

**CARDINAL LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2001**



**JIM PETRO**  
**AUDITOR OF STATE**  

---

**STATE OF OHIO**



**CARDINAL LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Schedule of Federal Awards Expenditures .....	1
Notes to the Schedule of Federal Awards Expenditures .....	2
Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	3
Report on Compliance with Requirements Applicable to Major Programs and Internal Control over Compliance in Accordance with <i>OMB Circular A-133</i> .....	5
Schedule of Findings .....	7

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**CARDINAL LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY**

**Schedule of Federal Awards Expenditures  
For the Year Ended June 30, 2001**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program	N/A	10.550	\$0	\$17,952	\$0	\$16,954
NationalSchool Lunch Program FY00	LL-P1-00	10.555	13,711	0	13,711	0
NationalSchool Lunch Program FY00	LL-P4-00	10.555	4,212	0	4,212	0
NationalSchool Lunch Program FY01	LL-P1-01	10.555	39,682	0	39,682	0
SNationalSchool Lunch Program FY01	LL-P4-01	10.555	12,140	0	12,140	0
<b>Total U.S. Department of Agriculture - Nutrition Cluster</b>			<b>69,745</b>	<b>17,952</b>	<b>69,745</b>	<b>16,954</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Title 6-B - FY 00	6B-SF-00P	84.027	7,903	0	19,635	0
Title 6-B - FY 01	6B-SF-01P	84.027	81,614	0	65,630	0
<b>Total Special Education Cluster</b>			<b>89,517</b>	<b>0</b>	<b>85,265</b>	<b>0</b>
Grants to Local Educational Agencies						
Title I FY 00	C1-S1-00	84.010	84,507	0	120,406	0
Title I FY 01	C1-S1-01	84.010	458,492	0	401,742	0
<b>Total Title I</b>			<b>542,999</b>	<b>0</b>	<b>522,148</b>	<b>0</b>
Drug-Free Schools Grant						
Drug-Free Schools Grant FY99	DR-S1-99	84.186	0	0	41	0
Drug-Free Schools Grant FY00	DR-S1-00	84.186	0	0	617	0
Drug-Free Schools Grant FY01	DR-S1-01	84.186	5,807	0	5,807	0
<b>Total Drug-Free Schools Grant</b>			<b>5,807</b>	<b>0</b>	<b>6,465</b>	<b>0</b>
Eisenhower Math and Science						
Eisenhower Math and Science FY99	MS-S1-99C	84.281	0	0	6,074	0
Eisenhower Math and Science FY00	MS-S1-00	84.281	1,867	0	10,394	0
Eisenhower Math and Science FY01	MS-S1-01	84.281	10,155	0	4,318	0
<b>Total Eisenhower Math and Science</b>			<b>12,022</b>	<b>0</b>	<b>20,786</b>	<b>0</b>
Title 6 (Innovative Ed)						
Title 6 (Innovative Ed) FY 99	C2-S1-99C	84.298	0	0	1,040	0
Title 6 (Innovative Ed) -FY 00	C2-S1-00	84.298	0	0	2,791	0
Title 6 (Innovative Ed) -FY 01	C2-S1-01	84.298	6,930	0	6,789	0
<b>Total Title 6 (Innovative Ed)</b>			<b>6,930</b>	<b>0</b>	<b>10,620</b>	<b>0</b>
Class Size Reduction						
Class Size Reduction FY00	CR-S1-00	84.340	24,459	0	33,542	0
Class Size Reduction FY01	CR-S1-01	84.340	64,684	0	49,363	0
<b>Total Class Size Reduction</b>			<b>89,143</b>	<b>0</b>	<b>82,905</b>	<b>0</b>
<b>Total Department of Education</b>			<b>746,418</b>	<b>0</b>	<b>728,189</b>	<b>0</b>
<b>Total Federal Assistance</b>			<b>\$816,163</b>	<b>\$17,952</b>	<b>\$797,934</b>	<b>\$16,954</b>

See accompanying notes to the Schedule of Federal Awards Expenditures.

**CARDINAL LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

CFDA - Catalog of Federal Domestic Assistance

N/A - Not applicable

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedule of federal awards expenditures is a 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, 2001, and have issued our report thereon dated November 30, 2001, wherein we noted the District adjusted the beginning net assets due to overstatements in the prior report and a change in the fixed asset threshold. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's 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, and the Board of Education, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

**November 30, 2001**





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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR  
FEDERAL PROGRAMS 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, 2001. 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 auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance 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, 2001.

**Internal Control Over Compliance**

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

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

#### **Schedule of Federal Awards Expenditures**

We have audited the basic financial statements of the District as of and for the year ended June 30, 2001, and have issued our report thereon dated November 30, 2001, wherein we noted the District adjusted the beginning net assets due to overstatements in the prior report and a change in the fixed asset threshold. 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

November 30, 2001

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

**SCHEDULE OF FINDINGS**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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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

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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None.

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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None.



**Cardinal Local School District**  
*Middlefield, Ohio*

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

Prepared by

Treasurer's Office  
Dianne Kellogg  
Treasurer

**Cardinal Local School District**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2001*  
*Table of Contents*

	Page
<b>I. Introductory Section</b>	
Table of Contents . . . . .	i
Letter of Transmittal . . . . .	iv
List of Principal Officials . . . . .	xii
Organizational Chart . . . . .	xiii
Certificate of Achievement . . . . .	xiv
 <b>II. Financial Section</b>	
Independent Accountants' Report . . . . .	1
Management's Discussion and Analysis . . . . .	3
 Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets . . . . .	13
Statement of Activities . . . . .	14
 Fund Financial Statements:	
Balance Sheet - Governmental Funds . . . . .	16
Statement of Revenues, Expenditures and Changes In Fund Balances - Governmental Funds . . . . .	18
Statement of Revenues, Expenditures and Changes in Fund Balance--Budget (Non-GAAP Basis) and Actual General Fund . . . . .	20
Statement of Fund Net Assets - Proprietary Funds . . . . .	21
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds . . . . .	22
Statement of Cash Flows - Proprietary Funds . . . . .	23
Statement of Fiduciary Assets and Liabilities - Agency Fund . . . . .	25
Notes to the Basic Financial Statements . . . . .	26

Combining Statements and Individual Fund Schedules:

Combining Statements - Nonmajor Funds:

Description of Funds . . . . .	54
Combining Balance Sheet - Nonmajor Governmental Funds . . . . .	56
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds . . . . .	57
Combining Balance Sheet - Nonmajor Special Revenue Funds . . . . .	58
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds . . . . .	62
Combining Balance Sheet - Nonmajor Capital Projects Funds . . . . .	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds . . . . .	67

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

General Fund . . . . .	69
Public School Support Fund . . . . .	73
Martha Holden Jennings Fund . . . . .	74
District Managed Activities Fund . . . . .	75
Teacher Development Fund . . . . .	76
Management Information Systems Fund . . . . .	77
Data Communications Fund . . . . .	78
Professional Development Fund . . . . .	79
Instructional Materials Fund . . . . .	80
Summer Intervention Fund . . . . .	81
Ohio Reads Grant Fund . . . . .	82
Eisenhower Math and Science Fund . . . . .	83
Title VI-B Fund . . . . .	84
Title I Fund . . . . .	85
Title VI Fund . . . . .	86
Drug Free Schools Fund . . . . .	87
E-Rate Grant Fund . . . . .	88
Classroom Size Reduction Fund . . . . .	89
Bond Retirement Fund . . . . .	90
Permanent Improvement Fund . . . . .	91
Building Fund . . . . .	92
SchoolNet Fund . . . . .	93
Food Service Fund . . . . .	94
Uniform School Supplies Fund . . . . .	95
Self Insurance Fund . . . . .	96
Statement of Changes in Assets and Liabilities - Agency Fund . . . . .	97

**III. Statistical Section**

General Governmental Revenues by Source and Expenses/Expenditures by Function  
Last Ten Fiscal Years . . . . . S2

Property Tax Levies and Collections--Last Eight Years . . . . . S4

Assessed and Estimated Actual Value of Taxable  
Property--Last Ten Years . . . . . S5

Property Tax Rates--Direct and Overlapping  
Governments--Last Ten Years . . . . . S6

Ratio of Net General Obligation Bonded Debt to Assessed Value  
and Net Bonded Debt Per Capita--Last Ten Years . . . . . S7

Computation of Legal Debt Margin . . . . . S8

Computation of Direct and Overlapping  
General Obligation Bonded Debt . . . . . S9

Ratio of Annual Debt Service Expenditures for General Obligation  
Bonded Debt to General Fund Expenditures--  
Last Ten Fiscal Years . . . . . S10

Demographic Statistics--Last Ten Years . . . . . S11

Property Value, Financial Institution Deposits  
and Building Permits--Last Eight Years . . . . . S12

Principal Taxpayers:  
Real Estate Tax . . . . . S13

Tangible Personal Property Tax . . . . . S14

Public Utilities Tax . . . . . S15

Per Pupil Cost--Last Ten Fiscal Years . . . . . S16

Teacher Education and Experience . . . . . S17



# Cardinal School District

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November 30, 2001

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, 2001. 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 School 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, 104 certificated full time teaching personnel and 7 administrative employees to provide services to 1,480 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. 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 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 participates in 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 and the Ohio School Boards Association Worker's Compensation Group Rating Plan. These organizations are presented in Notes 9, 15 and 16 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**

Agriculture is a main component of Cardinal School District's profile. Many small farms continue to operate. However, industrial and commercial growth are stronger economic factors. The 73 square mile area encompassing the rural, residential townships is strongly influenced by the Village of Middlefield (two square miles). 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 School District contributing 23% of the real estate valuation and \$48,597,230 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. Although there is a slowing national economy, there are indications that the abatement area will continue to grow at a moderate pace. The Village of Middlefield has accounted for this potential growth without adding to public indebtedness. A new 700,000 gallon water tower was recently completed. A second tower for 500,000

gallons is to be built within three years. The old tower will be retired and a second water main from Village wells provides reliability for the system. Impact fees collected from construction projects are added to a fund to expand the sewer plant as needed.

Carlisle Industries plans to suspend production at the Middlefield Village plant. This job loss should be balanced by the other industries and commercial development. Duramax, Inc. (Johnson Rubber Company), moved their marine division to Troy, Ohio but expanded other production to fill the vacated space. Duramax is currently considering a site in Middlefield Village to construct a building to re-locate the marine division and expand warehouse capabilities. Mercury Plastics is completing a 20,000 square foot addition to their plant facilities.

Commercial development may be delayed by other economic factors but many projects are moving forward. Two parcels (11.5 acres and 6.6 acres) at the east-end of the Village are being rezoned from industrial to commercial. The owner of the sites, Richard Bonner, is planning to build a hotel, large store, service station and shopping strip mall for the parcels. Mr. Bonner is currently seeking tenants. Near the west end of town a shopping center owner has cleared a 17 acre area and is seeking a large store for the location. A local tractor dealer has submitted a plan to expand his store to host a Honda motorcycle dealership and service center.

School District management will carefully control expenses during the coming years to continue to assure that tax levy revenues are adequate and well spent. The School District anticipates the need for additional operating revenues once the middle school is in service in 2002. Additional faculty and a new food service operation will increase personnel costs at that time. There is also a need to meet inflationary costs in the overall operation of the School District. A 9.7 mill replacement levy was placed on the November 6, 2001 ballot and was defeated by a slim margin. With the failure of this levy, there will be two additional opportunities for placement on the ballot. Another strategy available to the Board of Education would involve one mill of inside millage currently dedicated to a permanent improvement fund. A renewal levy could be approved and the one mill could be returned to the general fund. A permanent improvement levy would need to be approved by voters.

## **Major Initiatives**

### ***Strategic Planning***

The School District completed an annual continuous improvement plan. This is a form of strategic planning which guides the School District in all phases of operation. The involvement of the general public and employees has broadened support for School District's improvement initiatives. The positive effects of the plan can be observed in the academic achievement of students, and the measurable long-term improvements to programming and tangible improvements to school facilities.

### ***Ohio Report Card***

The Ohio Report Card is issued in February of each school year. The report uses data from the previous school year to inform the public of School District success or failure in 27 indicators. On the 2000 report card the School District met or exceeded the Ohio standard in 16 of 27 indicators. The 2001 report card demonstrated that the School District improved to 19 of 27 indicators. Data reported for the 2002 report card raises the School District to 22 of 27 indicators. The School District will be included in the category of School District rated as "effective". It is the goal of the School District to achieve and remain at 24 or more standards met.

### ***Federal Projects***

The School District files applications for federal funds electronically utilizing the Consolidated Local Plan. This allows the director Mr. Lynne Muzik, to coordinate the application to the goals of the Continuous Improvement Plan. The School District continues to apply for all federal funds for which the School District is eligible. This includes the Classroom Size Reduction grant under Title VI, allowing for an additional teacher for grade two at Parkman Elementary School and grade one at Jordak Elementary School. The Title I Reading Recovery program improves the reading for eligible students in grade one at each of the elementary buildings. Student readiness in each grade has been the primary focus of these services.

### ***Educational Programs and Facilities Improvement***

In the fall of 2002, the new Cardinal Middle School is expected to be fully operational. This will change the grade assignments for buildings in the School District. The three elementary schools have housed students from kindergarten through grade six. The new middle school will house students in grades 6 through 8, and reduce the number of grades served at each elementary school. With this new arrangement, there will be new opportunities available at each building. The new 72,000 square foot Cardinal Middle School will have current technology, added course offerings, a plan for serving gifted students, and improved classrooms for all programs. The cafetorium in the new building will allow students and teachers to plan performances and learning activities never before possible at Cardinal Local School District.

At Jordak Elementary School, there will be an art classroom so that the teacher does not have to travel with a cart. Special education tutors will not need to serve students in the hallway at the base of the steps. Reading teachers will be able to have needed space for student groups. The science learning area will be expanded to meet the needs of an interactive curriculum. At Huntsburg and Parkman Elementary Schools, there will be additional space to provide for increases in student enrollment.

After students have moved to the new middle school, there will be further improvements planned for the 80-year old building currently housing grades 7 and 8. Two modular buildings will be sold and removed from the site. This building will be available within two years to allow for any increase in student enrollment. The School District can also consider the need for a pre-school education program.

### **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 School 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 School 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 School 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 second 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.

**Statement 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 2001 and a comparison, where available, to performance in 2000 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 School District employees. Effective March 1, 1999, the Board established a prescription self-insurance program. The internal service fund had net assets of \$14,768 at June 30, 2001, compared with \$14,744 in 2000 reflecting a net increase of \$24.

### **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.

Interest revenue in the governmental and enterprise funds totaled \$962,252 for fiscal year 2001, of which \$265,732 was credited to the general fund and \$676,249 to the building fund. At June 30, 2001, \$7,163,763 of the construction fund balance is placed with Provident Bank, in a fully collateralized, construction fund certificate of deposit. The fixed interest rate on this principal-flexible Certificate of Deposit is 7.15% through April 15, 2002. Information regarding School District investments is found in Note 5.

### **Risk Management**

The School 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 School District estimates saving between 12% and 18% as a result of participation in the group. The School District contracts independently with the Harcum-Hyde Insurance Agency, Wausau 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. The Todd Agency is contracted to provide the property and fleet insurance. On November 7, 2001, the School 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 9.

### **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, 2001. The opinion appears at the beginning of the financial section of this report.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all governments in Ohio. The School District adopted and has been in conformance with 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, 2000. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

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

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

## Acknowledgments

The 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 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, 2001*

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***Board of Education***

Mr. Richard A. Moss ..... President  
Dr. I. Jack Youshak ..... Vice-President  
Mrs. Claire Zurbuch ..... Member  
Mr. Kenneth J. Klima ..... Member  
Mr. Daniel S. Mihalik ..... Member

***Treasurer***

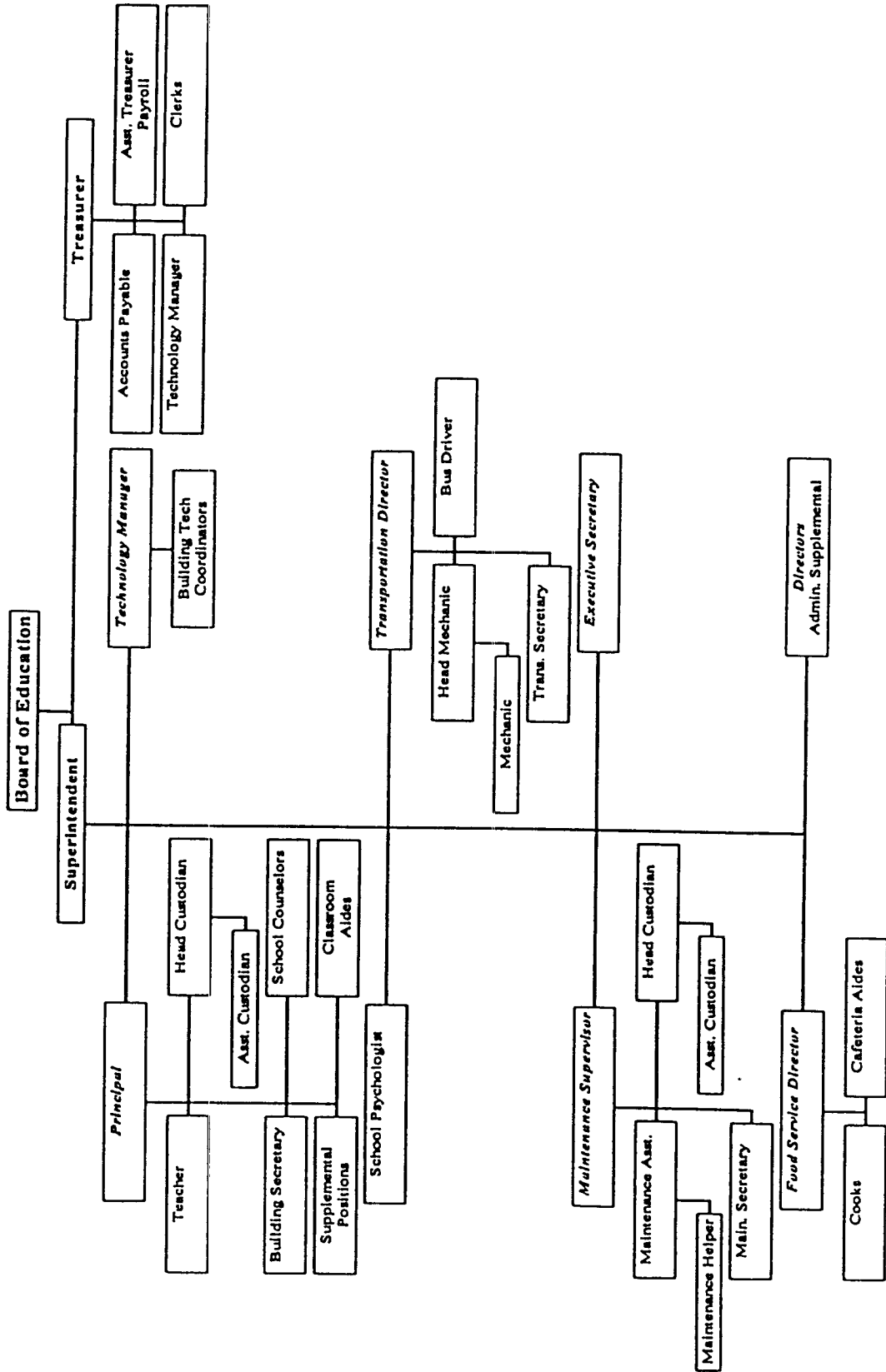
Mrs. Dianne Kellogg

***Administration***

Mr. Clinton L. Keener ..... Superintendent

# 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, 2000

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



*Timothy A. Brewer*  
President

*Jeffrey L. Esser*  
Executive Director

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STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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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](http://www.auditor.state.oh.us)

## INDEPENDENT ACCOUNTANTS' REPORT

Board of Education  
Cardinal Local School District  
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, (the District) as of and for the year ended June 30, 2001, as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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.

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, as of June 30, 2001, and the results of its operations and the cash flows of its proprietary funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3 to the basic financial statements, the District adjusted the beginning net assets due to overstatements in the prior report and a change in the fixed asset threshold, as of and for the year ended June 30, 2001.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2001 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", written in a cursive style.

**Jim Petro**  
Auditor of State

**November 30, 2001**

**Cardinal Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2001*  
*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, 2001. 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 \$1,360,884. Net assets of governmental activities increased \$1,359,149 which represents a 34.9 percent increase from 2000. Net assets of business-type activities increased \$1,735 or 2.17 percent from 2000.

Total revenues of \$13,738,270 were comprised of general revenues in the amount of \$11,761,332 or 85.6% and program specific revenues from charges for services, grants and contributions in the amount of \$1,976,938 or 14.4 percent.

Total assets of governmental activities increased by \$1,809,770 fueled by interest earnings on the construction fund certificate of deposit, increased personal tangible tax revenues and collection of the 3.5 mill debt service issue for a full tax year. Capital grant revenues increased by \$80,723 as the State of Ohio provided 100% funding for a handicapped pupil school bus and initiated additional SchoolNet Technology programs.

The School District had \$12,018,164 in expenses related to governmental activities; only \$1,618,135 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and school foundation) of \$11,759,178 were adequate to provide for these programs.

The general fund balance increased to \$2,234,056 from \$1,963,498 due to increases in tax revenues and HB920 rollbacks following a reappraisal year and subsequent interest earnings on higher balances.

Net assets for business-type activities increased in food services and declined in uniform supplies. Net assets in business-type activities were \$81,629, an increase of \$1,735 over the 2000 total of \$79,894 (restated in Note 3).

### **Using this Comprehensive Annual Financial Report (CAFR)**

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

The district wide reports are designed to show the School 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.

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 School 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.

**Cardinal Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2001*  
*Unaudited*

**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 and 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's 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 9. 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 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 statements for the School District as a whole.



**Cardinal Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2001*  
*Unaudited*

**The School District as a Whole**

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

Table 1 provides a comparison of Net Assets as of 6/30/2000 compared to 6/30/ 2001:

(Table 1)  
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2001	2000	2001	2000	2001	2000
<b>Assets</b>						
Current and Other Assets	\$19,250,224	\$21,031,116	\$84,851	\$90,092	\$19,335,075	\$21,121,208
Capital Assets, Net	6,465,186	2,874,524	52,336	39,641	6,517,522	2,914,165
<i>Total Assets</i>	<u>25,715,410</u>	<u>23,905,640</u>	<u>137,187</u>	<u>129,733</u>	<u>25,852,597</u>	<u>24,035,373</u>
<b>Liabilities</b>						
Current and Other Liabilities	8,849,256	8,397,447	44,615	39,664	8,893,871	8,437,111
Long-Term Liabilities:						
Due Within One Year	534,665	259,081	0	0	534,665	259,081
Due in More than One Year	11,073,581	11,350,353	10,943	10,175	11,084,524	11,360,528
<i>Total Liabilities</i>	<u>20,457,502</u>	<u>20,006,881</u>	<u>55,558</u>	<u>49,839</u>	<u>20,513,060</u>	<u>20,056,720</u>
<b>Net Assets</b>						
Invested in Capital Assets						
Net of Debt	1,876,494	2,058,176	52,336	39,641	1,928,830	2,097,817
Restricted:						
Capital Projects	1,737,661	540,252	0	0	1,737,661	540,252
Debt Service	743,013	583,346	0	0	743,013	583,346
Set Asides	127,341	282,652	0	0	127,341	282,652
Other Purposes	117,946	100,034	0	0	117,946	100,034
Unrestricted	655,453	334,299	29,293	40,253	684,746	374,552
<i>Total Net Assets</i>	<u>\$5,257,908</u>	<u>\$3,898,759</u>	<u>\$81,629</u>	<u>\$79,894</u>	<u>\$5,339,537</u>	<u>\$3,978,653</u>

Total assets increased \$1,817,224 with governmental assets comprising \$1,809,770 of that amount. The change was expected in conjunction with the construction of the new middle school. Governmental current and other assets decreased by \$1,780,892 and capital assets, net increased by \$3,590,662 as the construction in progress asset class grew to a value of \$3,109,726.

The net assets of the School District business-type activities increased by \$1,735 or 2.17 percent. The food service operations received an advance of \$20,000 from the general fund in the previous fiscal year. In October 2000, the

**Cardinal Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2001*  
*Unaudited*

Board, by resolution, made the advance permanent; thereby not requiring the food service fund to repay the general fund (see Note 3). This coupled with the increase in lunch prices contributed to the increase in net assets. Program revenues exceeded expenses in food service by \$7,787, however the program expenses in Uniform School Supplies exceeded revenues by \$8,206. The students in high school are charged a locker fee and a parking fee. Parking lot patching and locker refurbishing expenses paid in a single year are partially funded with these fees collected for two or more years. The net assets at the end of year reflect the use of fee money to cover these expenses. Management continues to monitor the food service component to insure that business-type activities remain self-supporting.

Table 2 shows the changes in net assets for fiscal year 2001 compared to fiscal year 2000.

(Table 2)  
**Changes in Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2001	2000	2001	2000	2001	2000
Revenues						
Program Revenues:						
Charges for Services	\$789,390	\$829,113	\$284,445	\$262,551	\$1,073,835	\$1,091,664
Operating Grants and Contributions	726,453	666,435	74,358	89,106	800,811	755,541
Capital Grants	102,292	21,569	0	0	102,292	21,569
General Revenue:						
Property Taxes	7,561,469	6,431,768	0	0	7,561,469	6,431,768
Grants and Entitlements	3,221,848	3,368,610	0	0	3,221,848	3,368,610
Other	<u>975,861</u>	<u>709,318</u>	<u>2,154</u>	<u>3,196</u>	<u>978,015</u>	<u>712,514</u>
Total Revenues	<u>13,377,313</u>	<u>12,026,813</u>	<u>360,957</u>	<u>354,853</u>	<u>13,738,270</u>	<u>12,381,666</u>
Program Expenses						
Instruction	6,797,823	6,771,535	0	0	6,797,823	6,771,535
Support Services:						
Pupil and Instructional Staff	1,057,693	908,802	0	0	1,057,693	908,802
Board of Education, Administration, Fiscal and Business	1,206,892	1,087,157	0	0	1,206,892	1,087,157
Operation and Maintenance	1,056,124	897,041	0	0	1,056,124	897,041
Pupil Transportation	664,822	688,411	0	0	664,822	688,411
Central	184,936	172,079	0	0	184,936	172,079
Operating of Non-Instructional Services	81,410	67,521	0	0	81,410	67,521
Extracurricular Activities	327,796	331,264	0	0	327,796	331,264
Interest and Fiscal Charges	640,668	424,803	0	0	640,668	424,803
Food Services	0	0	300,626	301,122	300,626	301,122
Uniform School Supplies	<u>0</u>	<u>0</u>	<u>58,596</u>	<u>46,522</u>	<u>58,596</u>	<u>46,522</u>
Total Expenses	<u>12,018,164</u>	<u>11,348,613</u>	<u>359,222</u>	<u>347,644</u>	<u>12,377,386</u>	<u>11,696,257</u>
Increase (Decrease) in Net Assets	<u>\$1,359,149</u>	<u>\$678,200</u>	<u>\$1,735</u>	<u>\$7,209</u>	<u>\$1,360,884</u>	<u>\$685,409</u>

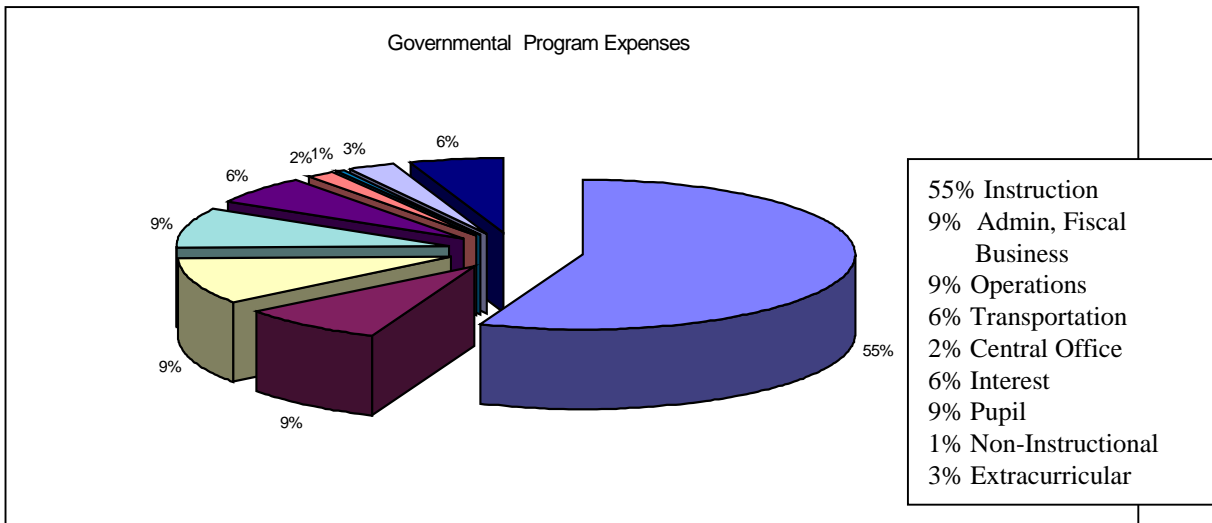
The \$1.36 million increase in net assets in governmental activities was primarily due to the full year collection of the 3.5 mill bond issue passed by the voters in November 1999. Additional property tax revenues were received as a result of new construction and 4.5 mills of inside millage producing additional revenue as the total valuation of the School District increased.

**Cardinal Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2001*  
*Unaudited*

The minor increase in program expense for instruction is due, in part, to the 1999-2002 Cardinal Education Association Master Agreement. The salary agreement in school year 2000 included a 1 percent increase on the base salary and 3.1 percent employer pick-up of the employee contribution to State Teachers Retirement System for the three year contract. This resulted in a 4.1% increase in instructional compensation the first year of the contract. In school year 2001, the base increased 2 percent and the retirement pick-up increased only by 3.1 percent of the salary adjustment. The reclassification of special service aides from instruction to pupil and instruction staff support services also had a leveling effect on the instruction expense while contributing to the 16.4 percent increase in pupil and instruction support services.

The \$119,735 increase in board of education, administration, fiscal and business expenses reflect the severance package for a retiring administrator and raises given to three new administrator receiving multi year contracts.

In fiscal year 2001, operation and maintenance of plant expense increased by \$159,083. The School District has been committed to refurbishing existing buildings and making minor repairs from as revenue becomes available. Roof repairs, door replacements and boiler repairs were major expenses as was the increase in natural gas used to heat all the buildings. Interest and fiscal charges increased by \$215,865 reflecting the initial interest payments on the new bond issue.



Instruction comprises 55 percent of governmental program expenses unchanged from fiscal 2000. Interest expense has increased 4.7 percent to a total of 6 percent due to interest payments in December and June on the \$10 million construction issue.

***Governmental Activities***

Since 1992, the Board has regularly placed a 9.7 mill five (5) year limited operating levy before the voters. The replacement is calculated as a levy on the current tax duplicate unlike renewal levies that are calculated on the value of 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 first opportunity to propose the replacement levy to the voters was November 6, 2001 and it was narrowly defeated at that time. 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 School District's five-year forecast indicates additional revenues will be needed in fiscal year 2003. The passage of the 9.7 mill replacement levy will be sufficient to meet those needs mentioned above.

**Cardinal Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2001*  
*Unaudited*

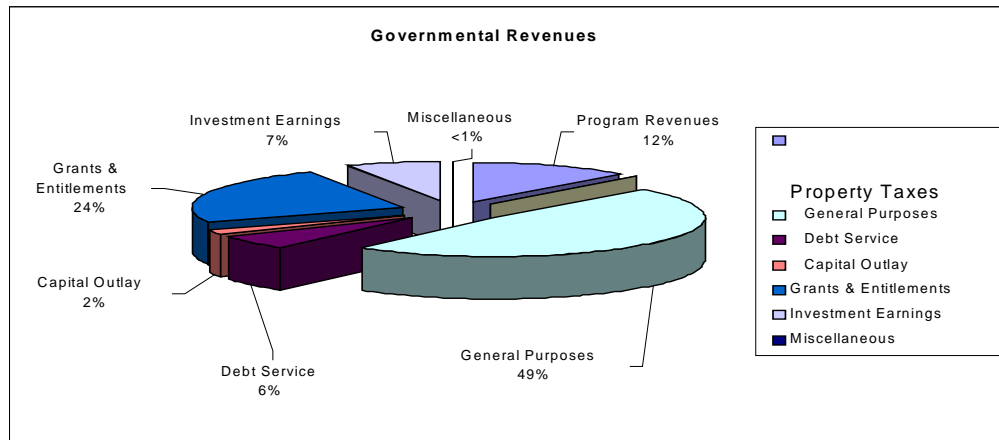
In the 1998 Tax Budget, the Board redirected one (1) mill of inside millage to provide for permanent improvements. These revenues totaled \$212,820 in Fiscal Year 2001 and provided replacement windows across the front of Parkman Elementary School, renovations to parking lots and roofs and a new school bus. 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, if the replacement issue is not passed.

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 2000 have been made in Table 3 below.

(Table 3)  
 Governmental Activities

	Total Cost of Services 2001	Total Cost of Services 2000	Net Cost of Services 2001	Net Cost of Services 2000
Instruction	\$6,797,823	\$6,771,535	(\$5,560,562)	(\$ 5,589,397)
Support Services:				
Pupil and Instructional Staff	1,057,693	908,802	(903,786)	(812,574)
Board of Education, Administration, Fiscal and Business	1,206,892	1,087,157	(1,170,521)	(1,071,759)
Operation and Maintenance of Plant	1,056,124	897,041	(1,052,734)	(892,914)
Pupil Transportation	664,822	688,411	(484,888)	(560,299)
Central	184,936	172,079	(179,228)	(163,839)
Operating of Non-Instructional Services	81,410	67,521	(81,410)	(67,521)
Extracurricular Activities	327,796	331,264	(326,232)	(161,451)
Interest and Fiscal Charges	640,668	424,803	(640,668)	(424,803)
<b>Total Expenses</b>	<b>\$12,018,164</b>	<b>\$11,348,613</b>	<b>(\$10,400,029)</b>	<b>(\$9,744,557)</b>

Program Revenues include charges for services, grants and contributions that are program specific. Surrounding schools with resident students attending Cardinal pay the School District \$4,743 per pupil under Ohio's open enrollment plan. Eighty-four percent of the charges for services portion of the instructional program revenues represent the collection of open enrollment fees (see *Statement of Activities* for details).



**Cardinal Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2001*  
*Unaudited*

Property taxes made up 57 percent of total revenues for governmental activities for Cardinal Local Schools in fiscal year 2001. Program Revenues for governmental activities provided 12 percent of governmental revenues with over 88 percent of all governmental activities supported through property taxes, grants and entitlements, and other general revenues. The 24 percent provided by the grants and entitlements portion of general revenues includes monies received from the Ohio Department of Education, State Foundation Program and property tax relief such as the homestead exemptions and rollbacks provided by HB 920. The community, through its willingness to provide property tax revenues, is by far the primary support for Cardinal Local School District students.

***Business-Type Activities***

Business-type activities include the food service operation and the sale of uniform school supplies. These programs had program revenues of \$358,803 and expenses of \$359,222 for fiscal year 2001. The School District received 20.72 percent of its program revenues from operating grants from the federal and state reimbursable lunch programs. Revenues from State and Federal grants are driven by participation. The 8 percent decline in program revenues in 2000 was reversed in 2001. Operating grants increased from \$65,677 in 2000 to \$74,358 in 2001, a 13.2 percent increase. The food service director hired last year had a very successful first year and was able to enhance the program both in lunch quality and participation in the reimbursable lunch program. This also has had impact on the profitability of business-type operations.

**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 \$13,403,058 and expenditures of \$15,632,485. The net change in fund balance for the year was most significant in the building fund. In fiscal 2000 this fund was initiated with \$9.8 million from proceeds of the bond sale collected on March 16, 2000. In fiscal 2001, the net change in fund balance in the building fund was (\$2,746,723) reflecting the construction project in progress and the expenditure in capital outlay of \$3,409,504. Positive net changes in fund balances in the general fund, bond retirement fund and other governmental funds, though not comparatively significant, reduced the net change in fund balances for the total governmental funds to (\$2,225,879).

***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 2001 the School District amended its general fund budget numerous times. Many of the amendments are due to changes in expenditure priorities in the buildings. For the general fund, the final budget basis revenue was \$10,288,963 representing a \$26,472 decrease from the original budget estimates of \$10,315,435. Most of this difference was due to conservative tax estimates in the area of tangible personal property tax. This estimate was amended with the January 2001 Amended Certificate of Resources that reflected the revised tax duplicate for 2000. The School District's general fund balance end of year was \$2,489,536 reflecting additional funds budgeted but not expended or encumbered.

The School District revises its budget throughout the fiscal year. During fiscal year 2001 the significant increases were made to the operation and maintenance of plant allocations due to the cost of natural gas increasing to twice the amount expensed in the previous fiscal year and major repairs to buildings. The School District purchased three new school buses instead of the normal two in fiscal year 2001. Modifications to the original budget also included increases in the instruction and pupil services retirement and benefit accounts.

**Cardinal Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2001*  
*Unaudited*

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 School District to set aside three percent of certain general fund revenues for the purchase of textbooks and materials related to instruction which site-based budgets help to meet.

**Capital Assets and Debt Administration**

*Capital Assets*

At the end of fiscal 2001 the School District had \$6,517,522 invested in land, buildings, equipment, vehicles and construction in progress; \$6,465,186 in governmental activities. Table 4 shows fiscal 2001 balances compared to fiscal year 2000:

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

	Governmental Activities		Business-Type Activities		Total	
	2001	2000	2001	2000	2001	2000
Land and Improvements	\$856,486	\$436,357	\$0	\$0	\$856,486	\$436,357
Buildings and Improvements	2,057,209	1,855,714	20,512	13,022	2,077,721	1,868,736
Furniture and Equipment	4,567	2,334	31,824	26,619	36,391	28,953
Vehicles	437,198	243,771	0	0	437,198	243,771
Construction in Progress	<u>3,109,726</u>	<u>336,348</u>	<u>0</u>	<u>0</u>	<u>3,109,726</u>	<u>336,348</u>
Totals	<u>\$6,465,186</u>	<u>\$2,874,524</u>	<u>\$52,336</u>	<u>\$39,641</u>	<u>\$6,517,522</u>	<u>\$2,914,165</u>

The construction project was at 36% completion at the close of the fiscal year accounting for the \$3.1 million in construction in progress. Other noteworthy changes in Capital Assets include the purchase of 20 acres of land adjoining the high school middle school campus at a cost of \$400,000 and the change in the value threshold from \$500 to \$1,500. The furniture and equipment asset class reflects the reduction in reportable capital assets meeting the higher threshold. This change is explained in Note 3.

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 2001, this amounted to \$249,173 for each set aside for Cardinal Schools. The capital set asides were met by \$127,957 expended in the General Fund and \$170,357 from the permanent improvement fund. Two new school buses were purchased as well as replacement food service and custodial equipment. The School District had qualifying disbursements or offsets exceeding the three percent requirement in both areas.

**Cardinal Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2001*  
*Unaudited*

**Debt**

At June 30, 2001 the School District had \$10,369,930 in bonds and notes outstanding, \$615,000 due within one year. Table 5 summarizes bonds and notes outstanding.

(Table 5)  
 Outstanding Debt at Year End

	Governmental Activities	
	2001	2000
1979 School Improvement GO bonds	\$110,000	\$165,000
Energy Conservation bonds	260,000	315,000
School Improvement GO bonds	9,749,930	9,749,930
School Improvement Notes	250,000	250,000
Totals	\$10,369,930	\$10,479,930

The 1979 general obligation bonds were issued to build a major addition to Cardinal High School and remodel a portion of the 1925 Cardinal 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 District to improve heating and lighting systems and convert kitchens from electric to natural gas in four of five school buildings. This issue will be completely paid in December 2004 at which time the .5 mills of inside millage funding the issue will be returned to the general fund.

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. At the time of this report, the project is 45% complete. The \$10 million issue will be completely paid in December 1, 2025.

At June 30, 2001, the School District's overall legal debt margin was \$11,428,504 with an unvoted debt margin of \$229,253. The School District maintains an Aaa bond rating.

**Challenges and Opportunities for the Future**

Cardinal School District has continued to maintain the highest standards of service to our students, parents and community. The School District is always presented with challenges and opportunities. Recent national events and their impact on the Cardinal School District and the surrounding area are very much under review and analysis. Economic recession has yet to impact our primary industries, but that could be a seasonal phenomena resulting from our agricultural and housing industry strengths.

Passage of an important library bond issue and failure of a very important operating replacement issue are two more examples of the challenge and opportunity climate. Another example is seen in low interest rates being very good for issuing debt, but not attractive for maintaining investment revenues. And finally, actions of local and state governments continue to impact the School District .

On November 6<sup>th</sup> the 9.7 mill Replacement Levy was defeated by less than 100 votes. The decision to *replace* or *renew* a levy is always debated. The replacement would generate approximately \$400,000 in new revenues. A renewal would cap the collection at the 2001 level for five years into the future. The additional operating costs of the new middle school played a major role in the decision to replace rather than renew. The Board will have two additional opportunities to pass the issue at the May Primary and November General elections in 2002.

**Cardinal Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2001*  
*Unaudited*

At the same time a 1 mill bond issue to construct a new Middlefield Public Library was approved by the voters. Cardinal Local Schools is the taxing authority for the library and debt is issued by the School District to construct the new facility. This points out the challenge and opportunity of current interest rates. It is an excellent interest climate for issuing debt, but not for earning interest income.

The Middlefield Village Ordinance 97-141 which codified the expansion of the Community Reinvestment Area tax abatements fell under the Ohio law that requires certain income tax revenues to be shared with the School District. In Ohio, school districts are entitled to negotiate with taxing authorities for up to 50 percent of the income tax revenues from abated properties on new payroll in excess of \$1 million. Last month the Village passed an ordinance agreeing to share approximately \$11,000 in income tax revenue from one of the qualifying employers. The challenge side to this is that the major abated property owner is challenging the valuation of its properties not only as they come off abatement but for all abated properties fifteen years into the future. The Board of Revision hearing on this valuation complaint is scheduled for December 21, 2001. This places approximately \$168,000 of real estate tax revenues in dispute for the 2001 tax year. Tax abated industries have always been an asset to the School District because the Middlefield CRA (Community Reinvestment Area) legislation abated real estate tax only not tangible property taxes on the inventories and equipment of businesses. Recent legislation in Ohio eliminates inventory tax at the rate of one percent of assessed value per year over the next twenty-five years. The State has not provided a replacement vehicle for the lost inventory tax because it feels growth will offset the loss. Development in the CRA of Middlefield Village and requests for annexation are ongoing. Economic factors have not had an adverse impact on commercial or industrial growth in the School District.

Residential growth has also continued over the past year. Housing developments continue to move toward completion. Affordable new homes in the \$124,500 to \$200,000 price range are still available. Residential permits issued in calendar 2000 increased by 10 percent over 1999. Residential property contributes 58 percent of the District's real estate valuation.

General fund operations receive 38 percent of its revenue from real estate taxes on residential, commercial, and industrial properties. Another 23 percent is received from tangible personal property taxpayers with 29 percent being received from various forms of State aid including homestead and rollback exclusions on property taxes. The remaining 10 percent is received from open enrollment fees, billed back special education charges and interest earnings.

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. In general, it is expected to have a positive impact on the resources of most Ohio schools. This ruling is further discussed in Note 20.

Cardinal Local School District has committed itself to financial reporting excellence for many years. The School District has received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting since 1998. In October 2001, the District received a commendation from Auditor of State, Jim Petro for early implementation of the Governmental Standards Board's Statements 33 and 34. Cardinal is committed to continuous improvement in financial reporting to our community.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizen's, 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, 2001

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$11,168,564	\$68,480	\$11,237,044
Cash and Cash Equivalents			
With Fiscal Agents	114,291	0	114,291
Receivables:			
Taxes	7,709,333	0	7,709,333
Accounts	2,959	0	2,959
Intergovernmental	38,769	11,259	50,028
Accrued Interest	58,019	0	58,019
Prepaid Items	19,057	534	19,591
Inventory Held for Resale	0	3,403	3,403
Materials and Supplies			
Inventory	73,243	1,175	74,418
Deferred Charges	65,989	0	65,989
Land, Land Improvements and			
Construction in Progress	3,966,212	0	3,966,212
Other Capital Assets, Net	2,498,974	52,336	2,551,310
<i>Total Assets</i>	<u>25,715,410</u>	<u>137,187</u>	<u>25,852,597</u>
<b>Liabilities</b>			
Accounts Payable	36,002	178	36,180
Accrued Wages	1,032,343	22,633	1,054,976
Retainage Payable	112,865	0	112,865
Intergovernmental Payable	324,093	14,209	338,302
Deferred Revenue	7,059,800	7,595	7,067,395
Matured Interest Payable	1,426	0	1,426
Accrued Interest Payable	2,228	0	2,228
Notes Payable	250,000	0	250,000
Claims Payable	30,499	0	30,499
Long-Term Liabilities:			
Due Within One Year	534,665	0	534,665
Due In More Than One Year	11,073,581	10,943	11,084,524
<i>Total Liabilities</i>	<u>20,457,502</u>	<u>55,558</u>	<u>20,513,060</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	1,876,494	52,336	1,928,830
Restricted for:			
Capital Projects	1,737,661	0	1,737,661
Debt Service	743,013	0	743,013
Set Asides	127,341	0	127,341
Other Purposes	117,946	0	117,946
Unrestricted (Deficit)	655,453	29,293	684,746
<i>Total Net Assets</i>	<u>\$5,257,908</u>	<u>\$81,629</u>	<u>\$5,339,537</u>

See accompanying notes to the basic financial statements

**Cardinal Local School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2001

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
Instruction:				
Regular	\$5,460,249	\$627,262	\$92,948	\$18,000
Special	1,233,556	25,149	473,902	0
Vocational	104,018	0	0	0
Support Services:				
Pupil	582,454	15,559	62,133	0
Instructional Staff	475,239	1,280	74,935	0
Board of Education	16,313	0	0	0
Administration	782,822	19,544	16,827	0
Fiscal	359,270	0	0	0
Business	48,487	0	0	0
Operation and Maintenance of Plant	1,056,124	3,390	0	0
Pupil Transportation	664,822	95,642	0	84,292
Central	184,936	0	5,708	0
Operation of Non-Instructional				
Services	81,410	0	0	0
Extracurricular Activities	327,796	1,564	0	0
Interest and Fiscal Charges	640,668	0	0	0
<i>Total Governmental Activities</i>	<u>12,018,164</u>	<u>789,390</u>	<u>726,453</u>	<u>102,292</u>
<b>Business-Type Activities</b>				
Food Service	300,626	234,055	74,358	0
Uniform School Supplies	58,596	50,390	0	0
<i>Total Business-Type Activities</i>	<u>359,222</u>	<u>284,445</u>	<u>74,358</u>	<u>0</u>
<i>Totals</i>	<u>\$12,377,386</u>	<u>\$1,073,835</u>	<u>\$800,811</u>	<u>\$102,292</u>

**General Revenues**

Property Taxes Levied for:

General Purposes

Debt Service

Capital Outlay

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Gain on Sale of Capital Assets

Miscellaneous

*Total General Revenues*

Change in Net Assets

*Net Assets Beginning of Year - (Restated 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
(\$4,722,039)	\$0	(\$4,722,039)
(734,505)	0	(734,505)
(104,018)	0	(104,018)
(504,762)	0	(504,762)
(399,024)	0	(399,024)
(16,313)	0	(16,313)
(746,451)	0	(746,451)
(359,270)	0	(359,270)
(48,487)	0	(48,487)
(1,052,734)	0	(1,052,734)
(484,888)	0	(484,888)
(179,228)	0	(179,228)
(81,410)	0	(81,410)
(326,232)	0	(326,232)
(640,668)	0	(640,668)
(10,400,029)	0	(10,400,029)
0	7,787	7,787
0	(8,206)	(8,206)
0	(419)	(419)
(10,400,029)	(419)	(10,400,448)
6,531,095	0	6,531,095
817,554	0	817,554
212,820	0	212,820
3,221,848	0	3,221,848
960,443	1,809	962,252
3,548	0	3,548
11,870	345	12,215
11,759,178	2,154	11,761,332
1,359,149	1,735	1,360,884
3,898,759	79,894	3,978,653
\$5,257,908	\$81,629	\$5,339,537

**Cardinal Local School District***Balance Sheet  
Governmental Funds  
June 30, 2001*

	General	Bond Retirement	Building
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$2,739,685	\$570,260	\$188,168
Cash and Cash Equivalents			
With Fiscal Agents	0	1,426	112,865
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	127,341	0	7,163,763
Receivables:			
Taxes	6,588,927	896,304	0
Accounts	2,959	0	0
Intergovernmental	4,655	0	0
Accrued Interest	24,793	14,760	18,466
Prepaid Items	19,057	0	0
Materials and Supplies			
Inventory	73,243	0	0
<i>Total Assets</i>	<u>\$9,580,660</u>	<u>\$1,482,750</u>	<u>\$7,483,262</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$33,543	\$0	\$0
Accrued Wages	953,581	0	0
Intergovernmental Payable	180,220	0	0
Retainage Payable	0	0	112,865
Deferred Revenue	6,179,260	825,638	0
Matured Interest Payable	0	1,426	0
Accrued Interest Payable	0	0	321
Notes Payable	0	0	250,000
<i>Total Liabilities</i>	<u>7,346,604</u>	<u>827,064</u>	<u>363,186</u>
<b>Fund Balances:</b>			
Reserved for Encumbrances	351,278	2,500	5,836,113
Reserved for Inventory	73,243	0	0
Reserved for Property Taxes	409,667	70,666	0
Reserved for Budget Stabilization	127,341	0	0
Unreserved, Undesignated, Reported in:			
General Fund	1,272,527	0	0
Special Revenue Funds	0	0	0
Debt Service Fund	0	582,520	0
Capital Projects Funds	0	0	1,283,963
<i>Total Fund Balances</i>	<u>2,234,056</u>	<u>655,686</u>	<u>7,120,076</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$9,580,660</u>	<u>\$1,482,750</u>	<u>\$7,483,262</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, 2001*

Other Governmental Funds	Total Governmental Funds		
		<b>Total Governmental Funds Balances</b>	<b>\$10,304,796</b>
		<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
\$334,080	\$3,832,193	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	6,465,186
0	114,291	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
0	7,291,104	Delinquent Property Taxes	151,533
224,102	7,709,333	Bond issuance costs will be amortized over the life of the bonds on the statement of net assets	65,989
0	2,959		
34,114	38,769	One internal service fund is used by management to charge the cost of insurance to individual funds. The asset and liabilities of the internal service fund is included in governmental activities in the statement of net assets.	14,768
0	58,019		
0	19,057		
0	73,243		
<u>\$592,296</u>	<u>\$19,138,968</u>	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:	
		General Obligation Bonds	(10,119,930)
		Bond Premium	(232,442)
\$2,459	\$36,002	Compensated Absences	(1,255,874)
78,762	1,032,343	Intergovernmental Payable	(134,211)
9,662	189,882	Accrued Interest Payable	(1,907)
0	112,865		
206,435	7,211,333	Total	<u>(11,744,364)</u>
0	1,426		
0	321	<i>Net Assets of Governmental Activities</i>	<u>\$5,257,908</u>
0	250,000		
<u>297,318</u>	<u>8,834,172</u>		
98,480	6,288,371		
0	73,243		
17,667	498,000		
0	127,341		
0	1,272,527		
144,553	144,553		
0	582,520		
34,278	1,318,241		
<u>294,978</u>	<u>10,304,796</u>		
<u>\$592,296</u>	<u>\$19,138,968</u>		

**Cardinal Local School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2001*

	General	Bond Retirement	Building
<b>Revenues</b>			
Taxes	\$6,479,589	\$831,049	\$0
Intergovernmental	3,215,699	88,492	0
Interest	265,732	16,028	676,249
Tuition and Fees	662,724	0	0
Extracurricular Activities	0	0	0
Rentals	2,985	0	0
Contributions and Donations	0	0	0
Miscellaneous	1,720	0	0
<i>Total Revenues</i>	<u>10,628,449</u>	<u>935,569</u>	<u>676,249</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	4,972,574	0	0
Special	760,640	0	0
Vocational	119,824	0	0
Support Services:			
Pupil	511,724	0	0
Instructional Staff	387,101	0	0
Board of Education	16,313	0	0
Administration	713,230	0	0
Fiscal	336,602	11,962	0
Business	49,226	0	0
Operation and Maintenance of Plant	982,703	0	0
Pupil Transportation	829,342	0	0
Central	184,664	0	0
Operation of Non-Instructional Services	79,763	0	0
Extracurricular Activities	231,550	0	0
Capital Outlay	200,000	0	3,409,504
Debt Service:			
Principal Retirement	0	110,000	0
Interest and Fiscal Charges	0	659,033	13,468
<i>Total Expenditures</i>	<u>10,375,256</u>	<u>780,995</u>	<u>3,422,972</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	253,193	154,574	(2,746,723)
<b>Other Financing Sources</b>			
Proceeds from Sale of Fixed Assets	3,548	0	0
<i>Net Change in Fund Balances</i>	256,741	154,574	(2,746,723)
<i>Fund Balances Beginning of Year - (Restated See Note 3)</i>	1,963,498	501,112	9,866,799
Increase in Reserve for Inventory	13,817	0	0
<i>Fund Balances End of Year</i>	<u>\$2,234,056</u>	<u>\$655,686</u>	<u>\$7,120,076</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, 2001*

Other Governmental Funds	Total Governmental Funds		
		<b>Net Change in Fund Balances - Total Governmental Funds</b>	(\$2,225,879)
		<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.	
\$211,366	\$7,522,004	Fixed Asset Additions	3,792,455
815,160	4,119,351	Current Year Depreciation	<u>(201,793)</u>
2,434	960,443		
360	663,084		
108,594	108,594		
0	2,985		
14,727	14,727		
10,150	11,870		
<u>1,162,791</u>	<u>13,403,058</u>	Total	3,590,662
		Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
86,872	5,059,446	Delinquent Property Taxes	52,960
486,333	1,246,973	Grants	<u>(82,364)</u>
0	119,824		
76,241	587,965	Total	(29,404)
73,152	460,253	Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
0	16,313		110,000
34,628	747,858	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	
0	348,564		24,898
0	49,226	Bond premium will be amortized over the life of the bonds on the statement of net assets	
377	983,080		9,685
0	829,342	Bond issuance costs will be amortized over the life of the bonds on the statement of net assets	
2,352	187,016		(2,750)
0	79,763	Some expenses reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	
102,153	333,703	Compensated Absences	(118,497)
191,154	3,800,658	Pension Obligation	(13,407)
0	110,000	Change in Inventory	<u>13,817</u>
0	672,501	Total	(118,087)
<u>1,053,262</u>	<u>15,632,485</u>	The internal service funds 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.	
109,529	(2,229,427)		24
0	3,548	<i>Change in Net Assets of Governmental Activities</i>	
109,529	(2,225,879)		<u>\$1,359,149</u>
185,449	12,516,858		
0	13,817		
<u>\$294,978</u>	<u>\$10,304,796</u>		

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

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Taxes	\$6,302,288	\$6,286,115	\$6,350,422	\$64,307
Intergovernmental	3,186,782	3,178,604	3,213,049	34,445
Interest	260,014	259,347	272,589	13,242
Tuition and Fees	561,682	560,241	662,724	102,483
Rentals	2,962	2,954	2,985	31
Miscellaneous	1,706	1,702	1,720	18
<i>Total Revenues</i>	<u>10,315,435</u>	<u>10,288,963</u>	<u>10,503,489</u>	<u>214,526</u>
<b>Expenditures</b>				
<b>Current</b>				
Instruction				
Regular	5,060,302	5,275,879	5,002,530	273,349
Special	860,075	954,635	932,520	22,115
Vocational	209,351	209,351	127,404	81,947
Support Services				
Pupils	477,809	569,560	554,949	14,611
Instructional Staff	340,416	429,060	382,357	46,703
Board of Education	36,400	54,400	39,231	15,169
Administration	766,530	797,361	716,466	80,895
Fiscal	436,260	442,792	314,912	127,880
Business	64,070	74,070	50,112	23,958
Operation and Maintenance of Plant	868,014	1,147,970	1,040,274	107,696
Pupil Transportation	892,270	1,067,241	830,048	237,193
Central	208,655	221,282	182,710	38,572
Operation of Non-Instructional Services	69,314	97,414	77,865	19,549
Extracurricular Activities	262,849	264,560	234,426	30,134
Capital Outlay	240,000	200,761	200,000	761
<i>Total Expenditures</i>	<u>10,792,315</u>	<u>11,806,336</u>	<u>10,685,804</u>	<u>1,120,532</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(476,880)</u>	<u>(1,517,373)</u>	<u>(182,315)</u>	<u>1,335,058</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Fixed Assets	0	3,548	3,548	0
Advances In	0	15,867	15,867	0
Advances Out	(45,000)	(2,714)	0	2,714
Operating Transfers Out	(130,000)	(20,000)	0	20,000
<i>Total Other Financing Sources (Uses)</i>	<u>(175,000)</u>	<u>(3,299)</u>	<u>19,415</u>	<u>22,714</u>
<i>Net Change in Fund Balance</i>	<u>(651,880)</u>	<u>(1,520,672)</u>	<u>(162,900)</u>	<u>1,357,772</u>
<i>Fund Balance Beginning of Year</i>	2,229,457	2,229,457	2,229,457	0
Prior Year Encumbrances Appropriated	422,979	422,979	422,979	0
<i>Fund Balance End of Year</i>	<u>\$2,000,556</u>	<u>\$1,131,764</u>	<u>\$2,489,536</u>	<u>\$1,357,772</u>

See accompanying notes to the basic financial statements



**Cardinal Local School District**

*Statement of Fund Net Assets*

*Proprietary Funds*

*June 30, 2001*

	Business-Type Activities Enterprise Funds			Governmental Activities Internal Service Fund
	Food Service	Uniform School Supplies	Total	
<b>Assets</b>				
<i>Current Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$34,383	\$34,097	\$68,480	\$45,267
Receivables:				
Intergovernmental	11,259	0	11,259	0
Prepaid Items	534	0	534	0
Inventory Held for Resale Materials and Supplies	1,959	1,444	3,403	0
Inventory	1,175	0	1,175	0
<i>Total Current Assets</i>	49,310	35,541	84,851	45,267
Capital Assets, Net	52,336	0	52,336	0
<i>Total Assets</i>	101,646	35,541	137,187	45,267
<b>Liabilities</b>				
<i>Current Liabilities</i>				
Accounts Payable	0	178	178	0
Accrued Wages	22,633	0	22,633	0
Intergovernmental Payable	14,209	0	14,209	0
Deferred Revenue	6,817	778	7,595	0
Claims Payable	0	0	0	30,499
<i>Total Current Liabilities</i>	43,659	956	44,615	30,499
<i>Long-Term Liabilities</i>				
Compensated Absences Payable	10,943	0	10,943	0
<i>Total Liabilities</i>	54,602	956	55,558	30,499
<b>Net Assets</b>				
Invested in capital assets	52,336	0	52,336	0
Unrestricted (Deficit)	(5,292)	34,585	29,293	14,768
<i>Total Net Assets</i>	\$47,044	\$34,585	\$81,629	\$14,768

See accompanying notes to the basic financial statements

**Cardinal Local School District**  
*Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2001*

	Business-Type Activities Enterprise Funds			Governmental Activities Internal Service Fund
	Food Service	Uniform School Supplies	Total	
<b>Operating Revenues</b>				
Sales	\$234,055	\$50,390	\$284,445	\$0
Charges for Services	0	0	0	204,505
Miscellaneous	345	0	345	0
<i>Total Operating Revenues</i>	<u>234,400</u>	<u>50,390</u>	<u>284,790</u>	<u>204,505</u>
<b>Operating Expenses</b>				
Salaries	110,360	0	110,360	0
Fringe Benefits	60,743	0	60,743	0
Purchased Services	9,325	0	9,325	0
Cost of Sales	116,037	58,596	174,633	0
Depreciation	3,577	0	3,577	0
Claims	0	0	0	204,481
Other	584	0	584	0
<i>Total Operating Expenses</i>	<u>300,626</u>	<u>58,596</u>	<u>359,222</u>	<u>204,481</u>
<i>Operating Income (Loss)</i>	<u>(66,226)</u>	<u>(8,206)</u>	<u>(74,432)</u>	<u>24</u>
<b>Non-Operating Revenues</b>				
Operating Grants	74,358	0	74,358	0
Interest	1,809	0	1,809	0
<i>Total Non-Operating Revenues</i>	<u>76,167</u>	<u>0</u>	<u>76,167</u>	<u>0</u>
<i>Change in Net Assets</i>	9,941	(8,206)	1,735	24
<i>Net Assets Beginning of Year</i>	<u>37,103</u>	<u>42,791</u>	<u>79,894</u>	<u>14,744</u>
<i>Net Assets End of Year</i>	<u>\$47,044</u>	<u>\$34,585</u>	<u>\$81,629</u>	<u>\$14,768</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, 2001

	<u>Business-Type Activities-Enterprise Funds</u>			Governmental Activities - Internal Service Fund
	<u>Food Services</u>	<u>Uniform School Supplies</u>	<u>Total</u>	
<b><i>Increase (Decrease) in Cash and Cash Equivalents</i></b>				
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers	\$233,521	\$50,390	\$283,911	\$0
Cash Received from Quasi-External Transaction With Other Funds	0	0	0	204,505
Cash Received from Other Operating Sources	345	0	345	0
Cash Payments to Suppliers for Goods and Services	(125,067)	(58,418)	(183,485)	0
Cash Payments to Employees for Services	(108,085)	0	(108,085)	0
Cash Payments for Employee Benefits	(55,966)	0	(55,966)	0
Cash Payments for Other	(584)	0	(584)	0
Cash Payments for Claims	0	0	0	(180,762)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(55,836)</u>	<u>(8,028)</u>	<u>(63,864)</u>	<u>23,743</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Operating Grants Received	73,630	0	73,630	0
<b>Cash Flows from Capital And Related Financing Activities:</b>				
Payments for Capital Acquisitions	(16,272)	0	(16,272)	0
<b><i>Cash Flows from Investing Activities:</i></b>				
Interest on Investments	1,809	0	1,809	0
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	3,331	(8,028)	(4,697)	23,743
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>31,052</u>	<u>42,125</u>	<u>73,177</u>	<u>21,524</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$34,383</u>	<u>\$34,097</u>	<u>\$68,480</u>	<u>\$45,267</u>

(continued)

**Cardinal Local School District**  
*Statement of Cash Flows*  
*Proprietary Funds (continued)*  
*For the Fiscal Year Ended June 30, 2001*

	<u>Business-Type Activities-Enterprise Funds</u>			<u>Governmental Activities - Internal Service Fund</u>
	<u>Food Services</u>	<u>Uniform School Supplies</u>	<u>Total</u>	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>				
Operating Income (Loss)	(\$66,226)	(\$8,206)	(\$74,432)	\$24
Adjustments:				
Depreciation	3,577	0	3,577	0
<i>(Increase) Decrease in Assets:</i>				
Materials and Supplies Inventory	(243)	0	(243)	0
Prepaid Items	4	0	4	0
<i>Increase in Liabilities:</i>				
Accounts Payable	0	178	178	0
Accrued Wages	5,313	0	5,313	0
Compensated Absences Payable	768	0	768	0
Intergovernmental Payable	971	0	971	0
Claims Payable	0	0	0	23,719
<i>Total Adjustments</i>	<u>10,390</u>	<u>178</u>	<u>10,568</u>	<u>23,719</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(\$55,836)</u>	<u>(\$8,028)</u>	<u>(\$63,864)</u>	<u>\$23,743</u>

See accompanying notes to the general purpose financial statements

**Cardinal Local School District**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Fund*  
*June 30, 2001*

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**Assets**

Equity in Pooled Cash and Cash Equivalents	<u><u>\$17,477</u></u>
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**Liabilities**

Due to Students	<u><u>\$17,477</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, 2001*

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**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 66 non-certificated employees, 104 certificated full time teaching personnel and 7 administrative employees to provide services to 1,480 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 participates in 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 15 and 16 to the basic financial statements.

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

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**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 fund 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.

**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.

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

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**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 bond retirement fund is used to account for the accumulation of property tax revenues for, and the payment of, general obligation bonds issued for high school and elementary school additions, energy conservation and the construction of a new middle school.

**Building Fund** The building fund accounts for bond proceeds and interest revenue to be used for the construction of a new middle school.

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

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

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

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

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

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

**Fiduciary Funds** Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. 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.



**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

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**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 funds 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.

**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 fiscal 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. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

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

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

Property taxes for which there is an enforceable legal claim as of June 30, 2001, but which were levied to finance fiscal year 2002 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.

***E. Budgetary Data***

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2001.

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

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

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***F. 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.

The School District utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented on the financial statements as "cash and cash equivalents with fiscal agent." The School District also utilizes an escrow agent to hold retainage on construction contracts. The balances in these accounts are presented on the financial statements as "cash and cash equivalents with fiscal agents" and represents deposits.

During fiscal year 2001, investments were limited to STAROhio, the State Treasurer's Investment Pool, certificates of deposits 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, 2001. Repurchase agreements 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 2001 amounted to \$265,732, which includes \$23,068 assigned from other School District funds.

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 reported as cash equivalents. Investments with an original maturity of more than three months that are not made from the pool are reported as investments.

***G. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2001, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

***H. Inventory***

On 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.

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

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***I. 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 18 for additional information regarding set asides.

***J. 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.

***K. 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.

***L. 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 one thousand five hundred dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land, 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

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

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***M. 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.

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

***O. 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 due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

***P. 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.

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

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

***Q. 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.

***R. 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.

***S. 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 contributions of capital during fiscal year 2001.

***T. 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.

***U. 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 year 2001.

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

**V. 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 Principles and Restatement of Fund Balances/Net Assets**

**Changes in Accounting Principles** For fiscal year 2001, the School District has implemented GASB Statement No. 37, "Basic Financial Statements for State and Local Governments: Omnibus" and GASB Statement No. 38, "Certain Financial Statement Note Disclosures." The implementation had no effect on fund balance as of June 30, 2000 as previously reported.

**Restatement of Fund Balance/Net Assets** At June 30, 2001, it was determined that interfund receivable was overstated in the general fund by \$20,000, at June 30, 2000. This restatement decreased the fund balance from \$1,983,498 to \$1,963,498.

It was determined that the following items were misstated at June 30, 2000:

	Governmental Activities	Business-Type Activities
Net Assets at June 30, 2000	\$3,601,033	\$70,351
Overstatement of Accrued Interest Payable	461,197	0
Overstatement of Internal Balances	(20,000)	20,000
Overstated Capital Assets	(143,471)	(10,457)
Restated Net Assets, June 30, 2000	\$3,898,759	\$79,894

The change in capital assets was due to a change in the fixed asset threshold amount from \$500 to \$1,500.

**Note 4 - 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).

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (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	\$256,741
Net Adjustment for Revenue Accruals	(124,960)
Advance In	15,867
Net Adjustment for Expenditure Accruals	66,942
Adjustment for Encumbrances	(377,490)
Budget Basis	(\$162,900)

**Note 5 - 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;



**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

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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
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 \$9,596,324 and the bank balance was \$10,199,332. Of the bank balance:

1. \$8,652,990 of the bank balance was covered by depository insurance; and
2. \$1,546,342 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.

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

**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	\$270,000	\$270,000	\$270,000
STAROhio		1,502,488	1,502,488
	\$270,000	\$1,772,488	\$1,772,488
Totals			

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:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$11,368,812	\$0
Repurchase Agreements	(270,000)	270,000
STAROhio	(1,502,488)	1,502,488
	\$9,596,324	\$1,772,488
GASB Statement No. 3		

**Note 6 - Property Taxes**

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

Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Property tax revenue received during calendar 2001 for real and public utility property taxes represents collections of calendar 2000 taxes. Property tax payments received during calendar 2001 for tangible personal property (other than public utility property) is for calendar 2001 taxes.

2001 real property taxes are levied after April 1, 2001, on the assessed value listed as of the prior January 1, 2001, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2001 public utility property taxes became a lien December 31, 2000, are levied after April 1, 2001 and are collected in 2002 with real property taxes.

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

The assessed values upon which the fiscal year 2001 taxes were collected are:

	2000 First Half Collections		2001 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$166,528,650	75.56%	\$171,952,750	75.00%
Public Utility	8,917,030	4.05	8,702,780	3.80
Tangible Personal Property	44,936,615	20.39	48,597,230	21.20
	\$220,382,295	100.00%	\$229,252,760	100.00%
Tax rate per \$1,000 of assessed valuation	\$55.60		\$55.60	

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.

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, 2001, are available to finance fiscal year 2002 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding, the late settlement of personal property taxes and real property, personal property and public utility taxes which became measurable as of June 30, 2001 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable only the amount of real property taxes available as an advance at June 30 was levied to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30 is recognized as revenue.

The amount available as an advance at June 30, 2001, was \$498,000 and is recognized as revenue. \$409,667 was available to the general fund, \$70,666 was available to the bond retirement debt service fund and \$17,667 was available to the permanent improvement capital projects fund.

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

**Note 7 - Receivables**

Receivables at June 30, 2001, 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.

**Note 8 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2001, was as follows:

	Balance 6/30/00	Additions	Deductions	Balance 6/30/01
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$129,319	\$400,000	\$0	\$529,319
Land Improvements	307,038	20,129	0	327,167
Construction in Progress	336,348	2,773,378	0	3,109,726
<i>Total Capital Assets, not being depreciated</i>	<u>772,705</u>	<u>3,193,507</u>	<u>0</u>	<u>3,966,212</u>
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	4,897,595	322,618	0	5,220,213
Furniture and Equipment	527,882	59,479	1,595	585,766
Vehicles	738,133	216,851	84,640	870,344
<i>Total Capital Assets, being depreciated</i>	<u>6,163,610</u>	<u>598,948</u>	<u>86,235</u>	<u>6,676,323</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(3,041,881)	(151,123)	0	(3,193,004)
Furniture and Equipment	(525,548)	(27,246)	(1,595)	(551,199)
Vehicles	(494,362)	(23,424)	(84,640)	(433,146)
Total Accumulated Depreciation	<u>(4,061,791)</u>	<u>(201,793)*</u>	<u>(86,235)</u>	<u>(4,177,349)</u>
Total Capital Assets, being depreciated, net	<u>2,101,819</u>	<u>397,155</u>	<u>0</u>	<u>2,498,974</u>
Governmental Activities Capital Assets, Net	<u>\$2,874,524</u>	<u>\$3,590,662</u>	<u>\$0</u>	<u>\$6,465,186</u>
<b>Business-Type Activities</b>				
Buildings and Improvements	\$118,281	\$0	\$0	\$118,281
Furniture and Equipment	167,233	16,272	0	183,505
Totals at Historical Cost	285,514	16,272	0	301,786
Less Accumulated Depreciation	<u>(245,873)</u>	<u>(3,577)</u>	<u>0</u>	<u>(249,450)</u>
Business-Type Activities Capital Assets, Net	<u>\$39,641</u>	<u>\$12,695</u>	<u>\$0</u>	<u>\$52,336</u>

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

\* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$156,604
Special	13,330
Vocational	2,187
Support Services:	
Pupil	2,587
Instructional Staff	15,591
Administration	6,837
Fiscal	726
Operation and Maintenance of Plant	<u>3,931</u>
Total Depreciation Expense	<u><u>\$201,793</u></u>

**Note 9 - 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 2001, 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 Coregis Insurance Company, 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
Todd Associates	Builder's Risk	8,263,700
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
	Auto Medical Payments	5,000
	General Liability, per occurrence	2,000,000

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

Company	Type of Coverage	Coverage Amount
Coregis	Fleet Insurance, single limit	2,000,000
	Fleet Insurance, uninsured	2,000,000

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, 2001, was estimated by the third party administrator to be \$30,499. This is based on the requirements of Governmental Accounting Standards Board Statement No. 30 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 2000 and 2001 were:

	Balance Beginning of Year	Current Year Claims	Claim Payments	Balance End of Year
2000	\$6,829	\$179,321	\$179,370	\$6,780
2001	6,780	204,481	180,762	30,499

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

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**Note 10 - Other Employee Benefits**

***A. Compensated Absences***

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn 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. Dental insurance is also provided by Anthem Blue Cross and Blue Shield. Vision is provided through VSP.

**Note 11 - Defined Benefit Pension Plans**

***A. School Employees Retirement System***

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension system. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 N. Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute 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 2001, 4.2 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2000, 5.5 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$63,243, \$83,466, and \$100,017 respectively; 35.64 percent has been contributed for fiscal year 2001 and 100 percent for fiscal years 2000 and 1999. \$40,701 representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds and the general long-term obligations account group.

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

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***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 basic 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, 2001, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. For fiscal year 2000, the portion used to fund pension obligations was 6 percent. Contribution rates are established by STRS, upon 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 required contributions for pension obligations to STRS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$495,815, \$302,598, and \$277,548 respectively; 82.73 percent has been contributed for fiscal year 2001 and 100 percent for fiscal years 2000 and 1999. \$85,622 representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds.

**Note 12 - Postemployment Benefits**

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2001, the STRS Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$234,860 for fiscal year 2001.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2000, (the latest information available) the balance in the Fund was \$3.419 billion. For the year ended June 30, 2000, net health care costs paid by STRS were \$283,137,000 and STRS had 99,011 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.



**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2001, employer contributions to fund health care benefits were 9.80 percent of covered payroll, an increase of 1.3 percent from fiscal year 2000. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2001, the minimum pay was established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2001 fiscal year equaled \$167,745.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2000 (the latest information available), were \$140,696,340 and the target level was \$211 million. At June 30, 2000, SERS had net assets available for payment of health care benefits of \$252.3 million. SERS has approximately 50,000 participants currently receiving health care benefits.

**Note 13 - Short-Term Obligations**

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

	<u>Outstanding 6/30/00</u>	<u>Additions</u>	<u>Deletions</u>	<u>Outstanding 6/30/01</u>
<b>Building Capital Projects Fund</b>				
2000 5.50%				
School Improvement Note	\$250,000	\$0	\$250,000	\$0
2001 3.13%				
School Improvement Note	0	250,000	0	250,000
<i>Total Notes</i>	<u>\$250,000</u>	<u>\$250,000</u>	<u>\$250,000</u>	<u>\$250,000</u>

All of the notes are backed by the full faith and credit of the Cardinal Local School District and mature within one year. The note liability is reflected in the building capital projects fund which received the proceeds. The notes were issued to provide funds for the construction of a new middle school and renovation of existing buildings.

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

**Note 14 - Long-Term Obligations**

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

	Principal Outstanding 6/30/00	Additions	Reductions	Principal Outstanding 6/30/01	Amounts Due in One Year
<b>Governmental Activities</b>					
General Obligation Bonds:					
1979 5.78%					
High School and Elementary Additions	\$165,000	\$0	(\$55,000)	\$110,000	\$55,000
1994 5.78%					
Energy Conservation	315,000	0	(55,000)	260,000	60,000
2000 Various					
School Improvement	9,749,930	0	0	9,749,930	250,000
Unamortized Premium	242,127	0	(9,685)	232,442	0
<b>Total General Obligation Bonds</b>	<b>10,472,057</b>	<b>0</b>	<b>(119,685)</b>	<b>10,352,372</b>	<b>365,000</b>
Compensated Absences	1,137,377	269,918	(151,421)	1,255,874	169,665
<b>Total Governmental Activities Long-Term Liabilities</b>	<b>\$11,609,434</b>	<b>\$269,918</b>	<b>(\$271,106)</b>	<b>\$11,608,246</b>	<b>\$534,665</b>
<b>Business-Type Activities</b>					
Compensated Absences	\$10,175	\$768	\$0	\$10,943	\$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.

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.

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. All general obligation bonds will be paid from property taxes.

Compensated absences will be paid from the general, title I special revenue and food service enterprise funds.

The School District's overall debt margin was \$11,428,504 with an unvoted debt margin of \$229,253 at June 30, 2001. Principal and interest requirements to retire general obligation bonds and energy conservation bonds outstanding at June 30, 2001 are as follows:

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

Fiscal Year Ending June 30,	Principal	Interest	Total
2002	\$365,000	\$516,409	\$881,409
2003	380,000	497,821	877,821
2004	340,000	479,651	819,651
2005	355,000	462,259	817,259
2006	167,937	585,346	753,283
2007-2011	1,026,993	2,723,135	3,750,128
2012-2016	1,855,000	1,873,392	3,728,392
2017-2021	2,435,000	1,288,690	3,723,690
2022-2026	3,195,000	484,445	3,679,445
Total	<u>\$10,119,930</u>	<u>\$8,911,148</u>	<u>\$19,031,078</u>

**Note 15 - 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 its 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.

***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. Financial information on the Council can be obtained from Middlefield Village, 14860 N. State Avenue, Middlefield, Ohio 44062.

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

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***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. 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. Financial information can be obtained by writing the fiscal agent, Mentor Exempted Village School District, 6451 Center Street, Mentor, OH 44060.

***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 2001, the School District paid \$750 to the Council. Financial information can be obtained by contacting Albert G. Vasek, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio, 44131.

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

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

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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 16 - 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.

**Note 17 - 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, 2001.

**Note 18 - 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 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.

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

	Budget Stabilization Reserve	Capital Improvements Reserve	Textbook/ Instructional Materials Reserve
Set-aside Reserve Balance as of June 30, 2000	\$282,652	\$0	\$0
Current Year Set-aside Requirement	0	249,173	249,173
Reduction in Requirement Based on revised Legislation	(155,311)	0	0
Qualifying Disbursements	0	298,314	298,313
<b>Total</b>	<b>\$127,341</b>	<b>(\$49,141)</b>	<b>(\$49,140)</b>
Set-aside Balance Carried Forward to Future Fiscal Years	\$127,341	\$0	(\$49,140)
<b>Set-Aside Reserve Balance as of June 30, 2001</b>	<b>\$127,341</b>	<b>\$0</b>	<b>\$0</b>

The School District had qualifying disbursements and offsets during the fiscal year that reduced the textbook set-aside amount below zero. This extra amount may be used to reduce the set-aside requirement in future fiscal years. Although the School District had qualifying disbursements during the fiscal year that reduced the set-aside amount to below zero for the capital acquisition set-aside, this amount may not be used to reduce the set-aside requirement of future years. This negative balance is therefore not presented as being carried forward to future years. The total reserve balance for the set-asides at the end of the fiscal year was \$127,341.

**Note 19 Contractual Commitments**

As of June 30, 2001, the School District had the following contractual commitments outstanding relating to construction of the middle school:

Project	Contract Amount	Amount Paid as of June 30, 2001	Amount Remaining on Contract
Geauga Mechanical	\$720,950	\$227,960	\$492,990
Ozanne	4,968,000	1,493,185	3,474,815
Bay Harbor Electric	1,091,000	225,541	865,459
Commerce Plumbing	734,574	178,250	556,324
Waller Duman, Incorporated	171,500	0	171,500
Raygal, Incorporated	179,500	0	179,500
Lesko and Associates	125,292	60,554	64,738
<b>Total</b>	<b>\$7,990,816</b>	<b>\$2,185,490</b>	<b>\$5,805,326</b>

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

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**Note 20 Subsequent Events**

***A. Replacement Levy***

A 9.7 mill replacement levy was placed on the November 5, 2001 ballot. The levy was defeated.

***B. School State Funding Decision***

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

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

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

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of November 30, 2001, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

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

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

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**Combining Statements and  
Individual Fund Schedules**

## *Combining Statements - Nonmajor Funds*

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### *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.

*Data Communications Fund* - This fund accounts for State monies received to provide Ohio Educational Computer Network connections.

*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.

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

*Ohio Reads Grant 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.

(continued)

***Combining Statements - Nonmajor Funds (continued)***

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*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.

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

***Nonmajor Capital Projects Funds***

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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  
Nonmajor Governmental Funds  
June 30, 2001*

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	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$206,809	\$127,271	\$334,080
Receivables:			
Taxes	0	224,102	224,102
Intergovernmental	34,114	0	34,114
<i>Total Assets</i>	<u>\$240,923</u>	<u>\$351,373</u>	<u>\$592,296</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$1,009	\$1,450	\$2,459
Accrued Wages	78,762	0	78,762
Intergovernmental Payable	9,662	0	9,662
Deferred Revenue	0	206,435	206,435
<i>Total Liabilities</i>	<u>89,433</u>	<u>207,885</u>	<u>297,318</u>
<b>Fund Balances:</b>			
Reserved for Encumbrances	6,937	91,543	98,480
Reserved for Property Taxes	0	17,667	17,667
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	144,553	0	144,553
Capital Projects Funds	0	34,278	34,278
<i>Total Fund Balances</i>	<u>151,490</u>	<u>143,488</u>	<u>294,978</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$240,923</u>	<u>\$351,373</u>	<u>\$592,296</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, 2001*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Taxes	\$0	\$211,366	\$211,366
Intergovernmental	775,038	40,122	815,160
Interest	2,434	0	2,434
Tuition and Fees	360	0	360
Extracurricular Activities	108,594	0	108,594
Contributions and Donations	14,727	0	14,727
Miscellaneous	10,150	0	10,150
<i>Total Revenues</i>	<u>911,303</u>	<u>251,488</u>	<u>1,162,791</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	86,872	0	86,872
Special	486,333	0	486,333
Support Services:			
Pupil	76,241	0	76,241
Instructional Staff	73,152	0	73,152
Administration	34,628	0	34,628
Operation and Maintenance of Plant	377	0	377
Central	2,352	0	2,352
Extracurricular Activities	102,153	0	102,153
Capital Outlay	0	191,154	191,154
<i>Total Expenditures</i>	<u>862,108</u>	<u>191,154</u>	<u>1,053,262</u>
<i>Net Change in Fund Balances</i>	49,195	60,334	109,529
<i>Fund Balances Beginning of Year</i>	<u>102,295</u>	<u>83,154</u>	<u>185,449</u>
<i>Fund Balances End of Year</i>	<u>\$151,490</u>	<u>\$143,488</u>	<u>\$294,978</u>

**Cardinal Local School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2001*

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	<u>Public School Support</u>	<u>Martha Holden Jennings</u>	<u>District Managed Activities</u>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$37,059	\$1,575	\$37,884
Receivables:			
Intergovernmental	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u><u>\$37,059</u></u>	<u><u>\$1,575</u></u>	<u><u>\$37,884</u></u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$56	\$0	\$0
Accrued Wages	0	0	0
Intergovernmental Payable	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities</i>	<u>56</u>	<u>0</u>	<u>0</u>
<b>Fund Balances:</b>			
Reserved for Encumbrances	1,505	0	5,062
Unreserved, Undesignated, Reported in: Special Revenue Funds	<u>35,498</u>	<u>1,575</u>	<u>32,822</u>
<i>Total Fund Balances</i>	<u>37,003</u>	<u>1,575</u>	<u>37,884</u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$37,059</u></u>	<u><u>\$1,575</u></u>	<u><u>\$37,884</u></u>

<u>Teacher Development</u>	<u>Management Information Systems</u>	<u>Data Communications</u>	<u>Professional Development</u>	<u>Instructional Materials</u>	<u>Summer Intervention</u>
\$4,808	\$5,801	\$15,000	\$1,859	\$716	\$3,571
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$4,808</u>	<u>\$5,801</u>	<u>\$15,000</u>	<u>\$1,859</u>	<u>\$716</u>	<u>\$3,571</u>
\$953	\$0	\$0	\$0	\$0	\$0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>953</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
42	0	0	0	248	0
<u>3,813</u>	<u>5,801</u>	<u>15,000</u>	<u>1,859</u>	<u>468</u>	<u>3,571</u>
<u>3,855</u>	<u>5,801</u>	<u>15,000</u>	<u>1,859</u>	<u>716</u>	<u>3,571</u>
<u>\$4,808</u>	<u>\$5,801</u>	<u>\$15,000</u>	<u>\$1,859</u>	<u>\$716</u>	<u>\$3,571</u>

(continued)

**Cardinal Local School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*June 30, 2001*

	Ohio Reads Grant	Eisenhower Math and Science	Title VI-B
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$466	\$6,028	\$15,984
Receivables:			
Intergovernmental	0	0	0
<i>Total Assets</i>	<u>\$466</u>	<u>\$6,028</u>	<u>\$15,984</u>
 <b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$0	\$0	\$0
Accrued Wages	0	0	6,207
Intergovernmental Payable	0	0	592
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>6,799</u>
 <b>Fund Balances:</b>			
Reserved for Encumbrances	0	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	466	6,028	9,185
<i>Total Fund Balances</i>	<u>466</u>	<u>6,028</u>	<u>9,185</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$466</u>	<u>\$6,028</u>	<u>\$15,984</u>



<u>Title I</u>	<u>Title VI</u>	<u>E-Rate Grant</u>	<u>Classroom Size Reduction</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$56,751	\$746	\$3,240	\$15,321	\$206,809
<u>34,114</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>34,114</u>
<u>\$90,865</u>	<u>\$746</u>	<u>\$3,240</u>	<u>\$15,321</u>	<u>\$240,923</u>
\$0	\$0	\$0	\$0	\$1,009
62,682	0	0	9,873	78,762
<u>9,070</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,662</u>
<u>71,752</u>	<u>0</u>	<u>0</u>	<u>9,873</u>	<u>89,433</u>
0	0	80	0	6,937
<u>19,113</u>	<u>746</u>	<u>3,160</u>	<u>5,448</u>	<u>144,553</u>
<u>19,113</u>	<u>746</u>	<u>3,240</u>	<u>5,448</u>	<u>151,490</u>
<u>\$90,865</u>	<u>\$746</u>	<u>\$3,240</u>	<u>\$15,321</u>	<u>\$240,923</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, 2001*

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	Public School Support	Martha Holden Jennings	District Managed Activities
<b>Revenues</b>			
Intergovernmental	\$0	\$1,570	\$0
Interest	0	0	2,434
Tuition and Fees	0	0	360
Extracurricular Activities	20,225	0	88,369
Contributions and Donations	2,660	0	12,067
Miscellaneous	10,150	0	0
<i>Total Revenues</i>	<u>33,035</u>	<u>1,570</u>	<u>103,230</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	86	0	0
Special	0	0	0
Support Services:			
Pupil	0	0	0
Instructional Staff	1,191	0	0
Administration	18,190	0	0
Operation and Maintenance of Plant	377	0	0
Central	0	0	0
Extracurricular Activities	1,456	0	100,697
<i>Total Expenditures</i>	<u>21,300</u>	<u>0</u>	<u>100,697</u>
<i>Net Change in Fund Balances</i>	11,735	1,570	2,533
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>25,268</u>	<u>5</u>	<u>35,351</u>
<i>Fund Balances End of Year</i>	<u><u>\$37,003</u></u>	<u><u>\$1,575</u></u>	<u><u>\$37,884</u></u>

<u>Teacher Development</u>	<u>Management Information Systems</u>	<u>Data Communications</u>	<u>Professional Development</u>	<u>Instructional Materials</u>	<u>Summer Intervention</u>
\$7,039	\$5,708	\$15,000	\$4,000	\$0	\$3,571
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>7,039</u>	<u>5,708</u>	<u>15,000</u>	<u>4,000</u>	<u>0</u>	<u>3,571</u>
0	0	0	2,256	712	0
0	0	0	0	0	0
0	0	0	0	0	0
7,221	0	0	0	0	0
0	0	0	1,000	0	0
0	0	0	0	0	0
0	2,272	0	0	0	0
0	0	0	0	0	0
<u>7,221</u>	<u>2,272</u>	<u>0</u>	<u>3,256</u>	<u>712</u>	<u>0</u>
(182)	3,436	15,000	744	(712)	3,571
<u>4,037</u>	<u>2,365</u>	<u>0</u>	<u>1,115</u>	<u>1,428</u>	<u>0</u>
<u>\$3,855</u>	<u>\$5,801</u>	<u>\$15,000</u>	<u>\$1,859</u>	<u>\$716</u>	<u>\$3,571</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, 2001*

	Ohio Reads Grant	Eisenhower Math and Science	Title VI-B
<b>Revenues</b>			
Intergovernmental	\$6,000	\$12,022	\$89,413
Interest	0	0	0
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Contributions and Donations	0	0	0
Miscellaneous	0	0	0
<i>Total Revenues</i>	<u>6,000</u>	<u>12,022</u>	<u>89,413</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	6,115	0	0
Special	0	0	0
Support Services:			
Pupil	0	0	47,445
Instructional Staff	0	14,919	40,240
Administration	0	0	0
Operation and Maintenance of Plant	0	0	0
Central	0	0	0
Extracurricular Activities	0	0	0
<i>Total Expenditures</i>	<u>6,115</u>	<u>14,919</u>	<u>87,685</u>
<i>Net Change in Fund Balances</i>	(115)	(2,897)	1,728
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>581</u>	<u>8,925</u>	<u>7,457</u>
<i>Fund Balances End of Year</i>	<u><u>\$466</u></u>	<u><u>\$6,028</u></u>	<u><u>\$9,185</u></u>

<u>Title I</u>	<u>Title VI</u>	<u>Drug Free Schools</u>	<u>E-Rate Grant</u>	<u>Classroom Size Reduction</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$529,113	\$6,693	\$5,766	\$0	\$89,143	\$775,038
0	0	0	0	0	2,434
0	0	0	0	0	360
0	0	0	0	0	108,594
0	0	0	0	0	14,727
0	0	0	0	0	10,150
<u>529,113</u>	<u>6,693</u>	<u>5,766</u>	<u>0</u>	<u>89,143</u>	<u>911,303</u>
0	803	668	0	76,232	86,872
486,333	0	0	0	0	486,333
23,040	0	5,756	0	0	76,241
0	9,581	0	0	0	73,152
15,438	0	0	0	0	34,628
0	0	0	0	0	377
0	0	0	80	0	2,352
0	0	0	0	0	102,153
<u>524,811</u>	<u>10,384</u>	<u>6,424</u>	<u>80</u>	<u>76,232</u>	<u>862,108</u>
4,302	(3,691)	(658)	(80)	12,911	49,195
14,811	4,437	658	3,320	(7,463)	102,295
<u>\$19,113</u>	<u>\$746</u>	<u>\$0</u>	<u>\$3,240</u>	<u>\$5,448</u>	<u>\$151,490</u>

**Cardinal Local School District**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*June 30, 2001*

	Permanent Improvement	SchoolNet	Total Nonmajor Capital Projects Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$109,245	\$18,026	\$127,271
Receivables:			
Taxes	224,102	0	224,102
<i>Total Assets</i>	<u>\$333,347</u>	<u>\$18,026</u>	<u>\$351,373</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$1,450	\$0	\$1,450
Deferred Revenue	206,435	0	206,435
<i>Total Liabilities</i>	<u>207,885</u>	<u>0</u>	<u>207,885</u>
<b>Fund Balances:</b>			
Reserved for Encumbrances	77,155	14,388	91,543
Reserved for Property Taxes	17,667	0	17,667
Unreserved:			
Undesignated, Reported in: Capital Projects Funds	30,640	3,638	34,278
<i>Total Fund Balances</i>	<u>125,462</u>	<u>18,026</u>	<u>143,488</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$333,347</u>	<u>\$18,026</u>	<u>\$351,373</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, 2001*

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	Permanent Improvement	SchoolNet	Total Nonmajor Capital Projects Funds
<b>Revenues</b>			
Taxes	\$211,366	\$0	\$211,366
Intergovernmental	22,122	18,000	40,122
<i>Total Revenues</i>	233,488	18,000	251,488
<b>Expenditures</b>			
Capital Outlay	169,740	21,414	191,154
<i>Net Change in Fund Balances</i>	63,748	(3,414)	60,334
<i>Fund Balances Beginning of Year</i>	61,714	21,440	83,154
<i>Fund Balances End of Year</i>	\$125,462	\$18,026	\$143,488

**Individual Fund Schedules of Revenues, Expenditures/Expenses  
and Changes in Fund Balances/Fund Equity -  
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, 2001*

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Taxes	\$6,302,288	\$6,286,115	\$6,350,422	\$64,307
Intergovernmental	3,186,782	3,178,604	3,213,049	34,445
Interest	260,014	259,347	272,589	13,242
Tuition and Fees	561,682	560,241	662,724	102,483
Rentals	2,962	2,954	2,985	31
Miscellaneous	1,706	1,702	1,720	18
<i>Total Revenues</i>	<u>10,315,435</u>	<u>10,288,963</u>	<u>10,503,489</u>	<u>214,526</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	3,589,446	3,589,446	3,506,920	82,526
Fringe Benefits	1,019,893	1,036,893	1,034,094	2,799
Purchased Services	260,753	274,976	221,304	53,672
Materials and Supplies	146,010	237,852	203,613	34,239
Capital Outlay - New	40,000	41,756	36,599	5,157
Capital Outlay - Replacement	4,200	200	0	200
Other	0	94,756	0	94,756
<b>Total Regular</b>	<u>5,060,302</u>	<u>5,275,879</u>	<u>5,002,530</u>	<u>273,349</u>
Special:				
Salaries and Wages	374,248	387,299	383,704	3,595
Fringe Benefits	115,097	123,450	118,711	4,739
Purchased Services	355,130	426,316	422,861	3,455
Materials and Supplies	5,600	7,570	5,015	2,555
Capital Outlay - New	10,000	10,000	2,229	7,771
<b>Total Special</b>	<u>860,075</u>	<u>954,635</u>	<u>932,520</u>	<u>22,115</u>
Vocational:				
Salaries and Wages	169,521	169,521	93,659	75,862
Fringe Benefits	39,030	39,030	33,663	5,367
Purchased Services	800	800	82	718
<b>Total Vocational</b>	<u>209,351</u>	<u>209,351</u>	<u>127,404</u>	<u>81,947</u>
<b>Total Instruction</b>	<u>6,129,728</u>	<u>6,439,865</u>	<u>6,062,454</u>	<u>377,411</u>
Support Services:				
Pupils:				
Salaries and Wages	309,934	319,934	317,562	2,372
Fringe Benefits	71,651	104,951	104,877	74
Purchased Services	62,744	89,398	82,052	7,346
Materials and Supplies	21,480	26,196	25,664	532
Capital Outlay - New	5,000	9,493	9,463	30
Capital Outlay - Replacement	7,000	19,588	15,331	4,257
<b>Total Pupils</b>	<u>\$477,809</u>	<u>\$569,560</u>	<u>\$554,949</u>	<u>\$14,611</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, 2001*

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Instructional Staff:</b>				
Salaries and Wages	\$218,538	\$260,487	\$246,037	\$14,450
Fringe Benefits	61,355	107,002	97,920	9,082
Purchased Services	5,600	11,183	4,548	6,635
Materials and Supplies	26,023	28,598	21,390	7,208
Capital Outlay - New	16,200	9,583	7,776	1,807
Capital Outlay - Replacement	11,200	10,657	3,759	6,898
Other	1,500	1,550	927	623
<b>Total Instructional Staff</b>	<b>340,416</b>	<b>429,060</b>	<b>382,357</b>	<b>46,703</b>
<b>Board of Education:</b>				
Salaries and Wages	4,800	4,800	4,640	160
Fringe Benefits	2,050	5,050	834	4,216
Purchased Services	15,000	30,000	22,878	7,122
Materials and Supplies	1,750	1,750	0	1,750
Other	12,800	12,800	10,879	1,921
<b>Total Board of Education</b>	<b>36,400</b>	<b>54,400</b>	<b>39,231</b>	<b>15,169</b>
<b>Administration:</b>				
Salaries and Wages	504,184	504,184	436,652	67,532
Fringe Benefits	164,756	173,756	171,623	2,133
Purchased Services	22,040	23,008	18,610	4,398
Materials and Supplies	15,200	16,937	14,421	2,516
Capital Outlay - New	2,700	3,111	2,110	1,001
Capital Outlay - Replacement	2,700	5,215	2,943	2,272
Other	54,950	71,150	70,107	1,043
<b>Total Administration</b>	<b>766,530</b>	<b>797,361</b>	<b>716,466</b>	<b>80,895</b>
<b>Fiscal:</b>				
Salaries and Wages	163,225	163,225	119,561	43,664
Fringe Benefits	48,225	48,225	40,375	7,850
Purchased Services	57,310	63,817	27,111	36,706
Materials and Supplies	6,000	6,025	2,514	3,511
Capital Outlay - New	2,000	2,000	0	2,000
Capital Outlay - Replacement	3,000	3,000	902	2,098
Other	156,500	156,500	124,449	32,051
<b>Total Fiscal</b>	<b>436,260</b>	<b>442,792</b>	<b>314,912</b>	<b>127,880</b>
<b>Business:</b>				
Salaries and Wages	47,249	47,249	32,974	14,275
Fringe Benefits	8,821	18,821	17,138	1,683
Purchased Services	8,000	8,000	0	8,000
<b>Total Business</b>	<b>\$64,070</b>	<b>\$74,070</b>	<b>\$50,112</b>	<b>\$23,958</b>

(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, 2001*

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Operation and Maintenance of Plant:				
Salaries and Wages	\$416,652	\$416,652	\$407,742	\$8,910
Fringe Benefits	128,282	149,582	148,766	816
Purchased Services	233,630	392,001	342,753	49,248
Materials and Supplies	74,850	120,290	112,002	8,288
Capital Outlay - New	1,000	19,275	4,186	15,089
Capital Outlay - Replacement	3,600	34,780	19,242	15,538
Other	10,000	15,390	5,583	9,807
<b>Total Operation and Maintenance of Plant</b>	<b>868,014</b>	<b>1,147,970</b>	<b>1,040,274</b>	<b>107,696</b>
Pupil Transportation:				
Salaries and Wages	490,311	490,311	377,058	113,253
Fringe Benefits	203,454	203,454	165,839	37,615
Purchased Services	18,700	98,285	71,103	27,182
Materials and Supplies	119,805	138,141	110,622	27,519
Capital Outlay - Replacement	60,000	137,050	105,426	31,624
<b>Total Pupil Transportation</b>	<b>892,270</b>	<b>1,067,241</b>	<b>830,048</b>	<b>237,193</b>
Central:				
Salaries and Wages	111,043	111,043	100,268	10,775
Fringe Benefits	50,262	50,262	43,128	7,134
Purchased Services	37,100	49,727	36,486	13,241
Materials and Supplies	2,000	2,000	175	1,825
Capital Outlay - New	8,250	8,250	2,653	5,597
<b>Total Central</b>	<b>208,655</b>	<b>221,282</b>	<b>182,710</b>	<b>38,572</b>
<b>Total Support Services</b>	<b>4,090,424</b>	<b>4,803,736</b>	<b>4,111,059</b>	<b>692,677</b>
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries and Wages	50,294	54,794	53,057	1,737
Fringe Benefits	19,020	42,620	24,808	17,812
<b>Total Operation of Non-Instructional Services</b>	<b>69,314</b>	<b>97,414</b>	<b>77,865</b>	<b>19,549</b>
Extracurricular Activities:				
Academic and Subject Oriented:				
Salaries and Wages	43,199	43,199	39,917	3,282
Fringe Benefits	6,000	6,000	5,597	403
<b>Total Academic and Subject Oriented</b>	<b>49,199</b>	<b>49,199</b>	<b>45,514</b>	<b>3,685</b>
Occupational Oriented:				
Salaries and Wages	1,000	1,000	518	482
Fringe Benefits	200	200	61	139
<b>Total Occupational Oriented</b>	<b>\$1,200</b>	<b>\$1,200</b>	<b>\$579</b>	<b>\$621</b>

(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, 2001*

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Sports Oriented:				
Salaries and Wages	\$153,700	\$153,700	\$142,603	\$11,097
Fringe Benefits	37,500	37,876	27,876	10,000
Purchased Services	3,500	3,500	1,979	1,521
Materials and Supplies	2,500	4,018	3,747	271
Capital Outlay - Replacement	1,200	1,017	0	1,017
<b>Total Sports Oriented</b>	<b>198,400</b>	<b>200,111</b>	<b>176,205</b>	<b>23,906</b>
School and Public Service Co-Curricular:				
Salaries and Wages	12,500	12,500	10,870	1,630
Fringe Benefits	1,550	1,550	1,258	292
<b>Total School and Public Service Co-Curricular</b>	<b>14,050</b>	<b>14,050</b>	<b>12,128</b>	<b>1,922</b>
<b>Total Extracurricular Activities</b>	<b>262,849</b>	<b>264,560</b>	<b>234,426</b>	<b>30,134</b>
Capital Outlay:				
Facilities Acquisition and Construction Services:				
Site Acquisition Services:				
Capital Outlay - New	240,000	200,761	200,000	761
<b>Total Expenditures</b>	<b>10,792,315</b>	<b>11,806,336</b>	<b>10,685,804</b>	<b>1,120,532</b>
<i>Excess of Revenues Under Expenditures</i>	<i>(476,880)</i>	<i>(1,517,373)</i>	<i>(182,315)</i>	<i>1,335,058</i>
<b>Other Financing Sources (Uses)</b>				
Sale of Fixed Assets	0	3,548	3,548	0
Advances In	0	15,867	15,867	0
Advances Out	(45,000)	(2,714)	0	2,714
Operating Transfers Out	(130,000)	(20,000)	0	20,000
<b>Total Other Financing Sources (Uses)</b>	<b>(175,000)</b>	<b>(3,299)</b>	<b>19,415</b>	<b>22,714</b>
<b>Net Change in Fund Balance</b>	<b>(651,880)</b>	<b>(1,520,672)</b>	<b>(162,900)</b>	<b>1,357,772</b>
<b>Fund Balance Beginning of Year</b>	<b>2,229,457</b>	<b>2,229,457</b>	<b>2,229,457</b>	<b>0</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>422,979</b>	<b>422,979</b>	<b>422,979</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$2,000,556</b>	<b>\$1,131,764</b>	<b>\$2,489,536</b>	<b>\$1,357,772</b>

**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, 2001*

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
<b>Revenues</b>				
Extracurricular Activities	\$19,586	\$20,211	\$20,225	\$14
Contributions and Donations	2,578	2,660	2,660	0
Miscellaneous	9,836	10,150	10,150	0
<i>Total Revenues</i>	<u>32,000</u>	<u>33,021</u>	<u>33,035</u>	<u>14</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	300	100	86	14
Support Services:				
Instructional Staff:				
Materials and Supplies	0	1,500	1,191	309
Administration:				
Purchased Services	3,900	16,300	2,213	14,087
Materials and Supplies	32,550	31,800	16,593	15,207
Capital Outlay - New	0	27	27	0
Other	1,000	1,000	318	682
Total Administration	<u>37,450</u>	<u>49,127</u>	<u>19,151</u>	<u>29,976</u>
Operation and Maintenance of Plant:				
Capital Outlay - Replacement	1,000	1,129	377	752
Total Support Services	<u>38,450</u>	<u>51,756</u>	<u>20,719</u>	<u>31,037</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	910	2,360	2,000	360
Total Extracurricular Activities	<u>1,910</u>	<u>3,360</u>	<u>2,000</u>	<u>1,360</u>
<i>Total Expenditures</i>	<u>40,660</u>	<u>55,216</u>	<u>22,805</u>	<u>32,411</u>
<i>Net Change in Fund Balance</i>	(8,660)	(22,195)	10,230	32,425
<i>Fund Balance Beginning of Year</i>	24,212	24,212	24,212	0
Prior Year Encumbrances Appropriated	<u>1,056</u>	<u>1,056</u>	<u>1,056</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$16,608</u>	<u>\$3,073</u>	<u>\$35,498</u>	<u>\$32,425</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, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$0	\$1,570	\$1,570	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	<u>0</u>	<u>1,570</u>	<u>0</u>	<u>1,570</u>
<i>Net Change in Fund Balance</i>	0	0	1,570	1,570
<i>Fund Balance Beginning of Year</i>	<u>5</u>	<u>5</u>	<u>5</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$5</u>	<u>\$5</u>	<u>\$1,575</u>	<u>\$1,570</u>

**Cardinal Local School District**  
*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
District Managed Student Activities Fund  
For the Fiscal Year Ended June 30, 2001*

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Interest	\$1,775	\$1,836	\$2,434	\$598
Tuition and Fees	348	360	360	0
Extracurricular Activities	86,213	89,188	89,208	20
Contributions and Donations	11,664	12,067	12,067	0
<i>Total Revenues</i>	<u>100,000</u>	<u>103,451</u>	<u>104,069</u>	<u>618</u>
<b>Expenditures</b>				
Current:				
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	500	500	250	250
Purchased Services	17,945	18,249	14,117	4,132
Materials and Supplies	9,140	15,540	12,957	2,583
Capital Outlay - New	1,000	0	0	0
Capital Outlay - Replacement	500	0	0	0
Other	3,300	16,180	14,008	2,172
Total Academic and Subject Oriented Activities	<u>32,385</u>	<u>50,469</u>	<u>41,332</u>	<u>9,137</u>
Sports Oriented Activities:				
Purchased Services	17,971	20,771	18,039	2,732
Materials and Supplies	38,100	42,068	37,847	4,221
Capital Outlay - Replacement	3,000	4,200	3,959	241
Other	6,787	10,537	4,582	5,955
Total Sports Oriented Activities	<u>65,858</u>	<u>77,576</u>	<u>64,427</u>	<u>13,149</u>
<i>Total Expenditures</i>	<u>98,243</u>	<u>128,045</u>	<u>105,759</u>	<u>22,286</u>
<i>Net Change in Fund Balance</i>	1,757	(24,594)	(1,690)	22,904
<i>Fund Balance Beginning of Year</i>	32,809	32,809	32,809	0
Prior Year Encumbrances Appropriated	1,702	1,702	1,702	0
<i>Fund Balance End of Year</i>	<u>\$36,268</u>	<u>\$9,917</u>	<u>\$32,821</u>	<u>\$22,904</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, 2001*

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$6,000	\$7,039	\$7,039	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	8,000	4,000	2,925	1,075
Fringe Benefits	1,500	1,000	542	458
Purchased Services	0	3,000	2,801	199
Materials and Supplies	537	1,276	995	281
Capital Outlay - New	0	1,800	0	1,800
<i>Total Expenditures</i>	<u>10,037</u>	<u>11,076</u>	<u>7,263</u>	<u>3,813</u>
<i>Net Change in Fund Balance</i>	(4,037)	(4,037)	(224)	3,813
<i>Fund Balance Beginning of Year</i>	<u>4,037</u>	<u>4,037</u>	<u>4,037</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$3,813</u></u>	<u><u>\$3,813</u></u>



**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, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$5,000	\$5,000	\$5,708	\$708
<b>Expenditures</b>				
Current:				
Support Services:				
Central:				
Purchased Services	3,500	3,500	0	3,500
Capital Outlay - New	3,865	3,865	2,272	1,593
<i>Total Expenditures</i>	<u>7,365</u>	<u>7,365</u>	<u>2,272</u>	<u>5,093</u>
<i>Net Change in Fund Balance</i>	(2,365)	(2,365)	3,436	5,801
<i>Fund Balance Beginning of Year</i>	<u>2,365</u>	<u>2,365</u>	<u>2,365</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$5,801</u>	<u>\$5,801</u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$0	\$15,000	\$15,000	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	<u>0</u>	<u>15,000</u>	<u>0</u>	<u>15,000</u>
<i>Net Change in Fund Balance</i>	0	0	15,000	15,000
<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>\$15,000</u>	<u>\$15,000</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, 2001*

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$1,000	\$4,000	\$4,000	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	0	408	136	272
Fringe Benefits	0	64	32	32
Purchased Services	1,115	2,515	1,960	555
Materials and Supplies	0	128	128	0
Total Instruction	1,115	3,115	2,256	859
Support Services:				
Administration:				
Purchased Services	0	950	950	0
Materials and Supplies	0	50	50	0
Total Support Services	0	1,000	1,000	0
<i>Total Expenditures</i>	1,115	4,115	3,256	859
<i>Net Change in Fund Balance</i>	(115)	(115)	744	859
<i>Fund Balance Beginning of Year</i>	1,115	1,115	1,115	0
<i>Fund Balance End of Year</i>	<u>\$1,000</u>	<u>\$1,000</u>	<u>\$1,859</u>	<u>\$859</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, 2001*

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	<u>1,265</u>	<u>1,428</u>	<u>960</u>	<u>468</u>
<i>Net Change in Fund Balance</i>	(1,265)	(1,428)	(960)	468
<i>Fund Balance Beginning of Year</i>	1,265	1,265	1,265	0
Prior Year Encumbrances Appropriated	<u>163</u>	<u>163</u>	<u>163</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$163</u></u>	<u><u>\$0</u></u>	<u><u>\$468</u></u>	<u><u>\$468</u></u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$0	\$3,571	\$3,571	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	0	2,000	0	2,000
Capital Outlay - New	0	1,571	0	1,571
<i>Total Expenditures</i>	<u>0</u>	<u>3,571</u>	<u>0</u>	<u>3,571</u>
<i>Net Change in Fund Balance</i>	0	0	3,571	3,571
<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>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$3,571</u></u>	<u><u>\$3,571</u></u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$6,000	\$6,000	\$6,000	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	6,000	6,000	6,000	0
Fringe Benefits	581	581	115	466
<i>Total Expenditures</i>	<u>6,581</u>	<u>6,581</u>	<u>6,115</u>	<u>466</u>
<i>Net Change in Fund Balance</i>	(581)	(581)	(115)	466
<i>Fund Balance Beginning of Year</i>	<u>581</u>	<u>581</u>	<u>581</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$466</u></u>	<u><u>\$466</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, 2001*

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
<b>Revenues</b>				
Intergovernmental	\$16,000	\$12,022	\$12,022	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	687	1,646	1,646	0
Fringe Benefits	211	247	247	0
Purchased Services	14,008	5,028	4,931	97
Materials and Supplies	3,075	8,160	8,095	65
<i>Total Expenditures</i>	17,981	15,081	14,919	162
<i>Excess of Revenues Under Expenditures</i>	(1,981)	(3,059)	(2,897)	162
<b>Other Financing Uses</b>				
Advances Out	0	(5,867)	(5,867)	0
<i>Net Change in Fund Balance</i>	(1,981)	(8,926)	(8,764)	162
<i>Fund Balance Beginning of Year</i>	7,980	7,980	7,980	0
Prior Year Encumbrances Appropriated	6,812	6,812	6,812	0
<i>Fund Balance End of Year</i>	\$12,811	\$5,866	\$6,028	\$162

**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, 2001*

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$89,517	\$89,413	\$89,413	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Pupil:				
Salaries and Wages	29,750	0	0	0
Fringe Benefits	12,050	0	0	0
Purchased Services	46,446	46,219	46,219	0
Materials and Supplies	3,638	4,261	1,986	2,275
Capital Outlay - New	1,290	1,290	0	1,290
Total Pupil	<u>93,174</u>	<u>51,770</u>	<u>48,205</u>	<u>3,565</u>
Instructional Staff:				
Salaries and Wages	5,661	35,300	24,701	10,599
Fringe Benefits	1,424	14,074	12,255	1,819
Total Instructional Staff	<u>7,085</u>	<u>49,374</u>	<u>36,956</u>	<u>12,418</u>
<i>Total Expenditures</i>	<u>100,259</u>	<u>101,144</u>	<u>85,161</u>	<u>15,983</u>
<i>Net Change in Fund Balance</i>	(10,742)	(11,731)	4,252	15,983
<i>Fund Balance Beginning of Year</i>	10,741	10,741	10,741	0
Prior Year Encumbrances Appropriated	<u>990</u>	<u>990</u>	<u>990</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$989</u>	<u>\$0</u>	<u>\$15,983</u>	<u>\$15,983</u>



**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, 2001*

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$522,938	\$542,999	\$542,999	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	368,663	372,267	372,263	4
Fringe Benefits	120,812	118,494	102,991	15,503
Purchased Services	10,277	10,000	6,784	3,216
Materials and Supplies	10,438	6,000	1,908	4,092
<i>Total Instruction</i>	<u>510,190</u>	<u>506,761</u>	<u>483,946</u>	<u>22,815</u>
Support Services:				
Pupils:				
Salaries and Wages	22,206	23,259	16,358	6,901
Fringe Benefits	7,347	7,728	6,060	1,668
Purchased Services	950	957	59	898
Materials and Supplies	100	35	35	0
Total Pupils	<u>30,603</u>	<u>31,979</u>	<u>22,512</u>	<u>9,467</u>
Administration:				
Salaries and Wages	14,038	17,087	13,510	3,577
Fringe Benefits	3,300	2,374	2,144	230
Purchased Services	605	600	0	600
Materials and Supplies	100	36	36	0
Total Administration	<u>18,043</u>	<u>20,097</u>	<u>15,690</u>	<u>4,407</u>
Total Support Services	<u>48,646</u>	<u>52,076</u>	<u>38,202</u>	<u>13,874</u>
<i>Total Expenditures</i>	<u>558,836</u>	<u>558,837</u>	<u>522,148</u>	<u>36,689</u>
<i>Net Change in Fund Balance</i>	(35,898)	(15,838)	20,851	36,689
<i>Fund Balance Beginning of Year</i>	<u>35,898</u>	<u>35,898</u>	<u>35,898</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$20,060</u>	<u>\$56,749</u>	<u>\$36,689</u>

**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, 2001*

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$5,500	\$6,345	\$6,693	\$348
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	0	23	23	0
Capital Outlay - New	0	780	780	0
Total Instruction	0	803	803	0
Support Services:				
Instructional Staff:				
Materials and Supplies	1,365	1,059	755	304
Capital Outlay - New	7,449	8,920	8,826	94
<i>Total Support Services</i>	8,814	9,979	9,581	398
<i>Total Expenditures</i>	8,814	10,782	10,384	398
<i>Net Change in Fund Balance</i>	(3,314)	(4,437)	(3,691)	746
<i>Fund Balance Beginning of Year</i>	3,314	3,314	3,314	0
Prior Year Encumbrances Appropriated	1,123	1,123	1,123	0
<i>Fund Balance End of Year</i>	<u>\$1,123</u>	<u>\$0</u>	<u>\$746</u>	<u>\$746</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, 2001*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$6,500	\$5,766	\$5,766	\$0
<b>Expenditures</b>				
Current:				
<i>Instruction:</i>				
Regular:				
Purchased Services	400	400	400	0
Materials and Supplies	233	268	268	0
Total Instruction	633	668	668	0
Support Services:				
Pupil:				
Salaries and Wages	4,855	5,370	5,370	0
Fringe Benefits	777	386	386	0
Total Support Services	5,632	5,756	5,756	0
<i>Total Expenditures</i>	6,265	6,424	6,424	0
<i>Net Change in Fund Balance</i>	235	(658)	(658)	0
<i>Fund Balance Beginning of Year</i>	658	658	658	0
<i>Fund Balance End of Year</i>	\$893	\$0	\$0	\$0

**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, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$4,500	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Central:				
Purchased Services	<u>3,240</u>	<u>3,320</u>	<u>80</u>	<u>3,240</u>
<i>Net Change in Fund Balance</i>	1,260	(3,320)	(80)	3,240
<i>Fund Balance Beginning of Year</i>	3,240	3,240	3,240	0
Prior Year Encumbrances Appropriated	<u>80</u>	<u>80</u>	<u>80</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,580</u></u>	<u><u>\$0</u></u>	<u><u>\$3,240</u></u>	<u><u>\$3,240</u></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, 2001*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$89,143	\$89,143	\$89,143	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	15,113	65,224	59,904	5,320
Fringe Benefits	682	7,201	7,201	0
Purchased Services	1,946	5,800	5,800	0
<i>Total Expenditures</i>	17,741	78,225	72,905	5,320
<i>Excess of Revenues Over Expenditures</i>	71,402	10,918	16,238	5,320
<b>Other Financing Uses</b>				
Advances Out	0	(10,000)	(10,000)	0
<i>Net Change in Fund Balance</i>	71,402	918	6,238	5,320
<i>Fund Balance Beginning of Year</i>	3,283	3,283	3,283	0
Prior Year Encumbrances Appropriated	5,800	5,800	5,800	0
<i>Fund Balance End of Year</i>	\$80,485	\$10,001	\$15,321	\$5,320

**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, 2001*

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Taxes	\$786,326	\$822,795	\$822,795	\$0
Intergovernmental	84,507	88,426	88,492	66
Interest	12,867	13,464	13,559	95
<i>Total Revenues</i>	<u>883,700</u>	<u>924,685</u>	<u>924,846</u>	<u>161</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Fiscal:				
Other	89,000	89,000	11,962	77,038
Debt Service:				
Principal Retirement	360,000	360,000	110,000	250,000
Interest and Fiscal Charges	691,054	691,054	675,245	15,809
Total Debt Service	<u>1,051,054</u>	<u>1,051,054</u>	<u>785,245</u>	<u>265,809</u>
<i>Total Expenditures</i>	<u>1,140,054</u>	<u>1,140,054</u>	<u>797,207</u>	<u>342,847</u>
<i>Net Change in Fund Balance</i>	(256,354)	(215,369)	127,639	343,008
<i>Fund Balance Beginning of Year</i>	<u>440,121</u>	<u>440,121</u>	<u>440,121</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$183,767</u>	<u>\$224,752</u>	<u>\$567,760</u>	<u>\$343,008</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, 2001*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Taxes	\$195,672	\$205,699	\$205,699	\$0
Intergovernmental	21,028	22,105	22,122	17
<i>Total Revenues</i>	<u>216,700</u>	<u>227,804</u>	<u>227,821</u>	<u>17</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Fiscal:				
Other	22,000	9,000	2,991	6,009
Operation and Maintenance of Plant:				
Capital Outlay - Replacement	122,000	118,256	111,413	6,843
Pupil Transportation:				
Capital Outlay - Replacement	39,000	46,105	45,971	134
Total Support Services	<u>183,000</u>	<u>173,361</u>	<u>160,375</u>	<u>12,986</u>
Capital Outlay:				
Facilities Acquisition and Construction Services:				
Site Improvement Services:				
Capital Outlay - Replacement	30,000	50,459	47,825	2,634
Building Improvement Services:				
Purchased Services	5,000	28,000	25,300	2,700
Materials and Supplies	5,000	5,000	910	4,090
Capital Outlay - Replacement	0	17,500	14,552	2,948
Total Building Improvement Services	<u>10,000</u>	<u>50,500</u>	<u>40,762</u>	<u>9,738</u>
Total Capital Outlay	<u>40,000</u>	<u>100,959</u>	<u>88,587</u>	<u>12,372</u>
<i>Total Expenditures</i>	<u>223,000</u>	<u>274,320</u>	<u>248,962</u>	<u>25,358</u>
<i>Net Change in Fund Balance</i>	(6,300)	(46,516)	(21,141)	25,375
<i>Fund Balance Beginning of Year</i>	20,761	20,761	20,761	0
Prior Year Encumbrances Appropriated	<u>31,020</u>	<u>31,020</u>	<u>31,020</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$45,481</u>	<u>\$5,265</u>	<u>\$30,640</u>	<u>\$25,375</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, 2001*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Interest	\$200,000	\$673,267	\$673,267	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Fiscal:				
Purchased Services	1,000	5,700	3,425	2,275
Capital Outlay:				
Facilities Acquisition and Construction Services:				
Site Acquisition Services:				
Capital Outlay - New	0	250,000	200,000	50,000
Site Improvement Services:				
Capital Outlay - New	2,000,000	1,221,992	1,141,006	80,986
Architecture and Engineering Services:				
Purchased Services	130,000	412,850	372,906	39,944
Building Acquisition and Construction Services:				
Capital Outlay - New	6,131,000	8,547,326	7,528,280	1,019,046
Total Capital Outlay	8,261,000	10,432,168	9,242,192	1,189,976
Debt Service:				
Principal Retirement	0	250,000	250,000	0
<i>Total Expenditures</i>	8,262,000	10,687,868	9,495,617	1,192,251
<i>Excess of Revenues Under Expenditures</i>	(8,062,000)	(10,014,601)	(8,822,350)	1,192,251
<b>Other Financing Sources</b>				
Proceeds from Notes	0	250,095	250,000	(95)
<i>Net Change in Fund Balance</i>	(8,062,000)	(9,764,506)	(8,572,350)	1,192,156
<i>Fund Balance Beginning of Year</i>	9,845,318	9,845,318	9,845,318	0
Prior Year Encumbrances Appropriated	242,850	242,850	242,850	0
<i>Fund Balance End of Year</i>	<u>\$2,026,168</u>	<u>\$323,662</u>	<u>\$1,515,818</u>	<u>\$1,192,156</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, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	<u>\$20,000</u>	<u>\$18,000</u>	<u>\$18,000</u>	<u>\$0</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	0	61	61	0
Capital Outlay - New	<u>1,719</u>	<u>39,579</u>	<u>35,941</u>	<u>3,638</u>
<i>Total Expenditures</i>	<u>1,719</u>	<u>39,640</u>	<u>36,002</u>	<u>3,638</u>
<i>Net Change in Fund Balance</i>	18,281	(21,640)	(18,002)	3,638
<i>Fund Balance Beginning of Year</i>	1,719	1,719	1,719	0
Prior Year Encumbrances Appropriated	<u>19,921</u>	<u>19,921</u>	<u>19,921</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$39,921</u>	<u>\$0</u>	<u>\$3,638</u>	<u>\$3,638</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, 2001*

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Sales	\$302,071	\$233,521	\$233,521	\$0
Interest	0	1,731	1,809	78
Federal and State Subsidies	0	73,630	73,630	0
Other Revenue	446	345	345	0
<i>Total Revenues</i>	<u>302,517</u>	<u>309,227</u>	<u>309,305</u>	<u>78</u>
<b>Expenses</b>				
Salaries:				
Food Service Operations	109,560	108,184	108,085	99
Fringe Benefits:				
Food Service Operations	46,170	56,020	55,966	54
Purchased Services:				
Operation and Maintenance of Plant	500	0	0	0
Food Service Operations	8,545	9,645	8,821	824
Total Purchased Services	9,045	9,645	8,821	824
Materials and Supplies:				
Food Service Operations	127,500	136,500	116,280	20,220
Capital Outlay:				
Capital Outlay - New:				
Food Service Operations	1,000	0	0	0
Capital Outlay - Replacement:				
Food Service Operations	2,000	0	16,272	(16,272)
Total Capital Outlay	3,000	0	16,272	(16,272)
Other:				
Food Service Operations	807	807	584	223
<i>Total Expenses</i>	<u>296,082</u>	<u>311,156</u>	<u>306,008</u>	<u>5,148</u>
<i>Net Change in Fund Equity</i>	6,435	(1,929)	3,297	5,226
<i>Fund Equity Beginning of Year</i>	<u>31,050</u>	<u>31,050</u>	<u>31,050</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$37,485</u></u>	<u><u>\$29,121</u></u>	<u><u>\$34,347</u></u>	<u><u>\$5,226</u></u>

**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, 2001*

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Sales	\$51,000	\$48,970	\$50,390	\$1,420
<b>Expenses</b>				
Purchased Services:				
Regular Instruction	3,300	14,510	12,488	2,022
Operation and Maintenance of Plant	735	0	0	0
Total Purchased Services	4,035	14,510	12,488	2,022
Materials and Supplies:				
Regular Instruction	47,974	47,443	46,860	583
<i>Total Expenses</i>	52,009	61,953	59,348	2,605
<i>Net Change in Fund Equity</i>	(1,009)	(12,983)	(8,958)	4,025
<i>Fund Equity Beginning of Year</i>	37,181	37,181	37,181	0
Prior Year Encumbrances Appropriated	4,944	4,944	4,944	0
<i>Fund Equity End of Year</i>	<u>\$41,116</u>	<u>\$29,142</u>	<u>\$33,167</u>	<u>\$4,025</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, 2001*

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	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$190,000	\$204,505	\$204,505	\$0
<b>Expenses</b>				
Fringe Benefits:				
Central Support Services	<u>190,000</u>	<u>210,346</u>	<u>182,053</u>	<u>28,293</u>
<i>Net Change in Fund Equity</i>	0	(5,841)	22,452	28,293
<i>Fund Equity Beginning of Year</i>	1,177	1,177	1,177	0
Prior Year Encumbrances Appropriated	<u>20,346</u>	<u>20,346</u>	<u>20,346</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$21,523</u></u>	<u><u>\$15,682</u></u>	<u><u>\$43,975</u></u>	<u><u>\$28,293</u></u>

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

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	<u>Beginning Balance June 30, 2000</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance June 30, 2001</u>
<b>Student Activities</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$15,283</u>	<u>\$44,236</u>	<u>\$42,042</u>	<u>\$17,477</u>
<b>Liabilities</b>				
Due to Students	<u>\$15,283</u>	<u>\$44,236</u>	<u>\$42,042</u>	<u>\$17,477</u>

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## **Statistical Section**

The following statistical tables reflect social and economic data, financial trends and fiscal capacity of the School District.

**Cardinal Local School District**  
*General Governmental Revenues by Source  
and Expenses/Expenditures by Function  
and Other Financing Uses  
Last Ten Fiscal Years*

	Full Accrual		Modified Accrual		
	2001	2000	2001 (1)	2000 (1)	1999 (1)
<b>Program Revenues</b>					
Charges for Services	\$789,390	\$0	N/A	N/A	N/A
Operating Grants and Contributions	726,453	0	N/A	N/A	N/A
Capital Grants and Contributions	102,292	0	N/A	N/A	N/A
<b>General Revenues</b>					
Taxes	7,561,469	0	6,479,589	5,920,054	5,939,096
Intergovernmental	3,221,848	0	3,215,699	3,084,141	3,389,696
Interest	960,443	0	265,732	194,097	140,853
Tuition and Fees	0	0	662,724	655,173	151,925
Extracurricular Activities	0	0			
Contributions and Donations	0	0	0	0	0
Rentals	0	0	2,985	4,127	2,758
Miscellaneous	11,870	0	1,720	33,984	5,949
Other Financing Sources	3,548	0	3,548	6,300	8,680
<b>Total</b>	<u>\$13,377,313</u>	<u>\$0</u>	<u>\$10,631,997</u>	<u>\$9,897,876</u>	<u>\$9,638,957</u>
<b>Expenses/Expenditures</b>					
Current:					
Instruction:					
Regular	\$5,460,249	\$0	\$4,972,574	\$4,722,211	\$4,214,024
Special	1,233,556	0	760,640	800,468	711,020
Vocational	104,018	0	119,824	171,121	170,192
Support Services:					
Pupil	582,454	0	511,724	447,870	451,004
Instructional Staff	475,239	0	387,101	306,104	274,548
Board of Education	16,313	0	16,313	24,446	19,497
Administration	782,822	0	713,230	667,600	657,306
Fiscal	359,270	0	336,602	308,950	280,535
Business	48,487	0	49,226	57,881	56,105
Operation and Maintenance					
of Plant	1,056,124	0	982,703	885,844	923,486
Pupil Transportation	664,822	0	829,342	684,116	722,151
Central	184,936	0	184,664	165,438	192,743
Operation of Non-Instructional					
Services	81,410	0	79,763	62,682	64,518
Extracurricular Activities	327,796	0	231,550	226,819	188,028
Capital Outlay	0	0	200,000	35,329	0
Debt Service	640,668	0	0	0	0
Other Financing Uses	0	0	0	0	0
<b>Total</b>	<u>\$12,018,164</u>	<u>\$0</u>	<u>\$10,375,256</u>	<u>\$9,566,879</u>	<u>\$8,925,157</u>

Source: School District Financial Records

(1) 1996 through 2001 reported on a GAAP Basis; all other years on cash basis.



<u>1998 (1)</u>	<u>1997 (1)</u>	<u>1996 (1)</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
5,544,430	5,296,756	4,543,157	4,616,543	4,476,315	3,397,238	3,351,125
3,233,588	3,105,802	3,065,402	2,915,504	2,831,720	2,617,038	2,530,140
109,452	88,669	70,857	49,050	39,430	40,136	63,904
132,548	138,932	125,914	122,585	110,225	128,063	122,220
0	345	6,825	495	9,000	0	0
2,104	3,139	3,804	5,343	4,210	3,981	9,905
65,101	0	920	846	944	100	282
23,568	111,699	0	29,331	61,061	604,062	527,062
<u>\$9,110,791</u>	<u>\$8,745,342</u>	<u>\$7,816,879</u>	<u>\$7,739,697</u>	<u>\$7,532,905</u>	<u>\$6,790,618</u>	<u>\$6,604,638</u>
\$4,076,228	\$3,999,704	\$3,728,955	\$3,663,910	\$3,492,044	\$3,303,336	\$3,192,171
508,714	455,100	489,916	403,397	379,670	362,384	326,618
160,770	154,972	152,644	157,373	149,047	142,462	137,051
391,116	421,947	402,261	357,940	336,914	343,767	316,252
234,214	203,775	196,579	201,677	217,747	190,679	188,656
19,643	23,278	19,139	19,259	15,332	16,090	12,147
632,230	655,597	667,961	636,190	699,555	762,128	748,128
272,453	291,628	278,952	274,460	251,262	232,038	215,348
48,223	44,418	44,222	43,324	97,347	103,468	81,063
842,115	864,957	875,722	740,759	733,177	694,683	654,538
695,202	701,000	584,067	607,242	647,485	556,597	677,581
178,344	187,308	184,533	170,378	61,313	35,965	21,391
60,180	63,066	57,869	58,128	9,768	0	841
180,654	178,185	164,484	163,727	169,048	145,874	139,681
0	0	8,000	28,714	0	0	27,180
24,015	18,615	13,215	0	0	0	0
0	0	0	134,716	28,140	85,335	0
<u>\$8,324,101</u>	<u>\$8,263,550</u>	<u>\$7,868,519</u>	<u>\$7,661,194</u>	<u>\$7,287,849</u>	<u>\$6,974,806</u>	<u>\$6,738,646</u>

**Cardinal Local School District**  
*Property Tax Levies and Collections*  
*Real and Tangible Personal Property (1)*  
*Last Eight 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
2000	\$7,820,060	\$347,486	\$8,167,546	\$7,681,629	98.23%	\$121,341	\$7,802,970	99.8%
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. 2001 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		
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	
2001	\$171,952,750	\$491,293,571	\$8,702,780	\$9,889,523	\$48,597,230	\$194,388,920	\$229,252,760	\$695,572,014	33%
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

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 2001.

**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
2001	\$55.60	\$1.50	\$2.80	\$1.00	\$13.40	\$74.30	\$4.00	\$0.30	\$4.30
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

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>
2001	\$9,464,244	\$229,252,760	13,494	4.13%	\$701.37
2000	9,728,818	220,382,295	14,439	4.41	673.79
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

Sources:

- (1) School District Financial Records
- (2) Geauga County Auditor
- (3) U.S. Census of Population (estimated), 2000 Federal Census and 1990 Federal Census  
 Geauga County Planning Commission

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

Assessed Valuation	\$229,252,760
Overall Debt Limit - 9% of Assessed Value (1)	\$20,632,748
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonds	9,859,930
Energy Conservation Bonds	260,000
Amount Available in Debt Service Fund	(655,686)
	-----
Total	9,464,244
Exemptions:	
Energy Conservation Bonds	260,000
	-----
Amount of Debt Subject to the Limit	9,204,244
	-----
Overall Debt Margin	\$11,428,504
	-----
Unvoted Debt Limit - .10% of Assessed Value (1)	\$229,253
Amount of Debt Applicable	0
	-----
Unvoted Debt Margin	\$229,253
	-----
Additional Limit for Unvoted Energy Conservation Bonds:	
Debt Limit - .10% of Assessed Valuation	\$229,253
Less: Energy Conservation Bonds	260,000
	-----
Additional Unvoted Debt Margin	\$0
	-----

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, 2000*

<u>Jurisdiction</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Applicable to School District</u>
Cardinal Local School District	\$10,119,930	100.00 %	\$10,119,930
Geauga County	540,067	9.97	<u>53,845</u>
Total			<u><u>\$10,173,775</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 2000 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>
2001	(2)	\$110,000	\$659,033	\$769,033	\$10,375,256	7.41%
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

Source: School District Financial Records

- (1) Includes other financing uses.
- (2) 1996 through 2001 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>
2001	90,895	13,494	1,480	3.0 %
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,  
2000 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 Eight Years*

<u>Year</u>	<u>Property Value (Real Estate Only) (1)</u>	<u>Financial Institution Deposits Banks</u>	<u>Value of Permits Issued Geauga County</u>	<u>Value of Permits Issued Huntsburg Township</u>	<u>Value of Permits Issued Middlefield Township</u>	<u>Value of Permits Issued Middlefield Village</u>	<u>Value of Permits Issued Parkman Township</u>
2000	\$171,952,750	\$222,519,000	\$69,938,598	\$1,568,057	\$971,320	\$2,973,404	\$1,345,856
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, 2000*

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Real Estate Tax Assessed Value</u>
Kraftmaid Cabinetry	\$9,368,130	5.45%
Richard Bonner	3,018,460	1.76
Johnson Rubber	1,784,480	1.04
Dillen Properties, Limited	1,682,850	0.98
Burdkidz, Limited	1,260,000	0.73
Sajar Plastics	1,195,920	0.70
Harrington Square	1,055,650	0.61
Don R. Hofstetter	1,055,430	0.61
Middlefield Banking Company	1,015,630	0.59
Middlefield Square	<u>988,560</u>	<u>0.57</u>
Total	<u>\$22,425,110</u>	<u>13.04%</u>
<i>Total Real Estate Tax Assessed Value</i>	<u><u>\$171,952,750</u></u>	

Source: Geauga County Auditor

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

**Cardinal Local School District**

*Principal Taxpayers*

*Tangible Personal Property Tax*

*December 31, 2000*

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Tangible Personal Property Tax Assessed Value</u>
Kraftmaid Cabinetry, Inc.	\$12,605,680	25.94%
Myers Industries, Inc.	5,401,910	11.12
Duramax, Inc.	4,295,440	8.84
Hans Rothenbuhler and Sons	3,242,290	6.67
Carlisle Geauga Company	1,490,770	3.07
Mercury Plastics, Inc.	1,370,840	2.82
Neff Perkins Company	1,329,580	2.74
Flambeau Products Corporation	1,111,380	2.29
Neo Beam Alliance Limited	1,062,520	2.19
Power Resources Rubber Limited	<u>951,850</u>	<u>1.96</u>
Total	<u>\$32,862,260</u>	<u>67.64%</u>
<i>Total Tangible Personal Property Tax Assessed Value</i>	<u>\$48,597,230</u>	

Source: Geauga County Auditor

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

**Cardinal Local School District**

*Principal Taxpayers*

*Public Utilities Tax*

*December 31, 2000*

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Public Utilities Tax Assessed Value</u>
Cleveland Electric Illuminating Company	\$5,396,220	62.01%
Western Reserve Telephone Company	1,057,050	12.15
Ohio Edison	1,049,440	12.06
East Ohio Gas Company	<u>984,090</u>	<u>11.31</u>
Total	<u>\$8,486,800</u>	<u>97.53%</u>
<i>Total Public Utilities Tax Assessed Value</i>	<u>\$8,702,780</u>	

Source: Geauga County Auditor

(1) Assessed values are for the 2001 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>
2001 (2)	\$10,375,256	1,480	\$7,010
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

Source: School District Financial Records.

(1) Includes Other Financing Uses

(2) 1996 through 2001 on GAAP Basis

**Cardinal Local School District**  
*Teacher Education and Experience*  
 June 30, 2001

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	20	19.23%
Bachelor + 15	9	8.65
Bachelor + 30	25	24.04
Master's Degree	21	20.19
Master's + 15	11	10.58
Master's + 30	<u>18</u>	<u>17.31</u>
Total	<u><u>104</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	24	23.08%
6 - 10	11	10.58
11 and Over	<u>69</u>	<u>66.34</u>
	<u><u>104</u></u>	<u><u>100.00%</u></u>

Source: School District Personnel Records

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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 8, 2002**