

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

SINGLE AUDIT REPORT

JUNE 30, 2008



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Report of Independent Accountants* of the Chardon Local School District, Geauga County, prepared by S.R. Snodgrass, A.C., for the audit period July 1, 2007 through June 30, 2008. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

January 29, 2009

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**CHARDON LOCAL SCHOOL DISTRICT
SINGLE AUDIT REPORT**

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

Board of Education
Chardon Local School District
Chardon, Ohio

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Chardon Local School District, Geauga County, Ohio, (the District) as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 23, 2008. 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'.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as items 2008-001.

We noted certain matters that we reported to management of the District in a separate letter dated December 23, 2008.

The District's responses to the findings identified in our audit are described in the accompanying corrective action plan. We did not audit the District's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the management, Board of Education, 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.

J.R. Lodgess A.C.

Mentor, Ohio
December 23, 2008

REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH FEDERAL PROGRAM AND ON 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 Chardon Local School District, Geauga County, Ohio (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The District's major federal programs are identified in the summary of auditor's results section of accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs 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 federal 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 of 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 each of its major federal programs for the year ended June 30, 2008.

Internal Control over Compliance

The management of Chardon Local School District is responsible for establishing and maintaining effective internal control over compliance with the 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 the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We identified no deficiencies in internal control over compliance that we consider to be significant deficiencies.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Chardon Local School District, as of and for the year ended June 30, 2008, and have issued our report thereon dated December 23, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's, basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the audit committee, management, Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

S. R. Ludgrees A. C.

Mentor, Ohio
December 23, 2008

CHARDON LOCAL SCHOOL DISTRICT
 GEauga COUNTY
 JUNE 30, 2008

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

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under Section .510?	No
(d)(1)(vii)	Major Programs (list):	Special Education Title VI-B CFDA #84.027
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

CHARDON LOCAL SCHOOL DISTRICT
 GEAUGA COUNTY
 JUNE 30, 2008

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

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

Finding Number	2008-001
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Negative Fund Balances – Noncompliance Finding

Ohio Rev. Code Section 5705.10(H) states that money paid into any fund shall be used only for the purposes for which such fund was established. The existence of a deficit fund balance indicates money from another fund or funds was used to pay obligations of funds that carry the deficit fund balance.

Additionally, Ohio Rev. Code Section 3315.20 permits that a school district may have a deficit in any special fund of the district only if both of the following conditions are satisfied:

- a. The district has a request for payment pending with the state sufficient to cover the amount of the deficit and there is reasonable likelihood that payment will be made.
- b. The unspent and unencumbered balance in the district's general fund is greater than the aggregate of deficit amounts in all of the district's special funds.

The District had negative fund balances at year end that did not qualify under permissible conditions as follows:

Fund	Year End Fund Balance
516 Title VI - B	(\$ 7,379)

The District should monitor fund balances to ensure that expenditures are made within appropriated levels of available funds and if negative fund balances are anticipated, the Board should make an approved transfer or advance of funds to cover the necessary expenditure.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**CHARDON LOCAL SCHOOL DISTRICT
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2008**

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:				
Federal Lunch Program	10.550	47183-LLP-07/08	\$ 152,517	\$ 152,517
Total Nutrition Cluster			<u>152,517</u>	<u>152,517</u>
Total U.S. Department of Agriculture			<u>152,517</u>	<u>152,517</u>
U.S. Department of Education				
Pass through Ohio Department of Education				
Title VI-B, Special Education - Assistance to States for Education of Handicapped Children				
IDEA - B - FY 07	84.027	47183-6BSF-07	60,309	166,752
OISM FY 07	84.027	47183-6BSF-07	19,479	21,884
IDEA - B - FY 08	84.027	47183-6BSF-08	650,764	614,823
OISM FY 08	84.027	47183-6BSF-08	26,007	55,114
Total Title VI-B			<u>756,559</u>	<u>858,573</u>
Drug-Free School Grant				
Title IV - SDFSC - FY 08	84.186	47183-DRS1-2008	4,790	7,544
Total Drug - Free School Grant			<u>4,790</u>	<u>7,544</u>
Innovative Education Program Strategies				
Title V - FY 07	84.298	47183-C2S1-2007	6,384	5,881
Total Innovative Education Program Strategies			<u>6,384</u>	<u>5,881</u>
Special Needs				
Title I - FY 08	84.010	047183-C1S1-2008	98,357	101,970
Title I - FY 08 - NDCL	84.010	047183-C1S1-2008	1,961	1,961
Title I-D - FY 08	84.010	047183-C1S1-2008	1,807	-
Total Special Needs			<u>102,125</u>	<u>103,931</u>
Reducing Class Size				
Title IID - FY 07	84.352	47183-TJS1-2007	616	616
Title IID - FY 08	84.352	47183-TJS1-2008	370	265
Total Reducing Class Size			<u>986</u>	<u>881</u>
Reducing Class Size				
Title IIA - FY 08	84.340	47183-TRS1-2008	8,150	70,849
Total Reducing Class Size			<u>8,150</u>	<u>70,849</u>
Total U.S. Department of Education			<u>878,994</u>	<u>1,047,659</u>
TOTAL FEDERAL AWARDS EXPENDITURES			<u>\$ 1,031,511</u>	<u>\$ 1,200,176</u>

See Notes to the Schedule of Awards Expenditures

**CHARDON LOCAL SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2008**

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, 2008, the District had immaterial food commodities in inventory recorded in the Food Service Fund.

**CHARDON LOCAL SCHOOL DISTRICT
STATUS OF PRIOR YEAR AUDIT'S CITATIONS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Correction Action Taken; or Finding No Longer Valid; Explain
2007-1	<p>34 CFR 80.20 (b)(7) and 34 CFR 80.21 state that when funds are funded on a reimbursement basis, program costs must be paid for by entity funds before reimbursement is requested from the Federal Government. When funds are advanced, recipients must follow procedures to minimize the time elapsing between the transfer of funds from the U.S. Treasury and disbursement. When advances are made by electronic fund transfer, the recipient must make drawdowns as close as possible to the time of making disbursement.</p> <p>The district received \$148,069 on January 1, 2007 for the Special Education Title VI-B grant. Our review of program activity disclosed that these funds were not fully disbursed until March 23, 2007. This indicates the District did not minimize the time elapsing between advances and the expenditures.</p>	Yes	The District has minimized the time elapsing between advances and expenditures and the finding has been corrected.

**CHARDON LOCAL SCHOOL DISTRICT
GEAUGA COUNTY
THE DISTRICT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2008**

Finding Number	Planned Corrective Action
2008-001	The District had negative fund balances at year end that did not qualify under permissible conditions. The District is aware of this issue of noncompliance, and the Board of Education has granted the Treasurer authority to make necessary transfers and advances, with the understanding the Board will be informed of the transfers and advances. The Board of Education is informed at the monthly meeting of the Board of Education.

Chardon Local School District
Chardon, Ohio

Comprehensive
Annual Financial Report

For the Fiscal Year Ended June 30, 2008

Prepared by

Treasurer's Office

Stephanie Swain
Treasurer

Chardon Local School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2008
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Chardon Local School District

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

Administrative Offices



Pursuing Excellence

December 23, 2008

Board of Education Members
Chardon Local School District

This report enables the School District to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires school districts to file unaudited general purpose external financial statements with the Auditor of State within 150 days of fiscal year end.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Ohio law requires independent audits to be performed on all financial operations of the County either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. S. R. Snodgrass, CPA rendered an opinion on the City's financial statements as of June 30, 2008, and the Independent Accountants' Report on the basic financial statements is included in the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent accountant's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

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. The School District is a total of 88 square miles.

Chardon Local School District is one of seven school districts located in Geauga County. Approximately 5,000 people live in Chardon, while over 90,895 reside in surrounding Geauga County. When Chardon was established as a Western Reserve community, the pioneers, who mainly came from New England, modeled their new existence after their New England heritage. The settlers showed the importance they attached to common school education from which they had received so much benefit. They implemented voluntary associations for district schools wherever a sufficient number of youths and children could be gathered. Classes were held in homes, and schoolhouses were built before any legal organizations were affected. The townships were geographically scattered, and because travel was restrictive, the pioneers created several small primary grade schools in each township and village for the local students. In 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. Chardon Local School District is one of the 612 school districts in the State of Ohio. The School District provides education to 3,259 students in grade K-12, including special education services to 468 students.

The Chardon Local School District provides a comprehensive array of programs and services in six school buildings. Course offerings, supplemented by extra-curricular opportunities, afford students with the skills necessary to pursue post-high school educational and career goals.

The students enrolled in the Chardon Local School District attend classes in the following buildings:

- Park Elementary School built in 1938, houses students in kindergarten through grade 5.
- Munson Elementary School built in 1955, with additions in 1959 and 1974, houses students in kindergarten through grade 5.
- Maple Elementary School built in 1958, with an addition in 1964, houses students in kindergarten through grade 5.
- Hamden Elementary School built in 1922, with additions in 1949 and 1964, houses students in kindergarten through grade 5.
- Chardon Middle School built in 1965, with an addition in 1974 and 1959, houses students in grades 6 through 8.
- Chardon High School built in 1951, with additions in 1953, 1957, 1964, and 1974, houses students in grades 9 through 12.

The Chardon Local School District is proud of the broad spectrum of programs it offers. In addition to academics, Chardon offers rich and diverse extracurricular opportunities for students, beginning in elementary schools.

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

The Board of Education of the Chardon Local School District is an elected five member body, as defined by Section 3313.02, Ohio Revised Code. The Board serves as the taxing authority, contracting body, policy maker, and ensures that all other general laws of the State of Ohio are followed in the expenditure of the School District's tax dollars and approves the annual appropriation resolution and tax budget.

The board members as of June 30, 2008 were as follows: Suzanne Fisher, Blake Rear, Cynthia Sague, Paul Stefanko, and Debbie Seenarine-Wilson.

The Superintendent is the chief administrative officer of the School District, responsible directly to the Board for operations. Mr. Joseph Bergant II was appointed as Superintendent effective August 22, 2005.

The Treasurer is the chief financial officer of the School District, responsible directly to the Board for maintaining all financial records, maintaining custody of all School District funds and assets, and investing idle funds as specified by Ohio law. Stephanie C. Swain was appointed Treasurer effective January 12, 2004.

The Reporting Entity

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 the Lake Geauga Computer Association, the Ohio Schools' Council Association, and the Auburn Career Center, jointly governed organizations, and the Ohio Association of School Business Officials Workers' Compensation Group Rating Program, an insurance purchasing pool. These organizations are presented in Notes 13 and 14 to the basic financial statements.

A complete discussion of the School District's reporting entity is provided in Note 1 to the Basic Financial Statements.

Economic Condition and Outlook

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

The School District is very fortunate in that the tax base continues to grow as more and more land is developed for housing and business. The School District anticipates the assessed valuations to increase every year. For calendar year 2007, the School District's assessed valuation was \$659,790,895 and for calendar year 2006, it was \$655,588,260.

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 2008, as voters approved a continuing operating levy of 4 mills and Permanent Improvement Levy of 2 mills. Voters in the School District have approved continuing tax levies of 5.5 mills, 4.9 mills, 5.5 mills, 7.3 mills, 5.8 mills and 4.78 mills in 1977, 1982, 1987, 1989, 1995, and 2000 respectively.

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

Major Initiatives

The Chardon Local District is excited about the future. Voters approved a 6.0 mill dual purpose continuing tax issue on the March 2008 ballot. Four mills are slated to be used for general operating expenses of the School District. These expenses typically include salaries, benefits, utilities and the general day to day running of the School District. Two mills are earmarked for permanent improvements such as technology, bus replacements, building repairs, facility enhancements, and replacements to capital assets such as boilers and other infrastructure.

The School District focuses on the continuous improvement of our educational program for the benefit of our entire school community. The process involves assessing current programs, identifying strengths and weaknesses, developing and implementing new courses of action, and evaluating the results. Many of the initiatives for this school year were outgrowths of our Strategic Planning and an analysis of data collected from the School District's Performance Audit. Highlights of these initiatives for 2007-08 are as follows:

- Continued investigation of alternative educational programming for high school students identified as at-risk.
- Expansion of a tuition-based All Day Everyday Kindergarten from one to two classrooms.
- Strong management/employee relationships within each bargaining group (OEA).
- Continued reductions in bus fuel consumption and miles traveled through actions taken after an internal audit of transportation practices.
- Continued implementation of an employee and parent climate survey to measure satisfaction of educational programming and support services.
- Year two of the "Incentive to Leave" plan (retirement incentive) continued to reduce high end staff salary expenditures with good success.
- Implementation of an Energy Management Program into our culture to educate staff in the everyday conservation of energy in all school facilities.
- Expanded our special education program from two classrooms to eight classrooms within our School District. This cost avoidance measure returned 90 percent of Chardon resident students with disabilities back to their home schools at significant cost savings while enhancing their educational experiences.

Outlook for the Future

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, support staff members, representatives from business, industry and the community at large, the plan provides the framework to move the School District forward as we progress into the 21st century. The School District completed its third formal cycle of strategic planning during the 2006-07 school year with year one implementation commencing in fall 2007. The seven strategies and action plans listed below continue to guide our educational program.

1. Curriculum Strategy

We will develop and implement an educational framework that challenges each student to achieve the full potential of his/her capability.

- Analyze student achievement data in order to identify the instructional, curriculum, and organizational practices that support high levels of student achievement.
- Differentiate the curriculum to meet the academic needs of all students.
- Maximize the use of students' instructional time.
- Expand the All Day Every Day kindergarten pilot program to service each elementary building.
- Establish district wide staff development for classroom instruction on determination and perseverance
- Incorporate foreign language exploration and instruction into the elementary and middle school curriculum.

2. Technology Strategy

We will develop and implement a plan to fully utilize current and emerging technology throughout our educational program.

- Create a Technology Advisory Team made of staff, community, business etc.
- Create a sustainable technology infrastructure.
- Implement a website utilizing a content management system.
- Expand professional development for integrating technology.
- Commit to an accountable technology funding formula.
- Provide a real-time student progress system accessible by students and parents.

3. School Funding Strategy

We will develop and implement a plan to secure funding by identifying funding sources and consistently promoting community understanding of the School District's financial needs.

- Creation of a committee (Chardon's Future) comprised of staff, parents, community members, and business representatives to promote community understanding of the School District's financial needs and resources.
- Institute Biannual/quarterly public forums to encourage public discussion and engagement on topics relating to the district's finances.
- Create a treasurer's webpage for finance and funding information on the School District's website.
- Prepare and publish a simplified and understandable explanation of how current State funding affects the Chardon Local Schools.
- Identify external sources for funding non-instructional programs for the School District.
- Pursue and secure means to identify and obtain nontraditional funds that supplement the School District's programs, including, but not limited to: planned endowments/giving, grants, corporate partnerships/matching gifts, open enrollment, etc.

4. Facilities Strategy

We will develop and implement a plan to maximize our current resources and provide needed educational environment/facilities for the future.

- Develop new long range visionary facilities plan for The Chardon Local School District.

5. Staff Development Strategy

We will develop and implement a process for each employee to grow professionally to their fullest potential.

- Provide quality staff development opportunities for classified staff.
- Provide quality staff development opportunities for certified staff.
- Evaluate funding sources for staff development.

6. Community Involvement/Partnerships Strategy

We will develop and implement a plan that pro-actively involves the community, ensures communication, and results in productive partnerships.

- Establish a School District-wide volunteer initiative to enhance student achievement.
- Strengthen, enhance, and expand partnerships with area businesses.
- Strengthen, enhance, and expand partnerships with parents, community members, and community organizations.
- Establish proactive multi-faceted school communication.
- Establish ongoing partnerships with local governments to further our mission.

7. Safety/Security Strategy

We will develop and implement measures to ensure that our students and staff have a safe and secure learning environment.

- Operationalize and practice the building crisis plans that have been drafted for each building.
- Identify and implement procedures/programs to eliminate active and passive bullying and/or harassment.
- Strengthen relationship with emergency services.
- Increase/improve surveillance and communication capabilities of our facilities.

Long-Term Financial Planning

The five-year forecast of Revenue and Expenditures serves as a financial planning tool and the foundation for academic and business operations of the School District. The forecast provides the Board and community stakeholders with a blueprint addressing the financial needs required to serve the student population. Assumptions are an integral part of the forecast and represent what the School District believes are significant factors impacting the forecast. A key component to the forecast is the timeline for the renewal of the School District's limited levies that occur every three or five years.

Relevant Financial Policies

It is the School District's policy to maintain a replacement schedule for textbooks, computers and school buses. The management of these replacement schedules is handled through the permanent improvement fund. The last new levy approved by the voters was a dual purpose levy, with two mills designated for these permanent improvements.

Awards and Acknowledgements

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, 2007. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

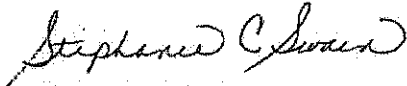
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable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

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

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

Respectfully submitted,



Stephanie C. Swain
Treasurer



Joseph Bergant II
Superintendent

Chardon Local School District

Principal Officials

June 30, 2008

Board of Education

Mrs. Suzanne Fisher..... President
Ms. Debbie Seenarine-Wilson Vice-President
Mr. Blake RearMember
Mr. Cindy SagueMember
Mr. Paul StefankoMember

Treasurer

Mrs. Stephanie Swain

Superintendent

Mr. Joseph Bergant II

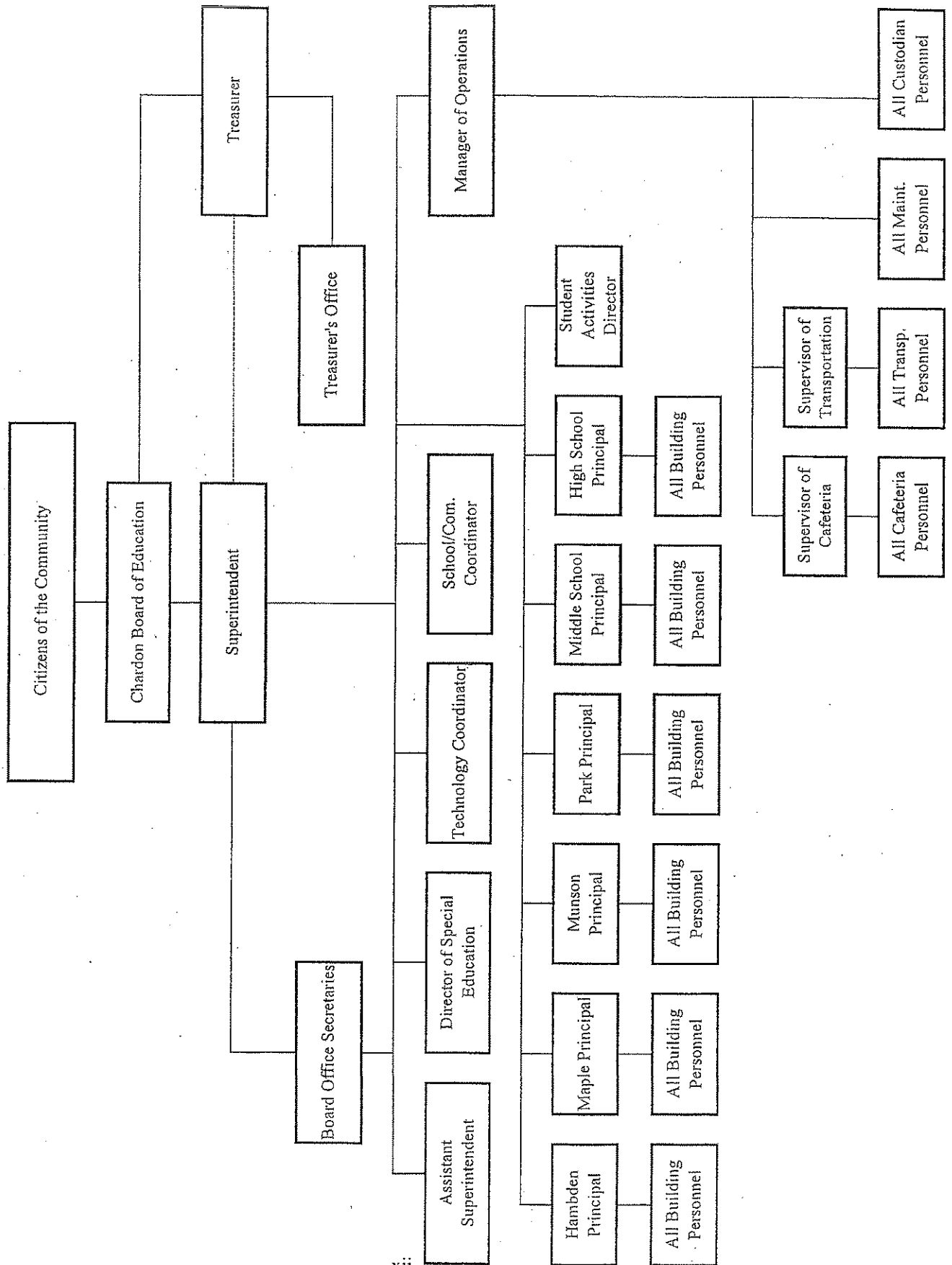
Assistant Superintendent

Dr. Randy Continenza

Manager of Operations

Mr. Dana Stearns

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, 2007

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



President

Executive Director

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REPORT OF INDEPENDENT ACCOUNTANTS

Board of Education
Chardon Local School District
Chardon, Ohio

We have audited the accompanying financial statements of governmental activities, each major fund, and the aggregate remaining fund information of the Chardon Local School District, Chardon, Ohio (the District) as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Chardon Local School District, Chardon, Ohio as of June 30, 2008, the respective changes in financial position and cash flows, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 23, 2008 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. 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 assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the individual fund schedules of revenues, expenditures, and changes in fund balance - budget (non-GAAP basis) and actual have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

J. R. Ludgus A.C.

Mentor, Ohio
December 23, 2008

Chardon Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

The discussion and analysis of Chardon Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2008. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2008 are as follows:

- The community continued to show support for the Chardon Local School District by approving a 6 mill continuing dual purpose levy, 4 mills designated for current operating expenses and 2 mills designated for permanent improvement on the March 4, 2008 ballot. Diligent financial management has avoided deficit spending and has kept the School District from being on the ballot for additional tax money since 2006.
- The School District is committed to meeting the academic needs of our students by providing them with updated textbooks and instructional materials to compete in a global environment. During fiscal year 2008, the School District adopted a new series of textbooks for math.
- Annually, the School District prepares a cash basis five-year financial forecast. The financial forecast is the foundation for the School District's operations and is used as a financial planning tool to assist the School District in determining its ability to meet certain financial obligations and plan future funding needs. The forecast shows revenue and expenditures for the general operating fund on a cash basis for the past three fiscal years and projects revenue and expenditures for the ensuing five-year period. For fiscal year 2008, the School District was able to keep the costs of employee benefits constant with the prior year.
- Not only does the School District value education but recognizes the importance of providing the students with a variety of extra-curricular activities. At the high school individuals in girl's gymnastic's and girl's track made it to the Division I State finals. The high school band, through donations and fund raising activities, was able to compete at the Disney Magic Music Days competition hosted by Walt Disney World in Orlando Florida and the Middle School Band competed at the Music in the Park competition hosted by Cedar Point in Sandusky Ohio.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Chardon Local School District as a financial whole, or complete operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and the Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate and longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements explain how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the Chardon Local School District, the general fund is by far the most significant fund.

Chardon Local School District
Management's Discussion and Analysis
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Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While these statements contain information about the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2008?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all non-fiduciary assets and liabilities using the accrual basis of accounting, similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Assets and the Statement of Activities, all of the School District's activities are classified as governmental. All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, operation of food services and extracurricular activities.

Reporting the School District's Most Significant Funds

The analysis of the School District's major funds begins on page 10. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds is the general fund.

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

Proprietary Funds - Proprietary funds have historically operated as enterprise and internal service funds using the same basis of accounting as business-type activities. The School District has no enterprise funds. The internal service funds account for the self insurance fund for medical, surgical, prescription drug, and dental claims is reported as the School District's only proprietary funds.

Chardon Local School District
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Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the School District's programs. These funds use the accrual basis of accounting.

The School District as a Whole

Recall that the statement of net assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2008 compared to 2007:

Table 1
Net Assets
Governmental Activities

	2008	2007	Change
Assets			
Current and Other Assets	\$23,578,288	\$25,936,193	(\$2,357,905)
Capital Assets, Net	<u>5,306,802</u>	<u>5,096,010</u>	<u>210,792</u>
<i>Total Assets</i>	<u>28,885,090</u>	<u>31,032,203</u>	<u>(2,147,113)</u>
Liabilities			
Current Liabilities	18,271,702	21,086,019	(2,814,317)
Long-Term Liabilities			
Due Within One Year	498,250	338,183	160,067
Due In More Than One Year	<u>1,897,803</u>	<u>1,467,869</u>	<u>429,934</u>
<i>Total Liabilities</i>	<u>20,667,755</u>	<u>22,892,071</u>	<u>(2,224,316)</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	5,301,124	5,085,419	215,705
Restricted for:			
Capital Projects	173,612	169,839	3,773
Other Purposes	566,607	634,075	(67,468)
Unrestricted	<u>2,175,992</u>	<u>2,250,799</u>	<u>(74,807)</u>
<i>Total Net Assets</i>	<u>\$8,217,335</u>	<u>\$8,140,132</u>	<u>\$77,203</u>

By comparing assets and liabilities, one can see the overall position of the School District has improved as evidenced by the increase in net assets. Management continues to diligently plan expenses, staying carefully within the School District's revenues

In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for the current year. Table 2 shows total revenues, expenses and changes in net assets for the fiscal year 2008 and 2007.

Chardon Local School District
Management's Discussion and Analysis
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Table 2
Governmental Activities

	2008	2007	Change
Program Revenues			
Charges for Services and Sales	\$1,088,705	\$1,298,384	(\$209,679)
Operating Grants, Interest and Contributions	2,105,396	2,416,650	(311,254)
Capital Grants and Contributions	235,674	91,147	144,527
<i>Total Program Revenues</i>	<u>3,429,775</u>	<u>3,806,181</u>	<u>(376,406)</u>
General Revenues			
Property Taxes	19,756,013	19,750,701	5,312
Grants and Entitlements	9,421,065	8,504,813	916,252
Payment in Lieu of Taxes	12,081	17,231	(5,150)
Investments	294,733	262,712	32,021
Miscellaneous	250,793	260,406	(9,613)
<i>Total General Revenues</i>	<u>29,734,685</u>	<u>28,795,863</u>	<u>938,822</u>
<i>Total Revenues</i>	<u>33,164,460</u>	<u>32,602,044</u>	<u>562,416</u>
Program Expenses			
Instruction:			
Regular	13,560,378	12,684,994	875,384
Special	4,088,256	3,833,679	254,577
Vocational	239,709	186,154	53,555
Adult/Continuing	4,651	6,824	(2,173)
Support Services			
Pupils	1,560,989	1,318,471	242,518
Instructional Staff	1,498,951	1,219,398	279,553
Board of Education	117,374	21,037	96,337
Administration	2,414,700	2,425,222	(10,522)
Fiscal	908,443	835,067	73,376
Business	359,350	353,529	5,821
Operation and Maintenance of Plant	2,456,747	2,360,151	96,596
Pupil Transportation	2,811,222	2,350,809	460,413
Central	247,982	239,062	8,920
Operation of Non-Instructional Services	1,096,795	1,199,516	(102,721)
Operation of Food Service	1,010,920	823,993	186,927
Extracurricular Activities	710,267	699,230	11,037
Interest and Fiscal Charges	523	2,534	(2,011)
<i>Total Program Expenses</i>	<u>33,087,257</u>	<u>30,559,670</u>	<u>2,527,587</u>
<i>Increase in Net Assets</i>	77,203	2,042,374	(1,965,171)
Net Assets Beginning of Year	<u>8,140,132</u>	<u>6,097,758</u>	<u>2,042,374</u>
Net Assets End of Year	<u><u>\$8,217,335</u></u>	<u><u>\$8,140,132</u></u>	<u><u>\$77,203</u></u>

Governmental Activities

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. It increases as a result of new construction or collection from a new voted levy. Although school districts experience inflationary growth in expenses, tax revenue does not keep pace with the

Chardon Local School District
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increased expenses due to House Bill 920. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay less than \$35.00 and the School District would collect the same dollar value the levy generated in the year it passed. The 10 percent rollback on all residential/agricultural property and the 2.5 percent rollback on all owner occupied homes would reduce the amount of taxes paid.

Thus school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. The increase in property tax revenue was due to new construction coming on to the tax duplicate offset by the elimination of the 10 percent rollback for businesses that was effective in January 2006.

The School District's grants and entitlements increased due to an increase in School Foundation revenues from the State of Ohio.

An all-day kindergarten program was implemented for fiscal year 2008. The extended half-day of kindergarten is paid for by the parents.

Overall expenses increased due to negotiated increases in salaries offset by a slight decrease in healthcare premiums. Special instruction increased as the School District determined it was cost effective to provide for the special education kids within the School District. Additionally, requirements dictated by the federal No Child Left Behind legislation continue to add pressure to the School District's budget.

The School District actively pursues grants and controls expenses while still maintaining the high academic standards the residents expect of the School District.

Beginning in fiscal year 2008, parents have the opportunity to pay for the student's lunch online. Each student uses his/her personal identification number, that accesses his/her account, when visiting the cafeteria. Cafeteria prices did increase slightly in order to cover rising costs.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

The negative amounts indicated in Table 3 should not be construed as something bad; they are merely indicative of whether a particular function of government relies on general revenues for financing or is a net contributor of resources to the School District. Almost 60 percent of instructional activities are supported through taxes and other general revenues. The community, as a whole, is by far the primary support for Chardon Local School District students.

Chardon Local School District
Management's Discussion and Analysis
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Table 3
 Total and Net Cost of Program Services
 Governmental Activities

	2008		2007	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction:				
Regular	\$13,560,378	(\$13,201,624)	\$12,684,994	(\$12,116,330)
Special	4,088,256	(3,819,913)	3,833,679	(3,189,787)
Vocational	239,709	(239,709)	186,154	(186,154)
Adult/Continuing	4,651	10,047	6,824	10,488
Support Services:				
Pupils	1,560,989	(1,195,611)	1,318,471	(1,194,974)
Instructional Staff	1,498,951	(1,495,981)	1,219,398	(1,212,881)
Board of Education	117,374	(117,374)	21,037	(21,037)
Administration	2,414,700	(2,244,103)	2,425,222	(2,425,087)
Fiscal	908,443	(908,443)	835,067	(835,067)
Business	359,350	(359,350)	353,529	(353,529)
Operation and Maintenance of Plant	2,456,747	(2,421,717)	2,360,151	(2,349,593)
Pupil Transportation	2,811,222	(2,589,802)	(2,681,995)	(2,391,493)
Central	247,982	(236,928)	239,062	(222,945)
Operation of Non-Instructional Services	1,096,795	(46,264)	1,199,516	(149,944)
Operation of Food Service	1,010,920	(286,912)	823,993	(42,327)
Extracurricular Activities	710,267	(503,275)	699,230	(401,481)
Interest and Fiscal Charges	523	(523)	2,534	(2,534)
Total	\$33,087,257	(\$29,657,482)	\$25,526,866	(\$27,084,675)

The School District's Funds

Information regarding the School District's major funds begins on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$33,011,619 and expenditures of \$32,655,113. The general fund had an increase in fund balance mainly due to an increase in State Foundation revenues offset by contracted salary and special education costs increases. Other Governmental Funds had a slight decrease in fund balance as the School District continues to use grant money to provide students with a dynamic education. As one can see from the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds, property taxes from the communities that comprise the School District are the largest revenue source, accounting for 60 percent of total governmental revenue.

General Fund Budgeting Highlights

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

During the course of fiscal year 2008, the School District amended its general fund budget several times. The School District uses an operational unit budget process and has in place systems that are designed to tightly control expenses but provide flexibility for program based decision and management.

Chardon Local School District
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Due to conservative estimates for property taxes offset by the change in State Foundation revenues, the actual budget basis revenue was slightly lower than final budget basis revenues. The School District's final budget basis expenditures were \$1,849,848 lower than the final estimate. This is due in large part to the School District's continued commitment to provide a quality education while still controlling the costs of a quality education.

Capital Assets and Debt Administration

Capital Assets

Table 4 shows fiscal 2008 balances compared to 2007:

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

	2008	2007
Land	\$671,712	\$609,612
Land Improvements	1,464,677	1,537,233
Buildings and Improvements	1,398,009	1,228,131
Furniture and Fixtures	493,006	555,522
Vehicles	1,279,398	1,165,512
<i>Total Capital Assets</i>	\$5,306,802	\$5,096,010

During fiscal year 2008, the School District purchased two buses and several computers. These increases were offset by the annual depreciation. Ohio law requires school districts to set aside three percent of certain revenues for capital improvements and an additional three percent for textbooks and instructional materials and supplies. For fiscal year 2008, this amounted to \$494,042 for each set aside. See Note 10 to the basic financial statements for additional information on the School District's capital assets and Note 20 for additional information regarding required set-asides.

Debt

The School District had no outstanding debt in fiscal year 2008 other than a capital lease with a balance of \$5,678 at fiscal year end. See Note 12 to the basic financial statements for additional information on the School District's debt.

School District Outlook

Chardon Local School District has continued to maintain the highest standards of services to our students, parents and community. As with all school districts in the State of Ohio, State funding issues are constantly monitored to determine the impact on the School District. As the preceding information shows, the School District is heavily reliant on local property taxpayers.

Chardon Local School District
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Unaudited

The School District attributes much of its past educational success to the community's demand for, and support of, both a traditional and quality school system. Regardless of the improvements made to Ohio's method of funding public education, our School District always will remain accountable to the residents and taxpayers who make the School District their school system of choice.

As a result of the challenges mentioned above, it is imperative the School District's management continue to carefully and prudently plan in order to provide the resources required to meet student needs over the next several years. Additional revenues must not be treated as a windfall to expand programs but as an opportunity to extend the time horizon of the life of the levies.

In conclusion, Chardon Local School District has committed itself to financial excellence for many years. The School District has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting since 1998.

All of the School District's financial abilities will be needed to meet the challenges of the future.

Contacting the School District's Financial Management

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

Basic Financial Statements

Chardon Local School District

Statement of Net Assets

June 30, 2008

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$5,127,054
Accounts Receivable	4,712
Intergovernmental Receivable	90,612
Prepaid Items	33,584
Inventory Held for Resale	5,142
Materials and Supplies Inventory	155,576
Property Taxes Receivable	18,161,608
Nondepreciable Capital Assets	671,712
Depreciable Capital Assets, Net	<u>4,635,090</u>
<i>Total Assets</i>	<u>28,885,090</u>
Liabilities	
Accounts Payable	59,865
Accrued Wages and Benefits	2,665,947
Intergovernmental Payable	953,062
Deferred Revenue	14,341,350
Claims Payable	251,478
Long-Term Liabilities:	
Due Within One Year	498,250
Due In More Than One Year	<u>1,897,803</u>
<i>Total Liabilities</i>	<u>20,667,755</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	5,301,124
Restricted for:	
Capital Projects	173,612
Extracurricular Activities	210,952
Operation of Non-Instructional Services	108,601
Other Purposes	247,054
Unrestricted	<u>2,175,992</u>
<i>Total Net Assets</i>	<u><u>\$8,217,335</u></u>

See accompanying notes to the basic financial statements

Chardon Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2008

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services and Sales	Operating Grants, Interest and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction:					
Regular	\$13,560,378	\$266,913	\$70,849	\$20,992	(\$13,201,624)
Special	4,088,256	0	268,343	0	(3,819,913)
Vocational	239,709	0	0	0	(239,709)
Adult/Continuing	4,651	14,698	0	0	10,047
Support Services:					
Pupils	1,560,989	48,356	317,022	0	(1,195,611)
Instructional Staff	1,498,951	0	2,970	0	(1,495,981)
Board of Education	117,374	0	0	0	(117,374)
Administration	2,414,700	0	145,582	25,015	(2,244,103)
Fiscal	908,443	0	0	0	(908,443)
Business	359,350	0	0	0	(359,350)
Operation and Maintenance of Plant	2,456,747	9,856	2,753	22,421	(2,421,717)
Pupil Transportation	2,811,222	0	54,174	167,246	(2,589,802)
Central	247,982	0	11,054	0	(236,928)
Operation of Non-Instructional Services	1,096,795	0	1,050,531	0	(46,264)
Operation of Food Service	1,010,920	546,384	177,624	0	(286,912)
Extracurricular Activities	710,267	202,498	4,494	0	(503,275)
Interest and Fiscal Charges	523	0	0	0	(523)
<i>Totals</i>	<u>\$33,087,257</u>	<u>\$1,088,705</u>	<u>\$2,105,396</u>	<u>\$235,674</u>	<u>(29,657,482)</u>
General Revenues					
Property Taxes Levied for:					
					19,102,996
					653,017
					9,421,065
					12,081
					294,733
					250,793
					<u>29,734,685</u>
					77,203
					<u>8,140,132</u>
					<u>\$8,217,335</u>

See accompanying notes to the basic financial statements

Chardon Local School District

Balance Sheet

Governmental Funds

June 30, 2008

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and			
Cash Equivalents	\$3,610,280	\$736,564	\$4,346,844
Accounts Receivable	2,956	1,756	4,712
Intergovernmental Receivable	15,146	75,466	90,612
Interfund Receivable	67,259	0	67,259
Inventory Held for Resale	0	5,142	5,142
Materials and Supplies Inventory	154,295	1,281	155,576
Property Taxes Receivable	17,870,741	290,867	18,161,608
Prepaid Items	30,956	2,628	33,584
<i>Total Assets</i>	<u>\$21,751,633</u>	<u>\$1,113,704</u>	<u>\$22,865,337</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$57,271	\$2,594	\$59,865
Accrued Wages and Benefits	2,659,306	6,641	2,665,947
Interfund Payable	0	67,259	67,259
Intergovernmental Payable	909,357	43,705	953,062
Deferred Revenue	15,190,119	316,245	15,506,364
<i>Total Liabilities</i>	<u>18,816,053</u>	<u>436,444</u>	<u>19,252,497</u>
Fund Balances			
Reserved for Encumbrances	735,104	191,375	926,479
Reserved for Property Taxes	2,683,866	43,686	2,727,552
Unreserved, Undesignated, Reported in:			
General Fund (Deficit)	(483,390)	0	(483,390)
Special Revenue Funds	0	367,234	367,234
Capital Projects Funds	0	74,965	74,965
<i>Total Fund Balances</i>	<u>2,935,580</u>	<u>677,260</u>	<u>3,612,840</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$21,751,633</u>	<u>\$1,113,704</u>	<u>\$22,865,337</u>

See accompanying notes to the basic financial statements

Chardon Local School District
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2008*

Total Governmental Fund Balances	\$3,612,840
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	5,306,802
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Property Taxes	1,092,542
Intergovernmental	69,066
Tuition and Fees	3,406
Total	1,165,014
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	528,732
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Special Termination Benefits	(708,111)
Compensated Absences	(1,682,264)
Capital Leases	(5,678)
Total	(2,396,053)
<i>Net Assets of Governmental Activities</i>	\$8,217,335

See accompanying notes to the basic financial statements

Chardon Local School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2008

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	\$19,018,274	\$635,536	\$19,653,810
Intergovernmental	9,444,002	2,161,929	11,605,931
Interest	294,733	14,314	309,047
Tuition and Fees	204,792	126,555	331,347
Extracurricular Activities	49,884	200,970	250,854
Contributions and Donations	0	41,516	41,516
Charges for Services	0	546,384	546,384
Rentals	9,856	0	9,856
Payment in Lieu of Taxes	12,081	0	12,081
Miscellaneous	192,770	58,023	250,793
<i>Total Revenues</i>	<u>29,226,392</u>	<u>3,785,227</u>	<u>33,011,619</u>
Expenditures			
Current:			
Instruction:			
Regular	12,771,132	166,346	12,937,478
Special	3,819,315	270,223	4,089,538
Vocational	217,380	0	217,380
Adult/Continuing	0	4,651	4,651
Support Services:			
Pupils	1,161,086	403,518	1,564,604
Instructional Staff	1,436,412	3,670	1,440,082
Board of Education	117,374	0	117,374
Administration	2,243,493	162,673	2,406,166
Fiscal	904,622	0	904,622
Business	356,139	0	356,139
Operation and Maintenance of Plant	2,450,491	9,353	2,459,844
Pupil Transportation	2,409,188	56,303	2,465,491
Central	219,417	31,273	250,690
Operation of Non-Instructional Services	74,131	1,022,859	1,096,990
Operation of Food Service	0	974,018	974,018
Extracurricular Activities	441,802	180,827	622,629
Capital Outlay	0	741,981	741,981
Debt Service:			
Principal Retirement	4,913	0	4,913
Interest and Fiscal Charges	523	0	523
<i>Total Expenditures</i>	<u>28,627,418</u>	<u>4,027,695</u>	<u>32,655,113</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>598,974</u>	<u>(242,468)</u>	<u>356,506</u>
Other Financing Sources (Uses)			
Proceeds from Sale of Capital Assets	3,292	0	3,292
Transfers In	0	204,506	204,506
Transfers Out	(204,506)	0	(204,506)
<i>Total Other Financing Sources (Uses)</i>	<u>(201,214)</u>	<u>204,506</u>	<u>3,292</u>
<i>Net Change in Fund Balances</i>	397,760	(37,962)	359,798
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	<u>2,537,820</u>	<u>715,222</u>	<u>3,253,042</u>
<i>Fund Balances End of Year</i>	<u>\$2,935,580</u>	<u>\$677,260</u>	<u>\$3,612,840</u>

See accompanying notes to the basic financial statements

Chardon Local School District
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2008*

Net Change in Fund Balances - Total Governmental Funds \$359,798

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlay exceeded depreciation in the current period.

Capital Asset Additions		
Capital Outlays	610,900	
Capital Contribution	120,000	
Depreciation	<u>(518,422)</u>	
Total		212,478

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (1,686)

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

Property Taxes	102,203	
Intergovernmental	(19,626)	
Tuition and Fees	<u>(49,736)</u>	
Total		32,841

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 4,913

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences	113,197	
Special Termination Benefits	<u>(708,111)</u>	
Total		(594,914)

The internal service fund used by management to charge the costs of insurance to individual funds are not reported in the district-wide statements of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. 63,773

Change in Net Assets of Governmental Activities \$77,203

See accompanying notes to the basic financial statements

Chardon Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$19,672,667	\$19,403,076	\$19,695,077	\$292,001
Intergovernmental	9,778,877	9,644,869	9,432,262	(212,607)
Interest	470,447	464,000	294,733	(169,267)
Tuition and Fees	219,006	216,005	204,792	(11,213)
Extracurricular Activities	51,709	51,000	49,884	(1,116)
Rentals	50,695	50,000	9,856	(40,144)
Payment in Lieu of Taxes	0	0	12,081	12,081
Miscellaneous	113,364	171,850	226,792	54,942
<i>Total Revenues</i>	30,356,765	30,000,800	29,925,477	(75,323)
Expenditures				
Current:				
Instruction:				
Regular	13,430,236	13,367,795	12,945,164	422,631
Special	3,704,804	4,098,471	3,893,490	204,981
Vocational	221,044	219,629	218,171	1,458
Support Services:				
Pupils	1,443,479	1,344,054	1,140,362	203,692
Instructional Staff	1,149,316	1,515,800	1,430,633	85,167
Board of Education	142,381	196,670	141,474	55,196
Administration	2,489,500	2,692,349	2,314,865	377,484
Fiscal	835,005	936,468	892,191	44,277
Business	361,347	393,950	377,898	16,052
Operation and Maintenance of Plant	3,029,845	2,853,471	2,592,328	261,143
Pupil Transportation	2,253,809	2,525,986	2,486,131	39,855
Central	129,155	247,830	218,534	29,296
Operation of Non-Instructional Services	76,121	76,166	70,805	5,361
Extracurricular Activities	551,579	568,368	465,113	103,255
<i>Total Expenditures</i>	29,817,621	31,037,007	29,187,159	1,849,848
<i>Excess of Revenues Over (Under) Expenditures</i>	539,144	(1,036,207)	738,318	1,774,525
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	1,000	3,292	2,292
Advances In	0	0	119,146	119,146
Advances Out	(120,000)	(75,000)	(67,259)	7,741
Transfers Out	(1,025,219)	(210,343)	(204,506)	5,837
<i>Total Other Financing Sources (Uses)</i>	(1,145,219)	(284,343)	(149,327)	135,016
<i>Net Change in Fund Balance</i>	(606,075)	(1,320,550)	588,991	1,909,541
<i>Fund Balance Beginning of Year</i>	1,653,691	1,653,691	1,653,691	0
Prior Year Encumbrances Appropriated	625,958	625,958	625,958	0
<i>Fund Balance End of Year</i>	\$1,673,574	\$959,099	\$2,868,640	\$1,909,541

See accompanying notes to the basic financial statements

Chardon Local School District
Statement of Fund Net Assets
Internal Service Fund
June 30, 2008

	<u>Insurance</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$780,210
Liabilities	
Claims Payable	<u>251,478</u>
Net Assets	
Unrestricted	<u><u>\$528,732</u></u>

See accompanying notes to the basic financial statements

Chardon Local School District
*Statement of Revenues,
Expenses and Changes in Fund Net Assets
Internal Service Fund
For the Fiscal Year Ended June 30, 2008*

	Insurance
Operating Revenues	
Charges for Services	\$4,154,076
Operating Expenses	
Purchased Services	522,951
Claims	3,566,552
Other	800
<i>Total Operating Expenses</i>	4,090,303
<i>Change in Net Assets</i>	63,773
<i>Net Assets Beginning of Year - Restated (See Note 3)</i>	464,959
<i>Net Assets End of Year</i>	\$528,732

See accompanying notes to the basic financial statements

Chardon Local School District
Statement of Cash Flows
Internal Service Fund
For the Fiscal Year Ended June 30, 2008

	Insurance
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from Interfund Services Provided	\$4,154,076
Cash Payments for Services	(522,951)
Cash Payments for Claims	(3,639,542)
Other Cash Payments	(800)
<i>Net Decrease in Cash and Cash Equivalents</i>	(9,217)
<i>Cash and Cash Equivalents Beginning of Year</i>	789,427
<i>Cash and Cash Equivalents End of Year</i>	\$780,210
 Reconciliation of Operating Income to Net Cash Used for Operating Activities	
Operating Income	\$63,773
<i>Adjustments:</i>	
Decrease in Claims Payable	(72,990)
<i>Net Cash Used for Operating Activities</i>	(\$9,217)
 See accompanying notes to the basic financial statements	

Chardon Local School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2008

	Private Purpose Trust	
	Scholarship	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	\$164,185	<u>\$79,216</u>
Liabilities		
Due to Students	<u>0</u>	<u>\$79,216</u>
Net Assets		
Held in Trust for Scholarships	<u>\$164,185</u>	

See accompanying notes to the basic financial statements

Chardon Local School District
Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Fund
For the Fiscal Year Ended June 30, 2008

	<u>Scholarship</u>
Additions	
Interest	\$6,438
Contributions and Donations	<u>50</u>
<i>Total Additions</i>	6,488
Deductions	
College Scholarships Awarded	<u>2,600</u>
<i>Change in Net Assets</i>	3,888
<i>Net Assets Beginning of Year</i>	<u>160,297</u>
<i>Net Assets End of Year</i>	<u><u>\$164,185</u></u>

See accompanying notes to the basic financial statements

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Note 1 - Description of the School District and Reporting Entity

Chardon Local School District (the School District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District operates under a locally elected five member Board form of government and provides educational services as mandated by State and federal agencies. The Board of Education controls the School District's 7 instructional/support facilities staffed by 147 classified employees, 192 certificated full and part-time teaching personnel, who provide services to 3,259 students and other community members.

Reporting Entity

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

Non-public Schools - Within the School District boundaries, there are various non-public schools. Current State legislature provides funding to these non-public schools. These monies are received and disbursed on behalf of the non-public school by the treasurer of the School District, as directed by the non-public school. These transactions are reported in a special revenue fund and as a governmental activity of the School District.

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

The School District participates in the Lake Geauga Computer Association, the Ohio Schools' Council Association, and the Auburn Career Center, jointly governed organizations, and the Ohio Association of School Business Officials Workers' Compensation Group Rating Program, an insurance purchasing pool. These organizations are presented in Notes 13 and 14 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to 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 governmental activities and to its internal service fund unless those pronouncements 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 Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

A. Basis of Presentation

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

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. These statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type. The School District, however, has no business-type activities.

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

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

B. Fund Accounting

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

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

General Fund The general fund 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.

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

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

Proprietary Funds Proprietary funds reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as enterprise or internal service; the School District has no enterprise funds.

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. The School District's only internal service fund is a self insurance fund that accounts for revenue received from other funds and the settlement expenses for medical, surgical, prescription drug, and dental claims of School District employees.

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

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets.

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

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

The private purpose trust fund is accounted for on a flow of economic resources measurement focus.

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

D. Basis of Accounting

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

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in 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 year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Revenue 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, 2008, but which were levied to finance fiscal year 2009 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

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

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

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

E. Cash and Cash Equivalents

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

During fiscal year 2008, investments were limited to repurchase agreements and STAROhio. Repurchase agreements are reported at cost.

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 SEC as an investment company, but does operate in a manner consistent with Rule2a7 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, 2008.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2008 amounted to \$294,733 which includes \$38,053 assigned from other School District funds.

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 presented on the financial statements as cash equivalents.

F. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies and donated and purchased food held for resale.

G. Capital Assets

The School District's only capital assets are general capital assets. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The School District was able to estimate the historical cost for the initial reporting of assets by backtrending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of one thousand 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.

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

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Description	Governmental Activities Estimated Lives
Land Improvements	10 - 20 years
Buildings and Improvements	30 - 50 years
Furniture and Fixtures	5 - 20 years
Vehicles	10 years

H. Interfund Balances

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

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 employer will 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 vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for all employees at least fifty-five years of age, all employees at least fifty with at least twenty years of service, or all employees with twenty-five years of service at any age with the School District.

J. Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources, and are reported as obligations of the funds. However, claims and judgments, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Bonds and capital leases are recognized as a liability on the fund financial statements when due.

K. Internal Activity

Transfers between governmental funds are eliminated on the Statement of Activities. Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for services provided and used are not eliminated.

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

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

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 appropriation or expenditure. 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 and property taxes.

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

M. Net Assets

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

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

N. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Any revenues and expenses not meeting the definitions of operating are reported as nonoperating.

O. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence.

P. Estimates

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

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Q. Budgetary Data

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level for all funds. The Treasurer has been given the authority to allocate board appropriations to the function and object levels within each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. Prior to year end, the School District requested and received an amended certificate of estimated resources that closely reflects actual revenue for the fiscal year. The amounts reported as the original and final budgeted amounts in the budgetary statements reflect the amounts in the amended certificate when the original and final appropriations were passed by the Board of Education.

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

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

A. Changes in Accounting Principles

For fiscal year 2008, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", GASB Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues", and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees' years of service and providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. An OPEB liability at transition was determined in accordance with this Statement for both the SERS and the STRS post-employment healthcare plans in the amount of \$121,718 and \$21,583, respectively, which are the same as the previously reported liabilities.

GASB Statement No. 48 addresses how to account for the exchange of an interest in expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments. The statement established criteria used to determine whether the transaction should be recorded as revenue or as a liability (a sale or a collateralized borrowing). The implementation of this statement did not result in any change to the financial statements.

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

GASB Statement No. 50 requires employers contributing to defined benefit pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements. The implementation of this statement did not result in any change to the financial statements.

B. Restatement of Prior Year's Balances

As of June 30, 2007, the School District understated accrued wages and benefits payable. This restatement had the following effect on fund balance as they were previously reported.

	General	Other Governmental Funds	Total Governmental Funds
Fund Balance, June 30, 2007	\$2,934,714	\$715,222	\$3,649,936
Accrued Wages and Benefits Payable	(396,894)	0	(396,894)
Adjusted Fund Balance, June 30, 2007	\$2,537,820	\$715,222	\$3,253,042

The School District overstated cash in the internal service fund by \$72,441. This decreased net assets in the internal service fund from \$537,400 to \$464,959.

The School District understated capital assets net of depreciation by \$165,593. The accrued wages and benefits payable restatement, the internal service fund cash and a restatement of capital assets had the following effect on net assets as they were previously reported.

	Governmental Activities
Net Assets, June 30, 2007	\$8,443,874
Cash	(72,441)
Accrued Wages and Benefits Payable	(396,894)
Capital Assets	165,593
Adjusted Net Assets, June 30, 2007	\$8,140,132

Note 4 – Accountability and Compliance

A. Accountability

Fund balances at June 30, 2008, included the following individual fund deficits:

Special Revenue Funds	
Food Service	\$4,729
Educational Management Information Systems	4,181
Title I	2,905
Drug Free Schools	2,754
Class Size Reduction	63,740

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

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

B. Compliance

Ohio Rev. Code Section 5705.10(H) states that money paid into any fund shall be used only for the purposes for which such fund was established. The existence of a deficit fund balance indicates money from another fund or funds was used to pay obligations of funds that carry the deficit fund balance. The title VI-B special revenue fund had a negative fund balance of \$7,379 at year end. Although this violation was not corrected by fiscal year end, management has indicated that cash balances will be closely monitored to ensure no future violations occur.

Note 5 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Advances-In and Advances Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements are as follows:

Net Change in Fund Balance

	General
GAAP Basis	\$397,760
Net Adjustment for Revenue Accruals	699,085
Advances In	119,146
Net Adjustment for Expenditure Accruals	181,899
Advances Out	(67,259)
Encumbrances	(741,640)
Budget Basis	\$588,991

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Note 6 - Deposits and Investments

Monies held by the School District are classified by State statute into three categories.

Active deposits are public deposits determined to be necessary to meet current demands upon the School District treasury. Active 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 has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

Interim monies held by the School District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, 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;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAROhio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

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. Investments may only be made through specified dealers and institutions.

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$219,121 of the School District's bank balance of \$319,121 was uninsured and uncollateralized. Although the collateral securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

The School District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

As of June 30, 2008, the School District had the following investments:

	Fair Value	Maturity
Repurchase Agreements		
Federal Home Loan Bank Notes	\$225,672	Daily
STAROhio	5,021,083	Average 53.80 days
Total Portfolio	\$5,246,755	

Interest Rate Risk. As a means of limiting its exposure to fair value losses caused by rising interest rates, the School District's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the School District's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. State statute limits investments in repurchase agreements to 30 days and the market value of the securities must exceed the principal value of the agreement by at least 2 percent and be marked to market daily. The School District's repurchase agreement matures on July 1, 2007.

Credit Risk. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The Federal Home Loan Bank Notes underlying the repurchase agreements carries a credit rating of AAA by Standard and Poors. The School District has no investment policy that addresses credit risk.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments. The repurchase agreement is exposed to custodial credit risk in that the underlying securities uninsured, unregistered and held by counterparty. The School District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that requires securities purchased pursuant to this division shall be delivered into the custody of the treasurer or governing board or an agent designated by the treasurer or governing board.

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Note 7 – Property Taxes

Property taxes are levied and assessed on a calendar year basis while the School District's 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 (used in business) located in the School District. Real property tax revenue received in calendar 2008 represents collections of calendar year 2007 taxes. Real property taxes received in calendar year 2008 were levied after April 1, 2007, on the assessed value listed as of January 1, 2007, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. 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 alternate payment dates to be established.

Public utility property tax revenue received in calendar 2008 represents collections of calendar year 2007 taxes. Public utility real and tangible personal property taxes received in calendar year 2008 became a lien December 31, 2006, were levied after April 1, 2007 and are collected in 2008 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2008 (other than public utility property tax) represents the collection of 2008 taxes. Tangible personal property taxes received in calendar year 2008 were levied after April 1, 2007, on the value listed as of December 31, 2007. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2008 is 6.25 percent. This will be reduced to zero for 2009. Payments 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 School District receives property taxes from Geauga County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2008, are available to finance fiscal year 2008 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2008 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2008 was \$2,683,866 in the general fund and \$43,686 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2007 was \$3,360,831 in the general fund.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

The assessed values upon which the fiscal year 2008 taxes were collected are:

	2007 Second Half Collections		2008 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$626,217,750	95.52%	\$637,998,680	96.70%
Public Utility Personal	17,732,580	2.70	12,168,920	1.84
General Business Personal	11,637,930	1.78	9,623,295	1.46
Total	\$655,588,260	100.00%	\$659,790,895	100.00%
 Full Tax Rate per \$1,000 of assessed valuation	\$70.88		\$70.88	

Note 8 - Interfund Transfers and Balances

A. Interfund Transfers

Transfers made during the year ended June 30, 2008 were as follows:

Transfers To	Transfers From General
Other Governmental Funds:	
Food Service	\$181,578
Athletics and Music	15,000
Educational Management Information Systems	7,928
<i>Total Other Governmental Funds</i>	<i>\$204,506</i>

The transfers from the general fund to the food service, athletics and music and the educational management information systems special revenue funds were made to move unrestricted balances to support programs and projects accounted for in other funds.

B. Interfund Balances

Interfund balances at June 30, 2008, consist of an interfund receivable/payable between the general fund and the nonmajor governmental funds in the amount of \$67,259. These loans were made to support programs and projects in various special revenue funds pending the receipt of grant money that will be used to repay the loans. These loans are expected to be repaid in one year.

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Note 9 - Receivables

Receivables at June 30, 2008, consisted of taxes, accounts (charges for services and miscellaneous), tuition and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables, except for delinquent property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

Intergovernmental Receivables	Amounts
Classroom Reduction Grant	\$62,699
Ohio Bureau of Workers Compensation	11,740
Miscellaneous State Grants	6,400
Title I	3,613
Tuition	3,406
Drug Free Schools	2,754
Total	\$90,612

Note 10 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2008, was as follows:

	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008
Nondepreciable Capital Assets				
Land	\$609,612	\$62,100	\$0	\$671,712
Depreciable Capital Assets				
Land Improvements	2,588,908	0	0	2,588,908
Buildings and Improvements	7,662,190	252,400	0	7,914,590
Furniture and Fixtures	2,501,206	125,343	(234,900)	2,391,649
Vehicles	2,929,434	291,057	(312,352)	2,908,139
<i>Total at Historical Cost</i>	15,681,738	668,800	(547,252)	15,803,286
Less: Accumulated Depreciation				
Land Improvements	(1,051,675)	(72,556)	0	(1,124,231)
Buildings and Improvements	(6,434,059)	(82,522)	0	(6,516,581)
Furniture and Fixtures	(1,945,684)	(186,173)	233,214	(1,898,643)
Vehicles	(1,763,922)	(177,171)	312,352	(1,628,741)
<i>Total Accumulated Depreciation</i>	(11,195,340)	(518,422) *	545,566	(11,168,196)
<i>Depreciable Capital Assets, Net of Accumulated Depreciation</i>	4,486,398	150,378	(1,686)	4,635,090
<i>Governmental Activities Capital Assets, Net</i>	\$5,096,010	\$212,478	(\$1,686)	\$5,306,802

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

* Depreciation expense was charged to governmental functions as follows:

Instruction	
Regular	\$142,183
Special	18,421
Vocational	76
Support Services	
Pupils	3,915
Instructional Staff	51,996
Administration	7,427
Fiscal	183
Operation and Maintenance of Plant	14,161
Pupil Transportation	182,119
Central	476
Operation of Non-Instructional Services	13,761
Operation of Food Service	13,753
Extracurricular Activities	69,951
Total Depreciation Expense	\$518,422

The School District received two school buses valued at \$120,000. The School District has recorded this as a capital contribution.

Note 11 – Capital Leases

The School District entered into a capital lease for the acquisition of copiers. The lease obligation meets the criteria of a capital lease as defined by Financial Accounting Standards Board Statement Number 13, “Accounting for Leases,” and has been recorded on the government-wide statements. The original amounts capitalized for the capital leases and the book value as of June 30, 2008 follows:

	Amounts
Asset:	
Equipment	\$14,756
Less: Accumulated depreciation	(5,902)
Current Book Value	\$8,854

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2008.

	Amounts
2009	\$5,436
2010	454
Total Mimimum Lease Payments	5,890
Less: Amount representing interest	(212)
Present Value of Mimimum Lease Payments	\$5,678

Capital lease payments have been reclassified and reflected as debt service in the fund financial statement for the general fund. These expenditures are reflected as program expenditures on a budgetary basis.

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Note 12 – Long-Term Obligations

Changes in long-term obligations of the School District during fiscal year 2008 were as follows:

Governmental Activities	Principal Outstanding June 30, 2007	Additions	Deductions	Principal Outstanding June 30, 2008	Amount Due in One Year
Special Termination Benefits	\$0	\$708,111	\$0	\$708,111	\$386,890
Capital Leases	10,591	0	(4,913)	5,678	5,229
Compensated Absences	1,795,461	220,073	(333,270)	1,682,264	106,131
<i>Total Governmental Activities</i>					
<i>Long-Term Liabilities</i>	<u>\$1,806,052</u>	<u>\$928,184</u>	<u>(\$338,183)</u>	<u>\$2,396,053</u>	<u>\$498,250</u>

Special termination benefits will be paid from the general fund. Compensated absences will be paid from the general fund and the food service and auxiliary services special revenue funds. Capital leases will be paid from the general fund.

The overall debt margin of the School District as of June 30, 2008 was \$58,093,512 with an unvoted debt margin of \$645,483.

Note 13 - Jointly Governed Organizations

Lake Geauga Computer Association The Lake Geauga Computer Association (LGCA) is a jointly governed organization of the School District. The jointly governed organization 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 2008, the School District paid \$87,613 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 Association The Ohio Schools Council Association (Council) is a jointly governed organization among 121 school districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board meets monthly September through June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2008, the School District paid \$2,401 to the Council. Financial information can be obtained by contacting Dr. David A. Cottrell, the Executive Director of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

The Council provides participating school districts the ability to purchase natural gas at reduced rates, if the school districts will commit to participating for a twelve year period. There are currently 137 districts in the Program, including Chardon Local School District. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

The School District also participates in the Council's electric purchase program. The Council provides 238 school districts and 11 MR/DD boards in the First Energy territory (Cleveland Electric Illuminating, Ohio Edison, Toledo Edison) the ability to purchase electricity at reduced rates if the school district committed to participating in either a thirty-six month (Cleveland Electric Illuminating Company) or a forty-four month (Ohio Edison and Toledo Edison) program beginning either May 1, 2005 or January 1, 2006 and ending December 31, 2008. Each month, the Council invoices participants based on estimated usage that was determined when the program was established. Each September, these estimated payments are compared to their actual usage for the year (July to June). Refund checks are issued to districts that consumed less than their projected usage of electrical energy and districts that over-consumed are invoiced.

Auburn Career Center The Auburn Career Center is a 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. In fiscal year 2008, the School District paid \$400 to the Career Center. Financial information can be obtained by writing the Auburn Career Center, 8140 Auburn Road, Painesville, Ohio 44077.

Note 14 - Insurance Purchasing Pool

The School District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised code. The Ohio Association of School Business Officials Workers' Compensation Group Rating Program (GRP) was established through the Ohio Association of School Business Officials (OASBO) as a group purchasing pool. The Executive Director of the OASBA, or his designee, serves as coordinator of the GRP. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Note 15 - Risk Management

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2008, the School District contracted for the following insurance coverage:

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Company	Type of Coverage	Coverage Amount
Indiana Insurance Company	Property, \$1,000 deductible	\$51,014,920
	General Liability, in aggregate	2,000,000
	General Liability, per occurrence	1,000,000
	Medical Expense, any one person	15,000
	Automobile Liability, single limit	1,000,000
	Comprehensive deductible	500
	Collision deductible	1,000
	Uninsured Motorist	500,000
Fidelity & Deposit	Blanket Bond Crime	100,000
Hylant Group	Treasurer's Bond	150,000
	Public Official Bond	50,000

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

B. Worker's Compensation

For fiscal year 2008, the School District participated in the Ohio Association of School Business Officials Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 14). 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. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley UniService provides administrative, cost control, and actuarial services to the GRP.

C. Employee Insurance Benefits

The School District offers medical, surgical, prescription drug, and dental insurance to employees through a self-insurance internal service fund. The School District's monthly premiums are paid to the fiscal agent who in turn pays the claims on the School District's behalf. A specific excess loss coverage (stop-loss) insurance policy covers claims in excess of \$100,000 per employee, per year. The claims liability of \$251,478 reported in the internal service funds at June 30, 2008, 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 claims adjustment expenses. Changes in the funds' claims liability amounts for 2007 and 2008 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2007	\$292,574	\$3,253,286	\$3,221,392	\$324,468
2008	324,468	3,566,552	3,639,542	251,478

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Note 16 – Defined Benefit Pension Plans

A. School Employees Retirement System

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. 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 2008, 9.16 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007 and 2006 were \$395,166, \$435,223 and \$459,373 respectively; 48.84 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System of Ohio

Plan Description - The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For the fiscal year ended June 30, 2008, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2007, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2008, 2007, and 2006 were \$1,692,933, \$1,698,402 and \$1,577,673 respectively; 82.17 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. Contributions to the DC and Combined Plans for fiscal year 2008 were \$18,112 made by the School District and \$44,865 made by the plan members.

Note 17 – Postemployment Benefits

A. School Employee Retirement System

Plan Description – The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2008, 4.18 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2008, this amount was \$63,734.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$180,327, \$203,883, and \$219,083 respectively; 48.84 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2008, this actuarially required allocation was 0.66 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

2006 were \$28,473, \$29,595, and \$33,177 respectively; 48.84 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System

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

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$130,226, \$130,646, and \$121,359 respectively; 83.81 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

Note 18 - Other Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn five to twenty-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 most administrators do not earn vacation. Administrators employed to work 260 days per year earn vacation annually according to their contract. Administrators who earn vacation are paid for accumulated unused vacation time upon termination of employment. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated to a maximum of 120 days for classified employees and a maximum of 210 days for certified employees. Upon retirement, certified employees receive payment for one-third of the total sick leave accumulation and classified employees receive payment for one-fourth of the total sick leave accumulation, up to their maximum accumulation.

B. Life Insurance Benefits

The School District provides life insurance to most employees through the Minnesota Life Insurance Company, in the amount of \$25,000 for all teachers and classified employees. Life insurance is provided to all administrators based on a percentage of their yearly salary per their contract.

C. Retirement Incentive

The School District Board of Education offered employees participation in a Retirement Incentive program beginning August 1, 2004 through June 30, 2008. Participation was open to teachers who were eligible for service retirement under the State Teachers Retirement System (STRS) pursuant to O.R.C. 3307.38 and any applicable STRS regulations. Each teacher who qualifies for and takes retirement receives a retirement incentive.

Chardon Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Note 19 - Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2008.

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 20 - Set Asides

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

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

	Capital Improvements Reserve	Textbooks Instructional Materials Reserve
Set-Aside Reserve Balance as of June 30, 2007	\$0	(\$166,874)
Current Year Set-aside Requirement	494,042	494,042
Qualifying Disbursements	(1,334,658)	(468,202)
Total	(\$840,616)	(\$141,034)
Set-aside Balance Carried Forward to Future Fiscal Years	\$0	(\$141,034)
Set-aside Reserve Balance as of June 30, 2008	\$0	\$0

The School District had qualifying disbursements during the fiscal year that reduced the textbook set-aside amount 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.

Combining and Individual Fund Statements and Schedules

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specific purposes. A description of the School District's nonmajor special revenue funds follows:

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

Special Trusts Fund This fund accounts for monies from local donations for the purpose of scholarships for students.

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 District purposes or activities connected with the School District.

Summer School Fund This fund accounts for State monies for summer intervention services satisfying State defined criteria.

Adult Education Fund This fund accounts for revenues and expenses involved in upgrading and retraining out-of-school youths and adults for the purpose of improving their skills and knowledge in their occupation or planned occupation.

Public School Support Fund This fund accounts for School District 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 District and community.

Underground Storage Tanks Fund This fund accounts for the financial responsibility rules of the State Marshall to cover deductibles.

Athletics 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.

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

Data Communications Fund This fund accounts for State monies received to provide seminars and workshops for staff development.

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

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

Miscellaneous State Grants Fund This fund accounts for State monies which support academic and enrichment programs for the student body.

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

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

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

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

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

Miscellaneous Federal Grants Fund This fund accounts for various monies received through State agencies from the Federal government or directly from the Federal government which are not classified elsewhere.

Nonmajor Capital Projects Fund

The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. A description of the School District's nonmajor capital projects fund follows:

Permanent Improvements Fund This fund accounts for property taxes levied to be used for various capital improvements within the School District.

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

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Chardon Local School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2008

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$624,121	\$112,443	\$736,564
Accounts Receivable	1,756	0	1,756
Intergovernmental Receivable	75,466	0	75,466
Inventory Held for Resale	5,142	0	5,142
Materials and Supplies Inventory	1,281	0	1,281
Property Taxes Receivable	0	290,867	290,867
Prepaid Items	2,628	0	2,628
<i>Total Assets</i>	<u>\$710,394</u>	<u>\$403,310</u>	<u>\$1,113,704</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$2,594	\$0	\$2,594
Accrued Wages and Benefits	6,641	0	6,641
Interfund Payable	67,259	0	67,259
Intergovernmental Payable	43,705	0	43,705
Deferred Revenue	69,066	247,179	316,245
<i>Total Liabilities</i>	<u>189,265</u>	<u>247,179</u>	<u>436,444</u>
Fund Balances			
Reserved for Encumbrances	153,895	37,480	191,375
Reserved for Property Taxes	0	43,686	43,686
Unreserved:			
Undesignated, Reported in:			
Special Revenue Funds	367,234	0	367,234
Capital Projects Funds	0	74,965	74,965
<i>Total Fund Balances</i>	<u>521,129</u>	<u>156,131</u>	<u>677,260</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$710,394</u>	<u>\$403,310</u>	<u>\$1,113,704</u>

Chardon Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2008

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Property Taxes	\$0	\$635,536	\$635,536
Intergovernmental	\$2,069,192	92,737	2,161,929
Interest	14,314	0	14,314
Tuition and Fees	126,555	0	126,555
Extracurricular Activities	200,970	0	200,970
Contributions and Donations	41,516	0	41,516
Charges for Services	546,384	0	546,384
Miscellaneous	58,023	0	58,023
<i>Total Revenues</i>	<u>3,056,954</u>	<u>728,273</u>	<u>3,785,227</u>
Expenditures			
Current:			
Instruction:			
Regular	166,346	0	166,346
Special	270,223	0	270,223
Adult/Continuing	4,651	0	4,651
Support Services:			
Pupils	403,518	0	403,518
Instructional Staff	3,670	0	3,670
Administration	162,673	0	162,673
Operation and Maintenance of Plant	9,353	0	9,353
Pupil Transportation	56,303	0	56,303
Central	31,273	0	31,273
Operation of Non-Instructional Services	1,022,859	0	1,022,859
Operation of Food Service	974,018	0	974,018
Extracurricular Activities	180,827	0	180,827
Capital Outlay	0	741,981	741,981
<i>Total Expenditures</i>	<u>3,285,714</u>	<u>741,981</u>	<u>4,027,695</u>
<i>Excess of Revenues Under Expenditures</i>	(228,760)	(13,708)	(242,468)
Other Financing Sources			
Transfers In	204,506	0	204,506
<i>Net Change in Fund Balances</i>	(24,254)	(13,708)	(37,962)
<i>Fund Balances Beginning of Year</i>	<u>545,383</u>	<u>169,839</u>	<u>715,222</u>
<i>Fund Balances End of Year</i>	<u>\$521,129</u>	<u>\$156,131</u>	<u>\$677,260</u>

Chardon Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2008

	Food Service	Special Trusts	Uniform School Supplies	Summer School
Assets				
Equity in Pooled Cash and Cash Equivalents	\$17,966	\$14,522	\$36,476	\$59,488
Accounts Receivable	549	0	0	0
Intergovernmental Receivable	0	0	0	0
Inventory Held for Resale	5,142	0	0	0
Materials and Supplies Inventory	1,281	0	0	0
Prepaid Items	0	0	0	0
<i>Total Assets</i>	<u>\$24,938</u>	<u>\$14,522</u>	<u>\$36,476</u>	<u>\$59,488</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$411	\$0	\$0	\$0
Accrued Wages and Benefits	5,210	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	24,046	0	0	8,189
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>29,667</u>	<u>0</u>	<u>0</u>	<u>8,189</u>
Fund Balances				
Reserved for Encumbrances	5,805	200	0	53
Unreserved, Undesignated (Deficit)	<u>(10,534)</u>	<u>14,322</u>	<u>36,476</u>	<u>51,246</u>
<i>Total Fund Balances (Deficit)</i>	<u>(4,729)</u>	<u>14,522</u>	<u>36,476</u>	<u>51,299</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$24,938</u>	<u>\$14,522</u>	<u>\$36,476</u>	<u>\$59,488</u>

<u>Adult Education</u>	<u>Public School Support</u>	<u>Other Grants</u>	<u>Underground Storage Tanks</u>	<u>Athletics and Music</u>	<u>Auxiliary Services</u>
\$58,868	\$78,568	\$6,085	\$11,000	\$209,982	\$117,743
0	805	0	0	402	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	1,843	0	0	568	217
<u>\$58,868</u>	<u>\$81,216</u>	<u>\$6,085</u>	<u>\$11,000</u>	<u>\$210,952</u>	<u>\$117,960</u>
\$0	\$220	\$0	\$0	\$0	\$266
0	0	0	0	0	300
0	0	0	0	0	0
0	0	0	0	0	5,297
0	0	0	0	0	0
<u>0</u>	<u>220</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,863</u>
2,340	6,842	4,511	0	22,596	67,504
<u>56,528</u>	<u>74,154</u>	<u>1,574</u>	<u>11,000</u>	<u>188,356</u>	<u>44,593</u>
<u>58,868</u>	<u>80,996</u>	<u>6,085</u>	<u>11,000</u>	<u>210,952</u>	<u>112,097</u>
<u>\$58,868</u>	<u>\$81,216</u>	<u>\$6,085</u>	<u>\$11,000</u>	<u>\$210,952</u>	<u>\$117,960</u>

(continued)

Chardon Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2008

	Educational Management Information Systems	Miscellaneous State Grants	Title VI-B	Title I
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$0	\$6,050	\$6,835	\$0
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	6,400	0	3,613
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Prepaid Items	0	0	0	0
<i>Total Assets</i>	<u>\$0</u>	<u>\$12,450</u>	<u>\$6,835</u>	<u>\$3,613</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$1,697	\$0
Accrued Wages and Benefits	1,131	0	0	0
Interfund Payable	0	0	0	1,806
Intergovernmental Payable	3,050	0	983	1,099
Deferred Revenue	0	0	0	3,613
<i>Total Liabilities</i>	<u>4,181</u>	<u>0</u>	<u>2,680</u>	<u>6,518</u>
Fund Balances				
Reserved for Encumbrances	0	0	44,044	0
Unreserved, Undesignated (Deficit)	(4,181)	12,450	(39,889)	(2,905)
<i>Total Fund Balances (Deficit)</i>	<u>(4,181)</u>	<u>12,450</u>	<u>4,155</u>	<u>(2,905)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$0</u>	<u>\$12,450</u>	<u>\$6,835</u>	<u>\$3,613</u>

<u>Title V</u>	<u>Drug Free Schools</u>	<u>Class Size Reduction</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$503	\$0	\$0	\$35	\$624,121
0	0	0	0	1,756
0	2,754	62,699	0	75,466
0	0	0	0	5,142
0	0	0	0	1,281
0	0	0	0	2,628
<u>\$503</u>	<u>\$2,754</u>	<u>\$62,699</u>	<u>\$35</u>	<u>\$710,394</u>
\$0	\$0	\$0	\$0	\$2,594
0	0	0	0	6,641
0	2,754	62,699	0	67,259
0	0	1,041	0	43,705
0	2,754	62,699	0	69,066
0	5,508	126,439	0	189,265
0	0	0	0	153,895
503	(2,754)	(63,740)	35	367,234
503	(2,754)	(63,740)	35	521,129
<u>\$503</u>	<u>\$2,754</u>	<u>\$62,699</u>	<u>\$35</u>	<u>\$710,394</u>

Chardon Local School District
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2008*

	Food Service	Special Trusts	Uniform School Supplies	Summer School
Revenues				
Intergovernmental	\$175,128	\$0	\$0	\$0
Interest	2,496	580	0	0
Tuition and Fees	0	0	74,007	37,850
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	14,420	0	0
Charges for Services	546,384	0	0	0
Miscellaneous	7,912	0	0	0
<i>Total Revenues</i>	<u>731,920</u>	<u>15,000</u>	<u>74,007</u>	<u>37,850</u>
Expenditures				
Current:				
Instruction:				
Regular	0	0	61,385	27,390
Special	0	0	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupils	0	0	15,036	0
Instructional Staff	0	0	0	0
Administration	0	0	0	10,546
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	11,849	0	0
Operation of Food Service	974,018	0	0	0
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>974,018</u>	<u>11,849</u>	<u>76,421</u>	<u>37,936</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(242,098)	3,151	(2,414)	(86)
Other Financing Sources				
Transfers In	181,578	0	0	0
<i>Net Change in Fund Balances</i>	(60,520)	3,151	(2,414)	(86)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>55,791</u>	<u>11,371</u>	<u>38,890</u>	<u>51,385</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$4,729)</u>	<u>\$14,522</u>	<u>\$36,476</u>	<u>\$51,299</u>

Adult Education	Public School Support	Other Grants	Underground Storage Tanks	Athletics and Music	Auxiliary Services
\$0	\$0	\$0	\$0	\$0	\$970,652
0	0	0	0	0	11,238
14,698	0	0	0	0	0
0	48,356	0	0	152,614	0
0	22,602	0	0	4,494	0
0	0	0	0	0	0
0	35,982	4,500	0	9,629	0
14,698	106,940	4,500	0	166,737	981,890
0	10,802	155	0	0	0
0	0	0	0	0	0
4,651	0	0	0	0	0
0	76,812	0	0	903	0
0	623	77	0	0	0
0	0	825	0	0	0
0	0	6,353	0	0	0
0	0	0	0	0	0
0	7,796	0	0	0	0
0	0	0	0	0	953,081
0	0	0	0	0	0
0	0	0	0	180,827	0
4,651	96,033	7,410	0	181,730	953,081
10,047	10,907	(2,910)	0	(14,993)	28,809
0	0	0	0	15,000	0
10,047	10,907	(2,910)	0	7	28,809
48,821	70,089	8,995	11,000	210,945	83,288
\$58,868	\$80,996	\$6,085	\$11,000	\$210,952	\$112,097

(continued)

Chardon Local School District
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2008*

	Educational Management Information Systems	Data Communications	SchoolNet Professional Development	Miscellaneous State Grants
Revenues				
Intergovernmental	\$11,054	\$18,000	\$2,970	\$14,688
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
Charges for Services	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>11,054</u>	<u>18,000</u>	<u>2,970</u>	<u>14,688</u>
Expenditures				
Current:				
Instruction:				
Regular	0	0	0	0
Special	0	0	0	4,093
Adult/Continuing	0	0	0	0
Support Services:				
Pupils	0	18,000	0	0
Instructional Staff	0	0	2,970	0
Administration	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Central	23,477	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Operation of Food Service	0	0	0	0
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>23,477</u>	<u>18,000</u>	<u>2,970</u>	<u>4,093</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(12,423)	0	0	10,595
Other Financing Sources				
Transfers In	<u>7,928</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(4,495)	0	0	10,595
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>314</u>	<u>0</u>	<u>0</u>	<u>1,855</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$4,181)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$12,450</u>

Title VI-B	Title I	Title V	Drug Free Schools	Class Size Reduction	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$756,560	\$100,451	\$6,384	\$4,169	\$8,150	\$986	\$2,069,192
0	0	0	0	0	0	14,314
0	0	0	0	0	0	126,555
0	0	0	0	0	0	200,970
0	0	0	0	0	0	41,516
0	0	0	0	0	0	546,384
0	0	0	0	0	0	58,023
<u>756,560</u>	<u>100,451</u>	<u>6,384</u>	<u>4,169</u>	<u>8,150</u>	<u>986</u>	<u>3,056,954</u>
0	0	0	0	66,614	0	166,346
159,766	102,538	3,826	0	0	0	270,223
0	0	0	0	0	0	4,651
282,947	0	0	4,544	5,276	0	403,518
0	0	0	0	0	0	3,670
151,302	0	0	0	0	0	162,673
0	0	0	3,000	0	0	9,353
56,303	0	0	0	0	0	56,303
0	0	0	0	0	0	31,273
53,046	2,493	2,055	0	0	335	1,022,859
0	0	0	0	0	0	974,018
0	0	0	0	0	0	180,827
<u>703,364</u>	<u>105,031</u>	<u>5,881</u>	<u>7,544</u>	<u>71,890</u>	<u>335</u>	<u>3,285,714</u>
53,196	(4,580)	503	(3,375)	(63,740)	651	(228,760)
0	0	0	0	0	0	204,506
53,196	(4,580)	503	(3,375)	(63,740)	651	(24,254)
(49,041)	1,675	0	621	0	(616)	545,383
<u>\$4,155</u>	<u>(\$2,905)</u>	<u>\$503</u>	<u>(\$2,754)</u>	<u>(\$63,740)</u>	<u>\$35</u>	<u>\$521,129</u>

Chardon Local School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2008

	Permanent Improvements	SchoolNet	Total Nonmajor Capital Projects Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$91,451	\$20,992	\$112,443
Property Taxes Receivable	290,867	0	290,867
<i>Total Assets</i>	<u>\$382,318</u>	<u>\$20,992</u>	<u>\$403,310</u>
Liabilities and Fund Balances			
Liabilities			
Deferred Revenue	\$247,179	\$0	\$247,179
Fund Balances			
Reserved for Encumbrances	37,480	0	37,480
Reserved for Property Taxes	43,686	0	43,686
Unreserved, Undesignated	53,973	20,992	74,965
<i>Total Fund Balances</i>	<u>135,139</u>	<u>20,992</u>	<u>156,131</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$382,318</u>	<u>\$20,992</u>	<u>\$403,310</u>

Chardon Local School District
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2008*

	Permanent Improvements	SchoolNet	Total Nonmajor Capital Projects Funds
Revenues			
Property Taxes	\$635,536	\$0	\$635,536
Intergovernmental	71,745	20,992	92,737
<i>Total Revenues</i>	707,281	20,992	728,273
Expenditures			
Capital Outlay	741,981	0	741,981
<i>Net Change in Fund Balances</i>	(34,700)	20,992	(13,708)
<i>Fund Balances Beginning of Year</i>	169,839	0	169,839
<i>Fund Balances End of Year</i>	\$135,139	\$20,992	\$156,131

Combining Statements – Fiduciary Funds

Fiduciary Funds

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

Private Purpose Trust Fund

Scholarship Fund This fund accounts for scholarships granted to students as specified in trust agreements and from donations received.

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 Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2008

	Beginning Balance July 1, 2007	Additions	Reductions	Ending Balance June 30, 2008
<i>Student Activities</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$73,066	\$104,329	\$98,179	\$79,216
Prepays	87	0	87	0
Total Assets	\$73,153	\$104,329	\$98,266	\$79,216
Liabilities				
Accounts Payable	\$37	\$0	\$37	\$0
Due to Students	73,116	104,366	98,266	79,216
Total Liabilities	\$73,153	\$104,366	\$98,303	\$79,216

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

Chardon Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$19,672,667	\$19,403,076	\$19,695,077	\$292,001
Intergovernmental	9,778,877	9,644,869	9,432,262	(212,607)
Interest	470,447	464,000	294,733	(169,267)
Tuition and Fees	219,006	216,005	204,792	(11,213)
Extracurricular Activities	51,709	51,000	49,884	(1,116)
Rentals	50,695	50,000	9,856	(40,144)
Payment in Lieu of Taxes	0	0	12,081	12,081
Miscellaneous	113,364	171,850	226,792	54,942
<i>Total Revenues</i>	30,356,765	30,000,800	29,925,477	(75,323)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	8,793,396	8,826,002	8,750,555	75,447
Fringe Benefits	3,352,671	3,283,182	3,180,836	102,346
Purchased Services	486,534	447,243	370,246	76,997
Materials and Supplies	790,402	803,387	639,774	163,613
Capital Outlay - New	2,129	2,877	1,141	1,736
Capital Outlay - Replacement	2,704	2,704	1,737	967
Other	2,400	2,400	875	1,525
Total Regular	13,430,236	13,367,795	12,945,164	422,631
Special:				
Salaries and Wages	1,349,492	1,563,760	1,539,503	24,257
Fringe Benefits	501,664	493,348	478,512	14,836
Purchased Services	1,833,848	2,022,418	1,858,351	164,067
Materials and Supplies	19,800	18,945	17,124	1,821
Total Special	3,704,804	4,098,471	3,893,490	204,981
Vocational:				
Salaries and Wages	158,600	155,259	154,739	520
Fringe Benefits	51,846	53,772	53,595	177
Materials and Supplies	10,598	9,498	8,867	631
Capital Outlay - New	0	1,100	970	130
Total Vocational	221,044	219,629	218,171	1,458
Total Instruction	\$17,356,084	\$17,685,895	\$17,056,825	\$629,070

(continued)

Chardon Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Support Services:				
Pupils:				
Salaries and Wages	\$758,692	\$802,694	\$785,006	\$17,688
Fringe Benefits	270,872	274,486	273,691	795
Purchased Services	402,915	254,762	71,101	183,661
Materials and Supplies	11,000	12,112	10,564	1,548
Total Pupils	1,443,479	1,344,054	1,140,362	203,692
Instructional Staff:				
Salaries and Wages	663,355	899,410	888,085	11,325
Fringe Benefits	346,289	436,141	412,269	23,872
Purchased Services	71,996	112,596	67,941	44,655
Materials and Supplies	44,596	41,065	35,893	5,172
Capital Outlay - New	3,520	16,020	15,877	143
Capital Outlay - Replacement	19,560	10,568	10,568	0
Total Instructional Staff	1,149,316	1,515,800	1,430,633	85,167
Board of Education:				
Salaries and Wages	6,240	14,400	13,375	1,025
Fringe Benefits	1,352	2,281	2,229	52
Purchased Services	67,000	112,200	76,820	35,380
Materials and Supplies	1,000	1,000	295	705
Other	66,789	66,789	48,755	18,034
Total Board of Education	142,381	196,670	141,474	55,196
Administration:				
Salaries and Wages	1,557,620	1,652,253	1,435,614	216,639
Fringe Benefits	709,589	714,598	620,208	94,390
Purchased Services	163,735	266,218	209,760	56,458
Materials and Supplies	42,795	45,866	37,088	8,778
Capital Outlay - New	5,000	5,971	5,971	0
Capital Outlay - Replacement	600	600	0	600
Other	10,161	6,843	6,224	619
Total Administration	2,489,500	2,692,349	2,314,865	377,484
Fiscal:				
Salaries and Wages	200,512	212,627	201,901	10,726
Fringe Benefits	92,991	93,467	84,536	8,931
Purchased Services	59,531	59,531	45,460	14,071
Materials and Supplies	7,678	8,268	8,268	0
Capital Outlay - New	3,000	3,000	0	3,000
Other	471,293	559,575	552,026	7,549
Total Fiscal	\$835,005	\$936,468	\$892,191	\$44,277

(continued)

Chardon Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Business:				
Salaries and Wages	\$193,960	\$207,217	\$195,415	\$11,802
Fringe Benefits	93,054	97,854	94,171	3,683
Purchased Services	74,233	88,382	87,815	567
Materials and Supplies	100	497	497	0
Total Business	361,347	393,950	377,898	16,052
Operation and Maintenance of Plant:				
Salaries and Wages	1,033,354	922,537	912,776	9,761
Fringe Benefits	624,690	624,690	437,444	187,246
Purchased Services	1,096,689	1,021,315	967,226	54,089
Materials and Supplies	259,312	268,929	258,882	10,047
Capital Outlay - New	3,000	7,173	7,173	0
Capital Outlay - Replacement	12,200	8,027	8,027	0
Other	600	800	800	0
Total Operation and Maintenance of Plant	3,029,845	2,853,471	2,592,328	261,143
Pupil Transportation:				
Salaries and Wages	1,155,814	1,247,213	1,239,554	7,659
Fringe Benefits	673,132	715,060	694,369	20,691
Purchased Services	79,993	124,752	123,862	890
Materials and Supplies	318,570	415,995	407,212	8,783
Capital Outlay - New	2,000	2,000	179	1,821
Capital Outlay - Replacement	24,300	20,966	20,955	11
Total Pupil Transportation	2,253,809	2,525,986	2,486,131	39,855
Central:				
Salaries and Wages	63,440	135,455	128,751	6,704
Fringe Benefits	48,485	66,145	65,822	323
Purchased Services	10,370	34,370	19,141	15,229
Materials and Supplies	2,808	7,808	2,357	5,451
Capital Outlay - New	3,252	3,252	2,463	789
Other	800	800	0	800
Total Central	129,155	247,830	218,534	29,296
Total Support Services	11,833,837	12,706,578	11,594,416	1,112,162
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	45,240	45,258	42,737	2,521
Fringe Benefits	30,881	30,908	28,068	2,840
Total Operation of Non-Instructional Services	\$76,121	\$76,166	\$70,805	\$5,361

(continued)

Chardon Local School District
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 General Fund (continued)
 For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Extracurricular Activities:				
Sports Oriented Activities:				
Salaries and Wages	\$306,800	\$306,800	\$272,080	\$34,720
Fringe Benefits	49,395	49,395	45,491	3,904
Purchased Services	74,825	64,825	57,975	6,850
Total Sports Oriented Activities	431,020	421,020	375,546	45,474
Academic Oriented Activities:				
Salaries and Wages	13,520	26,620	24,892	1,728
Fringe Benefits	5,515	6,085	4,356	1,729
Total Academic Oriented Activities	19,035	32,705	29,248	3,457
School and Public Service Co-Curricular Activities:				
Salaries and Wages	41,808	54,865	50,914	3,951
Fringe Benefits	59,716	59,778	9,405	50,373
Total School and Public Service Co-Curricular Activities	101,524	114,643	60,319	54,324
Total Extracurricular Activities	551,579	568,368	465,113	103,255
<i>Total Expenditures</i>	29,817,621	31,037,007	29,187,159	1,849,848
<i>Excess of Revenues Over (Under) Expenditures</i>	539,144	(1,036,207)	738,318	1,774,525
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	1,000	3,292	2,292
Advances In	0	0	119,146	119,146
Advances Out	(120,000)	(75,000)	(67,259)	7,741
Transfers Out	(1,025,219)	(210,343)	(204,506)	5,837
<i>Total Other Financing Sources (Uses)</i>	(1,145,219)	(284,343)	(149,327)	135,016
<i>Net Change in Fund Balance</i>	(606,075)	(1,320,550)	588,991	1,909,541
<i>Fund Balance Beginning of Year</i>	1,653,691	1,653,691	1,653,691	0
<i>Prior Year Encumbrances Appropriated</i>	625,958	625,958	625,958	0
<i>Fund Balance End of Year</i>	<u>\$1,673,574</u>	<u>\$959,099</u>	<u>\$2,868,640</u>	<u>\$1,909,541</u>

Chardon Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$168,831	\$169,313	\$482
Interest	5,000	2,496	(2,504)
Charges for Services	568,675	568,856	181
Miscellaneous	6,000	7,938	1,938
<i>Total Revenues</i>	<u>748,506</u>	<u>748,603</u>	<u>97</u>
Expenditures			
Current:			
Operation of Food Service:			
Salaries and Wages	335,490	335,490	0
Fringe Benefits	219,977	219,977	0
Purchased Services	2,390	2,133	257
Materials and Supplies	375,357	363,963	11,394
Capital Outlay - New	34,006	34,006	0
<i>Total Expenditures</i>	<u>967,220</u>	<u>955,569</u>	<u>11,651</u>
<i>Excess of Revenues Under Expenditures</i>	(218,714)	(206,966)	11,748
Other Financing Sources (Uses)			
Transfers In	181,578	181,578	0
<i>Net Change in Fund Balance</i>	(37,136)	(25,388)	11,748
<i>Fund Balance Beginning of Year</i>	<u>37,139</u>	<u>37,139</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3</u></u>	<u><u>\$11,751</u></u>	<u><u>\$11,748</u></u>

Chardon Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Special Trusts Fund
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Interest	\$476	\$580	\$104
Contributions and Donations	14,497	14,420	(77)
<i>Total Revenues</i>	14,973	15,000	27
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Other	26,344	12,049	14,295
<i>Net Change in Fund Balance</i>	(11,371)	2,951	14,322
<i>Fund Balance Beginning of Year</i>	11,371	11,371	0
<i>Fund Balance End of Year</i>	\$0	\$14,322	\$14,322

Chardon Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Tuition and Fees	\$74,007	\$74,007	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	28,628	25,164	3,464
Materials and Supplies	43,493	36,221	7,272
Total Instruction	72,121	61,385	10,736
Support Services:			
Pupils:			
Purchased Services	20,627	15,036	5,591
<i>Total Expenditures</i>	92,748	76,421	16,327
<i>Net Change in Fund Balance</i>	(18,741)	(2,414)	16,327
<i>Fund Balance Beginning of Year</i>	37,466	37,466	0
Prior Year Encumbrances Appropriated	1,424	1,424	0
<i>Fund Balance End of Year</i>	\$20,149	\$36,476	\$16,327

Chardon Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Summer School Fund
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Tuition and Fees	\$37,850	\$37,850	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	28,395	25,470	2,925
Fringe Benefits	4,911	4,143	768
Purchased Services	51	51	0
Materials and Supplies	1,325	1,310	15
Total Instruction	34,682	30,974	3,708
Support Services:			
Administration:			
Salaries and Wages	2,000	1,254	746
Fringe Benefits	655	502	153
Materials and Supplies	1,500	1,294	206
Total Support Services	4,155	3,050	1,105
<i>Total Expenditures</i>	38,837	34,024	4,813
<i>Net Change in Fund Balance</i>	(987)	3,826	4,813
<i>Fund Balance Beginning of Year</i>	55,202	55,202	0
Prior Year Encumbrances Appropriated	407	407	0
<i>Fund Balance End of Year</i>	\$54,622	\$59,435	\$4,813

Chardon Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Adult Education Fund
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Tuition and Fees	\$14,768	\$14,698	(\$70)
Expenditures			
Current:			
Instruction:			
Adult/Continuing:			
Purchased Services	10,387	7,076	3,311
Other	395	395	0
<i>Total Expenditures</i>	<u>10,782</u>	<u>7,471</u>	<u>3,311</u>
<i>Net Change in Fund Balance</i>	3,986	7,227	3,241
<i>Fund Balance Beginning of Year</i>	45,706	45,706	0
Prior Year Encumbrances Appropriated	<u>3,595</u>	<u>3,595</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$53,287</u></u>	<u><u>\$56,528</u></u>	<u><u>\$3,241</u></u>

Chardon Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$48,356	\$48,356	\$0
Contributions and Donations	22,602	22,602	0
Miscellaneous	36,038	36,036	(2)
<i>Total Revenues</i>	<u>106,996</u>	<u>106,994</u>	<u>(2)</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	2,447	2,420	27
Purchased Services	232	0	232
Materials and Supplies	5,411	2,755	2,656
Other	12,563	6,627	5,936
Total Instruction	<u>20,653</u>	<u>11,802</u>	<u>8,851</u>
Support Services:			
Pupils:			
Purchased Services	13,788	10,937	2,851
Materials and Supplies	56,847	34,790	22,057
Capital Outlay - New	18,084	11,611	6,473
Capital Outlay - Replacement	1,162	592	570
Materials and Supplies	38,288	26,642	11,646
Total Pupils	<u>128,169</u>	<u>84,572</u>	<u>43,597</u>
Instructional Staff:			
Materials and Supplies	2,547	623	1,924
Other	368	0	368
Total Instructional Staff	<u>\$2,915</u>	<u>\$623</u>	<u>\$2,292</u>

(continued)

Chardon Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Public School Support Fund (continued)
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Central:			
Purchased Services	\$10,736	\$2,265	\$8,471
Capital Outlay - New	13,828	5,531	8,297
Total Central	24,564	7,796	16,768
Total Support Services	155,648	92,991	62,657
<i>Total Expenditures</i>	<i>176,301</i>	<i>104,793</i>	<i>71,508</i>
<i>Net Change in Fund Balance</i>	<i>(69,305)</i>	<i>2,201</i>	<i>71,506</i>
<i>Fund Balance Beginning of Year</i>	<i>62,956</i>	<i>62,956</i>	<i>0</i>
Prior Year Encumbrances Appropriated	6,349	6,349	0
<i>Fund Balance End of Year</i>	<i>\$0</i>	<i>\$71,506</i>	<i>\$71,506</i>

Chardon Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Other Grants Fund
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Miscellaneous	\$4,500	\$4,500	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	209	30	179
Purchased Services	200	125	75
Materials and Supplies	70	0	70
Total Instruction	479	155	324
Support Services:			
Pupils:			
Purchased Services	4,563	4,500	63
Instructional Staff:			
Purchased Services	325	150	175
Materials and Supplies	26	0	26
Total Instructional Staff	351	150	201
Administration:			
Purchased Services	1,608	825	783
Operation and Maintenance of Plant:			
Materials and Supplies	6,494	6,353	141
Total Support Services	13,016	11,828	1,188
<i>Total Expenditures</i>	13,495	11,983	1,512
<i>Net Change in Fund Balance</i>	(8,995)	(7,483)	1,512
<i>Fund Balance Beginning of Year</i>	8,945	8,945	0
Prior Year Encumbrances Appropriated	50	50	0
<i>Fund Balance End of Year</i>	\$0	\$1,512	\$1,512

Chardon Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Underground Storage Tanks Fund
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	11,000	11,000	0
<i>Fund Balance End of Year</i>	<u>\$11,000</u>	<u>\$11,000</u>	<u>\$0</u>

Chardon Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Athletics and Music Fund
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$152,614	\$152,614	\$0
Contributions and Donations	4,494	4,494	0
Miscellaneous	9,656	9,656	0
<i>Total Revenues</i>	<u>166,764</u>	<u>166,764</u>	<u>0</u>
Expenditures			
Current:			
Support Services:			
Pupils:			
Purchased Services	1,288	903	385
Extracurricular Activities:			
Academic Oriented Activities:			
Purchased Services	11,751	9,687	2,064
Materials and Supplies	29,618	22,900	6,718
Capital Outlay - New	53,926	35,030	18,896
Capital Outlay - Replacement	2,034	1,965	69
Other	815	748	67
Total Academic Oriented Activities	<u>98,144</u>	<u>70,330</u>	<u>27,814</u>
Sports Oriented Activities:			
Salaries and Wages	9,238	7,931	1,307
Fringe Benefits	1,326	399	927
Purchased Services	107,058	97,482	9,576
Materials and Supplies	25,886	16,872	9,014
Other	7,851	5,762	2,089
Total Sports Oriented Activities	<u>\$151,359</u>	<u>\$128,446</u>	<u>\$22,913</u>

(continued)

Chardon Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Athletics and Music Fund (continued)
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
School and Public Service			
Co-Curricular Activities:			
Materials and Supplies	\$4,478	\$3,763	\$715
Capital Outlay - New	4,714	2,111	2,603
Other	161	0	161
Total School and Public Service Co-Curricular Activities	<u>9,353</u>	<u>5,874</u>	<u>3,479</u>
Total Extracurricular Activities	<u>258,856</u>	<u>204,650</u>	<u>54,206</u>
<i>Total Expenditures</i>	<u>260,144</u>	<u>205,553</u>	<u>54,591</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(93,380)</u>	<u>(38,789)</u>	<u>54,591</u>
Other Financing Sources (Uses)			
Advances Out	(1,500)	0	1,500
Transfers In	15,000	15,000	0
<i>Total Other Financing Sources (Uses)</i>	<u>13,500</u>	<u>15,000</u>	<u>1,500</u>
<i>Net Change in Fund Balance</i>	(79,880)	(23,789)	56,091
<i>Fund Balance Beginning of Year</i>	194,824	194,824	0
Prior Year Encumbrances Appropriated	<u>16,351</u>	<u>16,351</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$131,295</u>	<u>\$187,386</u>	<u>\$56,091</u>

Chardon Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$970,128	\$970,652	\$524
Interest	11,232	11,238	6
<i>Total Revenues</i>	<u>981,360</u>	<u>981,890</u>	<u>530</u>
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	88,359	87,059	1,300
Fringe Benefits	70,948	62,376	8,572
Purchased Services	536,833	525,522	11,311
Materials and Supplies	209,023	184,354	24,669
Capital Outlay - New	127,284	126,083	1,201
Other	41,215	38,825	2,390
<i>Total Expenditures</i>	<u>1,073,662</u>	<u>1,024,219</u>	<u>49,443</u>
<i>Net Change in Fund Balance</i>	(92,302)	(42,329)	49,973
<i>Fund Balance Beginning of Year</i>	1	1	0
Prior Year Encumbrances Appropriated	<u>92,301</u>	<u>92,301</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$49,973</u>	<u>\$49,973</u>

Chardon Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Educational Management Information Systems Fund
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$11,056	\$11,054	(\$2)
Expenditures			
Current:			
Support Services:			
Central:			
Salaries and Wages	14,643	14,643	0
Fringe Benefits	5,403	5,403	0
<i>Total Expenditures</i>	20,046	20,046	0
<i>Excess of Revenues Under Expenditures</i>	(8,990)	(8,992)	(2)
Other Financing Sources			
Transfers In	7,928	7,928	0
<i>Net Change in Fund Balance</i>	(1,062)	(1,064)	(2)
<i>Fund Balance Beginning of Year</i>	1,064	1,064	0
<i>Fund Balance End of Year</i>	\$2	\$0	(\$2)

Chardon Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Data Communications Fund
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$18,000	\$18,000	\$0
Expenditures			
Current:			
Support Services:			
Pupils:			
Purchased Services	18,000	18,000	0
<i>Net Change in Fund Balance</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) and Actual
SchoolNet Professional Development Fund
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$2,970	\$2,970	\$0
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	2,970	2,970	0
<i>Net Change in Fund Balance</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) and Actual
Miscellaneous State Grants Fund
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$8,288	\$8,288	\$0
Expenditures			
Current:			
Instruction:			
Special:			
Salaries and Wages	2,493	2,493	0
Fringe Benefits	1,745	1,745	0
<i>Total Expenditures</i>	4,238	4,238	0
<i>Net Change in Fund Balance</i>	4,050	4,050	0
<i>Fund Balance Beginning of Year</i>	2,000	2,000	0
<i>Fund Balance End of Year</i>	\$6,050	\$6,050	\$0

Chardon Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$734,727	\$756,560	\$21,833
Expenditures			
Current:			
Instruction:			
Special:			
Salaries and Wages	40,078	39,858	220
Fringe Benefits	6,814	6,814	0
Purchased Services	149,034	145,411	3,623
Materials and Supplies	34,695	34,687	8
Capital Outlay - New	4,451	4,451	0
Total Instruction	235,072	231,221	3,851
Support Services:			
Pupils:			
Purchased Services	259,449	259,449	0
Materials and Supplies	9,644	9,545	99
Capital Outlay - New	21,942	21,942	0
Total Pupils	291,035	290,936	99
Administration:			
Purchased Services	151,302	151,302	0
Pupil Transportation:			
Purchased Services	59,822	59,822	0
Total Support Services	\$502,159	\$502,060	\$99

(continued)

Chardon Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title VI-B Fund (continued)
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	\$44,000	\$43,100	\$900
Fringe Benefits	20,639	7,496	13,143
Purchased Services	\$1,906	\$1,906	\$0
Total Operation of Non-Instructional Services:	<u>66,545</u>	<u>52,502</u>	<u>14,043</u>
<i>Total Expenditures</i>	<u>803,776</u>	<u>785,783</u>	<u>17,993</u>
<i>Excess of Revenues Under Expenditures</i>	(69,049)	(29,223)	39,826
Other Financing Uses			
Advances Out	<u>(9,694)</u>	<u>(118,530)</u>	<u>(108,836)</u>
<i>Net Change in Fund Balance</i>	(78,743)	(147,753)	(69,010)
<i>Fund Balance Beginning of Year</i>	31,538	31,538	0
Prior Year Encumbrances Appropriated	<u>108,836</u>	<u>108,836</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$61,631</u></u>	<u><u>(\$7,379)</u></u>	<u><u>(\$69,010)</u></u>

Chardon Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$100,451	\$100,451	\$0
Expenditures			
Current:			
Instruction:			
Special:			
Salaries and Wages	86,240	86,240	0
Fringe Benefits	15,199	15,199	0
Total Instruction	101,439	101,439	0
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	532	532	0
Materials and Supplies	1,961	1,961	0
Total Operation of Non-Instructional Services	2,493	2,493	0
<i>Total Expenditures</i>	103,932	103,932	0
<i>Excess of Revenues Under Expenditures</i>	(3,481)	(3,481)	0
Other Financing Sources			
Advances In	1,806	1,806	0
<i>Net Change in Fund Balance</i>	(1,675)	(1,675)	0
<i>Fund Balance Beginning of Year</i>	1,675	1,675	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) and Actual
Title V Fund
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$6,384	\$6,384	\$0
Expenditures			
Current:			
Instruction:			
Special:			
Salaries and Wages	3,700	3,250	450
Fringe Benefits	629	576	53
Total Instruction	4,329	3,826	503
Operation of Non-Instructional Services:			
Community Services:			
Materials and Supplies	2,055	2,055	0
<i>Total Expenditures</i>	6,384	5,881	503
<i>Net Change in Fund Balance</i>	0	503	503
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$503	\$503

Chardon Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Drug Free Schools Fund
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$4,169	\$4,169	\$0
Expenditures			
Current:			
Support Services:			
Pupils:			
Salaries and Wages	3,883	3,883	0
Fringe Benefits	661	661	0
Total Pupil	4,544	4,544	0
Operation and Maintenance of Plant:			
Purchased Services	3,000	3,000	0
<i>Total Expenditures</i>	7,544	7,544	0
<i>Excess of Revenues Under Expenditures</i>	(3,375)	(3,375)	0
Other Financing Sources			
Advances In	2,754	2,754	0
<i>Net Change in Fund Balance</i>	(621)	(621)	0
<i>Fund Balance Beginning of Year</i>	621	621	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) and Actual
Class Size Reduction Fund
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$8,235	\$8,150	(\$85)
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	56,077	56,077	0
Fringe Benefits	9,535	9,535	0
Total Instruction	65,612	65,612	0
Support Services:			
Pupils:			
Salaries and Wages	2,210	2,210	0
Fringe Benefits	390	390	0
Purchased Services	2,328	2,328	0
Materials and Supplies	309	309	0
Total Support Services	5,237	5,237	0
<i>Total Expenditures</i>	70,849	70,849	0
<i>Excess of Revenues Under Expenditures</i>	(62,614)	(62,699)	(85)
Other Financing Sources			
Advances In	62,614	62,699	85
<i>Net Change in Fund Balance</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) and Actual
Miscellaneous Federal Grants Fund
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$986	\$986	\$0
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Materials and Supplies	335	335	0
<i>Excess of Revenues Over Expenditures</i>	651	651	0
Other Financing Uses			
Advances Out	(616)	(616)	0
<i>Net Change in Fund Balance</i>	35	35	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$35	\$35	\$0

Chardon Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Permanent Improvements Fund
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$591,848	\$591,848	\$0
Intergovernmental	71,745	71,745	0
<i>Total Revenues</i>	<u>663,593</u>	<u>663,593</u>	<u>0</u>
Expenditures			
Current:			
Support Services:			
Administration:			
Capital Outlay - New	145,075	145,075	0
Fiscal:			
Other	11,100	11,087	13
Operation and Maintenance of Plant:			
Purchased Services	127,693	113,703	13,990
Capital Outlay - New	67,569	53,808	13,761
Total Operation and Maintenance of Plant	195,262	167,511	27,751
Pupil Transportation:			
Capital Outlay - New	140,982	140,982	0
Total Support Services	492,419	464,655	27,764
Capital Outlay:			
Facilities Acquisition and			
Construction Services:			
Capital Outlay - New	321,900	314,806	7,094
<i>Total Expenditures</i>	<u>814,319</u>	<u>779,461</u>	<u>34,858</u>
<i>Net Change in Fund Balance</i>	(150,726)	(115,868)	34,858
<i>Fund Balance Beginning of Year</i>	144,989	144,989	0
Prior Year Encumbrances Appropriated	24,850	24,850	0
<i>Fund Balance End of Year</i>	<u>\$19,113</u>	<u>\$53,971</u>	<u>\$34,858</u>

Chardon Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
SchoolNet Fund
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$20,992	\$20,992	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Capital Outlay - New	20,992	0	20,992
<i>Net Change in Fund Balance</i>	0	20,992	20,992
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$20,992	\$20,992

Chardon Local School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP) and Actual
Self Insurance Fund
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$4,154,076	\$4,154,076	\$0
Expenses			
Purchased Services	624,860	523,281	101,579
Claims	3,887,600	3,639,542	248,058
Other	800	800	0
<i>Total Expenses</i>	<u>4,513,260</u>	<u>4,163,623</u>	<u>349,637</u>
<i>Net Change in Fund Equity</i>	(359,184)	(9,547)	349,637
<i>Fund Equity Beginning of Year</i>	788,767	788,767	0
Prior Year Encumbrances Appropriated	<u>660</u>	<u>660</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$430,243</u></u>	<u><u>\$779,880</u></u>	<u><u>\$349,637</u></u>

Chardon Local School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP) and Actual
Scholarship Fund
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Interest	\$6,182	\$6,438	\$256
Contributions and Donations	0	50	50
<i>Total Revenues</i>	6,182	6,488	306
Expenses			
Other	32,348	2,600	29,748
<i>Net Change in Fund Equity</i>	(26,166)	3,888	30,054
<i>Fund Equity Beginning of Year</i>	160,297	160,297	0
<i>Fund Equity End of Year</i>	<u>\$134,131</u>	<u>\$164,185</u>	<u>\$30,054</u>

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Statistical Section

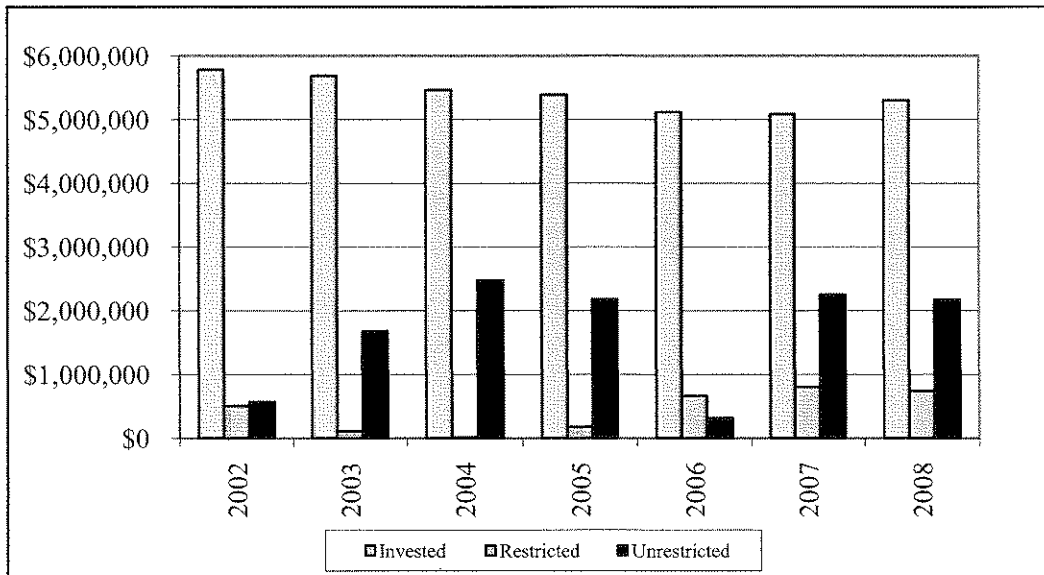
This part of the Chardon Local School District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the School District's overall financial health.

Contents	Pages(s)
<i>Financial Trends</i>	<i>S2 – S9</i>
These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	<i>S10 – S23</i>
These schedules contain information to help the reader assess the School District's most significant local revenue, the property tax.	
<i>Debt Capacity</i>	<i>S24 – S27</i>
These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	
<i>Economic and Demographic Information</i>	<i>S28 – S29</i>
These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	
<i>Operating Information</i>	<i>S30 – S41</i>
These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The School District implemented GASB Statement No. 34 in fiscal year 2002; schedules presenting government-wide information include information beginning in that year.

Chardon Local School District
Net Assets by Component
Last Seven Fiscal Years
(accrual basis of accounting)

	2002	2003	2004	2005
Invested in Capital Assets, Net of Related Debt	\$5,782,821	\$5,685,513	\$5,464,852	\$5,387,989
Restricted for:				
Capital Projects	94,930	34,022	0	30,135
Other Purposes	411,116	75,206	13,995	149,136
Unrestricted	575,198	1,683,533	2,479,213	2,182,443
Total Net Assets	\$6,864,065	\$7,478,274	\$7,958,060	\$7,749,703



<u>2006</u>	<u>2007</u>	<u>2008</u>
\$5,116,549	\$5,085,419	\$5,301,124
0	169,839	173,612
664,436	634,075	566,607
<u>316,773</u>	<u>2,250,799</u>	<u>2,175,992</u>
<u>\$6,097,758</u>	<u>\$8,140,132</u>	<u>\$8,217,335</u>

Chardon Local School District
Changes in Net Assets of Governmental Activities
Last Seven Fiscal Years
(accrual basis of accounting)

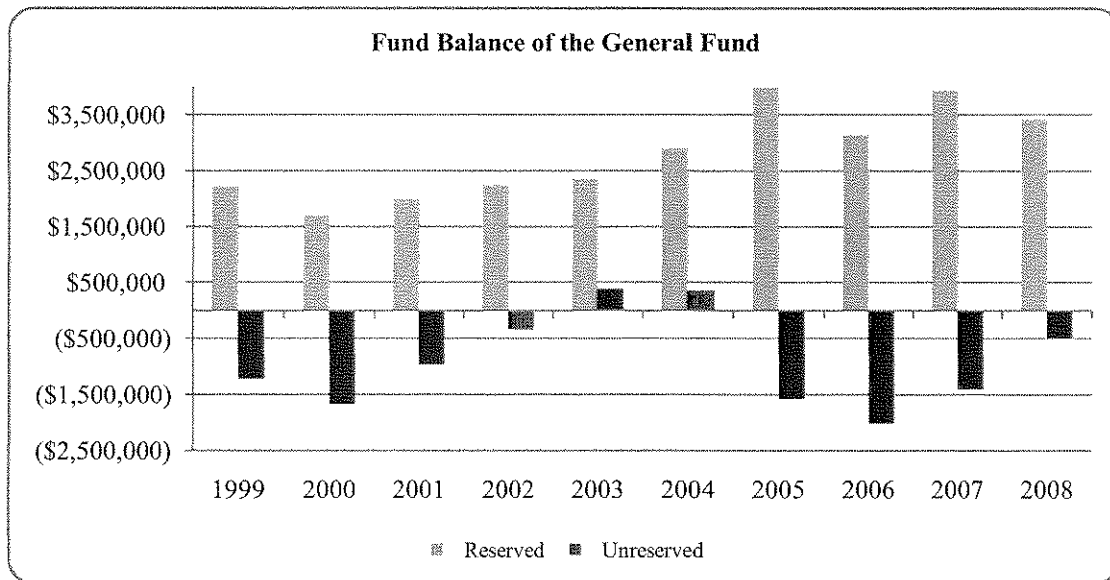
	2002	2003	2004	2005	2006
Expenses					
Regular Instruction	\$10,574,221	\$11,344,415	\$11,664,536	\$12,126,287	\$12,607,477
Special Instruction	2,151,033	2,572,090	3,017,071	3,254,227	3,703,106
Vocational Instruction	243,240	259,367	270,495	288,599	277,802
Adult/Continuing Instruction	15,644	26,866	8,387	8,702	9,983
Pupils Support	1,325,621	1,475,300	1,397,641	1,546,627	1,880,071
Instructional Staff Support	908,405	1,067,277	1,139,146	1,341,780	1,032,816
Board of Education	48,091	34,747	40,053	16,369	119,938
Administration	1,944,781	2,079,458	2,196,666	2,362,960	2,276,719
Fiscal	705,015	662,530	843,137	777,657	776,210
Business	323,909	345,242	350,333	339,355	301,891
Operation and Maintenance of Plant	2,516,021	2,425,376	2,556,721	2,424,506	2,633,064
Pupil Transportation	1,686,187	2,058,271	2,110,543	2,279,696	2,318,070
Central Support	217,090	179,906	136,260	207,287	228,121
Operation of Non-Instructional Services	1,729,828	1,804,957	1,876,670	2,007,557	1,956,595
Operation of Food Services (1)	0	0	0	0	0
Extracurricular Activities	591,572	647,373	675,547	627,813	709,401
Interest and Fiscal Charges	11,861	0	0	0	4,794
<i>Total Expenses</i>	<u>24,992,519</u>	<u>26,983,175</u>	<u>28,283,206</u>	<u>29,609,422</u>	<u>30,836,058</u>
Program Revenues					
Charges for Services					
Regular Instruction	142,932	192,262	115,100	118,631	373,996
Special Instruction	16,371	0	135,880	137,944	0
Vocational Instruction	1,861	0	0	0	0
Adult/Continuing Instruction	30,299	19,910	22,383	0	17,367
Pupils Support	8,042	132,821	96,384	100,549	89,387
Instructional Staff Support	0	0	109,028	112,159	620
Administration	0	0	0	0	0
Fiscal	33,256	0	0	448	0
Operation and Maintenance of Plant	162,249	0	0	0	49,629
Pupil Transportation	21,008	9,395	0	230,154	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	588,369	593,858	609,461	1,563,459	643,756
Operation of Food Services (1)	0	0	0	0	0
Extracurricular Activities	229,073	205,931	271,843	26,591	264,071
Operating Grants, Interest and Contributions	1,655,619	1,305,111	1,801,597	1,315,764	2,543,735
Capital Grants and Contributions	0	69,022	34,550	0	25,011
<i>Total Program Revenues</i>	<u>2,889,079</u>	<u>2,528,310</u>	<u>3,196,226</u>	<u>3,605,699</u>	<u>4,007,572</u>
Net Expense	<u>(22,103,440)</u>	<u>(24,454,865)</u>	<u>(25,086,980)</u>	<u>(26,003,723)</u>	<u>(26,828,486)</u>
General Revenues					
Property Taxes Levied for:					
General Purposes	15,547,509	16,544,623	17,019,271	17,719,020	17,108,128
Capital Outlay	0	0	0	0	0
Grants and Entitlements not					
Restricted to Specific Programs	7,599,207	8,034,861	8,286,068	7,849,437	7,740,702
Payment in Lieu of Taxes	0	0	0	0	18,406
Investment Earnings	133,212	93,636	67,045	132,730	210,668
Miscellaneous	256,436	395,954	194,382	94,179	98,637
<i>Total General Revenues</i>	<u>23,536,364</u>	<u>25,069,074</u>	<u>25,566,766</u>	<u>25,795,366</u>	<u>25,176,541</u>
<i>Change in Net Assets</i>	<u>\$1,432,924</u>	<u>\$614,209</u>	<u>\$479,786</u>	<u>(\$208,357)</u>	<u>(\$1,651,945)</u>

(1) Operation of Food Service portion of Non-Instructional Services were not available from 2002-2006.

2007	2008
\$12,684,994	\$13,560,378
3,833,679	4,088,256
186,154	239,709
6,824	4,651
1,318,471	1,560,989
1,219,398	1,498,951
21,037	117,374
2,425,222	2,414,700
835,067	908,443
353,529	359,350
2,360,151	2,456,747
2,350,809	2,811,222
239,062	247,982
1,199,516	1,096,795
823,993	1,010,920
699,230	710,267
2,534	523
<u>30,559,670</u>	<u>33,087,257</u>
203,660	266,913
56,257	0
0	0
17,312	14,698
102,072	48,356
0	0
135	0
0	0
9,369	9,856
0	0
5,295	0
0	0
606,535	546,384
297,749	202,498
2,416,650	2,105,396
91,147	235,674
<u>3,806,181</u>	<u>3,429,775</u>
<u>(26,753,489)</u>	<u>(29,657,482)</u>
19,445,182	19,102,996
305,519	653,017
8,504,813	9,421,065
17,231	12,081
262,712	294,733
260,406	250,793
<u>28,795,863</u>	<u>29,734,685</u>
<u>\$2,042,374</u>	<u>\$77,203</u>

Chardon Local School District
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	1999	2000	2001	2002
General Fund				
Reserved	\$2,214,365	\$1,696,869	\$1,989,591	\$2,231,368
Unreserved	(1,229,425)	(1,679,391)	(971,399)	(340,073)
<i>Total General Fund</i>	<u>984,940</u>	<u>17,478</u>	<u>1,018,192</u>	<u>1,891,295</u>
All Other Governmental Funds				
Reserved	164,726	154,529	99,641	268,728
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	114,049	193,530	213,482	304,676
Capital Projects Funds (Deficit)	311,791	107,520	(268,257)	604
<i>Total All Other Governmental Funds</i>	<u>590,566</u>	<u>455,579</u>	<u>44,866</u>	<u>574,008</u>
<i>Total Governmental Funds</i>	<u><u>\$1,575,506</u></u>	<u><u>\$473,057</u></u>	<u><u>\$1,063,058</u></u>	<u><u>\$2,465,303</u></u>



2003	2004	2005	2006	2007	2008
\$2,349,648	\$2,893,137	\$4,301,570	\$3,139,511	\$3,942,359	\$3,418,970
386,416	355,572	(1,584,880)	(2,021,595)	(1,404,539)	(483,390)
2,736,064	3,248,709	2,716,690	1,117,916	2,537,820	2,935,580
167,845	83,741	179,058	73,956	206,028	235,061
196,293	317,845	291,438	606,098	364,205	367,234
34,022	0	30,135	0	144,989	74,965
398,160	401,586	500,631	680,054	715,222	677,260
\$3,134,224	\$3,650,295	\$3,217,321	\$1,797,970	\$3,253,042	\$3,612,840

Chardon Local School District
Changes in Fund Balances, Governmental Funds (1)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	1999	2000	2001	2002
Revenues				
Property Taxes	\$12,057,216	\$11,964,463	\$14,264,615	\$15,216,737
Intergovernmental	7,147,494	7,542,974	8,444,393	9,080,536
Interest	211,685	235,449	225,846	131,498
Tuition and Fees	114,571	127,062	192,915	145,484
Extracurricular Activities	202,795	173,805	263,501	268,899
Contributions and Donations	0	0	51,466	0
Charges for Services	0	0	0	0
Rentals	0	0	69,220	0
Payments in Lieu of Taxes	5,720	5,999	0	0
Miscellaneous	250,543	273,429	397,867	279,384
<i>Total Revenues</i>	<u>19,990,024</u>	<u>20,323,181</u>	<u>23,909,823</u>	<u>25,122,538</u>
Expenditures				
Current:				
Instruction:				
Regular	8,840,872	9,145,744	9,261,686	9,891,179
Special	1,519,893	1,907,401	2,162,798	1,890,224
Vocational	209,116	213,471	202,198	237,428
Adult/Continuing	0	0	0	0
Other	42,007	86,277	0	210,426
Support Services:				
Pupils	827,807	957,480	1,158,895	1,301,886
Instructional Staff	772,964	763,298	801,190	991,557
Board of Education	43,257	36,874	51,710	41,151
Administration	1,608,332	1,672,156	1,838,176	1,897,271
Fiscal	632,471	764,460	630,525	701,718
Business	268,896	298,745	266,331	318,878
Operation and Maintenance of Plant	1,766,499	1,924,341	1,999,208	2,052,630
Pupil Transportation	1,482,149	1,602,288	2,172,874	1,806,780
Central	108,736	114,074	126,067	217,195
Operation of Non-Instructional Services	843,754	858,777	1,021,646	878,691
Operation of Food Services	0	0	0	0
Extracurricular Activities	500,236	473,789	604,636	560,321
Capital Outlay	536,413	532,532	1,037,114	411,608
Debt Service:				
Principal Retirement	15,000	0	0	0
Interest and Fiscal Charges	622	0	6,704	11,861
<i>Total Expenditures</i>	<u>20,019,024</u>	<u>21,351,707</u>	<u>23,341,758</u>	<u>23,420,804</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(29,000)</u>	<u>(1,028,526)</u>	<u>568,065</u>	<u>1,701,734</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	5,716	60,310	0	1,327
Capital Lease Issued	0	0	0	0
Transfers In	33,000	20,000	216,582	511,832
Transfers Out	(53,000)	(140,000)	(271,845)	(801,832)
<i>Total Other Financing Sources (Uses)</i>	<u>(14,284)</u>	<u>(59,690)</u>	<u>(55,263)</u>	<u>(288,673)</u>
<i>Net Change in Fund Balances</i>	<u>(\$43,284)</u>	<u>(\$1,088,216)</u>	<u>\$512,802</u>	<u>\$1,413,061</u>
Debt Service as a Percentage of				
Noncapital Expenditures	0.08%	0.00%	0.03%	0.05%

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

2003	2004	2005	2006	2007	2008
\$16,640,931	\$16,969,515	\$17,744,778	\$16,818,974	\$19,307,977	\$19,653,810
9,208,155	9,978,186	10,083,666	10,206,445	10,857,744	11,605,931
88,745	65,889	137,948	224,809	285,177	309,047
277,285	281,073	354,828	383,045	272,135	331,347
250,365	303,122	315,936	308,184	314,450	250,854
0	0	0	85,861	51,963	41,516
0	0	633,269	643,756	598,547	546,384
0	0	0	49,629	9,368	9,856
8,038	6,809	0	18,406	17,231	12,081
335,222	238,505	152,396	131,974	326,771	250,793
26,808,741	27,843,099	29,422,821	28,871,083	32,041,363	33,011,619
11,094,258	11,533,965	12,153,334	12,299,340	12,694,468	12,937,478
2,422,089	2,755,242	2,839,783	2,976,139	3,266,052	4,089,538
252,416	270,350	284,668	288,034	206,319	217,380
152,132	0	8,702	9,983	6,824	4,651
0	287,605	417,464	712,170	504,035	0
1,461,699	1,428,229	1,642,369	1,869,191	1,285,701	1,564,604
1,025,616	1,099,359	1,304,986	964,695	1,150,269	1,440,082
34,559	39,198	16,369	70,618	70,357	117,374
2,078,100	2,218,221	2,385,786	2,280,900	2,275,162	2,406,166
663,506	794,907	775,290	772,363	827,612	904,622
346,152	354,069	337,196	298,830	349,660	356,139
2,215,889	2,436,638	2,402,728	2,591,100	2,375,656	2,459,844
2,119,803	2,051,939	2,310,426	2,134,145	2,389,308	2,465,491
164,688	135,028	209,844	207,450	222,657	250,690
946,740	994,091	2,003,358	1,917,161	2,011,396	1,096,990
0	0	0	0	0	974,018
573,474	613,809	630,589	637,892	628,650	622,629
288,875	239,001	0	197,179	239,181	741,981
0	0	0	73,206	80,450	4,913
0	0	0	4,794	2,534	523
25,839,996	27,251,651	29,722,892	30,305,190	30,586,291	32,655,113
968,745	591,448	(300,071)	(1,434,107)	1,455,072	356,506
0	5,268	4,002	0	0	3,292
0	0	0	14,756	0	0
37,489	27,329	127,225	133,314	65,000	204,506
(337,301)	(107,974)	(127,225)	(133,314)	(65,000)	(204,506)
(299,812)	(75,377)	4,002	14,756	0	3,292
\$668,933	\$516,071	(\$296,069)	(\$1,419,351)	\$1,455,072	\$359,798
0.00%	0.00%	0.00%	0.27%	0.28%	0.02%

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

Collection Year	Real Estate			Estimated Actual Value	Tangible Assessed Value
	Assessed Value				
	Residential/ Agricultural	Commercial/ Industrial	Total		
1999	\$297,616,100	\$42,844,370	\$340,460,470	\$972,744,200	\$31,201,560
2000	364,650,840	52,120,010	416,770,850	1,190,773,857	31,449,760
2001	381,003,150	53,766,100	434,769,250	1,242,197,857	31,319,220
2002	393,171,990	58,313,800	451,485,790	1,289,959,400	35,968,930
2003	438,300,110	60,699,750	498,999,860	1,425,713,886	36,624,010
2004	453,546,180	64,517,040	518,063,220	1,480,180,629	33,843,396
2005	465,961,700	69,396,910	535,358,610	1,529,596,029	32,340,203
2006	531,626,050	80,419,390	612,045,440	1,748,701,257	31,886,498
2007	544,340,690	81,877,060	626,217,750	1,789,193,571	11,637,930
2008	552,054,420	85,944,260	637,998,680	1,822,853,371	9,623,295

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. The listing percentage is 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

Source: Ohio Department of Taxation

Personal		Public Utility		Total	
Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Weighted Average Tax Rate
\$124,806,240	\$23,477,510	\$26,678,989	\$395,139,540	\$1,124,229,429	\$34.27968
125,799,040	21,648,990	24,601,125	469,869,600	1,341,174,022	29.91656
125,276,880	22,718,540	25,816,523	488,807,010	1,393,291,260	34.48969
143,875,720	20,052,840	22,787,318	507,507,560	1,456,622,438	34.42363
146,496,040	19,450,910	22,103,307	555,074,780	1,594,313,233	32.13478
135,373,584	18,756,460	21,314,159	570,663,076	1,636,868,372	31.26846
129,360,812	19,854,250	22,561,648	587,553,063	1,681,518,489	31.50428
170,061,323	19,029,380	21,624,295	662,961,318	1,940,386,875	28.66865
93,103,440	17,732,580	20,150,659	655,588,260	1,902,447,670	33.37089
153,972,720	12,168,920	13,828,318	659,790,895	1,990,654,409	32.92623

Chardon Local School District
Property Tax Rates - Direct and Overlapping Governments
(per \$1,000 of assessed value)
Last Ten Years

	1999	2000	2001	2002
Unvoted Millage				
Operating	\$4.5000	\$4.5000	\$4.5000	\$4.5000
Voted Millage - by levy				
1976 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	7.8183	6.5826	6.5450	6.5203
Commercial/Industrial	11.4216	9.6005	9.5950	9.5532
Tangible/Public Utility Personal	26.6000	26.6000	26.6000	26.6000
1977 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	1.6178	1.3621	1.3543	1.3492
Commercial/Industrial	2.3884	2.0075	2.0064	1.9977
Tangible/Public Utility Personal	5.5000	5.5000	5.5000	5.5000
1982 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.6552	2.2355	2.2228	2.2144
Commercial/Industrial	3.2646	2.7441	2.7425	2.7306
Tangible/Public Utility Personal	4.9000	4.9000	4.9000	4.9000
1987 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.9944	2.5211	2.5067	2.4972
Commercial/Industrial	3.6661	3.0816	3.0798	3.0664
Tangible/Public Utility Personal	5.5000	5.5000	5.5000	5.5000
1989 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	4.5744	3.8513	3.8294	3.8149
Commercial/Industrial	5.5208	4.6406	4.6379	4.6177
Tangible/Public Utility Personal	7.3000	7.3000	7.3000	7.3000
1995 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	5.0751	4.2729	4.2485	4.2325
Commercial/Industrial	5.6068	4.7128	4.7101	4.6896
Tangible/Public Utility Personal	5.8000	5.8000	5.8000	5.8000
2000 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	0.0000	0.0000	4.7527	4.7348
Commercial/Industrial	0.0000	0.0000	4.7772	4.7565
Tangible/Public Utility Personal	0.0000	0.0000	4.7800	4.7800

2003	2004	2005	2006	2007	2008
\$4.5000	\$4.5000	\$4.5000	\$4.5000	\$4.5000	\$4.5000
5.9411	5.9187	5.8890	5.2382	5.2186	5.2170
9.1408	9.0311	8.9443	8.0031	8.1078	8.1067
26.6000	26.6000	26.6000	26.6000	26.6000	26.6000
1.2293	1.2247	1.2186	1.0839	1.0798	1.0795
1.9114	1.8885	1.8703	1.6735	1.6954	1.6952
5.5000	5.5000	5.5000	5.5000	5.5000	5.5000
2.0177	2.0101	2.0000	1.7789	1.7723	1.7717
2.6127	2.5813	2.5565	2.2875	2.3174	2.3171
4.9000	4.9000	4.9000	4.9000	4.9000	4.9000
2.2754	2.2668	2.2554	2.0062	1.9987	1.9981
2.9340	2.8988	2.8710	2.5689	2.6024	2.6021
5.5000	5.5000	5.5000	5.5000	5.5000	5.5000
3.4760	3.4629	3.4455	3.0648	3.0533	3.0523
4.4184	4.3653	4.3234	3.8684	3.9190	3.9185
7.3000	7.3000	7.3000	7.3000	7.3000	7.3000
3.8565	3.8420	3.8227	3.4002	3.3875	3.3864
4.4871	0.4333	4.3907	3.9287	3.9800	3.9795
5.8000	5.8000	5.8000	5.8000	5.8000	5.8000
4.3142	4.2979	4.2763	3.8037	3.7895	3.7883
4.5511	4.4965	4.4533	3.9847	4.0367	4.0362
4.7800	4.7800	4.7800	4.7800	4.7800	4.7800

(continued)

Chardon Local School District
Property Tax Rates - Direct and Overlapping Governments (continued)
(per \$1,000 of assessed value)
Last Ten Years

	1999	2000	2001	2002
2006 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	\$0.0000	\$0.0000	\$0.0000	\$0.0000
Commercial/Industrial	0.0000	0.0000	0.0000	0.0000
Tangible/Public Utility Personal	0.0000	0.0000	0.0000	0.0000
2006 Permanent Improvement - continuing				
Effective Millage Rates				
Residential/Agricultural	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial	0.0000	0.0000	0.0000	0.0000
Tangible/Public Utility Personal	0.0000	0.0000	0.0000	0.0000
Total Effective Voted Millage by type of property				
Residential/Agricultural	\$24.7352	\$20.8255	\$25.4594	\$25.3633
Commercial/Industrial	\$31.8683	\$26.7871	\$31.5489	\$31.4117
Tangible/Public Utility Personal	\$55.6000	\$55.6000	\$60.3800	\$60.3800
Total Effective Millage by type of property				
Residential/Agricultural	\$29.2352	\$25.3255	\$29.9594	\$29.8633
Commercial/Industrial	\$36.3683	\$31.2871	\$36.0489	\$35.9117
Tangible/Public Utility Personal	\$60.1000	\$60.1000	\$64.8800	\$64.8800
Overlapping Rates by Taxing District				
Auburn JVSD Voted Millage				
Effective Millage Rates				
Residential/Agricultural	\$1.5000	\$1.5000	\$1.5000	\$1.5000
Commercial/Industrial	1.5000	1.5000	1.5000	1.5000
Tangible/Public Utility Personal	1.5000	1.5000	1.5000	1.5000
Aquilla Village Voted Millage				
Effective Millage Rates				
Residential/Agricultural	4.4951	6.7605	6.7605	6.7468
Commercial/Industrial	5.6637	9.6637	9.6637	9.6637
Tangible/Public Utility Personal	5.9000	9.9000	9.9000	9.9000
City of Chardon Voted Millage				
Effective Millage Rates				
Residential/Agricultural	7.7004	7.3683	7.3185	7.2799
Commercial/Industrial	8.6405	8.1029	8.0993	8.0746
Tangible/Public Utility Personal	11.0000	11.0000	11.0000	11.0000
Chardon Township Voted Millage				
Effective Millage Rates				
Residential/Agricultural	4.5994	5.2645	5.2610	5.2607
Commercial/Industrial	4.9270	5.6199	5.6088	5.6088
Tangible/Public Utility Personal	7.7000	8.7000	8.7000	8.7000

2003	2004	2005	2006	2007	2008
\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$4.9813	\$4.9798
0.0000	0.0000	0.0000	0.0000	5.0000	4.9994
0.0000	0.0000	0.0000	0.0000	5.0000	5.0000
0.0000	0.0000	0.0000	0.0000	0.9963	0.9960
0.0000	0.0000	0.0000	0.0000	1.0000	0.9999
0.0000	0.0000	0.0000	0.0000	1.0000	1.0000
\$23.1102	\$23.0231	\$22.9075	\$20.3759	\$26.2773	\$26.2691
\$30.0555	\$25.6948	\$29.4095	\$26.3148	\$32.6587	\$32.6546
\$60.3800	\$60.3800	\$60.3800	\$60.3800	\$66.3800	\$66.3800

\$27.6102	\$27.5231	\$27.4075	\$24.8759	\$30.7773	\$30.7691
\$34.5555	\$30.1948	\$33.9095	\$30.8148	\$37.1587	\$37.1546
\$64.8800	\$64.8800	\$64.8800	\$64.8800	\$70.8800	\$70.8800

\$1.5000	\$1.5000	\$1.5000	\$1.5000	\$1.5000	\$1.5000
1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
6.1107	6.1168	6.1052	5.3071	5.3128	5.3046
9.6637	9.6637	9.6637	9.6637	9.6637	9.6637
9.9000	9.9000	9.9000	9.9000	9.9000	9.9000
6.8660	6.8590	7.9375	7.3514	7.3534	7.3460
7.8980	7.8068	8.4801	7.8801	7.9776	7.9641
11.0000	11.0000	11.0000	11.0000	11.0000	11.0000
5.0165	6.2290	6.6647	6.3308	6.3279	6.3289
5.4828	6.4039	6.6744	6.2408	6.2408	6.2408
8.7000	6.7000	6.7000	6.7000	6.7000	6.7000

(continued)

Chardon Local School District
Property Tax Rates - Direct and Overlapping Governments (continued)
(per \$1,000 of assessed value)
Last Ten Years

	1999	2000	2001	2002
Claridon Township Voted Millage				
Effective Millage Rates				
Residential/Agricultural	\$7.5700	\$6.7263	\$6.6908	\$6.6782
Commercial/Industrial	8.4762	6.8776	6.8776	6.8776
Tangible/Public Utility Personal	9.4000	9.4000	9.4000	9.4000
Hambden Township Voted Millage				
Effective Millage Rates				
Residential/Agricultural	8.1988	7.9946	8.5464	8.4864
Commercial/Industrial	9.0096	8.2531	8.8419	8.8419
Tangible/Public Utility Personal	12.2000	12.2000	11.8000	11.8000
Munson Township Voted Millage				
Effective Millage Rates				
Residential/Agricultural	8.6805	7.8258	9.5686	9.2140
Commercial/Industrial	9.1888	8.0040	9.7540	9.2948
Tangible/Public Utility Personal	11.5000	11.5000	13.2500	12.5000
Concord Township Voted Millage				
Effective Millage Rates				
Residential/Agricultural	7.3473	8.2921	7.7648	7.7560
Commercial/Industrial	7.5913	8.4333	8.1676	7.8800
Tangible/Public Utility Personal	9.4000	9.4000	9.4000	9.4000
Geauga County Voted Millage				
Effective Millage Rates				
Residential/Agricultural	9.1884	9.1226	10.0209	18.7476
Commercial/Industrial	10.3328	9.7000	10.5950	19.4629
Tangible/Public Utility Personal	12.4500	12.6500	13.4000	14.4000
Lake County Voted Millage				
Effective Millage Rates				
Residential/Agricultural	11.6406	8.9068	8.2206	8.2263
Commercial/Industrial	13.9875	9.9015	9.4893	9.4788
Tangible/Public Utility Personal	15.6000	10.3000	10.3000	10.3000
Geauga County Library District				
Effective Millage Rates				
Residential/Agricultural	0.7495	0.6414	0.6385	0.6364
Commercial/Industrial	0.8615	0.7273	0.7280	0.7270
Tangible/Public Utility Personal	1.0000	1.0000	1.0000	1.0000
Lake County Library District				
Effective Millage Rates				
Residential/Agricultural	0.0000	0.0000	0.0000	1.8839
Commercial/Industrial	0.0000	0.0000	0.0000	1.9035
Tangible/Public Utility Personal	0.0000	0.0000	0.0000	2.0000

2003	2004	2005	2006	2007	2008
\$6.3436	\$6.3238	\$6.3170	\$6.5377	\$6.5349	\$6.5245
6.7262	6.7227	6.7227	6.2591	6.2874	6.2874
9.4000	9.4000	9.4000	9.4000	9.4000	9.4000
7.8938	7.8763	7.8179	7.1296	7.7873	8.0795
8.1396	8.1396	8.1158	7.3537	7.9308	8.2476
11.8000	11.8000	11.8000	11.8000	11.4000	10.8000
8.7801	8.7488	8.2403	7.8178	7.7790	8.5311
9.0247	9.0400	8.4499	8.2493	8.2490	9.0163
12.5000	12.5000	11.5000	11.5000	11.5000	12.2500
9.0921	8.3384	8.7563	8.7238	8.0785	8.0667
9.0131	8.3144	8.7428	8.6002	8.3470	8.2272
9.4000	9.4000	9.4000	9.4000	9.4000	9.4000
19.4797	10.8587	11.8767	10.8912	10.8750	10.8584
20.3116	11.7554	12.6037	11.4143	11.5035	11.4913
14.6000	15.1000	15.1000	15.1000	15.1000	15.1000
8.2778	7.3213	7.3125	7.6276	7.0884	7.2608
9.4029	8.9778	9.0975	9.2551	8.6297	8.7551
10.3000	10.3000	10.3000	10.3000	10.3000	10.4000
0.9079	0.9048	0.9022	0.8078	0.8061	0.9980
0.9462	0.9414	0.9387	0.8274	0.8354	0.9985
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
1.7771	1.5444	1.4899	1.4759	1.5488	1.5452
1.8034	1.6043	1.5692	1.5668	1.5476	1.5577
1.9000	1.8000	1.7500	1.7400	1.6600	1.6600

(continued)

Chardon Local School District
Property Tax Rates - Direct and Overlapping Governments (continued)
 (per \$1,000 of assessed value)
 Last Ten Years

	1999	2000	2001	2002
Lakeland Community College				
Effective Millage Rates				
Residential/Agricultural	\$0.0000	\$1.4787	\$1.3274	\$1.3287
Commercial/Industrial	0.0000	2.0998	1.9875	1.9846
Tangible/Public Utility Personal	0.0000	3.2000	3.2000	3.2000
Metropolitan Park District				
Effective Millage Rates				
Residential/Agricultural	0.0000	1.4001	1.2568	1.2581
Commercial/Industrial	0.0000	1.9949	1.8881	1.8854
Tangible/Public Utility Personal	0.0000	2.2000	2.2000	2.2000

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

Real property tax rates for continuing operating levies are reduced so that inflationary increases in value do not generate additional taxes.

Overlapping rates are those of local and county governments that apply to property owners with the School District.

Source: Ohio Department of Taxation

2003	2004	2005	2006	2007	2008
\$1.8254	\$1.5381	\$1.5355	\$1.5313	\$1.3792	\$1.3787
2.1308	2.0050	2.0403	2.0492	1.8676	1.8632
3.2000	3.2000	3.2000	3.2000	3.2000	3.2000
1.2538	1.0564	1.0547	2.0838	1.8767	1.8762
1.8585	1.7488	1.7797	2.1575	1.9963	1.9616
2.2000	2.2000	2.2000	2.2000	2.2000	2.2000

Chardon Local School District
Property Tax Levies and Collections (1)
Last Ten Years

<u>Collection Year (2)</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collections to Current Tax Levy</u>	<u>Delinquent Tax Collections (3)</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Current Tax Levy</u>
1998	\$13,175,578	\$12,848,967	97.52%	\$224,685	\$13,073,652	99.64%
1999	13,676,065	13,306,702	97.30	247,971	13,554,673	99.11
2000	14,126,172	13,637,173	96.54	295,604	13,932,777	98.63
2001	17,063,561	16,564,524	97.08	430,111	16,994,635	99.60
2002	17,344,877	16,923,569	97.57	354,839	17,278,408	99.62
2003	17,626,819	17,128,757	97.17	394,079	17,522,836	99.41
2004	18,048,291	17,382,058	96.31	535,558	17,917,616	99.28
2005	18,486,895	17,875,965	96.70	697,343	18,573,308	100.47
2006	18,796,481	18,044,327	96.00	534,780	18,579,107	98.84
2007	22,646,348	21,895,818	96.69	547,321	22,443,139	99.10

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

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.
- (2) The 2008 information cannot be presented because all collections have not been made by June 30, 2008.
- (3) The County does not maintain delinquency information by tax year.

Chardon Local School District

Principal Taxpayers

Real Estate Tax

2008 and 1999

Name of Taxpayer	2008	
	Assessed Value	Percent of Real Property Assessed Value
Wal Mart Real Estate Business Trust	\$3,728,800	0.58%
Heather Hill, Inc.	3,559,430	0.56
Maple Leaf Plaza LLC	2,913,020	0.46
Structural North America	2,819,320	0.44
Seventh Avenue	2,596,550	0.41
GP Carrollton 4200, LLC	2,378,570	0.37
Petronzio Management Co LLC	2,007,780	0.32
HD Development of Maryland Inc	1,985,030	0.31
Aveni Chardon LTD	1,984,500	0.31
Rhein Chemical Corp	1,802,050	0.28
Totals	<u>\$25,775,050</u>	<u>4.04%</u>
Total Real Property Assessed Valuation	<u>\$637,998,680</u>	

Name of Taxpayer	1999	
	Assessed Value	Percent of Real Property Assessed Value
Maple Leaf Plaza	\$2,542,650	0.75%
William Conway	2,123,210	0.62
Structural North America	1,533,010	0.45
Center Six Corporation	1,496,050	0.44
Burlington Groups, Inc.	1,385,060	0.41
Chardon Hills Apts.	1,265,250	0.37
Chardon Plaza	1,144,840	0.34
Walter C. Best	974,880	0.29
PHC Operating Corporation	868,000	0.25
Best Sand Corporation	780,290	0.23
Totals	<u>\$14,113,240</u>	<u>4.15%</u>
Total Real Property Assessed Valuation	<u>\$340,460,470</u>	

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

Chardon Local School District
Principal Taxpayers
Tangible Personal Property Tax
2008 and 1999

Name of Taxpayer	2008	
	Assessed Value	Percent of Tangible Personal Property Assessed Value
Eltech Systems Corporaton	\$2,226,540	23.14%
Windstream Western Reserve Inc	2,082,080	21.64
Alltel Communications Inc	1,696,820	17.63
Essef Corporation	1,290,710	13.41
Best Sand Corporation	1,004,100	10.43
Total	\$8,300,250	86.25%
Total Tangible Personal Property Assessed Valuation	\$9,623,295	

Name of Taxpayer	1999	
	Assessed Value	Percent of Tangible Personal Property Assessed Value
Eltech Systems Corporaton	\$3,749,050	12.02%
Best Sand Corporation	2,733,460	8.76
Essef Corporation	2,706,170	8.67
Unova Industrial	1,551,630	4.97
Elastochem, Inc.	1,490,530	4.78
Chardon Rubber Company	1,006,150	3.22
Lawson Ford & Mercury	827,930	2.65
Junction Auto Sales, Inc.	698,500	2.24
Chardon Metal Products	572,370	1.84
Key Corporate Capital	494,240	1.58
Total	\$15,830,030	50.73%
Total Tangible Personal Property Assessed Valuation	\$31,201,560	

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

Chardon Local School District

Principal Taxpayers

Public Utilities Tax

2008 and 1999

Name of Taxpayer	2008	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating	\$10,340,190	84.97%
American Transmission	1,056,120	8.68
East Ohio Gas	664,900	5.46
Orwell Natural Gas	104,040	0.86
Total	\$12,165,250	99.97%
Total Public Utility Assessed Valuation	\$12,168,920	
Name of Taxpayer	1999	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating	\$14,232,630	60.62%
Western Reserve Telephone	6,180,340	26.33
East Ohio Gas	2,073,200	8.83
Total	\$22,486,170	95.78%
Total Public Utility Assessed Valuation	\$23,477,510	

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

Chardon Local School District

Ratio of General Debt to Personal Income and General Debt per Capita

Last Three Fiscal Years (1)

Fiscal Year	Population (2)	Total Personal Income (3)	General Debt		
			Capital Leases	Ratio of General Debt to Personal Income	General Debt per Capita
2006	20,219	\$652,109,657	\$91,041	0.0140%	\$4.5027
2007	20,219	n/a	10,591	n/a	0.5238
2008	20,219	n/a	5,678	n/a	0.2808

(1) The School District did not have general debt before fiscal year 2006.

(2) 2000 U.S. Census Bureau

(3) Ohio Department of Taxation

Chardon Local School District
*Computation of Direct and Overlapping
 Governmental Activities Debt
 December 31, 2007*

	Governmental Activities Debt Outstanding	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Direct:			
Chardon Local School District			
Capital Leases	\$5,678	100.00%	\$5,678
Overlapping:			
City of Chardon			
General Obligation Bonds	1,395,000	24.82%	346,239
OPWC Loans	1,188,575	24.82%	295,004
Capital Leases	161,238	24.82%	40,019
Geauga County			
Special Assessment Bonds	2,873,478	21.60%	620,671
Capital Leases	16,172	21.60%	3,493
Notes Payable	7,345,000	21.60%	1,586,520
Total Overlapping	12,979,463		2,891,946
Total	\$12,985,141		\$2,897,624

Source: Office of the Auditor, Cuyahoga County, Ohio

(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 2007 collection year.

Chardon Local School District
Computation of Legal Debt Margin
Last Ten Fiscal Years

	1999	2000	2001	2002
Assessed Valuation	<u>\$395,139,540</u>	<u>\$469,869,600</u>	<u>\$488,807,010</u>	<u>\$507,507,560</u>
Debt Limit - 9% of Assessed Value (2)	<u>\$35,562,559</u>	<u>\$42,288,264</u>	<u>\$43,992,631</u>	<u>\$45,675,680</u>
Amount of Debt Applicable to Debt Limit				
General Obligation Bonds	0	0	0	0
Less Amount Available in Debt Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal Debt Margin	<u>\$35,562,559</u>	<u>\$42,288,264</u>	<u>\$43,992,631</u>	<u>\$45,675,680</u>
Legal Debt Margin as a Percentage of the Debt Limit	100.00%	100.00%	100.00%	100.00%
Unvoted Debt Limit - .10% of Assessed Value (1)	\$395,140	\$469,870	\$488,807	\$507,508
Amount of Debt Applicable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$395,140</u>	<u>\$469,870</u>	<u>\$488,807</u>	<u>\$507,508</u>

Source: Geauga County Auditor and School District Financial Records

- (1) Beginning in 2006, HB530 changed the assessed valuation utilized in the legal debt margin calculation to exclude tangible personal property as well as railroad and telephone tangible property.
- (2) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.

2003	2004	2005	2006 (1)	2007 (1)	2008 (1)
<u>\$555,074,780</u>	<u>\$570,663,076</u>	<u>\$587,553,063</u>	<u>\$662,961,318</u>	<u>\$655,588,260</u>	<u>\$645,483,470</u>
<u>\$49,956,730</u>	<u>\$51,359,677</u>	<u>\$52,879,776</u>	<u>\$59,666,519</u>	<u>\$59,002,943</u>	<u>\$58,093,512</u>
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$49,956,730</u>	<u>\$51,359,677</u>	<u>\$52,879,776</u>	<u>\$59,666,519</u>	<u>\$59,002,943</u>	<u>\$58,093,512</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$555,075	\$570,663	\$587,553	\$662,961	\$655,588	\$645,483
0	0	0	0	0	0
<u>\$555,075</u>	<u>\$570,663</u>	<u>\$587,553</u>	<u>\$662,961</u>	<u>\$655,588</u>	<u>\$645,483</u>

Chardon Local School District
Principal Employers
December 31, 2007 and December 31, 1999

December 31, 2007		
Employer	Nature of Business or Activity	Employees
Kraftmaid	Manufacturer	2,689
Geauga County	Amusement Park	1,031
University Hospital	Government	619
Great Lakes Cheese	Hospital	487
Kenston Local School District	Packaging	440
Chardon Local School District	Education	351
Dillen Products	Education	445
Walmart - Chardon	Manufacturer	285
Kinetico Inc.	Manufacturer	257
Duramax, Inc	Manufacturer	715
Total		<u>7,319</u>
Total Employment within the School District		<u>n/a</u>

December 31, 1999		
Employer	Nature of Activity	Employees
Kraftmaid	Manufacturer	2,862
Six Flags, Inc.	Amusement Park	2,300
Geauga County	Government	1,028
Duramax, Inc	Manufacturer	803
University Hospital	Hospital	605
Dillen Products	Manufacturer	408
Great Lakes Cheese	Packaging	400
Carlisle Engineered Products	Manufacturer	380
Kinetico Inc.	Manufacturer	290
Burton Rubber Processing	Manufacturer	269
Total		<u>9,345</u>
Total Employment within the School District		<u>n/a</u>

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

Chardon Local School District
Demographic and Economic Statistics
Last Ten Years (1)

Year	Population (1)	Total Personal Income (2)	Personal Income Per Capita	Geauga County Unemployment Rate (3)
1999	18,573	\$520,090,662	\$28,003	3.0
2000	19,252	570,434,067	29,630	3.1
2001	20,219	543,746,064	26,893	3.4
2002	20,219	589,669,128	29,164	4.1
2003	20,219	549,844,564	27,194	4.9
2004	20,219	556,615,468	27,529	4.7
2005	20,219	623,884,788	30,856	4.7
2006	20,219	652,109,657	32,252	4.4
2007	20,219	n/a	n/a	4.9
2008	20,219	n/a	n/a	6.3

Source (1) 2000 U.S. Census Bureau
(2) Ohio Department of Taxation
(3) Ohio Job & Family Services, Office of Workforce Development

Chardon Local School District
School District Employees by Function/Program
Last Five Fiscal Years (1)

Function/Program	2004	2005	2006	2007	2008
Regular Instruction					
Elementary Classroom Teachers	67.00	67.00	69.50	66.00	67.00
Middle School Classroom Teachers	37.00	38.00	39.50	38.00	44.00
High School Classroom Teachers	50.00	50.00	51.00	48.00	59.00
Special Instruction					
Academically gifted Teachers	2.00	2.00	2.00	2.00	2.00
Multi Handicapped Teachers	0.00	0.00	0.00	0.00	2.00
Severe Behavior Handicapped Teachers	3.00	3.00	3.00	4.00	3.00
Developmentally Handicapped Teachers	5.00	5.00	5.00	5.00	2.00
Specific Learning Disabled Teachers	7.00	8.00	9.50	11.00	13.00
Disadvantaged Youth	1.50	1.50	1.50	1.00	1.00
Home Economics	4.00	4.00	4.00	3.00	3.00
Pupil Support Services					
Guidance Counselors	6.00	7.00	8.50	7.00	7.00
Librarians	6.00	6.00	8.00	6.00	6.00
Health Services	6.00	6.00	6.00	5.00	5.00
Speech and Language Pathologists	3.00	3.00	3.00	3.00	3.00
Aides	11.00	12.00	16.00	20.00	20.00
Computer	1.00	1.00	1.00	1.00	1.00
Other Support	1.00	1.00	1.00	1.00	0.00
Administration					
Elementary	4.00	4.00	4.00	4.00	4.00
Middle School	2.00	2.00	2.00	2.00	2.00
High School	3.00	3.00	3.00	3.00	3.00
Operation of Plant					
Custodians & Maintenance	22.00	23.00	25.00	22.00	25.00
Pupil Transportation					
Director	1.50	1.50	1.50	2.00	1.00
Bus Drivers	34.00	35.00	37.50	36.00	37.00
Bus Aides	3.00	3.00	3.50	1.00	5.00
Maintenance	4.00	4.00	5.00	5.00	3.00
Food Service Program					
Director	1.00	1.00	1.00	1.00	1.00
Cooks	17.00	18.00	20.00	21.00	20.00
Totals	<u>302.00</u>	<u>309.00</u>	<u>331.00</u>	<u>318.00</u>	<u>339.00</u>

Method: Using 1.0 for each full-time equivalent and .5 for each part-time employee at fiscal year end.

(1) Information prior to 2004 is not available

Chardon Local School District
Teacher's Salaries
Last Seven Fiscal Years (1)

Fiscal Year	Chardon Local School District Average Salary	Statewide Average Salary
2001	\$46,537	\$42,995
2002	45,780	43,755
2003	51,379	45,645
2004	53,668	47,659
2005	56,351	49,438
2006	55,903	50,772
2007	56,337	53,536

Source: Ohio Department of Education

(1) Information prior to 2001 is not available. At the time of this report information for fiscal year 2008 was not available.

Chardon Local School District
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Expenses (2)	Enrollment	Cost Per Pupil	Percentage Change
1999	n/a	3,065	n/a	n/a
2000	n/a	3,046	n/a	n/a
2001	n/a	3,096	n/a	n/a
2002	\$24,992,519	3,124	\$8,000	n/a
2003	26,983,175	3,209	8,409	5.11%
2004	28,283,206	3,273	8,641	2.76
2005	29,609,422	3,272	9,049	4.72
2006	30,836,058	3,319	9,291	2.67
2007	30,557,136	3,293	9,279	(0.13)
2008	33,086,734	3,259	10,152	9.41

Source: School District Records
Ohio Department of Education

(1) Information prior to 2002 is not available.

(2) Based upon actuals less interest expense

Pupil/ Teacher Ratio	Percentage of Students Receiving Free or Reduced Lunches
n/a	7.02%
n/a	7.22
18.9	9.04
17.6	10.23
19.1	0.10
19.4	10.75
19.6	12.72
19.2	12.76
15.9	11.00
15.9	12.63

Chardon Local School District
Building Statistics by Function/Program
Last Ten Fiscal Years

	1999	2000	2001	2002
Chardon High School				
Constructed in 1951, 1953, 1957, 1964, 1974				
Total Building Square Footage	127,098	127,098	127,098	127,098
Enrollment Grades 9-12	973	939	991	997
Student Capacity	1,105	1,105	1,105	1,105
Regular Instruction Classrooms	n/a	n/a	45	45
Regular Instruction Teachers	54	54	54	56
Special Instruction Classrooms	n/a	n/a	3	3
Special Instruction Teachers	2	4	5	6
Chardon Middle School				
Constructed in 1965, 1974				
Total Building Square Footage	89,224	89,224	89,224	89,224
Enrollment Grades 6-8	747	739	743	810
Student Capacity	730	730	730	730
Regular Instruction Classrooms	n/a	n/a	45	45
Regular Instruction Teachers	40	44	42	46
Special Instruction Classrooms	n/a	n/a	3	3
Special Instruction Teachers	6	5	6	7
Hamden Elementary School				
Constructed in 1922, 1949, 1964				
Total Building Square Footage	20,859	20,859	20,859	20,859
Enrollment Grades K-5	279	289	275	277
Student Capacity	300	300	300	300
Regular Instruction Classrooms	n/a	n/a	11	11
Regular Instruction Teachers	15	16	16	16
Special Instruction Classrooms	n/a	n/a	2	2
Special Instruction Teachers	n/a	n/a	1	2
Maple Elementary School				
Constructed in 1958, 1964				
Total Building Square Footage	26,520	26,520	26,520	26,520
Enrollment Grades K-5	295	295	293	289
Student Capacity	343	343	343	343
Regular Instruction Classrooms	n/a	n/a	18	18
Regular Instruction Teachers	17	19	18	18
Special Instruction Classrooms	n/a	n/a	3	3
Special Instruction Teachers	2	2	3	3
Munson Elementary				
Constructed in 1955, 1959, 1974				
Total Building Square Footage	31,228	31,228	31,228	31,228
Enrollment Grades K-5	346	344	317	329
Student Capacity	475	475	475	475
Regular Instruction Classrooms	n/a	n/a	19	19
Regular Instruction Teachers	22	26	26	23
Special Instruction Classrooms	n/a	n/a	2	2
Special Instruction Teachers	n/a	2	2	3

2003	2004	2005	2006	2007	2008
127,098	127,098	127,098	127,098	127,098	127,098
1,051	1,091	1,131	1,151	1,125	1,188
1,105	1,105	1,105	1,105	1,105	1,104
45	45	45	45	45	45
56	56	57	56	49	49
3	3	3	3	3	3
6	6	5	6	7	7
89,224	89,224	89,224	89,224	89,224	89,224
782	793	780	793	782	752
730	730	730	730	730	792
45	45	45	45	45	44
43	45	43	45	43	44
3	3	3	3	3	4
7	4	7	5	5	8
20,859	20,859	20,859	20,859	20,859	20,859
275	284	291	321	306	313
300	300	300	300	300	216
11	11	11	11	11	12
17	17	16	16	12	16
2	2	2	2	2	1
2	2	2	2	2	1
26,520	26,520	26,520	26,520	26,520	26,520
275	301	301	296	269	268
343	343	343	343	343	336
18	18	18	18	18	18
18	18	18	18	14	15
3	3	3	3	3	13
4	4	3	3	3	4
31,228	31,228	31,228	31,228	31,228	31,228
362	403	415	435	422	406
475	475	475	475	475	408
19	19	19	19	19	19
23	24	23	22	20	21
2	2	2	2	2	2
3	3	3	3	3	3

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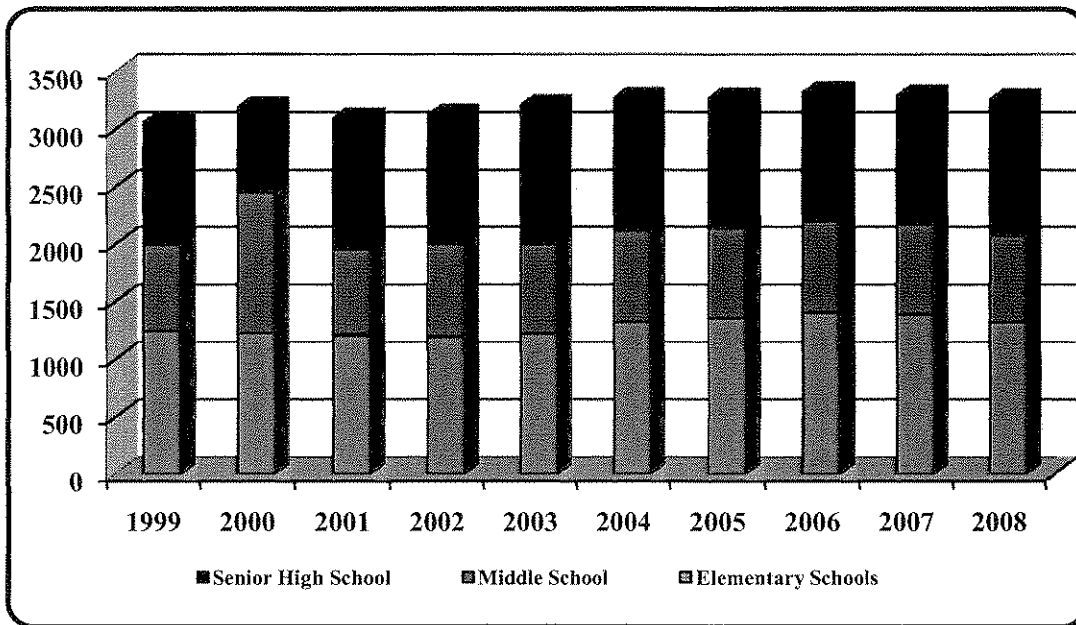
Chardon Local School District
Building Statistics by Function/Program (Continued)
Last Ten Fiscal Years

	1999	2000	2001	2002
Park Elementary School				
Constructed in 1938				
Total Building Square Footage	44,300	44,300	44,300	44,300
Enrollment Grades K-5	321	298	320	296
Student Capacity	409	409	409	409
Regular Instruction Classrooms	n/a	n/a	15	15
Regular Instruction Teachers	13	19	17	16
Special Instruction Classrooms	n/a	n/a	n/a	5
Special Instruction Teachers	1	1	1	2

2003	2004	2005	2006	2007	2008
44,300	44,300	44,300	44,300	44,300	44,300
304	329	347	352	319	332
409	409	409	409	409	384
15	15	15	15	15	15
17	18	18	17	14	18
5	5	5	5	5	5
2	2	2	2	2	2

Chardon Local School District
Enrollment Statistics
Last Ten Fiscal Years

Schools	1999	2000	2001	2002	2003	2004
Elementary Schools	1241	1226	1205	1191	1216	1317
Middle School	747	1226	743	810	782	793
Senior High School	1077	739	1148	1123	1211	1163
Total	3065	3191	3096	3124	3209	3273



Source: Ohio Department of Education, School Districts Records.

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
1354	1404	1386	1319
780	793	782	752
<u>1138</u>	<u>1122</u>	<u>1125</u>	<u>1188</u>
<u>3272</u>	<u>3319</u>	<u>3293</u>	<u>3259</u>

Chardon Local School District
Average Number of Students per Teacher
Last Ten School Yearss

Fiscal Year	Chardon Local School District Average	State Average
1999	19.9	18.6
2000	19.8	18.1
2001	19.8	18.0
2002	20.1	16.9
2003	20.5	16.5
2004	20.9	18.5
2005	21.2	18.5
2006	21.0	18.6
2007	22.4	19.6
2008	22.3	19.5

Source: Ohio Department of Education

Chardon Local School District
Attendance and Graduation Rates
Last Ten School Years

Fiscal Year	Chardon Local School District Attendance Rate	State Average	Chardon Local School District Graduation Rate	State Average
1999	95.8%	93.5%	88.6%	80.6%
2000	96.3	93.6	92.2	80.6
2001	95.8	43.9	93.8	81.1
2002	96.2	94.3	95.9	82.7
2003	95.6	94.5	97.6	84.3
2004	96.0	94.5	95.7	85.9
2005	95.8	94.3	96.1	86.2
2006	95.7	94.1	98.5	86.1
2007	95.6	94.1	95.6	86.1
2008	95.7	94.2	96.3	86.9

Source: Ohio Department of Education

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Mary Taylor, CPA
Auditor of State

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
FEBRUARY 10, 2009**