

**CARDINAL LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2002



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**CARDINAL LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

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CARDINAL LOCAL SCHOOL DISTRICT
GEOUGA COUNTY

Schedule of Federal Awards Expenditures
For the year ended June 30, 2002

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program	N/A	10.550		\$18,925		\$18,925
National School Lunch Program FY02	LL-P1-01	10.555	\$68,453		\$68,453	
Total U.S. Department of Agriculture - Nutrition Cluster			68,453	18,925	68,453	18,925
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Title 6-B - FY 01	6B-SF-00P	84.027			15,984	
Autism Demonstration Project	6B-SF-02P	84.027	15,000		174	
Title 6-B - FY 02	6B-SF-02P	84.027	102,243		102,243	
Total Special Education Cluster			117,243	0	118,401	0
Grants to Local Educational Agencies						
Title I FY 01	C1-S1-00	84.010	34,114		90,864	
Title I FY 02	C1-S1-01	84.010	428,990		384,915	
Total Title I			463,104	0	475,779	0
Drug-Free Schools Grant						
Drug-Free Schools Grant FY99	DR-S1-99	84.186			41	
Drug-Free Schools Grant FY02	DR-S1-02	84.186	5,547		4,800	
Total Drug-Free Schools Grant			5,547	0	4,841	0
Eisenhower Math and Science						
Eisenhower Math and Science FY99	MS-S1-99C	84.281			6,074	
Eisenhower Math and Science FY00	MS-S1-00	84.281	(862)		173	
Eisenhower Math and Science FY01	MS-S1-01	84.281			5,672	
Eisenhower Math and Science FY02	MS-S1-01	84.281	13,364		3,586	
Total Eisenhower Math and Science			12,502	0	15,505	0
Title 6 (Innovative Ed)						
Title 6 (Innovative Ed) FY 99	C2-S1-99C	84.298			1,040	
Title 6 (Innovative Ed) -FY 00	C2-S1-00	84.298	(259)			
Title 6 (Innovative Ed) - FY 02	C2-S1-01	84.298	6,120		2,277	
Total Title 6 (Innovative Ed)			5,861	0	3,317	0
Class Size Reduction						
Class Size Reduction FY01	CR-S1-01	84.340			15,321	
Class Size Reduction FY02	CR-S1-01	84.340	98,215		62,947	
Total Class Size Reduction			98,215	0	78,268	0
Total Department of Education			702,472	0	696,111	0
<u>U. S. Department of Human Services</u>						
<i>Passed Through the East Shore SERRC</i>						
Medical Assistance Program	NA	93.778	675		675	
Total U.S. Department of Health and Human Services			675	0	675	0
Total Federal Assistance			771,600	18,925	765,239	18,925

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, 2002**

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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OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

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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 basic financial statements of the Cardinal Local School District, Geauga County, Ohio, (the District) as of and for the year ended June 30, 2002, and have issued our report thereon dated November 15, 2002, wherein we noted the District reclassified the enterprise funds to special revenue funds for reporting purposes and adjusted the beginning capital assets. 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, the Board of Education and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

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

Jim Petro
Auditor of State

November 15, 2002



**STATE OF OHIO
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**REPORT OF 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 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, 2002. 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 District's management. Our responsibility is to express an opinion on 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 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 District's compliance with those requirements.

In our opinion, District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2002.

Internal Control Over Compliance

The management of 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 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.

Internal Control Over Compliance (Continued)

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 financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Cardinal Local School District, Geauga County, Ohio, (the District) as of and for the year ended June 30, 2002, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 15, 2002, wherein we noted the District reclassified the enterprise funds to special revenue funds for reporting purposes and adjusted the beginning capital assets. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of 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, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Jim Petro
Auditor of State

November 15, 2002

**CARDINAL LOCAL SCHOOL DISTRICT
GEAUGA COUNTY
JUNE 30, 2002**

SCHEDULE OF FINDINGS

1. SUMMARY OF AUDITOR'S RESULTS
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A -133 §.505

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None

Cardinal Local School District
Middlefield, Ohio

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2002

Prepared by

Treasurer's Office
Dianne Kellogg
Treasurer

Cardinal Local School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2002
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Cardinal School District

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November 15, 2002

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, 2002. 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 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 Report of Independent Accountants 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 67 non-certificated employees, 105 certificated full time teaching personnel and 7 administrative employees to provide services to 1,426 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 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 five jointly governed organizations and one insurance purchasing pool. These organizations are the Auburn Career Center, the Lake Geauga Computer Association, 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 16 and 17 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 \$49,792,500 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. Impact fees collected from construction projects are added to a fund to expand the sewer plant as needed.

Due to power demands, the First Energy Company constructed a power transformer and distribution station in Middlefield during 2002.

The Village of Middlefield is constructing a two-mile bypass road northwest of the Village. The road will bypass the main intersection at State Routes 87 and 608. Much of the property for the road was donated by the landowner. The landowner sees the opportunity to gain access for development. No driveways will

be allowed on this road but a developer can install adjoining roads. The Village of Middlefield has set aside the funds to complete the project and bidding will take place in early fall of 2002.

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 is planning to build a hotel, large store, service station and shopping strip mall for the parcels and 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. The local Ames Discount Department Store is closing in 2002 and there has been renewed interest from large store companies.

Johnson Rubber Company is consolidating and expanding warehouse space in the Village of Middlefield. The Company purchased an undeveloped 9.5 acre site on the Industrial Parkway. They purchased a neighboring building from Norandex, Incorporated. Norandex has 25 employees and was using only a portion of the 70,000 square foot building. Norandex will re-locate to a building in the existing Johnson Rubber complex. The Norandex building will have a 30,000 square foot addition to accommodate additional production for Johnson Rubber. A 120,000 square foot warehouse is being constructed on the neighboring 9.5 acre site. Site plans are approved and construction begins in the fall of 2002.

Gold Key, a plastics product company, was started in Middlefield in 1998. Their 100,000 square foot facility will have an additional 40,000 square foot added. The site plan is approved and work is to begin this fall. They will add 30 employees.

Mercury Plastics had completed a 20,000 square foot addition to their plant facilities.

A site plan was approved for an additional industrial park at the east end of the Village at State Route 528. The landowner and developer have broken ground and will offer 18 parcels for lease or purchase.

School District Local Funding

School District management will carefully control expenses during the coming years to continue to assure that tax levy revenues are adequate and well spent. A 9.7 mill replacement levy was approved by voters in May of 2002. This levy is to replace the 9.7 mill levy previously voted on, which was then reduced to 7.9 mills during the levy period. The additional yearly income is expected to carry the School District through the next five-year period beginning in 2003. This will also allow the Board of Education to meet operating costs while maintaining the practice of dedicating one mill of inside millage to a permanent improvement fund.

Major Initiatives

Strategic Planning

The School District completes an annual continuous improvement plan. This is a form of strategic planning guiding the School District in all phases of operation. The involvement of the general public and employees has broadened support for School District improvement initiatives. The positive affects of the plan can be observed in the academic achievement of students and tangible long term improvements to programming and school facilities. A new three year plan was adopted in June of 2002. Seven goals were identified and fifteen (15) strategies to meet those goals. One of the strategies was to expand guidance and counseling services. This has been met through the addition of an elementary school counselor and provisions for clerical assistance in the guidance offices at the high school and middle school.

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 2001 report card the School District met or exceeded the Ohio standard in 19 of 27 indicators. The 2002 report card demonstrated that the School District improved to 23 of 27 indicators. The School District is now rating in the category titled, "Effective." It is the goal of the School District to exceed the State standards in 25 or more indicators. Cardinal School District was commended by the Ohio Department of Education for far exceeding State benchmarks for improvement.

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 Class-Size Reduction Grant under Title VI allowing for three additional teachers at Kindergarten and Grade One. The Title I Reading Recovery program improves the reading for eligible students in Grade 1 at each of the elementary buildings. Student readiness for advancement 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 was opened. This changed the grade assignments for buildings in the School District. Previously, the three elementary schools housed students from Kindergarten through Grade 6. The new middle school will now house students in Grades 6 along with those in Grades 7 and 8. The 78,000 square foot Cardinal Middle School has 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 School District.

The old Cardinal Middle School has been given a new name, "Middlefield Educational Center." In 2001 the roof was replaced and all brick work was repaired. During 2002 further improvements were completed on the 80 year old structure, including installation of new electrical service and back filling a coal bin. Two restrooms were made handicap accessible. A new entranceway and a limited use elevator were installed to provide accessibility to all three levels of the building. The Gifted Education Learning Center and Cardinal Technology Manager are housed in the building. The Middlefield Village Recreation program is using the gym and two classrooms for recreational programs and adult education. In addition, there are lease agreements for the use of four classrooms and offices. The tenants are the Lake-Geauga Head Start and a Geauga County Autism program (S.T.A.R.S.). The lease agreements provide enough funds to cover building utilities and custodial services. The community benefits from the presence of these programs.

The Cardinal School District is entering a third year of full time Kindergarten for all students. Students have shown advancement in skills needed to be successful in first grade.

The School District accepts open enrollment students. The School District receives the full Ohio Basic Aid amount for each of these students. With over 100 open enrollment students from other districts the Cardinal School District receives over \$500,000 in annual revenue. Students are distributed throughout all grade levels at all schools. New applicants appear each year. Some applicants are denied enrollment due to class size restrictions defined by local Board policy.

Cardinal High School has undergone physical improvements and program improvements. There are five additional course offerings for students. The parking lot was demolished and replaced by a lot doubled in size and including lighting. A digital clock system was installed in the building. With the addition of furniture, carpeting and the painting of large rooms, the building has a marked increase in appeal as a learning environment.

The School District intends to continue devoting 1 mill of inside millage to these projects and add the 0.5 mill (previously devoted to the expiring 1994 Energy Conservation debt) to meet the requirements of the Resolution of Intent to support operation and maintenance of new facilities.

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 third 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 include the financial activities of the primary government, except for fiduciary funds.

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 2002 and a comparison, where available, to performance in 2001 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. On September 1, 2001 the Board established a dental self-insurance program. The internal service fund had net assets of \$106,197 at June 30, 2002, compared with \$14,768 in 2001 reflecting a net increase of \$91,429.

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 funds totaled \$950,156 for fiscal year 2002, of which \$611,432 was credited to the general fund, \$2,685 to the bond retirement fund, \$7,189 to the library bond retirement fund, \$286,705 to the building fund, \$40,763 to Middlefield Public library construction fund and \$1,382 to other special revenue funds. Information regarding School District investments is found in Note 6.

Risk Management

The School District manages prescription and dental benefits for its employees on a self-insurance basis. A third party administrator processes and pays the claims. Due to the limited loss exposure of prescription insurance, the Board does 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 assesses 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 its participation in the group. The School District contracts independently with the Harcum-Hyde Insurance Agency for general liability insurance with a \$1,000,000 per occurrence and \$3,000,000 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 Indiana Insurance Company and Coregis Agency are 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 10.

Independent Audit

State statutes require the School District to be subject to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent auditor Jim Petro, Auditor of State, was selected to render an opinion on the School District's financial statements as of and for the year ended June 30, 2002. 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, 2001. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

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

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


Acknowledgments

The publication of this 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, 2002

Board of Education

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

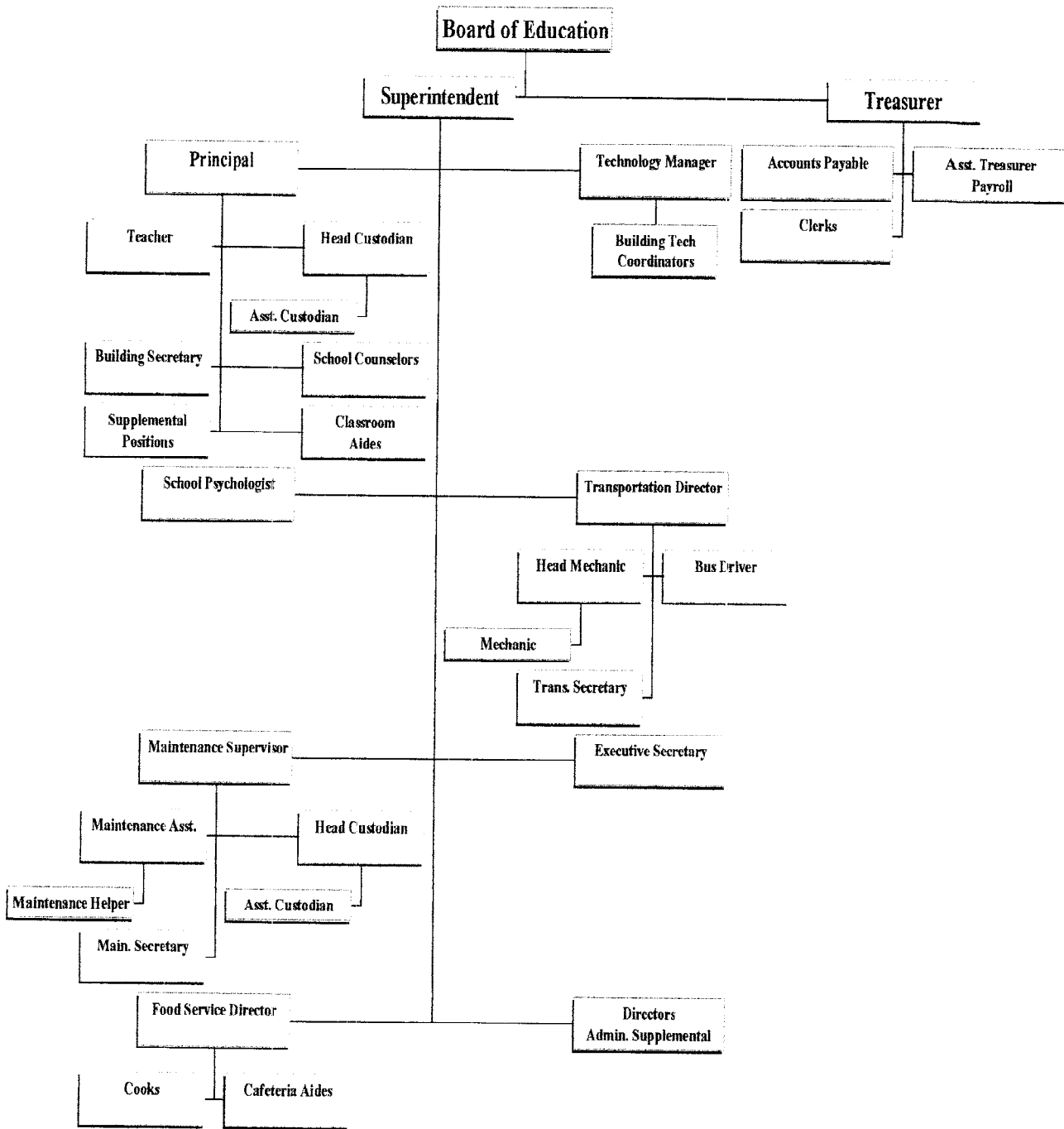
Treasurer

Mrs. Dianne Kellogg

Administration

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

Cardinal Local School District



Organizational Chart

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, 2001

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.



William Patrick Kato
President

Jeffrey L. Esser
Executive Director

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Lausche Building
615 Superior Avenue, NW.
Twelfth Floor
Cleveland, Ohio 44113-1801
Telephone 216-787-3665
800-626-2297
Facsimile 216-787-3361
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

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 governmental activities, each major fund and the aggregate remaining fund information of Cardinal Local School District, Geauga County, Ohio, (the District) as of and for the year ended June 30, 2002, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Cardinal Local School District, Geauga County, Ohio as of June 30, 2002, and the respective changes in financial position and the cash flows, where applicable, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended June 30, 2002, the District reclassified enterprise funds to special revenue funds for reporting purposes and adjusted beginning capital assets.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2002 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We applied certain limited procedures, consisting principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund statements and statistical tables are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects, in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

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

Jim Petro
Auditor of State

November 15, 2002

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

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, 2002. 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

Key financial highlights for 2002 include:

- The addition of two new major funds, Library Bond Retirement and Library Construction, resulting from the passage of a \$3,000,000 Middlefield Public Library debt financing issue in November 2001.
- A reclassification of *enterprise fund* reporting from Business-Type Activities to Governmental Activities.
- Securing the School District's financial stability with the passage of the 9.7 mill replacement levy in May 2002.

Total net assets increased by \$1,442,510.

Total revenues of \$14,440,055 were comprised of general revenues in the amount of \$12,213,278 or 84.6 percent and program specific revenues from charges for services, grants and contributions in the amount of \$2,226,777 or 15.4 percent.

Total assets increased by \$7,325,134 as the two-year construction project added \$5,924,859 to Capital Assets, Net of Depreciation. The School District received 7,463 shares of Anthem, Inc. common stock in the demutualization of Anthem Life. The School District, according to State law is not able to hold stock as an investment and therefore sold the shares in April 2002 for a one-time gain of \$452,861. The passage of a 9.7 mill replacement levy resulted in a 4.13 percent increase in taxes receivable.

The increase in the general fund balance from \$2,234,056 to \$2,264,958 is negligible. However, the net change fails to reflect the decline in interest revenue from \$265,732 to \$158,571 offset by the one-time sale of the Anthem, Inc. common stock.

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

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

funds presented in total in one column. In the case of Cardinal Local School District, the general, bond retirement, Library bond retirement, building and Library construction funds are the most significant funds.

Reporting the School District as a Whole (district wide)

Statement of Net Assets and the Statement of Activities

The analysis of the School District as a whole begins on page 5. The view of the School District as a whole looks at all financial transactions and asks the questions, "Are we in a better financial position this year than last?" and "Why" or "Why not". The Statement of Net Assets and the Statement of Activities provide the basis for answering these questions. The statements include *all assets* and *liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting recognizes 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 strictly within the scope of the School District, some not. External factors include the School District's property tax base, community demographics, current property tax laws in Ohio restricting revenue growth, required educational programs and other factors.

Effective with this fiscal year, the Statement of Net Assets and the Statement of Activities is represented in one type of activity; Governmental Activities. The School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities as well as food services, formerly reported as Business-Type 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, the fund financial statements focus on the School District's most significant funds.

Governmental Funds - 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 have historically operated as *enterprise* and *internal service funds* using the same basis of accounting as business-type activities; however, beginning this reporting year, the

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

School District will report the enterprise funds as *special revenue funds*. The lack of profitability in the food service fund in two of the last three fiscal years lead to the decision to no longer report it as an enterprise fund. The charge for a school lunch cannot keep pace with the ever-increasing wage and benefit costs. In addition, the School District recognizes the many subsidies received by the food service fund preclude it from being considered a business-type activity. This change is reflected in the tables presented below. The internal service fund accounts for the self insurance fund for prescription drugs and dental coverage and is reported separately as the School District's only proprietary fund.

The School District as a Whole

Table 1 provides a comparison of Net Assets as of 6/30/01 compared to 6/30/02:

(Table 1)
Net Assets

	Governmental Activities	
	2002	2001
Assets		
Current and Other Assets	\$20,735,350	\$19,335,075
Capital Assets, Net	12,442,381	6,517,522
<i>Total Assets</i>	33,177,731	25,852,597
Liabilities		
Current and Other Liabilities	12,346,540	8,893,871
Long-Term Liabilities:		
Due Within One Year	686,603	534,665
Due in More than One Year	13,441,181	11,084,524
<i>Total Liabilities</i>	26,474,324	20,513,060
Net Assets		
Invested in Capital Assets Net of Debt	2,676,989	1,928,830
Restricted:		
Capital Projects	4,288,067	1,737,661
Debt Service	0	743,013
Set Asides	127,341	127,341
Other Purposes	466,526	39,306
Unrestricted	(855,516)	684,746
<i>Total Net Assets</i>	\$6,703,407	\$5,260,897

Total assets increased \$7,325,134 with the increase in capital assets comprising \$5,924,859 of that amount. The change was expected in conjunction with the construction of the new middle school. The School District anticipates opening the new facility in the fall of 2002.

Cardinal Local School District
Management's Discussion and Analysis
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Unaudited

Current liabilities in governmental activities increased by \$3,452,669. This increase was primarily the result of the \$3 million bond anticipation notes issued in January 2002 and payable in July 2002. Long-term liabilities increased \$2,508,595 mainly due to the issuance of \$3 million in bonds for the Library construction.

Table 2 shows the changes in net assets for fiscal year 2002 compared to fiscal year 2001 and also reflects the reclassification business-type activities to special revenue funds for both years, in order to make the appropriate comparisons.

(Table 2)
Changes in Net Assets for Governmental Activities

	2002	2001
Revenues		
<i>Program Revenues:</i>		
Charges for Services	\$1,246,799	\$1,073,835
Operating Grants and Contributions	940,338	800,811
Capital Grants	39,640	102,292
<i>Total Program Revenues</i>	2,226,777	1,976,938
 <i>General Revenues:</i>		
Property Taxes	7,666,861	7,561,469
Grants and Entitlements	3,305,179	3,221,848
Other	1,241,238	978,015
<i>Total General Revenues</i>	12,213,278	11,761,332
<i>Total Revenues</i>	14,440,055	13,738,270
 <i>Program Expenses:</i>		
Instruction	6,799,595	6,856,419
<i>Support Services:</i>		
Pupil and Instructional Staff	1,491,081	1,057,693
Board of Education, Administration, Fiscal and Business	1,223,804	1,206,892
Operation and Maintenance	1,128,307	1,056,124
Pupil Transportation	811,498	664,822
Central	206,313	184,936
Extracurricular Activities	353,431	327,796
Food Services	451,803	382,036
Interest and Fiscal Charges	531,713	640,668
<i>Total Program Expenses</i>	12,997,545	12,377,386
 Increase in Net Assets	\$1,442,510	\$1,360,884

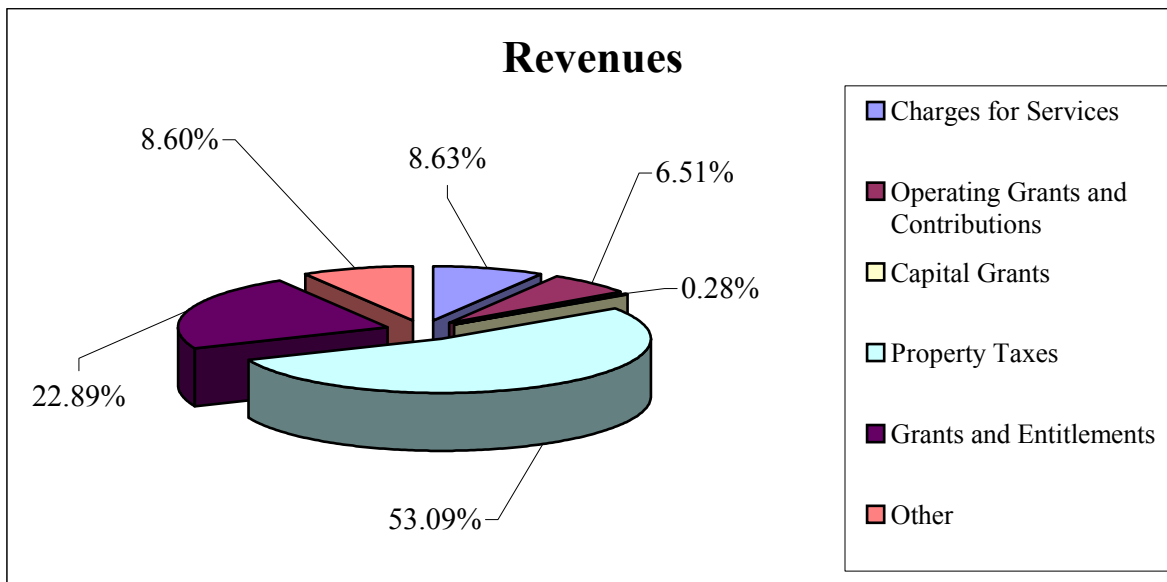
Cardinal Local School District
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For the Fiscal Year Ended June 30, 2002
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Program Revenues include charges for services, grants and contributions that are program specific. Surrounding schools with resident students attending Cardinal pay the School District \$4,982 per pupil under Ohio's open enrollment plan. The 16.11 percent increase in the revenues from *charges for services* is derived from additional open enrollment students. The School District operates special education units with excess costs charged back to the students' district of residence. An increase in fees collected was primarily the result of the Parkman Elementary School trip to Gettysburg.

The 17.42 percent increase in *operating grants and contributions* stems from increases in all existing federal entitlements. The School District also became fiscal agent for a new federal grant to establish an Autism Demonstration Project. The \$50,000 entitlement will train parents, specialists, teachers and aides participating in the new county-wide autism unit scheduled to open next school year. *Capital grants* decreased by 61.25 percent because in fiscal year 2001 the School District received funding for 1.5 school buses. In 2002, the School District received funding for only half the cost of one bus. The State grants for local professional development were not funded in the new biennium budget and schoolnet connectivity grants were completed in 2001. The 26.9 percent increase in general revenues, *other* is related to the one time sale of the Anthem, Inc. stock.

Property taxes made up 53.09 percent of total revenues for governmental activities for Cardinal Local Schools in fiscal year 2002. Program Revenues comprised of *charges for services, operating grants and contributions and capital grants*, provided 15.42 percent of total revenues. Over 84 percent of all governmental activities are supported through property taxes, grants and entitlements, and other general revenues. The 22.89 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.

(Graph 1)
Revenue Distribution - Governmental Activities

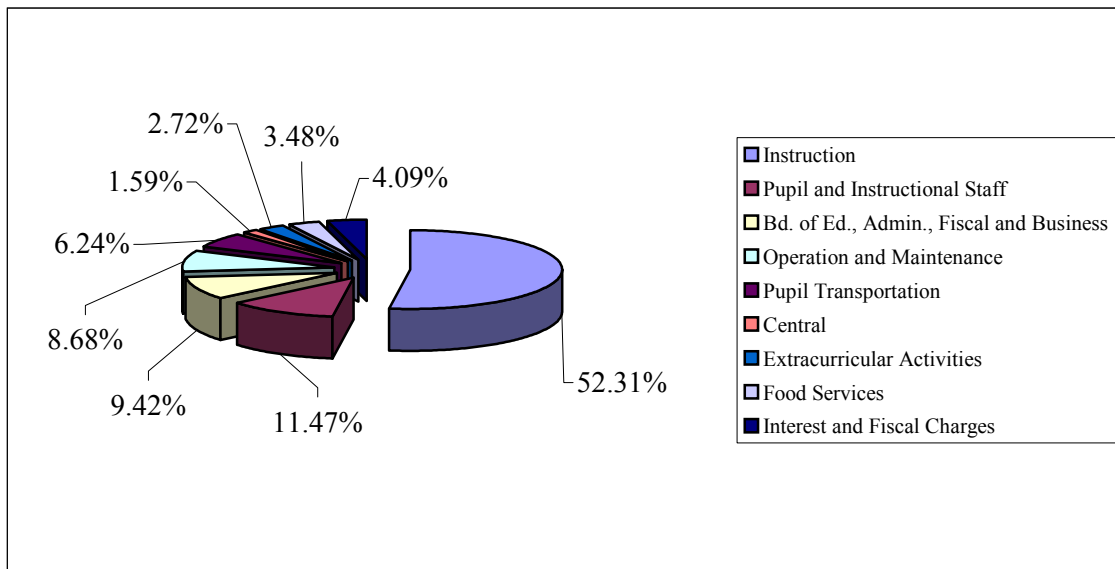


Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

Instruction comprised 52.31 percent of governmental program expenses 3 percent less than fiscal 2001. Support services in the area of pupil and instructional staff increased 41 percent continuing the trend of ever increasing special education and technology support costs.

The food service operations in 2002 increased \$69,767 or 18.3 percent. Uniform school supplies expense is reflected in instruction. In fiscal year 2002, operation and maintenance of plant expenses increased by \$72,183. The School District completely overhauled the boilers and walk-in freezer at Jordak Elementary, repaired two major roof areas at Cardinal High School and replaced two complete entranceways. Interest and fiscal charges decreased \$108,955 reflecting the decrease in cost of issuance of new debt and interest on bond anticipation notes.

(Graph 2)
 Governmental Expenses



Governmental Activities

The unique property tax structure of Ohio factors in protection for property owners against inflation through millage rollbacks that offset value increases. 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 law. The voters again approved the replacement of the 9.7 mill levy in the May 2002 Primary. Ohio mandates the use of a five-year forecast that includes three years of history and five years of projected operating revenues and expenditures. The School District's long-range financial plans are presently met through the additional revenues received from new construction, inside (fixed) millage and approximately 2 additional mills received when the 5 year, 9.7 mill issue replaces the existing levy. The School District receives 4.5 mills of inside (fixed) millage; 3 mills of which are directed to general operating, 1 mill to permanent improvement and 0.5 mills to debt service. The portion used to finance debt will return to the general fund in January 2003.

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

While the food service and uniform school supply funds will continue to be segregated in fund accounting, the combined presentation of governmental activities will show those costs in program expenses related to regular instruction and food service operations.

(Table 3)
 Governmental Activities

	Total Cost of Services 2002	Total Cost of Services 2001	Net Cost of Services 2002	Net Cost of Services 2001
Instruction	\$6,799,595	\$6,856,419	(\$5,490,372)	(\$5,619,158)
Support Services:				
Pupil and Instructional Staff	1,491,081	1,057,693	(1,151,715)	(903,786)
Board of Education, Administration, Fiscal and Business	1,223,804	1,206,892	(1,192,212)	(1,170,521)
Operation and Maintenance of Plant	1,128,307	1,056,124	(1,124,466)	(1,052,734)
Pupil Transportation	811,498	664,822	(708,964)	(484,888)
Central	206,313	184,936	(187,440)	(179,228)
Extracurricular Activities	353,431	327,796	(229,862)	(326,232)
Food Service Operations	451,803	382,036	(154,024)	(379,036)
Interest and Fiscal Charges	531,713	640,668	(531,713)	(640,668)
<i>Total Expenses</i>	<u>\$12,997,545</u>	<u>\$12,377,386</u>	<u>(\$10,770,768)</u>	<u>(\$10,756,251)</u>

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. The (\$10,770,768) Total Expenses, *Net Cost of Services 2002* tells the reader that these services are not self-supporting, but are supported by tax revenues and unrestricted State entitlements.

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 \$14,383,535 and expenditures of \$19,760,092.

The net change in fund balance for the year was most significant in the building fund. 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. As the new middle school project nears completion, the 2002 construction in progress is valued at \$9,087,625 and the net change in the building fund balance was (\$5,568,809). The negative change in fund balance in the bond retirement fund reflects a decrease in revenues to pay outstanding debt obligations. The School District consulted with the Geauga County Auditor's office and determined a sufficient balance was collected or in the process of collection to retire debt without rolling it into a long-term debt issue.

Cardinal Local School District
Management's Discussion and Analysis
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Unaudited

The Library bond retirement and Library construction fund are new major funds resulting from the passage of the bond issue in November 2001. Construction is expected to begin on the new Middlefield Public Library in the spring of 2003. Ohio law allows for a school district to act as tax levying authority for debt issued relative to a public Library project. *Other governmental funds* show a net change in fund balance of \$313,433. In 2002, the School District established a termination benefit fund that represents 79.65 percent of the positive net change in *other governmental funds*.

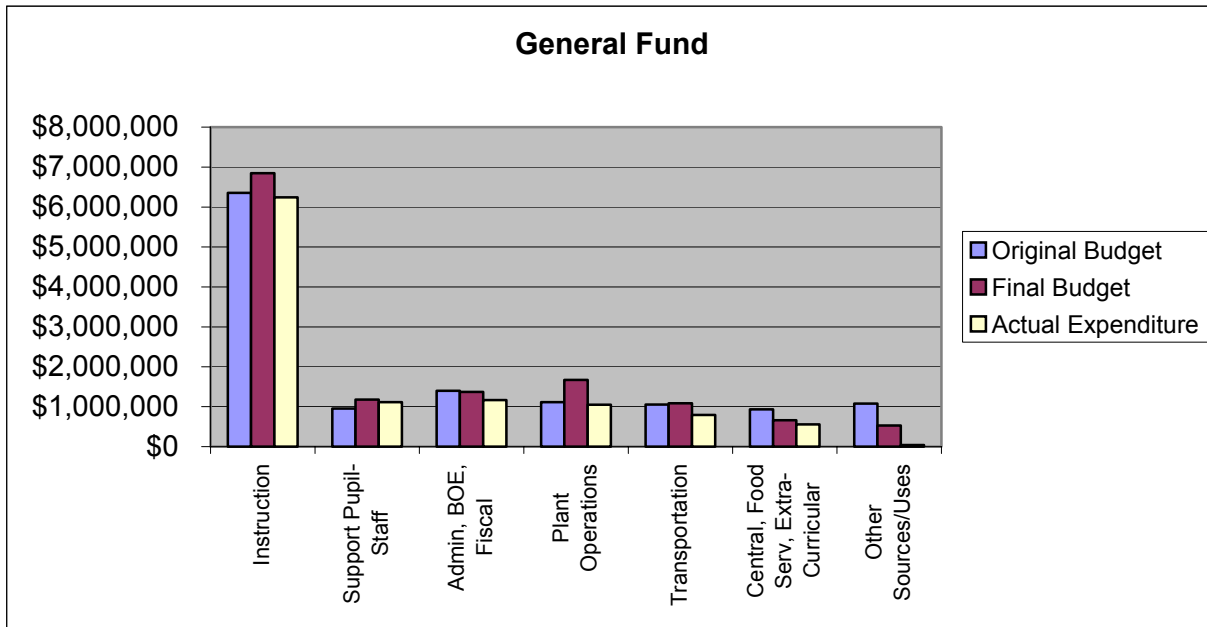
General Fund Budgeting Highlights

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 2002 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 \$11,129,675 representing a \$575,062 increase from the original budget estimates of \$10,554,613. Two-thirds of this difference was due to conservative estimates in property tax, primarily tangible property tax revenues. This estimate was amended with the January 2002 Amended Certificate of Resources that reflected the revised tax duplicate for 2001. The School District's general fund balance end of year was \$2,731,582 reflecting additional funds budgeted but not expended or encumbered.

During fiscal year 2002 the School District's policy regarding budgetary requirements was revised. The School District instituted fund level rather than fund, function and object level authorization. Modifications to the original budget included the addition of two new funds and an additional federal entitlement. The School District added a termination benefits fund to segregate severance pay and an auxiliary services fund for the newly opened Montessori Farm School in Huntsburg. The major changes in the general fund were increases in the instruction and pupil services salary, retirement and benefit accounts. The School District also increased the budgeted amount for plant operations and maintenance replacement capital outlay by \$622,100. This reflected the action to earmark the Anthem, Inc. stock sale proceeds for building improvements to Jordak Elementary School. Those improvements were not addressed in fiscal year 2002.

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

(Graph 3)
 General Fund
 Original Budget- Final Budgets and Actual Expenditures



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. Senate Bill 345 requires the School District to set aside \$128.82 per pupil of certain general fund revenues in each of two areas. One for the purchase of textbooks and materials related to instruction and the other for capital outlay. For fiscal year 2002, this amounted to \$175,696 for each set aside for Cardinal Schools. The capital set asides expenditures totaled \$290,926. The General Fund expended \$79,132 and \$211,794 was spent from the permanent improvement fund. One new school bus was purchased as well as a new phone system and complete overhaul of the walk-in cooler and freezer at Jordak Elementary. The textbook and instructional materials set aside, including \$31,605 in student computers and \$80,585 in textbooks, exceeded the required amount by \$115,230. This amount is added to the \$49,140 surplus from fiscal year 2001 for a total carryover of \$142,911.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2002 the School District had \$12,442,381 invested in land, buildings, equipment, vehicles and construction in progress. Table 4 shows fiscal 2002 balances compared to fiscal year 2001. More detailed information is presented in Note 9 of the notes to the basic financial statements.

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

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

	Governmental Activities	
	2002	2001
Land	\$529,319	\$529,319
Land Improvements	125,946	90,507
Buildings and Improvements	1,982,865	2,083,463
Furniture and Equipment	248,902	174,746
Vehicles	467,724	443,526
Construction in Progress	9,087,625	3,109,726
Totals	\$12,442,381	\$6,431,287

The construction of the new middle school was at 97% completion at the close of the fiscal year accounting for most of the \$9.09 million in construction in progress. The building previously used for a middle school is being renovated as an educational center that will house the Lake/Geauga Head Start and Geauga County Autistic Unit as well as Middlefield Recreation Programs.

Debt

At June 30, 2002 the School District had \$15,754,930 in bonds and notes outstanding, \$3,515,000 due within one year. Table 5 summarizes bonds and notes outstanding. More detailed information is presented in Notes 14 and 15 of the notes to the basic financial statements.

(Table 5)
 Outstanding Debt at Year End

	Governmental Activities	
	2002	2001
1979 High School and Elementary Additions Bonds	\$55,000	\$110,000
Energy Conservation Bonds	200,000	260,000
Various School Improvement Bonds	9,499,930	9,749,930
Middlefield Public Library Serial Bonds	2,780,000	0
Middlefield Public Library Capital Appreciation Bonds	220,000	0
School Improvement Notes	0	250,000
Middlefield Public Library Notes	3,000,000	0
Totals	\$15,754,930	\$10,369,930

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

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. At the time of this report, the project is 97% complete. The \$10 million issue will be completely paid in December 1, 2025.

Pursuant to the request of the Middlefield Public Library, Cardinal Board of Education placed a debt issue for \$3,000,000 before the voters in November 2001. On January 14, 2002 the School District issued \$3,000,000 in bond anticipation notes (BANS) to fund the construction project. The School District issued serial and capital appreciation bonds to retire the debt in May 2002. The BANS will be retired on July 31, 2002. The final bond payment is December 1, 2021. The Library debt is included in the unrestricted net assets portion of the statement of net assets resulting in a negative balance for fiscal year 2002. This deficit will be addressed as the building is constructed and the expenditures are reported.

At June 30, 2002, the School District's overall legal debt margin was \$9,440,003 with an unvoted debt margin of \$238,181. On May 2, 2002, Moody's Investors Service upgraded the School District's outstanding general obligation debt from A3 to A2.

Challenges and Opportunities for the Future

The School District is always presented with challenges and opportunities. Economic recession has not had a material impact our primary industries, but it is affecting the income of our elderly property tax payers. Passage of a very important operating replacement issue has demonstrated strong community support for the School District and its programs. Again the School District was fortunate to have a low interest market when issuing debt. The market, however, is not attractive for maintaining investment revenues.

In May 2002, the 9.7 mill Replacement Levy passed with less than 1 percent margin for the vote affirming the levy. The ensuing recount showed a 9-vote margin. The replacement levy will generate approximately \$400,000 annually in new revenues. These revenues are needed to operate the new school and increase staff. The proceeds of the 1 mill bond issue to construct a new Middlefield Public Library were first collected in January 2002. Cardinal Local Schools issued the Library debt to construct the new Library facility, according to the Ohio Revised Code. The School District will manage the funds, own the facility and lease it to the Library until two years after the debt issue is repaid in 2021. At that time, the School District will deed the building to the Library. The existing Library building will be given to the School District when the new building is occupied. Offices currently housed at Jordak Elementary School will move to the building.

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

The School District adopted a Master Plan and Resolution of Intent to support and participate in the Ohio Schools Facility Commission, Expedited Local Partnership. The School District does not expect to be in the funding range (based upon need) for approximately 10 years, but by adopting the master plan now, the new middle school will qualify for 17% reimbursement when the State reaches schools in that range. The plan also qualifies certain renovations to Cardinal High School and Jordak Elementary School when executed by a design professional and approved by the State.

A compromise was reached between the School District and KraftMaid Cabinetry, Inc. on the tax valuation complaint filed and in August 2002. The Geauga County Board of Tax Revision concurred with the plan. Initially the School District will receive an increase in tax from higher assessed land values, however, expiring abated buildings will come on to the duplicate at a lower assessed value per square foot than previously estimated. All abated properties will be subject to future reappraisals every six years as provided in Ohio law; consequently the exact values when taxable are not known at this time and the School District does not view this as a loss.

Tax base growth has also continued over the past year. The duplicate total assessed value went from \$229 million in 2001 to \$238 million in 2002 an increase of 3.9 percent. Housing starts had declined 21% in calendar year 2001, however they currently reflect a 15% increase in Middlefield Village and 36% increase in Parkman Township in the first two quarters of 2002 (*Gauga County Building Department*). Residential property contributes 58 percent of the District's real estate valuation. General fund operations receive 37 percent of its revenue from real estate taxes on residential, commercial, and industrial properties. Another 21 percent is received from tangible personal property taxpayers and 29 percent being received from various forms of State aid including homestead and rollback exclusions on property taxes. The remaining 13 percent is received from open enrollment fees, billed back special education charges and interest earnings.

In November 2001, the Ohio Supreme Court granted a motion for reconsideration on its latest opinion regarding the State's school funding plan. The School District does not anticipate any material changes in the State funded portion of its budget. 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 received its first Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting in 1998. Cardinal continues its commitment 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, ca_kellogg@lgca.org.

Basic Financial Statements

Cardinal Local School District

Statement of Net Assets

June 30, 2002

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$11,791,715
Cash and Cash Equivalents With Fiscal Agents	286,973
Restricted Assets:	
Equity in Pooled Cash and Cash Equivalents	127,341
Accrued Interest Receivable	67,266
Accounts Receivable	55,097
Intergovernmental Receivable	130,610
Inventory Held for Resale	7,079
Materials and Supplies Inventory	88,996
Prepaid Items	2,710
Taxes Receivable	8,027,587
Deferred Charges	149,976
Nondepreciable Capital Assets	9,616,944
Depreciable Capital Assets	2,825,437
	<hr/>
<i>Total Assets</i>	33,177,731
	<hr/>
Liabilities	
Accounts Payable	33,360
Accrued Wages	1,258,145
Retainage Payable	283,859
Deferred Revenue	7,406,200
Intergovernmental Payable	339,566
Matured Interest Payable	3,114
Accrued Interest Payable	8,673
Notes Payable	3,000,000
Claims Payable	13,623
Long-Term Liabilities:	
Due Within One Year	686,603
Due in More Than One Year	13,441,181
	<hr/>
<i>Total Liabilities</i>	26,474,324
	<hr/>
Net Assets	
Invested in Capital Assets, Net of Related Debt	2,676,989
Restricted for:	
Capital Projects	4,288,067
Set Asides	127,341
Other Purposes	466,526
Unrestricted	(855,516)
	<hr/>
<i>Total Net Assets</i>	\$6,703,407
	<hr/> <hr/>

See accompanying notes to the basic financial statements

Cardinal Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2002

	Program Revenues			Governmental Activities	Net Expense and Changes in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants Contributions, and Interest		
Governmental Activities					
Instruction:					
Regular	\$5,339,683	\$628,178	\$139,620	\$0	(\$4,571,885)
Special	1,341,464	48,979	492,446	0	(800,039)
Vocational	118,448	0	0	0	(118,448)
Support Services:					
Pupil	798,170	130,407	98,381	0	(569,382)
Instructional Staff	692,911	186	110,392	0	(582,333)
Board of Education	47,125	0	0	0	(47,125)
Administration	756,284	10,682	20,196	0	(725,406)
Fiscal	375,315	0	714	0	(374,601)
Business	45,080	0	0	0	(45,080)
Operation and Maintenance of Plant	1,128,307	3,841	0	0	(1,124,466)
Pupil Transportation	811,498	76,394	0	26,140	(708,964)
Central	206,313	0	5,373	13,500	(187,440)
Extracurricular Activities	353,431	104,233	19,336	0	(229,862)
Food Service Operations	451,803	243,899	53,880	0	(154,024)
Interest and Fiscal Charges	531,713	0	0	0	(531,713)
<i>Total Governmental Activities</i>	<u>\$12,997,545</u>	<u>\$1,246,799</u>	<u>\$940,338</u>	<u>\$39,640</u>	<u>(10,770,768)</u>
General Revenues					
Property Taxes Levied for:					
					6,493,262
					711,361
					462,238
					3,305,179
					949,742
					291,496
<i>Total General Revenues</i>					<u>12,213,278</u>
					1,442,510
<i>Change in Net Assets</i>					<u>5,260,897</u>
					5,260,897
<i>Net Assets Beginning of Year (See Note 3)</i>					<u>5,260,897</u>
					6,703,407
<i>Net Assets End of Year</i>					<u>6,703,407</u>

See accompanying notes to the basic financial statements

Cardinal Local School District

Balance Sheet

Governmental Funds

June 30, 2002

	<u>General</u>	<u>Bond Retirement</u>	<u>Library Bond Retirement</u>	<u>Building</u>	<u>Library Construction</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$2,937,317	\$374,309	\$3,115,423	\$1,571,681	\$3,016,930
Cash and Cash Equivalents					
With Fiscal Agents	0	3,114	0	283,859	0
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	127,341	0	0	0	0
Receivables:					
Taxes	6,650,383	919,322	228,287	0	0
Accounts	55,047	0	0	50	0
Intergovernmental	0	0	0	0	0
Accrued Interest	44,433	0	0	0	22,833
Prepaid Items	2,710	0	0	0	0
Interfund Receivable	5,330	0	0	0	0
Inventory Held for Resale	0	0	0	0	0
Materials and Supplies Inventory	87,959	0	0	0	0
<i>Total Assets</i>	<u>\$9,910,520</u>	<u>\$1,296,745</u>	<u>\$3,343,710</u>	<u>\$1,855,590</u>	<u>\$3,039,763</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$9,843	\$0	\$0	\$20,464	\$0
Accrued Wages	1,130,337	0	0	0	0
Intergovernmental Payable	185,888	0	0	0	0
Retainage Payable	0	0	0	283,859	0
Interfund Payable	0	0	0	0	0
Deferred Revenue	6,319,494	864,211	214,620	0	0
Matured Interest Payable	0	3,114	0	0	0
Accrued Interest Payable	0	0	0	0	6,370
Notes Payable	0	0	0	0	3,000,000
<i>Total Liabilities</i>	<u>7,645,562</u>	<u>867,325</u>	<u>214,620</u>	<u>304,323</u>	<u>3,006,370</u>
Fund Balances:					
Reserved for Encumbrances	323,435	0	0	1,527,613	0
Reserved for Property Taxes	330,889	55,111	13,667	0	0
Reserved for Budget Stabilization	127,341	0	0	0	0
Unreserved, Undesignated, Reported in:					
General Fund	1,483,293	0	0	0	0
Special Revenue Funds	0	0	0	0	0
Debt Service Fund	0	374,309	3,115,423	0	0
Capital Projects Funds	0	0	0	23,654	33,393
<i>Total Fund Balances</i>	<u>2,264,958</u>	<u>429,420</u>	<u>3,129,090</u>	<u>1,551,267</u>	<u>33,393</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$9,910,520</u>	<u>\$1,296,745</u>	<u>\$3,343,710</u>	<u>\$1,855,590</u>	<u>\$3,039,763</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, 2002*

Other Governmental Funds	Total Governmental Funds		
		Total Governmental Funds Balances	\$8,064,370
		<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
\$656,235	\$11,671,895	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	12,442,381
0	286,973	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
0	127,341	Delinquent Property Taxes	208,053
229,595	8,027,587	Bond issuance costs will be amortized over the life of the bonds on the statement of net assets	63,239
0	55,097		
130,610	130,610	One internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	106,197
0	67,266		
0	2,710		
0	5,330		
7,079	7,079	Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(137,483)
1,037	88,996		
<u>\$1,024,556</u>	<u>\$20,470,884</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:	
\$3,053	\$33,360	General Obligation Bonds	(12,754,930)
127,808	1,258,145	Bond Premium	(311,057)
16,195	202,083	Compensated Absences	(1,061,797)
0	283,859	Accrued Interest Payable	<u>(2,303)</u>
5,330	5,330	Total	<u>(14,130,087)</u>
215,928	7,614,253		
0	3,114		
0	6,370		
<u>0</u>	<u>3,000,000</u>		
368,314	12,406,514	<i>Net Assets of Governmental Activities</i>	<u><u>\$6,616,670</u></u>
131,163	1,982,211		
13,667	413,334		
0	127,341		
0	1,483,293		
485,367	485,367		
0	3,489,732		
<u>26,045</u>	<u>83,092</u>		
656,242	8,064,370		
<u>\$1,024,556</u>	<u>\$20,470,884</u>		

Cardinal Local School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2002

	General	Bond Retirement	Library Bond Retirement	Building
Revenues				
Taxes	\$6,450,927	\$590,290	\$108,578	\$250,833
Intergovernmental	3,227,820	92,196	13,502	0
Interest	611,432	2,685	7,189	286,705
Charges for Services	0	0	0	0
Tuition and Fees	814,676	0	0	0
Extracurricular Activities	0	0	0	0
Rentals	3,354	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	10,533	0	0	0
<i>Total Revenues</i>	<u>11,118,742</u>	<u>685,171</u>	<u>129,269</u>	<u>537,538</u>
Expenditures				
Current:				
Instruction:				
Regular	5,344,673	0	0	0
Special	899,643	0	0	0
Vocational	119,058	0	0	0
Support Services:				
Pupil	713,066	0	0	0
Instructional Staff	418,651	0	0	187,852
Board of Education	47,125	0	0	0
Administration	743,114	0	0	0
Fiscal	336,923	15,388	1,742	15,955
Business	45,769	0	0	0
Operation and Maintenance of Plant	1,050,951	0	0	0
Pupil Transportation	796,926	0	0	0
Central	181,367	0	0	0
Extracurricular Activities	244,345	0	0	0
Food Service Operations	137,819	0	0	0
Capital Outlay	0	0	0	5,901,707
Debt Service:				
Principal Retirement	0	365,000	0	0
Interest and Fiscal Charges	0	531,049	0	833
Bond Issuance Costs	0	0	86,737	0
<i>Total Expenditures</i>	<u>11,079,430</u>	<u>911,437</u>	<u>88,479</u>	<u>6,106,347</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>39,312</u>	<u>(226,266)</u>	<u>40,790</u>	<u>(5,568,809)</u>
Other Financing Sources (Uses)				
General Obligation Bonds Issued	0	0	0	0
Premium on Bonds	0	0	88,300	0
Proceeds from the Sale of Capital Assets	26,590	0	0	0
Transfers In	0	0	0	0
Transfers Out	(35,000)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(8,410)</u>	<u>0</u>	<u>88,300</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	30,902	(226,266)	129,090	(5,568,809)
<i>Fund Balances Beginning of Year (Restated See Note 3)</i>	<u>2,234,056</u>	<u>655,686</u>	<u>0</u>	<u>7,120,076</u>
<i>Fund Balances End of Year</i>	<u>\$2,264,958</u>	<u>\$429,420</u>	<u>\$129,090</u>	<u>\$1,551,267</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, 2002*

Library Construction	Other Governmental Funds	Total Governmental Funds
\$0	\$209,713	\$7,610,341
0	931,778	4,265,296
40,763	1,382	950,156
0	310,398	310,398
0	391	815,067
0	117,980	117,980
0	0	3,354
0	19,447	19,447
0	254,373	264,906
40,763	1,845,462	14,356,945
0	179,644	5,524,317
0	449,218	1,348,861
0	0	119,058
0	81,210	794,276
0	91,539	698,042
0	0	47,125
0	44,243	787,357
0	548	370,556
0	0	45,769
0	1,654	1,052,605
0	0	796,926
0	7,885	189,252
0	124,780	369,125
0	326,551	464,370
1,000	259,757	6,162,464
0	0	365,000
6,370	0	538,252
0	0	86,737
7,370	1,567,029	19,760,092
33,393	278,433	(5,403,147)
3,000,000	0	3,000,000
0	0	88,300
0	0	26,590
0	35,000	35,000
0	0	(35,000)
3,000,000	35,000	3,114,890
3,033,393	313,433	(2,288,257)
0	342,809	10,352,627
\$3,033,393	\$656,242	\$8,064,370

Net Change in Fund Balances -Total Governmental Funds (\$2,288,257)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	Fixed Asset Additions 6,383,194 Current Year Depreciation (290,628) Total 6,092,566
Governmental Funds only report the disposal of fixed assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	(81,472)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	Delinquent Property Taxes 56,520
Bond issuance costs are recognized as deferred charges and will be amortized over the life of the bonds on the statement of activities.	86,737
Other financing sources in the governmental funds increase long-term liabilities in the statement of net assets.	General Obligation Bonds Issued (3,088,300)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	365,000
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	Accrued Interest (396) Bond Premium 9,685 Bond Issuance Costs (2,750) Total 6,539
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.	Compensated Absences 205,020 Pension Obligations (3,272) Total 201,748
The internal service fund used by management to charge the costs of insurance to individual funds are not reported in the district-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund are allocated among the governmental activities.	91,429
<i>Change in Net Assets of Governmental Activities</i>	<u>\$1,442,510</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, 2002

	<u>Budgeted Amounts</u>			Variance With Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Taxes	\$6,054,400	\$6,529,705	\$6,529,705	\$0
Intergovernmental	3,162,374	3,232,475	3,232,475	0
Interest	578,958	591,792	591,792	0
Tuition and Fees	745,295	761,816	761,816	0
Rentals	3,281	3,354	3,354	0
Miscellaneous	10,305	10,533	10,533	0
<i>Total Revenues</i>	<u>10,554,613</u>	<u>11,129,675</u>	<u>11,129,675</u>	<u>0</u>
Expenditures				
Current:				
Instruction:				
Regular	5,302,853	5,821,131	5,258,240	562,891
Special	832,210	1,093,360	1,039,241	54,119
Vocational	217,725	157,725	117,371	40,354
Support Services:				
Pupils	532,704	769,543	716,458	53,085
Instructional Staff	420,605	451,667	417,879	33,788
Board of Education	51,376	64,376	43,320	21,056
Administration	816,342	820,327	728,220	92,107
Fiscal	453,710	435,760	364,384	71,376
Business	77,032	77,032	45,467	31,565
Operation and Maintenance of Plant	1,111,428	1,733,528	1,133,571	599,957
Pupil Transportation	1,054,650	1,096,354	824,895	271,459
Central	232,123	217,157	181,201	35,956
Extracurricular Activities	273,675	283,864	246,113	37,751
Food Service Operations	96,631	152,632	135,020	17,612
Capital Outlay	331,511	10,511	0	10,511
<i>Total Expenditures</i>	<u>11,804,575</u>	<u>13,184,967</u>	<u>11,251,380</u>	<u>1,933,587</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,249,962)</u>	<u>(2,055,292)</u>	<u>(121,705)</u>	<u>1,933,587</u>
Other Financing Sources (Uses)				
Sale of Fixed Assets	9,330	9,330	26,590	17,260
Advances Out	(25,000)	(25,000)	(5,330)	19,670
Transfers Out	(1,052,000)	(504,098)	(35,000)	469,098
<i>Total Other Financing Sources (Uses)</i>	<u>(1,067,670)</u>	<u>(519,768)</u>	<u>(13,740)</u>	<u>506,028</u>
<i>Net Change in Fund Balance</i>	<u>(2,317,632)</u>	<u>(2,575,060)</u>	<u>(135,445)</u>	<u>2,439,615</u>
<i>Fund Balance Beginning of Year</i>	2,489,536	2,489,536	2,489,536	0
Prior Year Encumbrances Appropriated	377,491	377,491	377,491	0
<i>Fund Balance End of Year</i>	<u>\$549,395</u>	<u>\$291,967</u>	<u>\$2,731,582</u>	<u>\$2,439,615</u>

Cardinal Local School District
Statement of Fund Net Assets
Internal Service Fund
June 30, 2002

	<u>Insurance</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$119,820
Liabilities	
Claims Payable	<u>13,623</u>
Net Assets	
Unrestricted	<u><u>\$106,197</u></u>

See accompanying notes to the basic financial statements

Cardinal Local School District
*Statement of Revenues,
 Expenses and Changes in Fund Net Assets
 Internal Service Fund
 For the Fiscal Year Ended June 30, 2002*

	Insurance
Operating Revenues	
Charges for Services	\$408,298
Operating Expenses	
Purchased Services	8,323
Claims	308,546
Total Expenses	316,869
<i>Change in Net Assets</i>	91,429
<i>Net Assets Beginning of Year</i>	14,768
<i>Net Assets End of Year</i>	\$106,197

See accompanying notes to the basic financial statements

Cardinal Local School District
Statement of Cash Flows
Internal Service Fund
For the Fiscal Year Ended June 30, 2002

	<u>Insurance</u>
<i>Increase (Decrease) in Cash and Cash Equivalents</i>	
Cash Flows from Operating Activities	
Cash Received for Interfund Services	\$408,298
Cash Payments for Claims	<u>(333,745)</u>
<i>Net Increase in Cash and Cash Equivalents</i>	74,553
Cash and Cash Equivalents Beginning of Year	<u>45,267</u>
Cash and Cash Equivalents End of Year	<u><u>\$119,820</u></u>
Reconciliation of Operating Income	
to Net Cash Provided by Operating Activities	
<i>Operating Income</i>	\$91,429
Adjustment:	
Decrease in Claims Payable	<u>(16,876)</u>
<i>Net Cash Provided by Operating Activities</i>	<u><u>\$74,553</u></u>
See accompanying notes to the basic financial statements	

Cardinal Local School District
Statement of Fiduciary Assets and Liabilities
Agency Fund
June 30, 2002

Assets

Equity in Pooled Cash and Cash Equivalents	<u><u>\$25,738</u></u>
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Liabilities

Due to Students	<u><u>\$25,738</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, 2002

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 federal agencies. This Board controls the School District's 5 instructional/support facilities staffed by 67 non-certificated employees, 105 certificated full time teaching personnel and 7 administrative employees to provide services to 1,426 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 five jointly governed organizations and one insurance purchasing pool. These organizations are the Auburn Career Center, the Lake Geauga Education Computer Association, 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 16 and 17 to the basic financial statements.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

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

Fund Financial Statements During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental 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, 2002

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.

Library Bond Retirement Fund The library bond retirement fund is used to account for the accumulation of property tax revenues for, and the payment of, general obligation bonds issued for the Middlefield Public Library building construction.

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

Library Construction Fund The library construction fund accounts for bond proceeds and interest revenue to be used for the construction of a Middlefield Public Library.

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. The School District's only proprietary fund is an internal service fund.

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 prescription drug and dental 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, 2002

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, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of 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 activity.

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 property taxes and grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the 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.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: 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, 2002, but which were levied to finance fiscal year 2003 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

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 budgetary control has been established by the Board of Education at the fund level for all funds.

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 in effect when the final appropriations were passed.

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 in the budgetary statements reflect the final appropriations passed by the Board during the year.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

F. Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds, including the internal service fund, 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 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 represent deposits.

During fiscal year 2002, investments were limited to STAROhio, certificates of deposit and repurchase agreements. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2002. Certificates of deposit and 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 2002 amounted to \$611,432, which includes \$383,263 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.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2002, 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.

Inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis and is expensed when used. Inventory in governmental funds consists of expendable supplies held for consumption and inventory held for resale.

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 in the general fund include amounts required by State statute to be set aside to create a reserve for budget stabilization. See Note 19 for additional information regarding set-asides.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

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 internal service fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. 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 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:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	10 - 30 years
Furniture and Equipment	5 - 10 years
Vehicles	10 years

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 activities columns of the statement of net assets.

N. 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.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

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.

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employee will be paid.

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 and accrued liabilities 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.

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, 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 monies required to be set-aside by statute to protect against cyclical fluctuations in revenues and expenditures.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

R. Operating Revenues and Expenses

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

S. 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.

T. 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 - Restatement of Fund Balances/Net Assets

At June 30, 2002, the School District decided that enterprise funds should be reclassified as special revenue funds for reporting purposes, and therefore, they do not report any enterprise funds for fiscal year 2002. Also, capital assets were overstated by \$86,235, which decreased the balance as of June 30, 2001 from \$6,517,522 to \$6,431,287. These changes increased the governmental activities net assets as of June 30, 2001 by \$2,989 from \$5,257,908 to \$5,260,897 and increased the fund balance of the other governmental funds by \$47,831 from \$294,978 to \$342,809. As a result of the reclassification, other governmental funds excess of revenues over expenditures as of June 30, 2001 decreased by \$74,432 from \$49,195 to (\$25,237).

Note 4 – Fund Deficits

The Ohio Reads Grant special revenue fund had a deficit fund balance of \$133 at June 30, 2002. The deficit resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in this fund and provides operating transfers when cash is required, rather than when accruals occur.

Note 5 - Budgetary Basis of Accounting

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

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

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

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

GAAP Basis	\$30,902
Net Adjustment for Revenue Accruals	10,933
Net Adjustment for Expenditure Accruals	161,128
Advances Out	(5,330)
Adjustment for Encumbrances	<u>(333,076)</u>
Budget Basis	<u><u>(\$135,443)</u></u>

Note 6 - Deposits and Investments

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

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

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

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

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.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
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 \$8,630,752 and the bank balance was \$5,843,136. Of the bank balance:

1. \$704,305 of the bank balance was covered by depository insurance; and
2. \$5,138,831 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

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

with federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

	Category 3	Carrying Amount	Fair Value
Repurchase Agreements	\$320,000	\$320,000	\$320,000
STAROhio	3,281,015	3,281,015	3,281,015
Totals	\$320,000	\$3,601,015	\$3,601,015

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	\$12,231,767	\$0
Repurchase Agreements	(320,000)	320,000
STAROhio	(3,281,015)	3,281,015
GASB Statement No. 3	\$8,630,752	\$3,601,015

Note 7 - Property Taxes

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

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

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 2002 for real and public utility property taxes represents collections of calendar 2001 taxes. Property tax payments received during calendar 2002 for tangible personal property (other than public utility property) is for calendar 2002 taxes.

2002 real property taxes are levied after April 1, 2002, on the assessed value listed as of the prior January 1, 2002, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2002 public utility property taxes became a lien December 31, 2001, are levied after April 1, 2002 and are collected in 2003 with real property taxes.

2002 tangible personal property taxes are levied after April 1, 2001, on the value as of December 31, 2001. Collections are made in 2002. Tangible personal property assessments are twenty-five percent of true value.

The assessed values upon which the fiscal year 2002 taxes were collected are:

	2001 First		2002 First	
	Half Collections		Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$171,952,750	75.00 %	\$180,996,580	75.99 %
Public Utility	8,702,780	3.80	7,392,290	3.10
Tangible Personal Property	48,597,230	21.20	49,792,500	20.91
	<u>\$229,252,760</u>	<u>100.00 %</u>	<u>\$238,181,370</u>	<u>100.00 %</u>

Tax rate per \$1,000 of
assessed valuation

\$55.60

\$56.60

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. Tangible personal property taxes paid April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Geauga County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2002, are available to finance fiscal year 2003 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Accrued property taxes receivable includes real property, personal property and public utility taxes which became measurable as of June 30, 2002 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 were levied to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations.

The amount available as an advance at June 30, 2002 is recognized as revenue. At June 30, 2002, \$330,889 was available an advance to the general fund, \$55,111 was available to the bond retirement debt service fund, \$13,667 was available to the library bond retirement debt service fund and \$13,667 was available to the permanent improvement capital projects fund.

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

Note 8 - Receivables

Receivables at June 30, 2002, 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. All are expected to be received within one year.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
Special Revenue Funds:	
Food Service	\$12,297
Eisenhower Math and Science	1,503
Title VI-B	35,000
Title I	80,620
Title VI	<u>1,190</u>
Total All Funds	<u><u>\$130,610</u></u>

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 9 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2002, was as follows:

	Balance 6/30/01	Additions	Deletions	Balance 6/30/02
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$529,319	\$0	\$0	\$529,319
Construction in Progress	3,109,726	5,977,899	0	9,087,625
<i>Total Capital Assets, not being depreciated</i>	<u>3,639,045</u>	<u>5,977,899</u>	<u>0</u>	<u>9,616,944</u>
<i>Capital Assets, being depreciated:</i>				
Land Improvements	327,167	55,391	0	382,558
Buildings and Improvements	5,368,494	107,849	(105,372)	5,370,971
Furniture and Equipment	739,271	143,416	(15,946)	866,741
Vehicles	870,344	98,639	(33,048)	935,935
<i>Total Capital Assets, being depreciated</i>	<u>7,305,276</u>	<u>405,295</u>	<u>(154,366)</u>	<u>7,556,205</u>
Less Accumulated Depreciation:				
Land Improvements	(236,660)	(19,952)	0	(256,612)
Buildings and Improvements	(3,285,031)	(129,125)	26,050	(3,388,106)
Furniture and Equipment	(564,525)	(69,210)	15,896	(617,839)
Vehicles	(426,818)	(72,341)	30,948	(468,211)
Total Accumulation Depreciation	<u>(4,513,034)</u>	<u>(290,628) *</u>	<u>72,894</u>	<u>(4,730,768)</u>
Total Capital Assets being depreciated, net	<u>2,792,242</u>	<u>114,667</u>	<u>(81,472)</u>	<u>2,825,437</u>
Governmental Activities Capital Assets, Net	<u>\$6,431,287</u>	<u>\$6,092,566</u>	<u>(\$81,472)</u>	<u>\$12,442,381</u>

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$106,936
Special	6,298
Vocational	2,656
Support Services:	
Pupils	1,904
Instructional Staff	6,558
Administration	3,453
Fiscal	892
Business	730
Operation and Maintenance of Plant	76,634
Pupil Transportation	67,411
Central	5,864
Extracurricular Activities	6,534
Food Service	4,758
	<hr/>
Total Depreciation Expense	\$290,628

Note 10 - Risk Management

A. 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.

B. 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 2002, 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

Cardinal Local School District
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For the Fiscal Year Ended June 30, 2002

District contracted independently with Wausau Insurance Companies/Harcum-Hyre Agency for liability insurance.

Company	Type of Coverage	Coverage Amount
Indiana Insurance Company	Property	\$23,543,580
	Inland Marine	304,455
	Crime	250,000
Todd Associates	Builder's Risk	8,263,700
Harcum-Hyre Insurance Agency	General Liability, in aggregate	3,000,000
	General Liability, per occurrence	1,000,000
	Fire Damage	500,000
	Medical Expense, any one person	10,000
	Employee Benefits Liability, in aggregate	3,000,000
	Employee Benefits Liability, per occurrence	1,000,000
	Educational Legal Liability, in aggregate	2,000,000
	Educational Legal Liability, per occurrence	1,000,000
Travelers Insurance	Boiler and Machinery	30,000,000
	Consequential Loss	50,000
	Expediting Expense	100,000
	Hazardous Substance	100,000
	Ammonia Contamination	100,000
	Water Damage	100,000
	Ohio Casualty	Public Officials Bond
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.

C. Prescription Drug and Dental

The School District operates and manages employee prescription drug and dental benefits on a self-insured basis and established an internal service self insurance fund to account for there 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, 2002, was estimated by the third party administrator to be \$13,623. 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

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

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 years 2001 and 2002 were:

	Balance Beginning of Year	Current Year Claims	Claim Payments	Balance End of Year
2001	\$6,780	\$204,481	\$180,762	\$30,499
2002	30,499	316,869	333,745	13,623

Note 11 - 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. Vision is provided through VSP.

Note 12 - 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, 300 East Broad Street, Columbus, Ohio 43215-3746.

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 2002, 5.46 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2001, 4.2 percent was used

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

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, 2002, 2001, and 2000 were \$88,661, \$63,243 and \$83,466, respectively; 42.81 percent has been contributed for fiscal year 2002 and 100 percent for fiscal years 2001 and 2000. \$50,703 represents the unpaid contribution for fiscal year 2002. The balance outstanding is reflected as an intergovernmental payable.

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, 2002, 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. 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, 2002, 2001, and 2000 were \$517,812, \$495,815 and \$302,598, respectively; 82.95 percent has been contributed for fiscal year 2002 and 100 percent for fiscal years 2001 and 2000. \$88,303 represents the unpaid contribution for fiscal year 2002. The balance outstanding is reflected as an intergovernmental payable.

Note 13 - Postemployment Benefits

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

All STRS benefit recipients and sponsored 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, 2002, 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 \$245,279 for fiscal year 2002.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2001, (the latest information available) the balance in the Fund was \$3.256 billion. For the year ended June 30, 2001, net health care costs paid by STRS were \$300,772,000 and STRS had 102,132 eligible benefit recipients.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2002, employer contributions to fund health care benefits were 8.54 percent of covered payroll, a decrease of 1.26 percent from fiscal year 2001. 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 2002, 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 2002 fiscal year equaled \$157,627.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2001 (the latest information available), were \$161,439,934 and the target level was \$242.2 million. At June 30, 2001, SERS had net assets available for payment of health care benefits of \$315.7 million. SERS has approximately 50,000 participants currently receiving health care benefits.

Note 14 - Short-Term Obligations

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

	Outstanding <u>6/30/01</u>	Additions	Deletions	Outstanding <u>6/30/02</u>
Building Capital Projects Fund				
2001 3.13%				
School Improvement Notes	\$250,000	\$0	\$250,000	\$0
2002 2.5%				
Middlefield Public Library Notes	<u>0</u>	<u>3,000,000</u>	<u>0</u>	<u>3,000,000</u>
<i>Total Notes</i>	<u>\$250,000</u>	<u>\$3,000,000</u>	<u>\$250,000</u>	<u>\$3,000,000</u>

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 public library.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 15 - Long-Term Obligations

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

	Principal Outstanding 6/30/01	Additions	Reductions	Principal Outstanding 6/30/02	Amount Due in One Year
General Obligations Bonds:					
1979 5.78% \$1,308,000 High					
School and Elementary Additions	\$110,000	\$0	\$55,000	\$55,000	\$55,000
1994 5.78% \$560,000					
Energy Conservation Bonds	260,000	0	60,000	200,000	65,000
2000 \$9,749,930 Various					
School Improvement Bonds	9,749,930	0	250,000	9,499,930	260,000
Unamortized Premium	232,442	0	9,685	222,757	0
2002 Middlefield Public Library Bonds					
Serial Bonds 5%	0	2,780,000	0	2,780,000	135,000
Capital Appreciation Bonds 10.71%	0	220,000	0	220,000	0
Unamortized Premium	0	88,300	0	88,300	0
<i>Total General Obligation Bonds</i>	<u>10,352,372</u>	<u>3,088,300</u>	<u>374,685</u>	<u>13,065,987</u>	<u>515,000</u>
Compensated Absences	<u>1,266,817</u>	<u>31,234</u>	<u>236,254</u>	<u>1,061,797</u>	<u>171,603</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$11,619,189</u>	<u>\$3,119,534</u>	<u>\$610,939</u>	<u>\$14,127,784</u>	<u>\$686,603</u>

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.

On May 2, 2002, Cardinal Local School District issued \$3,000,000 general obligation bonds, which included serial bonds and capital appreciation bonds, to fund the construction of the new Middlefield Public Library. The bonds were issued for a twenty-year period with final maturity at December 1, 2022. The bonds were issued at a premium of \$88,300. The final maturity amount of the capital appreciation bonds will be \$390,000. According to the Ohio Revised Code, the School District may issue tax related debt for the Library. A building lease agreement exists between the School District and the Library until two years after the debt is repaid for the new facility and the existing library building will be given to the School District when the new building is occupied.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

All general obligation bonds will be paid from property taxes.

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

The School District's overall debt margin was \$9,440,003 with an unvoted debt margin of \$238,181 at June 30, 2002. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2002 are as follows:

	Principal	Interest
2003	\$515,000	\$623,235
2004	460,000	591,436
2005	485,000	570,716
2006	302,937	558,322
2007	232,702	556,433
2008 - 2012	1,779,291	2,685,893
2013 - 2017	2,765,000	2,113,974
2018 - 2022	3,590,000	1,277,087
2023 - 2026	2,625,000	315,305
Totals	\$12,754,930	\$9,292,401

Note 16 - 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. During fiscal year 2002, the School District did not make any contributions or payments to the Center. 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. During fiscal year 2002, the School District paid \$86,024 to the Association. Financial information can be obtained from Lake Geauga Computer Association, 8140 Auburn Road, Painesville, Ohio 44077.

Cardinal Local School District
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C. 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. During fiscal year 2002, the School District paid \$42,627 for services. Financial information can be obtained by writing the fiscal agent, Kirtland Board of Education, 9152 Chillicothe Road, Kirtland, Ohio 44094.

D. 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. During fiscal year 2002, the School District paid \$87,611 to the Center. Financial information can be obtained by writing the fiscal agent, Mentor Exempted Village School District, 6451 Center Street, Mentor, OH 44060.

E. Ohio Schools Council

The Ohio Schools Council Association (Council) is a jointly governed organization among ninety-one 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 2002, 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 2001.

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.

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.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

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 17 - Insurance Purchasing Pool

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President Elect and the Immediate Past President of the OSBA. The 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 18 - 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, 2002.

B. Litigation

The Cardinal Local School District is a party to legal proceedings. The School Board is of the opinion that the ultimate disposition of the current proceedings will not have a material effect, if any, on the financial condition of the School District.

Note 19 – 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 fiscal year-end or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end and carried forward to be used for the same purposes in future years. In prior years, the School District was also required to set aside money for budget stabilization. At June 30, 2002, only the unspent portion of certain worker's compensation refunds continues to be set-aside.

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

Cardinal Local School District
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For the Fiscal Year Ended June 30, 2002

	Budget Stabilization	Capital Improvements	Textbooks
Set-Aside Reserve Balance as of June 30, 2001	\$127,341	\$0	\$0
Current Year Set-Aside Requirement	0	175,696	175,696
Balance Carried over from Prior Year	0	0	(49,140)
Qualifying Disbursements	0	(290,926)	(269,467)
Totals	<u>\$127,341</u>	<u>(\$115,230)</u>	<u>(\$142,911)</u>
Set-Aside Balance Carried Forward to Future Fiscal Years	<u>\$127,341</u>	<u>\$0</u>	<u>(\$142,911)</u>
Set-Aside Reserve Balance as of June 30, 2002	<u>\$127,341</u>	<u>\$0</u>	<u>\$0</u>

The School District had qualifying disbursements during the fiscal year that reduced the textbook set-aside amount below zero. This amount may be used to reduce the set-aside requirement in future fiscal years. Although the School District has 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 for future years. The total reserve balance for the set-asides at the end of the fiscal year was \$127,341.

Note 20 – State School 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.

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. In November, 2001, the Court granted request for reconsideration, but also ordered the parties to participate in a settlement conference with a court appointed mediator. On March 21, 2002, the mediator issued his final report indicating that the conference was unable to produce a settlement. The case is now under reconsideration by the Court.

The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 22 – Interfund Transfers

The general fund reported a transfer out during the fiscal year of \$35,000. The food service special revenue fund had a transfer in of the same amount. The transfer represents additional funds to operate the cafeteria.

Note 23 - Contractual Commitments

As of June 30, 2002, the School District had the following major contractual commitments outstanding relating to construction of the middle school:

Projects	Contract Amount	Amount Paid as of June 30, 2002	Amount Remaining on Contract
Bay Harbor Electric, Inc.	\$1,007,008	\$1,005,122	\$1,886
Behnke Associates, Inc.	47,000	20,036	26,964
Carron Asphalt Paving, Inc.	187,237	0	187,237
Chris Loze	31,400	0	31,400
Commerce Plumbing	81,368	53,237	28,131
Cousin's Video	16,443	0	16,443
Daktronics, Inc.	29,374	0	29,374
David Holzheimer Associates	258,000	1,000	257,000
Door Specialities Inc.	10,296	0	10,296
Easton Leasing Inc.	47,993	0	47,993
Erie Street Theatrical Services	24,900	19,920	4,980
Gable Elevator and Lift Company	39,075	0	39,075
Jonathan Paul	11,112	0	11,112
Lake County Electrical	39,200	0	39,200
Mullet Company	114,900	0	114,900
Ozanne Construction Company, Inc.	312,668	247,705	64,963
Ronyakj Bros. Paving, Inc.	530,193	0	530,193
Service Supply Ltd., Inc.	32,000	0	32,000
Trimark Raygal, Inc.	179,500	170,753	8,747
Waller Duman Inc.	157,636	106,472	51,164
Warwick Communications, Inc.	25,046	0	25,046
	<u>\$3,182,349</u>	<u>\$1,624,245</u>	<u>\$1,558,104</u>

Note 24 – Subsequent Event

On July 29, 2002, the School District retired the \$3,000,000 in Middlefield Public Library Notes.

**Combining Statements and
Individual Fund Schedules**

Combining Statements – Nonmajor Funds

Nonmajor Special Revenue Funds

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

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.

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.

Termination Benefits Fund - This fund accounts for monies set aside to pay for future retirement and special benefits payments.

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.

Auxiliary Services Fund - This fund accounts for funds which provide services and materials to pupils attending non-public schools within the School District.

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.

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.

(continued)

Combining Statements – Nonmajor Funds (continued)

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

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

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

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

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

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

E-Rate Grant Fund - This fund accounts for Federal funds which support the telecommunications activities within the School District.

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

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, 2002

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Permanent Improvement Fund	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$537,752	\$118,483	\$656,235
Receivables:			
Taxes	0	229,595	229,595
Intergovernmental	130,610	0	130,610
Inventory Held for Resale	7,079	0	7,079
Materials and Supplies Inventory	1,037	0	1,037
<i>Total Assets</i>	<u>\$676,478</u>	<u>\$348,078</u>	<u>\$1,024,556</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$831	\$2,222	\$3,053
Accrued Wages	127,808	0	127,808
Intergovernmental Payable	16,195	0	16,195
Interfund Payable	5,330	0	5,330
Deferred Revenue	0	215,928	215,928
<i>Total Liabilities</i>	<u>150,164</u>	<u>218,150</u>	<u>368,314</u>
Fund Balances:			
Reserved for Encumbrances	40,947	90,216	131,163
Reserved for Inventory	0	0	0
Reserved for Property Taxes	0	13,667	13,667
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	485,367	0	485,367
Capital Projects Funds	0	26,045	26,045
<i>Total Fund Balances</i>	<u>526,314</u>	<u>129,928</u>	<u>656,242</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$676,478</u>	<u>\$348,078</u>	<u>\$1,024,556</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, 2002

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$0	\$209,713	\$209,713
Intergovernmental	895,294	36,484	931,778
Interest	1,382	0	1,382
Charges for Services	310,398	0	310,398
Tuition and Fees	391	0	391
Extracurricular Activities	117,980	0	117,980
Contributions and Donations	19,447	0	19,447
Miscellaneous	254,373	0	254,373
<i>Total Revenues</i>	<u>1,599,265</u>	<u>246,197</u>	<u>1,845,462</u>
Expenditures			
Current:			
Instruction:			
Regular	179,644	0	179,644
Special	449,218	0	449,218
Support Services:			
Pupil	81,210	0	81,210
Instructional Staff	91,539	0	91,539
Administration	44,243	0	44,243
Fiscal	548	0	548
Operation and Maintenance of Plant	1,654	0	1,654
Central	7,885	0	7,885
Extracurricular Activities	124,780	0	124,780
Food Service Operations	326,551	0	326,551
Capital Outlay	0	259,757	259,757
<i>Total Expenditures</i>	<u>1,307,272</u>	<u>259,757</u>	<u>1,567,029</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	291,993	(13,560)	278,433
Other Financing Sources			
Transfers In	35,000	0	35,000
<i>Net Change in Fund Balances</i>	326,993	(13,560)	313,433
<i>Fund Balances Beginning of Year</i>	<u>199,321</u>	<u>143,488</u>	<u>342,809</u>
<i>Fund Balances End of Year</i>	<u><u>\$526,314</u></u>	<u><u>\$129,928</u></u>	<u><u>\$656,242</u></u>

Cardinal Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2002

	Food Service	Uniform School Supplies	Public School Support	Martha Holden Jennings
Assets				
Equity in Pooled Cash and Cash Equivalents	\$34,862	\$38,580	\$17,883	\$5
Intergovernmental Receivable	12,297	0	0	0
Inventory Held for Resale	522	6,557	0	0
Materials and Supplies Inventory	1,037	0	0	0
<i>Total Assets</i>	<u>\$48,718</u>	<u>\$45,137</u>	<u>\$17,883</u>	<u>\$5</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages	26,181	0	0	0
Intergovernmental Payable	3,050	0	0	0
Interfund Payable	0	0	0	0
<i>Total Liabilities</i>	<u>29,231</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Reserved for Encumbrances	182	726	123	0
Unreserved, Undesignated (Deficit)	19,305	44,411	17,760	5
<i>Total Fund Balances(Deficit)</i>	<u>19,487</u>	<u>45,137</u>	<u>17,883</u>	<u>5</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$48,718</u>	<u>\$45,137</u>	<u>\$17,883</u>	<u>\$5</u>

<u>Termination Benefits</u>	<u>District Managed Activities</u>	<u>Auxiliary Services</u>	<u>Teacher Development</u>	<u>Management Information Systems</u>	<u>Data Communications</u>	<u>Professional Development</u>
\$253,000	\$39,492	\$4,351	\$2,008	\$6,529	\$17,500	\$3,702
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$253,000</u>	<u>\$39,492</u>	<u>\$4,351</u>	<u>\$2,008</u>	<u>\$6,529</u>	<u>\$17,500</u>	<u>\$3,702</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$161
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	161
0	2,392	4,351	1,800	5,000	0	16
253,000	37,100	0	208	1,529	17,500	3,525
253,000	39,492	4,351	2,008	6,529	17,500	3,541
<u>\$253,000</u>	<u>\$39,492</u>	<u>\$4,351</u>	<u>\$2,008</u>	<u>\$6,529</u>	<u>\$17,500</u>	<u>\$3,702</u>

(continued)

Cardinal Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2002

	Instructional Materials	Ohio Reads Grant	Summer Intervention	Eisenhower Math and Science
Assets				
Equity in Pooled Cash and Cash Equivalents	\$233	\$3,466	\$1,605	\$9,960
Intergovernmental Receivable	0	0	0	1,503
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$233</u>	<u>\$3,466</u>	<u>\$1,605</u>	<u>\$11,463</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$210
Accrued Wages	0	3,563	0	0
Intergovernmental Payable	0	36	0	0
Interfund Payable	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>3,599</u>	<u>0</u>	<u>210</u>
Fund Balances:				
Reserved for Encumbrances	0	0	0	193
Unreserved, Undesignated (Deficit)	233	(133)	1,605	11,060
<i>Total Fund Balances(Deficit)</i>	<u>233</u>	<u>(133)</u>	<u>1,605</u>	<u>11,253</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$233</u>	<u>\$3,466</u>	<u>\$1,605</u>	<u>\$11,463</u>

<u>Title VI-B</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug Free Schools</u>	<u>Classroom Size Reduction</u>	<u>Nonmajor Special Revenue Funds</u>
\$20,155	\$44,074	\$4,332	\$747	\$35,268	\$537,752
35,000	80,620	1,190	0	0	130,610
0	0	0	0	0	7,079
0	0	0	0	0	1,037
<u>\$55,155</u>	<u>\$124,694</u>	<u>\$5,522</u>	<u>\$747</u>	<u>\$35,268</u>	<u>\$676,478</u>
\$0	\$323	\$137	\$0	\$0	\$831
9,415	75,323	0	0	13,326	127,808
185	11,054	0	19	1,851	16,195
5,330	0	0	0	0	5,330
<u>14,930</u>	<u>86,700</u>	<u>137</u>	<u>19</u>	<u>15,177</u>	<u>150,164</u>
19,249	6,915	0	0	0	40,947
20,976	31,079	5,385	728	20,091	485,367
<u>40,225</u>	<u>37,994</u>	<u>5,385</u>	<u>728</u>	<u>20,091</u>	<u>526,314</u>
<u>\$55,155</u>	<u>\$124,694</u>	<u>\$5,522</u>	<u>\$747</u>	<u>\$35,268</u>	<u>\$676,478</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, 2002

	Food Service	Uniform School Supplies	Public School Support	Martha Holden Jennings
Revenues				
Intergovernmental	\$53,466	\$0	\$0	\$0
Interest	414	0	0	0
Charges for Services	243,899	66,499	0	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	15,589	0
Contributions and Donations	0	0	110	0
Miscellaneous	791	0	582	0
<i>Total Revenues</i>	<u>298,570</u>	<u>66,499</u>	<u>16,281</u>	<u>0</u>
Expenditures				
Current:				
Instruction:				
Regular	0	56,179	6,331	1,570
Special	0	0	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	0	0	420	0
Administration	0	0	24,241	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	0	546	1,108	0
Central	0	0	0	0
Extracurricular Activities	0	0	3,301	0
Food Service Operations	326,551	0	0	0
<i>Total Expenditures</i>	<u>326,551</u>	<u>56,725</u>	<u>35,401</u>	<u>1,570</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(27,981)	9,774	(19,120)	(1,570)
Other Financing Sources				
Transfers In	35,000	0	0	0
<i>Net Change in Fund Balances</i>	7,019	9,774	(19,120)	(1,570)
<i>Fund Balances Beginning of Year</i>	<u>12,468</u>	<u>35,363</u>	<u>37,003</u>	<u>1,575</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$19,487</u></u>	<u><u>\$45,137</u></u>	<u><u>\$17,883</u></u>	<u><u>\$5</u></u>

<u>Termination Benefits</u>	<u>District Managed Activities</u>	<u>Auxiliary Services</u>	<u>Teacher Development</u>	<u>Management Information Systems</u>	<u>Data Communications</u>	<u>Professional Development</u>
\$0	\$0	\$18,693	\$0	\$5,373	\$17,500	\$7,592
0	968	0	0	0	0	0
0	0	0	0	0	0	0
0	391	0	0	0	0	0
0	102,391	0	0	0	0	0
0	19,337	0	0	0	0	0
<u>253,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>253,000</u>	<u>123,087</u>	<u>18,693</u>	<u>0</u>	<u>5,373</u>	<u>17,500</u>	<u>7,592</u>
0	0	6,465	0	0	15,000	1,859
0	0	0	0	0	0	0
0	0	6,455	0	0	0	0
0	0	874	1,847	0	0	4,051
0	0	0	0	0	0	0
0	0	548	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	4,645	0	0
0	121,479	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>121,479</u>	<u>14,342</u>	<u>1,847</u>	<u>4,645</u>	<u>15,000</u>	<u>5,910</u>
253,000	1,608	4,351	(1,847)	728	2,500	1,682
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
253,000	1,608	4,351	(1,847)	728	2,500	1,682
0	37,884	0	3,855	5,801	15,000	1,859
<u>\$253,000</u>	<u>\$39,492</u>	<u>\$4,351</u>	<u>\$2,008</u>	<u>\$6,529</u>	<u>\$17,500</u>	<u>\$3,541</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, 2002

	Instructional Materials	Ohio Reads Grant	Summer Intervention	Eisenhower Math and Science
Revenues				
Intergovernmental	\$0	\$6,000	\$0	\$14,004
Interest	0	0	0	0
Charges for Services	0	0	0	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>0</u>	<u>6,000</u>	<u>0</u>	<u>14,004</u>
Expenditures				
Current:				
Instruction:				
Regular	483	9	1,966	3,796
Special	0	0	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	0	6,590	0	4,983
Administration	0	0	0	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Central	0	0	0	0
Extracurricular Activities	0	0	0	0
Food Service Operations	0	0	0	0
<i>Total Expenditures</i>	<u>483</u>	<u>6,599</u>	<u>1,966</u>	<u>8,779</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(483)	(599)	(1,966)	5,225
Other Financing Sources				
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(483)	(599)	(1,966)	5,225
<i>Fund Balances Beginning of Year</i>	<u>716</u>	<u>466</u>	<u>3,571</u>	<u>6,028</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$233</u></u>	<u><u>(\$133)</u></u>	<u><u>\$1,605</u></u>	<u><u>\$11,253</u></u>

<u>Title VI-B</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>Nonmajor Special Revenue Funds</u>
\$152,242	\$509,609	\$7,053	\$5,547	\$0	\$98,215	\$895,294
0	0	0	0	0	0	1,382
0	0	0	0	0	0	310,398
0	0	0	0	0	0	391
0	0	0	0	0	0	117,980
0	0	0	0	0	0	19,447
0	0	0	0	0	0	254,373
<u>152,242</u>	<u>509,609</u>	<u>7,053</u>	<u>5,547</u>	<u>0</u>	<u>98,215</u>	<u>1,599,265</u>
0	0	2,414	0	0	83,572	179,644
3,023	446,195	0	0	0	0	449,218
45,405	24,531	0	4,819	0	0	81,210
72,774	0	0	0	0	0	91,539
0	20,002	0	0	0	0	44,243
0	0	0	0	0	0	548
0	0	0	0	0	0	1,654
0	0	0	0	3,240	0	7,885
0	0	0	0	0	0	124,780
0	0	0	0	0	0	326,551
<u>121,202</u>	<u>490,728</u>	<u>2,414</u>	<u>4,819</u>	<u>3,240</u>	<u>83,572</u>	<u>1,307,272</u>
31,040	18,881	4,639	728	(3,240)	14,643	291,993
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>35,000</u>
31,040	18,881	4,639	728	(3,240)	14,643	326,993
<u>9,185</u>	<u>19,113</u>	<u>746</u>	<u>0</u>	<u>3,240</u>	<u>5,448</u>	<u>199,321</u>
<u>\$40,225</u>	<u>\$37,994</u>	<u>\$5,385</u>	<u>\$728</u>	<u>\$0</u>	<u>\$20,091</u>	<u>\$526,314</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, 2002

	Permanent Improvement	SchoolNet	Total Nonmajor Capital Projects Funds
Revenues			
Taxes	\$209,713	\$0	\$209,713
Intergovernmental	22,984	13,500	36,484
<i>Total Revenues</i>	232,697	13,500	246,197
Expenditures			
Capital Outlay	228,231	31,526	259,757
<i>Net Change in Fund Balances</i>	4,466	(18,026)	(13,560)
<i>Fund Balances Beginning of Year</i>	125,462	18,026	143,488
<i>Fund Balances End of Year</i>	\$129,928	\$0	\$129,928

Cardinal Local School District
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2002

	<u>Beginning Balance June 30, 2001</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance June 30, 2002</u>
Student Activities				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$17,477</u>	<u>\$50,359</u>	<u>\$42,098</u>	<u>\$25,738</u>
Liabilities				
Due to Students	<u>\$17,477</u>	<u>\$50,359</u>	<u>\$42,098</u>	<u>\$25,738</u>

**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, 2002

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$6,054,400	\$6,529,705	\$6,529,705	\$0
Intergovernmental	3,162,374	3,232,475	3,232,475	0
Interest	578,958	591,792	591,792	0
Tuition and Fees	745,295	761,816	761,816	0
Rentals	3,281	3,354	3,354	0
Miscellaneous	10,305	10,533	10,533	0
<i>Total Revenues</i>	10,554,613	11,129,675	11,129,675	0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	3,751,029	4,059,029	3,752,483	306,546
Fringe Benefits	1,055,709	1,175,089	1,148,263	26,826
Purchased Services	283,241	303,416	158,731	144,685
Materials and Supplies	174,466	235,053	160,428	74,625
Capital Outlay - New	35,700	35,785	27,256	8,529
Capital Outlay - Replacement	2,708	12,759	11,079	1,680
<i>Total Regular</i>	5,302,853	5,821,131	5,258,240	562,891
Special:				
Salaries and Wages	371,591	421,591	417,312	4,279
Fringe Benefits	112,788	165,789	147,437	18,352
Purchased Services	329,191	487,485	470,305	17,180
Materials and Supplies	8,240	8,095	3,217	4,878
Capital Outlay - New	10,400	10,400	970	9,430
<i>Total Special</i>	832,210	1,093,360	1,039,241	54,119
Vocational:				
Salaries and Wages	176,302	116,302	83,121	33,181
Fringe Benefits	40,591	40,591	34,250	6,341
Purchased Services	832	832	0	832
<i>Total Vocational</i>	217,725	157,725	117,371	40,354
<i>Total Instruction</i>	6,352,788	7,072,216	6,414,852	657,364
Support Services:				
Pupils:				
Salaries and Wages	322,331	332,332	322,749	9,583
Fringe Benefits	109,149	149,149	124,548	24,601
Purchased Services	65,194	247,001	240,957	6,044
Materials and Supplies	21,850	24,527	14,997	9,530
Capital Outlay - New	3,000	8,753	7,685	1,068
Capital Outlay - Replacement	11,180	7,781	5,522	2,259
<i>Total Pupils</i>	\$532,704	\$769,543	\$716,458	\$53,085

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, 2002

	<u>Budgeted Amounts</u>			Variance With Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Instructional Staff:				
Salaries and Wages	\$270,907	\$270,907	\$260,062	\$10,845
Fringe Benefits	100,882	117,999	116,688	1,311
Purchased Services	3,180	13,109	6,744	6,365
Materials and Supplies	24,501	31,109	22,134	8,975
Capital Outlay - New	9,170	2,350	765	1,585
Capital Outlay - Replacement	10,615	7,225	3,702	3,523
Other	1,350	8,968	7,784	1,184
Total Instructional Staff	420,605	451,667	417,879	33,788
Board of Education:				
Salaries and Wages	4,992	4,992	4,640	352
Fringe Benefits	5,252	5,252	876	4,376
Purchased Services	26,000	35,000	21,370	13,630
Materials and Supplies	1,820	1,820	319	1,501
Other	13,312	17,312	16,115	1,197
Total Board of Education	51,376	64,376	43,320	21,056
Administration:				
Salaries and Wages	524,351	524,351	475,995	48,356
Fringe Benefits	180,706	185,706	177,960	7,746
Purchased Services	23,625	25,210	17,878	7,332
Materials and Supplies	13,261	10,462	8,451	2,011
Capital Outlay - New	2,040	70,668	45,669	24,999
Capital Outlay - Replacement	1,690	2,240	994	1,246
Other	70,669	1,690	1,273	417
Total Administration	816,342	820,327	728,220	92,107
Fiscal:				
Salaries and Wages	169,754	149,754	128,501	21,253
Fringe Benefits	50,154	56,654	55,613	1,041
Purchased Services	59,602	53,097	25,064	28,033
Materials and Supplies	6,240	6,295	4,426	1,869
Capital Outlay - New	2,080	162,760	149,012	13,748
Capital Outlay - Replacement	3,120	2,080	213	1,867
Other	162,760	5,120	1,555	3,565
Total Fiscal	453,710	435,760	364,384	71,376
Business:				
Salaries and Wages	49,139	49,139	29,782	19,357
Fringe Benefits	19,573	19,573	15,685	3,888
Purchased Services	8,320	8,320	0	8,320
Total Business	\$77,032	\$77,032	\$45,467	\$31,565

(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, 2002

	<u>Budgeted Amounts</u>			Variance With Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operation and Maintenance of Plant:				
Salaries and Wages	\$433,318	\$433,317	\$416,292	\$17,025
Fringe Benefits	155,565	205,566	160,481	45,085
Purchased Services	356,703	417,584	401,671	15,913
Materials and Supplies	104,078	165,540	133,073	32,467
Capital Outlay - New	17,784	8,900	3,125	5,775
Capital Outlay - Replacement	33,580	12,458	3,926	8,532
Other	10,400	490,163	15,003	475,160
Total Operation and Maintenance of Plant	<u>1,111,428</u>	<u>1,733,528</u>	<u>1,133,571</u>	<u>599,957</u>
Pupil Transportation:				
Salaries and Wages	509,923	538,944	406,267	132,677
Fringe Benefits	211,592	213,091	192,176	20,915
Purchased Services	75,857	77,063	69,768	7,295
Materials and Supplies	134,997	141,475	107,139	34,336
Capital Outlay - Replacement	122,281	125,781	49,545	76,236
Total Pupil Transportation	<u>1,054,650</u>	<u>1,096,354</u>	<u>824,895</u>	<u>271,459</u>
Central:				
Salaries and Wages	115,485	115,485	102,712	12,773
Fringe Benefits	52,273	52,272	49,830	2,442
Purchased Services	53,705	38,740	18,917	19,823
Materials and Supplies	2,080	2,080	1,571	509
Capital Outlay - New	8,580	8,580	8,171	409
Total Central	<u>232,123</u>	<u>217,157</u>	<u>181,201</u>	<u>35,956</u>
Total Support Services	<u>4,749,970</u>	<u>5,665,744</u>	<u>4,455,395</u>	<u>1,210,349</u>
Extracurricular Activities:				
Academic and Subject Oriented:				
Salaries and Wages	44,927	44,927	40,837	4,090
Fringe Benefits	6,240	8,240	8,058	182
Total Academic and Subject Oriented	<u>51,167</u>	<u>53,167</u>	<u>48,895</u>	<u>4,272</u>
Occupational Oriented:				
Salaries and Wages	1,040	1,040	533	507
Fringe Benefits	208	208	92	116
Total Occupational Oriented	<u>1,248</u>	<u>1,248</u>	<u>625</u>	<u>623</u>
School and Public Service Co-Curricular:				
Salaries and Wages	13,000	13,000	11,196	1,804
Fringe Benefits	1,612	2,112	1,899	213
Total School and Public Service Co-Curricular	<u>\$14,612</u>	<u>\$15,112</u>	<u>\$13,095</u>	<u>\$2,017</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, 2002

	Budgeted Amounts			Variance With Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Sports Oriented:				
Salaries and Wages	\$159,848	\$159,848	\$149,239	\$10,609
Fringe Benefits	39,000	40,663	24,760	15,903
Purchased Services	3,640	3,640	2,216	1,424
Materials and Supplies	3,120	6,646	4,917	1,729
Capital Outlay - Replacement	1,040	3,540	2,366	1,174
Total Sports Oriented	206,648	214,337	183,498	30,839
Total Extracurricular Activities	273,675	283,864	246,113	37,751
Food Service Operations:				
Salaries and Wages	52,306	108,307	107,854	453
Fringe Benefits	44,325	44,325	27,166	17,159
Total Food Service Operations	96,631	152,632	135,020	17,612
Capital Outlay:				
Facilities Acquisition and Construction Services:				
Site Acquisition Services:				
Capital Outlay - New	331,511	10,511	0	10,511
Total Expenditures	11,804,575	13,184,967	11,251,380	1,933,587
Excess of Revenues Under Expenditures	(1,249,962)	(2,055,292)	(121,705)	1,933,587
Other Financing Sources (Uses)				
Sale of Fixed Assets	9,330	9,330	26,590	17,260
Advances Out	(25,000)	(25,000)	(5,330)	19,670
Operating Transfers Out	(1,052,000)	(504,098)	(35,000)	469,098
Total Other Financing Sources (Uses)	(1,067,670)	(519,768)	(13,740)	506,028
Net Change in Fund Balance	(2,317,632)	(2,575,060)	(135,445)	2,439,615
Fund Balance Beginning of Year	2,489,536	2,489,536	2,489,536	0
Prior Year Encumbrances Appropriated	377,491	377,491	377,491	0
Fund Balance End of Year	\$549,395	\$291,967	\$2,731,582	\$2,439,615

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, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$804,330	\$856,678	\$856,678	\$0
Intergovernmental	83,055	92,196	92,196	0
Interest	15,715	17,125	17,445	320
<i>Total Revenues</i>	<u>903,100</u>	<u>965,999</u>	<u>966,319</u>	<u>320</u>
Expenditures				
Current:				
Support Services:				
Fiscal:				
Other	22,500	15,605	15,389	216
Debt Service:				
Principal Retirement	365,000	615,000	615,000	0
Interest and Fiscal Charges	516,409	535,104	531,882	3,222
<i>Total Debt Service</i>	<u>881,409</u>	<u>1,150,104</u>	<u>1,146,882</u>	<u>3,222</u>
<i>Total Expenditures</i>	<u>903,909</u>	<u>1,165,709</u>	<u>1,162,271</u>	<u>3,438</u>
<i>Net Change in Fund Balance</i>	(809)	(199,710)	(195,952)	3,758
<i>Fund Balance Beginning of Year</i>	567,760	567,760	567,760	0
Prior Year Encumbrances Appropriated	2,501	2,501	2,501	0
<i>Fund Balance End of Year</i>	<u><u>\$569,452</u></u>	<u><u>\$370,551</u></u>	<u><u>\$374,309</u></u>	<u><u>\$3,758</u></u>

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Library Bond Retirement Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$90,800	\$94,911	\$94,911	\$0
Intergovernmental	6,978	14,985	13,502	(1,483)
Interest	3,122	7,189	7,189	0
<i>Total Revenues</i>	<u>100,900</u>	<u>117,085</u>	<u>115,602</u>	<u>(1,483)</u>
Expenditures				
Current:				
Support Services:				
Fiscal:				
Other	0	2,500	1,742	758
Debt Service:				
Principal Retirement	3,037,500	2,950,763	0	2,950,763
<i>Total Expenditures</i>	<u>3,037,500</u>	<u>2,953,263</u>	<u>1,742</u>	<u>2,951,521</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,936,600)	(2,836,178)	113,860	2,950,038
Other Financing Sources				
General Obligation Bonds Issued	3,000,000	3,000,000	3,000,000	0
Premium on Bonds	0	0	88,300	88,300
Bond Issuance Costs	0	(86,737)	(86,737)	0
<i>Total Other Financing Sources (Uses)</i>	<u>3,000,000</u>	<u>2,913,263</u>	<u>3,001,563</u>	<u>88,300</u>
<i>Net Change in Fund Balance</i>	63,400	77,085	3,115,423	3,038,338
<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>\$63,400</u></u>	<u><u>\$77,085</u></u>	<u><u>\$3,115,423</u></u>	<u><u>\$3,038,338</u></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, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Interest	\$257,850	\$296,827	\$305,171	\$8,344
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Capital Outlay - New	836,000	344,000	308,505	35,495
Administration:				
Capital Outlay - New	100,000	15,000	0	15,000
Fiscal:				
General Obligation Notes Issued	12,000	17,000	16,326	674
Operation and Maintenance of Plant:				
Capital Outlay - Replacement	0	779,000	774,997	4,003
Central:				
Capital Outlay - New	200,000	5,000	0	5,000
Total Support Services	1,148,000	1,160,000	1,099,828	60,172
Capital Outlay:				
Site Improvement Services:				
Capital Outlay - New	40,000	591,516	574,259	17,257
Architecture and Engineering Services:				
Purchased Services	12,000	168,743	154,658	14,085
Building Acquisition and Construction Services:				
Capital Outlay - New	500,000	5,715,854	5,547,753	168,101
Total Capital Outlay	552,000	6,476,113	6,276,670	199,443
<i>Total Expenditures</i>	1,700,000	7,636,113	7,376,498	259,615
<i>Net Change in Fund Balance</i>	(1,442,150)	(7,339,286)	(7,071,327)	267,959
<i>Fund Balance Beginning of Year</i>	1,515,818	1,515,818	1,515,818	0
Prior Year Encumbrances Appropriated	5,836,113	5,836,113	5,836,113	0
<i>Fund Balance End of Year</i>	\$5,909,781	\$12,645	\$280,604	\$267,959

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Library Construction Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$0	\$8,155	\$17,930	\$9,775
Expenditures				
Capital Outlay:				
Architecture and Engineering Services:				
Purchased Services	210,000	260,000	258,000	2,000
<i>Excess of Revenues Under Expenditures</i>	(210,000)	(251,845)	(240,070)	11,775
Other Financing Sources				
General Obligation Notes Issued	3,000,000	3,000,000	3,000,000	0
<i>Net Change in Fund Balance</i>	2,790,000	2,748,155	2,759,930	11,775
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$2,790,000</u>	<u>\$2,748,155</u>	<u>\$2,759,930</u>	<u>\$11,775</u>

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$78,998	\$72,792	\$72,792	\$0
Interest	450	414	414	0
Charges for Services	264,694	243,899	243,899	0
Miscellaneous	858	791	791	0
<i>Total Revenues</i>	<u>345,000</u>	<u>317,896</u>	<u>317,896</u>	<u>0</u>
Expenditures				
Current:				
Food Service Operations:				
Salaries and Wages	111,327	111,328	109,511	1,817
Fringe Benefits	57,145	72,146	70,156	1,990
Purchased Services	9,051	9,084	5,357	3,727
Materials and Supplies	136,528	186,528	167,128	19,400
Capital Outlay - Replacement	500	500	445	55
Other	602	602	0	602
<i>Total Expenditures</i>	<u>315,153</u>	<u>380,188</u>	<u>352,597</u>	<u>27,591</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	29,847	(62,292)	(34,701)	27,591
Other Financing Sources				
Transfers In	35,000	35,000	35,000	0
<i>Net Change in Fund Balance</i>	64,847	(27,292)	299	27,591
<i>Fund Balance Beginning of Year</i>	34,347	34,347	34,347	0
Prior Year Encumbrances Appropriated	34	34	34	0
<i>Fund Balance End of Year</i>	<u>\$99,228</u>	<u>\$7,089</u>	<u>\$34,680</u>	<u>\$27,591</u>

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Tuition and Fees	\$38,000	\$66,475	\$66,500	\$25
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	14,400	14,100	14,034	66
Materials and Supplies	54,800	56,030	48,162	7,868
Total Instruction	69,200	70,130	62,196	7,934
Support Services:				
Operation and Maintenance of Plant:				
Materials and Supplies	1,500	1,500	546	954
<i>Total Expenditures</i>	70,700	71,630	62,742	8,888
<i>Net Change in Fund Balance</i>	(32,700)	(5,155)	3,758	8,913
<i>Fund Balance Beginning of Year</i>	33,167	33,167	33,167	0
Prior Year Encumbrances Appropriated	929	929	929	0
<i>Fund Balance End of Year</i>	\$1,396	\$28,941	\$37,854	\$8,913

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, 2002

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Extracurricular Activities	\$30,640	\$15,589	\$15,589	\$0
Contributions and Donations	216	110	110	0
Miscellaneous	1,144	582	582	0
<i>Total Revenues</i>	<u>32,000</u>	<u>16,281</u>	<u>16,281</u>	<u>0</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	9,000	8,477	4,831	3,646
Capital Outlay - New	1,000	1,800	1,500	300
Total Regular	<u>10,000</u>	<u>10,277</u>	<u>6,331</u>	<u>3,946</u>
Support Services:				
Instructional Staff:				
Materials and Supplies	3,000	3,000	420	2,580
Administration:				
Purchased Services	8,800	6,771	3,166	3,605
Materials and Supplies	25,000	24,798	20,970	3,828
Capital Outlay - New	800	800	105	695
Other	1,000	200	180	20
Total Administration	<u>35,600</u>	<u>32,569</u>	<u>24,421</u>	<u>8,148</u>
Operation and Maintenance of Plant:				
Capital Outlay - Replacement	5,000	1,950	1,108	842
Total Support Services	<u>43,600</u>	<u>37,519</u>	<u>25,949</u>	<u>11,570</u>
Extracurricular Activities:				
School and Public Service Co-Curricular Activities:				
Materials and Supplies	7,200	5,543	3,301	2,242
<i>Total Expenditures</i>	<u>60,800</u>	<u>53,339</u>	<u>35,581</u>	<u>17,758</u>
<i>Net Change in Fund Balance</i>	(28,800)	(37,058)	(19,300)	17,758
<i>Fund Balance Beginning of Year</i>	35,498	35,498	35,498	0
Prior Year Encumbrances Appropriated	1,561	1,561	1,561	0
<i>Fund Balance End of Year</i>	<u>\$8,259</u>	<u>\$1</u>	<u>\$17,759</u>	<u>\$17,758</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, 2002

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

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Termination Benefits Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Miscellaneous	\$253,000	\$253,000	\$253,000	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries	195,000	195,000	0	195,000
Support Services:				
Pupil Transportation:				
Salaries	45,000	45,000	0	45,000
Non-Instructional Services:				
Food Service Operations:				
Salaries	13,000	13,000	0	13,000
<i>Total Expenditures</i>	253,000	253,000	0	253,000
<i>Net Change in Fund Balance</i>	0	0	253,000	253,000
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$253,000	\$253,000

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
District Managed Activities Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$944	\$968	\$968	\$0
Tuition and Fees	380	391	391	0
Extracurricular Activities	99,824	102,391	102,391	0
Contributions and Donations	18,852	19,337	19,337	0
<i>Total Revenues</i>	<u>120,000</u>	<u>123,087</u>	<u>123,087</u>	<u>0</u>
Expenditures				
Current:				
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Purchased Services	16,000	17,666	15,791	1,875
Materials and Supplies	14,400	17,788	16,774	1,014
Capital Outlay - New	2,000	700	638	62
Capital Outlay - Replacement	4,000	1,050	800	250
Other	15,000	23,185	16,021	7,164
Total Academic and Subject Oriented Activities	<u>51,400</u>	<u>60,389</u>	<u>50,024</u>	<u>10,365</u>
Sports Oriented Activities:				
Purchased Services	19,610	18,463	17,174	1,289
Materials and Supplies	34,400	54,602	49,544	5,058
Capital Outlay - New	2,000	900	0	900
Capital Outlay - Replacement	10,200	1,400	1,394	6
Other	5,000	20,121	5,736	14,385
Total Sports Oriented Activities	<u>71,210</u>	<u>95,486</u>	<u>73,848</u>	<u>21,638</u>
<i>Total Expenditures</i>	<u>122,610</u>	<u>155,875</u>	<u>123,872</u>	<u>32,003</u>
<i>Net Change in Fund Balance</i>	(2,610)	(32,788)	(785)	32,003
<i>Fund Balance Beginning of Year</i>	32,821	32,821	32,821	0
Prior Year Encumbrances Appropriated	<u>5,064</u>	<u>5,064</u>	<u>5,064</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$35,275</u></u>	<u><u>\$5,097</u></u>	<u><u>\$37,100</u></u>	<u><u>\$32,003</u></u>

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$20,954	\$18,693	\$18,693	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	9,106	8,374	8,372	2
Capital Outlay - New	2,852	2,442	2,442	0
Total Instruction	11,958	10,816	10,814	2
Support Services:				
Pupils:				
Purchased Services	4,520	4,120	4,120	0
Materials and Supplies	2,859	2,335	2,335	0
Total Pupils	7,379	6,455	6,455	0
Instructional Staff:				
Materials and Supplies	958	874	874	0
Fiscal:				
Purchased Services	659	548	548	0
Total Support Services	8,996	7,877	7,877	0
<i>Total Expenditures</i>	20,954	18,693	18,691	2
<i>Net Change in Fund Balance</i>	0	0	2	2
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$2	\$2

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, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental	\$7,000	\$0	\$0	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	9,274	550	550	0
Purchased Services	1,000	1,450	1,242	208
Materials and Supplies	539	1,008	1,008	0
Capital Outlay - New	0	1,800	1,800	0
<i>Total Expenditures</i>	10,813	4,808	4,600	208
<i>Net Change in Fund Balance</i>	(3,813)	(4,808)	(4,600)	208
<i>Fund Balance Beginning of Year</i>	3,813	3,813	3,813	0
Prior Year Encumbrances Appropriated	995	995	995	0
<i>Fund Balance End of Year</i>	\$995	\$0	\$208	\$208

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, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental	\$5,000	\$5,373	\$5,373	\$0
Expenditures				
Current:				
Support Services:				
Central:				
Purchased Services	5,000	5,000	3,844	1,156
Capital Outlay - New	5,801	5,801	5,801	0
<i>Total Expenditures</i>	10,801	10,801	9,645	1,156
<i>Net Change in Fund Balance</i>	(5,801)	(5,428)	(4,272)	1,156
<i>Fund Balance Beginning of Year</i>	5,801	5,801	5,801	0
<i>Fund Balance End of Year</i>	\$0	\$373	\$1,529	\$1,156

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, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$3,000	\$17,500	\$17,500	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	15,000	15,000	15,000	0
Support Services:				
Central:				
Capital Outlay - New	0	17,500	0	17,500
<i>Total Expenditures</i>	<u>15,000</u>	<u>32,500</u>	<u>15,000</u>	<u>17,500</u>
<i>Net Change in Fund Balance</i>	(12,000)	(15,000)	2,500	17,500
<i>Fund Balance Beginning of Year</i>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,000</u></u>	<u><u>\$0</u></u>	<u><u>\$17,500</u></u>	<u><u>\$17,500</u></u>

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Professional Development Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$4,142	\$4,142	\$7,592	\$3,450
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	800	800	800	0
Fringe Benefits	75	75	75	0
Purchased Services	984	984	984	0
Total Instruction	1,859	1,859	1,859	0
Support Services:				
Instructional Staff:				
Purchased Services	0	4,142	4,067	75
Total Expenditures	1,859	6,001	5,926	75
Net Change in Fund Balance	2,283	(1,859)	1,666	3,525
Fund Balance Beginning of Year	1,859	1,859	1,859	0
Fund Balance End of Year	\$4,142	\$0	\$3,525	\$3,525

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, 2002

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	467	715	483	232
<i>Net Change in Fund Balance</i>	(467)	(715)	(483)	232
<i>Fund Balance Beginning of Year</i>	468	468	468	0
Prior Year Encumbrances Appropriated	247	247	247	0
<i>Fund Balance End of Year</i>	\$248	\$0	\$232	\$232

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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$6,000	\$6,000	\$6,000	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	400	400	0	400
Fringe Benefits	66	66	9	57
Total Instruction	466	466	9	457
Support Services:				
Instructional Staff:				
Salaries and Wages	6,000	6,000	2,991	3,009
<i>Total Expenditures</i>	6,466	6,466	3,000	3,466
<i>Net Change in Fund Balance</i>	(466)	(466)	3,000	3,466
<i>Fund Balance Beginning of Year</i>	466	466	466	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$3,466	\$3,466

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, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental	\$3,000	\$0	\$0	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	3,000	3,000	1,966	1,034
<i>Net Change in Fund Balance</i>	0	(3,000)	(1,966)	1,034
<i>Fund Balance Beginning of Year</i>	3,571	3,571	3,571	0
<i>Fund Balance End of Year</i>	\$3,571	\$571	\$1,605	\$1,034

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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$14,849	\$12,502	\$12,502	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	8,000	6,102	3,159	2,943
Materials and Supplies	6,849	6,849	665	6,184
Total Instruction	14,849	12,951	3,824	9,127
Support Services:				
Instructional Staff:				
Purchased Services	4,510	4,158	4,158	0
Materials and Supplies	1,500	990	990	0
Total Support Services	6,010	5,148	5,148	0
<i>Total Expenditures</i>	20,859	18,099	8,972	9,127
<i>Net Change in Fund Balance</i>	(6,010)	(5,597)	3,530	9,127
<i>Fund Balance Beginning of Year</i>	6,028	6,028	6,028	0
<i>Fund Balance End of Year</i>	\$18	\$431	\$9,558	\$9,127

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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$96,916	\$117,243	\$117,243	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	0	235	38	197
Purchased Services	6,896	500	11	489
Materials and Supplies	2,000	346	171	175
Capital Outlay - New	3,160	2,803	2,803	0
Total Instruction	12,056	3,884	3,023	861
Support Services:				
Pupils:				
Purchased Services	45,589	64,669	64,654	15
Instructional Staff:				
Salaries and Wages	35,750	45,651	45,647	4
Fringe Benefits	24,334	24,015	24,015	0
Purchased Services	500	310	310	0
Total Instructional Staff	60,584	69,976	69,972	4
Total Support Services	106,173	134,645	134,626	19
<i>Total Expenditures</i>	118,229	138,529	137,649	880
<i>Excess of Revenues Under Expenditures</i>	(21,313)	(21,286)	(20,406)	880
Other Financing Sources				
Advances In	5,330	5,330	5,330	0
<i>Net Change in Fund Balance</i>	(15,983)	(15,956)	(15,076)	880
<i>Fund Balance Beginning of Year</i>	15,983	15,983	15,983	0
<i>Fund Balance End of Year</i>	\$0	\$27	\$907	\$880

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, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$567,896	\$463,104	\$463,104	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	376,797	316,309	315,853	456
Fringe Benefits	165,364	124,257	103,194	21,063
Purchased Services	10,600	10,999	10,378	621
Materials and Supplies	13,282	14,132	10,428	3,704
Total Instruction	566,043	465,697	439,853	25,844
Support Services:				
Pupils:				
Salaries and Wages	24,600	19,621	16,833	2,788
Fringe Benefits	8,357	8,644	7,382	1,262
Purchased Services	1,000	1,000	95	905
Materials and Supplies	500	500	0	500
Total Pupils	34,457	29,765	24,310	5,455
Administration:				
Salaries and Wages	16,906	16,853	13,427	3,426
Fringe Benefits	5,739	5,658	5,212	446
Purchased Services	1,000	1,000	215	785
Materials and Supplies	500	500	0	500
Total Administration	24,145	24,011	18,854	5,157
Total Support Services	58,602	53,776	43,164	10,612
<i>Total Expenditures</i>	624,645	519,473	483,017	36,456
<i>Net Change in Fund Balance</i>	(56,749)	(56,369)	(19,913)	36,456
<i>Fund Balance Beginning of Year</i>	56,749	56,749	56,749	0
<i>Fund Balance End of Year</i>	\$0	\$380	\$36,836	\$36,456

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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$7,310	\$5,513	\$5,861	\$348
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	1,810	1,810	0	1,810
Materials and Supplies	2,846	1,310	0	1,310
Capital Outlay - New	3,000	3,000	2,277	723
Total Instruction	7,656	6,120	2,277	3,843
Support Services:				
Instructional Staff:				
Materials and Supplies	400	139	135	4
<i>Total Expenditures</i>	8,056	6,259	2,412	3,847
<i>Net Change in Fund Balance</i>	(746)	(746)	3,449	4,195
<i>Fund Balance Beginning of Year</i>	746	746	746	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$4,195	\$4,195

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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$5,547	\$5,547	\$5,547	\$0
Expenditures				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	5,300	5,300	4,800	500
Materials and Supplies	247	247	0	247
<i>Total Expenditures</i>	<u>5,547</u>	<u>5,547</u>	<u>4,800</u>	<u>747</u>
<i>Net Change in Fund Balance</i>	0	0	747	747
<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>\$747</u>	<u>\$747</u>

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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$764	\$0	\$0	\$0
Expenditures				
Current:				
Support Services:				
Central:				
Purchased Services	3,240	3,240	3,240	0
<i>Net Change in Fund Balance</i>	(2,476)	(3,240)	(3,240)	0
<i>Fund Balance Beginning of Year</i>	3,240	3,240	3,240	0
<i>Fund Balance End of Year</i>	<u>\$764</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Classroom Size Reduction Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$98,250	\$98,215	\$98,215	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	85,321	85,321	65,741	19,580
Fringe Benefits	26,250	26,250	12,344	13,906
Purchased Services	2,000	1,965	183	1,782
<i>Total Expenditures</i>	<u>113,571</u>	<u>113,536</u>	<u>78,268</u>	<u>35,268</u>
<i>Net Change in Fund Balance</i>	(15,321)	(15,321)	19,947	35,268
<i>Fund Balance Beginning of Year</i>	<u>15,321</u>	<u>15,321</u>	<u>15,321</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$35,268</u></u>	<u><u>\$35,268</u></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, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$201,000	\$213,713	\$213,713	\$0
Intergovernmental	24,700	22,906	22,984	78
<i>Total Revenues</i>	<u>225,700</u>	<u>236,619</u>	<u>236,697</u>	<u>78</u>
Expenditures				
Current:				
Support Services:				
Fiscal:				
Other	3,000	4,000	3,838	162
Operation and Maintenance of Plant:				
Capital Outlay - Replacement	199,880	221,935	218,704	3,231
Pupil Transportation:				
Capital Outlay - Replacement	22,120	21,810	21,810	0
Total Support Services	<u>225,000</u>	<u>247,745</u>	<u>244,352</u>	<u>3,393</u>
Capital Outlay:				
Site Improvement Services:				
Capital Outlay - Replacement	0	64,060	61,663	2,397
Building Improvement Services:				
Purchased Services	4,000	13,000	11,006	1,994
Materials and Supplies	1,000	2,000	1,468	532
Capital Outlay - Replacement	0	1,500	1,407	93
Total Capital Outlay	<u>5,000</u>	<u>80,560</u>	<u>75,544</u>	<u>5,016</u>
<i>Total Expenditures</i>	<u>230,000</u>	<u>328,305</u>	<u>319,896</u>	<u>8,409</u>
<i>Net Change in Fund Balance</i>	(4,300)	(91,686)	(83,199)	8,487
<i>Fund Balance Beginning of Year</i>	30,640	30,640	30,640	0
Prior Year Encumbrances Appropriated	<u>78,604</u>	<u>78,604</u>	<u>78,604</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$104,944</u>	<u>\$17,558</u>	<u>\$26,045</u>	<u>\$8,487</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$20,000	\$13,500	\$13,500	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	3,638	18,026	18,026	0
Support Services:				
Central:				
Capital Outlay - New	6,500	0	0	0
Capital Outlay - Replacement	13,500	13,500	13,500	0
Total Support Services	20,000	13,500	13,500	0
<i>Total Expenditures</i>	<u>23,638</u>	<u>31,526</u>	<u>31,526</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(3,638)	(18,026)	(18,026)	0
<i>Fund Balance Beginning of Year</i>	3,638	3,638	3,638	0
Prior Year Encumbrances Appropriated	14,388	14,388	14,388	0
<i>Fund Balance End of Year</i>	<u>\$14,388</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Cardinal Local School District
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 Self Insurance Fund
 For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Charges for Services	\$335,000	\$408,297	\$408,298	\$1
Expenses				
Fringe Benefits:				
Central Support Services	375,000	376,292	333,745	42,547
<i>Net Change in Fund Balance</i>	(40,000)	32,005	74,553	42,548
<i>Fund Balance Beginning of Year</i>	43,975	43,975	43,975	0
Prior Year Encumbrances Appropriated	1,292	1,292	1,292	0
<i>Fund Balance End of Year</i>	<u>\$5,267</u>	<u>\$77,272</u>	<u>\$119,820</u>	<u>\$42,548</u>

Cardinal Local School District
Governmental Activities Revenues by Source
and Expenses by Function
Last Three Fiscal Years

	<u>2002</u>	<u>2001</u>	<u>2000</u>
Program Revenues			
Charges for Services	\$1,246,799	\$1,073,835	\$829,113
Operating Grants and Contributions	940,338	800,811	666,435
Capital Grants and Contributions	39,640	102,292	21,569
General Revenues			
Taxes	7,666,861	7,561,469	6,431,768
Intergovernmental	3,305,179	3,221,848	3,368,610
Interest	949,742	962,597	700,727
Miscellaneous	291,496	15,418	28,591
Total	<u>\$14,440,055</u>	<u>\$13,738,270</u>	<u>\$12,046,813</u>
Expenses			
Current:			
Instruction:			
Regular	\$5,339,683	\$5,518,845	\$5,141,226
Special	1,341,464	1,233,556	1,318,006
Vocational	118,448	104,018	168,832
Support Services:			
Pupil	798,170	582,454	507,626
Instructional Staff	692,911	475,239	401,176
Board of Education	47,125	16,313	23,328
Administration	756,284	782,822	683,203
Fiscal	375,315	359,270	321,406
Business	45,080	48,487	59,220
Operation and Maintenance of Plant	1,128,307	1,056,124	897,041
Pupil Transportation	811,498	664,822	688,411
Central	206,313	184,936	172,079
Extracurricular Activities	353,431	327,796	331,264
Food Service Operations	451,803	382,036	67,521
Debt Service	531,713	640,668	886,000
Total	<u>\$12,997,545</u>	<u>\$12,377,386</u>	<u>\$11,666,339</u>

Source: School District Financial Records

Cardinal Local School District
*General Governmental Revenues by Source
and Expenditures by Function (1)
Last Ten Fiscal Years*

	2002	2001	2000	1999
Revenues				
Taxes	\$7,610,341	\$7,522,004	\$5,920,054	\$5,939,096
Intergovernmental	4,265,296	4,193,709	3,084,141	3,389,696
Interest	950,156	962,252	194,097	140,853
Charges for Services	310,398	284,445	0	0
Tuition and Fees	815,067	663,084	655,173	151,925
Extracurricular Activities	117,980	108,594	0	0
Rentals	3,354	2,985	4,127	2,758
Contributions and Donations	19,447	14,727	0	0
Miscellaneous	291,496	12,215	33,984	5,949
Total	\$14,383,535	\$13,764,015	\$9,891,576	\$9,630,277
Expenditures				
Current:				
Instruction:				
Regular	\$5,524,317	\$5,059,446	\$4,722,211	\$4,214,024
Special	1,348,861	1,246,973	800,468	711,020
Vocational	119,058	119,824	171,121	170,192
Support Services:				
Pupil	794,276	587,965	447,870	451,004
Instructional Staff	698,042	460,253	306,104	274,548
Board of Education	47,125	16,313	24,446	19,497
Administration	787,357	747,858	667,600	657,306
Fiscal	370,556	348,564	308,950	280,535
Business	45,769	49,226	57,881	56,105
Operation and Maintenance of Plant	1,052,605	983,080	885,844	923,486
Pupil Transportation	796,926	829,342	684,116	722,151
Central	189,252	187,016	165,438	192,743
Operation of Non-Instructional Services	0	79,763	62,682	64,518
Extracurricular Activities	369,125	333,703	226,819	188,028
Food Service Operations	464,370	359,222	0	0
Capital Outlay	6,162,464	3,800,658	35,329	0
Debt Service	989,989	782,501	0	0
Total	\$19,760,092	\$15,991,707	\$9,566,879	\$8,925,157

Source: School District Financial Records

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

(2) 1995 through 1993 reported on a cash basis, all other years on a Modified Accrual Basis.

1998	1997	1996	1995 (2)	1994 (2)	1993 (2)
\$5,544,430	\$5,296,756	\$4,543,157	\$4,616,543	\$4,476,315	\$3,397,238
3,233,588	3,105,802	3,065,402	2,915,504	2,831,720	2,617,038
109,452	88,669	70,857	49,050	39,430	40,136
0	0	0	0	0	0
132,548	138,932	125,914	122,585	110,225	128,063
0	0	0	0	0	128,063
2,104	3,139	3,804	5,343	4,210	3,981
0	345	6,825	495	9,000	0
65,101	0	920	846	944	100
<u>\$9,087,223</u>	<u>\$8,633,643</u>	<u>\$7,816,879</u>	<u>\$7,710,366</u>	<u>\$7,471,844</u>	<u>\$6,314,619</u>

\$4,076,228	\$3,999,704	\$3,728,955	\$3,663,910	\$3,492,044	\$3,303,336
508,714	455,100	489,916	403,397	379,670	362,384
160,770	154,972	152,644	157,373	149,047	142,462
391,116	421,947	402,261	357,940	336,914	343,767
234,214	203,775	196,579	201,677	217,747	190,679
19,643	23,278	19,139	19,259	15,332	16,090
632,230	655,597	667,961	636,190	699,555	762,128
272,453	291,628	278,952	274,460	251,262	232,038
48,223	44,418	44,222	43,324	97,347	103,468
842,115	864,957	875,722	740,759	733,177	694,683
695,202	701,000	584,067	607,242	647,485	556,597
178,344	187,308	184,533	170,378	61,313	35,965
60,180	63,066	57,869	58,128	9,768	0
180,654	178,185	164,484	163,727	169,048	145,874
0	0	0	0	0	0
0	0	8,000	28,714	0	0
24,015	18,615	13,215	0	0	0
<u>\$8,324,101</u>	<u>\$8,263,550</u>	<u>\$7,868,519</u>	<u>\$7,526,478</u>	<u>\$7,259,709</u>	<u>\$6,889,471</u>

Cardinal Local School District
Property Tax Levies and Collections
Real and Tangible Personal Property (1)
Last Nine 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
2001	\$7,916,011	\$385,418	\$8,301,429	\$7,806,730	98.6%	\$169,835	\$7,976,565	100.8%
2000	7,820,060	347,486	8,167,546	7,681,629	98.2	144,881	7,826,510	100.1
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. 2002 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)	
2002	\$180,996,580	\$511,759,371	\$7,392,290	\$8,377,148	\$49,792,500	\$199,088,880	\$238,181,370	\$719,225,399	33%
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

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 2002.

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
2002	\$56.60	\$1.50	\$2.80	\$1.00	\$14.40	\$76.30	\$5.00	\$0.30	\$5.30
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

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*

Year	Net General Obligation Bonded Debt (1)	Assessed Value (2)	Population (3)	Ratio of Net Debt to Assessed Value	Net Debt Per Capita
2002	\$12,196,420	\$238,181,370	13,494	5.12%	\$903.84
2001	9,464,224	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

Sources:

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

Cardinal Local School District
Computation of Legal Debt Margin
June 30, 2002

Assessed Valuation	\$238,181,370
Overall Debt Limit - 9% of Assessed Value (1)	\$21,436,323
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonds	9,554,930
Energy Conservation Bonds	200,000
Middlefield Public Library Bonds	3,000,000
Middlefield Public Library Notes	3,000,000
Amount Available in Debt Service Fund	(558,610)
Total	15,196,320
Exemptions:	
Energy Conservation Bonds	(200,000)
Middlefield Public Library Notes	(3,000,000)
Total Exemptions	(3,200,000)
Amount of Debt Subject to the Limit	11,996,320
Overall Debt Margin	\$9,440,003
Unvoted Debt Limit - .10% of Assessed Value (1)	\$238,181
Amount of Debt Applicable	0
Unvoted Debt Margin	\$238,181
Additional Limit for Unvoted Energy Conservation Bonds:	
Debt Limit - .10% of Assessed Valuation	\$238,181
Energy Conservation Improvement Bonds	(200,000)
Additional Unvoted Debt Margin	\$38,181

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, 2001

Jurisdiction	General Obligation Bonded Debt Outstanding	Percentage Applicable to School District (1)	Amount Applicable to School District
Direct:			
Cardinal Local School District	\$12,754,930	100.00%	\$12,754,930
Overlapping:			
Geauga County	1,575,000	9.97	<u>157,028</u>
Total			<u><u>\$12,911,958</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 2001 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

Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures (1)	Ratio of Debt Service to General Fund Expenditures (Percentage)
2002	\$365,000	\$531,049	\$896,049	\$11,094,146	8.08%
2001	110,000	659,033	769,033	10,375,256	7.41
2000	110,000	32,439	142,439	9,573,179	1.49
1999	105,000	42,455	147,455	8,925,157	1.65
1998	105,000	45,879	150,879	8,324,101	1.81
1997	165,000	54,066	219,066	8,263,550	2.65
1996	165,000	63,740	228,740	7,868,519	2.91
1995 (2)	120,000	74,765	194,765	7,661,194	2.54
1994 (2)	120,000	46,644	166,644	7,287,849	2.29
1993 (2)	120,000	53,606	173,606	6,974,806	2.49

Source: School District Financial Records

(1) Includes other financing uses.

(2) 1993 through 1995 on a cash 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>
2002	90,895	13,494	1,426	3.0 %
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

Sources:

- (1) Estimated Figure from U.S. Census Bureau
- (2) U.S. Census of Population (estimated), 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 Nine Years*

Year	Property Value (Real Estate Only) (1)	Financial Institution Deposits		Value of Permits Issued		Value of Permits Issued		Value of Permits Issued	
		Banks		Geauga County	Huntsburg Township	Middlefield Township	Middlefield Village	Parkman Township	
2001	\$180,996,580	\$255,568,000		\$69,938,598	\$3,409,480	\$3,490,725	\$44,866,471	\$3,701,205	
2000	171,952,750	222,519,000		47,423,930	1,568,057	971,320	2,973,404	1,345,856	
1999	166,528,650	249,478,000		47,227,640	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, 2001

<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	5.18 %
Richard Bonner	4,403,030	2.43
Johnson Rubber	1,789,140	0.99
Dillen Properties, Limited	1,682,850	0.93
Burdkidz, Limited	1,323,080	0.73
Sajar Plastics	1,195,920	0.66
Harrington Square	1,108,700	0.61
Middlefield Banking Company	1,066,790	0.59
Middlefield Square	1,038,720	0.57
Middlefield Village Apartments	1,029,500	0.57
Total	<u>\$24,005,860</u>	<u>13.26 %</u>
<i>Total Real Estate Tax Assessed Value</i>	<u>\$180,996,580</u>	

Source: Geauga County Auditor

(1) Assessed values are for the 2002 collection year.

Cardinal Local School District

Principal Taxpayers

Tangible Personal Property Tax

December 31, 2001

<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	25.33 %
Myers Industries, Inc.	5,401,910	10.85
Duramax, Inc.	4,295,440	8.63
Hans Rothenbuhler and Sons	3,242,290	6.51
Carlisle Geauga Company	1,490,770	3.00
Mercury Plastics, Inc.	1,370,840	2.75
Neff Perkins Company	1,329,580	2.67
Flambeau Products Corporation	1,111,380	2.23
Neo Beam Alliance Limited	1,062,520	2.13
Sajar Plastics, Inc.	888,470	1.79
Total	<u>\$32,798,880</u>	<u>65.89 %</u>
<i>Total Tangible Personal Property Tax Assessed Value</i>	<u>\$49,792,500</u>	

Source: Geauga County Auditor

(1) Assessed values are for the 2002 collection year.

Cardinal Local School District

Principal Taxpayers

Public Utilities Tax

December 31, 2001

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Public Utilities Tax Assessed Value</u>
Cleveland Electric Illuminating Company	\$4,334,340	58.80 %
Western Reserve Telephone Company	1,077,080	14.61
Ohio Edison	755,940	10.25
East Ohio Gas Company	<u>275,500</u>	<u>3.74</u>
Total	<u>\$6,442,860</u>	<u>87.40 %</u>
<i>Total Public Utilities Tax Assessed Value</i>	<u>\$7,392,290</u>	

Source: Geauga County Auditor

(1) Assessed values are for the 2002 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>
2002	\$11,094,146	1,426	\$7,780
2001	10,375,256	1,480	7,010
2000	9,573,179	1,469	6,517
1999	8,925,157	1,523	5,860
1998	8,324,101	1,577	5,278
1997	8,263,550	1,549	5,335
10996	7,868,519	1,550	5,076
1995 (2)	7,661,194	1,532	5,001
1994 (2)	7,287,849	1,480	4,924
1993 (2)	6,974,806	1,504	4,638

Source: School District Financial Records.

(1) Includes Other Financing Uses.

(2) 1993 through 1995 on cash basis.

Cardinal Local School District
Teacher Education and Experience
 June 30, 2002

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	15	14.29 %
Bachelor + 15	12	11.43
Bachelor + 30	23	21.90
Master's Degree	23	21.90
Master's + 15	12	11.43
Master's + 30	<u>20</u>	<u>19.05</u>
Total	<u><u>105</u></u>	<u><u>100.00 %</u></u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	23	21.90 %
6 - 10	12	11.43
11 and Over	<u>70</u>	<u>66.67</u>
	<u><u>105</u></u>	<u><u>100.00 %</u></u>

Source: School District Personnel Records

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
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Telephone 614-466-4514
800-282-0370
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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 9, 2003**