Non-Instructional Services	91,629	930,017	0	1,021,646
Extracurricular Activities	337,411	267,225	0	604,636
Capital Outlay	322,234	0	714,880	1,037,114
Debt Service:				
Interest	0	0	6,704	6,704
<i>Total Expenditures</i>	<u>20,871,477</u>	<u>1,748,697</u>	<u>721,584</u>	<u>23,341,758</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,215,909</u>	<u>(69,745)</u>	<u>(578,099)</u>	<u>568,065</u>
Other Financing Sources (Uses)				
Operating Transfers In	476	25,380	190,726	216,582
Operating Transfers Out	(270,624)	(1,221)	0	(271,845)
<i>Total Other Financing Sources (Uses)</i>	<u>(270,148)</u>	<u>24,159</u>	<u>190,726</u>	<u>(55,263)</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	945,761	(45,586)	(387,373)	512,802
<i>Fund Balances (Deficit) Beginning of Year (Restated - Note 3)</i>	(8,748)	358,709	119,116	469,077
Increase in Reserve for Inventory	51,047	0	0	51,047
<i>Fund Balances (Deficit) End of Year</i>	<u>\$988,060</u>	<u>\$313,123</u>	<u>(\$268,257)</u>	<u>\$1,032,926</u>

See accompanying notes to the general purpose financial statements

Chardon Local School District
*Combined Statement of Revenues, Expenditures and Changes In
Fund Balances - Budget (Non-GAAP Basis) and Actual
All Governmental Fund Types
For the Fiscal Year Ended June 30, 2001*

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$14,564,200	\$13,941,815	(\$622,385)
Intergovernmental	6,581,327	6,983,511	402,184
Interest	210,400	208,288	(2,112)
Tuition and Fees	167,099	184,722	17,623
Extracurricular Activities	21,333	22,465	1,132
Contributions and Donations	0	0	0
Rentals	0	64,069	64,069
Miscellaneous	153,504	425,570	272,066
<i>Total Revenues</i>	<u>21,697,863</u>	<u>21,830,440</u>	<u>132,577</u>
Expenditures			
Current:			
Instruction:			
Regular	10,184,869	9,655,057	529,812
Special	1,830,866	1,972,424	(141,558)
Vocational	204,528	203,282	1,246
Support Services:			
Pupils	953,430	875,890	77,540
Instructional Staff	902,562	803,284	99,278
Board of Education	61,850	49,864	11,986
Administration	1,656,448	1,847,992	(191,544)
Fiscal	638,671	668,698	(30,027)
Business	259,844	286,795	(26,951)
Operation and Maintenance of Plant	1,843,432	2,173,271	(329,839)
Pupil Transportaton	1,828,406	2,028,626	(200,220)
Central	145,956	136,053	9,903
Operation of Non-Instructional Services	86,127	91,117	(4,990)
Extracurricular Activities	311,938	334,894	(22,956)
Capital Outlay	546,808	389,272	157,536
<i>Total Expenditures</i>	<u>21,455,735</u>	<u>21,516,519</u>	<u>(60,784)</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>242,128</u>	<u>313,921</u>	<u>71,793</u>
Other Financing Sources (Uses)			
Proceeds of Notes	0	0	0
Advances In	71,500	71,500	0
Advances Out	(80,000)	(43,681)	36,319
Operating Transfers In	437	476	39
Operating Transfers Out	(272,024)	(270,624)	1,400
<i>Total Other Financing Sources (Uses)</i>	<u>(280,087)</u>	<u>(242,329)</u>	<u>37,758</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(37,959)</u>	<u>71,592</u>	<u>109,551</u>
<i>Fund Balances Beginning of Year</i>	1,110,038	1,110,038	0
Prior Year Encumbrances Appropriated	230,089	230,089	0
<i>Fund Balances (Deficit) End of Year</i>	<u>\$1,302,168</u>	<u>\$1,411,719</u>	<u>\$109,551</u>

(continued)

Chardon Local School District
*Combined Statement of Revenues, Expenditures and Changes In
Fund Balances - Budget (Non-GAAP Basis) and Actual
All Governmental Fund Types (continued)
For the Fiscal Year Ended June 30, 2001*

	Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$0	\$0	\$0
Intergovernmental	1,342,641	1,337,246	(5,395)
Interest	11,919	25,783	13,864
Tuition and Fees	0	5,821	5,821
Extracurricular Activities	207,279	241,116	33,837
Contributions and Donations	104,696	51,467	(53,229)
Rentals	0	0	0
Miscellaneous	36,631	25,677	(10,954)
<i>Total Revenues</i>	<u>1,703,166</u>	<u>1,687,110</u>	<u>(16,056)</u>
Expenditures			
Current:			
Instruction:			
Regular	145,339	79,643	65,696
Special	248,828	151,789	97,039
Vocational	0	0	0
Support Services:			
Pupils	417,569	286,394	131,175
Instructional Staff	67,004	35,866	31,138
Board of Education	0	0	0
Administration	1,400	0	1,400
Fiscal	0	0	0
Business	0	0	0
Operation and Maintenance of Plant	0	0	0
Pupil Transportaton	1,187	0	1,187
Central	377	86	291
Operation of Non-Instructional Services	1,833,867	1,043,588	790,279
Extracurricular Activities	232,914	286,001	(53,087)
Capital Outlay	0	0	0
<i>Total Expenditures</i>	<u>2,948,485</u>	<u>1,883,367</u>	<u>1,065,118</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,245,319)</u>	<u>(196,257)</u>	<u>1,049,062</u>
Other Financing Sources (Uses)			
Proceeds of Notes	0	0	0
Advances In	26,440	43,681	17,241
Advances Out	0	0	0
Operating Transfers In	1,380	25,380	24,000
Operating Transfers Out	(1,221)	(1,221)	0
<i>Total Other Financing Sources (Uses)</i>	<u>26,599</u>	<u>67,840</u>	<u>41,241</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(1,218,720)</u>	<u>(128,417)</u>	<u>1,090,303</u>
<i>Fund Balances Beginning of Year</i>	219,764	219,764	0
Prior Year Encumbrances Appropriated	<u>182,656</u>	<u>182,656</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$816,300)</u></u>	<u><u>\$274,003</u></u>	<u><u>\$1,090,303</u></u>

See accompanying notes to the general purpose financial statements

Capital Projects Funds			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$14,564,200	\$13,941,815	(\$622,385)
190,747	187,584	(3,163)	8,114,715	8,508,341	393,626
8,196	12,048	3,852	230,515	246,119	15,604
0	0	0	167,099	190,543	23,444
0	0	0	228,612	263,581	34,969
0	0	0	104,696	51,467	(53,229)
0	0	0	0	64,069	64,069
0	0	0	190,135	451,247	261,112
198,943	199,632	689	23,599,972	23,717,182	117,210
7,257	6,000	1,257	10,337,465	9,740,700	596,765
0	0	0	2,079,694	2,124,213	(44,519)
0	0	0	204,528	203,282	1,246
0	0	0	1,370,999	1,162,284	208,715
325,167	354,021	(28,854)	1,294,733	1,193,171	101,562
0	0	0	61,850	49,864	11,986
0	0	0	1,657,848	1,847,992	(190,144)
0	0	0	638,671	668,698	(30,027)
0	0	0	259,844	286,795	(26,951)
0	0	0	1,843,432	2,173,271	(329,839)
0	0	0	1,829,593	2,028,626	(199,033)
21,140	0	21,140	167,473	136,139	31,334
0	0	0	1,919,994	1,134,705	785,289
0	0	0	544,852	620,895	(76,043)
470,000	470,000	0	1,016,808	859,272	157,536
823,564	830,021	(6,457)	25,227,784	24,229,907	997,877
(624,621)	(630,389)	(5,768)	(1,627,812)	(512,725)	1,115,087
470,000	470,000	0	470,000	470,000	0
0	0	0	97,940	115,181	17,241
(15,000)	(15,000)	0	(95,000)	(58,681)	36,319
190,726	190,726	0	192,543	216,582	24,039
0	0	0	(273,245)	(271,845)	1,400
645,726	645,726	0	392,238	471,237	78,999
21,105	15,337	(5,768)	(1,235,574)	(41,488)	1,194,086
179,340	179,340	0	1,509,142	1,509,142	0
13,770	13,770	0	426,515	426,515	0
\$214,215	\$208,447	(\$5,768)	\$700,083	\$1,894,169	\$1,194,086

Chardon Local School District
*Combined Statement of Revenues,
Expenses and Changes in Fund Equity
All Proprietary Fund Types and Similar Trust Fund
For the Fiscal Year Ended June 30, 2001*

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Nonexpendable Trust</u>	
Operating Revenues				
Tuition and Fees	\$54,741	\$0	\$0	\$54,741
Sales	609,063	0	0	609,063
Charges for Services	0	1,644,498	0	1,644,498
Interest	0	0	7,940	7,940
Contributions and Donations	0	0	150	150
Other Revenue	8,162	550	0	8,712
<i>Total Operating Revenues</i>	<u>671,966</u>	<u>1,645,048</u>	<u>8,090</u>	<u>2,325,104</u>
Operating Expenses				
Salaries and Wages	276,568	0	0	276,568
Fringe Benefits	88,700	0	0	88,700
Purchased Services	32,261	78,249	0	110,510
Materials and Supplies	185,612	0	0	185,612
Cost of Sales	349,509	0	0	349,509
Depreciation	4,401	0	0	4,401
Claims	0	1,583,149	0	1,583,149
Other	220	0	1,850	2,070
<i>Total Operating Expenses</i>	<u>937,271</u>	<u>1,661,398</u>	<u>1,850</u>	<u>2,600,519</u>
<i>Operating Income (Loss)</i>	<u>(265,305)</u>	<u>(16,350)</u>	<u>6,240</u>	<u>(275,415)</u>
Non-Operating Revenues				
Federal Donated Commodities	190,166	0	0	190,166
Operating Grants	73,888	0	0	73,888
Interest	795	0	0	795
<i>Total Non-Operating Revenues</i>	<u>264,849</u>	<u>0</u>	<u>0</u>	<u>264,849</u>
<i>Income (Loss) before Operating Transfers</i>	(456)	(16,350)	6,240	(10,566)
Operating Transfers In	55,695	0	0	55,695
Operating Transfers Out	(432)	0	0	(432)
<i>Net Income (Loss)</i>	54,807	(16,350)	6,240	44,697
<i>Retained Earnings/Fund Balance</i>				
<i>Beginning of Year (Restated - See Note 3)</i>	<u>19,429</u>	<u>100,000</u>	<u>134,399</u>	<u>253,828</u>
<i>Total Retained Earnings/Fund Balance End of Year</i>	<u><u>\$74,236</u></u>	<u><u>\$83,650</u></u>	<u><u>\$140,639</u></u>	<u><u>\$298,525</u></u>

See accompanying notes to the general purpose financial statements.

Chardon Local School District
Combined Statement of Cash Flows
All Proprietary Fund Types and Similiar Trust Fund
For the Fiscal Year Ended June 30, 2001

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	
<i>Increase (Decrease) in Cash and Cash Equivalents</i>				
Cash Flows from Operating Activities				
Cash Received from Customers	\$667,006	\$0	\$0	\$667,006
Cash Received from Quasi-External Transactions with Other Funds	0	2,083,857	0	2,083,857
Cash Received from Others	8,162	0	0	8,162
Cash Received from Contributions and Donations	0	0	150	150
Cash Payments to Suppliers for Goods and Services	(391,235)	(286,172)	0	(677,407)
Cash Payments to Employees for Services	(340,803)	0	0	(340,803)
Cash Payments for Claims	0	(1,550,058)	0	(1,550,058)
Cash Payments for Other	(301)	0	(1,850)	(2,151)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(57,171)</u>	<u>247,627</u>	<u>(1,700)</u>	<u>188,756</u>
Cash Flows from Noncapital Financing Activities				
Operating Grants Received	88,654	0	0	88,654
Advances Out	(56,500)	0	0	(56,500)
Operating Transfers In	55,695	0	0	55,695
Operating Transfer Out	(432)	0	0	(432)
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>87,417</u>	<u>0</u>	<u>0</u>	<u>87,417</u>
Cash Flows from Investing Activities				
Interest on Investments	795	0	8,420	9,215
<i>Net Increase in Cash and Cash Equivalents</i>	31,041	247,627	6,720	285,388
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>51,842</u>	<u>100,728</u>	<u>133,919</u>	<u>286,489</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$82,883</u></u>	<u><u>\$348,355</u></u>	<u><u>\$140,639</u></u>	<u><u>\$571,877</u></u>

(continued)

Chardon Local School District
Combined Statement of Cash Flows
All Proprietary Fund Types and Similiar Trust Fund (continued)
For the Fiscal Year Ended June 30, 2001

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	
<i>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</i>				
<i>Operating Income (Loss)</i>	<u>(\$265,305)</u>	<u>(\$16,350)</u>	<u>\$6,240</u>	<u>(\$275,415)</u>
<i>Adjustments:</i>				
Depreciation	4,401	0	0	4,401
Interest	0	0	(7,940)	(7,940)
Donated Commodities	190,166	0	0	190,166
<i>(Increase) Decrease in Assets:</i>				
Accounts Receivable	3,201	(550)	0	2,651
Inventory Held for Resale	(206)	0	0	(206)
Materials and Supplies Inventory	17	0	0	17
Due from Other Funds	0	439,359	0	439,359
<i>Increase (Decrease) in Liabilities:</i>				
Accounts Payable	9,205	(207,923)	0	(198,718)
Accrued Wages	(3,787)	0	0	(3,787)
Compensated Absences Payable	(4,644)	0	0	(4,644)
Intergovernmental Payable	9,781	0	0	9,781
Claims Payable	<u>0</u>	<u>33,091</u>	<u>0</u>	<u>33,091</u>
<i>Total Adjustments</i>	<u>208,134</u>	<u>263,977</u>	<u>(7,940)</u>	<u>464,171</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u><u>(\$57,171)</u></u>	<u><u>\$247,627</u></u>	<u><u>(\$1,700)</u></u>	<u><u>\$188,756</u></u>

Reconciliation of Cash and Cash Equivalents of Nonexpendable Trust Fund to Balance Sheet:

<i>Cash and Cash Equivalents - All Fiduciary Funds</i>	\$182,151
<i>Cash and Cash Equivalents - All Agency Funds</i>	<u>(41,512)</u>
<i>Cash and Cash Equivalents - Nonexpendable Trust Fund</i>	<u><u>\$140,639</u></u>

See accompanying notes to the general purpose financial statements

Chardon Local School District
*Combined Statement of Revenues, Expenses and Changes in
Fund Equity - Budget (Non-GAAP Basis) and Actual
All Proprietary Fund Types and Similar Trust Fund
For the Fiscal Year Ended June 30, 2001*

	Enterprise Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Tuition and Fees	\$54,957	\$54,741	(\$216)
Sales	785,046	612,265	(172,781)
Charges for Services	0	0	0
Interest	0	795	795
Contributions and Donations	0	0	0
Other Revenues	0	8,162	8,162
Operating Grants	0	88,654	88,654
<i>Total Revenues</i>	<u>840,003</u>	<u>764,617</u>	<u>(75,386)</u>
Expenses			
Salaries and Wages	328,273	298,715	29,558
Fringe Benefits	75,582	70,189	5,393
Purchased Services	29,664	17,991	11,673
Materials and Supplies	394,315	360,895	33,420
Claims	0	0	0
Other	301	301	0
<i>Total Expenses</i>	<u>828,135</u>	<u>748,091</u>	<u>80,044</u>
<i>Excess of Revenues Over Expenses</i>	11,868	16,526	4,658
Advances Out	(56,500)	(56,500)	0
Operating Transfers In	0	55,695	55,695
Operating Transfers Out	(432)	(432)	0
<i>Excess of Revenues Over (Under) Expenses Advances and Operating Transfers</i>	(45,064)	15,289	60,353
<i>Fund Equity Beginning of Year</i>	48,961	48,961	0
Prior Year Encumbrances Appropriated	2,881	2,881	0
<i>Fund Equity End of Year</i>	<u>\$6,778</u>	<u>\$67,131</u>	<u>\$60,353</u>

(continued)

Chardon Local School District
*Combined Statement of Revenues, Expenses and Changes in
Fund Equity - Budget (Non-GAAP Basis) and Actual
All Proprietary Fund Types and Similar Trust Fund (continued)
For the Fiscal Year Ended June 30, 2001*

	Internal Service Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Tuition and Fees	\$0	\$0	\$0
Sales	0	0	0
Charges for Services	2,013,642	2,133,857	120,215
Interest	0	0	0
Contributions and Donations	0	0	0
Other Revenues	0	0	0
Operating Grants	0	0	0
<i>Total Revenues</i>	<u>2,013,642</u>	<u>2,133,857</u>	<u>120,215</u>
Expenses			
Salaries and Wages	0	0	0
Fringe Benefits	0	0	0
Purchased Services	272,229	286,172	(13,943)
Materials and Supplies	0	0	0
Claims	1,378,500	1,550,058	(171,558)
Other	0	0	0
<i>Total Expenses</i>	<u>1,650,729</u>	<u>1,836,230</u>	<u>(185,501)</u>
<i>Excess of Revenues Over Expenses</i>	362,913	297,627	(65,286)
Advances Out	0	0	0
Operating Transfers In	0	0	0
Operating Transfers Out	0	0	0
<i>Excess of Revenues Over (Under) Expenses Advances and Operating Transfers</i>	362,913	297,627	(65,286)
<i>Fund Equity Beginning of Year</i>	50,728	50,728	0
Prior Year Encumbrances Appropriated	0	0	0
<i>Fund Equity End of Year</i>	<u>\$413,641</u>	<u>\$348,355</u>	<u>(\$65,286)</u>

See accompanying notes to the general purpose financial statements

Nonexpendable Trust Fund			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$54,957	\$54,741	(\$216)
0	0	0	785,046	612,265	(172,781)
0	0	0	2,013,642	2,133,857	120,215
7,000	8,420	1,420	7,000	9,215	2,215
935	150	(785)	935	150	(785)
0	0	0	0	8,162	8,162
0	0	0	0	88,654	88,654
<u>7,935</u>	<u>8,570</u>	<u>635</u>	<u>2,861,580</u>	<u>2,907,044</u>	<u>45,464</u>
0	0	0	328,273	298,715	29,558
0	0	0	75,582	70,189	5,393
0	0	0	301,893	304,163	(2,270)
0	0	0	394,315	360,895	33,420
0	0	0	1,378,500	1,550,058	(171,558)
7,000	1,850	5,150	7,301	2,151	5,150
<u>7,000</u>	<u>1,850</u>	<u>5,150</u>	<u>2,485,864</u>	<u>2,586,171</u>	<u>(100,307)</u>
935	6,720	5,785	375,716	320,873	(54,843)
0	0	0	(56,500)	(56,500)	0
0	0	0	0	55,695	55,695
0	0	0	(432)	(432)	0
935	6,720	5,785	318,784	319,636	852
133,919	133,919	0	233,608	233,608	0
0	0	0	2,881	2,881	0
<u>\$134,854</u>	<u>\$140,639</u>	<u>\$5,785</u>	<u>\$555,273</u>	<u>\$556,125</u>	<u>\$852</u>

Chardon Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

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 143 classified employees and 211 certificated full and part-time teaching personnel who provide services to 3,096 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 18 and 20 to the general purpose financial statements.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to 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.

Chardon Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

A. Basis Of Presentation - 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. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net expendable available financial resources.

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 are those through which most governmental functions of the School District are financed. The acquisition, use and balances of the School District's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds and trust funds) are accounted for through governmental funds. The following are the School District's governmental fund types:

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.

Special Revenue Funds Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditure for specified purposes.

Capital Projects Funds Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or trust funds).

Proprietary Fund Types Proprietary funds are used to account for the School District's ongoing activities which are similar to those found in the private sector. The following are the School District's proprietary fund types:

Enterprise Funds Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

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 on a cost reimbursement basis.

Chardon Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

Fiduciary Fund Types Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The School District's fiduciary funds are nonexpendable trust and agency funds. Nonexpendable trust funds are accounted for in essentially the same manner as proprietary funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group This account group is established to account for all fixed assets of the School District, other than those accounted for in the proprietary or trust funds.

General Long-Term Obligations Account Group This account group is established to account for all long-term obligations of the School District except those accounted for in the proprietary or trust funds.

B. Measurement Focus and Basis of Accounting

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. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds and nonexpendable trust funds 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 balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund types and nonexpendable trust fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental and agency funds. The full accrual basis of accounting is followed for the proprietary and nonexpendable trust funds.

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 7) 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

Chardon Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

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, 2001, but which were levied to finance fiscal year 2002 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.

C. 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 in the budgetary statement reflect the amounts in the final amended certificate issued during fiscal year 2001.

Chardon Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

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. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant. The budget figures which appear in the statements 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.

D. 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 2001, 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, 2001.

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 2001 amounted to \$193,856, which includes \$70,505 assigned from other School District funds.

Chardon Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, 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.

E. 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 19 for additional information regarding set-asides.

F. Inventory

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. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets. Inventories of proprietary funds consist of purchased food and school supplies held for resale and are expensed when used.

G. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All fixed 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 general fixed assets is also not capitalized.

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment in the proprietary fund types is computed using the straight-line method over an estimated useful life of twelve years. Improvements are depreciated over the remaining useful lives of the related fund fixed assets.

H. Interfund Assets and Liabilities

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables."

I. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will

Chardon Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

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

For governmental funds, 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 remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

J. Accrued Liabilities and Long-term Obligations

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 judgements, compensated absences, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Payments made more than sixty days after year-end are generally considered not to have been paid with current available financial resources.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

K. Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

L. 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, inventory, property taxes, budget stabilization and contributions.

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. The reserve for contributions signifies the legal restrictions on the use of principal.

Chardon Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

M. 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.

N. Memorandum Only - Totals Columns

Total columns on the general purpose financial statements are captioned "Total - (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 3 - Change in Accounting Principles and Restatement of Prior Year Fund Balances

For fiscal year 2001, the School District has implemented GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions" and GASB Statement No. 36, "Recipient Reporting for Certain Shared Nonexchange Transactions." The implementations of these statements did not create a material change in fund balance/retained earnings at June 30, 2000.

The following adjustments resulted in the restatement of fund balance/retained earnings as it was previously reported as of June 30, 2000.

	General	Special Revenue	Internal Service	Expendable Trust
Fund Balance/Retained Earnings as of July 1, 2000	(\$12,654)	\$336,463	\$103,906	\$22,119
Reclassification of Funds	3,906	22,119	(3,906)	(22,119)
Overstated Intergovernmental Payable	0	127	0	0
Fund Balance/Retained Earning Restated Balance as of July 1, 2000	<u>(\$8,748)</u>	<u>\$358,709</u>	<u>\$100,000</u>	<u>\$0</u>

Note 4 - Accountability and Compliance

A. Fund Deficits

Fund balances at June 30, 2001, included the following individual fund deficits:

Special Revenue Funds	
Ohio Reads Grant	\$22
Class Size Reduction	163
Capital Project Fund	
Permanent Improvement	476,704

Chardon Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

The deficits in the special revenue funds resulted from accrual accounting. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

The permanent improvement capital projects fund deficit balance resulted from the issuance of bond anticipation notes. Once the bonds are issued and the liability is reported in the general long-term obligations account group rather than the fund, the deficit will be eliminated.

B. Compliance

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
<i>Special Revenue Funds</i>			
Public School Support	\$109,217	\$110,200	\$983
Auxiliary Services	975,940	1,751,113	775,173
Teacher Development	14,605	28,163	13,558
Educational Management Information System	21,373	26,171	4,798
Conflict Management	5,857	7,714	1,857
Eisenhower Math and Science	11,559	20,148	8,589
Title VI-B	265,033	367,245	102,212
Title I	177,494	193,880	16,386
Drug Free Schools Grant	16,066	21,525	5,459
Class Size Reduction	64,211	75,542	11,331
<i>Capital Projects Fund</i>			
SchoolNet Plus	281,679	324,323	42,644
<i>Enterprise Funds</i>			
Summer School	77,081	88,310	11,229
Adult Education	27,387	36,426	9,039

Contrary to Section 5705.41(B), Ohio Revised Code, the following accounts had expenditures plus encumbrances in excess of appropriations:

Fund/Function/Object	Appropriations	Expenditures Plus Encumbrances	Excess
General Fund			
Instruction			
Special			
Purchased Services	\$627,995	\$771,069	\$143,074

Chardon Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

Fund/Function/Object	Appropriations	Expenditures Plus Encumbrances	Excess
Support Services			
Administration			
Salaries	\$1,082,550	\$1,220,839	\$138,289
Fringe Benefits	395,521	461,129	65,608
Fiscal			
Salaries	146,291	163,888	17,597
Other	361,116	377,623	16,507
Business			
Salaries	159,013	173,865	14,852
Fringe Benefits	56,407	65,782	9,375
Purchased Services	43,924	46,708	2,784
Operation and Maintenance of Plant			
Salaries	769,098	867,456	98,358
Fringe Benefits	250,538	292,888	42,350
Purchased Services	569,463	736,394	166,931
Materials and Supplies	237,134	257,930	20,796
Capital Outlay - New	13,299	14,961	1,662
Pupil Transportation			
Salaries	917,641	1,010,246	92,605
Materials and Supplies	210,715	243,343	32,628
Capital Outlay - New	0	68,087	68,087
Capital Outlay - Replacement	248,963	280,804	31,841
Operation of Non-Instructional Services			
Community Services			
Salaries	70,875	74,964	4,089
Fringe Benefits	15,252	16,153	901
Extracurricular Services			
Sport Oriented Activities			
Salaries	203,920	229,157	25,237
Fringe Benefits	45,920	51,793	5,873
School and Public Service			
Co-Curricular Activities			
Salaries	26,067	29,357	3,290
Special Revenue Funds			
Other Grants			
Instruction			
Regular			
Purchased Services	5,123	5,789	666
Athletics and Music			
Extracurricular Activities			
Academic Oriented Activities			
Purchased Services	26,993	34,449	7,456
Materials and Supplies	18,513	23,393	4,880
Other	39,522	58,103	18,581

Chardon Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

Fund/Function/Object	Appropriations	Expenditures Plus Encumbrances	Excess
Sports Oriented Activities Purchased Services	\$62,901	\$95,814	\$32,913
SchoolNet Professional Development Support Services Instructional Staff Purchased Services	1,000	4,000	3,000
Ohio Reads Grant Instruction Regular Salaries	3,720	4,000	280
Capital Projects Fund			
Power Up Capacity Support Services Instructional Staff Purchased Services	29,242	286,102	256,860
Enterprise Fund			
Uniform School Supplies Materials and Supplies Regular Instruction	20,478	27,746	7,268
Internal Service Fund			
Self Insurance Purchased Services Claims	272,229 1,378,500	286,172 1,550,058	13,943 171,558

Note 5 - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations and changes in fund balance/retained earnings 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 Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual, All Governmental Fund Types and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual, All Proprietary Fund Types and Similar Trust Fund are 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).

Chardon Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosures in the proprietary fund types (GAAP basis).
4. Proceeds from and principal payment on bond anticipation notes are reported on the operating statement (budget basis) rather than on the balance sheet (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements on a fund type basis.

Excess of Revenues and Other Financing Sources
Over (Under) Expenditures and Other Financing Uses
Governmental Fund Types

	General	Special Revenue	Capital Projects
GAAP Basis	\$945,761	(\$45,586)	(\$387,373)
Net Adjustment for Revenue Accruals	(256,946)	8,158	56,146
Proceeds of Notes	0	0	470,000
Advances In	71,500	43,681	0
Net Adjustment for Expenditure Accruals	(331,824)	46,616	(108,436)
Advances Out	(43,681)	0	(15,000)
Encumbrances	(313,218)	(181,287)	0
Budget Basis	\$71,592	(\$128,418)	\$15,337

Net Income (Loss)/Excess of Revenues Over Expenses
All Proprietary Fund Types and Similar Trust Fund

	Enterprise	Internal Service	Nonexpendable Trust
GAAP Basis	\$54,807	(\$16,350)	\$6,240
Net Adjustment for Revenue Accruals	17,969	488,809	480
Net Adjustment for Expense Accruals	10,364	(174,832)	0
Advances Out	(56,500)	0	0
Depreciation Expense	4,401	0	0
Encumbrances	(15,752)	0	0
Budget Basis	\$15,289	\$297,627	\$6,720

Chardon Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

Note 6 - Deposits and Investments

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

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

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

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

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

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

1. 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;
2. 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;
3. 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;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio);

Chardon Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

7. 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,
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

Cash on Hand: At year end, the School District had \$4,550 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 \$370,219 and the bank balance was \$883,481. Of the bank balance:

1. \$200,000 was covered by federal depository insurance; and
2. \$683,481 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 2001, which is not classified by degree of credit risk since it is not evidenced by securities that exist in physical or book entry form.

	Fair Value
STAROhio	\$2,627,294

The classification of cash and cash equivalents, and investments on the combined 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 combined financial statements and the classification per GASB Statement No. 3 is as follows:

Chardon Local School District
Notes to the General Purpose Financial Statements
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	Cash and Cash Equivalents	Investments
GASB Statement 9	\$3,002,063	\$0
Cash on Hand	(4,550)	0
Investments which are part of the Cash Management Pool:		
STAROhio	(2,627,294)	2,627,294
GASB Statement 3	\$370,219	\$2,627,294

Note 7 - 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 2001 for real and public utility property taxes represents collections of calendar 2000 taxes. Property tax payments received during calendar 2001 for tangible personal property (other than public utility property) is for calendar 2001 taxes.

2001 real property taxes are levied after April 1, 2001, on the assessed value listed as of January 1, 2001, 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. 2001 public utility property taxes became a lien December 31, 2000, are levied after April 1, 2001, and are collected in 2002 with real property taxes.

2001 tangible personal property taxes are levied after April 1, 2001 on the value as of December 31, 2000. Collections are made in 2001. Tangible personal property assessments are twenty-five percent of true value.

	2000 Second Half Collections		2001 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$416,470,710	88.78%	\$434,768,020	89.33%
Public Utility	21,512,370	4.58	22,718,540	4.30
Tangible Personal Property	31,105,800	6.64	31,319,220	6.37
Total Assessed Value	\$469,088,880	100.00%	\$488,805,780	100.00%
Tax rate per \$1,000 of assessed valuation	\$60.10		\$64.88	

In March of 2000, the School District passed an operating levy for 4.78 mill continuing levy. The collection on this levy will begin in the second half of fiscal year 2001.

Chardon Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

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, 2001 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 were 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, 2001, was \$1,203,600. The entire amount was available to the general fund.

Note 8 - Receivables

Receivables at June 30, 2001, consisted of property taxes, accounts (rent, billings for user charged services, and tuition and fees), interfund and intergovernmental grants. All receivables are considered collectible in full.

Intergovernmental receivables consisted of \$3,338 in the general fund for rentals and \$906 in the Eisenhower math and science fund for a grant.

Note 9 - Fixed Assets

A summary of the enterprise funds' fixed assets at June 30, 2001 follows:

Equipment	\$202,714
Accumulated Depreciation	(178,115)
	<hr/>
Net Fixed Assets	<u>\$24,599</u>

Chardon Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

A summary of the changes in general fixed assets during fiscal year 2001 follows:

Asset Category	Balance at 7/01/00	Additions	Deletions	Balance at 6/30/01
Land and Improvements	\$214,635	\$520,000	\$0	\$734,635
Buildings	6,549,408	9,831	0	6,559,239
Furniture and Equipment	2,463,800	314,259	0	2,778,059
Vehicles	1,676,973	275,710	0	1,952,683
Totals	\$10,904,816	\$1,119,800	\$0	\$12,024,616

There was no significant construction in progress at June 30, 2001.

Note 10 - Interfund Transactions

Interfund balances at June 30, 2001, consist of the following individual fund receivables and payables:

Fund Type/Fund	Interfund Receivable	Interfund Payable
General Fund	\$43,681	\$0
Special Revenue Funds		
Special Rotary	0	17,241
Class Size Reduction	0	26,440
<i>Total Special Revenue Funds</i>	0	43,681
Total	\$43,681	\$43,681

Note 11 - 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 2001, the School District contracted with Utica National Insurance Group. Coverages are as follows:

Chardon Local School District
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Type of Coverage	Deductible	Coverage
Building and Content	\$500	\$35,005,000
Valuable Papers	100	100,000
Crime Coverage	0	25,000 - 100,000
Boiler/Machinery	500	15,000,000
Spoilage	100	25,000
Transportation	0	100,000
Inland Marine	250	various
Automobile		(A)
General Liability	0	2,000,000
Educator's Legal Liability	1000	2,000,000
Employers Liability		1,000,000
Employee Benefits Liability	1,000	3,000,000
Umbrella Liability		5,000,000

(A) The limits on Automobile Coverage are \$1,000,000 combined single liability bodily injury and property damage liability/hired and non-owned liability, \$500,000 uninsured motorists coverage, \$5,000 medical payments, \$500 comprehensive deductible including hired auto, and \$1,000 collision deductible including hired auto.

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.

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 20). 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.

Chardon Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

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 \$265,255 reported in the internal service fund at June 30, 2001 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 2000 and 2001 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2000	\$321,483	\$1,408,572	\$1,497,891	\$232,164
2001	232,164	1,583,149	1,550,058	265,255

Note 12 - 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.

Chardon Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

Note 13 - 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, 45 N. Fourth Street, Columbus, Ohio 43215-3634.

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. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2001, 4.2 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2000, 5.5 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$138,700, \$180,022, and \$375,013, respectively; 45.36 percent has been contributed for fiscal year 2001 and 100 percent for the fiscal years 2000 and 1999. \$75,785 representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds and the general long-term obligations account group.

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.

For the fiscal year ended June 30, 2001, 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. For fiscal year 2000, the portion used to fund pension obligations was 6 percent. 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, 2001, 2000, and 1999 were \$956,460, \$520,561, and \$1,252,596 respectively; 84.15 percent has been contributed for fiscal year 2001

Chardon Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

and 100 percent for the fiscal years 2000 and 1999. \$151,555 representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds.

Note 14 - 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 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 \$453,060 for fiscal year 2001.

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, employer contributions to fund health care benefits were 9.80 percent of covered payroll, an increase of 1.3 percent from fiscal year 2000. 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 2001 fiscal year equaled \$331,557.

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, 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.

Chardon Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

Note 15 - Note Debt

The School District's has one \$470,000 real estate acquisition note for 3.95 percent outstanding on June 30, 2001. The note is backed by the full faith and credit of the Chardon Local School District and matures within one year. The note liability is reflected in the fund which received the proceeds.

Note 16 - Long Term Obligations

The changes in the School District's long-term obligations during fiscal year 2001 were as follows:

	Principal Outstanding 7/01/00	Additions	Deductions	Principal Outstanding 6/30/01
<i>General Long-Term Obligations:</i>				
Judgements Payable	\$40,135	\$0	\$40,135	\$0
Compensated Absences	1,029,618	85,829	223,047	892,400
Pension Obligation	153,668	177,713	153,668	177,713
<i>Total General Long-Term Obligations</i>	<u>\$1,223,421</u>	<u>\$263,542</u>	<u>\$416,850</u>	<u>\$1,070,113</u>

The judgement payable represents a liability for personal property taxes that were improperly paid to the School District by the Lake County Auditor from 1986 to 1993. A judgement handed down by the court dictated that the Chardon Board of Education was permitted to pay back the total amount over a period of five years commencing on January 1, 1996 and running through January 1, 2001. The judgement further stipulated that the semi-annual payments in the amount of \$40,135 are to be paid January 1 and July 1 of each year until the debt has been paid. The judgement was paid by the general fund and was paid in full during fiscal year 2001.

Compensated absences and the pension obligation will be paid from the fund from which the employees' salaries are paid.

Note 17 - Segment Information for Enterprise Funds

The School District maintains four enterprise funds to account for the operations of food service, uniform school supplies, summer school and adult education. The table below reflects in a summarized format the more significant financial data relating to the Enterprise funds of the School District as of and for the fiscal year ended June 30, 2001.

Chardon Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

	Food Service	Uniform School Supplies	Summer School	Adult Education	Totals
Operating Revenues	\$588,680	\$28,545	\$28,772	\$25,969	\$671,966
Depreciation	4,401	0	0	0	4,401
Operating Income (Loss)	(266,257)	799	(9,766)	9,919	(265,305)
Donated Commodities	190,166	0	0	0	190,166
Operating Grants	73,888	0	0	0	73,888
Interest	795	0	0	0	795
Operating Transfers In	46,695	9,000	0	0	55,695
Operating Transfers Out	0	0	0	432	432
Net Income (Loss)	45,287	9,799	(9,766)	9,487	54,807
Net Working Capital	23,484	1,378	36,819	653	62,334
Total Assets	70,592	1,378	43,824	1,089	116,883
Total Equity	35,386	1,378	36,819	653	74,236
Encumbrances	15,474	0	278	0	15,752

Note 18 - 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 2001, the School District paid \$74,284 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 2001, 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

Chardon Local School District
Notes to the General Purpose Financial Statements
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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

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 19 - 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.

Chardon Local School District
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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.

	Budget Stabilization Reserve	Capital Improvements Reserve	Textbooks Instructional Materials Reserve
Set-aside Reserve Balance as of June 30, 2000	\$568,753	\$0	(\$148,190)
Current Year Set-aside Requirement	0	371,455	371,455
Reduction in Requirement based on Revised Legislation	(157,109)	0	0
Qualifying Disbursements	0	(2,130,360)	(438,145)
Total	\$411,644	(\$1,758,905)	(\$214,880)
Set-aside Balance Carried Forward to Future Fiscal Years	\$411,644	\$0	(\$214,880)
Set-aside Reserve Balance as of June 30, 2001	\$411,644	\$0	\$0

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 \$411,644.

Note 20 - 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 21 - 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

Chardon Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

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, 2001.

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.

Note 22 Subsequent Event

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

- ▶ A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- ▶ Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of February 15, 2002, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

On November 2, 2001, the Court granted this motion for reconsideration. The Court may re-examine and redetermine any issue upon such reconsideration.

As of the date of these financial statements, the School District is unable to determine what effect, if any, this decision and the reconsideration will have on its future State funding and on its financial operations.

Combining, Individual Fund and Account Group Statements and Schedules

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 other funds.

Chardon Local School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$14,564,200	\$13,941,815	(\$622,385)
Intergovernmental	6,581,327	6,983,511	402,184
Interest	210,400	208,288	(2,112)
Tuition and Fees	167,099	184,722	17,623
Extracurricular Activities	21,333	22,465	1,132
Rentals	0	64,069	64,069
Miscellaneous	153,504	425,570	272,066
<i>Total Revenues</i>	<u>21,697,863</u>	<u>21,830,440</u>	<u>132,577</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries	6,986,900	6,966,135	20,765
Fringe Benefits	2,458,520	2,069,880	388,640
Purchased Services	276,701	233,162	43,539
Materials and Supplies	433,456	356,700	76,756
Other	100	100	0
Capital Outlay - New	25,792	25,721	71
Capital Outlay - Replacement	3,400	3,359	41
Total Regular	<u>10,184,869</u>	<u>9,655,057</u>	<u>529,812</u>
Special:			
Salaries	909,811	909,811	0
Fringe Benefits	262,698	262,698	0
Purchased Services	627,995	771,069	(143,074)
Materials and Supplies	28,362	27,536	826
Capital Outlay - New	2,000	1,310	690
Total Special	<u>1,830,866</u>	<u>1,972,424</u>	<u>(141,558)</u>
Vocational:			
Salaries	147,724	147,643	81
Fringe Benefits	47,330	46,717	613
Purchased Services	500	260	240
Materials and Supplies	7,174	7,066	108
Capital Outlay - Replacement	1,800	1,596	204
Total Vocational	<u>204,528</u>	<u>203,282</u>	<u>1,246</u>
Total Instruction	<u>\$12,220,263</u>	<u>\$11,830,763</u>	<u>\$389,500</u>

(continued)

Chardon Local School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Support Services:			
Pupils:			
Salaries	\$624,485	\$588,816	\$35,669
Fringe Benefits	158,125	158,111	14
Purchased Services	162,700	121,319	41,381
Materials and Supplies	8,120	7,644	476
Total Pupils	<u>953,430</u>	<u>875,890</u>	<u>77,540</u>
Instructional Staff			
Salaries	539,639	471,506	68,133
Fringe Benefits	128,819	128,819	0
Purchased Services	66,898	53,877	13,021
Materials and Supplies	88,472	88,053	419
Capital Outlay - New	74,484	59,779	14,705
Capital Outlay - Replacement	4,250	1,250	3,000
Total Instructional Staff	<u>902,562</u>	<u>803,284</u>	<u>99,278</u>
Board of Education:			
Salaries	4,800	4,560	240
Fringe Benefits	1,000	992	8
Purchased Services	7,750	7,035	715
Materials and Supplies	600	318	282
Other	47,700	36,959	10,741
Total Board of Education	<u>61,850</u>	<u>49,864</u>	<u>11,986</u>
Administration:			
Salaries	1,082,550	1,220,839	(138,289)
Fringe Benefits	395,521	461,129	(65,608)
Purchased Services	110,014	110,014	0
Materials and Supplies	52,642	47,215	5,427
Other	4,498	4,117	381
Capital Outlay - New	8,198	2,225	5,973
Capital Outlay - Replacement	3,025	2,453	572
Total Administration	<u>\$1,656,448</u>	<u>\$1,847,992</u>	<u>(\$191,544)</u>

(continued)

Chardon Local School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Fiscal:			
Salaries	\$146,291	\$163,888	(\$17,597)
Fringe Benefits	54,042	54,042	0
Purchased Services	61,889	60,554	1,335
Materials and Supplies	9,453	9,453	0
Other	361,116	377,623	(16,507)
Capital Outlay - New	5,880	3,138	2,742
Total Fiscal	638,671	668,698	(30,027)
Business:			
Salaries	159,013	173,865	(14,852)
Fringe Benefits	56,407	65,782	(9,375)
Purchased Services	43,924	46,708	(2,784)
Materials and Supplies	500	440	60
Total Business	259,844	286,795	(26,951)
Operation and Maintenance of Plant:			
Salaries	769,098	867,456	(98,358)
Fringe Benefits	250,538	292,888	(42,350)
Purchased Services	569,463	736,394	(166,931)
Materials and Supplies	237,134	257,930	(20,796)
Other	800	600	200
Capital Outlay - New	13,299	14,961	(1,662)
Capital Outlay - Replacement	3,100	3,042	58
Total Operation and Maintenance	1,843,432	2,173,271	(329,839)
Pupil Transportation:			
Salaries	917,641	1,010,246	(92,605)
Fringe Benefits	410,125	385,184	24,941
Purchased Services	40,962	40,962	0
Materials and Supplies	210,715	243,343	(32,628)
Capital Outlay - New	0	68,087	(68,087)
Capital Outlay - Replacement	248,963	280,804	(31,841)
Total Pupil Transportation	\$1,828,406	\$2,028,626	(\$200,220)

(continued)

Chardon Local School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Central:			
Salaries	\$95,382	\$89,715	\$5,667
Fringe Benefits	26,467	26,380	87
Purchased Services	18,442	15,086	3,356
Materials and Supplies	1,200	594	606
Other	2,150	1,963	187
Capital Outlay - New	500	500	0
Capital Outlay - Replacement	1,815	1,815	0
Total Central	145,956	136,053	9,903
Total Support Services	8,290,599	8,870,473	(579,874)
Operation of Non-Instructional Services:			
Community Services:			
Salaries	70,875	74,964	(4,089)
Fringe Benefits	15,252	16,153	(901)
Total Operation of Non-Instructional Services	86,127	91,117	(4,990)
Extracurricular Activities:			
Academic Oriented Activities:			
Salaries	22,165	17,935	4,230
Fringe Benefits	8,866	1,898	6,968
Total Academic Oriented Activities	31,031	19,833	11,198
Sport Oriented Activities:			
Salaries	203,920	229,157	(25,237)
Fringe Benefits	45,920	51,793	(5,873)
Total Sport Oriented Activities	249,840	280,950	(31,110)
School and Public Service Co-Curricular Activities			
Salaries	26,067	29,357	(3,290)
Fringe Benefits	5,000	4,754	246
Total School and Public Service Co-Curricular Activities	31,067	34,111	(3,044)
Total Extracurricular Activities	311,938	334,894	(22,956)
Capital Outlay			
Site Acquisition Services:			
Capital Outlay - New	\$204,824	\$50,000	\$154,824

(continued)

Chardon Local School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Site Improvement Services:			
Purchased Services	\$7,686	\$7,686	\$0
Architecture and Engineering Services:			
Purchased Services	76,796	76,796	0
Building Improvement Services:			
Purchased Services	245,582	244,039	1,543
Capital Outlay - New	1,920	920	1,000
Capital Outlay - Replacement	10,000	9,831	169
Total Building Improvement Services	257,502	254,790	2,712
Total Capital Outlay	546,808	389,272	157,536
<i>Total Expenditures</i>	21,455,735	21,516,519	(60,784)
<i>Excess of Revenues Over Expenditures</i>	242,128	313,921	71,793
Other Financing Sources (Uses)			
Advances In	71,500	71,500	0
Advances Out	(80,000)	(43,681)	36,319
Operating Transfers In	437	476	39
Operating Transfers Out	(272,024)	(270,624)	1,400
<i>Total Other Financing Sources (Uses)</i>	(280,087)	(242,329)	37,758
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	(37,959)	71,592	109,551
<i>Fund Balance Beginning of Year</i>	1,110,038	1,110,038	0
Prior Year Encumbrances Appropriated	230,089	230,089	0
<i>Fund Balance End of Year</i>	<u>\$1,302,168</u>	<u>\$1,411,719</u>	<u>\$109,551</u>

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.

Summer Intervention Fund This fund accounts for State monies used for the Summer School program.

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.

(continued)

Special Revenue Funds

(continued)

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.

Chardon Local School District

Combining Balance Sheet

All Special Revenue Funds

June 30, 2001

	Public School Support	Other Grants	Athletic and Music	Auxiliary Services
Assets				
Equity in Pooled Cash and Cash Equivalents	\$32,413	\$6,326	\$74,189	\$143,238
Receivables:				
Accounts	831	0	415	0
Intergovernmental	0	0	0	0
<i>Total Assets</i>	<u>\$33,244</u>	<u>\$6,326</u>	<u>\$74,604</u>	<u>\$143,238</u>
Liabilities				
Accounts Payable	\$400	\$1,490	\$8,627	\$57,345
Accrued Wages and Benefits	0	0	0	1,667
Interfund Payable	0	0	0	17,241
Intergovernmental Payable	0	0	25	3,142
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>400</u>	<u>1,490</u>	<u>8,652</u>	<u>79,395</u>
Fund Equity				
<i>Fund Balance (Deficit):</i>				
Reserved for Encumbrances	3,618	0	11,987	83,053
Unreserved, Undesignated	29,226	4,836	53,965	(19,210)
<i>Total Fund Equity (Deficit)</i>	<u>32,844</u>	<u>4,836</u>	<u>65,952</u>	<u>63,843</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$33,244</u>	<u>\$6,326</u>	<u>\$74,604</u>	<u>\$143,238</u>

<u>Disadvantaged Pupil Program</u>	<u>Teacher Development</u>	<u>Educational Management Information Systems</u>	<u>Data Communication</u>	<u>SchoolNet Professional Development</u>	<u>Ohio Reads Grant</u>
\$2,182	\$7,846	\$21,286	\$13,788	\$5,965	\$0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$2,182</u>	<u>\$7,846</u>	<u>\$21,286</u>	<u>\$13,788</u>	<u>\$5,965</u>	<u>\$0</u>
\$0	\$0	\$0	\$11,138	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	6	0	0	0	22
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>6</u>	<u>0</u>	<u>11,138</u>	<u>0</u>	<u>22</u>
0	0	0	0	0	0
<u>2,182</u>	<u>7,840</u>	<u>21,286</u>	<u>2,650</u>	<u>5,965</u>	<u>(22)</u>
<u>2,182</u>	<u>7,840</u>	<u>21,286</u>	<u>2,650</u>	<u>5,965</u>	<u>(22)</u>
<u>\$2,182</u>	<u>\$7,846</u>	<u>\$21,286</u>	<u>\$13,788</u>	<u>\$5,965</u>	<u>\$0</u>

(continued)

Chardon Local School District
Combining Balance Sheet
All Special Revenue Funds (continued)
June 30, 2001

	Conflict Management	Eisenhower Math and Science Grant	Title VI-B	Title I
Assets				
Equity in Pooled Cash and Cash Equivalents	\$3,819	\$8,355	\$40,101	\$36,961
Receivables:				
Accounts	0	0	0	0
Intergovernmental	0	906	0	0
<i>Total Assets</i>	<u>\$3,819</u>	<u>\$9,261</u>	<u>\$40,101</u>	<u>\$36,961</u>
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	0	0	0	7,876
Interfund Payable	0	0	0	0
Intergovernmental Payable	0	62	1,028	3,730
Deferred Revenue	0	906	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>968</u>	<u>1,028</u>	<u>11,606</u>
Fund Equity				
<i>Fund Balance (Deficit):</i>				
Reserved for Encumbrances	0	0	0	0
Unreserved, Undesignated	3,819	8,293	39,073	25,355
<i>Total Fund Equity (Deficit)</i>	<u>3,819</u>	<u>8,293</u>	<u>39,073</u>	<u>25,355</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$3,819</u>	<u>\$9,261</u>	<u>\$40,101</u>	<u>\$36,961</u>

<u>Title VI</u>	<u>Drug Free Schools Grant</u>	<u>Class Size Reduction</u>	<u>Special Trust</u>	<u>Totals</u>
\$7,967	\$3,009	\$26,440	\$21,405	\$455,290
0	0	0	0	1,246
0	0	0	0	906
<u>\$7,967</u>	<u>\$3,009</u>	<u>\$26,440</u>	<u>\$21,405</u>	<u>\$457,442</u>
\$1,738	\$775	\$0	\$0	\$81,513
0	0	0	0	9,543
0	0	26,440	0	43,681
498	0	163	0	8,676
0	0	0	0	906
<u>2,236</u>	<u>775</u>	<u>26,603</u>	<u>0</u>	<u>144,319</u>
529	454	0	0	99,641
5,202	1,780	(163)	21,405	213,482
<u>5,731</u>	<u>2,234</u>	<u>(163)</u>	<u>21,405</u>	<u>313,123</u>
<u>\$7,967</u>	<u>\$3,009</u>	<u>\$26,440</u>	<u>\$21,405</u>	<u>\$457,442</u>

Chardon Local School District
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds
For the Fiscal Year Ended June 30, 2001*

	Public School Support	Other Grants	Athletic and Music	Auxiliary Services
Revenues				
Intergovernmental	\$0	\$0	\$0	\$805,256
Interest	0	0	0	17,498
Tuition and Fees	5,704	0	0	0
Extracurricular Activities	36,641	0	204,395	0
Contributions and Donations	9,104	11,325	23,082	0
Miscellaneous	17,203	0	8,274	0
<i>Total Revenues</i>	<u>68,652</u>	<u>11,325</u>	<u>235,751</u>	<u>822,754</u>
Expenditures				
Current:				
Instruction:				
Regular	0	16,632	0	0
Special	0	0	0	0
Support Services:				
Pupils	77,309	0	0	0
Instructional Staff	0	2,800	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	0	884,711
Extracurricular Activities	0	0	267,225	0
<i>Total Expenditures</i>	<u>77,309</u>	<u>19,432</u>	<u>267,225</u>	<u>884,711</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(8,657)</u>	<u>(8,107)</u>	<u>(31,474)</u>	<u>(61,957)</u>
Other Financing Sources (Uses):				
Operating Transfers In	0	0	24,000	0
Operating Transfers Out	(4)	(1,100)	(117)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(4)</u>	<u>(1,100)</u>	<u>23,883</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	(8,661)	(9,207)	(7,591)	(61,957)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>41,505</u>	<u>14,043</u>	<u>73,543</u>	<u>125,800</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$32,844</u></u>	<u><u>\$4,836</u></u>	<u><u>\$65,952</u></u>	<u><u>\$63,843</u></u>

<u>Disadvantaged Pupil Program</u>	<u>Teacher Development</u>	<u>Educational Management Information Systems</u>	<u>Data Communication</u>	<u>SchoolNet Professional Development</u>	<u>Ohio Reads Grant</u>
\$0	\$13,548	\$12,277	\$18,000	\$7,000	\$8,000
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>13,548</u>	<u>12,277</u>	<u>18,000</u>	<u>7,000</u>	<u>8,000</u>
0	7,857	0	0	0	8,284
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	15,350	2,035	0
0	0	86	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>7,857</u>	<u>86</u>	<u>15,350</u>	<u>2,035</u>	<u>8,284</u>
<u>0</u>	<u>5,691</u>	<u>12,191</u>	<u>2,650</u>	<u>4,965</u>	<u>(284)</u>
0	1,100	0	0	0	280
0	0	0	0	0	0
<u>0</u>	<u>1,100</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>280</u>
0	6,791	12,191	2,650	4,965	(4)
<u>2,182</u>	<u>1,049</u>	<u>9,095</u>	<u>0</u>	<u>1,000</u>	<u>(18)</u>
<u>\$2,182</u>	<u>\$7,840</u>	<u>\$21,286</u>	<u>\$2,650</u>	<u>\$5,965</u>	<u>(\$22)</u>

(continued)

Chardon Local School District
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2001*

	<u>Summer Intervention</u>	<u>Conflict Management</u>	<u>Eisenhower Math and Science Grant</u>	<u>Title VI-B</u>
Revenues				
Intergovernmental	\$3,181	\$3,000	\$7,682	\$204,035
Interest	0	0	0	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>3,181</u>	<u>3,000</u>	<u>7,682</u>	<u>204,035</u>
Expenditures				
Current:				
Instruction:				
Regular	3,181	0	2,517	0
Special	0	0	0	7,732
Support Services:				
Pupils	0	1,041	741	193,020
Instructional Staff	0	0	0	330
Central	0	0	0	0
Operation of Non-Instructional Services	0	997	0	24,776
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>3,181</u>	<u>2,038</u>	<u>3,258</u>	<u>225,858</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>962</u>	<u>4,424</u>	<u>(21,823)</u>
Other Financing Sources (Uses):				
Operating Transfers In	0	0	0	0
Operating Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	0	962	4,424	(21,823)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>0</u>	<u>2,857</u>	<u>3,869</u>	<u>60,896</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$0</u></u>	<u><u>\$3,819</u></u>	<u><u>\$8,293</u></u>	<u><u>\$39,073</u></u>

<u>Title I</u>	<u>Title VI</u>	<u>Drug Free Schools Grant</u>	<u>Class Size Reduction</u>	<u>Special Trust</u>	<u>Totals</u>
\$169,374	\$30,495	\$14,771	\$37,771	\$0	\$1,334,390
0	0	0	0	3,381	20,879
0	0	0	0	0	5,704
0	0	0	0	0	241,036
0	0	0	0	7,955	51,466
0	0	0	0	0	25,477
<u>169,374</u>	<u>30,495</u>	<u>14,771</u>	<u>37,771</u>	<u>11,336</u>	<u>1,678,952</u>
0	0	2,718	37,934	0	79,123
129,659	18,769	0	0	0	156,160
0	0	10,081	0	0	282,192
13,379	0	0	0	0	33,894
0	0	0	0	0	86
0	6,487	996	0	12,050	930,017
0	0	0	0	0	267,225
<u>143,038</u>	<u>25,256</u>	<u>13,795</u>	<u>37,934</u>	<u>12,050</u>	<u>1,748,697</u>
<u>26,336</u>	<u>5,239</u>	<u>976</u>	<u>(163)</u>	<u>(714)</u>	<u>(69,745)</u>
0	0	0	0	0	25,380
0	0	0	0	0	(1,221)
0	0	0	0	0	24,159
26,336	5,239	976	(163)	(714)	(45,586)
(981)	492	1,258	0	22,119	358,709
<u>\$25,355</u>	<u>\$5,731</u>	<u>\$2,234</u>	<u>(\$163)</u>	<u>\$21,405</u>	<u>\$313,123</u>

Chardon Local School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Tuition and Fees	\$0	\$5,821	\$5,821
Extracurricular Activities	34,016	36,641	2,625
Contributions and Donations	35,000	9,104	(25,896)
Miscellaneous	<u>0</u>	<u>17,340</u>	<u>17,340</u>
<i>Total Revenues</i>	<u>69,016</u>	<u>68,906</u>	<u>(110)</u>
Expenditures			
Current:			
Support Services:			
Pupils:			
Purchased Services	12,924	8,637	4,287
Materials and Supplies	31,810	20,417	11,393
Other	51,825	40,568	11,257
Capital Outlay - New	13,114	10,613	2,501
Capital Outlay - Replacement	<u>523</u>	<u>473</u>	<u>50</u>
<i>Total Expenditures</i>	<u>110,196</u>	<u>80,708</u>	<u>29,488</u>
<i>Excess of Revenues Under Expenditures</i>	(41,180)	(11,802)	29,378
Other Financing Uses			
Operating Transfers Out	<u>(4)</u>	<u>(4)</u>	<u>0</u>
<i>Excess of Revenues Under Expenditure and Other Financing Uses</i>	(41,184)	(11,806)	29,378
<i>Fund Balance Beginning of Year</i>	30,086	30,086	0
Prior Year Encumbrances Appropriated	<u>10,115</u>	<u>10,115</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$983)</u></u>	<u><u>\$28,395</u></u>	<u><u>\$29,378</u></u>

Chardon Local School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Other Grants Fund
For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Contributions and Donations	\$11,325	\$11,325	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	5,123	5,789	(666)
Materials and Supplies	9,316	9,269	47
Capital Outlay - New	500	500	0
Other	1,074	1,074	0
Total Instruction	16,013	16,632	(619)
Support Services:			
Pupils:			
Purchased Services	302	0	302
Instructional Staff:			
Purchased Services	4,003	2,800	1,203
Administration:			
Purchased Services	1,400	0	1,400
Total Support Services	5,705	2,800	2,905
<i>Total Expenditures</i>	21,718	19,432	2,286
<i>Excess of Revenues Under Expenditures</i>	(10,393)	(8,107)	2,286
Other Financing Uses			
Operating Transfers Out	(1,100)	(1,100)	0
<i>Excess of Revenues Under Expenditure and Other Financing Uses</i>	(11,493)	(9,207)	2,286
<i>Fund Balance Beginning of Year</i>	8,379	8,379	0
Prior Year Encumbrances Appropriated	5,664	5,664	0
<i>Fund Balance End of Year</i>	\$2,550	\$4,836	\$2,286

Chardon Local School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Athletic and Music Fund
For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Extracurricular Activities	\$173,263	\$204,475	\$31,212
Contributions and Donations	50,000	23,082	(26,918)
Miscellaneous	36,631	8,336	(28,295)
<i>Total Revenues</i>	<u>259,894</u>	<u>235,893</u>	<u>(24,001)</u>
Expenditures			
Current:			
Extracurricular Activities:			
Academic Oriented Activities			
Purchased Services	26,993	34,449	(7,456)
Materials and Supplies	18,513	23,393	(4,880)
Other	39,522	58,103	(18,581)
Capital Outlay - New	1,837	1,836	1
Capital Outlay - Replacement	3,707	3,676	31
Total Academic Oriented Activities	<u>90,572</u>	<u>121,457</u>	<u>(30,885)</u>
Sports Oriented Activities			
Salaries	4,172	4,172	0
Fringe Benefits	173	173	0
Purchased Services	62,901	95,814	(32,913)
Materials and Supplies	11,413	11,413	0
Other	18,760	17,651	1,109
Capital Outlay - New	24,181	24,181	0
Capital Outlay - Replacement	8,436	6,851	1,585
Total Sports Oriented Activities	<u>130,036</u>	<u>160,255</u>	<u>(30,219)</u>
School and Public Service Co-Curricular Activities			
Materials and Supplies	5,874	1,974	3,900
Other	6,293	2,314	3,979
Capital Outlay - New	138	0	138
Total School and Public Service Co-Curricular Activities	<u>12,305</u>	<u>4,288</u>	<u>8,017</u>
<i>Total Expenditures</i>	<u>232,913</u>	<u>286,000</u>	<u>(53,087)</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>\$26,981</u>	<u>(\$50,107)</u>	<u>(\$77,088)</u>

(continued)

Chardon Local School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Athletic and Music Fund (continued)
For the Fiscal Year Ended June 30, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Other Financing Sources (Uses)			
Operating Transfers In	\$0	\$24,000	\$24,000
Operating Transfers Out	<u>(117)</u>	<u>(117)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(117)</u>	<u>23,883</u>	<u>24,000</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	26,864	(26,224)	(53,088)
<i>Fund Balance Beginning of Year</i>	57,490	57,490	0
Prior Year Encumbrances Appropriated	<u>25,540</u>	<u>25,540</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$109,894</u></u>	<u><u>\$56,806</u></u>	<u><u>(\$53,088)</u></u>

Chardon Local School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$812,040	\$805,256	(\$6,784)
Interest	8,970	22,325	13,355
<i>Total Revenues</i>	<u>821,010</u>	<u>827,581</u>	<u>6,571</u>
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Community Services			
Salaries	201,966	114,813	87,153
Fringe Benefits	45,497	27,308	18,189
Purchased Services	513,357	291,832	221,525
Materials and Supplies	672,461	382,280	290,181
Other	56,660	32,210	24,450
Capital Outlay - New	258,378	146,882	111,496
Capital Outlay - Replacement	2,792	1,587	1,205
<i>Total Expenditures</i>	<u>1,751,111</u>	<u>996,912</u>	<u>754,199</u>
<i>Excess of Revenues Under Expenditures</i>	(930,101)	(169,331)	760,770
Other Financing Sources			
Advances In	0	17,241	17,241
<i>Excess of Revenues and Other Financing Sources Under Expenditures</i>	(930,101)	(152,090)	778,011
<i>Fund Balance Beginning of Year</i>	71,399	71,399	0
Prior Year Encumbrances Appropriated	83,529	83,529	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$775,173)</u>	<u>\$2,838</u>	<u>\$778,011</u>

Chardon Local School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Disadvantaged Pupil Program Fund
For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues	\$0	\$0	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	2,182	0	2,182
<i>Excess of Revenues Under Expenditures</i>	(2,182)	0	2,182
<i>Fund Balance Beginning of Year</i>	2,182	2,182	0
<i>Fund Balance End of Year</i>	\$0	\$2,182	\$2,182

Chardon Local School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Teacher Development Fund
For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$12,438	\$13,548	\$1,110
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries	10,573	2,919	7,654
Fringe Benefits	2,306	251	2,055
Purchased Services	11,563	2,976	8,587
Materials and Supplies	3,721	2,073	1,648
<i>Total Expenditures</i>	28,163	8,219	19,944
<i>Excess of Revenues Over (Under) Expenditures</i>	(15,725)	5,329	21,054
Other Financing Sources			
Operating Transfers In	1,100	1,100	0
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	(14,625)	6,429	21,054
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	1,067	1,067	0
<i>Fund Balance (Deficit) End of Year</i>	(\$13,558)	\$7,496	\$21,054

Chardon Local School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Educational Management Information Systems Fund
For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$12,277	\$12,277	\$0
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Capital Outlay - New	12,136	0	12,136
Capital Outlay - Replacement	13,659	0	13,659
Total Instructional Staff	25,795	0	25,795
Central:			
Purchased Services	290	0	290
Materials and Supplies	86	86	0
Total Central	376	86	290
<i>Total Expenditures</i>	26,171	86	26,085
<i>Excess of Revenues Over (Under) Expenditures</i>	(13,894)	12,191	26,085
<i>Fund Balance Beginning of Year</i>	9,096	9,096	0
<i>Fund Balance (Deficit) End of Year</i>	(\$4,798)	\$21,287	\$26,085

Chardon Local School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Data Communication Fund
For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$18,000	\$18,000	\$0
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Capital Outlay - New	18,000	15,325	2,675
<i>Excess of Revenues Over Expenditures</i>	0	2,675	2,675
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$2,675	\$2,675

Chardon Local School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
SchoolNet Professional Development Fund
For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$7,000	\$7,000	\$0
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	1,000	4,000	(3,000)
<i>Excess of Revenues Over Expenditures</i>	6,000	3,000	(3,000)
<i>Fund Balance Beginning of Year</i>	1,000	1,000	0
<i>Fund Balance End of Year</i>	\$7,000	\$4,000	(\$3,000)

Chardon Local School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Ohio Reads Grant Fund
For the Fiscal Year Ended June 30, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$7,720</u>	<u>\$8,000</u>	<u>\$280</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries	3,720	4,000	(280)
Fringe Benefits	280	280	0
Purchased Services	<u>4,000</u>	<u>4,000</u>	<u>0</u>
<i>Total Expenditures</i>	<u>8,000</u>	<u>8,280</u>	<u>(280)</u>
<i>Excess of Revenues Under Expenditures</i>	(280)	(280)	0
Other Financing Sources			
Operating Transfers In	<u>280</u>	<u>280</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over Expenditures</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Chardon Local School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Summer Intervention Fund
For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$3,181	\$3,181	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	3,181	3,181	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

Chardon Local School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Conflict Management Fund
For the Fiscal Year Ended June 30, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$5,857</u>	<u>\$5,857</u>	<u>\$0</u>
Expenditures			
Current:			
Support Services:			
Pupils:			
Purchased Services	3,177	1,731	1,446
Materials and Supplies	<u>1,588</u>	<u>0</u>	<u>1,588</u>
Total Support Services	4,765	1,731	3,034
Operation of Non-Instructional Services:			
Community Service:			
Other	<u>2,949</u>	<u>997</u>	<u>1,952</u>
<i>Total Expenditures</i>	<u>7,714</u>	<u>2,728</u>	<u>4,986</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,857)	3,129	4,986
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$1,857)</u></u>	<u><u>\$3,129</u></u>	<u><u>\$4,986</u></u>

Chardon Local School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Eisenhower Math and Science Grant Fund
For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$7,682	\$7,682	\$0
Expenditures			
Current:			
Instruction:			
Special:			
Salaries	223	128	95
Fringe Benefits	1,017	24	993
Purchased Services	5,399	2,307	3,092
Materials and Supplies	119	68	51
Total Instruction	6,758	2,527	4,231
Support Services:			
Pupils:			
Salaries	5,578	435	5,143
Fringe Benefits	1,726	99	1,627
Purchased Services	5,389	0	5,389
Materials and Supplies	697	144	553
Total Support Services	13,390	678	12,712
<i>Total Expenditures</i>	20,148	3,205	16,943
<i>Excess of Revenues Over (Under) Expenditures</i>	(12,466)	4,477	16,943
<i>Fund Balance Beginning of Year</i>	3,877	3,877	0
<i>Fund Balance (Deficit) End of Year</i>	(\$8,589)	\$8,354	\$16,943

Chardon Local School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$204,035	\$204,035	\$0
Expenditures			
Current:			
Instruction:			
Special:			
Purchased Services	41,642	0	41,642
Materials and Supplies	4,154	2,802	1,352
Capital Outlay - New	7,090	4,930	2,160
Total Instruction	52,886	7,732	45,154
Support Services:			
Pupils:			
Purchased Services	259,868	187,655	72,213
Materials and Supplies	15,208	5,366	9,842
Total Pupils	275,076	193,021	82,055
Instructional Staff:			
Purchased Services	1,385	680	705
Total Support Services	276,461	193,701	82,760
Operation of Non-Instructional Services:			
Community Services:			
Salaries	32,189	21,732	10,457
Fringe Benefits	5,710	2,119	3,591
Total Operation of Non-Instructional Services	37,899	23,851	14,048
<i>Total Expenditures</i>	367,246	225,284	141,962
<i>Excess of Revenues Under Expenditures</i>	(163,211)	(21,249)	141,962
<i>Fund Balance Beginning of Year</i>	5,453	5,453	0
Prior Year Encumbrances Appropriated	55,546	55,546	0
<i>Fund Balance (Deficit) End of Year</i>	(\$102,212)	\$39,750	\$141,962

Chardon Local School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$169,374	\$169,374	\$0
Expenditures			
Current:			
Instruction:			
Special:			
Salaries	136,144	111,905	24,239
Fringe Benefits	34,630	14,722	19,908
Purchased Services	1,646	114	1,532
Materials and Supplies	4,638	731	3,907
Total Instruction	<u>177,058</u>	<u>127,472</u>	<u>49,586</u>
Support Services:			
Instructional Staff:			
Salaries	13,327	12,201	1,126
Fringe Benefits	3,495	860	2,635
Total Support Services	<u>16,822</u>	<u>13,061</u>	<u>3,761</u>
<i>Total Expenditures</i>	<u>193,880</u>	<u>140,533</u>	<u>53,347</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(24,506)	28,841	53,347
<i>Fund Balance Beginning of Year</i>	<u>8,120</u>	<u>8,120</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$16,386)</u></u>	<u><u>\$36,961</u></u>	<u><u>\$53,347</u></u>

Chardon Local School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI Fund
For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$30,495	\$30,495	\$0
Expenditures			
Current:			
Instruction:			
Special:			
Salaries	16,306	15,186	1,120
Fringe Benefits	2,578	1,400	1,178
Total Instruction	18,884	16,586	2,298
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	6,029	6,029	0
Materials and Supplies	2,844	2,724	120
Total Operation of Non-Instructional Services	8,873	8,753	120
<i>Total Expenditures</i>	27,757	25,339	2,418
<i>Excess of Revenues Over Expenditures</i>	2,738	5,156	2,418
<i>Fund Balance Beginning of Year</i>	148	148	0
Prior Year Encumbrances Appropriated	395	395	0
<i>Fund Balance End of Year</i>	\$3,281	\$5,699	\$2,418

Chardon Local School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Free Schools Grant Fund
For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$14,771	\$14,771	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	584	410	174
Materials and Supplies	4,918	2,623	2,295
Total Instruction	5,502	3,033	2,469
Support Services:			
Pupils:			
Purchased Services	11,340	8,464	2,876
Materials and Supplies	2,500	1,792	708
Total Pupils	13,840	10,256	3,584
Pupil Transportation:			
Purchased Services	849	0	849
Materials and Supplies	338	0	338
Total Pupil Transportation	1,187	0	1,187
Total Support Services	15,027	10,256	4,771
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	996	996	0
<i>Total Expenditures</i>	21,525	14,285	7,240
<i>Excess of Revenues Over (Under) Expenditures</i>	(6,754)	486	7,240
<i>Fund Balance Beginning of Year</i>	495	495	0
Prior Year Encumbrances Appropriated	800	800	0
<i>Fund Balance (Deficit) End of Year</i>	(\$5,459)	\$1,781	\$7,240

Chardon Local School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Class Size Reduction Fund
For the Fiscal Year Ended June 30, 2001*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$37,771</u>	<u>\$37,771</u>	<u>\$0</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries	60,432	30,216	30,216
Fringe Benefits	<u>15,110</u>	<u>7,555</u>	<u>7,555</u>
<i>Total Expenditures</i>	<u>75,542</u>	<u>37,771</u>	<u>37,771</u>
<i>Excess of Revenues Under Expenditures</i>	(37,771)	0	37,771
Other Financing Sources			
Advances In	<u>26,440</u>	<u>26,440</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	(11,331)	26,440	37,771
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$11,331)</u></u>	<u><u>\$26,440</u></u>	<u><u>\$37,771</u></u>

Chardon Local School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Trust Fund
For the Fiscal Year Ended June 30, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Interest	\$2,949	\$3,459	\$510
Contributions and Donations	<u>8,371</u>	<u>7,955</u>	<u>(416)</u>
<i>Total Revenues</i>	11,320	11,414	94
Expenditures			
Current:			
Non Instructional Services			
Community Services:			
Other	<u>32,040</u>	<u>12,082</u>	<u>19,958</u>
<i>Excess of Revenues Under Expenditures</i>	(20,720)	(668)	20,052
<i>Fund Balance Beginning of Year</i>	<u>22,040</u>	<u>22,040</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,320</u></u>	<u><u>\$21,372</u></u>	<u><u>\$20,052</u></u>

Chardon Local School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds
For the Fiscal Year Ended June 30, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	\$1,342,641	\$1,337,246	(\$5,395)
Interest	11,919	25,783	13,864
Tuition and Fees	0	5,821	5,821
Extracurricular Activities	207,279	241,116	33,837
Contributions and Donations	104,696	51,467	(53,229)
Miscellaneous	36,631	25,677	(10,954)
<i>Total Revenues</i>	<u>1,703,166</u>	<u>1,687,110</u>	<u>(16,056)</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries	74,948	37,263	37,685
Fringe Benefits	18,713	8,110	10,603
Purchased Services	32,031	18,663	13,368
Materials and Supplies	18,073	14,033	4,040
Other	1,074	1,074	0
Capital Outlay - New	500	500	0
Total Regular	<u>145,339</u>	<u>79,643</u>	<u>65,696</u>
Special:			
Salaries	152,449	127,091	25,358
Fringe Benefits	37,209	16,122	21,087
Purchased Services	43,288	114	43,174
Materials and Supplies	8,792	3,532	5,260
Capital Outlay - New	7,090	4,930	2,160
Total Special	<u>248,828</u>	<u>151,789</u>	<u>97,039</u>
Total Instruction	<u>\$394,167</u>	<u>\$231,432</u>	<u>\$162,735</u>

(continued)

Chardon Local School District
Schedule of Revenues, Expenditures and Changes In
Fund Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Support Services:			
Pupils:			
Salaries	\$5,578	\$435	\$5,143
Fringe Benefits	1,726	99	1,627
Purchased Services	292,999	206,486	86,513
Materials and Supplies	51,803	27,720	24,083
Other	51,825	40,568	11,257
Capital Outlay - New	13,114	10,613	2,501
Capital Outlay - Replacement	524	473	51
Total Pupils	<u>417,569</u>	<u>286,394</u>	<u>131,175</u>
Instructional Staff			
Salaries	13,327	12,201	1,126
Fringe Benefits	3,495	860	2,635
Purchased Services	6,388	7,480	(1,092)
Capital Outlay - New	30,136	15,325	14,811
Capital Outlay - Replacement	13,658	0	13,658
Total Instructional Staff	<u>67,004</u>	<u>35,866</u>	<u>31,138</u>
Administration:			
Purchased Services	<u>1,400</u>	<u>0</u>	<u>1,400</u>
Pupil Transportation:			
Purchased Services	849	0	849
Materials and Supplies	<u>338</u>	<u>0</u>	<u>338</u>
Total Pupil Transportation	<u>1,187</u>	<u>0</u>	<u>1,187</u>
Central:			
Purchased Services	291	0	291
Materials and Supplies	<u>86</u>	<u>86</u>	<u>0</u>
Total Central	<u>377</u>	<u>86</u>	<u>291</u>
Total Support Services	<u>\$487,537</u>	<u>\$322,346</u>	<u>\$165,191</u>

(continued)

Chardon Local School District
Schedule of Revenues, Expenditures and Changes In
Fund Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operation of Non-Instructional Services:			
Salaries	\$234,156	\$136,545	\$97,611
Fringe Benefits	51,207	29,426	21,781
Purchased Services	520,382	298,857	221,525
Materials and Supplies	675,302	385,001	290,301
Other	91,650	45,290	46,360
Capital Outlay - New	258,378	146,882	111,496
Capital Outlay - Replacement	2,792	1,587	1,205
Total Operation of Non-Instructional Services	1,833,867	1,043,588	790,279
Extracurricular Activities:			
Academic Oriented Activities:			
Purchased Services	26,993	34,449	(7,456)
Materials and Supplies	18,513	23,393	(4,880)
Other	39,522	58,103	(18,581)
Capital Outlay - Replacement	1,837	1,836	1
Capital Outlay - New	3,707	3,676	31
Total Academic Oriented Activities	90,572	121,457	(30,885)
Sport Oriented Activities:			
Salaries	4,172	4,172	0
Fringe Benefits	173	173	0
Purchased Services	62,901	95,814	(32,913)
Materials and Supplies	11,413	11,413	0
Other	18,761	17,652	1,109
Capital Outlay - Replacement	24,181	24,181	0
Capital Outlay - New	8,436	6,851	1,585
Total Sport Oriented Activities	130,037	160,256	(30,219)
School and Public Service Co-Curricular Activities			
Materials and Supplies	5,874	1,974	3,900
Other	6,293	2,314	3,979
Capital Outlay - New	138	0	138
Total School and Public Service Co-Curricular Activities	12,305	4,288	8,017
Total Extracurricular Activities	232,914	286,001	(53,087)
Total Expenditures	2,948,485	1,883,367	1,065,118
Excess of Revenues Under Expenditures	(\$1,245,319)	(\$196,257)	\$1,049,062

(continued)

Chardon Local School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Other Financing Sources (Uses)			
Advance In	\$26,440	\$43,681	\$17,241
Operating Transfers In	1,380	25,380	24,000
Operating Transfers Out	(1,221)	(1,221)	0
<i>Total Other Financing Sources (Uses)</i>	<u>26,599</u>	<u>67,840</u>	<u>41,241</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	(1,218,720)	(128,417)	1,090,303
<i>Fund Balances Beginning of Year</i>	219,764	219,764	0
Prior Year Encumbrances Appropriated	<u>182,656</u>	<u>182,656</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$816,300)</u></u>	<u><u>\$274,003</u></u>	<u><u>\$1,090,303</u></u>

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.

Power Up Capacity Fund This fund accounts for State grant monies to be spent on electrical upgrades throughout 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.

Chardon Local School District

Combining Balance Sheet

All Capital Projects Funds

June 30, 2001

	<u>Permanent Improvement</u>	<u>SchoolNet Plus</u>	<u>Totals</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	<u>\$0</u>	<u>\$208,447</u>	<u>\$208,447</u>
Liabilities			
Accrued Interest Payable	\$6,704	\$0	\$6,704
Notes Payable	<u>470,000</u>	<u>0</u>	<u>470,000</u>
<i>Total Liabilities</i>	<u>476,704</u>	<u>0</u>	<u>476,704</u>
Fund Equity			
Fund Balance (Deficit):			
Unreserved, Undesignated	<u>(476,704)</u>	<u>208,447</u>	<u>(268,257)</u>
<i>Total Fund Equity (Deficit)</i>	<u>(476,704)</u>	<u>208,447</u>	<u>(268,257)</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$0</u>	<u>\$208,447</u>	<u>\$208,447</u>

Chardon Local School District
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Capital Projects Funds
For the Fiscal Year Ended June 30, 2001*

	<u>Permanent Improvement</u>	<u>Power Up Capacity</u>	<u>SchoolNet Plus</u>	<u>Totals</u>
Revenues				
Intergovernmental	\$0	\$40,924	\$91,450	\$132,374
Interest	<u>0</u>	<u>0</u>	<u>11,111</u>	<u>11,111</u>
<i>Total Revenues</i>	<u>0</u>	<u>40,924</u>	<u>102,561</u>	<u>143,485</u>
Expenditures				
Capital Outlay	359,957	281,004	73,919	714,880
Debt Service:				
Interest and Fiscal Charges	<u>6,704</u>	<u>0</u>	<u>0</u>	<u>6,704</u>
<i>Total Expenditures</i>	<u>366,661</u>	<u>281,004</u>	<u>73,919</u>	<u>721,584</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(366,661)	(240,080)	28,642	(578,099)
Other Financing Sources				
Operating Transfers In	<u>0</u>	<u>190,726</u>	<u>0</u>	<u>190,726</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	(366,661)	(49,354)	28,642	(387,373)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(110,043)</u>	<u>49,354</u>	<u>179,805</u>	<u>119,116</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$476,704)</u>	<u>\$0</u>	<u>\$208,447</u>	<u>(\$268,257)</u>

Chardon Local School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues	\$0	\$0	\$0
Expenditures			
Capital Outlay			
Site Aquisition Services			
Capital Outlay - New	<u>470,000</u>	<u>470,000</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(470,000)	(470,000)	0
Other Financing Sources			
Proceeds of Notes	<u>470,000</u>	<u>470,000</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over Expenditures</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Chardon Local School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Power Up Capacity Fund
For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Intergovernmental	\$96,135	\$96,135	\$0
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	<u>29,242</u>	<u>286,102</u>	<u>(256,860)</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>66,893</u>	<u>(189,967)</u>	<u>(256,860)</u>
Other Financing Sources (Uses)			
Advances Out	(15,000)	(15,000)	0
Operating Transfers In	<u>190,726</u>	<u>190,726</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>175,726</u>	<u>175,726</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)</i>	242,619	(14,241)	(256,860)
<i>Fund Balance Beginning of Year</i>	471	471	0
Prior Year Encumbrances Appropriated	<u>13,770</u>	<u>13,770</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$256,860</u></u>	<u><u>\$0</u></u>	<u><u>\$256,860</u></u>

Chardon Local School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
SchoolNet Plus Fund
For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$94,613	\$91,448	\$3,165
Interest	8,196	12,048	(\$3,852)
<i>Total Revenues</i>	<u>102,809</u>	<u>103,496</u>	<u>(687)</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Capital Outlay - New	7,257	6,000	1,257
Support Services:			
Instructional Staff:			
Purchased Services	42	0	42
Materials and Supplies	36,306	753	35,553
Capital Outlay - New	259,578	67,166	192,412
Total Instructional Staff	295,926	67,919	228,007
Central:			
Capital Outlay - New	21,140	0	21,140
Total Support Services	317,066	67,919	249,147
<i>Total Expenditures</i>	<u>324,323</u>	<u>73,919</u>	<u>250,404</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(221,514)	29,577	251,091
<i>Fund Balance Beginning of Year</i>	<u>178,870</u>	<u>178,870</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$42,644)</u></u>	<u><u>\$208,447</u></u>	<u><u>\$251,091</u></u>

Chardon Local School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balances - Budget (Non-GAAP Basis) and Actual
All Capital Projects Funds
For the Fiscal Year Ended June 30, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	\$190,747	\$187,584	(\$3,163)
Interest	8,196	12,048	3,852
<i>Total Revenues</i>	<u>198,943</u>	<u>199,632</u>	<u>689</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Capital Outlay - New	7,257	6,000	1,257
Support Services:			
Instructional Staff:			
Purchased Services	29,283	286,102	(256,819)
Materials and Supplies	36,306	753	35,553
Capital Outlay - New	259,578	67,166	192,412
Total Instructional Staff	325,167	354,021	(28,854)
Central:			
Capital Outlay - New	21,140	0	21,140
Total Support Services	<u>346,307</u>	<u>354,021</u>	<u>(7,714)</u>
Capital Outlay:			
Site Acquisition Services:			
Capital Outlay - New	470,000	470,000	0
<i>Total Expenditures</i>	<u>823,564</u>	<u>830,021</u>	<u>(6,457)</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(\$624,621)</u>	<u>(\$630,389)</u>	<u>(\$5,768)</u>

(continued)

Chardon Local School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balances - Budget (Non-GAAP Basis) and Actual
All Capital Projects Funds (continued)
For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Other Financing Sources (Uses)			
Proceeds of Notes	\$470,000	\$470,000	\$0
Advances Out	(15,000)	(15,000)	0
Operating Transfers In	190,726	190,726	0
<i>Total Other Financing Sources (Uses)</i>	<u>645,726</u>	<u>645,726</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)</i>	21,105	15,337	(5,768)
<i>Fund Balances Beginning of Year</i>	179,340	179,340	0
Prior Year Encumbrances Appropriated	<u>13,770</u>	<u>13,770</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$214,215</u></u>	<u><u>\$208,447</u></u>	<u><u>(\$5,768)</u></u>

Enterprise Funds

The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

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

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

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 the adult/community education program.

Chardon Local School District

Combining Balance Sheet

All Enterprise Funds

June 30, 2001

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Summer School</u>	<u>Adult Education</u>	<u>Totals</u>
Assets					
<i>Current Assets:</i>					
Equity in Pooled Cash and					
Cash Equivalents	\$36,592	\$1,378	\$43,824	\$1,089	\$82,883
Inventory Held for Resale	8,534	0	0	0	8,534
Materials and Supplies Inventory	<u>867</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>867</u>
<i>Total Current Assets</i>	45,993	1,378	43,824	1,089	92,284
<i>Non Current Assets</i>					
Fixed Assets (Net of					
Accumulated Depreciation)	<u>24,599</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>24,599</u>
<i>Total Assets</i>	<u><u>\$70,592</u></u>	<u><u>\$1,378</u></u>	<u><u>\$43,824</u></u>	<u><u>\$1,089</u></u>	<u><u>\$116,883</u></u>
Liabilities					
<i>Current Liabilities:</i>					
Accounts Payable	\$9,286	\$0	\$0	\$0	\$9,286
Accrued Wages and Benefits	1,093	0	6,959	0	8,052
Intergovernmental Payable	9,299	0	46	436	9,781
Deferred Revenue	<u>2,831</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,831</u>
<i>Total Current Liabilities</i>	22,509	0	7,005	436	29,950
<i>Long-Term Liabilities</i>					
Compensated Absences Payable	<u>12,697</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,697</u>
<i>Total Liabilities</i>	35,206	0	7,005	436	42,647
Fund Equity					
Retained Earnings:					
Unreserved	<u>35,386</u>	<u>1,378</u>	<u>36,819</u>	<u>653</u>	<u>74,236</u>
<i>Total Liabilities and Fund Equity</i>	<u><u>\$70,592</u></u>	<u><u>\$1,378</u></u>	<u><u>\$43,824</u></u>	<u><u>\$1,089</u></u>	<u><u>\$116,883</u></u>

Chardon Local School District
*Combining Statement of Revenues,
Expenses and Changes in Fund Equity
All Enterprise Funds
For the Fiscal Year Ended June 30, 2001*

	Food Service	Uniform School Supplies	Summer School	Adult Education	Totals
Operating Revenues					
Tuition and Fees	\$0	\$0	\$28,772	\$25,969	\$54,741
Sales	580,518	28,545	0	0	609,063
Other Revenue	8,162	0	0	0	8,162
<i>Total Operating Revenues</i>	<u>588,680</u>	<u>28,545</u>	<u>28,772</u>	<u>25,969</u>	<u>671,966</u>
Operating Expenses					
Salaries	247,863	0	28,705	0	276,568
Fringe Benefits	87,546	0	249	905	88,700
Purchased Services	10,366	0	7,040	14,855	32,261
Materials and Supplies	164,801	18,197	2,544	70	185,612
Cost of Sales	339,960	9,549	0	0	349,509
Depreciation	4,401	0	0	0	4,401
Other	0	0	0	220	220
<i>Total Operating Expenses</i>	<u>854,937</u>	<u>27,746</u>	<u>38,538</u>	<u>16,050</u>	<u>937,271</u>
<i>Operating Income (Loss)</i>	<u>(266,257)</u>	<u>799</u>	<u>(9,766)</u>	<u>9,919</u>	<u>(265,305)</u>
Non-Operating Revenues					
Federal Donated Commodities	190,166	0	0	0	190,166
Operating Grants	73,888	0	0	0	73,888
Interest	795	0	0	0	795
<i>Total Non-Operating Revenues</i>	<u>264,849</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>264,849</u>
<i>Income or (Loss) Before Operating Transfers</i>	(1,408)	799	(9,766)	9,919	(456)
Operating Transfers In	46,695	9,000	0	0	55,695
Operating Transfers Out	0	0	0	(432)	(432)
<i>Net Income (Loss)</i>	45,287	9,799	(9,766)	9,487	54,807
<i>Retained Earnings (Deficit)</i>					
<i>Beginning of Year</i>	<u>(9,901)</u>	<u>(8,421)</u>	<u>46,585</u>	<u>(8,834)</u>	<u>19,429</u>
<i>Total Fund Equity End of Year</i>	<u><u>\$35,386</u></u>	<u><u>\$1,378</u></u>	<u><u>\$36,819</u></u>	<u><u>\$653</u></u>	<u><u>\$74,236</u></u>

Chardon Local School District
Combining Statement of Cash Flows
All Enterprise Funds
For the Fiscal Year Ended June 30, 2001

	Food Service	Uniform School Supplies	Summer School	Adult Education	Totals
<i>Increase (Decrease) in Cash and Cash Equivalents</i>					
Cash Flows from Operating Activities					
Cash Received from Customers	\$583,619	\$28,646	\$28,772	\$25,969	\$667,006
Cash Received from Others	8,162	0	0	0	8,162
Cash Payments to Suppliers for Goods and Services	(315,866)	(27,746)	(30,679)	(16,944)	(391,235)
Cash Payments to Employees for Services	(337,320)	0	(2,578)	(905)	(340,803)
Cash Payments for Other	0	0	0	(301)	(301)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(61,405)</u>	<u>900</u>	<u>(4,485)</u>	<u>7,819</u>	<u>(57,171)</u>
Cash Flows from Noncapital Financing Activities					
Operating Grants Received	88,654	0	0	0	88,654
Advances Out	(40,000)	(9,000)	0	(7,500)	(56,500)
Operating Transfers In	46,695	9,000	0	0	55,695
Operating Transfer Out	0	0	0	(432)	(432)
<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>	<u>95,349</u>	<u>0</u>	<u>0</u>	<u>(7,932)</u>	<u>87,417</u>
Cash Flows from Capital and Related Financing Activities					
Interest on Investments	795	0	0	0	795
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	34,739	900	(4,485)	(113)	31,041
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>1,853</u>	<u>478</u>	<u>48,309</u>	<u>1,202</u>	<u>51,842</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$36,592</u></u>	<u><u>\$1,378</u></u>	<u><u>\$43,824</u></u>	<u><u>\$1,089</u></u>	<u><u>\$82,883</u></u>
<i>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</i>					
Operating Income (Loss)	(\$266,257)	\$799	(\$9,766)	\$9,919	(\$265,305)
Adjustments:					
Depreciation	4,401	0	0	0	4,401
Donated Commodities	190,166	0	0	0	190,166
(Increase) Decrease in Assets:					
Accounts Receivable	3,100	101	0	0	3,201
Inventory Held for Resale	(206)	0	0	0	(206)
Materials and Supplies Inventory	17	0	0	0	17
Increase (Decrease) in Liabilities:					
Accounts Payable	9,286	0	0	(81)	9,205
Accrued Wages	(6,567)	0	5,235	(2,455)	(3,787)
Compensated Absences Payable	(4,644)	0	0	0	(4,644)
Intergovernmental Payable	9,299	0	46	436	9,781
<i>Total Adjustments</i>	<u>204,852</u>	<u>101</u>	<u>5,281</u>	<u>(2,100)</u>	<u>208,134</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u><u>(\$61,405)</u></u>	<u><u>\$900</u></u>	<u><u>(\$4,485)</u></u>	<u><u>\$7,819</u></u>	<u><u>(\$57,171)</u></u>

Chardon Local School District
*Schedule of Revenues, Expenses and Changes in
Fund Equity - Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sales	\$747,400	\$583,619	(\$163,781)
Interest	0	795	795
Other	0	8,162	8,162
Operating Grants	0	88,654	88,654
<i>Total Revenues</i>	<u>747,400</u>	<u>681,230</u>	<u>(66,170)</u>
Expenses			
Salaries:			
Food Service Operations	269,000	268,285	715
Fringe Benefits:			
Food Service Operations	69,377	69,035	342
Purchased Services:			
Food Service Operations	1,500	1,081	419
Materials and Supplies:			
Food Service Operations	349,976	330,257	19,719
<i>Total Expenses</i>	<u>689,853</u>	<u>668,658</u>	<u>21,195</u>
<i>Excess of Revenues Over Expenses</i>	57,547	12,572	(44,975)
Advances Out	(40,000)	(40,000)	0
Operating Transfers In	0	46,695	46,695
<i>Excess of Revenues Over Expenses, Advances and Operating Transfers</i>	17,547	19,267	1,720
<i>Fund Equity Beginning of Year</i>	<u>1,853</u>	<u>1,853</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$19,400</u></u>	<u><u>\$21,120</u></u>	<u><u>\$1,720</u></u>

Chardon Local School District
*Schedule of Revenues, Expenses and Changes in
Fund Equity - Budget (Non-GAAP Basis) and Actual
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Sales	<u>\$37,646</u>	<u>\$28,646</u>	<u>(\$9,000)</u>
Expenses			
Salaries:			
Regular Instruction	1,000	0	1,000
Materials and Supplies:			
Regular Instruction	<u>20,478</u>	<u>27,746</u>	<u>(7,268)</u>
<i>Total Expenses</i>	<u>21,478</u>	<u>27,746</u>	<u>(6,268)</u>
<i>Excess of Revenues Over Expenses</i>	16,168	900	(15,268)
Advances Out	(9,000)	(9,000)	0
Operating Transfers In	<u>0</u>	<u>9,000</u>	<u>9,000</u>
<i>Excess of Revenues Over Expenses, Advances and Operating Transfers</i>	7,168	900	(6,268)
<i>Fund Equity Beginning of Year</i>	<u>478</u>	<u>478</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$7,646</u></u>	<u><u>\$1,378</u></u>	<u><u>(\$6,268)</u></u>

Chardon Local School District
*Schedule of Revenues, Expenses and Changes in
Fund Equity - Budget (Non-GAAP Basis) and Actual
Summer School Fund
For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Tuition and Fees	\$28,772	\$28,772	\$0
Expenses			
Salaries:			
Regular Instruction	58,273	30,430	27,843
Fringe Benefits:			
Regular Instruction	5,300	249	5,051
Purchased Services:			
Regular Instruction	1,500	36	1,464
Materials and Supplies:			
Regular Instruction	23,237	2,822	20,415
<i>Total Expenses</i>	<u>88,310</u>	<u>33,537</u>	<u>54,773</u>
<i>Excess of Revenues Under Expenses</i>	(59,538)	(4,765)	54,773
<i>Fund Equity Beginning of Year</i>	46,336	46,336	0
Prior Year Encumbrances Appropriated	<u>1,973</u>	<u>1,973</u>	<u>0</u>
<i>Fund Equity (Deficit) End of Year</i>	<u><u>(\$11,229)</u></u>	<u><u>\$43,544</u></u>	<u><u>\$54,773</u></u>

Chardon Local School District
*Schedule of Revenues, Expenses and Changes in
Fund Equity - Budget (Non-GAAP Basis) and Actual
Adult Education Fund
For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Tuition and Fees	\$26,185	\$25,969	(\$216)
Expenses			
Fringe Benefits:			
Adult/Continuing Instruction	905	905	0
Purchased Services:			
Adult/Continuing Instruction	26,664	16,874	9,790
Materials and Supplies:			
Adult/Continuing Instruction	624	70	554
Other:			
Adult/Continuing Instruction	301	301	0
<i>Total Expenses</i>	<u>28,494</u>	<u>18,150</u>	<u>10,344</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(2,309)	7,819	10,128
Advances Out	(7,500)	(7,500)	0
Operating Transfers Out	(432)	(432)	0
<i>Excess of Revenues Under Expenses, Advances and Operating Transfers</i>	(10,241)	(113)	10,128
<i>Fund Equity Beginning of Year</i>	294	294	0
Prior Year Encumbrances Appropriated	908	908	0
<i>Fund Equity (Deficit) End of Year</i>	<u>(\$9,039)</u>	<u>\$1,089</u>	<u>\$10,128</u>

Chardon Local School District
*Schedule of Revenues, Expenses and Changes in
Fund Equity - Budget (Non-GAAP Basis) and Actual
All Enterprise Funds
For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Tuition and Fees	\$54,957	\$54,741	(\$216)
Sales	785,046	612,265	(172,781)
Interest	0	795	795
Other	0	8,162	8,162
Operating Grants	0	88,654	88,654
<i>Total Revenues</i>	<u>840,003</u>	<u>764,617</u>	<u>(75,386)</u>
Expenses			
Salaries:			
Regular Instruction	59,273	30,430	28,843
Food Service Operations	269,000	268,285	715
Total Salaries	<u>328,273</u>	<u>298,715</u>	<u>29,558</u>
Fringe Benefits:			
Regular Instruction	5,300	249	5,051
Adult/Continuing Instruction	905	905	0
Food Service Operations	69,377	69,035	342
Total Fringe Benefits	<u>75,582</u>	<u>70,189</u>	<u>5,393</u>
Purchased Services:			
Regular Instruction	1,500	36	1,464
Adult/Continuing Instruction	26,664	16,874	9,790
Food Service Operations	1,500	1,081	419
Total Purchased Services	<u>29,664</u>	<u>17,991</u>	<u>11,673</u>
Materials and Supplies:			
Regular Instruction	43,715	30,568	13,147
Adult/Continuing Instruction	624	70	554
Food Service Operations	349,976	330,257	19,719
Total Materials and Supplies	<u>\$394,315</u>	<u>\$360,895</u>	<u>\$33,420</u>

(continued)

Chardon Local School District
*Schedule of Revenues, Expenses and Changes in
Fund Equity - Budget (Non-GAAP Basis) and Actual
All Enterprise Funds (continued)
For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Other:			
Adult/Continuing Instruction	\$301	\$301	\$0
<i>Total Expenses</i>	<u>828,135</u>	<u>748,091</u>	<u>80,044</u>
<i>Excess of Revenues Over Expenses</i>	11,868	16,526	4,658
Advances Out	(56,500)	(56,500)	0
Operating Transfers In	0	55,695	55,695
Operating Transfers Out	<u>(432)</u>	<u>(432)</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenses, Advances and Operating Transfers</i>	(45,064)	15,289	60,353
<i>Fund Equity Beginning of Year</i>	48,961	48,961	0
Prior Year Encumbrances Appropriated	<u>2,881</u>	<u>2,881</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$6,778</u></u>	<u><u>\$67,131</u></u>	<u><u>\$60,353</u></u>

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 on a cost-reimbursement basis.

Since there is only one internal service fund and the level of budgetary control is not greater than that presented in the combined financial statements, no additional financial statements are presented here.

Self Insurance Fund This fund accounts for the medical, dental and prescription drugs self-insurance program for employees of the School District.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and other funds. The following are the School District's fiduciary fund types:

Nonexpendable Trust Fund

Endowment Fund This fund accounts for monies which have been set aside as an investment. The interest from this investment is used for scholarships. The investment principal cannot be withdrawn.

Agency Fund

Student Activities Fund This fund reflects resources that belong to the student bodies of the various schools, accounting for sales and other revenue generating activities.

Chardon Local School District

*Combining Balance Sheet
All Trust and Agency Funds
June 30, 2001*

	<u>Nonexpendable Trust</u>		
	<u>Endowment</u>	<u>Agency</u>	<u>Totals</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	<u>\$140,639</u>	<u>\$41,512</u>	<u>\$182,151</u>
Liabilities			
Accounts Payable	\$0	\$677	\$677
Due to Students	<u>0</u>	<u>40,835</u>	<u>40,835</u>
<i>Total Liabilities</i>	<u>0</u>	<u>41,512</u>	<u>41,512</u>
Fund Equity			
Fund Balance:			
Reserved for Contributions	133,482	0	133,482
Unreserved, Undesignated	<u>7,157</u>	<u>0</u>	<u>7,157</u>
<i>Total Fund Equity</i>	<u>140,639</u>	<u>0</u>	<u>140,639</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$140,639</u>	<u>\$41,512</u>	<u>\$182,151</u>

Chardon Local School District
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2001

	<u>Beginning Balance July 1, 2000</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance June 30, 2001</u>
<i>Student Activities</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$49,332</u>	<u>\$91,829</u>	<u>\$99,649</u>	<u>\$41,512</u>
Liabilities				
Accounts Payable	\$0	\$677	\$0	\$677
Due to Students	<u>49,332</u>	<u>91,152</u>	<u>99,649</u>	<u>40,835</u>
<i>Total Liabilities</i>	<u>\$49,332</u>	<u>\$91,829</u>	<u>\$99,649</u>	<u>\$41,512</u>

General Fixed Assets Account Group

The general fixed assets account group is used to account for all land and improvements, buildings, furniture and equipment and vehicles not used in the operations of the proprietary funds.

Chardon Local School District
Schedule of General Fixed Assets
By Function and Type
June 30, 2001

	<u>Total</u>	<u>Land and Improvements</u>	<u>Buildings</u>	<u>Furniture and Equipment</u>	<u>Vehicles</u>
Instruction	\$6,197,542	\$498,609	\$4,277,991	\$1,420,942	\$0
Support Services:					
Pupils	37,194	0	0	37,194	0
Instructional Staff	817,461	0	0	817,461	0
Administration	1,073,302	26,506	951,582	95,214	0
Fiscal	26,463	0	0	26,463	0
Operation and Maintenance of Plant	1,490,733	16,497	1,275,115	141,355	57,766
Pupil Transportation	1,852,345	0	0	76,353	1,775,992
Central	129,155	0	0	10,230	118,925
Operation of Non-Instructional Services	108,819	0	0	108,819	0
Extracurricular Activities	<u>291,602</u>	<u>193,023</u>	<u>54,551</u>	<u>44,028</u>	<u>0</u>
Total General Fixed Assets	<u><u>\$12,024,616</u></u>	<u><u>\$734,635</u></u>	<u><u>\$6,559,239</u></u>	<u><u>\$2,778,059</u></u>	<u><u>\$1,952,683</u></u>

Chardon Local School District
Schedule of Changes in General Fixed Assets
By Function
For the Fiscal Year Ended June 30, 2001

Function	General Fixed Assets July 1, 2000	Additions	Deletions	General Fixed Assets June 30, 2001
Instruction	\$5,639,540	\$558,002	\$0	\$6,197,542
Support Services:				
Pupils	28,415	8,779	0	37,194
Instructional Staff	685,972	131,489	0	817,461
Administration	1,070,172	3,130	0	1,073,302
Fiscal	23,763	2,700	0	26,463
Operation and Maintenance of Plant	1,473,653	17,080	0	1,490,733
Pupil Transportation	1,552,153	300,192	0	1,852,345
Central	127,340	1,815	0	129,155
Operation of Non-Instructional Services	37,910	70,909	0	108,819
Extracurricular Activities	265,898	25,704	0	291,602
Total General Fixed Assets	<u>\$10,904,816</u>	<u>\$1,119,800</u>	<u>\$0</u>	<u>\$12,024,616</u>

Chardon Local School District
Schedule of General Fixed Assets
By Source
June 30, 2001

General Fixed Assets

Land and Improvements	\$734,635
Buildings	6,559,239
Furniture and Equipment	2,778,059
Vehicles	<u>1,952,683</u>
<i>Total General Fixed Assets</i>	<u><u>\$12,024,616</u></u>

Investments in General Fixed Assets From:

General Fund	\$4,197,661
Special Revenue Funds	495,851
Capital Projects Funds	<u>7,331,104</u>
<i>Total Investment in General Fixed Assets</i>	<u><u>\$12,024,616</u></u>

Statistical Section

Chardon Local School District
General Fund Expenditures by Function
Last Ten Fiscal Years

	<u>2001 (1)</u>	<u>2000 (1)</u>	<u>1999 (1)</u>	<u>1998 (1)</u>	<u>1997 (1)</u>	<u>1996 (1)</u>	<u>1995 (1)</u>	<u>1994 (1)</u>	<u>1993 (1)</u>	<u>1992</u>
Current:										
Instruction:										
Regular	\$9,182,563	\$9,031,286	\$8,766,671	\$7,993,438	\$8,258,079	\$7,705,985	\$7,218,286	\$7,228,612	\$6,832,548	\$6,441,107
Special	2,006,638	1,682,687	1,295,931	1,036,258	1,160,420	873,637	821,436	778,378	726,120	612,159
Vocational	202,198	213,127	209,116	343,640	352,539	287,302	279,461	268,432	254,382	224,586
Other	0	86,277	42,007	89,275	74,528	66,714	62,663	101,914	68,332	51,406
Support Services										
Pupil	876,703	787,874	692,340	632,733	603,625	542,274	519,958	475,970	453,218	438,559
Instructional Staff	767,296	625,274	697,867	471,804	524,222	456,521	430,378	450,531	318,282	369,225
Board of Education	51,710	36,874	43,257	50,333	27,301	73,774	31,689	24,461	25,293	22,196
Administration	1,838,176	1,672,156	1,608,187	1,312,185	1,354,287	1,232,605	1,335,296	1,346,661	1,232,623	1,205,266
Fiscal	630,525	764,460	632,471	617,070	635,250	522,523	425,379	370,012	364,353	389,816
Business	266,331	298,745	268,896	238,235	240,782	213,650	220,912	222,567	225,941	254,059
Operation and Maintenance of Plant	1,999,208	1,924,341	1,766,499	1,674,545	1,643,388	1,726,300	1,488,543	1,574,323	1,559,756	1,434,271
Pupil Transportation	2,172,874	1,602,288	1,480,629	1,274,185	1,391,246	1,286,986	1,331,957	1,411,812	1,153,867	1,029,725
Central	125,981	113,078	100,555	53,105	48,653	9,233	13,478	151,994	238,897	108,710
Operation of Non-Instructional Services	91,629	80,536	70,056	66,549	62,429	61,551	24,010	33,030	1,213	2,337
Extracurricular Activities	337,411	304,464	289,501	282,057	282,360	267,615	251,098	249,686	242,377	209,425
Capital Outlay	322,234	395,394	536,413	262,622	161,128	137,343	243,238	188,728	349,743	137,441
Total	<u>\$20,871,477</u>	<u>\$19,618,861</u>	<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>	<u>\$12,930,288</u>

Source: School District Financial Records

(1) 1993 through 2001 reported on a GAAP Basis; 1992 on a Cash Basis.

Chardon Local School District
General Fund Revenues by Source
Last Ten Fiscal Years

	<u>2001 (1)</u>	<u>2000 (1)</u>	<u>1999 (1)</u>	<u>1998 (1)</u>	<u>1997 (1)</u>	<u>1996 (1)</u>	<u>1995 (1)</u>	<u>1994 (1)</u>	<u>1993 (1)</u>	<u>1992</u>
Taxes	\$14,264,615	\$11,964,463	\$12,041,895	\$11,708,682	\$12,272,914	\$10,217,600	\$9,063,781	\$8,754,824	\$8,713,116	\$8,607,044
Intergovernmental	6,977,629	6,210,276	5,833,639	5,162,280	4,956,941	4,637,742	4,517,304	4,367,009	4,297,062	4,105,215
Interest	193,856	213,538	189,717	159,785	138,985	119,495	109,806	106,985	136,291	212,740
Tuition and Fees	187,211	119,357	108,910	122,423	122,906	199,070	159,428	93,170	144,896	180,009
Extracurricular Activities	22,465	23,969	22,923	24,218	23,520	21,705	21,798	22,398	20,655	20,765
Rentals	69,220	0	0	0	0	0	0	0	0	0
Miscellaneous	<u>372,390</u>	<u>213,776</u>	<u>132,614</u>	<u>383,217</u>	<u>127,433</u>	<u>101,823</u>	<u>94,942</u>	<u>83,264</u>	<u>86,607</u>	<u>50,238</u>
Total	<u>\$22,087,386</u>	<u>\$18,745,379</u>	<u>\$18,329,698</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>	<u>\$13,176,011</u>

Source: School District Financial Records

(1) 1993 through 2001 reported on a GAAP Basis; 1992 on a Cash Basis.

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

Year (3)	Current Tax Levy	Delinquent Levy (4)	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection as a percent of Current Levy
2000	\$14,126,172	\$626,376	\$14,752,548	\$13,637,173	96.45%	\$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	12,135,626	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	9,772,559	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, Ohio; 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 distributed through the State and Reported as Intergovernmental Revenue.
- (2) Information prior to 1993 is not available.
- (3) Represents the collection year. The 2001 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 Years

Year	Real Property		Public Utility/Personal Property		Tangible Personal Property		Total		Ratio
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	
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	23,330,420	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	36
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
1992	208,059,990	594,457,114	23,372,020	26,559,113	25,961,290	103,845,160	257,393,300	724,861,387	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 estate is assessed at 35 percent of actual value.
Public utility personal 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 Years

Year	School Levy	JVS	County Levy	Village Levy	Total Levy	Debt Service Included in Total Levy		
						School	County	Total
2000	\$60.10	\$1.50	\$13.65	\$11.00	\$86.25	\$0.00	\$0.30	\$0.30
1999	60.10	1.50	13.45	11.00	86.05	0.00	0.30	0.30
1998	60.10	1.50	13.45	11.00	86.05	0.00	0.30	0.30
1997	60.10	1.50	13.45	9.20	84.25	0.00	0.30	0.30
1996	60.10	1.50	13.85	9.20	84.65	0.00	0.30	0.30
1995	54.30	1.50	11.85	9.20	76.85	0.00	0.30	0.30
1994	54.60	1.50	11.85	9.20	77.15	0.30	0.30	0.60
1993	55.00	1.50	11.20	9.20	76.90	0.70	0.30	1.00
1992	55.10	1.50	11.20	9.20	77.00	0.80	0.30	1.10
1991	55.10	1.50	10.35	9.20	76.15	0.80	0.55	1.35

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 General Obligation Bonded Debt to Assessed Value
and Net General Obligation Bonded Debt Per Capita
Last Ten Years*

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
2001	\$0	\$488,805,780	20,019	0.00%	\$0.00
2000	0	469,088,880	19,252	0.00	0.00
1999	0	394,353,260	18,573	0.00	0.00
1998	0	372,981,690	18,573	0.00	0.00
1997	0	359,876,700	18,573	0.00	0.00
1996	0	323,603,780	18,573	0.00	0.00
1995	0	312,495,570	17,569	0.00	0.00
1994	135,000	303,479,570	17,569	0.04	7.68
1993	270,000	263,676,480	17,569	0.10	15.37
1992	405,000	257,393,300	17,569	0.16	23.05

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
December 31, 2000

<u>Jurisdiction</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Applicable to School District</u>
Direct:			
Chardon Local School District	<u>\$0</u>	100.00%	<u>\$0</u>
Overlapping:			
Geauga County	1,435,000	21.00	301,350
Chardon Village	3,625,000	100.00	3,625,000
Munson Township	<u>300,000</u>	87.84	<u>263,520</u>
Total Overlapping	<u>5,360,000</u>		<u>4,189,870</u>
Total	<u><u>\$5,360,000</u></u>		<u><u>\$4,189,870</u></u>

Source: Geauga County Auditor and Chardon Local School District

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2000 collection year.

Chardon Local School District
Computation of Legal Debt Margin
June 30, 2001

Assessed Valuation	<u><u>\$488,805,780</u></u>
Debt Limit - 9% of Assessed Value (1)	\$43,992,520
Amount of Debt Applicable	<u>0</u>
Overall Debt Margin	<u><u>\$43,992,520</u></u>
Debt Limit - .10% of Assessed Value (1)	\$488,806
Amount of Debt Applicable	<u>0</u>
Unvoted Debt Margin	<u><u>\$488,806</u></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*

<u>Year (1)</u>	<u>Principal</u>	<u>Interest (1)</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures</u>	<u>Ratio of Debt Service to General Fund Expenditures (Percentage)</u>
2001	\$0	\$0	\$0	\$20,871,477	0.00%
2000	0	0	0	19,618,861	0.00
1999	0	0	0	18,500,396	0.00
1998	0	0	0	16,398,034	0.00
1997	0	0	0	16,820,237	0.00
1996	0	0	0	15,464,013	0.00
1995	0	0	0	14,697,782	0.00
1994	135,000	6,750	141,750	14,877,111	0.95
1993	135,000	13,500	148,500	14,046,945	1.06
1992	135,000	20,250	155,250	12,930,288	1.20

Source: School District Financial Records

(1) 1993 through 2001 reported on a GAAP Basis; 1992 on a Cash Basis.

Chardon Local School District

Demographic Statistics

Last Ten Years

<u>Year</u>	<u>Geauga County Population (1)</u>	<u>Chardon LSD Area Population (2)</u>	<u>School Enrollment (3)</u>	<u>Geauga County Unemployment Rate (4)</u>
2001	90,895	20,219	3,096	2.9%
2000	89,598	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	3.8
1994	83,241	17,569	2,863	5.1
1993	82,094	17,569	2,863	5.8
1992	82,094	17,569	2,795	5.4

Sources:

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

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

Year	Property Value (2) (Real Estate Only)	Financial Institution Deposits 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
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 Estate Tax

December 31, 2000

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Maple Leaf Plaza	\$2,376,780	0.55%
Joseph K. Juster	2,253,300	0.52
Maple Leaf Expansions, Inc.	2,110,480	0.49
Structural North America	1,693,340	0.39
Heather Hill, Inc.	1,500,270	0.35
Center Six Corporation	1,496,050	0.34
Bulk Run Properties	1,389,340	0.32
Chardon Hills Apartments	1,265,250	0.29
Timberwood Farms, LTD	1,150,250	0.26
Burlington Group, Inc.	<u>1,103,020</u>	<u>0.25</u>
Total	<u><u>\$16,338,080</u></u>	<u><u>3.76%</u></u>

Source: Geauga County Auditor

(1) Assessed values are for the 2001 collection year.

Chardon Local School District

Principal Taxpayers

Tangible Personal Property Tax

December 31, 2000

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Eltech System Corporation	\$3,841,050	12.26%
Essef Corporation	3,460,670	11.05
Bert Sand Corporation	2,211,770	7.06
Bayer Corporation	2,054,500	6.56
Unova Industrial Automated Systems, Inc.	1,666,350	5.32
Chardon Rubber	1,192,760	3.81
Lawson Ford and Mercury	838,420	2.68
Junction Auto Sales	779,890	2.49
Chardon Metal Products	674,100	2.15
Waste Management of Ohio	<u>637,560</u>	<u>2.04</u>
Total	<u><u>\$17,357,070</u></u>	<u><u>55.42%</u></u>

Source: Geauga County Auditor

(1) Assessed values are for the 2001 collection year.

Chardon Local School District
Principal Taxpayers
Public Utilities Tangible Property Tax
December 31, 2000

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total District Assessed Value</u>
Cleveland Electric Illuminating	\$13,178,960	58.01%
Western Reserve Telephone	4,755,840	20.93
East Ohio Gas	<u>2,114,170</u>	<u>9.31</u>
Total	<u><u>\$20,048,970</u></u>	<u><u>88.25%</u></u>

Source: Geauga County Auditor

(1) Assessed values are for the 2001 collection year.

Chardon Local School District

*Per Pupil Cost
Last Ten Fiscal Years*

<u>Year (1)</u>	<u>General Fund Expenditures</u>	<u>Average Daily Membership</u>	<u>Per Pupil Cost</u>
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
1992	12,930,288	2,795	4,626

Source: School District Financial Records.

- (1) 1993 through 2001 reported on a GAAP Basis;
1992 on a Cash Basis.

Chardon Local School District
Teacher Education and Experience
June 30, 2001

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	42	19.91%
Bachelor + 18 hours	22	10.42
Bachelor + 30 hours	25	11.84
Master's Degree	68	32.23
Master's + 18 hours	17	8.06
Master's + 30 hours	30	14.22
Master's + 45 hours	4	1.90
PHD's	<u>3</u>	<u>1.42</u>
Total	<u><u>211</u></u>	<u><u>100.00%</u></u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	34	16.11%
6 - 10	34	16.11
11 and Over	<u>143</u>	<u>67.78</u>
	<u><u>211</u></u>	<u><u>100.00%</u></u>

Source: School District Personnel Records



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OFFICE OF THE AUDITOR

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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 26, 2002**