CHASE CORP
Form 10-K/A
May 05, 2003

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C., 20549

FORM 10-KA/2

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended August 31, 2002
Commission File Number:1-9852

CHASE CORPORATION
(Exact name of registrant as specified in its charter)

Massachusetts	**11-1797126**
(State or other jurisdiction of incorporation of organization)	(I.R.S. Employer Identification No.)
26 Summer Street, Bridgewater, Massachusetts	02324
(Address of principal executive offices)	(Zip Code)
(508)279-1789	
Registrant's telephone number, including area code	

Securities registered pursuant to section 12(b) of the Act:

Common Stock, $.10 par value	American Stock Exchange
(Title of class)	(Name of each exchange on which registered)

Securities registered pursuant to section 12(g) of the Act:
Common Stock, $.10 par value
(Title of class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, (or for such shorter period that the registrant was required to file such reports, and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [x]

As of October 31, 2002, the Company had outstanding 4,047,317 shares of common stock, $.10 par value, which is its only class of common stock; and the aggregate market value of the voting stock held by non-affiliates of the registrant was $37,154,000.

DOCUMENT INCORPORATED BY REFERENCE

The registrant's definitive proxy statement (the "Definitive Proxy Statement") to be filed in connection with the Annual Meeting of Shareholders to be held on January 28, 2003, is incorporated by this reference into items 10-13 hereof.

Item 1. Business.
General Development and Industry Segment.

Chase Corporation (the "Company") is a multi-divisional advanced manufacturing company providing industrial products to a wide variety of industries including wire and cable, construction and electronics. During fiscal 1991, the Company implemented a strategy of maximizing the core businesses while seeking future opportunities through selective acquisitions. During 1992, a facility that manufactures tape and related products in Webster, Massachusetts became operational. In April 1992, the Company acquired certain tape product lines and associated assets for cash from the Stewart Group, Ltd. This division, Chase Canada, maintains manufacturing operations in Winnipeg, Manitoba, Canada. Effective May 25, 1994, the Company purchased the electrical cable insulation tape product lines and certain associated assets from Haartz Mason, Inc. and these products were folded into the Chase & Sons division. On June 5, 1995, the Company formed a joint venture with The Stewart Group, Ltd. which was called The Stewart Group, Inc. The original investment was increased on February 1, 1996 and at that time the Company owned 42% of the venture. On May 16, 1997 the majority of the assets related to the original business were sold to Owens Corning. The venture continues to operate two manufacturing facilities selling polymers and specialty coatings primarily to the telecommunication industry. On June 29, 1995, certain assets of Fluid Polymers, Inc. of Las Vegas, Nevada were acquired and then relocated to the Royston facility. On August 7, 1996 the Company announced that it had purchased a 20% interest in DC Scientific and then purchased a controlling interest on January 16, 1997. On January 27, 1999 the Company acquired the remaining interest of DC Scientific Inc. and changed the name to Sunburst Electronic Manufacturing Solutions Inc., (Sunburst EMS). The Company expanded its electronic manufacturing holding on May 26, 1999 with the acquisition of RWA, Inc. Melrose, MA. and acquired the assets of NETCO Automation, Inc. effective February 2000 which have since been folded into RWA, Inc. during fiscal 2002. Northeast Quality Products, Co. Inc., Newburyport, MA a specialty printer producing custom pressure sensitive labels, was acquired July 29, 1999. Effective November 1, 2001 substantially all of the assets of Tapecoat, a division of T.C. Manufacturing Co., Inc., was purchased for cash and 40,000 shares of Chase common stock. Tapecoat is a manufacturer of protective coatings within several markets.

As of October 31, 2002 the Company employed approximately 352 people.

Products and Markets.

The Company's principal products are protective coatings and tape products that are sold by Company salespeople and manufacturers' representatives. These products consist of: (i) insulating and conducting materials for the manufacture of electrical and telephone wire and cable, electrical splicing, and terminating and repair tapes which are marketed to wire and cable manufacturers and public utilities; (ii) protective pipe coating tapes and other protectants for valves, regulators, casings, joints, metals, concrete, and wood that are sold to oil companies, gas utilities, and pipeline companies; (iii) protectants for highway bridge deck metal supported surfaces sold to municipal transportation authorities; (iv) moisture protective coatings that are sold to the electronics industry; and (v) in addition, the Company's electronic manufacturing service group, Sunburst EMS and RWA, Inc. provide circuit board assembly services to electronic goods manufacturers. There are no material seasonal aspects to the Company's business and the Company has introduced no new products or segments requiring an investment of a material amount of the Company's assets.

Backlog, Customers and Competition.

As of October 31, 2002, the backlog of orders believed to be firm was about $7,179,000, of which $5,056,000 was related to our electronic contract-manufacturing group. This compared with a total of $9,721,000 as of October 31, 2001 with $8,299,000 associated with electronic manufacturing. The backlog is not seasonal. During fiscal 2002, no customer accounted for more than 10% of sales. In fiscal years 2001 and 2000 one customer accounted for approximately 14% and 12%, respectively, of total sales. No material portion of the Company's business is subject to renegotiation or termination of profits or contracts at the election of the government.

There are other companies that manufacture or sell products and services similar to those made and sold by the Company. Many of those companies are larger and have greater financial resources than the Company. Competition is principally based on technical performance, service reliability, quality and price.

Raw Materials.

The Company obtains raw materials from a wide variety of suppliers with alternative sources of all essential materials available within reasonable lead times.

Patents, Trademarks, Licenses, Franchises and Concessions.

Other than HumiSeal, a trademark for moisture protective coatings sold to the electronics industry, Chase BLH2OCK, a trademark for water blocking compound sold to the wire and cable industry, and Rosphalt50, a trademark for an asphalt additive used predominantly on bridge decks for waterproofing protection, there are no material trademarks, licenses, franchises, or concessions. The Company holds various patents, but believes that at this time they are not material to the success of the business.

Working Capital and Research and Development.

There are no special practices followed by the Company relating to working capital. Approximately $781,000, $612,000 and $620,000 was spent for Company-sponsored research and development during the fiscal years 2002, 2001 and 2000, respectively.

Financial Information about Foreign and Domestic Operations and Export Sales.

Export sales from continuing domestic operations to unaffiliated third parties were $4,504,000, $5,941,000 and $4,936,000, for the years ended August 31, 2002, 2001 and 2000, respectively. The change in export sales was due to the general decline of the global economy and a new license and royalty arrangement with a manufacturer in the Far East which would cause a reduction in sales but increase royalty income. The Company does not anticipate any material change to export sales during fiscal 2003. The Company's products are sold worldwide with no foreign geographic area accounting for more than 10% of revenues. The Company's Canadian operations accounted for 3.4% of consolidated sales and 1.3% of its assets.

The Company has very limited currency exposure since all invoices, except those from the Canadian operation to Canadian customers, are denominated in US dollars. The Company maintains minimal cash balances in Canada and, other than the currency conversion effects on the fixed assets in Canada, which are deferred and recorded directly in equity per FAS52, and reported in the Statement of Changes in Equity per FAS130, there are no significant assets held in foreign currencies. The Company does not engage in hedging activities. Foreign currency transaction gains or losses have not been material.

Item 1A. Executive Officers of the Registrant.

The following table sets forth information concerning the Company's Executive officers. Each officer is selected by the Company's Board of Directors and holds office until his successor is elected and qualified.

Name	Age	Offices Held and Business Experience during Past Five Years.
Peter R. Chase	54	Chief Executive Officer of the Company since September 1993 and President of the Company since April 1992.
Everett Chadwick, Jr.	61	Treasurer of the Company since September 1993 and Chief Financial Officer since September 1992; Director of Finance of the Company from April 1991 to August 1993 and Controller of the Company from September 1988 to August 1993.

ITEM 2. Properties.

During 1998 the Company purchased a building containing about 5,200 square feet located in Bridgewater, Massachusetts to which it relocated its principle executive office. The Company also rents a modern one-story building of approximately 5,000 square feet in Woodside, New York, which is used by the conformal coatings division.

Chase & Sons, a division, engaged in the manufacture and sale of electrical protective coatings and tape products uses offices and plants owned by the Company that are located on seven acres in Randolph, Massachusetts and consist of a three-story building containing about 10,500 square feet and ten one-story buildings, aggregating about 67,000 square feet. This division also owns a facility in Webster, Massachusetts. The plant of about 25,000 square feet, manufactures tape and related products for the electronic and telecommunication industries.

The Canadian division of the Company is engaged in the process of laminating and slitting film, foils and papers primarily for the wire and cable industry. This division leases about 18,000 square feet of manufacturing space in Winnipeg, Manitoba, Canada.

The Royston and Fluid Polymers divisions use offices and a plant, owned by the Company that is located on three acres in Pittsburgh, Pennsylvania. The facilities consist of thirteen buildings, three of which are used for offices, one of which is rented as a residence and the rest of which are used as manufacturing and warehouse facilities. These facilities, excluding the residence, contain about 44,000 square feet and are used in the manufacture and sale of protective coatings and tape products.

A subsidiary of the Company, Northeast Quality Products Co., Inc., is a specialty printer producing custom pressure-sensitive labels and leases about 15,000 square foot of space in Newburyport, Massachusetts.

Sunburst EMS and RWA, Inc. provide electronic manufacturing services. During fiscal 2002, Sunburst EMS acquired the 35,700 square feet facility located in West Bridgewater, Massachusetts that it had previously leased. RWA rents about 21,000 square feet in Melrose, Massachusetts. During the fourth quarter, the NETCO Automation operation was consolidated predominately with RWA, Inc.

The asset purchase of Tapecoat, a manufacturer of protective coatings, was completed effective November 1, 2001. The buildings are located in Evanston, Illinois and consist of about 100,000 square feet. The property was included as a part of the asset purchase.

The above facilities range in age from new to about 100 years, are generally in good condition and, in the opinion of management, adequate and suitable for present operations. The Company also owns equipment and machinery that is in good repair and, in the opinion of management, adequate and suitable for present operations. The Company could significantly add to its capacity by increasing shift operations. Availability of machine hours through additional shifts would provide expansion of current product volume without significant additional capital investment.

Item 3. Legal Proceedings.

In 2002, the Company was named as a defendant in two consolidated personal injury lawsuits in Jefferson County and Jackson County, Mississippi and in a single case in Brazoria County, Texas, all of which allege asbestos exposure. The two lawsuits in Mississippi name approximately 3,000 plaintiffs total and each lawsuit names approximately 400 defendants. It is not clear from the complaints in any of these cases whether there is any basis for the claims against the Company. Nor is it clear at this time whether the plaintiffs intend to pursue actively their claims against the Company. No discovery from the Company has been sought yet. The Company's insurer has assumed defense of these claims subject to reservation of its rights as to coverage for any underlying liability assessed.

Item 4. Submission of Matters to a Vote of Security Holders.

There were no matters submitted to a vote of the Company's security holders during the fourth quarter of the Company's last fiscal year.

PART II

Item 5. Market for the Registrant's Common Equity and Related Stockholder Matters.

The Company's common stock is traded on the American Stock Exchange (Symbol CCF). The approximate number of shareholders of common stock on October 31, 2002 was 1795.

The quarterly high and low sales prices for the Company's common stock over the last two years were as follows:

	Year ended August 31, 2002		Year ended August 31, 2001	
	Sales Price		Sales Price	
	High	Low	High	Low
November 30	12.25	10.05	10.25	9.00
February 28	12.60	10.60	14.25	9.63
May 31	11.55	10.35	11.85	10.75
August 31	11.35	9.55	12.70	11.45

Item 6. Selected Financial Data.

	2002	2001	2000	1999	1998
Net Sales and other operating revenues	$69,347,505	$70,483,764	$68,480,226	***$49,499,881***	$46,560,172
Income before minority interest	4,343,316	5,577,360	5,443,923	4,870,677	4,101,643
Equity in earnings of unconsolidated joint venture	120,000	296,000	326,000	238,000	195,000
Minority participation in Subsidiary	-	-	-	99,633	107,585
Gain on sale of assets from unconsolidated joint venture	-	-	-	-	1,718,425(1)
Net Income	4,463,316	5,873,360	5,769,923	5,208,310	6,122,653(1)
Total Assets	53,385,875	46,788,503	45,352,786	38,984,136	25,261,786
Long-term debt and capital leases	6,780,834	3,562,793	6,273,478	6,508,471	682,576
Per Common Share:					
Diluted	1.08	1.44	1.44	1.30	1.56

Basic	1.10	1.47	1.46	1.34	1.58
Cash dividends*	.27	.36	.36	.32	.28

*Single annual payments declared and paid subsequent to fiscal year end.

(1) Includes a non-recurring gain related to the sale of certain assets by The Stewart Group, Inc. joint venture.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

SELECTED RELATIONSHIPS WITHIN THE CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended August 31,		
	2002	**2001**	**2000**
	(Dollars in thousands)		
Net revenue	$69,348	$70,484	$68,480
Net Income	4,463	$ 5,873	$ 5,770
Increase (Decrease)in net revenue from previous years			
Amount	$(1,136)	$ 2,004	$18,960
Percentage	(2%)	3%	38%
Increase(Decrease) in net income from previous year	$(1,410)	$ 103	$ 562
Percentage of net revenue:			
Net revenue	100.0%	100.0%	100.0%
Expenses:			
Cost of Sales	71.0	70.2	69.6
Selling, general and administrative expenses	19.1	17.1	17.3
Other expenses	.8	1.1	1.2
Income before income taxes and minority interest	9.1	11.6	11.9
Provision for income taxes	2.9	3.7	4.0
Income before minority interest	6.2	7.9	7.9
Equity in earnings of unconsolidated joint venture	.2	.4	.5
Net Income	6.4%	8.3%	8.4%

Overview

During fiscal 1999, the Company acquired the remaining interest in its subsidiary, Sunburst Electronics Manufacturing Services and also completed its acquisition of RWA, Inc. Effective February 1, 2000, the Company acquired the assets of NETCO Automation, Inc and most of this business was folded into RWA, Inc. during the fourth quarter of fiscal 2002. The companies participate within the electronic manufacturing services industry. To align the requirements of the Financial Accounting Standards with the Company's operational and organizational structure, the Company now has two reportable segments, the Specialized Manufacturing segment which produces protective coatings and trade products and the Electronic Manufacturing Services segment which provides assembly and turnkey contract manufacturing services to the electronics industry.

Effective November 1, 2001, the company purchased the assets of the Tapecoat Division of TC Manufacturing, Inc. Tapecoat's sales included in fiscal 2002 were approximately $7 million.

Results of Operations.

Total revenues for fiscal 2002 decreased $1.14 million to $69.3 million, a decline of 1.6% compared to the prior year. Revenues were adversely impacted by both price erosion from competitive pressure and the continued weakness in the telecommunications and electronics markets served by both the Company's Specialized Manufacturing and Electronic Manufacturing Services segments. Fiscal 2002 Specialized Manufacturing revenues increased over the previous year as the segment benefited from $7.04 million in additional sales over the final ten months of the fiscal year that resulted from the asset purchase of The Tapecoat Division of TC Manufacturing, Inc. In addition, increased sales for products used in certain construction and housing markets supported the Specialized Manufacturing segment.

	Sales	Operating Profit	%
Fiscal 2002			
($-000's)			
Specialized Manufacturing	$49,423	$9,217	18.6
Electronic Manufacturing Services	$19,050	$396	2.1
	$68,473	$9,613	14.0
Fiscal 2001			
($-000's)			
Specialized Manufacturing	$ 47,445	$ 10,322	21.8
Electronic Manufacturing Services	$ 22,308	$ 1,608	7.2
	$ 69,753	$ 11,930	17.1
Fiscal 2000			
($-000's)			
Specialized Manufacturing	$ 47,110	$ 10,019	21.3
Electronic Manufacturing Services	$ 20,870	$ 1,809	8.7
	$ 67,980	$ 11,828	17.4

Fiscal 2001 revenues increased $2.0 million to $70.5 million, an increase of 2.9% over fiscal 2000. Net revenues for the first half of fiscal 2001 increased by 16% and fiscal 2001 second half revenues declined 7.38% when compared to comparable periods in fiscal 2000. During the second half of the year, the weak economy had negative impacts especially within the Company's telecommunications and electronic markets. However, the Company's diversity enabled it to generate growth opportunities within certain construction and other manufacturing markets.

The dollar value of cost of products was lower in fiscal 2002 when compared to fiscal 2001. The decrease in fiscal 2002 was related to the decline in volume for the Company's Electronic Manufacturing Services segment. The increase in the dollar value of cost of products in fiscal 2001 when compared with fiscal 2000 resulted from increased volume in the Company's Electronic Manufacturing Services segment, combined with some selling price erosion related to competitive pressure in certain markets served by the Company's Specialized Manufacturing segment.

As a percent of sales, cost of products increased to 71.9% in 2002 when compared to 70.9% and 70.1% during 2001 and 2000 respectively. The increase this year, as a percent of sales, relates primarily to insufficient fixed manufacturing cost coverage in the Company's Electronic Manufacturing Services segment.

The fiscal 2001 increase as a percentage of sales was the result of increased overall volume in conjunction with a higher percentage of revenues derived from the Company's Electronic Manufacturing Services segment. The raw material cost, as a percentage of sales, is typically higher in this market segment than the Company's more traditional Specialized Manufacturing segment.

Selling and administrative expenses increased $1.275 million to $13.4 million during fiscal 2002 compared to fiscal 2001. Expenses in 2001 increased $.263 million over fiscal 2000. As a percent of sales, expenses increased to 19.5% when compared to 17.3% and 17.4% during 2001 and 2000 respectively. The increase in expenses resulted was the result of the Tapecoat asset purchase concluded on November 1, 2001. As a percentage of sales, there was no material change in expenses when comparing fiscal 2000 to fiscal 2001. The Company will continue to be focused on expense reduction while maintaining and improving the quality of its products and services to the marketplace.

Interest expense decreased to $517,000 in fiscal 2002 as compared to $799,000 in fiscal 2001. The decrease is related to the reduction in interest rates. Interest expense decreased to $799,000 in fiscal 2001 as compared to $910,000 during fiscal 2000. The decrease correlated to both the repayment of debt incurred for fiscal 1999 and 2000 acquisitions, as well as, a reduction in interest rates. The Company expects to benefit from favorable borrowing rates from its financial institutions.

Fiscal 2002 earnings were primarily affected by the poor economic climate, which has been particularly severe in the manufacturing sector. Weak customer demand for the Company's products and services related to the telecommunications and electronics markets, combined with price erosion from competitive pressure negatively impacted the earnings of both of the Company's reporting segments. Fortunately, the asset purchase of Tapecoat and a strong construction market lessened the decline in earnings from fiscal 2001.

Fiscal 2001 earnings benefited from growth in construction markets and improvements in certain areas of electronic manufacturing services, which offset weakness in telecommunications related product lines and services. Sales and profitability from the Company's traditional Specialized Manufacturing group remained solid although somewhat affected by price erosion from competitive pressure.

The effective tax rates for fiscal 2002 when compared to the prior two years are lower. In all three years the Company received the benefit of solid export sales through the Chase Export Corporation subsidiary. Also, effective January 1999, the Company acquired 100% ownership of Sunburst EMS that enabled consolidating of historical losses for income tax purposes.

The equity in earnings of unconsolidated joint ventures over the past few years is from the Company's 42% ownership position in The Stewart Group Inc., Toronto, Canada.

Liquidity and Sources of Capital

Cash flow generated from operations was $9,084,000 in 2002 as compared to $7,229,000 and $4,520,000 during 2001 and 2000 respectively. Improved working capital management accounted for the increase in fiscal 2002 cash flow from operations. As compared to the prior two years, receivable and inventory increases during fiscal 2000 were the result of acquisitions which had a negative impact on cash flow from operations during that year.

The ratio of current assets to current liabilities was 1.8 at the end of fiscal 2002 as compared to 1.8 and 1.7 for 2001 and 2000, respectively.

The unused available long-term credit amounted to $3,430,000 at August 31, 2002 as compared to $4,260,000 at the previous year-end. Additionally, the Company has short-term credit lines with its Sunburst EMS subsidiary and its Canadian division. The unused available short-term credit amounted to $680,000 at August 31, 2002 as compared to $432,000 available on August 31, 2001.

Current financial resources and anticipated funds from operations are expected to be adequate to meet requirements for funds in the year ahead.

Recently Issued Accounting Standards.

In July 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standard No.141, " Business Combinations" (FAS 141) Statement of Financial Accounting Standard No. 142, " Goodwill and Other Intangible Assets" (FAS 142). FAS 141 requires the purchase method of accounting to be used for all business combinations initiated after June 30, 2001. FAS 141 also specifies criteria that intangible assets acquired must meet to be recognized and reported separately from goodwill. The adoption of FAS 141 will not have any material effect on our results of operations or financial position.

FAS 142 requires that goodwill and intangible assets with indefinite lives no longer be amortized but instead be measured for impairment at least annually, or when events indicate that impairment exists. The Company adopted FAS 141 & 142 on September 1, 2001. As of that date, amortization of goodwill and other indefinite-lived intangible assets, including those recorded in past business combinations ceases. As a result of the elimination of this amortization, selling, general and administrative expenses will decrease by approximately $667,000 annually.

As required by FAS 142, we will perform impairment test on goodwill and other indefinite-lived intangible assets as of the adoption date. Thereafter, we will perform impairment tests annually and whenever events or circumstances indicate that the value of goodwill or other indefinite-lived intangible assets might be impaired. Examples of such circumstances include, but are not limited to, a significant change in legal factors or in the business climate, an adverse action or assessment by a regulator, unanticipated competition, a loss of key personnel, a more-likely-than-not expectation that a reporting unit or a significant portion of a reporting unit will be sold or otherwise disposed of, the testing for recoverability under Statement 121 of a significant asset group within a reporting unit. Recognition of a goodwill impairment loss is the financial statements of a subsidiary that is a component of a reporting unit. In connection with the FAS 142 transitional goodwill impairment test, we will utilize the required two-step method for determining goodwill impairment as of the adoption date. To accomplish this, we will identify our reporting units and determine the carrying value of each reporting unit by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those reporting units as of the adoption date. We then had up to six months from the adoption date to determine the fair value of each reporting unit and compare it to the carrying amount of the unit. The reporting unit's fair value is determined by discounting its estimated future cash flows. To the extent the carrying amount of a reporting unit exceeds the fair value of the reporting unit, we then will perform the second step of the transitional impairment test. If necessary, in the second step, we will compare the implied fair value of the reporting unit goodwill with the carrying amount of the reporting unit goodwill, both of which would be measured as of the adoption date. The implied fair value of goodwill will be determined by allocating the fair value of the reporting unit to all of the assets (recognized and unrecognized) and liabilities of the reporting unit in a manner similar to a purchase price allocation, in accordance with FAS 141. The residual fair value after this allocation will be the implied fair value of the reporting unit goodwill. If the carrying value of goodwill allocated to the reporting unit exceeds the implied fair value we will record an impairment loss. FAS 142 requires that this second step be completed as soon as possible, but no later than the end of the year of adoption. The Company's reporting units are its Specialized Manufacturing and Electronic Manufacturing Services operating segments. The similar economic characteristics and inter-company services performed among segment components enable the Company to aggregate components into its two operating segments.

In connection with the FAS 142 indefinite-lived intangible asset impairment test, we will utilize the required one-step method to determine whether impairment exists as of the adoption date. The test will consist of a comparison of the fair values of indefinite-lived intangible assets with the carrying amounts. If the carrying amount of an indefinite-lived intangible asset exceeds its fair value, we will recognize an impairment loss in an amount equal to that excess.

As of February 28, 2002, the Company performed the required transitional goodwill impairment assessment and no impairment to goodwill was indicted. The Company performed its annual goodwill impairment assessment, as of June 30, 2002, and no impairment to its goodwill was indicated. Amortization of Goodwill was $666,744, $660,075 2001 and 2000 respectively.

Forward-Looking Information

From time to time, the company may publish, verbally or in written form, forward-looking statements relating to such matters as anticipated financial performance, business prospects, technological developments, new products, research and development activities and similar matters. In fact, this Form 10-K (or any other periodic reporting documents required by the 1934 Act) may contain forward-looking statements reflecting the current views of the Company concerning potential future events or developments. The Private Securities Litigation Reform Act of 1995 (the "Act") provides a "safe harbor" for forward-looking statements. In order to comply with the terms of the "safe harbor," the Company cautions investors that any forward-looking statements made by the Company are not guarantees of future performance and that a variety of factors could cause the Company's actual results and experience to differ materially from the anticipated results or other expectations expressed in the Company's forward-looking statements. The risks and uncertainties which may affect the operations, performance, development and results of the Company's business include, but are not limited to, the following: uncertainties relating to economic conditions; uncertainties relating to government and regulatory policies; uncertainties relating to customer plans and commitments; the pricing and availability of equipment, materials and inventories; technological developments; performance issues with key suppliers and subcontractors; worldwide political stability and economic growth; regulatory uncertainties; delays in testing of new products; rapid technology changes and the highly competitive environment in which the Company operates. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statement was made.

Impact of Inflation

Inflation has not had a significant long-term impact on earnings. In the event of significant inflation, the Company's efforts to recover cost increases would be hampered as a result of the competitive nature of its products.

Item 8. Financial Statements and Supplementary Data.

Financial statements and supplementary financial information required to be filed hereunder may be located through the List of Financial Statements and Schedules attached to this report.

Item 9. Changes in and Disagreement with Accountants on Accounting and Financial Disclosures.

Not applicable.

PART III

Item 10. Directors and Executive Officers of the Registrant.

Information with respect to the names, ages, positions with the Company, terms of office, periods of service, business experience, and other directorships of the Company's Directors and Executive Officers is incorporated herein by reference to Item 1A of the report and to the Definitive Proxy Statement (under the caption "Election of Directors").

Item 11. Executive Compensation.

The information required in Item 11 is contained in the Definitive Proxy Statement (under the caption "Executive Compensation"). Such information is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

Information regarding the ownership of the Company's common stock by certain beneficial owners and by management is incorporated herein by reference to the Definitive Proxy Statement (under the captions "Principal Holders of Voting Securities" and "Election of Director's".

Item 13. Certain Relationships and Related Transactions.

Information regarding certain relationships and related transactions with the Company's Directors and Executive Officers is incorporated herein by reference to the Definitive Proxy Statement under the captions "Election of Directors" and "Remuneration of Directors and Executive Officers."

PART IV

Item 14. Controls and Procedures.

Within the 90-day period prior to the date of this report, Chase Corporation carried out an evaluation, under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of Chase Corporation's disclosure controls and procedures pursuant to Exchange Act Rule 13a-14. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that Chase Corporation's disclosure controls and procedures are effective to timely alert them to material information relating to the Company (including its consolidated subsidiaries) required to be included in Chase Corporation's Exchange Act filings.

Item 15. Exhibits, Financial Statements, Schedules and Reports on Form 8-K.

See the List of Financial Statements and Schedules included in this report for a list of the financial statements and schedules included with this report and see the Exhibit index included in this report for a list of the exhibits required to be filed with this report.

Signatures

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CHASE CORPORATION		Date
By /s/ Peter R. Chase	President and Chief Executive Officer	May 5, 2003

Peter R. Chase

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

	Capacity	Date
By /s/ Peter R. Chase	President, Chief Executive Officer and Director (Principal Executive Officer)	November 27, 2002

Peter R. Chase

By /s/ Everett Chadwick Everett Chadwick	Treasurer and Chief Financial Officer (Principal Financial and Accounting Officer)	November 27, 2002
By /s/ Edward L. Chase Edward L. Chase	Director	November 27, 2002
By /s/ Sarah Chase Sarah Chase	Director	November 27, 2002
By /s/ William H. Dykstra William H. Dykstra	Director	November 27, 2002
By /s/ Lewis P. Gack Lewis P. Gack	Director	November 27, 2002
By /s/ George M. Hughes George M. Hughes	Director	November 27, 2002
By /s/ Ronald Levy Ronald Levy	Director	November 27, 2002

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Peter R. Chase, President and Chief Executive Officer of Chase Corporation, certify that:

1. I have reviewed this Annual Report on Form 10-K of Chase Corporation (the "Registrant");
2. Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Annual Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Annual Report;
4. The Registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Registrant and have;

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared.

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The Registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 5, 2003

/s/ Peter R. Chase

Peter R. Chase
President & CEO

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Everett Chadwick, Treasurer and Chief Financial Officer of Chase Corporation, certify that:

1. I have reviewed this Annual Report on Form 10-K of Chase Corporation (the "Registrant");
2. Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Annual Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Annual Report;
4. The Registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Registrant and have;

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared.

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The Registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 5, 2003

/s/ Everett Chadwick

Everett Chadwick
Treasurer & CFO

EXHIBIT INDEX

Exhibit Number	Description

3.1 Articles of Organization (incorporated by reference from Exhibit 3 to the Company's annual report on Form 10-K for the fiscal year ended August 31, 1988)

3.2 By-Laws (incorporated by reference from Exhibit 3 to the Company's annual report on Form 10-K for the fiscal year ended August 31, 1988)

3.3 Amendment to By-Laws (adding Article IV, Section 7) (incorporated by reference from Exhibit 3.3 to the Company's annual report on Form 10-K for the fiscal year ended August 31, 1990)

10.1 Split Dollar Insurance Agreement dated December 2, 1983 by and between the Company and Edward L. Chase (incorporated by reference from Exhibit 10.1 to the Company's annual report on Form 10-K for the fiscal year ended August 31, 1990)

10.2 Split Dollar Insurance Agreement dated December 2, 1983 by and between the Company an Francis M. Chase (incorporated by reference from Exhibit 10.2 to the Company's annual report on Form 10-K for the fiscal year ended August 31, 1990)

10.11 Purchase and Sale Agreement dated October 26, 1990 by and between the Company and Avon Custom Mixing Service, Inc. (incorporated by reference from Exhibit 2.1 to the Company's Current Report on Form 8-K dated October 26, 1990)

10.17 Amendment dated April 30, 1992 to Split Dollar Insurance Agreement dated December 2, 1983 by and between the Company and Edward L. Chase (incorporated by reference from Exhibit 10.17 to the Company's annual report on Form 10-K for the fiscal year ended August 31, 1992)

10.18 Amendment dated April 30, 1992 to Split Dollar Insurance Agreement dated November 10, 1987 by and between the Company and Edward L. Chase and Claire Chase (incorporated by reference from Exhibit 10.18 to the Company's annual report on Form 10-K for the fiscal year ended August 31, 1992.

10.20 Amendment dated August 31, 1992 to Split Dollar Insurance Agreement dated December 2, 1983 by and between the Company and Francis M. Chase (incorporated by reference from Exhibit 10.20 to the Company's annual report on Form 10-K for the fiscal year ended August 31, 1992.

10.21 Amendment dated August 31, 1992 to Split Dollar Insurance Agreement dated November 10, 1987 by and between the Company and Francis M. Chase and Barbara Chase (incorporated by reference from Exhibit 10.21 to the Company's annual report on Form 10-K for the fiscal year ended August 31, 1992)

10.25 Endorsement Split-Dollar Agreement dated June 8, 1995 by and between the Company and Edward L. Chase and Claire Chase.

10.26 Amendment to and Confirmation of Split Dollar Insurance Agreement dated June 8, 1995 by and between the Company and Edward L. Chase and Claire Chase.

10.27 Stock Purchase Agreement effective May 25, 1999 by and between the Company and RWA, Inc., (incorporated by reference from Exhibit 2.1 to the Company's current report on Form 8K dated June 8, 1999 and amended on August 12, 1999 to include financials).

10.28 Asset purchase agreement effective November 1, 2001 by and between the Company and TC Manufacturing Co., Inc., (incorporated by reference from Exhibit 2.1 to the Company's current report on Form 8K dated November 27, 2001.

22 Subsidiaries of the Company

List of Financial Statements and Schedules

CHASE CORPORATION AND SUBSIDIARIES

BRIDGEWATER, MASSACHUSETTS

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

AUGUST 31, 2002 AND 2001

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Board of Directors
Chase Corporation Bridgewater, Massachusetts

We have audited the consolidated balance sheets of Chase Corporation and subsidiaries as of August 31, 2002 and 2001, and the related consolidated statements of operations, shareholders' equity and cash flows for each year in the three year period ended August 31, 2002 and the Schedule II, Valuation and Qualifying Accounts and Reserves. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Chase Corporation and subsidiaries at August 31, 2002 and 2001, and the consolidated results of their operations and cash flows for each year in the three year period ended August 31, 2002, in conformity with accounting principles generally accepted in the United States of America.

/s/ LIVINGSTON & HAYNES, P.C.

Wellesley, Massachusetts

November 25, 2002

CHASE CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

AUGUST 31, 2002 AND 2001

ASSETS

	2002	2001
CURRENT ASSETS		
Cash and cash equivalents	$329,084	$49,283
Trade receivables, less allowances for doubtful accounts of $288,177 and $264,946, at August 31, 2002 and 2001, respectively	11,019,325	12,081,284
Note receivable from related party	--	147,000
Inventories(Note B):		
Finished and in process	4,536,453	3,099,182
Raw Materials	4,981,086	5,859,553
	9,517,539	8,958,735
Prepaid expenses & other current assets	604,512	458,796
Deferred income taxes	137,888	186,836
TOTAL CURRENT ASSETS	21,608,348	21,881,934
PROPERTY, PLANT AND EQUIPMENT		
Land and improvements	1,096,704	524,423
Buildings	7,480,873	4,642,781
Machinery and equipment	21,992,666	18,612,037
Construction in Progress	855,100	387,953

	31,425,343	24,167,194
Less allowances for depreciation	16,293,137	14,602,820
	15,132,206	9,564,374
OTHER ASSETS		
Excess of cost over net assets of acquired businesses, less amortization of $0 and $1,922,089 at August 31, 2002 and 2001 respectively	8,581,731	8,340,523
Patents, agreements and trademarks, less amortization of $986,739 and $889,692 at August 31, 2002 and 2001, respectively	653,985	751,033
Cash surrender value of life insurance, net of loans of $47,618 at August 31, 2002 and 2001	4,459,167	3,792,515
Deferred taxes	655,279	534,794
Investment in joint venture	1,324,595	1,179,243
Other:		
Restricted investments	882,518	737,087
Deposit	7,000	7,000
	16,564,275	15,342,195
	$53,304,829	$46,788,503
	========	========

See accompanying notes to the consolidated financial statements.

LIABILITIES AND SHAREHOLDERS' EQUITY

	2002	2001
CURRENT LIABILITIES		
Accounts payable	$5,354,907	$5,261,112
Notes payable to bank	1,524,324	1,763,184
Accrued payroll and other compensation	1,079,282	1,232,885
Accrued expenses	605,899	961,661
Accrued pension expense-current	407,156	353,857
Income taxes payable	866,332	188,066
Current portion of Long-Term debt	1,966,382	2,543,400
TOTAL CURRENT LIABILITIES	11,804,282	12,304,165
LONG-TERM DEBT, less current portion	6,780,834	3,562,793
DEFERRED COMPENSATION	882,518	737,087
ACCRUED PENSION EXPENSE	552,827	447,698
COMMITMENTS - (See Note G)	--	--
CONTINGENCIES - (See Note Q)	--	--
SHAREHOLDERS' EQUITY		
First Serial Preferred Stock, par value $1.00 a share: Authorized 100,000 shares; none issued	--	--
Common Stock. par value $.10 a share, Authorized 10,000,000 shares; issued and outstanding 5,135,901 shares and 5,094,389 shares at Aug. 31, 2002 and 2001, respectively.	513,590	509,439
Additional paid-in capital	4,243,787	3,721,442
	(4,687,565)	(4,687,565)

Treasury Stock, 1,088,584 shares of Common Stock at August 31, 2002 and 2001		
Cumulative effect of currency translation	(212,916)	(213,002)
Retained earnings	33,427,472	30,406,446
	33,284,368	29,736,760
	$53,304,829	$46,788,503
	========	========

CHASE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

FOR EACH YEAR IN THE THREE YEAR PERIOD ENDED AUGUST 31, 2002

	2002	2001	2000
Revenue:			
Sales	$68,473,166	$69,752,859	$67,980,176
Commissions and other income	874,339	730,905	500,050
	69,347,505	70,483,764	68,480,226
Cost and Expenses:			
Cost of products and services sold	49,223,636	49,450,526	47,656,084
Selling, general and administrative expenses	13,246,703	12,035,890	11,809,638
Bad debt expense-net of recoveries	107,011	42,416	5,733
Interest expense	516,849	798,963	910,499
Non-operating interest income	(85,072)	(47,386)	(71,264)
	63,009,127	62,280,409	60,310,690
INCOME BEFORE INCOME TAXES AND MINORITY INTEREST	6,338,378	8,203,355	8,169,536
Income taxes	1,995,062	2,625,995	2,725,613
INCOME BEFORE MINORITY INTEREST	4,343,316	5,577,360	5,443,923
Equity in earnings of unconsolidated joint venture	120,000	296,000	326,000
NET INCOME	$4,463,316	$5,873,360	$5,769,923
	=======	=======	=======
Net income per share of Common Stock			
Basic	$1.10	$1.47	$1.46
	=====	=====	=====
Fully Diluted	$1.08	$1.44	$1.44
	====	=====	=====

See accompanying notes to the consolidated financial statements.

CHASE CORPORATION

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

FOR EACH YEAR IN THE THREE YEAR PERIOD ENDED AUGUST 31, 2002

	Common Stock Shares Issued	Common Stock Amount	Additional Paid-In Capital	Treasury Stock Shares	Treasury Stock Amount
Balance @ Aug 31, 1999	4,994,928	$499,493	$3,466,834	1,088,584	$(4,687,565)
Cash dividend paid, $0.32 per share					
Currency Translation adjustment					
Exercise of stock options	78,685	7,868	46,788		
Compensatory stock issuance			98,496		
Gain on stock sales			12,905		
Net Income					
	-----------	---------	-----------	----------	------------
Balance @ August 31, 2000	5,073,613	507,361	3,625,023	1,088,584	$(4,687,565)

	Common Stock Shares Issued	Common Stock Amount	Additional Paid-In Capital	Treasury Stock Shares	Treasury Stock Amount
Balance @ August 31, 2000	5,073,613	507,361	3,625,023	1,088,584	$(4,687,565)
Cash dividend paid, $0.36 per share					
Currency Translation adjustment					
Exercise of stock options	20,776	2,078	(2,078)		
Compensatory stock issuance			98,497		
Net Income					
	----------	---------	-----------	----------	------------
Balance @ August 31, 2001	5,094,389	509,439	3,721,442	1,088,584	(4,687,565)

	Common Stock Shares Issued	Common Stock Amount	Additional Paid-In Capital	Treasury Stock Shares	Treasury Stock Amount
Balance @ August 31, 2001	5,094,389	509,439	3,721,442	1,088,584	(4,687,565)
Cash dividend paid $0.36 per share					
Currency Translation adjustment					
Exercise of stock options	1,512	151	(151)		
Issue of 40,000 shares-Tapecoat	40,000	4,000	424,000		
Compensatory stock issuance			98,496		
Net Income					
	----------	---------	-----------	----------	------------
Balance @ August 31, 2002	5,135,901	$513,590	$4,243,787	1,088,584	$(4,687,565)
	=======	======	======	=======	========

	Retained Earnings	Cumulative Effect of Currency Translation	Total Shareholder's Equity	Comprehensive Income
Balance @ Aug 31, 1999	$21,444,634	$(188,331)	$20,535,065	

Cash dividend paid, $0.32 per share	(1,250,208)		(1,250,208)	
Currency Translation adjustment		8,258	8,258	$8,258
Exercise of stock options			54,656	
Compensatory stock issuance			98,496	
Gain on stock sales			12,905	
Net Income	5,769,923		5,769,923	5,769,923
	------------	----------	------------	------------
Balance @ August 31, 2000	25,964,349	(180,073)	25,229,095	$5,778,181
				=======

	Retained Earnings	Cumulative Effect of Currency Translation	Total Shareholder's Equity	Comprehensive Income
Balance @ August 31, 2000	25,964,349	(180,073)	25,229,095	$5,778,181
Cash dividend paid, $0.36 per share	(1,431,263)		(1,431,263)	
Currency Translation adjustment		(32,929)	(32,929)	(32,929)
Exercise of stock options			---	
Compensatory stock issuance			98,497	
Net Income	5,873,360		5,873,360	5,873,360
	------------	----------	------------	------------
Balance @ August 31, 2001	30,406,446	(213,002)	29,736,760	$5,840,431
				=======

	Retained Earnings	Cumulative Effect of Currency Translation	Total Shareholder's Equity	Comprehensive Income
Balance @ August 31, 2001	30,406,446	(213,002)	29,736,760	$5,840,431
Cash dividend paid $0.36 per share	(1,442,290)		(1,442,290)	
Currency Translation adjustment		86	86	86
Exercise of stock options				
Issue of 40,000 shares-Tapecoat			428,000	
Compensatory stock issuance			98,496	
Net Income	4,463,316		4,463,316	4,463,316
	------------	----------	------------	------------
Balance @ August 31, 2002	$33,427,472	$(212,916)	$33,284,368	$4,463,402
	========	=======	========	========

See accompanying notes to the consolidated financial statements.

CHASE CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR EACH YEAR IN THE THREE YEAR PERIOD ENDED AUGUST 31, 2002

Restated

	2002	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES			

Net Income	$4,463,316	$5,873,360	$5,769,923
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	1,690,317	1,330,630	1,224,701
Amortization - goodwill	0	666,745	660,074
Amortization - patents	97,047	97,479	97,684
Stock issued for compensation	98,496	98,496	98,496
Change in provision for losses on trade receivables	23,231	(27,497)	35,394
Deferred taxes	(71,537)	(432,170)	(117,900)
Revaluation of investments in minority interest	--	(20,000)	--
Change in assets and liabilities:			
Proceeds from notes receivable	147,000	--	--
Trade receivables	2,407,560	(173,560)	(3,044,836)
Inventories	1,087,531	(15,774)	(1,493,650)
Prepaid expenses and other current assets	(139,900)	(82,106)	(40,451)
Accounts payable	(323,243)	(528,906)	1,402,075
Accrued expenses	**(1,419,664)**	**(37,548)**	91,754
Income taxes payable	678,266	179,786	(121,460)
Deferred compensation	145,431	100,238	(41,999)
TOTAL ADJUSTMENTS	**4,420,535**	**1,155,813**	(1,250,118)
NET CASH FROM OPERATIONS	**8,883,850**	**7,029,173**	4,519,805
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds of note receivable	--	--	(39,418)
Capital expenditures, including patents and agreements	(3,138,063)	(1,725,592)	(2,659,962)
Investment in trusteed assets	(145,431)	(100,238)	(309,901)
Investment in subsidiaries' goodwill	**(41,208)**	**(162,231)**	(141,777)
(Increase) in net cash surrender value	(666,652)	(319,424)	(541,106)
Investments in minority interests	(145,352)	49,553	----------
	(4,136,707)	**(2,257,932)**	(3,692,164)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in long-term debt	8,997,783	9,160,381	12,419,390
Payments of principal on debt	(11,783,976)	(12,228,824)	(12,658,613)
Net borrowing under line-of-credit	(238,860)	(287,541)	474,249
Cash received on options exercised	--	--	67,561
Dividend paid	(1,442,290)	(1,431,263)	(1,250,208)
	(4,467,343)	(4,787,247)	(947,621)
NET CHANGE IN CASH	279,801	(16,006)	(119,980)
CASH AT BEGINNING OF YEAR	49,283	65,289	185,269
CASH AT END OF YEAR	$329,084	$49,283	$65,289

	======	=====	=====
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING ACTIVITIES			
Fair value of assets acquired - Tapecoat	$7,140,979		
Cash paid through an offsetting increase in long term debt	(5,427,217)		
Common stock issued	(428,000)		
Liabilities assumed	1,285,762		
	=======		

See Note M for supplemental cash flow data.

See accompanying notes to the consolidated financial statements.

CHASE CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR EACH YEAR IN THE THREE YEAR PERIOD ENDED AUGUST 31, 2002

NOTE A - ACCOUNTING POLICIES

The principal accounting policies of Chase Corporation ("the Company") and its subsidiaries are as follows:

Basis of Presentation

The financial statements include the accounts of the Company and its wholly-owned subsidiaries. Investments in unconsolidated companies which are at least 20% owned are carried at cost plus equity in undistributed earnings since acquisition. All significant intercompany transactions and balances have been eliminated in consolidation. The Company uses the U.S. dollar as the functional currency for financial reporting.

Products and Markets

The Company's principal products are protective coatings and tape products that are sold in national and international markets. These products consist of: (i) insulating and conducting materials for the manufacture of electrical and telephone wire and cable, and electrical splicing, terminating and repair tapes which are marketed to wire and cable manufacturers and public utilities; (ii) protective pipe coating tapes and other protectants for valves, regulators, casings, joints, metals, concrete, and wood that are sold to oil companies