

**CARDINAL LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**CARDINAL LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

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**CARDINAL LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2000**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program	N/A	10.550	\$0	\$20,870	\$0	\$23,429
National School Lunch Program	03-PU 99	10.555	4,360	0	4,360	0
National School Lunch Program	03-PU 00	10.555	10,438	0	10,438	0
National School Lunch Program	04-PU 99	10.555	13,860	0	13,860	0
National School Lunch Program	04-PU 00	10.555	34,877	0	34,877	0
Total U.S. Department of Agriculture - Nutrition Cluster			63,535	20,870	63,535	23,429
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Title VI-B	6B-SF-98P	84.027	(25)	0	0	0
Title VI-B	6B-SF-99P	84.027	4,317	0	10,215	0
Title VI-B	6B-SF-00P	84.027	58,816	0	47,084	0
Total Special Education Cluster			63,108	0	57,299	0
Grants to Local Educational Agencies						
Title I	C1-S1-99	84.010	124,820	0	131,323	0
Title I	C1-S1-00	84.010	408,093	0	372,195	0
Total Title I			532,913	0	503,518	0
Drug-Free Schools Grant						
Drug-Free Schools Grant	DR-S1-99	84.186	3,127	0	4,109	0
Drug-Free Schools Grant	DR-S1-00	84.186	6,371	0	5,754	0
Total Drug-Free Schools Grant			9,498	0	9,863	0
Eisenhower Math and Science						
Eisenhower Math and Science	MS-S1-98	84.281	0	0	351	0
Eisenhower Math and Science	MS-S1-99	84.281	0	0	6,559	0
Eisenhower Math and Science	MS-S1-00	84.281	8,657	0	5,823	0
Total Eisenhower Math and Science			8,657	0	12,733	0
Title VI (Innovative Ed)						
Title VI (Innovative Ed)	C2-S1-98	84.298	0	0	345	0
Title VI (Innovative Ed)	C2-S1-99C	84.298	970	0	5,431	0
Title VI (Innovative Ed)	C2-S1-99	84.298	7,502	0	4,452	0
Total Title VI (Innovative Ed)			8,472	0	10,228	0
Class Size Reduction	CR-S1-00	84.340	36,197	0	37,114	0
Total Department of Education			658,845	0	630,755	0
Total Federal Assistance			\$722,380	\$20,870	\$694,290	\$23,429

See accompanying notes to Schedule of Expenditures of Federal Awards

**CARDINAL LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

CFDA - Catalog of Federal Domestic Assistance

N/A - Not applicable

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards expenditures is summary of the activity of the District's federal awards programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.



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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Board of Education
Cardinal Local School District
Geauga County
16000 East High Street, P.O. Box 188
Middlefield, Ohio 44062

We have audited the financial statements of the Cardinal Local School District, Geauga County, Ohio, (the District) as of and for the year ended June 30, 2000, and have issued our report thereon dated December 28, 2000, wherein we noted the District adopted Governmental Accounting Standards Board Statements Nos. 33 and 34 and GASB Interpretation 6 and adjusted fixed assets in the proprietary funds. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

Cardinal Local School District
Geauga County
Report on Compliance and on Internal Control Required by
Government Auditing Standards
Page 2

This report is intended for the information and use of the Audit Committee, management, the 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.

Jim Petro
Auditor of State

December 28, 2000



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

Board of Education
Cardinal Local School District
Geauga County
16000 East High Street, P.O. Box 188
Middlefield, Ohio 44062

Compliance

We have audited the compliance of the Cardinal 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 its major federal program for the year ended June 30, 2000. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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 occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2000.

Internal Control Over Compliance

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

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

Schedule of Federal Awards Expenditures

We have audited the basic financial statements of the District as of and for the year ended June 30, 2000, and have issued our report thereon dated December 28, 2000, wherein we noted the District adopted Governmental Accounting Standards Board Statements Nos. 33 and 34 and GASB Interpretation 6 and adjusted fixed assets in the proprietary funds. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of federal awards expenditures 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, the 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.

Jim Petro
Auditor of State

December 28, 2000

**CARDINAL LOCAL SCHOOL DISTRICT
GEAUGA COUNTY
JUNE 30, 2000**

SCHEDULE OF FINDINGS

1. SUMMARY OF AUDITOR'S RESULTS
--

A-133 §.505

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

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
--

None.

**Cardinal Local School District
Middlefield, Ohio**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2000**

Prepared by:

Treasurer's Office

Dianne Kellogg, Treasurer

Cardinal Local School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2000
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Cardinal School District

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December 28, 2000

Board of Education Members
Cardinal Local School District

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Cardinal Local School District for the fiscal year ended June 30, 2000. This CAFR includes an opinion from the State Auditor and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the School District. This report will provide the taxpayers of the Cardinal Local School District with comprehensive financial data in a format which will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the Geauga County Public Library, major taxpayers, financial rating services and other interested parties.

The comprehensive annual financial report is presented in three sections as follows:

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

The School District

The Cardinal Local School District is located in eastern Geauga County including all of Huntsburg, Middlefield and Parkman Townships and Middlefield Village. A small portion of the School District is in western Trumbull County in Mesopotamia Township. The District operates under a locally-elected Board form of government. This Board manages the School District's 5 instructional/support facilities staffed by 62 non-certificated employees, 105 certificated full time teaching personnel and 7 administrative employees to provide services to 1,469 students and other community members.

The School District was established February 1, 1957 through the consolidation of existing land areas and school districts and is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. Under such laws there is no authority for a school district to have a charter or adopt local laws. The legislative power of the School District is vested in the Board of Education, consisting of five members elected at-large for staggered four

year terms. Statutorily, the School District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code, to provide services authorized by charter and further mandated by State and/or Federal agencies.

Reporting Entity

The Cardinal 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 its relationship with all departments, boards, and agencies that make up the Cardinal Local School District. For Cardinal Local School District, this includes general operations, food service, and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District has no component units. Excluded from the reporting entity because they are fiscally independent of the School District are the Village of Middlefield, the Middlefield Branch of the Geauga County Public Library, the Middlefield, Parkman and Huntsburg Parent Teacher Organizations, the Cardinal Athletic and Music Booster Organizations and the Cardinal Community Scholarship Foundation.

The School District is associated with six jointly governed organizations and one public entity risk pool. These organizations are the Auburn Career Center, the Lake Geauga Computer Association, the Cardinal Area Recreation and Education Council, the East Shore Regional Transportation System, the East Shore Center, the Ohio Schools Council insurance and energy consortiums and the Ohio School Boards Association, Worker's Compensation Group Rating Consortium. These organizations are presented in Notes 10, 17 and 18 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

Although agriculture is a major component of Cardinal School District's profile, the demographics are in a state of flux. The rural, residential townships are strongly influenced by Middlefield Village which continues to grow at an unprecedented rate. Five of the county's largest employers are within the Village. KraftMaid Industries is the largest employer based on full-time employees. Other large employers include Duramax, Inc., Carlisle Engineered Products, Mercury Plastics and Dillen Products, Inc. Over 40% of Geauga County's industry is located within the District contributing 23% of the real estate valuation and \$44,936,615 in tangible personal property tax valuation to the School District. The Village continues to encourage economic development through the use of tax incentives. Currently, 58% of the tax abatement area is developed while 42% remains available for future growth. All economic indications are that the abatement area will continue to develop at a moderate pace and the Village of Middlefield is planning corresponding expansion of water, sewer and other services.

Because of the growth and expansion of services, annexation is regularly discussed at both township and village meetings. Other services have also felt the pressure to expand. The County Library System has purchased land in Middlefield Village with plans to construct a new facility that will more than double its current capacity in the District.

Management will carefully control expenses during the coming years to continue to assure tax levy revenues are prudently managed. The District anticipates the need for additional operating revenues when the new middle school becomes fully functional in August of 2002. Additional faculty and a new food service operation will increase salaries and benefits at that time. The Board's initial discussions have included the potential return of one (1) mill of inside millage allocated to the Permanent Improvement Fund and propose a permanent improvement issue to the voters when the building is in full use.

Major Initiatives

Continuous Improvement Planning

The School District completes an annual continuous improvement plan as required by the State of Ohio. The plan is reviewed and revised each year in May. A team of over 30 planners includes teachers, Board of Education members, administrators, non-teaching employees, students, parents and other community members. The Cardinal Continuous Improvement Plan is a form of strategic planning with seven primary goals and strategies. For the 2000-2001 school year there are fourteen (14) action plans aimed at meeting the goals of the current plan.

Curriculum and Instruction

Following strategies in the Continuous Improvement Plan, changes in curriculum and instruction are aimed at improved student performance. Action plans in progress include the following:

- All day everyday kindergarten is available for all students. This was expanded from an alternate day program in August of 2000.
- Curriculum mapping and coordinated planning by elementary school teachers improve instruction.
- Realignment of teacher teams at Jordak Elementary School better facilitates instructional intervention.
- Integrate technology into all school libraries and expand student exposure and access to resources.
- An early reader literacy program for students (Children and Books) requires parental participation. This program is supported by donations.
- Class size was reduced in first grade through the use of federal Title VI-R funds.
- High school course offerings have expanded and a field experience program is now available to juniors and seniors.
- Expanded nursing services improve instructional day health care intervention.
- All buildings were upgraded to T-1 connections for Internet services.
- Identification of gifted students was expanded to all grades and a program to deliver expanded services is being completed.

Facilities

- Construction of a middle school for grades 6 through 8 started in October of 2000. The bidding for the project resulted in a total cost of \$8.2 million. This was \$500,000 under the architect's estimate. This allows funding for landscaping and furniture purchases without the use of interest income.
- Roof replacement and masonry restoration projects for the 1925 middle school were completed in November of 2000. The cost of the projects was \$264,000. Bond issue funds were expended on the projects. Further renovations will be completed after students are moved to the new building. The renovated building will serve students well into the future.
- A study of parking lot improvements is underway and bidding on two of the parking lot projects is expected in 2001.
- Negotiate the purchase of between 10 and 20 acres at the middle school-high school campus site.

Ohio Report Card

Continuous Improvement Planning is required in Ohio when a school district meets 14 to 25 performance standards as reported by the Ohio Department of Education. On the 2000 Ohio Report Card the School District met, or exceeded, the Ohio standard in 16 of 27 measures of performance. This places Cardinal in the same classification as 377 of Ohio's 611 districts. Data collected in the year 2000 and expected to be used for the February 2001 report card shows that Cardinal now meets, or exceeds, Ohio standards in 20 of 27 standards. Improvement was shown in three other areas. It is the goal of the District to approach and remain at 24 or more standards met.

Federal Projects

This year the District filed applications for federal funds electronically utilizing the Consolidated Local Plan. This allowed the new director Mr. Lynne Muzik, to coordinate the application to the goals of the Continuous Improvement Plan. A new program was funded which further dovetailed into the CIP and that was the Class-Size Reduction Grant under Title VI. This provided funding for an additional first grade teacher at Parkman Elementary School reducing the pupil/teacher ratio at that grade below the target of 22 to 1. Other goals were met with the implementation of a Title I Reading Readiness program for off-day kindergarten for qualifying students. Additional Title I funds supported the Summer Intervention Program for elementary students meeting the Title I criteria. Title I students first through sixth grades were offered two week intensive programs in reading and/or math. We believe that these students will begin the next school year with added momentum and increased skills.

Gifted Identification

State of Ohio legislation HB282 appropriated additional funds for the identification of gifted students on a per pupil basis. The District implemented a plan to administer comprehensive cognitive assessments in grades 1, 2, 3 and 5 and to administer additional tests based on parent request and teacher referrals. The cost of the psychological services, testing and training programs for Fiscal Year 2000 was \$9,567. The additional Gifted Identification Supplemental Funds offset \$3,893 of that cost.

Financial Information

Internal Accounting and Budgetary Control

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

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

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

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

All disbursements and transfers of cash between funds require appropriation authority from the Board of Education.

Budgets are controlled at the object account level within a function and fund. All purchase order requests must be approved by the Superintendent and certified by the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests, which exceed the available appropriation, are rejected until additional appropriations are secured.

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

Site-based financial management is directed by the Principal at each building. Building teams are formed to respond to the District's Continuous Improvement Plan and pertinent budget issues identified by the staff, parents or students. Each building has an annual budget for instructional support and office operation.

The administrators and school principals are furnished monthly reports showing the status of the budget accounts for which they are responsible. The District established a network, which allowed electronic, building level input of purchase requisitions. The requisitions are approved by the Treasurer and electronically converted to numbered purchase orders that then receive the approval or disapproval of the Superintendent who acts as the District's purchasing agent.

The basis of accounting and the various funds utilized by Cardinal Local Schools are fully described in Note 2 of the basic financial statements.

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

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

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

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

As a part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the School District. This discussion follows the Report of Independent Accountants, providing an assessment of the School District finances for 2000 and a comparison, where available, to performance in 1999 and analysis of resources available for the future. Because that discussion focuses on major funds, only the internal service fund is discussed briefly in this letter.

Financial Highlights – Internal Service Fund The only internal service fund carried on the financial records of the School District is related to self-insurance. This fund accounts for the revenues and expenses related to the provision of prescription coverage for all District employees. Effective March 1, 1999, the Board established a prescription self-insurance program. The internal service fund had net assets of \$14,744 at June 30, 2000, compared with (\$382) in 1999 reflecting a net increase of \$15,126.

Cash Management

On April 10, 2000, the Board adopted a new investment policy allowing more flexibility and a greater range of approved investments. The intent is to maximize interest income while ensuring safety and liquidity. The School District's deposits are collateralized by qualified securities pledged by the institution holding the assets. With the use of a treasury management system, the School Board is able to aggregate revenues in a sweep account that can be drawn on to meet daily needs of payroll, benefit and general operation accounts. This account invests in overnight repurchase agreements. The School Board also uses StarOhio for interim balances as well as Fifth/Third Bank for fully collateralized commercial paper.

The interest earnings for the District were \$703,420 of which \$194,097 was credited to the general fund and \$429,754 to the building fund. On June 16, 2000, \$9,800,000 of the construction fund balance was awarded to the high bidder, Provident Bank, for a fully collateralized, construction fund certificate of deposit. The fixed interest rate on this principal-flexible CD is 7.15% through April 15, 2002. Information regarding District investments is found in Note 6.

Risk Management

The District manages prescription benefits for its employees on a self-insurance basis. A third party administrator processes and pays the claims. For the initial year of the program, March, 1999 through March, 2000 the aggregate stop-loss amount was established at the previous year's aggregate premium. Due to the limited loss exposure of prescription insurance, the Board will not purchase additional aggregate stop-loss insurance for future contracts.

The Board belongs to the OSBA, Gates McDonald Group Rating Program for Worker's Compensation. The State Workers' Compensation program assess a rate per \$100 of payroll based on the pool's experience. The District estimates saving between 12% and 18% as a result of participation in the group. The District contracts independently with the Harcum-Hyde Insurance Agency, Nationwide Insurance for general liability insurance with a \$2,000,000 per occurrence and \$5,000,000 aggregate. As an additional safeguard to the Crime Coverage that blankets all employees, a separate, higher limit bond covers certain individuals in policy-making roles.

Property and fleet insurance are bid and purchased through the Ohio Schools Council Consortium. The Todd Agency is contracted to provide the property insurance and the Marsh Agency the fleet insurance. On November 9, 2000, the District received the *Excellence in Safety* award for a "commitment to loss prevention and efforts to provide a healthful and safe environment for students and staff." Losses were below the eight percent of premium level for a two-year period. Risk Management is discussed in detail in Note 10.

Independent Audit

State statutes require the School District to be subject to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent auditor Jim Petro, Auditor of State, was selected to render an opinion on the School District's financial statements as of and for the year ended June 30, 2000. The opinion appears at the beginning of the financial section of this report.

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

Awards

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 Cardinal Local School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 1999. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

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

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

Acknowledgments

The pilot publication of this Comprehensive Annual Financial Report according to the new financial reporting model is another significant step toward elevating the professional standards for Cardinal Local School District's financial reporting. We believe it enhances the School District's accountability to the residents and provides all interested parties with a broad historical perspective of the Cardinal Local School District's financial and demographic information. Assistance from the County Auditor's staff and outside agencies made possible the fair presentation of statistical data.

Special appreciation is expressed to the Local Government Services Division of State Auditor Jim Petro's office for assistance in implementing the new requirements of GASB 33 and GASB 34 and in the planning, designing and reviewing of this financial report.

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

Respectfully submitted,



Dianne Kellogg
Treasurer



Clinton L. Keener
Superintendent

Cardinal Local School District

Principal Officials

June 30, 2000

Board of Education

Mr. Richard A. Moss President
Dr. I. Jack Youshak Vice-President
*Mrs. Robin C. Boldt Member
Mr. Kenneth J. Klima Member
Mr. Daniel S. Mihalik Member

Treasurer

Mrs. Dianne Kellogg

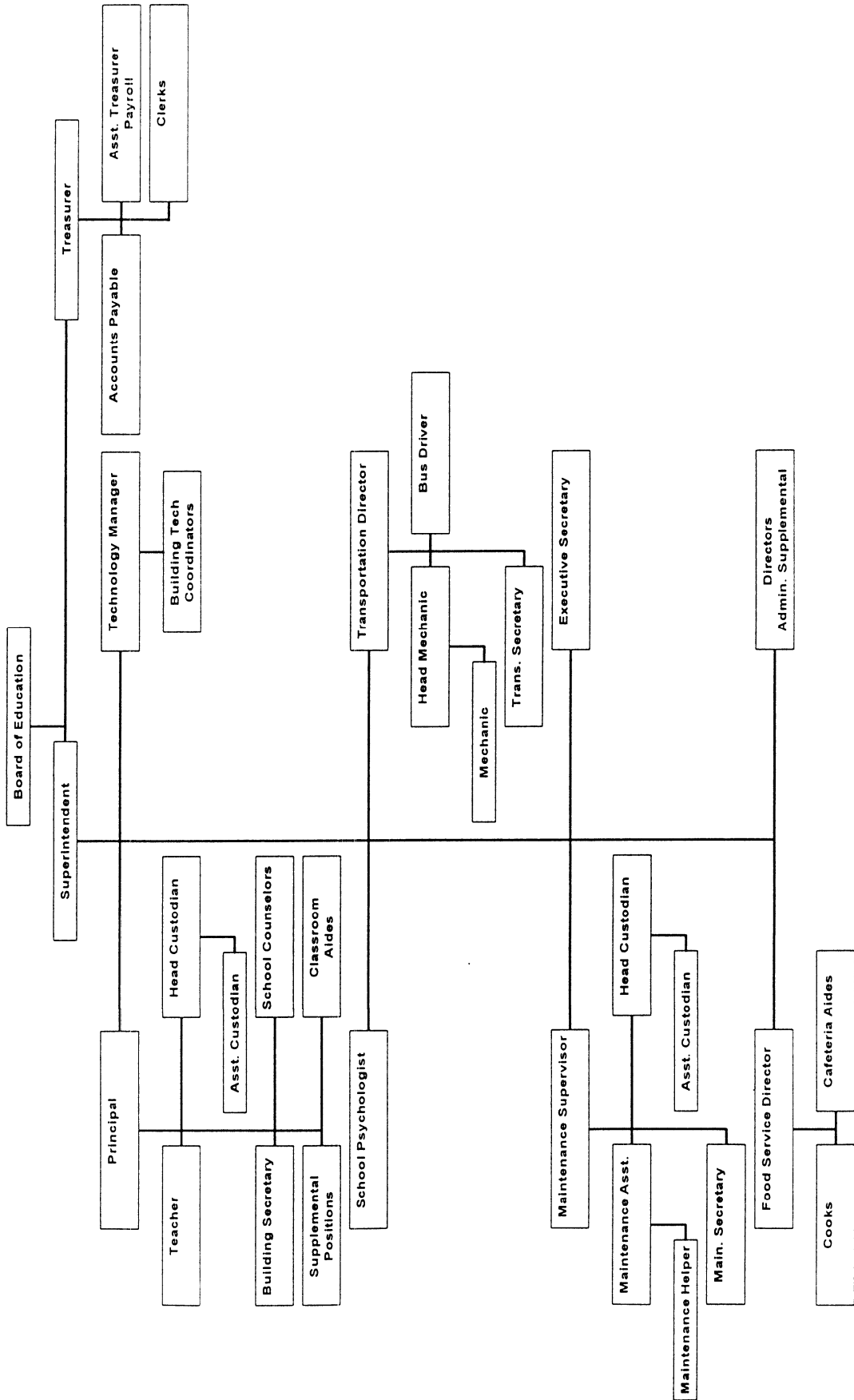
Administration

Mr. Clinton L. Keener Superintendent
Dr. Thomas Stone Assistant Superintendent

*Mrs. Robin C. Boldt resigned from the Board of Education on 11/20/00. Mr. Claire Zurbach was approved by the Board on 12/11/00.

Cardinal Local School District

Cardinal Board Policy CCA



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cardinal Local School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1999

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.



Cary Brueckner
President

Jeffrey L. Essler
Executive Director



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Lausche Bldg
615 W Superior Ave
Floor 12
Cleveland OH 44113 - 1801
Telephone 216-787-3665
800-626-2297
Facsimile 216-787-3361
www.auditor.state.oh.us

INDEPENDENT ACCOUNTANTS' REPORT

Board of Education
Cardinal Local School District
Geauga County
16000 East High Street, P.O. Box 188
Middlefield, Ohio 44062

We have audited the accompanying basic financial statements of the Cardinal Local School District, Geauga County, Ohio, (the District) as of and for the year ended June 30, 2000, as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 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 audit provides a reasonable basis for our opinion.

As described in Note 3 to the basic financial statements, the District adopted Governmental Accounting Standards Board Statements Nos. 33 and 34 and GASB Interpretation 6 as of and for the year ended June 30, 2000.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Cardinal Local School District, Geauga County, Ohio, as of June 30, 2000, and the results of its operations and the cash flows of its business type activities for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2000 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. 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 thereon.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the District, taken as a whole. The combining statements and individual fund schedules listed in the table of contents are presented for purposes of additional analysis and are 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 presented, in all material respects, in relation to the basic financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized loop at the end.

Jim Petro
Auditor of State

December 28, 2000

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2000
Unaudited

It is a privilege to present to you the financial picture of Cardinal Local School District. The discussion and analysis of Cardinal Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2000. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Total net assets increased \$378,140. Net assets of governmental activities increased \$380,474, which represents a 12 percent increase from 1999. Net assets of business-type activities declined \$2,334 or 3.27 percent from 1999.

Total revenues of \$12,401,666 were comprised of general revenues in the amount of \$10,532,892 or 84.9% and program specific revenues from charges for services, grants and contributions in the amount of \$1,868,774 or 15.1%.

Total assets of governmental activities increased by \$11,594,972 as bond proceeds increased restricted assets in "equity in pooled cash & cash equivalents" by \$9.9 million. Taxes receivable increased by \$594,531 because the District began collection of the 3.5 mill bond issue. Unrestricted cash and other receivables increased by \$703,682 due largely to additional interest earnings on the note and bond sale proceeds and accrued interest.

The School District had \$ 11,666,339 in expenses related to governmental activities; only \$1,517,117 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and school foundation) of \$10,529,696 were adequate to provide for these programs.

The general fund balance increased to \$1,983,498 from \$1,650,878 due in part to the increase in per pupil revenues for open enrollment students and increased interest earnings on higher balances.

Net assets for proprietary fund types declined significantly in food services and slightly in uniform supplies. This decline resulted from operating expenses of \$357,187 exceeding operating revenues of \$263,054. The GASB 34 platform requires the reclassification of interfund transactions into operating revenues or expenses. The net assets of \$70,351 show a decline of \$2,334 when compared to the 1999 net assets of \$72,685. Federal and State subsidies of \$89,106 in the food service fund reduced the loss. Mid-year increases in pricing of sales items were insufficient to meet expenses. Management increased grant reimbursable lunch prices charged to students in August, 2000.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of two distinct series of financial statements: the district-wide and the fund financials.

The district wide reports are designed to show the District as a sum of its significant fund activities. The *Statement of Net Assets* and *Statement of Activities* provide information about the governmental-type and business-type activities of the whole District, presenting both an aggregate view of School District finances and a longer-term view of those finances.

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2000
Unaudited

Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of Cardinal Local School District, the general, bond retirement and building funds are the most significant funds.

Reporting the School District as a Whole (district wide)

Statement of Net Assets and the Statement of Activities

The analysis of the School District as a whole begins on page 5. The view of the School District as a whole looks at all financial transactions and asks the questions, "Are we in a better financial position this year than last?" and "Why" or "Why not". The Statement of Net Assets and the Statement of Activities provide the basis for answering these questions. The statements include *all assets* and *liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

Governmental Activities – Most of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The School District food service and uniform school supplies operations are reported as business activities.

Reporting the School District's Most Significant Funds (fund financials)

The analysis of the School District's major funds begins on page 13. 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.

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 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

Cardinal Local School District
Management's Discussion and Analysis
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Unaudited

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 you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between *governmental activities* (reported in the Statement of Net Assets and the Statement of Activities) and *governmental funds* is reconciled in the financial statements of the *Governmental Funds*.

Proprietary Funds- Proprietary funds (the food service and uniform supplies operations) have historically operated as *enterprise funds* using the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in the statements for the School District as a whole.

The School District as a Whole

Recall that the Statement of Net Assets provide the perspective of the School District as a whole.

Table 1 provides a comparison of Net Assets as of June 30, 1999 compared to June 30, 2000:

(Table 1)
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2000	1999	2000	1999	2000	1999
Assets						
Current and Other Assets	\$21,051,116	\$9,773,594	\$70,092	\$83,730	\$21,121,208	\$9,857,324
Capital Assets	3,017,995	2,700,545	50,098	54,237	3,068,093	2,754,782
Total Assets	24,069,111	12,474,139	120,190	137,967	24,189,301	12,612,106
Liabilities						
Current and Other Liabilities	8,834,686	7,722,815	39,664	49,386	8,874,350	7,772,201
Long-Term Liabilities:						
Due Within One Year	283,039	172,618	0	0	283,039	172,618
Due in More than One Year	11,350,353	1,358,147	10,175	15,896	11,360,528	1,374,043
Total Liabilities	20,468,078	9,253,580	49,839	65,282	20,517,917	9,318,862
Net Assets						
Invested in Capital						
Assets Net of Debt	2,201,647	2,700,545	50,098	54,237	2,251,745	2,754,782
Restricted:						
Capital Projects	540,252	48,331	0	0	540,252	48,331
Debt Service	583,346	311,146	0	0	583,346	311,146
Set Asides	282,652	139,319	0	0	282,652	139,319
Other Purposes	100,034	157,023	0	0	100,034	157,023
Unrestricted (Deficit)	(106,898)	(135,805)	20,253	18,448	(86,645)	(117,357)
Total Net Assets	\$3,601,033	\$3,220,559	\$70,351	\$72,685	\$3,671,384	\$3,293,244

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2000
Unaudited

Total assets increased \$11,577,195. This very significant change was due to the debt issued in conjunction with the passage of a \$10 million bond issue in November of 1999. Restricted assets in "equity in pooled cash and cash equivalents" increased \$ 10,043,662 representing \$9.9 million in building fund restricted assets with the remaining \$143,662 an addition to the budget reserve set aside. Taxes receivable increased \$594,531; this increase is offset by the \$ 534,869 increase in deferred revenue. Taxes receivable and deferred revenue are impacted by the passage of the bond issue and the six year reappraisal of property tax values. Initial collection of both the bond issue and increase due to reappraisal began in January of 2000.

Net assets of the School District's governmental activities increased by \$380,474. The deficit in unrestricted net assets decreased by \$28,907. Long term liabilities: due within one year increased by \$110,421. The major impact of the new bond issue is reflected in all aspects of the School District's governmental activities.

The net assets of the School District business-type activities decreased by \$2,334 or 3.27 percent. The decline was reviewed by management and, where feasible, management increased the price of miscellaneous snack items in January, 2000. Food service lunch pricing was increased an average of four percent in August 2000. This action should insure that business-type activities remain self-supporting.

Table 2 shows the changes in net assets for fiscal year 2000. Since this is the first year the School District has prepared financial statements following GASB Statement 34, revenue and expense comparisons to fiscal year 1999 are not available. In future years, when prior-year information is available, a comparative analysis of government-wide data will be presented.

Table 2
Changes in Net Assets

	Governmental Activities 2000	Business-Type Activities 2000	Total 2000
Revenues			
Program Revenues:			
Charges for Services	\$829,113	\$262,551	\$1,091,664
Operating Grants and Contributions	666,435	89,106	755,541
Capital Grants	21,569	0	21,569
General Revenue:			
Property Taxes	6,431,768	0	6,431,768
Grants and Entitlements	3,368,610	0	3,368,610
Other	729,318	3,196	732,514
Total Revenues	\$12,046,813	\$354,853	\$12,401,666

Cardinal Local School District
Management's Discussion and Analysis
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Unaudited

	Governmental Activities 2000	Business-Type Activities 2000	Total 2000
Program Expenses			
Instruction	\$6,628,064	\$0	\$6,628,064
Support Services:			
Pupil and Instructional Staff	908,802	0	908,802
Board of Education, Administration, Fiscal and Business	1,087,157	0	1,087,157
Operation and Maintenance	897,041	0	897,041
Pupil Transportation	688,411	0	688,411
Central	172,079	0	172,079
Operation of Non-Instructional Services	67,521	0	67,521
Extracurricular Activities	331,264	0	331,264
Interest and Fiscal Charges	886,000	0	886,000
Food Service	0	310,665	310,665
Uniform School Supplies	0	46,522	46,522
Total Expenses	<u>11,666,339</u>	<u>357,187</u>	<u>12,023,526</u>
Increase (Decrease) in Net Assets	<u>\$380,474</u>	<u>(\$2,334)</u>	<u>\$378,140</u>

Governmental Activities

Since 1992, the Board has regularly placed a 9.7 mill five (5) year limited operating levy before the voters. It was replaced in 1996 for collection in 1997 at the replacement gain of almost \$395,000. In Ohio, limited operating levies can be placed on the ballot as "replacement" rather than "renewal" levies which means the proceeds will be calculated at the ballot millage times the current property tax values, not the values on the duplicate when the issue first received voter approval. Continuing the five (5) year replacement process helps offset the inflation limiting effects of Ohio's HB920. The Board intends to place the replacement levy on the ballot in November of 2001 for collection in 2002. Based on the 1999 reevaluation, the Board anticipates an annual increase of approximately \$539,000.

Ohio mandates the use of a Five Year Forecast which includes three years of history and five years of projected operating revenues and expenditures. The District Five Year Forecast indicates the natural budget cycle of the District will require additional operating income beginning in Fiscal Year 2002. With careful planning the last two negotiated agreements have been within the anticipated replacement revenues of the five (5) year, 9.7 mill operating levy. This levy will be on the ballot as a replacement issue in November of 2001. The replacement value of this levy is estimated to be \$2,134,000 or \$934,000 higher than the original issue passed in 1992.

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In the 1998 Tax Budget the Board redirected one (1) mill of inside millage to provide for permanent improvements. These revenues totaled \$184,301 in Fiscal Year 2000 and provided two new maintenance vehicles, renovations to sidewalks, roofs and heating . Initial proposals to meet the above mentioned operating needs include returning this one (1) mill to general operations and placing a permanent improvement issue before the voters.

Instruction comprises 55 percent of governmental program expenses. Interest expense was 1.3 percent. Interest expense was attributable to the notes issued during fiscal 2000 as detailed in Note 14.

Property taxes made up 62 percent of revenues for governmental activities for Cardinal Local Schools in fiscal year 2000. The Supreme Court has stated that over-reliance on property tax has been determined to be a weakness in the Ohio school funding system.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government 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. Comparisons to 1999 have not been made since they are not available.

Table 3
 Governmental Activities

	Total Cost of Services 2000	Net Cost of Services 2000
Instruction	\$6,628,064	\$5,532,868
Support Services:		
Pupil and Instructional Staff	908,802	812,571
Board of Education, Administration, Fiscal And Business	1,087,157	1,071,759
Operation and Maintenance of Plant	897,041	892,914
Pupil Transportation	688,411	560,299
Central	172,079	163,839
Operation of Non-Instructional Services	67,521	67,521
Extracurricular Activities	331,264	161,451
Interest and Fiscal Charges	886,000	886,000
Total Expenses	\$11,666,339	\$10,149,222

The dependence upon general revenues for governmental activities is apparent. Over 83 percent of instructional activities are supported through taxes and other general revenues; for all governmental activities general revenue support is 87 percent of total governmental revenues. The community, as a whole, is by far the primary support for Cardinal Local School District students.

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2000
Unaudited

Business-Type Activities

Business-type activities include the food service operation and the sale of uniform school supplies. These programs had program revenues of \$351,657 and expenses of \$357,187 for fiscal year 2000. Over 25 percent of those program revenues were from grants and contributions in the form of the federal and state lunch programs for the reimbursable lunch program. The decline in participation in the lunch program has cut those contributions by over 8 percent compared to 1999. Participation also governs the amount of commodity food received by the District. As discussed earlier, management has reviewed these programs and food service fees were increased an average of ten percent across all grade levels in August 2000. To insure that net assets are not further reduced in fiscal 2001, the School District is also taking steps to increase participation in the reimbursable lunch program. The past two years have each seen new food service directors at Cardinal Schools. This also has an impact on the profitability of business-type operations. Management anticipates the food service activities will once again be self sufficient in 2002.

The School District's Funds

The School District's governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$11,871,269 and expenditures of \$11,527,884. The net change in fund balance for the year was most significant in the building fund, an increase of \$9.8 million reflecting proceeds of the bond sale which were collected on March 16, 2000. The tax revenues for payment of the principal and interest first flowed to the District's debt service fund in January 2000.

General Fund Budgeting Highlights

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

During the course of fiscal 2000 the School District amended its general fund budget numerous times. Many of the amendments are due to changes in expenditure priorities in the buildings. The School District uses a site-based budgeting system designed to tightly control total site budgets but provide flexibility for site management. Building principals are given a per pupil allocation for textbook, instructional materials and equipment. HB412 requires the District to set aside three percent of certain general fund revenues for the purchase of textbooks and materials related to instruction. The site-based budgets help to meet this requirement. Building principals are able to request amendments monthly.

For the general fund, the final budget basis revenue was \$9,742,863 representing a \$152,874 decrease from the original budget estimates of \$9,895,737. Most of this difference was due to conservative tax estimates in the area of tangible personal property tax.

Much of this conservative estimate was offset as the original appropriations of \$9,720,755 were increased to \$10.8 million. Benefit and special education purchased service costs proved to be higher than anticipated in the original budget.

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2000
Unaudited

The School District's ending unobligated cash balance was \$1,987,369 above the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2000 the School District had \$3,068,093 invested in land, buildings, equipment; \$3,017,995 in governmental activities. Table 4 shows fiscal 2000 balances compared to 1999:

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

	Governmental Activities		Business-Type Activities		Total	
	2000	1999	2000	1999	2000	1999
Land and Improvements	\$455,932	\$117,419	\$0	\$0	\$455,932	\$117,419
Buildings and Improvements	1,666,841	1,967,087	13,022	13,022	1,679,863	1,980,109
Furniture and Equipment	300,507	390,686	37,076	41,215	337,583	431,901
Vehicles	258,367	225,353	0	0	258,367	225,353
Construction in Progress	336,348	0	0	0	336,348	0
Totals	<u>\$3,017,995</u>	<u>\$2,700,545</u>	<u>\$50,098</u>	<u>\$54,237</u>	<u>\$3,068,093</u>	<u>\$2,754,782</u>

The impact of the passage of the \$10 million bond issue is again noteworthy. The major increase occurred in construction in progress which was expended for surveyor and architect fees, permits and advertising expenses. No actual construction had taken place at fiscal year end. Other asset classes remained virtually unchanged. According to Ohio law a school district must set aside three percent of certain revenues for capital improvements. This is in addition to the three percent set aside for textbooks, materials and equipment related directly to instruction. For fiscal year 2000, this amounted to \$240,182 for each set aside for Cardinal Schools. The District converted Parkman Elementary school from fuel oil to natural gas with the installation of two new heating boilers and one hot water boiler. In addition, purchase of two new maintenance vehicles contributed to the required capital improvement set-aside. The School District had qualifying disbursements or offsets exceeding the three percent requirement in both areas.

Debt

At June 30, 2000 the School District had \$10,479,930 in bonds and notes outstanding, \$360,000 due within one year. Table 5 summarizes bonds and notes outstanding.

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2000
Unaudited

(Table 5)
 Outstanding Debt, at Year End

	Governmental Activities 2000	Governmental Activities 1999
1979 School Improvement GO bonds	\$165,000	\$220,000
Energy Conservation bonds	315,000	370,000
School Improvement GO bonds	9,749,930	0
School Improvement Notes	250,000	0
Total	\$10,479,930	\$590,000

The 1979 general obligation bonds were issued to build a major addition to Cardinal High School and remodel a portion of the 1925 middle school. This issue will be completely paid in December, 2002.

In 1994 the School District issued energy conservation improvement bonds in accordance with HB264. The \$560,000, ten-year issue allowed the School District to improve heating and lighting systems and convert kitchens from electric to natural gas in four of five school buildings. The 1925 middle school had been previously improved with a HB264 storm window project and was precluded from participation a second time.

On November 2, 1999 the voters approved the 3.5 mill bond issue, providing \$10 million for the construction of a new middle school, and facility and site improvements at all buildings. The Board has placed this issue before the voters since 1989. At the ninth try, it passed with over 62% of the vote. This issue will be completely paid in December, 2025.

At June 30, 2000, the School District's overall legal debt margin was \$10,420,589 with an unvoted debt margin of \$220,382. The School District maintains an A bond rating.

For the Future

Cardinal Schools remains a financially strong, growing component of the County. Geauga County has experienced many economic and demographic changes in the later part of this decade. The predominantly rural nature of the area has given way to a more residential, commercial and even industrial profile. Between 1986 and 1996 approximately 2000 new manufacturing jobs (or an additional 40%) were developed in the County. Forty percent of all manufacturing jobs in Geauga County are located in Cardinal School District. The Village of Middlefield has played a major part in the growth and prosperity experienced in the area.

Cardinal School District incorporates one of the largest Amish populations in the country. This leads to agriculture contributing approximately 21% of the District's real estate valuation. Dairy, horse and crop industries thrive on approximately 105 farms in the area. In addition to agriculture, the Amish produce many handcrafted items such as quilts, furniture, baked goods and cheese all of which contribute to the local economy. The Amish community's steady habits are an important part of Cardinal's stability.

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2000
Unaudited

Residential growth has not eluded the District over the past year. Housing developments continue to move toward completion. Affordable new homes in the \$124,500 to \$195,000 price range are attracting young families to the area as evidenced by the residential permits issued in the District. Residential property contributes 56% of the Districts real estate valuation.

Of the District's General Fund operations, 40% of the General Fund revenue is received from real estate taxes on residential, commercial, and industrial properties. Another 20% is received from tangible personal property taxpayers with 32% being received from various forms of State aid including Homestead and Rollback exclusions on property taxes. The remaining 8% is received from open enrollment tuition, interest earnings and local cooperative ventures.

On May 11, 2000, the Ohio Supreme Court issued the *DeRolph II* decision that gave the legislature until June 15, 2001 to adopt a plan addressing Ohio's system of funding elementary and secondary public schools. The court stated that changes to date had not met the mandate to formulate an adequate and equitable funding system that is not primarily reliant on property taxes, address the conditions of school buildings and eliminate the need for the school district loan program. The legislature's response to the mandates of the Ohio Supreme Court was to await the results of the general election in November of 2000. Currently, the Governor, the Ohio Department of Education and several individual legislators have proposed partial plans to meet the Court's mandate. The ramifications of this action are discussed in detail in Note 20 to the basic financial statements.

Cardinal 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.

The School District maintains an active role in the community; its projects and its governance. The community has responded with support from many sectors. To quote the Middlefield Chamber of Commerce brochure, "Our area is progressive and infrastructure is constantly being upgraded to meet ever-increasing needs of power, water, sewers, roadways and other necessities. Local schools have enjoyed progressive input from local industry, reinforcing the value placed on education within the community." We are proud of our role in the community and of the support we receive from residents as well as business. We attribute both to our open door policy and our commitment to accountability.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Dianne Kellogg, Treasurer at Cardinal Local School District, 16000 East High Street, P.O. Box 188, Middlefield, Ohio 44062.

Cardinal Local School District

Statement of Net Assets

June 30, 2000

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$3,242,249	\$73,177	\$3,315,426
Cash and Cash Equivalents			
With Escrow Agents	2,270	0	2,270
Receivables:			
Taxes	7,271,768	0	7,271,768
Accounts	1,793	0	1,793
Intergovernmental	118,874	10,531	129,405
Accrued Interest	73,137	0	73,137
Internal Balances	20,000	(20,000)	0
Prepaid Items	10,208	538	10,746
Inventory Held for Resale	0	4,914	4,914
Materials and Supplies			
Inventory	59,426	932	60,358
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	10,182,652	0	10,182,652
Deferred Charges	68,739	0	68,739
Land, Land Improvements and			
Construction in Progress	792,280	0	792,280
Other Capital Assets	2,225,715	50,098	2,275,813
<i>Total Assets</i>	24,069,111	120,190	24,189,301
Liabilities			
Accounts Payable	59,735	0	59,735
Contracts Payable			0
Accrued Wages	903,577	17,320	920,897
Intergovernmental Payable	329,215	13,238	342,453
Deferred Revenue	6,818,500	9,106	6,827,606
Matured Interest Payable	2,270	0	2,270
Accrued Interest Payable	464,609	0	464,609
Notes Payable	273,958	0	273,958
Claims Payable	6,780	0	6,780
Long-Term Liabilities:			
Due Within One Year	259,081	0	259,081
Due In More Than One Year	11,350,353	10,175	11,360,528
<i>Total Liabilities</i>	20,468,078	49,839	20,517,917
Net Assets			
Invested in Capital Assets, Net of Related Debt	2,201,647	50,098	2,251,745
Restricted for:			
Capital Projects	540,252	0	540,252
Debt Service	583,346	0	583,346
Set Asides	282,652	0	282,652
Other Purposes	100,034	0	100,034
Unrestricted (Deficit)	(106,898)	20,253	(86,645)
<i>Total Net Assets</i>	\$3,601,033	\$70,351	\$3,671,384

See accompanying notes to the basic financial statements

Cardinal Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2000

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
Instruction:				
Regular	\$5,141,226	\$500,870	\$79,128	\$21,569
Special	1,318,006	26,191	467,438	0
Vocational	168,832	0	0	0
Support Services:	0	0	0	0
Pupil	507,626	0	59,833	0
Instructional Staff	401,176	0	36,398	0
Board of Education	23,328	0	0	0
Administration	683,203	0	15,398	0
Fiscal	321,406	0	0	0
Business	59,220	0	0	0
Operation and Maintenance of Plant	897,041	4,127	0	0
Pupil Transportation	688,411	128,112	0	0
Central	172,079	0	8,240	0
Operation of Non-Instructional Services	67,521	0	0	0
Extracurricular Activities	331,264	169,813	0	0
Interest and Fiscal Charges	886,000	0	0	0
<i>Total Governmental Activities</i>	<u>11,666,339</u>	<u>829,113</u>	<u>666,435</u>	<u>21,569</u>
Business-Type Activities				
Food Service	310,665	218,064	89,106	0
Uniform School Supplies	46,522	44,487	0	0
<i>Total Business-Type Activities</i>	<u>357,187</u>	<u>262,551</u>	<u>89,106</u>	<u>0</u>
Totals	<u><u>\$12,023,526</u></u>	<u><u>\$1,091,664</u></u>	<u><u>\$755,541</u></u>	<u><u>\$21,569</u></u>

General Revenues

Property Taxes Levied for:

 General Purposes

 Debt Service

 Capital Outlay

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year - (See Note 3)

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$4,539,659)	\$0	(\$4,539,659)
(824,377)	0	(824,377)
(168,832)	0	(168,832)
(447,793)	0	(447,793)
(364,778)	0	(364,778)
(23,328)	0	(23,328)
(667,805)	0	(667,805)
(321,406)	0	(321,406)
(59,220)	0	(59,220)
(892,914)	0	(892,914)
(560,299)	0	(560,299)
(163,839)	0	(163,839)
(67,521)	0	(67,521)
(161,451)	0	(161,451)
(886,000)	0	(886,000)
<u>(10,149,222)</u>	<u>0</u>	<u>(10,149,222)</u>
0	(3,495)	(3,495)
<u>0</u>	<u>(2,035)</u>	<u>(2,035)</u>
0	(5,530)	(5,530)
<u>(10,149,222)</u>	<u>(5,530)</u>	<u>(10,154,752)</u>
6,014,746	0	6,014,746
228,840	0	228,840
188,182	0	188,182
3,368,610	0	3,368,610
700,727	2,693	703,420
28,591	503	29,094
<u>10,529,696</u>	<u>3,196</u>	<u>10,532,892</u>
380,474	(2,334)	378,140
<u>3,220,559</u>	<u>72,685</u>	<u>3,293,244</u>
<u>\$3,601,033</u>	<u>\$70,351</u>	<u>\$3,671,384</u>

Cardinal Local School District

Balance Sheet
Governmental Funds
June 30, 2000

	General	Debt Service	Building
Assets			
Equity in Pooled Cash and Cash Equivalents	\$2,369,783	\$440,121	\$188,168
Cash and Cash Equivalents			
With Fiscal Agents	0	2,270	0
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	282,652	0	9,900,000
Receivables:			
Taxes	6,224,492	837,595	0
Accounts	954	0	0
Intergovernmental	2,005	0	0
Accrued Interest	31,650	12,291	29,196
Interfund Receivable	35,867	0	0
Prepaid Items	10,208	0	0
Materials and Supplies			
Inventory	59,426	0	0
<i>Total Assets</i>	<u>\$9,017,037</u>	<u>\$1,292,277</u>	<u>\$10,117,364</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$56,708	\$0	\$0
Accrued Wages	835,503	0	0
Interfund Payable	0	0	0
Intergovernmental Payable	197,336	0	0
Deferred Revenue	5,943,992	788,895	0
Matured Interest Payable	0	2,270	0
Accrued Interest Payable	0	0	565
Notes Payable	0	0	250,000
<i>Total Liabilities</i>	<u>7,033,539</u>	<u>791,165</u>	<u>250,565</u>
Fund Balances:			
Reserved for Encumbrances	366,693	0	242,850
Reserved for Inventory	59,426	0	0
Reserved for Property Taxes	280,500	48,700	0
Reserved for Budget Stabilization	282,652		
Unreserved, Undesignated, Reported in:			
General Fund	994,227	0	0
Special Revenue Funds	0	0	0
Debt Service Fund	0	452,412	0
Capital Projects Funds	0	0	9,623,949
<i>Total Fund Balances</i>	<u>1,983,498</u>	<u>501,112</u>	<u>9,866,799</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$9,017,037</u>	<u>\$1,292,277</u>	<u>\$10,117,364</u>

See accompanying notes to the basic financial statements

Cardinal Local School District
*Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
June 30, 2000*

Other Governmental Funds	Total Governmental Funds		
		Total Governmental Funds Balances	\$12,536,858
		<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
\$222,653	\$3,220,725	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	3,017,995
0	2,270	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
0	10,182,652	Grants	68,869
209,681	7,271,768	One 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 is included in governmental activities in the statement of net assets.	14,744
839	1,793		
116,869	118,874		
0	73,137		
0	35,867		
0	10,208	Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(120,804)
0	59,426		
<u>\$550,042</u>	<u>\$20,976,720</u>	Property tax delinquencies that are considered collectible are recognized in the statement of net assets	112,068
\$3,027	\$59,735	Bond issuance costs are recognized as deferred charges and will be amortized over the life of the bonds on the statement of net assets	68,739
68,074	903,577		
15,867	15,867		
11,075	208,411	Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:	
266,550	6,999,437	General Obligation Bonds	(10,229,930)
0	2,270	Bond Premium	(242,127)
0	565	Note Premium	(23,958)
0	250,000	Compensated Absences	(1,137,377)
<u>364,593</u>	<u>8,439,862</u>	Accrued Interest Payable	<u>(464,044)</u>
0	609,543	Total	<u>(12,097,436)</u>
0	59,426		
12,000	341,200	<i>Net Assets of Governmental Activities</i>	<u>\$3,601,033</u>
0	282,652		
0	994,227		
102,295	102,295		
0	452,412		
<u>71,154</u>	<u>9,695,103</u>		
185,449	12,536,858		
<u>\$550,042</u>	<u>\$20,976,720</u>		

Cardinal Local School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2000

	General	Bond Retirement	Building	Other Governmental Funds
Revenues				
Taxes	\$5,920,054	\$215,345	\$0	\$184,301
Intergovernmental	3,084,141	44,211	220,345	639,048
Interest	194,097	74,985	429,754	1,891
Tuition and Fees	655,173	0	0	3,190
Extracurricular Activities	0	0	0	147,257
Rentals	4,127	0	0	0
Contributions and Donations	0	0	0	17,093
Miscellaneous	33,984	0	0	2,273
<i>Total Revenues</i>	<u>9,891,576</u>	<u>334,541</u>	<u>650,099</u>	<u>995,053</u>
Expenditures				
Current:				
Instruction:				
Regular	4,722,211	0	0	83,687
Special	800,468	0	0	450,797
Vocational	171,121	0	0	0
Support Services:				
Pupil	447,870	0	0	58,342
Instructional Staff	306,104	0	0	61,069
Board of Education	24,446	0	0	0
Administration	667,600	0	0	40,465
Fiscal	308,950	6,847	0	0
Business	57,881	0	0	0
Operation and Maintenance of Plant	885,844	0	0	0
Pupil Transportation	684,116	0	0	0
Central	165,438	0	0	8,548
Operation of Non-Instructional Services				
Services	62,682	0	0	0
Extracurricular Activities	226,819	0	0	123,247
Capital Outlay	35,329	0	336,348	190,960
Debt Service:				
Principal Retirement	0	110,000	0	0
Interest and Fiscal Charges	0	201,116	220,840	0
Bond Issuance Costs	0	68,739	0	0
<i>Total Expenditures</i>	<u>9,566,879</u>	<u>386,702</u>	<u>557,188</u>	<u>1,017,115</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>324,697</u>	<u>(52,161)</u>	<u>92,911</u>	<u>(22,062)</u>
Other Financing Sources (Uses)				
Proceeds of Bonds	0	242,127	9,749,930	0
Notes Premium	0	0	23,958	0
Proceeds from Sale of Fixed Assets	6,300	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>6,300</u>	<u>242,127</u>	<u>9,773,888</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	330,997	189,966	9,866,799	(22,062)
<i>Fund Balances Beginning of Year (Restated - Note 3)</i>	1,650,878	311,146	0	207,511
Increase in Reserve for Inventory	1,623	0	0	0
<i>Fund Balances End of Year</i>	<u>\$1,983,498</u>	<u>\$501,112</u>	<u>\$9,866,799</u>	<u>\$185,449</u>

See accompanying notes to the basic financial statements

Cardinal 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, 2000*

<table border="0" style="width: 100%;"> <tr><td style="text-align: right;">Total Governmental Funds</td></tr> <tr><td style="text-align: right;">\$6,319,700</td></tr> <tr><td style="text-align: right;">3,987,745</td></tr> <tr><td style="text-align: right;">700,727</td></tr> <tr><td style="text-align: right;">658,363</td></tr> <tr><td style="text-align: right;">147,257</td></tr> <tr><td style="text-align: right;">4,127</td></tr> <tr><td style="text-align: right;">17,093</td></tr> <tr><td style="text-align: right;">36,257</td></tr> <tr><td style="text-align: right;"><hr/></td></tr> <tr><td style="text-align: right;">11,871,269</td></tr> <tr><td style="text-align: right;"><hr/></td></tr> <tr><td style="text-align: right;">4,805,898</td></tr> <tr><td style="text-align: right;">1,251,265</td></tr> <tr><td style="text-align: right;">171,121</td></tr> <tr><td style="text-align: right;">506,212</td></tr> <tr><td style="text-align: right;">367,173</td></tr> <tr><td style="text-align: right;">24,446</td></tr> <tr><td style="text-align: right;">708,065</td></tr> <tr><td style="text-align: right;">315,797</td></tr> <tr><td style="text-align: right;">57,881</td></tr> <tr><td style="text-align: right;">885,844</td></tr> <tr><td style="text-align: right;">684,116</td></tr> <tr><td style="text-align: right;">173,986</td></tr> <tr><td style="text-align: right;">62,682</td></tr> <tr><td style="text-align: right;">350,066</td></tr> <tr><td style="text-align: right;">562,637</td></tr> <tr><td style="text-align: right;">110,000</td></tr> <tr><td style="text-align: right;">421,956</td></tr> <tr><td style="text-align: right;">68,739</td></tr> <tr><td style="text-align: right;"><hr/></td></tr> <tr><td style="text-align: right;">11,527,884</td></tr> <tr><td style="text-align: right;"><hr/></td></tr> <tr><td style="text-align: right;">343,385</td></tr> <tr><td style="text-align: right;"><hr/></td></tr> <tr><td style="text-align: right;">9,992,057</td></tr> <tr><td style="text-align: right;">23,958</td></tr> <tr><td style="text-align: right;">6,300</td></tr> <tr><td style="text-align: right;"><hr/></td></tr> <tr><td style="text-align: right;">10,022,315</td></tr> <tr><td style="text-align: right;"><hr/></td></tr> <tr><td style="text-align: right;">10,365,700</td></tr> <tr><td style="text-align: right;"><hr/></td></tr> <tr><td style="text-align: right;">2,169,535</td></tr> <tr><td style="text-align: right;"><hr/></td></tr> <tr><td style="text-align: right;">1,623</td></tr> <tr><td style="text-align: right;"><hr/></td></tr> <tr><td style="text-align: right;">\$12,536,858</td></tr> <tr><td style="text-align: right;"><hr/></td></tr> </table>	Total Governmental Funds	\$6,319,700	3,987,745	700,727	658,363	147,257	4,127	17,093	36,257	<hr/>	11,871,269	<hr/>	4,805,898	1,251,265	171,121	506,212	367,173	24,446	708,065	315,797	57,881	885,844	684,116	173,986	62,682	350,066	562,637	110,000	421,956	68,739	<hr/>	11,527,884	<hr/>	343,385	<hr/>	9,992,057	23,958	6,300	<hr/>	10,022,315	<hr/>	10,365,700	<hr/>	2,169,535	<hr/>	1,623	<hr/>	\$12,536,858	<hr/>	<table border="0" style="width: 100%;"> <tr><td>Net Change in Fund Balances - Total Governmental Funds</td><td style="text-align: right;">\$10,365,700</td></tr> <tr><td colspan="2"> <i>Amounts reported for governmental activities in the statement of activities are different because</i></td></tr> <tr><td>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 outlays exceeded depreciation in the current period.</td><td style="text-align: right;">536,823</td></tr> <tr><td>Governmental funds only report the disposal of fixed assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.</td><td style="text-align: right;">(219,373)</td></tr> <tr><td>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</td><td style="text-align: right;">68,869</td></tr> <tr><td>Property tax delinquencies that are considered collectible are recognized as revenue in the statement of activities</td><td style="text-align: right;">112,068</td></tr> <tr><td>Bond issuance costs are recognized as deferred charges and will be amortized over the life of the bonds on the statement of activities.</td><td style="text-align: right;">68,739</td></tr> <tr><td>Other financing sources in the governmental funds that increase long-term liabilities in the statement of net assets</td><td></td></tr> <tr><td style="padding-left: 20px;">Proceeds of Bonds</td><td style="text-align: right;">(\$9,749,930)</td></tr> <tr><td style="padding-left: 20px;">Bonds premium</td><td style="text-align: right;">(242,127)</td></tr> <tr><td style="padding-left: 20px;">Notes premium</td><td style="text-align: right;"><u>(23,958)</u></td></tr> <tr><td></td><td style="text-align: right;">(10,016,015)</td></tr> <tr><td>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</td><td style="text-align: right;">110,000</td></tr> <tr><td>In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.</td><td style="text-align: right;">(464,044)</td></tr> <tr><td>Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable which represent contractually required pension contributions, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds</td><td style="text-align: right;">(197,419)</td></tr> <tr><td>The internal service fund used by management to charge the costs of insurance to individual funds are not reported in the district-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities.</td><td style="text-align: right;"><u>15,126</u></td></tr> <tr><td><i>Change in Net Assets of Governmental Activities</i></td><td style="text-align: right;"><u><u>\$380,474</u></u></td></tr> </table>	Net Change in Fund Balances - Total Governmental Funds	\$10,365,700	 <i>Amounts reported for governmental activities in the statement of activities are different because</i>		Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	536,823	Governmental funds only report the disposal of fixed assets to the extent proceeds are received from the sale. 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885,844																																																																																				
684,116																																																																																				
173,986																																																																																				
62,682																																																																																				
350,066																																																																																				
562,637																																																																																				
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9,992,057																																																																																				
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10,365,700																																																																																				
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2,169,535																																																																																				
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1,623																																																																																				
<hr/>																																																																																				
\$12,536,858																																																																																				
<hr/>																																																																																				
Net Change in Fund Balances - Total Governmental Funds	\$10,365,700																																																																																			
 <i>Amounts reported for governmental activities in the statement of activities are different because</i>																																																																																				
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	536,823																																																																																			
Governmental funds only report the disposal of fixed assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	(219,373)																																																																																			
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	68,869																																																																																			
Property tax delinquencies that are considered collectible are recognized as revenue in the statement of activities	112,068																																																																																			
Bond issuance costs are recognized as deferred charges and will be amortized over the life of the bonds on the statement of activities.	68,739																																																																																			
Other financing sources in the governmental funds that increase long-term liabilities in the statement of net assets																																																																																				
Proceeds of Bonds	(\$9,749,930)																																																																																			
Bonds premium	(242,127)																																																																																			
Notes premium	<u>(23,958)</u>																																																																																			
	(10,016,015)																																																																																			
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	110,000																																																																																			
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(464,044)																																																																																			
Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable which represent contractually required pension contributions, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	(197,419)																																																																																			
The internal service fund used by management to charge the costs of insurance to individual funds are not reported in the district-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities.	<u>15,126</u>																																																																																			
<i>Change in Net Assets of Governmental Activities</i>	<u><u>\$380,474</u></u>																																																																																			

Cardinal Local School District
*Statement of Revenues, Expenditures and Changes In
Fund Balances - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2000*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$6,101,975	\$6,007,709	\$6,007,554	(\$155)
Intergovernmental	2,961,357	2,915,609	3,214,354	298,745
Interest	164,996	162,447	162,447	0
Tuition and Fees	660,171	649,972	655,173	5,201
Rentals	4,191	4,126	4,127	1
Miscellaneous	3,047	3,000	36,549	33,549
<i>Total Revenues</i>	<u>9,895,737</u>	<u>9,742,863</u>	<u>10,080,204</u>	<u>337,341</u>
Expenditures				
Current:				
Instruction:				
Regular	4,683,114	5,043,809	4,888,245	155,564
Special	724,257	1,004,628	921,288	83,340
Vocational	179,282	182,282	176,309	5,973
Support Services:				
Pupils	463,409	500,287	460,853	39,434
Instructional Staff	353,645	369,786	309,041	60,745
Board of Education	24,565	28,265	24,997	3,268
Administration	722,736	720,345	670,194	50,151
Fiscal	291,472	334,141	321,549	12,592
Business	57,381	64,781	60,845	3,936
Operation and Maintenance of Plant	966,757	1,093,562	959,194	134,368
Pupil Transportaton	756,355	848,281	787,522	60,759
Central	207,129	223,824	171,183	52,641
Operation of Non-Instructional Services	67,374	68,375	65,441	2,934
Extracurricular Activities	198,279	253,865	229,447	24,418
Capital Outlay	25,000	75,000	35,328	39,672
<i>Total Expenditures</i>	<u>9,720,755</u>	<u>10,811,231</u>	<u>10,081,436</u>	<u>729,795</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>174,982</u>	<u>(1,068,368)</u>	<u>(1,232)</u>	<u>1,067,136</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Fixed Assets	6,000	6,000	6,300	300
Advances In	2,000	2,000	2,000	0
Advances Out	(802,100)	(824,800)	(35,867)	788,933
Operating Transfers Out	(315,000)	(131,000)	0	131,000
<i>Total Other Financing Sources (Uses)</i>	<u>(1,109,100)</u>	<u>(947,800)</u>	<u>(27,567)</u>	<u>920,233</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	<u>(934,118)</u>	<u>(2,016,168)</u>	<u>(28,799)</u>	<u>1,987,369</u>
<i>Fund Balance Beginning of Year</i>	1,945,081	1,945,081	1,945,081	0
Prior Year Encumbrances Appropriated	<u>313,175</u>	<u>313,175</u>	<u>313,175</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,324,138</u></u>	<u><u>\$242,088</u></u>	<u><u>\$2,229,457</u></u>	<u><u>\$1,987,369</u></u>

See accompanying notes to the basic financial statements

Cardinal Local School District
Statement of Net Assets
Proprietary Funds
June 30, 2000

	Business-Type Activities Enterprise Funds			Governmental Activities Internal Service Fund
	Food Service	Uniform School Supplies	Total	
Assets				
Equity in Pooled Cash and Cash Equivalents	\$31,052	\$42,125	\$73,177	\$21,524
Receivables:				
Intergovernmental	10,531	0	10,531	0
Prepaid Items	538	0	538	0
Inventory Held for Resale Materials and Supplies	4,248	666	4,914	0
Inventory	932	0	932	0
Capital Assets, Net	50,098	0	50,098	0
<i>Total Assets</i>	<u>97,399</u>	<u>42,791</u>	<u>140,190</u>	<u>21,524</u>
Liabilities				
Accrued Wages	17,320	0	17,320	0
Interfund Payable	20,000	0	20,000	0
Intergovernmental Payable	13,238	0	13,238	0
Deferred Revenue	9,106	0	9,106	0
Claims Payable	0	0	0	6,780
Long-Term Liabilities:				
Due in More Than One Year	10,175	0	10,175	0
<i>Total Liabilities</i>	<u>69,839</u>	<u>0</u>	<u>69,839</u>	<u>6,780</u>
Net Assets				
Invested in capital assets	50,098	0	50,098	0
Unrestricted (Deficit)	(22,538)	42,791	20,253	14,744
<i>Total Net Assets</i>	<u>\$27,560</u>	<u>\$42,791</u>	<u>\$70,351</u>	<u>\$14,744</u>

See accompanying notes to the basic financial statements

Cardinal Local School District
*Statement of Revenues,
Expenses and Changes in Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2000*

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Fund
	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Total</u>	
Operating Revenues				
Charges for Services	\$218,064	\$44,487	\$262,551	\$194,447
Miscellaneous	503	0	503	0
<i>Total Operating Revenues</i>	<u>218,567</u>	<u>44,487</u>	<u>263,054</u>	<u>194,447</u>
Operating Expenses				
Salaries	106,951	0	106,951	0
Fringe Benefits	47,435	0	47,435	0
Purchased Services	8,065	0	8,065	0
Materials and Supplies	38,058	46,522	84,580	0
Cost of Sales	101,265	0	101,265	0
Depreciation	8,084	0	8,084	0
Claims	0	0	0	179,321
Other	807	0	807	0
<i>Total Operating Expenses</i>	<u>310,665</u>	<u>46,522</u>	<u>357,187</u>	<u>179,321</u>
<i>Operating Income (Loss)</i>	<u>(92,098)</u>	<u>(2,035)</u>	<u>(94,133)</u>	<u>15,126</u>
Non-Operating Revenues				
Donated Commodities	23,429	0	23,429	0
Operating Grants	65,677	0	65,677	0
Interest	2,693	0	2,693	0
<i>Total Non-Operating Revenues</i>	<u>91,799</u>	<u>0</u>	<u>91,799</u>	<u>0</u>
<i>Change in Net Assets</i>	(299)	(2,035)	(2,334)	15,126
<i>Net Assets Beginning of Year - Restated (See Note 3)</i>	<u>27,859</u>	<u>44,826</u>	<u>72,685</u>	<u>(382)</u>
<i>Net Assets End of Year</i>	<u>\$27,560</u>	<u>\$42,791</u>	<u>\$70,351</u>	<u>\$14,744</u>

See accompanying notes to the basic financial statements

Cardinal Local School District
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2000

	Business-Type Activities-Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service	Uniform School Supplies	Total	
<i>Increase (Decrease) in Cash and Cash Equivalents</i>				
Cash Flows from Operating Activities				
Cash Received from Customers	\$218,064	\$44,487	\$262,551	\$0
Cash Received from Quasi-External Transaction With Other Funds	0	0	0	194,447
Cash Received from Other Operating Sources	503	0	503	0
Cash Payments to Suppliers for Goods and Services	(138,198)	(46,549)	(184,747)	0
Cash Payments to Employees for Services	(110,077)	0	(110,077)	0
Cash Payments for Employee Benefits	(41,223)	0	(41,223)	0
Cash Payments for Other Expenses	(807)	0	(807)	0
Cash Payments for Claims	0	0	0	(179,370)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(71,738)</u>	<u>(2,062)</u>	<u>(73,800)</u>	<u>15,077</u>
Cash Flows from Noncapital Financing Activities				
Operating Grants Received	67,557	0	67,557	0
Advances In	20,000	0	20,000	0
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>87,557</u>	<u>0</u>	<u>87,557</u>	<u>0</u>
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	(3,945)	0	(3,945)	0
Cash Flows from Investing Activities:				
Interest on Investments	2,693	0	2,693	0
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	14,567	(2,062)	12,505	15,077
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>16,485</u>	<u>44,187</u>	<u>60,672</u>	<u>6,447</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$31,052</u>	<u>\$42,125</u>	<u>\$73,177</u>	<u>\$21,524</u>

(continued)

Cardinal Local School District
Statement of Cash Flows
Proprietary Funds (continued)
For the Fiscal Year Ended June 30, 2000

	Business-Type Activities-Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service	Uniform School Supplies	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating Income (Loss)	(\$92,098)	(\$2,035)	(\$94,133)	\$15,126
Adjustments:				
Depreciation	8,084	0	8,084	0
Donated Commodities Used During Year	23,429	0	23,429	0
<i>(Increase) Decrease in Assets:</i>				
Prepaid Items	(538)	0	(538)	0
Inventory Held for Resale	1,314	575	1,889	0
Materials and Supplies Inventory	353	0	353	0
<i>Increase (Decrease) in Liabilities:</i>				
Accounts Payable	0	(602)	(602)	0
Accrued Wages	(4,431)	0	(4,431)	0
Compensated Absences Payable	(15,896)	0	(15,896)	0
Intergovernmental Payable	8,045	0	8,045	0
Claims Payable	0	0	0	(49)
<i>Total Adjustments</i>	<u>20,360</u>	<u>(27)</u>	<u>20,333</u>	<u>(49)</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(\$71,738)</u>	<u>(\$2,062)</u>	<u>(\$73,800)</u>	<u>\$15,077</u>

See accompanying notes to the basic financial statements

Cardinal Local School District
Statement of Fiduciary Net Assets
Agency Fund
June 30, 2000

Assets

Equity in Pooled Cash and Cash Equivalents	<u><u>\$15,283</u></u>
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Liabilities

Due to Students	<u><u>\$15,283</u></u>
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See accompanying notes to the basic financial statements

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2000

Note 1 - Description of The School District

Cardinal Local School District (the "School District") operates under a locally-elected Board form of government and provides educational services as authorized by state and/or federal agencies. This Board controls the School District's 5 instructional/support facilities staffed by 62 non-certificated employees, 105 certificated full time teaching personnel and 7 administrative employees to provide services to 1,469 students and other community members.

The School District was established February 1, 1957 through the consolidation of existing land areas and school districts and is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. Under such laws there is no authority for a school district to have a charter or adopt local laws. The legislative power of the School District is vested in the Board of Education, consisting of five members elected at-large for staggered four year terms.

The School District serves an area of approximately 86 square miles. It is located in Geauga County, including all of Huntsburg, Middlefield and Parkman Townships and Middlefield Village. A small portion of Trumbull County, Mesopotamia Township is also served by the School District.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School District. For Cardinal Local School District, this includes general operations, food service and student related activities 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 is associated with six jointly governed organizations and one public entity risk pool. These organizations are the Auburn Career Center, the Lake Geauga Education Computer Association, the Cardinal Area Recreation and Education Council, the East Shore Regional Transportation System, the East Shore Center, Ohio Schools Council and the Ohio School Boards Association Workers' Compensation Group Rating Plan. These organizations are presented in Notes 17 and 18 to the basic financial statements.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2000

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 local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The most significant of the School District's accounting policies are described below.

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 funds is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the School District at 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 and for two business-type activities of the School District. 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 business segment or 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 and enterprise 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. The fiduciary fund is reported by type.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2000

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.

Bond Retirement Fund The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Building Capital Projects Fund The building capital projects fund accounts for financial resources to be used for the acquisition, construction, or improvement of major capital facilities other than those financed by proprietary funds.

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

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

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

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 accounts for insurance premiums revenue received from other funds and the settlement expenses for the prescription drug coverage provided by the School District.

Fiduciary Fund Type 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

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2000

under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's only fiduciary fund is an agency fund.

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.

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 (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. 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 60 days of year-end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 7.) Revenue from grants,

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2000

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 year-end: 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, 2000, but which were levied to finance fiscal year 2001 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 fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

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

C. Budgetary Data

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

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

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2000

Tax Budget Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

By no later than January 20, the Board-adopted budget is filed with the Geauga County Budget Commission for rate determination.

Estimated Resources Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the amended certificate when the original appropriations were adopted. The amounts reported in the budgetary statement as final budgeted amounts reflect the amounts in the final amended certificate issued during fiscal year 2000.

Appropriations Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is enacted by the Board of Education at the object level within each fund and function, which is the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenditures of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation, or alter total function appropriations, or alter object appropriations within functions must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund does not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant. The amounts reported as the original budgeted amounts in the budgetary statements reflect the first appropriated budget that covered the entire year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications. Formal budgetary integration is employed as a management control device during the year for all funds, other than the agency fund, consistent with statutory provisions.

Encumbrances As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds.

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

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2000

D. Cash and Cash Equivalents

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

During fiscal year 2000, investments were limited to STAROhio, the State Treasurer's Investment Pool, certificates of deposit and repurchase agreements. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2000. Certificates of deposit are reported at cost.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest. Interest revenue credited to the general fund during fiscal year 2000 amounted to \$194,097, which includes \$47,360 assigned from other School District funds.

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

E. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2000, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

F. Inventory

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

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

G. Restricted Assets

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets include bond proceeds to be used for capital construction and amounts required by statute to be set-aside to create a reserve for budget stabilization. See Note 21 for additional information regarding set asides.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2000

H. Deferred Charges

Bond issuance costs are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method.

I. Bond Premium

On government-wide financial statements, bond premiums are deferred and amortized over the term of the bond using the effective interest method. Bond premiums are presented as an increase of the face amount of the bonds payable. On governmental fund financial statements, bond premiums are reported as an other financing source.

J. Capitalization of Interest

On government-wide financial statements, net interest is capitalized on construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax-exempt borrowing used to finance the project and the interest earned from temporary investment of the debt proceeds. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset. For fiscal year 2000, net interest costs were immaterial.

K. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five hundred dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized, as described in Note 2(J).

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2000

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

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings and Improvements	10 - 30 years	N/A
Furniture and Equipment	5 - 10 years	12 years
Vehicles	10 years	N/A

L. 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 and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

M. Compensated Absences

The School District reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for 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.

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

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

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

N. Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits 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 normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the fund financial statements when due.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2000

O. Net Assets

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

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

P. Fund Balance Reserves

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

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

Q. 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 sales for food service and uniform school supplies, and 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.

R. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of fixed assets, or from grants or outside contributions of resources restricted to capital acquisition and construction. The proprietary funds had no contributed capital.

S. Interfund Activity

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

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 and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2000

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal 2000.

U. 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.

Note 3 - Change in Accounting Principle and Restatement of Fund Balance

Changes in Accounting Principles For fiscal year 2000, the School District has implemented GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" and GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements."

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

The government-wide financial statements split the School District's programs between business-type and governmental activities. Except for the restatement explained below, the beginning net asset amount for the business-type activities equals fund equity of the enterprise funds from last year. The beginning net asset amount for governmental programs reflects the change in fund balance for governmental funds at June 30, 1999, caused by the elimination of the internal service fund and the conversion to the accrual basis of accounting.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2000

	General	Debt Service	Nonmajor	Total
Fund Balances, June 30, 1999	\$1,634,978	\$311,146	\$73,538	\$2,019,662
Interpretation 6:				
Compensated Absences Payable	15,900	0	0	15,900
GASB 33 Adjustments:				
Intergovernmental Receivable	0	0	133,973	133,973
Adjusted Fund Balance, June 30, 1999	<u>\$1,650,878</u>	<u>\$311,146</u>	<u>\$207,511</u>	2,169,535
GASB 34 Adjustments:				
Capital Assets				2,700,545
Internal Service Funds				(382)
Long-Term Liabilities				<u>(1,649,139)</u>
Governmental Activities Net Assets, June 30, 1999				<u>\$3,220,559</u>

During fiscal year 2000, it was determined that fixed assets were misstated in the proprietary funds. The restatement had the following effect on fund equity as it was previously reported.

	Food Service	Uniform School Supplies	Total
Fund Equity June 30, 1999	\$56,211	\$44,826	\$101,037
Fixed Assets	<u>(28,352)</u>	<u>0</u>	<u>(28,352)</u>
Adjusted Net Assets, June 30, 1999	<u>\$27,859</u>	<u>\$44,826</u>	<u>\$72,685</u>

Note 4 - Accountability

The classroom size reduction special revenue fund had a deficit fund balance of \$7,463 at June 30, 2000, which resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2000

Note 5 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses 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. Proceeds from and principal payment on short-term note obligations are reported on the operating statement (budget) rather than on the balance sheet (GAAP).

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

Net Change in Fund Balance General Fund	
	General
GAAP Basis	\$330,997
Net Adjustment for Revenue Accruals	188,628
Advance In	2,000
Net Adjustment for Expenditure Accruals	(91,579)
Advance Out	(35,867)
Adjustment for Encumbrances	(422,978)
Budget Basis	(\$28,799)

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2000

Note 6 - Deposits and Investments

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

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, 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 the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2000

6. The State Treasurer's investment pool (STAROhio).

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

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements".

Deposits At fiscal year-end, the carrying amount of the School District's deposits was \$11,301,924 and the bank balance was \$13,619,867. Of the bank balance:

1. \$10,254,660 of the bank balance was covered by depository insurance; and
2. \$3,365,207 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging institution in the pledging institution's name, and all State 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.

Investments GASB Statement No. 3 requires the School District's investments to be categorized to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. STAROhio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

	Category 3	Carrying Amount	Fair Value
Repurchase Agreement	\$135,000	\$135,000	\$135,000
STAROhio		2,078,705	2,078,705
Totals	\$135,000	\$2,213,705	\$2,213,705

The classification of cash and cash equivalents, and investments on the combined basic financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting".

A reconciliation between the classifications of cash and investments on the combined financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2000

	Cash and Cash Equivalents/Deposits	Investments
<i>GASB Statement No. 9</i>	\$13,515,629	\$0
Repurchase Agreements	(135,000)	135,000
STAROhio	(2,078,705)	2,078,705
<i>GASB Statement No. 3</i>	\$11,301,924	\$2,213,705

Note 7 - Property Taxes

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

Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Property tax revenue received during calendar 2000 for real and public utility property taxes represents collections of calendar 1999 taxes. Property tax payments received during calendar 2000 for tangible personal property (other than public utility property) is for calendar 2000 taxes.

Real property taxes are levied after April 1, 2000, on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2000 public utility property taxes became a lien December 31, 1999, are levied after April 1, 2000 and are collected in 2001 with real property taxes.

2000 tangible personal property taxes are levied after April 1, 2000, on the value as of December 31, 1999. Collections are made in 2000. Tangible personal property assessments are twenty-five percent of true value.

The assessed values upon which the fiscal year 2000 taxes were collected are:

	1999 Second Half Collections		2000 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$133,001,590	71.55%	\$166,528,650	75.56%
Public Utility	9,585,480	5.16	8,917,030	4.05
Tangible Personal Property	43,299,674	23.29	44,936,615	20.39
	\$185,886,744	100.00%	\$220,382,295	100.00%
Tax rate per \$1,000 of assessed valuation	\$52.10		\$55.60	

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2000

The School District passed a \$3.5 million bond issue in November of 1999. The collection on this bond issue levy to repay the bond issue began in January of fiscal year 2000.

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

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. This year, the June 2000 tangible personal property tax settlement was not received until July of 2000.

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, 2000, are available to finance fiscal year 2001 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the delayed settlement of personal property tax and the amount of real property taxes available as an advance at June 30 were levied to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The late settlement and the amount available as an advance at June 30 are recognized as revenue.

The amount available as an advance at June 30, 2000, was \$341,200 and is recognized as revenue. \$280,500 was available to the general fund, \$48,700 was available to the bond retirement debt service fund and \$12,000 was available to the permanent improvement capital projects fund.

Note 8 - Receivables

Receivables at June 30, 2000, consisted of taxes, accounts (rent and student fees), interfund, 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 fiscal year guarantee of federal funds.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2000

A summary of the principal items of intergovernmental receivables follows:

	Amounts
<i>General Fund</i>	\$2,005
<i>Special Revenue Funds:</i>	
Title VI-B	7,903
Title I	84,507
Classroom Size Reduction	24,459
<i>Total Special Revenue Funds</i>	116,869
<i>Enterprise</i>	
Food Service	10,531
<i>Total Intergovernmental Receivables</i>	\$129,405

Note 9 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2000, was as follows:

	Balance 6/30/99	Additions	Deductions	Balance 6/30/00
Governmental Activities				
Land	\$89,210	\$42,829	\$0	\$132,039
Land Improvements	303,067	23,616	(2,790)	323,893
Buildings and Improvements	4,884,564	87,196	(8,366)	4,963,394
Furniture and Equipment	899,620	74,560	(148,124)	826,056
Vehicles	691,390	78,994	(30,766)	739,618
Construction in Progress	0	336,348	0	336,348
Totals at Historical Cost	\$6,867,851	\$643,543	(\$190,046)	\$7,321,348
Less Accumulated Depreciation:				
Buildings and Improvements	(3,192,335)	(263,721)	159,503	(3,296,553)
Furniture and Equipment	(508,934)	(42,043)	25,429	(525,548)
Vehicles	(466,037)	(38,500)	23,285	(481,252)
Total Accumulated Depreciation	(4,167,306)	(344,264)*	208,217	(4,303,353)
Governmental Activities Capital Assets, Net	\$2,700,545	\$299,279	\$18,171	\$3,017,995
Business-Type Activities				
Buildings and Improvements	\$13,022	\$0	\$0	\$13,022
Furniture and Equipment	209,360	3,945	0	213,305
Totals at Historical Cost	222,382	3,945	0	226,327
Less Accumulated Depreciation	(168,145)	(8,084)	0	(176,229)
Business-Type Activities Capital Assets, Net	\$54,237	(\$4,139)	\$0	\$50,098

* Depreciation expense was charged to governmental functions as follows:

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2000

Instruction:	
Regular	\$258,267
Special	23,031
Support Services:	
Pupil	3,546
Instructional Staff	23,857
Administration	17,902
Operation and Maintenance of Plant	17,661
	<hr/>
Total Depreciation Expense	<u>\$344,264</u>

Note 10 - 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 2000, the School District participated in the Ohio Schools Council's property and fleet insurance program which contracted with Todd Associates, Inc. for buildings and contents, inland marine, crime and boiler coverages. The Council contracted with the Wausau Insurance Companies, a member of the Nationwide Insurance Enterprises, for fleet insurance. The School District contracted independently with Wausau Insurance Companies for liability insurance.

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage Amount</u>
Indiana Insurance Company	Property	\$23,543,580
	Inland Marine	471,720
	Crime	250,000
	Extra Expense	1,000,000
Travelers Insurance	Boiler and Machinery	\$30,000,000
	Consequential Loss	50,000
	Expediting Expense	100,000
	Hazardous Substance	100,000
	Ammonia Contamination	100,000
	Water Damage	100,000
Ohio Casualty	Public Officials Bond	15,000
Wausau Insurance	General Liability, in aggregate	5,000,000
	General Liability, per occurrence	2,000,000
	Fleet Insurance, single limit	2,000,000
	Fleet Insurance, uninsured	2,000,000
	Auto Medical Payments	5,000

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2000

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

B. Workers' Compensation

The School District participated in the Ohio School Board Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP.

Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "equity pooling fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Company provides administrative, cost control and actuarial services to the GRP.

C. Prescription Drug

The School District operates and manages employee prescription drug benefits on a self-insured basis and established an internal service self insurance fund to account for its prescription drug coverage. The School District provides coverage as a paid benefit with an employee-paid deductible of \$8.00 per prescription for name brand drugs and \$5.00 for generic drugs. The claims liability at June 30, 2000, was estimated by the third party administrator to be \$6,780. This is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund's claims liability amount in fiscal year 1999 and 2000 were:

	Balance Beginning of Year	Current Year Claims	Claim Payments	Balance End of Year
1999	\$0	\$44,626	\$37,797	\$6,829
2000	6,829	179,321	179,370	6,780

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2000

Note 11 - Other Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 255 days for all certified and classified personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 64 days for certified personnel and 58 days for classified personnel.

B. Insurance Benefits

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Anthem Life Insurance Company, in an amount equal to the employee's annual salary.

The School District has contracted with the Medical Mutual of Ohio to provide employee medical/surgical benefits. The School District pays medical/surgical premiums of \$489.62 for family coverage and \$178.49 for single employee coverage per month.

Dental insurance is also provided by Anthem Blue Cross and Blue Shield. Premiums for dental coverage are \$60.14 for family coverage and \$53.63 for single coverage per employee per month. This premium also includes vision coverage.

Note 12- Defined Benefit Pension Plans

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit 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, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute 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 2000, 5.5 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 1999, 7.7 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2000

required contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$83,466, \$100,017 and \$126,781 respectively; 51.64 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$40,365 represents the unpaid contribution for fiscal year 2000.

B. State Teachers Retirement System

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

For the fiscal year ended June 30, 2000, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's contributions to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$302,598, \$277,548, and \$482,148, respectively; 82.87 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$90,699 represents the unpaid contribution for fiscal year 2000.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2000, three members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

Note 13 - Postemployment Benefits

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

All STRS benefit recipients and sponsored dependants are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of health care costs in the form of a monthly premium. By law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2000, the STRS Board allocated employer contributions

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2000

equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$403,464 during the 2000 fiscal year.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 1999, (the latest information available) the balance in the Fund was \$2,783 million. For the year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000 and STRS had 95,796 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2000, employer contributions to fund health care benefits were 8.5 percent of covered payroll, an increase of 2.2 percent for fiscal year 2000. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2000, the minimum pay has been established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2000 fiscal year equaled \$149,527.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 1999 (the latest information available), were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999, SERS had net assets available for payment of health care benefits of \$188.0 million. SERS had approximately 51,000 participants currently receiving health care benefits.

Note 14 - Short-Term Obligations

The School District's bond anticipation note activity, including amount outstanding and interest rate, is as follows:

	Outstanding 6/30/99	Additions	Deletions	Outstanding 6/30/00
Building Capital Projects Fund				
2000 4.50%				
School Improvement Note	\$0	\$9,900,000	\$9,900,000	\$0
2000 5.50%				
School Improvement Note	0	250,000	0	250,000
<i>Total Notes</i>	<u>\$0</u>	<u>\$10,150,000</u>	<u>\$9,900,000</u>	<u>\$250,000</u>

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2000

All of the notes are backed by the full faith and credit of the Cardinal Local School District and mature within one year. The notes were issued at a premium of \$23,958. The note liability is reflected in the fund which received the proceeds.

Note 15 - Interfund Transactions

Interfund balances at June 30, 2000 consist of the following individual fund receivables and payables:

	Interfund Receivable	Interfund Payable
General Fund	\$35,867	\$0
Special Revenue Fund		
Eisenhower Math and Science	0	15,867
Enterprise Fund		
Food Service	0	20,000
Total	\$35,867	\$35,867

Note 16 - Long-Term Obligations

The changes in the School District's long-term obligations during the year consist of the following:

	Principal Outstanding 6/30/99	Additions	Reductions	Principal Outstanding 6/30/00	Amounts Due in One Year
Governmental Activities					
General Obligation Bonds:					
1979 High School and					
Elementary Additions	\$220,000	\$0	(\$55,000)	\$165,000	\$55,000
1994 Energy Conservation	370,000	0	(55,000)	315,000	55,000
2000 School Improvement	0	9,749,930	0	9,749,930	0
Total General Obligation Bonds	590,000	9,749,930	(110,000)	10,229,930	110,000
Compensated Absences	934,443	202,934	0	1,137,377	149,081
Total Governmental Activities					
Long-Term Liabilities	\$1,524,443	\$9,952,864	(\$110,000)	\$11,367,307	\$259,081
Business-Type Activities					
Compensated Absences	\$15,896	\$0	(\$5,721)	\$10,175	\$0

On September 1, 1979, Cardinal Local School District issued \$1,308,000 in voted general obligation bonds for the purpose of high school and elementary school additions. The bonds were issued for a twenty-three year period with final maturity at December 1, 2002.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2000

On May 15, 1994, Cardinal Local School District issued \$560,000 in energy conservation bonds. The bonds were issued for a ten-year period with final maturity at December 1, 2004. All general obligation bonds will be paid from property taxes.

On March 16, 2000, Cardinal Local School District issued \$9,749,930 in voted general obligation bonds for the purpose of constructing a middle school. The bonds were issued at a premium of \$242,127 for a twenty-five year period with final maturity at December 1, 2025.

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

The School District's overall debt margin was \$10,420,589 with an unvoted debt margin of \$220,382 at June 30, 2000. Principal and interest requirements to retire general obligation bonds and energy conservation bonds outstanding at June 30, 2000 are as follows:

Fiscal Year Ending June 30,	General Obligation Bonds
2001	\$764,304
2002	881,409
2003	877,821
2004	819,651
2005	817,259
2006-2010	3,758,690
2011-2015	3,729,130
2016-2020	3,726,838
2021-2025	4,420,280
Total Principal and Interest	19,795,382
Less: Interest	9,565,452
Total Principal Outstanding	\$10,229,930

Note 17 - Jointly Governed Organizations

A. Auburn Career Center

The Auburn Career Center is a joint vocational school district which is a jointly governed organization among eleven school districts. Each participating school district's board of education appoints one member to the Auburn Career Center's Board of Education. The students of each participating school district may attend classes offered at the vocational facility. Each participant's control over the operation of the Auburn Career Center is limited to representation on the board. Continued existence of the Auburn Career Center is not dependent on the School District's continued participation. Financial information can be obtained by writing the Auburn Career Center, 8140 Auburn Road, Painesville, Ohio 44077.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2000

B. Lake Geauga Computer Association

The Lake Geauga Computer Association (LGCA) is a jointly governed organization that was formed for the purpose of providing computer services for accounting, grading, scheduling, EMIS and other applications to its eighteen member school districts. Each of the districts supports LGCA based upon a per pupil charge. The executive committee (governing board) consists of the superintendents and treasurers of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the governing board. LGCA's continued existence is not dependent on the School District's continued participation. Financial information can be obtained from Lake Geauga Computer Association, 8140 Auburn Road, Painesville, Ohio 44077.

C. Cardinal Area Recreation and Education Council

The Cardinal Area Recreation and Education Council (Council) is a jointly governed organization of the School District and the Village of Middlefield. One member of the Board of Education serves on the commission as liaison between the two boards and the Board of Education appoints two members of the seven-member commission. One member of the Village Council serves on the commission and the Council appoints the remaining three members. The School District makes no financial contributions to the Council, but it does provide the use of its facilities and land. The School District's control is limited to its representation on the governing board. The Council's continued existence is not dependent on the School District's continued participation. The Council is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit or burden on the School District. Financial information on the Council can be obtained from Middlefield Village, 14860 N. State Avenue, Middlefield, Ohio 44062.

D. East Shore Regional Transportation System

The East Shore Regional Transportation System (ESRTA) is a jointly governed organization that was formed for the purpose of providing a transportation system for the handicapped children in the sixteen member school districts. The transportation committee (governing board) consists of the superintendents of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the governing board. ESRTA is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit or burden on the School District. Financial information can be obtained by writing the fiscal agent, Kirtland Board of Education, 9152 Chillicothe Road, Kirtland, Ohio 44094.

E. East Shore Center

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

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2000

F. Ohio Schools Council

The Ohio Schools Council Association (Council) is a jointly governed organization among eighty-three school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2000, the School District paid \$800 to the Council. Financial information can be obtained by contacting Albert G. Vasek, the Executive Secretary of the Ohio Schools Council at 155 Center Road, Bedford, Ohio, 44146.

The School District participates in the Council's electric purchase program which was implemented during fiscal year 1998 and the natural gas program which was implemented during fiscal year 2000.

The electric purchase program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating for an eight year period. The participants make monthly payments based on estimated usage. Each June these estimated payments are compared to their actual usage for the year and any necessary adjustments are made.

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

The natural gas program allows school districts to purchase natural gas at reduced rates, if the school districts will commit to participating for a twelve year period. The participants make monthly payments based on estimated usage. Each November these estimates are compared to their actual usage for the year and any necessary adjustments are made.

The City of Hamilton, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Ohio, issued \$89,450,000 in debt to purchase twelve years of natural gas from CMS Energy Corporation for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement, the district is entitled to recover that amount, if any, of its contributions to the operating fund which are not encumbered for its share of program administrative costs.

Note 18 - Insurance Purchasing Pool

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

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2000

Note 19 - Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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, 2000.

Note 20 - State School Funding Decision

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the Ohio General Assembly to design a plan to remedy the perceived defects in that system. Declared unconstitutional was State's "school foundation program," which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 2000, the Cardinal Local School District received \$2,594,566 of school foundation support for its general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "...the mandate of the [Ohio] Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, it found seven "...major areas warrant further attention, study, and development by the General Assembly..." including the State's reliance on local property tax funding, the state's basic aid formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program.

The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001.

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

Note 21 - 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

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2000

acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years. The School District is also required to set aside money for budget stabilization.

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

	Budget Stabilization Reserve	Capital Improvements Reserve	Textbook/ Instructional Materials Reserve
Set-aside Reserve Balance as of June 30, 1999	\$138,990	\$0	\$329
Current Year Set-aside Requirement	143,662	240,182	240,182
Qualifying Disbursements	0	(255,078)	(248,755)
Set-aside Balance Carried Forward to Future Fiscal Years	<u>\$282,652</u>	<u>(\$14,896)</u>	<u>(\$8,244)</u>
Set-Aside Reserve Balance as of June 30, 2000	<u>\$282,652</u>	<u>\$0</u>	<u>\$0</u>

The School District had qualifying disbursements during the year that reduced the capital improvements and textbooks set-aside amount below zero. These extra amounts may be used to reduce the set-aside requirement in future fiscal years. The total reserve balance for the set-asides at the end of the fiscal year was \$282,652.

**Combining Statements and
Individual Fund Schedules**

Combining Statements - Nonmajor Funds

Nonmajor Special Revenue Funds

To account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes.

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

Martha Holden Jennings Fund - This fund accounts for monies received for library services including book purchases, distribution and shelves for storage.

District Managed Activities Fund - This fund accounts for gate receipts and other revenues from athletic events and costs (except supplemental coaching contracts) of the athletic program, including transportation.

Teacher Development Fund - This fund accounts for State monies used to provide seminars and workshops for staff development.

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

Professional Development Fund - This fund accounts for State monies used to provide seminars and workshops for staff development.

Instructional Materials Fund - This fund accounts for State monies provided to purchase various instructional materials and supplies.

Ohio Reads Fund - This fund accounts for State monies to improve reading outcomes, especially on fourth grade reading proficiency tests and for costs associated with volunteer coordinators who administer the program.

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

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

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

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

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

E-Rate Grant Fund - This fund accounts for federal funds which support the telecommunications activities within the School District. No budgetary schedule is included because the School District did not receive or expend any money during the current fiscal year.

(continued)

Combining Statements - Nonmajor Funds (continued)

Classroom 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 federal monies to support academic and enrichment programs for the student body.

Nonmajor Capital Projects Funds

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

Permanent Improvement Fund - This fund accounts for 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.

Cardinal Local School District
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2000

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$149,232	\$73,421	\$222,653
Receivables:			
Taxes	0	209,681	209,681
Accounts	839	0	839
Intergovernmental	116,869	0	116,869
<i>Total Assets</i>	<u>\$266,940</u>	<u>\$283,102</u>	<u>\$550,042</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$760	\$2,267	\$3,027
Accrued Wages	68,074	0	68,074
Interfund Payable	15,867	0	15,867
Intergovernmental Payable	11,075	0	11,075
Deferred Revenue	68,869	197,681	266,550
<i>Total Liabilities</i>	<u>164,645</u>	<u>199,948</u>	<u>364,593</u>
Fund Balances:			
Reserved for Encumbrances	16,782	48,673	65,455
Reserved for Property Taxes	0	12,000	12,000
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	85,513	0	85,513
Capital Projects Funds	0	22,481	22,481
<i>Total Fund Balances</i>	<u>102,295</u>	<u>83,154</u>	<u>185,449</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$266,940</u>	<u>\$283,102</u>	<u>\$550,042</u>

Cardinal Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2000

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$0	\$184,301	\$184,301
Intergovernmental	597,566	41,482	639,048
Interest	1,891	0	1,891
Tuition and Fees	3,190	0	3,190
Extracurricular Activities	147,257	0	147,257
Contributions and Donations	17,093	0	17,093
Miscellaneous	2,273	0	2,273
<i>Total Revenues</i>	<u>769,270</u>	<u>225,783</u>	<u>995,053</u>
Expenditures			
Current:			
Instruction:			
Regular	83,687	0	83,687
Special	450,797	0	450,797
Support Services:			
Pupil	58,342	0	58,342
Instructional Staff	61,069	0	61,069
Administration	40,465	0	40,465
Central	8,548	0	8,548
Extracurricular Activities	123,247	0	123,247
Capital Outlay	0	190,960	190,960
<i>Total Expenditures</i>	<u>826,155</u>	<u>190,960</u>	<u>1,017,115</u>
<i>Net Change in Fund Balances</i>	(56,885)	34,823	(22,062)
<i>Fund Balances Beginning of Year</i>	<u>159,180</u>	<u>48,331</u>	<u>207,511</u>
<i>Fund Balances End of Year</i>	<u><u>\$102,295</u></u>	<u><u>\$83,154</u></u>	<u><u>\$185,449</u></u>

Cardinal Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2000

	<u>Public School Support</u>	<u>Martha Holden Jennings</u>	<u>District Managed Activities</u>	<u>Teacher Development</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$25,268	\$5	\$34,512	\$4,037
Receivables:				
Accounts	0	0	839	0
Intergovernmental	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u>\$25,268</u>	<u>\$5</u>	<u>\$35,351</u>	<u>\$4,037</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages	0	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Reserved for Encumbrances	1,028	0	1,702	0
Unreserved, Undesignated, Reported in: Special Revenue Funds (Deficit)	<u>24,240</u>	<u>5</u>	<u>33,649</u>	<u>4,037</u>
<i>Total Fund Balances (Deficit)</i>	<u>25,268</u>	<u>5</u>	<u>35,351</u>	<u>4,037</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$25,268</u>	<u>\$5</u>	<u>\$35,351</u>	<u>\$4,037</u>

<u>Management Information Systems</u>	<u>Professional Development</u>	<u>Instructional Materials</u>	<u>Ohio Reads</u>	<u>Eisenhower Math and Science</u>	<u>Title VI-B</u>	<u>Title I</u>
\$2,365	\$1,115	\$1,428	\$581	\$14,792	\$11,732	\$35,899
0	0	0	0	0	0	0
0	0	0	0	0	7,903	84,507
<u>\$2,365</u>	<u>\$1,115</u>	<u>\$1,428</u>	<u>\$581</u>	<u>\$14,792</u>	<u>\$19,635</u>	<u>\$120,406</u>
\$0	\$0	\$0	\$0	\$0	\$760	\$0
0	0	0	0	0	2,685	59,784
0	0	0	0	5,867	0	0
0	0	0	0	0	830	9,304
0	0	0	0	0	7,903	36,507
0	0	0	0	5,867	12,178	105,595
0	0	163	0	6,656	230	0
2,365	1,115	1,265	581	2,269	7,227	14,811
2,365	1,115	1,428	581	8,925	7,457	14,811
<u>\$2,365</u>	<u>\$1,115</u>	<u>\$1,428</u>	<u>\$581</u>	<u>\$14,792</u>	<u>\$19,635</u>	<u>\$120,406</u>

(continued)

Cardinal Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2000

	Title VI	Drug Free Schools	E-Rate Grant
Assets			
Equity in Pooled Cash and Cash Equivalents	\$4,437	\$658	\$3,320
Receivables:			
Accounts	0	0	0
Intergovernmental	0	0	0
<i>Total Assets</i>	<u>\$4,437</u>	<u>\$658</u>	<u>\$3,320</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$0	\$0	\$0
Accrued Wages	0	0	0
Interfund Payable	0	0	0
Intergovernmental Payable	0	0	0
Deferred Revenue	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:			
Reserved for Encumbrances	1,123	0	80
Unreserved, Undesignated, Reported in: Special Revenue Funds (Deficit)	<u>3,314</u>	<u>658</u>	<u>3,240</u>
<i>Total Fund Balances (Deficit)</i>	<u>4,437</u>	<u>658</u>	<u>3,320</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$4,437</u>	<u>\$658</u>	<u>\$3,320</u>

Classroom Size Reduction	Total Nonmajor Special Revenue Funds
\$9,083	\$149,232
0	839
24,459	116,869
<u>\$33,542</u>	<u>\$266,940</u>
\$0	\$760
5,605	68,074
10,000	15,867
941	11,075
24,459	68,869
<u>41,005</u>	<u>164,645</u>
5,800	16,782
<u>(13,263)</u>	<u>85,513</u>
<u>(7,463)</u>	<u>102,295</u>
<u>\$33,542</u>	<u>\$266,940</u>

Cardinal Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2000

	Public School Support	Martha Holden Jennings	District Managed Activities	Teacher Development
Revenues				
Intergovernmental	\$0	\$0	\$0	\$6,429
Interest	0	0	1,891	0
Tuition and Fees	0	0	3,190	0
Extracurricular Activities	42,371	0	104,886	0
Contributions and Donations	102	0	16,991	0
Miscellaneous	2,273	0	0	0
<i>Total Revenues</i>	<u>44,746</u>	<u>0</u>	<u>126,958</u>	<u>6,429</u>
Expenditures				
Current:				
Instruction:				
Regular	270	0	0	0
Special	0	0	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	0	1,406	0	3,973
Administration	40,465	0	0	0
Central	0	0	0	0
Extracurricular Activities	698	0	122,549	0
<i>Total Expenditures</i>	<u>41,433</u>	<u>1,406</u>	<u>122,549</u>	<u>3,973</u>
<i>Net Change in Fund Balances</i>	3,313	(1,406)	4,409	2,456
<i>Fund Balances Beginning of Year</i>	<u>21,955</u>	<u>1,411</u>	<u>30,942</u>	<u>1,581</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$25,268</u>	<u>\$5</u>	<u>\$35,351</u>	<u>\$4,037</u>

Management Information Systems	Professional Development	Instructional Materials	Ohio Reads	Eisenhower Math and Science	Title VI-B	Title I
\$5,000	\$4,000	\$0	\$6,000	\$8,657	\$57,107	\$456,093
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>5,000</u>	<u>4,000</u>	<u>0</u>	<u>6,000</u>	<u>8,657</u>	<u>57,107</u>	<u>456,093</u>
0	2,885	30,583	5,419	351	0	0
0	0	0	0	0	8,187	442,610
0	0	0	0	0	30,549	21,152
0	0	0	0	12,382	15,538	17,141
0	0	0	0	0	0	0
3,930	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>3,930</u>	<u>2,885</u>	<u>30,583</u>	<u>5,419</u>	<u>12,733</u>	<u>54,274</u>	<u>480,903</u>
1,070	1,115	(30,583)	581	(4,076)	2,833	(24,810)
<u>1,295</u>	<u>0</u>	<u>32,011</u>	<u>0</u>	<u>13,001</u>	<u>4,624</u>	<u>39,621</u>
<u>\$2,365</u>	<u>\$1,115</u>	<u>\$1,428</u>	<u>\$581</u>	<u>\$8,925</u>	<u>\$7,457</u>	<u>\$14,811</u>

(continued)

Cardinal 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, 2000

	Title VI	Drug Free Schools	E-Rate Grant	Classroom Size Reduction
Revenues				
Intergovernmental	\$8,472	\$6,371	\$3,240	\$36,197
Interest	0	0	0	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>8,472</u>	<u>6,371</u>	<u>3,240</u>	<u>36,197</u>
Expenditures				
Current:				
Instruction:				
Regular	0	519	0	43,660
Special	0	0	0	0
Support Services:				
Pupil	0	6,641	0	0
Instructional Staff	10,229	0	0	0
Administration	0	0	0	0
Central	0	0	4,618	0
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>10,229</u>	<u>7,160</u>	<u>4,618</u>	<u>43,660</u>
<i>Net Change in Fund Balances</i>	(1,757)	(789)	(1,378)	(7,463)
<i>Fund Balances Beginning of Year</i>	<u>6,194</u>	<u>1,447</u>	<u>4,698</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$4,437</u></u>	<u><u>\$658</u></u>	<u><u>\$3,320</u></u>	<u><u>(\$7,463)</u></u>

Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$0	\$597,566
0	1,891
0	3,190
0	147,257
0	17,093
0	2,273
<u>0</u>	<u>769,270</u>
0	83,687
0	450,797
0	58,342
400	61,069
0	40,465
0	8,548
0	123,247
<u>400</u>	<u>826,155</u>
(400)	(56,885)
<u>400</u>	<u>159,180</u>
<u>\$0</u>	<u>\$102,295</u>

Cardinal Local School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2000

	<u>Permanent Improvement</u>	<u>SchoolNet</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$51,781	\$21,640	\$73,421
Receivables:			
Taxes	<u>209,681</u>	<u>0</u>	<u>209,681</u>
<i>Total Assets</i>	<u><u>\$261,462</u></u>	<u><u>\$21,640</u></u>	<u><u>\$283,102</u></u>
 Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$2,067	\$200	\$2,267
Deferred Revenue	<u>197,681</u>	<u>0</u>	<u>197,681</u>
<i>Total Liabilities</i>	<u>199,748</u>	<u>200</u>	<u>199,948</u>
 Fund Balances:			
Reserved for Encumbrances	28,953	19,720	48,673
Reserved for Property Taxes	12,000	0	12,000
Unreserved, Undesignated, Reported in: Capital Projects Funds	<u>20,761</u>	<u>1,720</u>	<u>22,481</u>
<i>Total Fund Balances</i>	<u>61,714</u>	<u>21,440</u>	<u>83,154</u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$261,462</u></u>	<u><u>\$21,640</u></u>	<u><u>\$283,102</u></u>

Cardinal Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2000

	Permanent Improvement	SchoolNet	Total Nonmajor Capital Projects Funds
Revenues			
Taxes	\$184,301	\$0	\$184,301
Intergovernmental	19,913	21,569	41,482
<i>Total Revenues</i>	204,214	21,569	225,783
Expenditures			
Capital Outlay	182,401	8,559	190,960
<i>Net Change in Fund Balances</i>	21,813	13,010	34,823
<i>Fund Balances Beginning of Year</i>	39,901	8,430	48,331
<i>Fund Balances End of Year</i>	\$61,714	\$21,440	\$83,154

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

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2000

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$6,101,975	\$6,007,709	\$6,007,554	(\$155)
Intergovernmental	2,961,357	2,915,609	3,214,354	298,745
Interest	164,996	162,447	162,447	0
Tuition and Fees	660,171	649,972	655,173	5,201
Rentals	4,191	4,126	4,127	1
Miscellaneous	3,047	3,000	36,549	33,549
<i>Total Revenues</i>	<u>9,895,737</u>	<u>9,742,863</u>	<u>10,080,204</u>	<u>337,341</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	3,551,307	3,551,307	3,451,390	99,917
Fringe Benefits	825,939	997,005	965,375	31,630
Purchased Services	107,392	254,697	254,237	460
Materials and Supplies	139,349	174,270	160,783	13,487
Capital Outlay - New	53,500	60,560	53,986	6,574
Capital Outlay - Replacement	5,627	5,970	2,474	3,496
<i>Total Regular</i>	<u>4,683,114</u>	<u>5,043,809</u>	<u>4,888,245</u>	<u>155,564</u>
Special:				
Salaries and Wages	327,175	357,175	352,343	4,832
Fringe Benefits	93,009	101,359	98,126	3,233
Purchased Services	295,840	528,390	458,560	69,830
Materials and Supplies	4,689	9,160	6,075	3,085
Capital Outlay - New	3,544	8,544	6,184	2,360
<i>Total Special</i>	<u>724,257</u>	<u>1,004,628</u>	<u>921,288</u>	<u>83,340</u>
Vocational:				
Salaries and Wages	140,209	140,209	136,786	3,423
Fringe Benefits	38,254	41,254	39,086	2,168
Purchased Services	819	819	437	382
<i>Total Vocational</i>	<u>179,282</u>	<u>182,282</u>	<u>176,309</u>	<u>5,973</u>
<i>Total Instruction</i>	<u>\$5,586,653</u>	<u>\$6,230,719</u>	<u>\$5,985,842</u>	<u>\$244,877</u>

(continued)

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2000

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Support Services:				
Pupils:				
Salaries and Wages	311,998	\$311,998	\$296,362	\$15,636
Fringe Benefits	79,815	79,815	70,234	9,581
Purchased Services	61,458	67,847	56,929	10,918
Materials and Supplies	5,725	21,755	19,660	2,095
Capital Outlay - New	1,000	3,101	2,721	380
Capital Outlay - Replacement	3,413	15,771	14,947	824
Total Pupils	463,409	500,287	460,853	39,434
Instructional Staff:				
Salaries and Wages	207,163	217,164	213,342	3,822
Fringe Benefits	67,046	67,046	58,847	8,199
Purchased Services	1,298	1,698	1,241	457
Materials and Supplies	50,797	52,582	24,576	28,006
Capital Outlay - New	10,970	14,515	5,291	9,224
Capital Outlay - Replacement	15,477	15,887	5,378	10,509
Other	894	894	366	528
Total Instructional Staff	353,645	369,786	309,041	60,745
Board of Education:				
Salaries and Wages	4,800	4,800	4,800	0
Fringe Benefits	1,535	1,535	589	946
Purchased Services	6,630	9,830	8,826	1,004
Materials and Supplies	100	600	464	136
Other	11,500	11,500	10,318	1,182
Total Board of Education	24,565	28,265	24,997	3,268
Administration:				
Salaries and Wages	478,413	458,413	446,973	11,440
Fringe Benefits	167,549	167,549	143,000	24,549
Purchased Services	14,649	17,827	16,983	844
Materials and Supplies	21,210	21,405	9,665	11,740
Capital Outlay - New	6,120	4,356	3,712	644
Capital Outlay - Replacement	2,542	4,292	4,103	189
Other	32,253	46,503	45,758	745
Total Administration	722,736	720,345	670,194	50,151
Fiscal:				
Salaries and Wages	108,777	118,776	118,602	174
Fringe Benefits	38,641	38,641	31,658	6,983
Purchased Services	16,676	25,186	24,062	1,124
Materials and Supplies	3,227	5,535	5,411	124
Capital Outlay - New	144	144	0	144
Capital Outlay - Replacement	510	510	435	75
Other	123,497	145,349	141,381	3,968
Total Fiscal	\$291,472	\$334,141	\$321,549	\$12,592

(continued)

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2000

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Business:				
Salaries and Wages	\$39,920	\$45,320	\$45,266	\$54
Fringe Benefits	17,461	17,461	15,579	1,882
Purchased Services	0	2,000	0	2,000
Total Business	57,381	64,781	60,845	3,936
Operation and Maintenance of Plant:				
Salaries and Wages	357,695	400,695	395,603	5,092
Fringe Benefits	123,073	128,696	123,109	5,587
Purchased Services	282,921	316,057	277,553	38,504
Materials and Supplies	82,288	96,174	92,969	3,205
Capital Outlay - New	18,393	6,393	4,393	2,000
Capital Outlay - Replacement	101,513	139,673	59,711	79,962
Other	874	5,874	5,856	18
Total Operation and Maintenance of Plant	966,757	1,093,562	959,194	134,368
Pupil Transportation:				
Salaries and Wages	408,937	400,937	375,506	25,431
Fringe Benefits	173,346	181,143	170,765	10,378
Purchased Services	17,765	18,800	14,436	4,364
Materials and Supplies	76,558	106,699	103,397	3,302
Capital Outlay - New	158	158	0	158
Capital Outlay - Replacement	79,591	140,544	123,418	17,126
Total Pupil Transportation	756,355	848,281	787,522	60,759
Central:				
Salaries and Wages	101,741	103,741	102,539	1,202
Fringe Benefits	39,315	39,315	36,960	2,355
Purchased Services	32,332	47,027	24,120	22,907
Materials and Supplies	298	298	295	3
Capital Outlay - New	33,443	33,443	7,269	26,174
Total Central	207,129	223,824	171,183	52,641
Total Support Services	3,843,449	4,183,272	3,765,378	417,894
Operation of Non-Instructional Services:				
Services:				
Community Services:				
Salaries and Wages	47,170	48,170	47,657	513
Fringe Benefits	20,204	20,205	17,784	2,421
Total Operation of Non-Instructional Services	\$67,374	\$68,375	\$65,441	\$2,934

(continued)

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2000

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Extracurricular Activities:				
Academic and Subject Oriented:				
Salaries and Wages	\$33,680	\$37,680	\$37,119	\$561
Fringe Benefits	3,482	4,382	4,309	73
Purchased Services	238	238	0	238
Total Academic and Subject Oriented	37,400	42,300	41,428	872
Occupational Oriented:				
Salaries and Wages	527	527	507	20
Fringe Benefits	41	40	30	10
Total Occupational Oriented	568	567	537	30
Sports Oriented:				
Salaries and Wages	126,633	148,632	137,410	11,222
Fringe Benefits	10,714	33,551	33,426	125
Purchased Services	1,259	3,589	2,214	1,375
Materials and Supplies	1,743	3,264	2,945	319
Capital Outlay - Replacement	10,839	10,839	1,333	9,506
Total Sports Oriented	151,188	199,875	177,328	22,547
School and Public Service Co-Curricular:				
Salaries and Wages	8,503	10,503	9,640	863
Materials and Supplies	620	620	514	106
Total School and Public Service Co-Curricular	9,123	11,123	10,154	969
Total Extracurricular Activities	198,279	253,865	229,447	24,418
Capital Outlay:				
Facilities Acquisition and Construction Services:				
Site Acquisition Services:				
Capital Outlay - New	0	50,000	35,328	14,672
Architecture and Engineering Services:				
Purchased Services	25,000	25,000	0	25,000
Total Capital Outlay	25,000	75,000	35,328	39,672
<i>Total Expenditures</i>	9,720,755	10,811,231	10,081,436	729,795
<i>Excess of Revenues Over (Under) Expenditures</i>	\$174,982	(\$1,068,368)	(\$1,232)	\$1,067,136

(continued)

Cardinal Local School District
*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2000*

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Other Financing Sources (Uses)				
Sale of Fixed Assets	\$6,000	\$6,000	\$6,300	\$300
Advances In	2,000	2,000	2,000	0
Advances Out	(802,100)	(824,800)	(35,867)	788,933
Operating Transfers Out	(315,000)	(131,000)	0	131,000
<i>Total Other Financing Sources (Uses)</i>	<u>(1,109,100)</u>	<u>(947,800)</u>	<u>(27,567)</u>	<u>920,233</u>
<i>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</i>	(934,118)	(2,016,168)	(28,799)	1,987,369
<i>Fund Balance Beginning of Year</i>	1,945,081	1,945,081	1,945,081	0
Prior Year Encumbrances Appropriated	313,175	313,175	313,175	0
<i>Fund Balance End of Year</i>	<u><u>\$1,324,138</u></u>	<u><u>\$242,088</u></u>	<u><u>\$2,229,457</u></u>	<u><u>\$1,987,369</u></u>

Cardinal 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, 2000

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Extracurricular Activities	\$36,164	\$41,800	\$42,371	\$571
Contributions and Donations	262	303	103	(200)
Miscellaneous	2,074	2,397	2,273	(124)
<i>Total Revenues</i>	<u>38,500</u>	<u>44,500</u>	<u>44,747</u>	<u>247</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	400	500	270	230
Capital Outlay - New	1,500	1,500	0	1,500
Total Instruction	<u>1,900</u>	<u>2,000</u>	<u>270</u>	<u>1,730</u>
Support Services:				
Administration:				
Purchased Services	2,900	2,890	1,838	1,052
Materials and Supplies	31,900	49,654	39,534	10,120
Capital Outlay - New	2,000	890	534	356
Other	0	1,000	75	925
Total Administration	<u>36,800</u>	<u>54,434</u>	<u>41,981</u>	<u>12,453</u>
Operation and Maintenance of Plant:				
Capital Outlay - Replacement	1,000	1,000	129	871
Total Support Services	<u>37,800</u>	<u>55,434</u>	<u>42,110</u>	<u>13,324</u>
Extracurricular Activities:				
Sports Oriented Activities:				
Capital Outlay - New	1,000	1,000	0	1,000
School and Public Service Co-Curricular Activities:				
Co-Curricular Activities:				
Materials and Supplies	400	959	698	261
Total Extracurricular Activities	<u>1,400</u>	<u>1,959</u>	<u>698</u>	<u>1,261</u>
<i>Total Expenditures</i>	<u>41,100</u>	<u>59,393</u>	<u>43,078</u>	<u>16,315</u>
<i>Net Change in Fund Balance</i>	(2,600)	(14,893)	1,669	16,562
<i>Fund Balance Beginning of Year</i>	12,550	12,550	12,550	0
Prior Year Encumbrances Appropriated	9,993	9,993	9,993	0
<i>Fund Balance End of Year</i>	<u>\$19,943</u>	<u>\$7,650</u>	<u>\$24,212</u>	<u>\$16,562</u>

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Martha Holden Jennings Fund
For the Fiscal Year Ended June 30, 2000

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Current:				
Support Services:				
Pupil:				
Salaries and Wages	809	1,097	1,097	0
Purchased Services	182	120	120	0
Materials and Supplies	315	189	189	0
Capital Outlay - New	100	0	0	0
<i>Total Expenditures</i>	<u>1,406</u>	<u>1,406</u>	<u>1,406</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,406)	(1,406)	(1,406)	0
<i>Fund Balance Beginning of Year</i>	<u>1,411</u>	<u>1,411</u>	<u>1,411</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5</u></u>	<u><u>\$5</u></u>	<u><u>\$5</u></u>	<u><u>\$0</u></u>

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
District Managed Activities Fund
For the Fiscal Year Ended June 30, 2000

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Interest	\$2,500	\$2,500	\$1,891	(\$609)
Tuition and Fees	3,000	3,000	3,190	190
Extracurricular Activities	93,400	104,400	104,047	(353)
Contributions and Donations	15,100	15,100	16,991	1,891
<i>Total Revenues</i>	<u>114,000</u>	<u>125,000</u>	<u>126,119</u>	<u>1,119</u>
Expenditures				
Current:				
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Activities:				
Salaries and Wages	300	300	269	31
Purchased Services	8,800	15,500	15,254	246
Materials and Supplies	12,700	15,704	11,236	4,468
Capital Outlay - Replacement	500	500	0	500
Other	16,800	23,497	22,590	907
Total Academic and Subject Oriented Activities:	<u>39,100</u>	<u>55,501</u>	<u>49,349</u>	<u>6,152</u>
Sports Oriented Activities:				
Purchased Services	23,578	23,640	22,514	1,126
Materials and Supplies	37,895	44,517	42,656	1,861
Capital Outlay - New	0	3,000	2,819	181
Capital Outlay - Replacement	7,000	2,000	1,873	127
Other	6,637	6,412	5,040	1,372
Total Sports Oriented Activities	<u>75,110</u>	<u>79,569</u>	<u>74,902</u>	<u>4,667</u>
<i>Total Expenditures</i>	<u>114,210</u>	<u>135,070</u>	<u>124,251</u>	<u>10,819</u>
<i>Net Change in Fund Balance</i>	(210)	(10,070)	1,868	11,938
<i>Fund Balance Beginning of Year</i>	20,381	20,381	20,381	0
Prior Year Encumbrances Appropriated	10,560	10,560	10,560	0
<i>Fund Balance End of Year</i>	<u>\$30,731</u>	<u>\$20,871</u>	<u>\$32,809</u>	<u>\$11,938</u>

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Teacher Development Fund
For the Fiscal Year Ended June 30, 2000

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental	\$6,429	\$6,429	\$6,429	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	7,184	6,308	2,700	3,608
Purchased Services	91	1,273	1,273	0
Materials and Supplies	528	429	0	429
<i>Total Expenditures</i>	7,803	8,010	3,973	4,037
<i>Net Change in Fund Balance</i>	(1,374)	(1,581)	2,456	4,037
<i>Fund Balance Beginning of Year</i>	1,374	1,374	1,374	0
Prior Year Encumbrances Appropriated	207	207	207	0
<i>Fund Balance End of Year</i>	\$207	\$0	\$4,037	\$4,037

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Management Information Systems Fund
For the Fiscal Year Ended June 30, 2000

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$5,000	\$5,000	\$5,000	\$0
Expenditures				
Current:				
Support Services:				
Central:				
Capital Outlay - New	<u>6,295</u>	<u>6,295</u>	<u>3,930</u>	<u>2,365</u>
<i>Net Change in Fund Balance</i>	(1,295)	(1,295)	1,070	2,365
<i>Fund Balance Beginning of Year</i>	<u>1,295</u>	<u>1,295</u>	<u>1,295</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$2,365</u></u>	<u><u>\$2,365</u></u>

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Professional Development Fund
For the Fiscal Year Ended June 30, 2000

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$3,000	\$3,000	\$4,000	\$1,000
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	2,100	2,100	2,100	0
Fringe Benefits	400	400	294	106
Purchased Services	500	500	491	9
<i>Total Expenditures</i>	<u>3,000</u>	<u>3,000</u>	<u>2,885</u>	<u>115</u>
<i>Net Change in Fund Balance</i>	0	0	1,115	1,115
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$1,115</u>	<u>\$1,115</u>

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Instructional Materials Fund
For the Fiscal Year Ended June 30, 2000

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	2,260	34,206	32,941	1,265
<i>Net Change in Fund Balance</i>	(2,260)	(34,206)	(32,941)	1,265
<i>Fund Balance Beginning of Year</i>	2,260	2,260	2,260	0
Prior Year Encumbrances Appropriated	31,946	31,946	31,946	0
<i>Fund Balance End of Year</i>	\$31,946	\$0	\$1,265	\$1,265

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Ohio Reads Fund
For the Fiscal Year Ended June 30, 2000

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	<u>\$6,000</u>	<u>\$6,000</u>	<u>\$6,000</u>	<u>\$0</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	0	5,708	5,127	581
Fringe Benefits	<u>0</u>	<u>292</u>	<u>292</u>	<u>0</u>
<i>Total Expenditures</i>	<u>0</u>	<u>6,000</u>	<u>5,419</u>	<u>581</u>
<i>Net Change in Fund Balance</i>	6,000	0	581	581
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$6,000</u></u>	<u><u>\$0</u></u>	<u><u>\$581</u></u>	<u><u>\$581</u></u>

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Eisenhower Math and Science Fund
For the Fiscal Year Ended June 30, 2000

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental	\$10,524	\$10,521	\$8,657	(\$1,864)
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	366	366	351	15
Support Services:				
Instructional Staff:				
Salaries and Wages	1,560	2,814	54	2,760
Fringe Benefits	234	468	0	468
Purchased Services	0	5,335	5,331	4
Materials and Supplies	16,840	14,540	13,810	730
Capital Outlay - New	4,525	0	0	0
Total Support Services	23,159	23,157	19,195	3,962
<i>Total Expenditures</i>	23,525	23,523	19,546	3,977
<i>Excess of Revenues Under Expenditures</i>	(13,001)	(13,002)	(10,889)	2,113
Other Financing Sources				
Advances In	0	0	5,867	5,867
<i>Net Change in Fund Balance</i>	(13,001)	(13,001)	(5,021)	7,980
<i>Fund Balance Beginning of Year</i>	13,001	13,001	13,001	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$7,980	\$7,980

Cardinal 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, 2000

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental	\$72,745	\$63,133	\$63,133	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	16,434	4,775	4,775	0
Fringe Benefits	3,047	755	755	0
Purchased Services	0	2,316	0	2,316
Materials and Supplies	0	4,000	2,886	1,114
Total Instruction	19,481	11,846	8,416	3,430
Support Services:				
Pupil:				
Salaries and Wages	5,903	2,977	2,977	0
Purchased Services	28,012	27,800	27,574	226
Total Pupil	33,915	30,777	30,551	226
Instructional Staff:				
Salaries and Wages	15,200	19,700	14,039	5,661
Fringe Benefits	8,311	5,000	3,576	1,424
Total Instructional Staff	23,511	24,700	17,615	7,085
Total Support Services	57,426	55,477	48,166	7,311
<i>Total Expenditures</i>	76,907	67,323	56,582	10,741
<i>Net Change in Fund Balance</i>	(4,162)	(4,190)	6,551	10,741
<i>Fund Balance Beginning of Year</i>	4,190	4,190	4,190	0
<i>Fund Balance End of Year</i>	\$28	\$0	\$10,741	\$10,741

Cardinal 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, 2000

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental	\$485,000	\$532,913	\$532,913	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	390,778	397,847	370,479	27,368
Fringe Benefits	60,755	90,885	85,504	5,381
Purchased Services	5,000	5,824	5,547	277
Materials and Supplies	2,133	2,596	2,557	39
<i>Total Instruction</i>	458,666	497,152	464,087	33,065
Support Services:				
Pupils:				
Salaries and Wages	15,024	18,025	15,968	2,057
Fringe Benefits	3,919	5,818	5,458	360
Purchased Services	250	250	250	0
Materials and Supplies	100	100	0	100
Total Pupils	19,293	24,193	21,676	2,517
Administration:				
Salaries and Wages	11,607	13,708	13,657	51
Fringe Benefits	970	3,965	3,803	162
Purchased Services	250	295	295	0
Materials and Supplies	100	100	0	100
Total Administration	12,927	18,068	17,755	313
Total Support Services	32,220	42,261	39,431	2,830
<i>Total Expenditures</i>	490,886	539,413	503,518	35,895
<i>Net Change in Fund Balance</i>	(5,886)	(6,500)	29,395	35,895
<i>Fund Balance Beginning of Year</i>	5,886	5,886	5,886	0
Prior Year Encumbrances Appropriated	617	617	617	0
<i>Fund Balance End of Year</i>	\$617	\$3	\$35,898	\$35,895

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title VI Fund
For the Fiscal Year Ended June 30, 2000

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$8,472	\$8,472	\$8,472	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Materials and Supplies	2,620	4,619	3,880	739
Capital Outlay - New	4,196	10,047	7,472	2,575
<i>Total Expenditures</i>	<u>6,816</u>	<u>14,666</u>	<u>11,352</u>	<u>3,314</u>
<i>Net Change in Fund Balance</i>	1,656	(6,194)	(2,880)	3,314
<i>Fund Balance Beginning of Year</i>	5,846	5,846	5,846	0
Prior Year Encumbrances Appropriated	<u>348</u>	<u>348</u>	<u>348</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$7,850</u></u>	<u><u>\$0</u></u>	<u><u>\$3,314</u></u>	<u><u>\$3,314</u></u>

Cardinal 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, 2000

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$9,498	\$9,498	\$9,498	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	510	700	300	400
Materials and Supplies	392	452	219	233
Total Instruction	902	1,152	519	633
Support Services:				
Pupil:				
Salaries and Wages	7,061	6,505	6,480	25
Fringe Benefits	558	864	864	0
Total Support Services	7,619	7,369	7,344	25
<i>Total Expenditures</i>	8,521	8,521	7,863	658
<i>Excess of Revenues Over Expenditures</i>	977	977	1,635	658
Other Financing Uses				
Advances Out	(2,000)	(2,000)	(2,000)	0
<i>Net Change in Fund Balance</i>	(1,023)	(1,023)	(365)	658
<i>Fund Balance Beginning of Year</i>	1,023	1,023	1,023	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$658	\$658

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
E-Rate Grant Fund
For the Fiscal Year Ended June 30, 2000

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$4,698	\$4,698	\$7,938	\$3,240
Expenditures				
Current:				
Support Services:				
Central:				
Purchased Services	4,698	4,698	4,698	0
<i>Net Change in Fund Balance</i>	0	0	3,240	3,240
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$3,240</u>	<u>\$3,240</u>

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Classroom Size Reduction Fund
For the Fiscal Year Ended June 30, 2000

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$36,700	\$36,700	\$36,197	(\$503)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	29,800	29,800	28,023	1,777
Fringe Benefits	8,856	8,856	8,837	19
Purchased Services	8,000	8,000	6,054	1,946
<i>Total Expenditures</i>	<u>46,656</u>	<u>46,656</u>	<u>42,914</u>	<u>3,742</u>
<i>Excess of Revenues Under Expenditures</i>	(9,956)	(9,956)	(6,717)	3,239
Other Financing Sources				
Advances In	10,000	10,000	10,000	0
<i>Net Change in Fund Balance</i>	44	44	3,283	3,239
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$44</u></u>	<u><u>\$44</u></u>	<u><u>\$3,283</u></u>	<u><u>\$3,239</u></u>

Cardinal 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, 2000

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$60,656	\$0	\$0	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	48,000	0	0	0
Purchased Services	12,000	0	0	0
Total Instruction	60,000	0	0	0
Support Services:				
Instructional Staff:				
Materials and Supplies	0	400	400	0
<i>Total Expenditures</i>	60,000	400	400	0
<i>Net Change in Fund Balance</i>	656	(400)	(400)	0
<i>Fund Balance Beginning of Year</i>	400	400	400	0
<i>Fund Balance End of Year</i>	<u>\$1,056</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Cardinal Local School District
*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Bond Retirement Fund
For the Fiscal Year Ended June 30, 2000*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$385,200	\$420,600	\$391,490	(\$29,110)
Intergovernmental	43,400	10,200	44,211	34,011
Interest	0	13,500	62,694	49,194
<i>Total Revenues</i>	<u>428,600</u>	<u>444,300</u>	<u>498,395</u>	<u>54,095</u>
Expenditures				
Current:				
Support Services:				
Fiscal:				
Other	7,000	12,200	6,847	5,353
Debt Service:				
Principal Retirement	110,000	10,010,000	10,010,000	0
Interest and Fiscal Charges	260,757	658,762	421,391	237,371
Bond Issuance Costs	0	68,739	68,739	0
<i>Total Expenditures</i>	<u>377,757</u>	<u>10,749,701</u>	<u>10,506,977</u>	<u>242,724</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>50,843</u>	<u>(10,305,401)</u>	<u>(10,008,582)</u>	<u>296,819</u>
Other Financing Sources				
Proceeds of Bonds	0	10,000,000	9,992,057	(7,943)
Proceeds of Notes	0	122,968	150,000	27,032
<i>Total Other Financing Sources</i>	<u>0</u>	<u>10,122,968</u>	<u>10,142,057</u>	<u>19,089</u>
<i>Net Change in Fund Balance</i>	50,843	(182,433)	133,475	315,908
<i>Fund Balance Beginning of Year</i>	<u>306,646</u>	<u>306,646</u>	<u>306,646</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$357,489</u>	<u>\$124,213</u>	<u>\$440,121</u>	<u>\$315,908</u>

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2000

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$171,000	\$183,691	\$184,301	\$610
Intergovernmental	20,500	20,500	19,913	(587)
<i>Total Revenues</i>	<u>191,500</u>	<u>204,191</u>	<u>204,214</u>	<u>23</u>
Expenditures				
Current:				
Support Services:				
Administration:				
Other	3,000	3,499	3,341	158
Operation and Maintenance of Plant:				
Capital Outlay - Replacement	71,300	71,300	70,405	895
Pupil Transportation:				
Capital Outlay - Replacement	79,450	65,735	65,735	0
Total Support Services	<u>153,750</u>	<u>140,534</u>	<u>139,481</u>	<u>1,053</u>
Capital Outlay:				
Site Improvement Services:				
Capital Outlay - Replacement	34,012	45,728	43,486	2,242
Building Improvement Services:				
Purchased Services	6,000	5,195	4,599	596
Materials and Supplies	1,700	5,700	2,288	3,412
Capital Outlay - Replacement	22,700	22,243	21,500	743
Total Building Improvement Services	<u>30,400</u>	<u>33,138</u>	<u>28,387</u>	<u>4,751</u>
Total Capital Outlay	<u>64,412</u>	<u>78,866</u>	<u>71,873</u>	<u>6,993</u>
<i>Total Expenditures</i>	<u>218,162</u>	<u>219,400</u>	<u>211,354</u>	<u>8,046</u>
<i>Net Change in Fund Balance</i>	(26,662)	(15,209)	(7,140)	8,069
<i>Fund Balance Beginning of Year</i>	18,963	18,963	18,963	0
Prior Year Encumbrances Appropriated	<u>8,938</u>	<u>8,938</u>	<u>8,938</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,239</u>	<u>\$12,692</u>	<u>\$20,761</u>	<u>\$8,069</u>

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Building Fund
For the Fiscal Year Ended June 30, 2000

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$9,900,000	\$355,172	\$400,558	\$45,386
Expenditures				
Current:				
<i>Support Services:</i>				
Fiscal:				
Purchased Services	30,000	30,000	27,308	2,692
Capital Outlay:				
Architecture and Engineering				
Services:				
Purchased Services	579,000	770,000	551,890	218,110
<i>Total Expenditures</i>	<u>609,000</u>	<u>800,000</u>	<u>579,198</u>	<u>220,802</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	9,291,000	(444,828)	(178,640)	266,188
Other Financing Sources				
Proceeds of Notes	0	9,782,815	10,023,958	241,143
<i>Net Change in Fund Balance</i>	9,291,000	9,337,987	9,845,318	507,331
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$9,291,000</u></u>	<u><u>\$9,337,987</u></u>	<u><u>\$9,845,318</u></u>	<u><u>\$507,331</u></u>

Cardinal 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, 2000

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$26,808	\$21,569	\$21,569	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	4,192	4,291	4,291	0
Materials and Supplies	163	163	163	0
Capital Outlay - New	33,407	25,167	23,449	1,718
<i>Total Instruction</i>	<u>37,762</u>	<u>29,621</u>	<u>27,903</u>	<u>1,718</u>
Support Services:				
Instructional Staff:				
Purchased Services	29	29	29	0
Operation and Maintenance of Plant:				
Purchased Services	348	348	348	0
<i>Total Support Services</i>	<u>377</u>	<u>377</u>	<u>377</u>	<u>0</u>
<i>Total Expenditures</i>	<u>38,139</u>	<u>29,998</u>	<u>28,280</u>	<u>1,718</u>
<i>Net Change in Fund Balance</i>	(11,331)	(8,429)	(6,711)	1,718
<i>Fund Balance Beginning of Year</i>	8,331	8,331	8,331	0
Prior Year Encumbrances Appropriated	99	99	99	0
<i>Fund Balance End of Year</i>	<u>(\$2,901)</u>	<u>\$1</u>	<u>\$1,719</u>	<u>\$1,718</u>

Cardinal Local School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2000

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Sales	\$310,700	\$223,700	\$218,064	(\$5,636)
Interest	0	10,000	2,693	(7,307)
Federal and State Subsidies	0	74,200	67,557	(6,643)
Advances In	0	0	20,000	20,000
Other Revenue	500	500	502	2
<i>Total Revenues</i>	311,200	308,400	308,816	416
Expenses				
Salaries:				
Food Service Operations	117,577	110,077	110,077	0
Fringe Benefits:				
Food Service Operations	53,409	43,809	41,223	2,586
Purchased Services:				
Food Service Operations	9,034	9,995	8,603	1,392
Materials and Supplies:				
Food Service Operations	122,646	143,442	132,980	10,462
Capital Outlay:				
Capital Outlay - New:				
Food Service Operations	3,944	3,945 0	560	3,385
Other:				
Food Service Operations	823	823	807	16
<i>Total Expenses</i>	307,433	312,091	294,250	17,841
<i>Net Change in Fund Equity</i>	3,767	(3,691)	14,566	18,257
<i>Fund Equity Beginning of Year</i>	11,827	11,827	11,827	0
Prior Year Encumbrances Appropriated	4,657	4,657	4,657	0
<i>Fund Equity End of Year</i>	\$20,251	\$12,793	\$31,050	\$18,257

Cardinal Local School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP) and Actual
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2000

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Sales	\$87,370	\$44,349	\$44,487	\$138
Interest	0	0	0	0
<i>Total Revenues</i>	<u>87,370</u>	<u>44,349</u>	<u>44,487</u>	<u>138</u>
Expenses				
Purchased Services:				
Regular Instruction	18,700	18,921	5,022	13,899
Materials and Supplies:				
Regular Instruction	<u>40,500</u>	<u>49,623</u>	<u>46,471</u>	<u>3,152</u>
<i>Total Expenses</i>	<u>59,200</u>	<u>68,544</u>	<u>51,493</u>	<u>17,051</u>
<i>Net Change in Fund Equity</i>	28,170	(24,195)	(7,006)	17,189
<i>Fund Equity Beginning of Year</i>	34,843	34,843	34,843	0
Prior Year Encumbrances Appropriated	<u>9,344</u>	<u>9,344</u>	<u>9,344</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$72,357</u></u>	<u><u>\$19,992</u></u>	<u><u>\$37,181</u></u>	<u><u>\$17,189</u></u>

Cardinal 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, 2000

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$150,000	\$194,446	\$194,447	\$1
Expenses				
Fringe Benefits:				
Central Support Services	141,000	199,718	199,717	1
<i>Net Change in Fund Equity</i>	9,000	(5,272)	(5,270)	2
<i>Fund Equity Beginning of Year</i>	1,834	1,834	1,834	0
Prior Year Encumbrances Appropriated	4,613	4,613	4,613	0
<i>Fund Equity End of Year</i>	<u>\$15,447</u>	<u>\$1,175</u>	<u>\$1,177</u>	<u>\$2</u>

Cardinal Local School District
General Fund
Expenditures by Function
and Other Financing Uses
Last Ten Fiscal Years

	2000 (1)	1999 (1)	1998 (1)	1997 (1)	1996 (1)	1995	1994	1993	1992	1991
Current										
Instruction:										
Regular	\$4,722,211	\$4,214,024	\$4,076,228	\$3,999,704	\$3,728,955	\$3,663,910	\$3,492,044	\$3,303,336	\$3,192,171	\$3,200,688
Special	800,468	711,020	508,714	455,100	489,916	403,397	379,670	362,384	326,618	286,670
Vocational	171,121	170,192	160,770	154,972	152,644	157,373	149,047	142,462	137,051	99,285
Support Services:										
Pupil	447,870	451,004	391,116	421,947	402,261	357,940	336,914	343,767	316,252	267,266
Instructional Staff	306,104	274,548	234,214	203,775	196,579	201,677	217,747	190,679	188,656	159,734
Board of Education	24,446	19,497	19,643	23,278	19,139	19,259	15,332	16,090	12,147	12,957
Administration	667,600	657,306	632,230	655,597	667,961	636,190	699,555	762,128	748,128	875,136
Fiscal	308,950	280,535	272,453	291,628	278,952	274,460	251,262	232,038	215,348	216,301
Business	57,881	56,105	48,223	44,418	44,222	43,324	97,347	103,468	81,063	0
Operation and Maintenance of Plant	885,844	923,486	842,115	864,957	875,722	740,759	733,177	694,683	654,538	695,984
Pupil Transportation	684,116	722,151	695,202	701,000	584,067	607,242	647,485	556,597	677,581	561,664
Central	165,438	192,743	178,344	187,308	184,533	170,378	61,313	35,965	21,391	15,187
Operation of Non-Instructional Services	62,682	64,518	60,180	63,066	57,869	58,128	9,768	0	841	12,672
Extracurricular Activities	226,819	188,028	180,654	178,185	164,484	163,727	169,048	145,874	139,681	136,944
Capital Outlay	35,329	0	0	0	8,000	28,714	0	0	27,180	39,980
Debt Service	0	0	24,015	18,615	13,215	0	0	0	0	0
Other Financing Uses	0	0	0	0	0	134,716	28,140	85,335	0	80,404
Total	\$9,566,879	\$8,925,157	\$8,324,101	\$8,263,550	\$7,868,519	\$7,661,194	\$7,287,849	\$6,974,806	\$6,738,646	\$6,660,872

Source: School District Financial Records

(1) 1996 through 2000 reported on a GAAP Basis; all other years on cash basis.

Cardinal Local School District
General Fund
Revenues by Source
and Other Financing Sources
Last Ten Fiscal Years

	2000 (1)	1999 (1)	1998 (1)	1997 (1)	1996 (1)	1995	1994	1993	1992	1991
Taxes	\$5,920,054	\$5,939,096	\$5,544,430	\$5,296,756	\$4,543,157	\$4,616,543	\$4,476,315	\$3,397,238	\$3,351,125	\$3,325,746
Intergovernmental	3,084,141	3,389,696	3,233,588	3,105,802	3,065,402	2,915,504	2,831,720	2,617,038	2,530,140	2,484,560
Interest	194,097	140,853	109,452	88,669	70,857	49,050	39,430	40,136	63,904	124,148
Tuition and Fees	655,173	151,925	132,548	138,932	125,914	122,585	110,225	128,063	122,220	99,325
Contributions and Donations	0	0	0	345	6,825	495	9,000	0	0	0
Rentals	4,127	2,758	2,104	3,139	3,804	5,343	4,210	3,981	9,905	9,148
Miscellaneous	33,984	5,949	65,101	0	920	846	944	100	282	122
Other Financing Sources	6,300	8,680	23,568	111,699	0	29,331	61,061	604,062	527,062	74,229
Total	\$9,897,876	\$9,638,957	\$9,110,791	\$8,745,342	\$7,816,879	\$7,739,697	\$7,532,905	\$6,790,618	\$6,604,638	\$6,117,278

Source: School District Financial Records

(1) 1996 through 2000 reported on GAAP basis, all other years on cash basis.

Cardinal Local School District
Property Tax Levies and Collections
Real and Tangible Personal Property (1)
Last Seven Years

Year (2)	Current Levy	Delinquent Levy (3)	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection As a Percent of Current Levy
1999	\$6,717,411	\$343,754	\$7,061,165	\$6,594,575	98.2%	\$144,881	\$6,739,456	100.3%
1998	6,326,600	191,860	6,518,460	6,402,632	101.2	213,730	6,616,362	104.6
1997	5,688,903	255,461	5,944,364	5,772,668	101.5	153,832	5,926,500	104.2
1996	5,521,258	187,319	5,708,577	5,545,982	100.4	159,449	5,705,431	103.3
1995	5,152,979	180,046	5,333,025	5,177,712	100.5	220,945	5,398,657	104.8
1994	5,008,583	212,235	5,220,818	5,048,487	100.8	213,513	5,262,000	105.1
1993	4,795,056	275,856	5,070,912	4,934,313	102.9	151,105	5,085,418	106.1

Source: Geauga County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor. Information prior to 1993 is not available.

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) Represents collection year. 2000 information cannot be presented because all collections have not been made by June 30.
- (3) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

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

Year	Real Property		Public Utility Property		Tangible Personal Property		Total		Ratio
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	
2000	\$166,528,650	\$475,796,143	\$8,917,030	\$10,132,989	\$44,936,615	\$179,746,460	\$220,382,295	\$665,675,592	33%
1999	133,001,590	380,004,543	9,585,480	10,892,591	43,299,674	173,198,696	185,886,744	564,095,830	33
1998	128,355,050	366,728,714	9,491,840	10,786,182	40,323,480	161,293,920	178,170,370	538,808,816	33
1997	123,338,590	352,395,971	8,820,000	10,022,727	37,495,320	149,981,280	169,653,910	512,399,978	33
1996	112,063,340	320,180,971	8,669,150	9,851,307	31,960,530	127,842,120	152,693,020	457,874,398	33
1995	108,065,740	308,759,257	8,596,610	9,768,875	30,067,030	120,268,120	146,729,380	438,796,252	33
1994	104,905,480	299,729,943	8,408,710	9,555,352	26,934,445	107,737,780	140,248,635	417,023,075	34
1993	88,224,800	252,070,857	9,607,330	10,917,420	28,611,665	114,446,660	126,443,795	377,434,937	34
1992	86,447,850	246,993,857	10,163,100	11,548,977	27,239,420	104,767,000	123,850,370	363,309,834	34
1991	84,488,790	241,396,543	9,176,930	10,428,330	27,148,670	100,550,630	120,814,390	352,375,503	34

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

- (1) This amount is calculated based on the following percentages:
 Real estate is assessed at 35 percent of actual value.
 Public utility personal is assessed at 88 percent of actual value.
 Tangible personal property is assessed at 25 percent of actual value for 2000.

Cardinal Local School District
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
Last Ten Years

Year	School Levy	JVS	Special District (1)	Library	County Levy	Total Levy	Debt Service Included in Total Levy		
							School	County	Total
2000	\$55.60	\$1.50	\$2.80	\$1.00	\$12.65	\$73.55	\$4.00	\$0.30	\$4.30
1999	52.10	1.50	2.80	1.00	12.45	69.85	0.50	0.30	0.80
1998	52.60	1.50	2.80	1.00	12.45	70.35	2.00	0.30	2.30
1997	52.70	1.50	2.80	1.00	12.45	70.45	2.10	0.30	2.40
1996	53.00	1.50	2.80	1.00	12.45	70.75	0.90	0.30	1.20
1995	53.00	1.50	2.80	1.00	12.85	71.15	0.90	0.30	1.20
1994	53.00	1.50	0.00	1.00	10.85	66.35	0.90	0.30	1.20
1993	53.40	1.50	0.00	1.00	10.85	66.75	1.30	0.30	1.60
1992	43.90	1.50	0.00	1.00	10.20	56.60	1.50	0.30	1.80
1991	43.90	1.50	0.00	1.00	10.20	56.60	1.80	0.45	2.25

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

(1) Applies to Middlefield Village and Middlefield Township only.

Cardinal Local School District
*Ratio of Net General Obligation Bonded Debt to
 Assessed Value and Net Bonded Debt Per Capita
 Last Ten Years*

<u>Year</u>	<u>Net General Obligation Bonded Debt (1)</u>	<u>Assessed Value (2)</u>	<u>Population (3)</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>
2000	\$9,728,818	\$220,382,295	14,439	4.44%	\$678.01
1999	278,854	185,886,744	14,115	0.15	19.76
1998	480,606	178,170,370	13,951	0.27	34.45
1997	753,997	169,653,910	13,938	0.44	54.10
1996	864,390	152,693,020	13,924	0.57	62.08
1995	1,010,272	146,729,380	13,910	0.69	72.63
1994	540,451	140,248,635	13,199	0.39	40.95
1993	638,755	126,443,795	12,691	0.51	50.33
1992	752,286	123,850,370	12,203	0.61	61.65
1991	874,011	120,814,390	11,734	0.72	74.49

Sources:

- (1) School District Financial Records
- (2) Geauga County Auditor
- (3) U.S. Census of Population (estimated), 1990 Federal Census
 Geauga County Planning Commission

Cardinal Local School District
Computation of Legal Debt Margin
June 30, 2000

Assessed Valuation	\$220,382,295
Overall Debt Limit - 9% of Assessed Value (1)	\$19,834,407
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonds	9,914,930
Energy Conservation Bonds	315,000
Amount Available in Debt Service Fund	(501,112)
Total	9,728,818
Exemptions:	
Energy Conservation Bonds	315,000
Amount of Debt Subject to the Limit	9,413,818
Overall Debt Margin	\$10,420,589
Unvoted Debt Limit - .10% of Assessed Value (1)	\$220,382
Amount of Debt Applicable	0
Unvoted Debt Margin	\$220,382
Additional Limit for Unvoted Energy Conservation Bonds:	
Debt Limit - .10% of Assessed Valuation	\$1,983,441
Less: Energy Conservation Bonds	315,000
Additional Unvoted Debt Margin	\$1,668,441

Source: Geauga County Auditor and School District Financial Records

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

Cardinal Local School District
Computation of Direct and Overlapping General Obligation Bonded Debt
December 31, 1999

<u>Jurisdiction</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Applicable to School District</u>
Cardinal Local School District	\$10,229,930	100.00 %	\$10,229,930
Geauga County	1,041,696	9.97	103,857
Parkman Township	54,145	100.00	<u>54,145</u>
Total			<u><u>\$10,387,932</u></u>

Source: Geauga County Auditor - Data is presented on a calendar year basis (Including School District) because that is the manner in which information is maintained by the County Auditor.

(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 1999 collection year.

Cardinal Local School District
*Ratio of Annual Debt Service Expenditures For
 General Obligation Bonded Debt to General Fund Expenditures
 Last Ten Fiscal Years*

<u>Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures (1)</u>	<u>Ratio of Debt Service to General Fund Expenditures (Percentage)</u>
2000	(2)	\$110,000	\$32,439	\$142,439	\$9,566,879	1.49%
1999	(2)	105,000	42,455	147,455	8,925,157	1.65
1998	(2)	105,000	45,879	150,879	8,324,101	1.81
1997	(2)	165,000	54,066	219,066	8,263,550	2.65
1996	(2)	165,000	63,740	228,740	7,868,519	2.91
1995		120,000	74,765	194,765	7,661,194	2.54
1994		120,000	46,644	166,644	7,287,849	2.29
1993		120,000	53,606	173,606	6,974,806	2.49
1992		120,000	60,569	180,569	6,738,646	2.68
1991		120,000	67,531	187,531	6,660,872	2.82

Source: School District Financial Records

(1) Includes other financing uses.

(2) 1996 through 2000 on GAAP basis.

Cardinal Local School District
Demographic Statistics
Last Ten Years

<u>Year</u>	<u>Geauga County Population (1)</u>	<u>Cardinal LSD Area Population (2)</u>	<u>School Enrollment (3)</u>	<u>Geauga County Unemployment Rate (4)</u>
2000	87,913	14,439	1,469	3.0%
1999	87,913	14,115	1,523	3.0
1998	86,054	13,951	1,577	3.5
1997	86,054	13,938	1,549	3.6
1996	84,260	13,924	1,550	3.8
1995	83,400	13,910	1,532	3.8
1994	83,241	13,199	1,480	5.1
1993	82,094	12,691	1,504	5.8
1992	82,094	12,203	1,550	5.4
1991	81,129	11,734	1,582	4.0

Sources:

- (1) Estimated Figure from U.S. Census Bureau
- (2) U.S. Census of Population (estimated), 1990 Federal Census
- (3) School District Records
- (4) Ohio Bureau of Employment Services

Cardinal Local School District
*Property Value,
 Financial Institution Deposits and Building Permits
 Last Seven Years*

Year	Property Value (Real Estate Only) (1)	Financial Institution Deposits Banks	Value of Permits Issued Geauga County	Value of Permits Issued Huntsburg Township	Value of Permits Issued Middlefield Township	Value of Permits Issued Middlefield Village	Value of Permits Issued Parkman Township
1999	\$166,528,650	\$249,478,000	\$65,015,002	\$3,675,675	\$5,720,072	\$5,820,500	\$2,673,502
1998	133,001,590	254,641,000	47,503,140	2,599,387	3,603,445	7,306,938	3,062,148
1997	128,355,050	222,203,000	38,142,850	2,075,000	1,169,329	2,574,255	2,138,600
1996	123,338,590	212,614,000	41,162,110	3,195,520	3,589,837	8,598,774	2,071,862
1995	112,063,340	194,409,000	35,438,050	3,480,700	1,559,186	3,198,112	1,962,002
1994	108,065,740	188,020,000	28,009,880	2,790,820	3,031,850	6,764,709	2,045,260
1993	104,905,480	184,462,000	23,820,980	1,791,480	1,682,950	3,480,025	1,552,613

Sources: Geauga County Auditor, Building Department reports and Federal Reserve Bank of Cleveland
 Information prior to 1993 not available.

(1) Represents assessed value.

Cardinal Local School District
Principal Taxpayers
Real Estate Tax
December 31, 1999

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Real Estate Tax Assessed Value</u>
Johnson Rubber	\$1,784,480	1.07%
Dillen Properties LTD	1,680,010	1.01
Richard Bonner	1,657,170	0.99
Burdkidz LTD	1,260,000	0.76
Sajar Plastics, Inc.	1,193,340	0.72
Harrington Square	1,028,480	0.62
Middlefield Banking Company	1,015,630	0.61
Middlefield Village Apartments	978,600	0.59
Geauga Industries	878,160	0.53
Anna M. Rothenbuhler	<u>848,750</u>	<u>0.51</u>
Total	<u><u>\$12,324,620</u></u>	<u><u>7.41%</u></u>
<i>Total Real Estate Tax Assessed Value</i>	<u><u>\$166,528,650</u></u>	

Source: Geauga County Auditor

(1) Assessed values are for the 2000 collection year.

Cardinal Local School District
Principal Taxpayers
Tangible Personal Property Tax
December 31, 1999

Name of Taxpayer	Assessed Value (1)	Percent of Total Tangible Personal Property Tax Assessed Value
Kraftmaid Cabinetry, Inc.	\$15,283,160	34.01%
Duramax, Inc.	4,651,470	10.35
Myers Industries, Inc.	3,320,940	7.39
Hans Rothenbuhler & Sons	3,138,270	6.98
Carlisle Geauga Company	1,505,110	3.35
Mercury Plastics, Inc.	1,292,190	2.88
Neff Perkins Company	1,286,850	2.86
Middlefield Mix, Inc.	977,120	2.17
Sajar Plastics, Inc.	819,080	1.82
Flambeau Products Corporation	775,540	1.73
Total	<u>\$33,049,730</u>	<u>73.54%</u>
<i>Total Tangible Personal Property Tax Assessed Value</i>	<u><u>\$44,936,615</u></u>	

Source: Geauga County Auditor

(1) Assessed values are for the 2000 collection year.

Cardinal Local School District

Principal Taxpayers

Public Utilities Tax

December 31, 1999

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Public Utilities Tax Assessed Value</u>
Cleveland Electric Illuminating Company	\$5,745,400	64.43%
Ohio Edison	1,080,320	12.12
Western Reserve Telephone Company	908,060	10.18
East Ohio Gas Company	828,750	9.29
Total	<u>\$8,562,530</u>	<u>96.02%</u>
<i>Total Public Utilities Tax Assessed Value</i>	<u>\$8,917,030</u>	

Source: Geauga County Auditor

(1) Assessed values are for the 2000 collection year.

Cardinal Local School District
Per Pupil Cost
Last Ten Fiscal Years

<u>Year</u>	<u>General Fund Expenditures (1)</u>	<u>Average Daily Student Enrollment</u>	<u>Per Cost Pupil</u>
2000 (2)	\$9,614,006	1,469	\$6,545
1999 (2)	8,925,157	1,523	5,860
1998 (2)	8,324,101	1,577	5,278
1997 (2)	8,263,550	1,549	5,335
1996 (2)	7,868,519	1,550	5,076
1995	7,661,194	1,532	5,001
1994	7,287,849	1,480	4,924
1993	6,974,806	1,504	4,638
1992	6,738,646	1,550	4,348
1991	6,660,872	1,582	4,210

Source: School District Financial Records.

(1) Includes Other Financing Uses

(2) 1996 through 2000 on GAAP Basis

Cardinal Local School District
Teacher Education and Experience
June 30, 2000

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	23	21.90%
Bachelor + 15	10	9.53
Bachelor + 30	23	21.90
Master's Degree	20	19.05
Master's + 15	11	10.48
Master's + 30	<u>18</u>	<u>17.14</u>
Total	<u><u>105</u></u>	<u><u>100.00%</u></u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	20	19.05%
6 - 10	17	16.19
11 and Over	<u>68</u>	<u>64.76</u>
	<u><u>105</u></u>	<u><u>100.00%</u></u>

Source: School District Personnel Records



STATE OF OHIO
OFFICE OF THE AUDITOR

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CARDINAL 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
JANUARY 25, 2001**