

JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

Cardinal Local School District

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

**Schedule of Federal Awards Expenditures
For the Year Ended June 30, 1999**

Federal Grantor/ Pass-Through Grantor/ Program Title	Pass-Through Entity Number	CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U. S. Department of Agriculture						
<i>Passed Through the Ohio Department of Education</i>						
Nutrition Cluster:						
Food Distribution	N/A	10.550	\$0	\$30,323	\$0	\$27,822
National School Lunch Program	03-PU 98	10.555	4,092	0	4,092	0
National School Lunch Program	03-PU 99	10.555	11,223	0	11,223	0
National School Lunch Program	04-PU 98	10.555	13,600	0	13,600	0
National School Lunch Program	03-PU 99	10.555	37,517	0	37,517	0
Total U. S. Department of Agriculture - Nutrition Cluster			66,432	30,323	66,432	27,822
U. S. Department of Education						
<i>Passed Through the Ohio Department of Education</i>						
Special Education Cluster:						
Title 6-B - FY 98	6B-SF-97P	84.027	0	0	3,003	0
Title 6-B - FY 99	6B-SF-98P	84.027	49,726	0	45,537	0
Total Special Education Cluster			49,726	0	48,540	0
Grants to Local Educational Agencies:						
Title 1 FY 98 Carryover	C1-S1-98C	84.010	31,994	0	31,994	0
Title 1 FY 98	C1-S1-98	84.010	111,408	0	151,490	0
Title 1 FY 99	C1-S1-99	84.010	367,780	0	361,277	0
Total Title 1			511,182	0	544,761	0
Drug Free Schools Grant FY 99	DR-S1-99	84.186	4,455	0	5,432	0
Eisenhower Math and Science	MS-S1-96	84.281	0	0	291	0
Eisenhower Math and Science	MS-S1-97C	84.281	(2)	0	1,697	0
Eisenhower Math and Science	MS-S1-97C	84.281	0	0	3,942	0
Eisenhower Math and Science	MS-S1-99	84.281	12,633	0	0	0
Total Eisenhower Math and Science			12,631	0	5,930	0
Goals 2000	G2-S2-99	84.276	4,692	0	4,292	0
Title 6 (Innovative Ed) - FY 98	C2-S1-97C	84.298	(6)	0	180	0
Title 6 (Innovative Ed) - FY 98	C2-S1-98	84.298	0	0	4,667	0
Title 6 (Innovative Ed) - FY 99	C2-S1-99	84.298	5,501	0	0	0
Total Title 6 (Innovative Ed) - FY 98			5,495	0	4,847	0
Total U. S. Department of Education			588,181	0	613,802	0
Total Federal Assistance			\$654,613	\$30,323	\$680,234	\$27,822

The accompanying notes are an integral part of the Schedule of Federal Awards Expenditures

CARDINAL LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY

NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

CFDA - Catalog of Federal Domestic Assistance

N/A - Not applicable

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

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

NOTE C - NATIONAL SCHOOL LUNCH

Federal monies received by the District for these programs are commingled with State grants and local revenues. It is assumed that federal monies are expended first.



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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
16000 E. High Street, P.O. Box 188
Middlefield, Ohio 44062

We have audited the financial statements of the Cardinal Local School District, Geauga County, Ohio, (the District) as of and for the year ended June 30, 1999, and have issued our report thereon dated November 19, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report that we have reported to management of the District in a separate letter dated November 19, 1999.

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

This report is intended for the information of the Audit Committee, management, the Board of Education, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

JIM PETRO
Auditor of State

November 19, 1999



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

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

Compliance

We have audited the compliance of the Cardinal Local School District, Geauga County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 1999. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 1999.

Internal Control Over Compliance

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

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

Schedule of Federal Awards Expenditures

We have audited the general-purpose financial statements of the District as of and for the year ended June 30, 1999, and have issued our report thereon dated November 19, 1999. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying Schedule of Federal Awards Expenditures is presented for the purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

This report is intended for the information of the Audit Committee, management, the Board of Education, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



JIM PETRO
Auditor of State

November 19, 1999

Cardinal Local School District

June 30, 1999

SCHEDULE OF FINDINGS

1. SUMMARY OF AUDITOR'S RESULTS

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 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 Sec. .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.

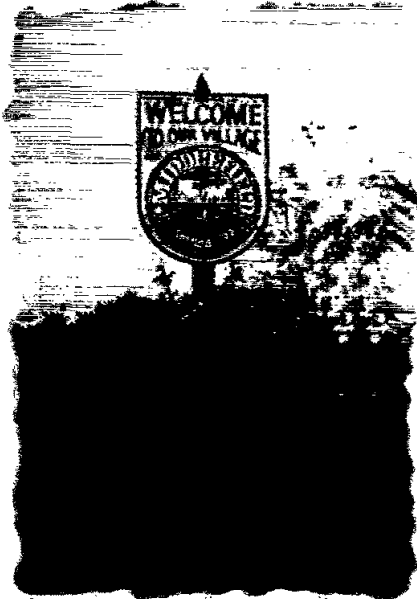
3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

Cardinal Local School District

Middlefield, Ohio

Comprehensive Annual Financial Report



For the Fiscal Year Ended June 30, 1999

ABOUT THE COVER

The cover photos depict the intricate blend of agriculture and industry representative of our school district. The lower right photo is a model of the future Cardinal Community Middle School.

**Cardinal Local School District
Middlefield, Ohio**

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

Prepared by:

Treasurer's Office

Dianne Kellogg, Treasurer

Cardinal Local School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 1999
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Cardinal School District

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President

Dr. I. Jack Youshak
Vice-President

Dianne Kellogg
Treasurer

Members:

Nicholas E. Frank

Kenneth J. Klima

William H. Poole

November 19, 1999

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, 1999. This CAFR includes an opinion from the State Auditor and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the School District. This report will provide the taxpayers of the Cardinal Local School District with comprehensive financial data in a format which will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the Geauga County Public Library, major taxpayers, financial rating services and other interested parties.

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

1. The Introductory Section, which contains a Table of Contents, Letter of Transmittal, List of Principal Officials, an Organizational Chart of the School District and the GFOA Certificate of Achievement.
2. The Financial Section which begins with the Report of Independent Accountants and includes the General Purpose Financial Statements and Notes that provide an overview of the School District's financial position and operating results, the Combining Statements by Fund Type, and other schedules that provide detailed information relative to the General Purpose 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 and includes 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 was established February 1, 1957 through the consolidation of existing land areas and school districts and is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. Under such laws there is no authority for a school district to have a charter or adopt local laws. The legislative power of the School District is vested in the Board of Education, consisting of five members elected at-large for staggered four year terms.

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

Reporting Entity

The Cardinal Local School District has reviewed its reporting entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity". In evaluating how to define the School District for financial reporting purposes, management has considered its relationship with all departments, boards, organizations and agencies that make up the Cardinal Local School District.

Excluded from the reporting entity because they are fiscally independent of the School District are the Village of Middlefield, the Middlefield, Parkman and Huntsburg Parent Teacher Organizations, the Cardinal Athletic and Music Booster Organizations and the Cardinal Community Scholarship Foundation.

The School District is associated with five jointly governed organizations and one public entity risk pool. These organizations are the Auburn Career Center, the Lake Geauga Computer Association, the Cardinal Area Recreation and Education Council, the East Shore Regional Transportation System, the Ohio Schools Council Association and the Ohio Schools Boards Association Workers' Compensation Group Rating Plan. These organizations are presented in Notes 15 and 16 to the combined financial statements.

A complete discussion of the School District's reporting entity is provided in Note 1 to the general purpose financial statements.

Economic Condition and Outlook

The Village of Middlefield has maintained a leadership role in Geauga County throughout the decade. The growth the Cardinal School District area has experienced has out paced inflation in all but one year (1991) from 1989 to 1999. Economic conditions in the area mirror the broader State and National economies leading to strong tax bases and tax collections. The Middlefield Village tax abatement area has continued to develop and in the last year Gold Key Corporation was added to the list of abated industries. Gold Key also offer employees twenty-four hour child care in its own facility managed by Bass Lake Day Care Corporation. While primarily designed to serve Gold Key and Dillen Products employees, the facility has some openings for other area children. KraftMaid Cabinetry is the leading employer not only in the School District, but in the entire county. Other employers among the top twelve in the county include; Duramax, Inc., Carlisle Geauga Company, Mercury Plastics and Dillen Products. As of December 31, 1999, the tax abatement area is approximately 58 percent developed leaving 42 percent for future expansion and growth.

Residential growth in the Village is concentrated in Glen Valley, a single-family home development of 339 home sites and Woodsong, a PUD (Planned Unit Development) of 59 cluster homes and 120 single-family units.

A student enrollment projection study was completed in May of 1998. A follow-up study in 1999 indicates an expected 13 percent increase in enrollment over a five year period. This does not factor in anticipated growth in portions of the community. This growth includes developments in Middlefield Village where nearly 600 homes are planned. Over 70 homes have been built in one development and 16 homes are completed in the second development. Two proposed projects along State Route 322 in Huntsburg Township are underway with over 90 home sites. State Route 422 in Parkman Township are in the stages of early planning and site development with a plan for a sanitary sewer system near implementation by the county and the developer. During the past year, 165 residential building permits were issued throughout the District.

The funding structure of public education in Ohio is such that school districts receive very little revenue growth as a result of inflationary increases in their tax base. This is a result of House Bill 920 which mandates that any reappraised property increases results in an approximately equal value decrease in millage. As a result, school districts throughout Ohio must place operating funding issues on the ballot at regular intervals to keep pace with inflation and added programming.

The School District replaced a five year, 9.7 mill operating levy November of 1996. The Financial Plan of the School District is to replace this levy at current values every five years to provide income growth partially offsetting the effects of House Bill 920. The replacement levy proceeds are 36 percent (\$444,300) higher than the original issue due to growth in property values. The first full fiscal year of collection is reflected in this financial report. In the 1998 Tax Budget, the Board redirected the one (1) mill of inside millage to establish a Permanent Improvement Fund. Revenues did initially flow to this fund in January 1999.

Of the School District's General Fund operations, 39.7 percent of the General Fund revenue is received from real estate taxes on residential, commercial and industrial properties. Another 22 percent is received from tangible personal property taxpayers, with 35.2 percent being received from various forms of State aid including Homestead and Rollback exclusions on property taxes. The remaining 3.1 percent is received from interest earnings and local cooperative ventures.

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the Ohio General Assembly to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program". Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State legislature in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. At this time, the Ohio Supreme Court has not rendered an opinion on this issue. The decision of the Court of Common Pleas in Perry County has been stayed by the Ohio Supreme Court, and, as such, school districts are still operating under the laws that the Common Pleas Court declared unconstitutional.

Major Initiatives

Strong Leadership Continues

In August of 1999, the Ohio School Boards recognized School Board President Richard A. Moss for his 42 years of services on the Cardinal Board of Education. Mr. Moss has served as the president for 41 years. During his tenure the community and school has gone through many changes. The School District has kept pace with the needs of the public. Two new Board of Education members were elected in November of 1999 and have expressed continued support for the manner in which the District is operated.

The School Superintendent, Clinton Keener, is entering his fourth school year at Cardinal. The stability and strengths of the School District have led to long-term service by administrators. Mr. Keener is only the third Superintendent in 30 years. Principal and Curriculum Director Lynne Muzik has served for 15 years. Dr. Thomas Stone, Principal and Special Education Director, is in his 12th year of service. Middle School Principal Thomas Moss has provided leadership for over two decades. In the past two years, the retirement of two administrators led to the appointment of new principals. The positions drew many qualified candidates and in each case the selection committee recommended very strong individuals.

School Treasurer, Dianne Kellogg, is in her 18th year at Cardinal. Audits reveal thorough and accurate accounting procedures. Mrs. Kellogg has seen the transformation from paper recording to electronic based record keeping and communications. The Treasurer's office benefits from Mrs. Kellogg's expectations for strong service to the School District and community.

Strategic Plan

The Cardinal Local School District's Continuous Improvement Plan was adopted by the Board of Education on September 13, 1999. A mission statement, objectives, strategies and action plans were developed during the process. The plan is required by the State of Ohio. Cardinal, like over 300 other school districts in Ohio, has experienced great success in many measures of student achievement. At the same time there are measures of student achievement needing improvement. The plan is aimed at improving learning for all students.

In May of 1999, 35 community members, students and school personnel met for two days to identify the needs of the District and develop strategies for improvement. Seven primary goals are the focus of the plan. Over 25 actions plans are in the final plan. Action plans identify real and meaningful initiatives aimed at the seven goals. Four of the action plans were completed in the first two months. A District Continuous Improvement Committee oversees the progress of each building. Building level teams are meeting weekly or monthly to implement action plans.

In response to growth in the community and expanding program needs, the Cardinal Board of Education developed a building use plan. The current middle school is overfilled and some students must attend classes in one of four modular classrooms. The building is 79 years old and it has never undergone renovations.

There were two options in the building use plan. The first option was the passage of a bond issue and construction of new middle school. The second option was the use of a split session schedule at the high school. The options are outlined below.

Building Plan Option #1

The School District passed a 3.5 mill bond issue in the November 1999 elections. Passage of the 25 year bond issue will provide \$10 million for the construction of a middle school for students in grades 6 through 8. Some of the funds, \$600,000, will be used to complete partial renovations to the existing 79 year old middle school. Interest income from the bond funds will be applied to renovations.

The plan for a new middle school includes:

- site development on existing undeveloped School property (28 acres),
- adequate classroom space for 450 students,
- a technology driven media center,
- a gymnasium with two playing courts,
- a technology classroom,
- a cafetorium with a performance stage, and
- an independent functioning kitchen.

Plans for renovation of the current middle school include:

- installation of an elevator and full handicapped accessibility,
- replacement of all electrical systems,
- replacement of all plumbing,
- window replacements,
- repair of exterior brick, and
- other general improvements.

The Village of Middlefield supports a Recreation Council. Many activities are planned for members of the school community. The Recreation Council has adopted the following name, "Cardinal Area Recreation and Education Council." This reflects the willingness to include residents of the entire school district in programs operated by the village. A proposal under consideration by the Village Council calls for the development of the community recreation center at the new middle school. The proposal includes an addition to the building to be funded by the Village of Middlefield and the cooperative joint use of school facilities.

Building Plan Option #2

Currently, all students in grades kindergarten through sixth attend Jordak, Hunstburg, and Parkman elementary schools. Upon completion of a new middle school, all students in grades six through eight would be assigned to the building. The current middle school would then be renovated and expected to accommodate over 180 students. Upon completion of renovations, the current middle school will serve all fifth graders from throughout the School District or all upper grade students in the Jordak elementary school. In the long term, the new middle school and current high school could be expanded to absorb greater enrollment.

Students in grades 9 through 12 will hold classes at the current high school from early morning until noon. Students in grades 6 through 8 will attend classes in the same building during the afternoon. No busing will be held for students in grades 9 through 12 due to the compressed schedule. Some courses will be dropped due a shortened instructional day. Middle school sports activities will be eliminated and high school sports teams would be reduced.

Option two is not in the best interest of our children. During discussions about the two options there has been a strong support expressed for choosing a new building instead of an alternative schedule.

Since 1989, the School District has presented a ballot issue to fund a new school. Issues have failed by as few as 26 votes. During the same period the community approved an additional operating levy of 9.7 mills (1992) and a subsequent replacement of the levy (1996). The community continues to grow and show a strong support for funds to operate the School. The decision must be made to expand facilities.

Existing buildings are being given attention with the Board's commitment of funds from 1 mill of inside millage for permanent improvement projects. This commitment started in 1999 and many improvements have been completed to date. Classrooms in all buildings are connected to the Internet and computer hardware is in place. Old carpeting and some furniture have been replaced. Parkman Elementary School has a new boiler system and conversion from oil to natural gas is complete. One section of roof is reconditioned each year. This fund will be used to complete annual projects including window replacements and parking lot improvements.

Site Based Management

School management is directed by the principal at each building. Building teams are formed to respond to the School District's Strategic Plan and pertinent issues identified by the staff, parents or students. Teams of teachers exist to deliver instruction at certain grade levels and for the purpose of curriculum development within each discipline. Teams often include parents, students and other community members. Each building has an annual budget for instructional support and office operation.

Cardinal High School Graduates

A typical recent graduating class is well prepared for post-secondary education. The high school curriculum has expanded to offer nine advanced/accelerated courses and a full complement of other college preparatory courses. Over 65 percent of graduates continue their education at a college, university, or technical school. As many as 20 percent of a graduating class complete a vocational program at the Auburn Career Center (joint vocational school). Job placement rate in the field of choice is very high for career center graduates.

The Data Accountability and Report Card Legislation

Amended Substitute House Bill 215, the biennial budget bill, commencing in October 1997, added data accountability provisions to Section 3301.0714 of the Ohio Revised Code. These provisions authorize the Department of Education to withhold 10-20 percent of a School District's funds if the School District does not submit timely and accurate Electronic Management Information Systems (EMIS) data (aggregated demographics on students and staff). Additionally, the Bill allows the State Board of Education to suspend/revoke the license of a School District employee found to have willfully reported erroneous, inaccurate, or incomplete data through the information system. The Superintendent and Treasurer must certify the accuracy of all data collected through the EMIS system at the opening of school (October) and close (June/July). Cardinal Local School District has complied with the requirements of this legislation.

Senate Bill 55, the academic accountability legislation passed in the summer of 1997, resulted in the extraction of data from the EMIS database and the publication of a School District "Report Card". Districts with similar demographics were grouped and compared via the report card vehicle. Below are some pertinent excerpts from the Cardinal Local School District "Report Card".

- 1) Student Attendance Rate: 95.4 percent.
- 2) Cardinal's results exceeded the State average in 30 performance standards.
- 3) Of the 20 similar districts used for comparison, Cardinal students had a higher passage rate than the group average in 25 of 25 tests
- 4) Cardinal students had a higher passage rate than any other comparison districts in 3 of the tests.

Financial Information

Internal Accounting and Budgetary Control

The School District's accounting system is organized on a "fund" basis. Each fund (and account group) is a distinct self-balancing accounting entity. Reporting for general governmental operations are presented on the modified accrual basis whereby revenues are recognized when measurable and available and expenditures are recognized when goods and services are received. Reporting of the School District's proprietary operations are presented on the accrual basis whereby revenues are recognized when earned and expenses when incurred.

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. 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.

Each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible. In addition, an on line inquiry system is available at each cost center site. In fiscal year 1997, the School District established a network, which allowed electronic, building level input of purchase requisitions. This allows site-based budgets to be administered by the building principals with input from each staff. 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 and account groups utilized by Cardinal Local School District are fully described in Note 2 of the financial statements. Additional information on the School District's budgetary accounting can also be found in Note 2.

General Governmental Functions

The following schedule presents a summary of governmental funds revenues for the fiscal years ended June 30, 1998 and 1999, and the amount and percentage of increases and decreases in relation to the prior year's revenues.

	1998 Amount	1999 Amount	Percent of Total	Change	Percent Change
Revenues					
Taxes	\$5,840,166	\$6,232,617	58.09%	\$392,451	6.72%
Intergovernmental	3,911,803	4,026,990	37.53	115,187	2.94
Interest	109,944	154,775	1.44	44,831	40.78
Tuition and Fees	135,338	155,185	1.45	19,847	14.66
Extracurricular Activities	114,298	127,895	1.19	13,597	11.90
Contributions and Donations	13,811	20,506	0.19	6,695	48.48
Rentals	2,104	2,758	0.03	654	31.08
Miscellaneous	70,255	8,405	0.08	(61,850)	(88.04)
Total Revenues	\$10,197,719	\$10,729,131	100.00%	\$531,412	5.21%

The most significant continuing revenue source is taxes. During fiscal year 1999, there was a \$392,451 or a 6.72 percent increase due to the first full year collection of the 9.7 mill replacement levy approved in November 1996, along with new residential, commercial and industrial construction.

Interest revenue reflects a \$44,831 or a 40.78 percent increase due to more cash available for investment purposes due to the collection of the 9.7 mill replacement levy during fiscal year 1999.

Contributions and donations reflects a \$6,695 or a 48.48 percent increase due to more donations being received by the School District.

Rentals reflects a \$654 or a 31.08 percent increase due to more community usage of the School District's facilities.

Miscellaneous revenue reflects a \$61,850 or a 88.04 percent decrease due to the one time Workers' Compensation refund received by the School District in fiscal year 1998.

The following schedule presents a summary of governmental funds' expenditures for the fiscal years ended June 30, 1998 and 1999, and the amount and percentage of increases and decreases in relation to the prior year's expenditures.

	1998 Amount	1999 Amount	Percent of Total	Change	Percent Change
Expenditures					
<i>Current:</i>					
Instruction:					
Regular	\$4,164,612	\$4,264,170	42.81%	\$99,558	2.39%
Special	970,413	1,229,559	12.34	259,146	26.70
Vocational	160,770	170,192	1.71	9,422	5.86
Support Services:					
Pupils	444,050	503,902	5.06	59,852	13.48
Instructional Staff	270,039	316,602	3.18	46,563	17.24
Board of Education	19,643	19,497	0.20	(146)	(0.74)
Administration	663,568	704,028	7.07	40,460	6.10
Fiscal	276,471	281,867	2.83	5,396	1.95
Business	50,443	56,105	0.56	5,662	11.22
Operation and Maintenance of Plant	842,115	925,611	9.29	83,496	9.92
Pupil Transportation	695,202	722,151	7.25	26,949	3.88
Central	179,884	199,908	2.01	20,024	11.13
Operation of Non- Instructional Services	65,490	64,518	0.65	(972)	(1.48)
Extracurricular Activities	291,978	303,607	3.05	11,629	3.98
Capital Outlay:	0	50,964	0.51	50,964	100.00
<i>Debt Service:</i>					
Principal Retirement	105,000	105,000	1.05	0	0.00
Interest and Fiscal Charges	69,894	42,455	0.43	(27,439)	(39.26)
Total Expenditures	\$9,269,572	\$9,960,136	100.00%	\$690,564	7.45%

Special Instruction expenditures reflect a \$259,146 or a 26.70 percent increase due to continued increase in cost of services to special needs students.

Support Services Pupils expenditures reflect a \$59,852 or a 13.48 percent increase due to an extended medical leave and an increase in the cost of psychological services no longer funded through the state formula.

Support Services Instructional Staff expenditures reflect a \$46,563 or a 17.24 percent increase due to the employment of a technology manager to support the educational network and software.

Capital Outlay expenditures reflect a \$50,964 or a 100.00 percent increase due to expenditures related to the newly established permanent improvement fund that began collecting and expending funds in January, 1999.

Debt Service Interest and Fiscal Charges expenditures reflect a \$27,439 or a 39.26 percent decrease due to the decrease in outstanding principal and the variable interest rate on that balance.

General Fund Balance

The fund balance of the general fund increased from \$908,660 at June 30, 1998 to \$1,634,978 at June 30, 1999. The School District received a full year collection on the 9.7 mill replacement levy passed in November 1996 that generates approximately \$1.67 million annually.

Financial Highlights – Enterprise Funds

Food service and uniform school supplies are classified as enterprise operations since they resemble those activities found in private industry. Management periodically desires to determine the amount of profit/loss resulting from these operations that are significantly financed from user fees. In total, the enterprise funds had a net loss of \$16,532 for the year ended June 30, 1999. Of the proprietary funds, the food service enterprise fund had a deficit retained earnings of \$177,358. Management is analyzing the food service operations to determine appropriate action to alleviate the deficit.

Financial Highlights - Internal Service Fund

At the conclusion of fiscal year 1999, the only internal service fund carried on the financial records related to self-insurance. This fund accounts for the revenues and expenses related to the provision of prescription drug benefits to the School District employees. The internal service fund had a deficit retained earnings of \$382 at June 30, 1999, reflecting a net loss of \$382.

Debt Administration

At June 30, 1999, general obligation bonds outstanding totaled \$590,000. During fiscal year 1999, \$55,000 of voted general obligation bonds were retired, and \$50,000 of energy conservation bonds. The energy conservation issue is backed with the commitment of 0.50 mills of inside millage to debt service. As of June 30, 1999, the overall debt margin was \$16,638,661 and the unvoted debt margin is \$185,887. All existing bond obligations are backed by the full faith and credit of the School District and will be retired fully by fiscal year 2004.

Cash Management

The Board has established a cash management program that expedites the collection of local and state funds through electronic fund transfers and daily deposits. Funds are deposited in local financial institutions insured by the Federal Deposit Insurance Corporation as well as collateralized by investments in instruments issued by the United States Government or the State of Ohio. The total amount of interest earned for the year ended June 30, 1999, was \$155,066. Of that, \$140,853 was credited to the general fund.

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation as well as by qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 110 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Board and designated third party trustees of the financial institutions.

Risk Management

The School District established a self insurance internal service fund to account for and finance its prescription coverage with MIM as the third party administrator.

As an additional safeguard to the crime coverage that blankets all employees, a separate, higher limit bond covers certain individuals in policy-making roles.

Property and fleet insurance are bid and purchased through the Ohio Schools Council consortium. Property insurance is carried through CNA Insurance for boilers and machinery with a \$1,000 deductible and a \$30,000,000 limit, Crum and Forster for crime with a \$1,000 deductible and a \$250,000 limit for property with a \$1,000 deductible and a \$23,532,455 limit and inland marine with a \$250 deductible and a \$634,576 limit.

The Wausau Insurance Companies act as the carrier for the School District's fleet insurance with liability at \$2,000,000 each accident, auto medical with \$7,500 each person, uninsured/ underinsured motorist with \$2,000,000 each accident, comprehensive with a \$50 deductible and collision with a \$250 deductible.

The Education Liability Policy is not contracted through the Ohio Schools Council; however, the Wausau Insurance Companies act as the carrier, with a general aggregate limit of \$5,000,000, a limit of \$1,000,000 for each occurrence, a fire damage limit of \$100,000 and a medical expense limit of \$5,000 per person.

The School District is in a Workers' Compensation Rating Pool with the members of the Ohio School Boards Association. Participation provides a lower premium rate per \$100 of salary than if the District were rated individually.

Pension Plans

All School District employees are covered by the state-wide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS) with the exception of Board of Education members who have chosen to participate in Social Security. The School District's employer contributions to both systems are based on a percentage of employees' salaries. State law requires the School District to pay the employer share as determined by each retirement system. See Note 12 to the general purpose financial statements for complete details.

General Fixed Assets

The general fixed assets of the Cardinal Local School District are used to carry on the main education and support function of the system and are not financial resources available for expenditure. The total general fixed assets at June 30, 1999 were \$7,071,512. Such assets are accounted for at historical cost. Depreciation is not recognized on general fixed assets.

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, 1999. 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 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 for a Comprehensive Annual Financial Report to the Cardinal Local School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 1998. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A certificate is valid for a period of one year only.

We believe our current report conforms to the Certificate of Achievement requirements and we are submitting it to GFOA for consideration.

Acknowledgments

The publication of this report is a significant step toward elevating the professional standards for Cardinal Local School District's financial reporting. 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.

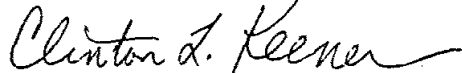
Special appreciation is expressed to the Local Government Services Division of State Auditor Jim Petro's office for assistance in planning, designing and reviewing this financial report.

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

Respectfully submitted,



Dianne Kellogg
Cardinal Local School District Treasurer



Clinton L. Keener
Superintendent

Cardinal Local School District

Principal Officials

June 30, 1999

Board of Education

Mr. Richard A. Moss President
Dr. I. Jack Youshak Vice-President
Mr. Nicholas E. Frank Member
Mr. Kenneth J. Klima Member
Mr. William H. Poole Member

Treasurer

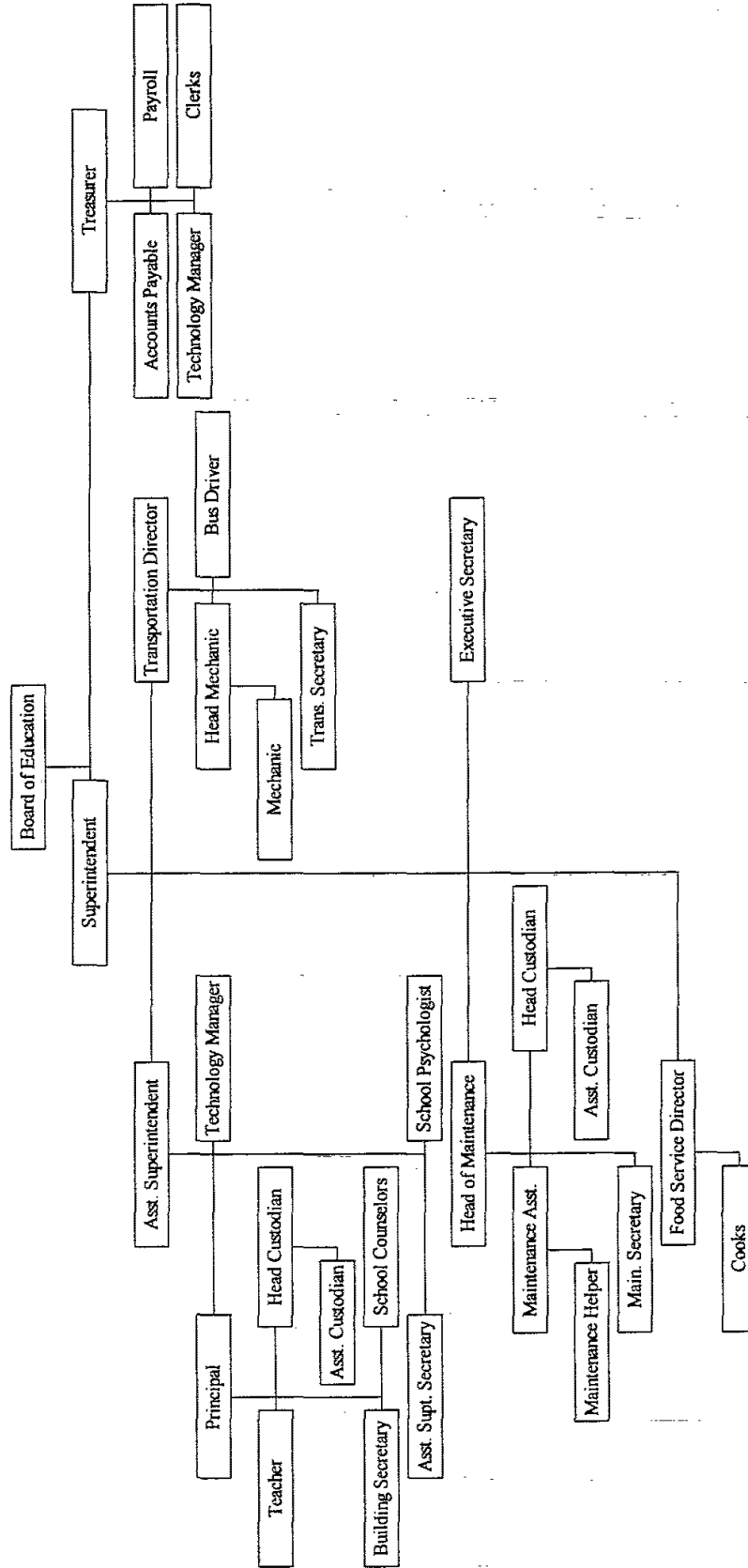
Mrs. Dianne Kellogg

Administration

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

Cardinal Local School District

Cardinal Board Policy CCA



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cardinal Local School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1998

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.



Douglas R. Ellsworth
President

Jeffrey L. Essler
Executive Director

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FINANCIAL SECTION



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Lausche Building, 12th Floor
615 Superior Avenue, NW
Cleveland, Ohio 44113

Telephone 216-787-3665
800-626-2297

Facsimile 216-787-3361

Report of Independent Accountants

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

We have audited the accompanying general-purpose financial statements of the Cardinal Local School District, Geauga County, Ohio, (the District) as of and for the year ended June 30, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

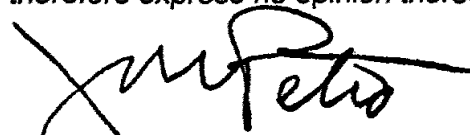
We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Cardinal Local School District, Geauga County, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 19, 1999 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.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the District, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the general-purpose financial statements taken as a whole.

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



JIM PETRO
Auditor of State

November 19, 1999

General Purpose Financial Statements

Cardinal Local School District
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,118,937	\$123,289	\$306,646	\$36,331
Cash and Cash Equivalents With Fiscal Agent	0	0	2,270	0
Receivables:				
Taxes	6,394,483	0	96,157	186,597
Accounts	7,958	0	0	0
Intergovernmental	132,218	4,698	0	0
Interfund Receivable	2,000	0	0	0
Prepaid Items	26,468	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	57,803	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	139,319	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
Other Debits				
Amount Available in Debt Service Fund for Retirement of General Obligations	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
Total Assets and Other Debits	\$8,879,186	\$127,987	\$405,073	\$222,928

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Obligations	
\$60,672	\$6,447	\$37,296	\$0	\$0	\$2,689,618
0	0	0	0	0	2,270
0	0	0	0	0	6,677,237
0	0	0	0	0	7,958
12,411	0	0	0	0	149,327
0	0	0	0	0	2,000
0	0	0	0	0	26,468
9,362	0	0	0	0	9,362
1,285	0	0	0	0	59,088
0	0	0	0	0	139,319
82,589	0	0	7,071,512	0	7,154,101
0	0	0	0	311,146	311,146
0	0	0	0	1,335,480	1,335,480
<u>\$166,319</u>	<u>\$6,447</u>	<u>\$37,296</u>	<u>\$7,071,512</u>	<u>\$1,646,626</u>	<u>\$18,563,374</u>

(continued)

Cardinal Local School District
Combined Balance Sheet
All Fund Types and Account Groups (continued)
June 30, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities,				
Fund Equity and Other Credits				
Liabilities				
Accounts Payable	\$51,681	\$2,783	\$0	\$0
Accrued Wages and Benefits	992,633	85,854	0	0
Compensated Absences Payable	15,900	0	0	0
Interfund Payable	0	2,000	0	0
Intergovernmental Payable	157,511	12,143	0	0
Deferred Revenue	6,026,483	0	91,657	174,597
Due to Students	0	0	0	0
Special Termination Benefits Payable	0	0	0	0
Matured Interest Payable	0	0	2,270	0
Claims Payable	0	0	0	0
Energy Conservation Bonds Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Total Liabilities	7,244,208	102,780	93,927	174,597
Fund Equity and Other Credits				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Unreserved (Deficit)	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	261,494	50,889	0	9,037
Reserved for Inventory	57,803	0	0	0
Reserved for Property Taxes	368,000	0	4,500	12,000
Reserved for Textbooks	329	0	0	0
Reserved for Budget Stabilization	138,990	0	0	0
Unreserved, Undesignated (Deficit)	808,362	(25,682)	306,646	27,294
Total Fund Equity (Deficit) and Other Credits	1,634,978	25,207	311,146	48,331
Total Liabilities, Fund Equity and Other Credits	\$8,879,186	\$127,987	\$405,073	\$222,928

See accompanying notes to the general purpose financial statements

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Obligations	
\$602	\$0	\$0	\$0	\$0	\$55,066
21,751	0	0	0	0	1,100,238
15,896	0	0	0	934,443	966,239
0	0	0	0	0	2,000
15,368	0	0	0	69,993	255,015
11,665	0	0	0	0	6,304,402
0	0	37,296	0	0	37,296
0	0	0	0	52,190	52,190
0	0	0	0	0	2,270
0	6,829	0	0	0	6,829
0	0	0	0	370,000	370,000
0	0	0	0	220,000	220,000
<u>65,282</u>	<u>6,829</u>	<u>37,296</u>	<u>0</u>	<u>1,646,626</u>	<u>9,371,545</u>
0	0	0	7,071,512	0	7,071,512
233,569	0	0	0	0	233,569
(132,532)	(382)	0	0	0	(132,914)
0	0	0	0	0	321,420
0	0	0	0	0	57,803
0	0	0	0	0	384,500
0	0	0	0	0	329
0	0	0	0	0	138,990
0	0	0	0	0	1,116,620
<u>101,037</u>	<u>(382)</u>	<u>0</u>	<u>7,071,512</u>	<u>0</u>	<u>9,191,829</u>
<u>\$166,319</u>	<u>\$6,447</u>	<u>\$37,296</u>	<u>\$7,071,512</u>	<u>\$1,646,626</u>	<u>\$18,563,374</u>

Cardinal Local School District
*Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Fund Types
For the Fiscal Year Ended June 30, 1999*

	General	Special Revenue
Revenues		
Taxes	\$5,939,096	\$0
Intergovernmental	3,389,696	556,131
Interest	140,853	2,757
Tuition and Fees	151,925	3,260
Extracurricular Activities	0	127,895
Contributions and Donations	0	20,506
Rentals	2,758	0
Miscellaneous	5,949	2,456
<i>Total Revenues</i>	<i>9,630,277</i>	<i>713,005</i>
Expenditures		
Current:		
Instruction:		
Regular	4,214,024	9,242
Special	711,020	518,539
Vocational	170,192	0
Support Services:		
Pupils	451,004	52,898
Instructional Staff	274,548	38,741
Board of Education	19,497	0
Administration	657,306	46,722
Fiscal	280,535	0
Business	56,105	0
Operation and Maintenance of Plant	923,486	0
Pupil Transportation	722,151	0
Central	192,743	7,165
Operation of Non-Instructional Services	64,518	0
Extracurricular Activities	188,028	115,579
Capital Outlay	0	0
Debt Service:		
Principal Retirement	0	0
Interest and Fiscal Charges	0	0
<i>Total Expenditures</i>	<i>8,925,157</i>	<i>788,886</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>705,120</i>	<i>(75,881)</i>
Other Financing Sources		
Proceeds from Sale of Fixed Assets	8,680	0
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	<i>713,800</i>	<i>(75,881)</i>
<i>Fund Balances Beginning of Year</i>	<i>908,660</i>	<i>101,088</i>
Increase in Reserve for Inventory	12,518	0
<i>Fund Balances End of Year</i>	<i>\$1,634,978</i>	<i>\$25,207</i>

See accompanying notes to the general purpose financial statements

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
\$209,118	\$84,403	\$6,232,617
23,924	57,239	4,026,990
11,165	0	154,775
0	0	155,185
0	0	127,895
0	0	20,506
0	0	2,758
0	0	8,405
<u>244,207</u>	<u>141,642</u>	<u>10,729,131</u>
0	40,904	4,264,170
0	0	1,229,559
0	0	170,192
0	0	503,902
0	3,313	316,602
0	0	19,497
0	0	704,028
0	1,332	281,867
0	0	56,105
0	2,125	925,611
0	0	722,151
0	0	199,908
0	0	64,518
0	0	303,607
0	50,964	50,964
105,000	0	105,000
42,455	0	42,455
<u>147,455</u>	<u>98,638</u>	<u>9,960,136</u>
96,752	43,004	768,995
<u>0</u>	<u>0</u>	<u>8,680</u>
96,752	43,004	777,675
214,394	5,327	1,229,469
<u>0</u>	<u>0</u>	<u>12,518</u>
<u>\$311,146</u>	<u>\$48,331</u>	<u>\$2,019,662</u>

Cardinal Local School District
Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Governmental Fund Types
For the Fiscal Year Ended June 30, 1999

	General Fund		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
Revenues			
Taxes	\$5,662,904	\$5,955,596	\$292,692
Intergovernmental	3,541,900	3,257,878	(284,022)
Interest	118,000	140,852	22,852
Tuition and Fees	142,000	151,925	9,925
Extracurricular Activities	0	0	0
Contributions and Donations	0	0	0
Rentals	2,000	2,758	758
Miscellaneous	5,700	7,343	1,643
Total Revenues	9,472,504	9,516,352	43,848
Expenditures			
Current:			
Instruction:			
Regular	4,449,255	4,247,660	201,595
Special	889,415	739,268	150,147
Vocational	183,948	170,745	13,203
Support Services:			
Pupils	493,798	456,952	36,846
Instructional Staff	419,476	281,260	138,216
Board of Education	35,197	20,102	15,095
Administration	783,121	677,916	105,205
Fiscal	364,449	290,261	74,188
Business	58,787	54,649	4,138
Operation and Maintenance of Plant	1,227,188	1,027,621	199,567
Pupil Transportation	934,472	769,264	165,208
Central	289,451	191,924	97,527
Operation of Non-Instructional Services	68,518	64,166	4,352
Extracurricular Activities	228,380	190,958	37,422
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	10,425,455	9,182,746	1,242,709
Excess of Revenues Over (Under) Expenditures	(952,951)	333,606	1,286,557
Other Financing Sources (Uses)			
Proceeds from Sale of Fixed Assets	10,000	8,680	(1,320)
Advances In	0	0	0
Advances Out	(32,185)	(2,000)	30,185
Operating Transfers Out	(43,000)	0	43,000
Total Other Financing Sources (Uses)	(65,185)	6,680	71,865
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,018,136)	340,286	1,358,422
Fund Balances Beginning of Year	1,274,543	1,274,543	0
Prior Year Encumbrances Appropriated	330,252	330,252	0
Fund Balances End of Year	\$586,659	\$1,945,081	\$1,358,422

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$219,133	\$232,118	\$12,985
626,932	626,932	0	23,924	23,924	0
1,426	2,757	1,331	11,165	11,165	0
3,260	3,260	0	0	0	0
133,169	127,895	(5,274)	0	0	0
14,331	20,506	6,175	0	0	0
0	0	0	0	0	0
3,970	2,456	(1,514)	0	0	0
<u>783,088</u>	<u>783,806</u>	<u>718</u>	<u>254,222</u>	<u>267,207</u>	<u>12,985</u>
54,716	38,993	15,723	0	0	0
516,168	515,370	798	0	0	0
0	0	0	0	0	0
55,807	52,163	3,644	0	0	0
51,925	39,475	12,450	0	0	0
0	0	0	0	0	0
65,537	55,908	9,629	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
532	0	532	0	0	0
0	0	0	0	0	0
8,460	7,165	1,295	0	0	0
0	0	0	0	0	0
133,467	126,328	7,139	0	0	0
0	0	0	0	0	0
0	0	0	108,200	105,000	3,200
0	0	0	54,271	42,455	11,816
<u>886,612</u>	<u>835,402</u>	<u>51,210</u>	<u>162,471</u>	<u>147,455</u>	<u>15,016</u>
<u>(103,524)</u>	<u>(51,596)</u>	<u>51,928</u>	<u>91,751</u>	<u>119,752</u>	<u>28,001</u>
0	0	0	0	0	0
2,000	2,000	0	0	0	0
0	0	0	0	0	0
0	0	0	(200,000)	0	200,000
<u>2,000</u>	<u>2,000</u>	<u>0</u>	<u>(200,000)</u>	<u>0</u>	<u>200,000</u>
(101,524)	(49,596)	51,928	(108,249)	119,752	228,001
93,033	93,033	0	186,894	186,894	0
26,180	26,180	0	0	0	0
<u>\$17,689</u>	<u>\$69,617</u>	<u>\$51,928</u>	<u>\$78,645</u>	<u>\$306,646</u>	<u>\$228,001</u>

(continued)

Cardinal Local School District
Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Governmental Fund Types (continued)
For the Fiscal Year Ended June 30, 1999

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$71,498	\$72,403	\$905
Intergovernmental	57,444	57,238	(206)
Interest	0	0	0
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Contributions and Donations	0	0	0
Rentals	0	0	0
Miscellaneous	0	0	0
Total Revenues	128,942	129,641	699
Expenditures			
<i>Current:</i>			
Instruction:			
Regular	48,957	41,003	7,954
Special	0	0	0
Vocational	0	0	0
Support Services:			
Pupils	0	0	0
Instructional Staff	3,342	3,313	29
Board of Education	0	0	0
Administration	0	0	0
Fiscal	2,000	1,332	668
Business	0	0	0
Operation and Maintenance of Plant	2,472	2,124	348
Pupil Transportation	0	0	0
Central	0	0	0
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	0	0	0
Capital Outlay	73,050	59,902	13,148
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	129,821	107,674	22,147
Excess of Revenues Over (Under) Expenditures	(879)	21,967	22,846
Other Financing Sources (Uses)			
Proceeds from Sale of Fixed Assets	0	0	0
Advances In	0	0	0
Advances Out	0	0	0
Operating Transfers Out	0	0	0
Total Other Financing Sources (Uses)	0	0	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(879)	21,967	22,846
Fund Balances Beginning of Year	5,075	5,075	0
Prior Year Encumbrances Appropriated	252	252	0
Fund Balances End of Year	\$4,448	\$27,294	\$22,846

See accompanying notes to the general purpose financial statements

Totals (Memorandum Only)

Revised Budget	Actual	Variance Favorable (Unfavorable)
\$5,953,535	\$6,260,117	\$306,582
4,250,200	3,965,972	(284,228)
130,591	154,774	24,183
145,260	155,185	9,925
133,169	127,895	(5,274)
14,331	20,506	6,175
2,000	2,758	758
9,670	9,799	129
<u>10,638,756</u>	<u>10,697,006</u>	<u>58,250</u>
4,552,928	4,327,656	225,272
1,405,583	1,254,638	150,945
183,948	170,745	13,203
549,605	509,115	40,490
474,743	324,048	150,695
35,197	20,102	15,095
848,658	733,824	114,834
366,449	291,593	74,856
58,787	54,649	4,138
1,230,192	1,029,745	200,447
934,472	769,264	165,208
297,911	199,089	98,822
68,518	64,166	4,352
361,847	317,286	44,561
73,050	59,902	13,148
108,200	105,000	3,200
54,271	42,455	11,816
<u>11,604,359</u>	<u>10,273,277</u>	<u>1,331,082</u>
<u>(965,603)</u>	<u>423,729</u>	<u>1,389,332</u>
10,000	8,680	(1,320)
2,000	2,000	0
(32,185)	(2,000)	30,185
<u>(243,000)</u>	<u>0</u>	<u>243,000</u>
<u>(263,185)</u>	<u>8,680</u>	<u>271,865</u>
(1,228,788)	432,409	1,661,197
1,559,545	1,559,545	0
356,684	356,684	0
<u>\$687,441</u>	<u>\$2,348,638</u>	<u>\$1,661,197</u>

Cardinal Local School District
*Combined Statement of Revenues,
Expenses and Changes in Fund Equity
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 1999*

	Enterprise	Internal Service	Totals (Memorandum Only)
Operating Revenues			
Sales	\$262,049	\$0	\$262,049
Charges for Services	0	46,334	46,334
Other	436	0	436
<i>Total Operating Revenues</i>	<u>262,485</u>	<u>46,334</u>	<u>308,819</u>
Operating Expenses			
Salaries	117,013	0	117,013
Fringe Benefits	52,010	0	52,010
Purchased Services	20,798	2,090	22,888
Materials and Supplies	13,518	0	13,518
Cost of Sales	162,149	0	162,149
Depreciation	7,310	0	7,310
Claims	0	44,626	44,626
Other Operating Expenses	807	0	807
<i>Total Operating Expenses</i>	<u>373,605</u>	<u>46,716</u>	<u>420,321</u>
<i>Operating Loss</i>	<u>(111,120)</u>	<u>(382)</u>	<u>(111,502)</u>
Non-Operating Revenues (Expenses)			
Federal Donated Commodities	27,822	0	27,822
Interest	292	0	292
Operating Grants	71,123	0	71,123
Loss on Disposal of Fixed Assets	(4,649)	0	(4,649)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>94,588</u>	<u>0</u>	<u>94,588</u>
<i>Net Loss</i>	<u>(16,532)</u>	<u>(382)</u>	<u>(16,914)</u>
<i>Retained Earnings (Deficit) Beginning of Year (Restated Note 4)</i>	<u>(116,000)</u>	<u>0</u>	<u>(116,000)</u>
<i>Retained Earnings (Deficit) End of Year</i>	<u>(132,532)</u>	<u>(382)</u>	<u>(132,914)</u>
Contributed Capital Beginning and End of Year	<u>233,569</u>	<u>0</u>	<u>233,569</u>
<i>Total Fund Equity (Deficit) End of Year</i>	<u>\$101,037</u>	<u>(\$382)</u>	<u>\$100,655</u>

See accompanying notes to the general purpose financial statements

Cardinal Local School District
Combined Statement of Cash Flows
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 1999

	Enterprise	Internal Service	Totals (Memorandum Only)
<i>Increase (Decrease) in Cash and Cash Equivalents</i>			
Cash Flows from Operating Activities			
Cash Received from Customers	\$262,049	\$0	\$262,049
Cash Received from Quasi-External Transactions with Other Funds	0	46,334	46,334
Cash Received from Other Operating Sources	436	0	436
Cash Payments to Suppliers for Goods and Services	(171,729)	(2,090)	(173,819)
Cash Payments to Employees for Services	(115,271)	0	(115,271)
Cash Payments for Employee Benefits	(52,363)	0	(52,363)
Cash Payments for Claims	0	(37,797)	(37,797)
Cash Payments for Other Operating Expenses	(807)	0	(807)
<i>Net Cash Provided by (Used for) Operating Activities</i>	(77,685)	6,447	(71,238)
Cash Flows from Noncapital Financing Activities			
Operating Grants Received	70,484	0	70,484
Cash Flows from Capital and Related Financing Activities			
Payments for Capital Acquisitions	(6,650)	0	(6,650)
Cash Flows from Investing Activities			
Interest on Investments	292	0	292
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(13,559)	6,447	(7,112)
<i>Cash and Cash Equivalents Beginning of Year</i>	74,231	0	74,231
<i>Cash and Cash Equivalents End of Year</i>	\$60,672	\$6,447	\$67,119
 Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities			
<i>Operating Loss</i>	(\$111,120)	(\$382)	(111,502)
<i>Adjustments</i>			
Depreciation	7,310	0	7,310
Donated Commodities Used During Year	27,822	0	27,822
(Increase) Decrease in Assets:			
Changes in Assets and Liabilities:			
Inventory Held for Resale	(3,554)	0	(3,554)
Materials and Supplies Inventory	(135)	0	(135)
Increase (Decrease) in Liabilities:			
Accounts Payable	602	0	602
Accrued Wages and Benefits	699	0	699
Compensated Absences Payable	1,043	0	1,043
Intergovernmental Payable	(352)	0	(352)
Claims Payable	0	6,829	6,829
<i>Total Adjustments</i>	33,435	6,829	40,264
<i>Net Cash Provided by (Used for) Operating Activities</i>	(\$77,685)	\$6,447	(\$71,238)

See accompanying notes to the general purpose financial statements

Cardinal Local School District
*Combined Statement of Revenues, Expenses and
 Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual
 All Proprietary Fund Types
 For the Fiscal Year Ended June 30, 1999*

	Enterprise Funds		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
Revenues			
Sales	\$262,420	\$262,049	(\$371)
Charges for Services	0	0	0
Interest	0	292	292
Other Revenues	600	436	(164)
Operating Grants	70,000	70,484	484
<i>Total Revenues</i>	<u>333,020</u>	<u>333,261</u>	<u>241</u>
Expenses			
Salaries	115,416	115,271	145
Fringe Benefits	53,065	52,363	702
Purchased Services	34,061	26,234	7,827
Materials and Supplies	169,785	159,497	10,288
Claims	0	0	0
Other	839	807	32
Capital Outlay	7,489	6,650	839
<i>Total Expenses</i>	<u>380,655</u>	<u>360,822</u>	<u>19,833</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(47,635)	(27,561)	20,074
<i>Fund Equity Beginning of Year</i>	63,272	63,272	0
Prior Year Encumbrances Appropriated	10,959	10,959	0
<i>Fund Equity End of Year</i>	<u>\$26,596</u>	<u>\$46,670</u>	<u>\$20,074</u>

See accompanying notes to the general purpose financial statements

Internal Service Fund			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$262,420	\$262,049	(\$371)
46,334	46,334	0	46,334	46,334	0
0	0	0	0	292	292
0	0	0	600	436	(164)
0	0	0	70,000	70,484	484
46,334	46,334	0	379,354	379,595	241
0	0	0	115,416	115,271	145
0	0	0	53,065	52,363	702
2,090	2,090	0	36,151	28,324	7,827
0	0	0	169,785	159,497	10,288
44,110	42,410	1,700	44,110	42,410	1,700
0	0	0	839	807	32
0	0	0	7,489	6,650	839
46,200	44,500	1,700	426,855	405,322	21,533
134	1,834	1,700	(47,501)	(25,727)	21,774
0	0	0	63,272	63,272	0
0	0	0	10,959	10,959	0
<u>\$134</u>	<u>\$1,834</u>	<u>\$1,700</u>	<u>\$26,730</u>	<u>\$48,504</u>	<u>\$21,774</u>

Cardinal Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 1 - Description of the School District and Reporting Entity

Cardinal Local School District (the "School District") operates under a locally-elected Board form of government and provides educational services as authorized by state and/or federal agencies. This Board controls the School District's 5 instructional/support facilities staffed by 64 non-certificated employees, 102 certificated full time teaching personnel and 6 administrative employees to provide services to 1,523 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 insure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Cardinal Local School District, this includes general operations, food service, and student related activities of the School District.

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

The School District is associated with five jointly governed organizations and one public entity risk pool. These organizations are the Auburn Career Center, the Lake Geauga Computer Association, the Cardinal Area Recreation and Education Council, the East Shore Regional Transportation System, Ohio Schools Council, and Ohio School Boards Association Workers' Compensation Group Rating Plan. These organizations are presented in Notes 15 and 16 to the combined financial statements.

Cardinal Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 2 - Summary of Significant Accounting Policies

The financial statements of the Cardinal Local School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements issued on or before November 30, 1989, to the proprietary funds provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

A. Basis Of Presentation - Fund Accounting

The School District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net available expendable resources.

For financial statement presentation purposes, the various funds of the School District that are grouped into the following generic fund types under the broad fund categories governmental, proprietary, and fiduciary.

Governmental Fund Types Governmental funds are those through which most governmental functions of the School District are financed. The acquisition, use, and balances of the School District's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The following are the School District's governmental fund types:

General Fund The General Fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditure for specified purposes.

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

Capital Projects Funds The capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Cardinal Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

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

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

Internal Service Fund The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis.

Fiduciary Fund Type Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. The School District's only fiduciary funds are agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group This account group is established to account for all fixed assets of the School District, other than those accounted for in the proprietary funds.

General Long-Term Obligations Account Group This account group is established to account for all long-term obligations of the School District except those accounted for in the proprietary funds.

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary funds operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Cardinal Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after fiscal year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: interest, tuition, grants, and student fees.

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 1999, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2000 operations, have been recorded as deferred revenue.

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

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund types. Revenues are recognized when they are earned and become measurable, and expenses are recognized when they are incurred, if measurable. The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

C. Budgetary Data

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

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

Cardinal Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

The School District, however, did not expect to, nor did they, receive or expend money during the current fiscal year, in the E-rate Grant special revenue fund, therefore, no amounts were budgeted for this fund.

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

Estimated Resources By April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 1999.

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

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

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

Cardinal Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

D. Cash and Investments

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

During fiscal year 1999, investments were limited to STAROhio, the State Treasurer's Investment Pool, and certificates of deposit. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as certificates of deposit are reported at cost.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the state to pool their funds for investment purposes. STAROhio is not registered with SEC as an investment company, but does operate in a manner consistent with 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, 1999.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 1999 amounted to \$140,853, which includes \$32,241 assigned from other School District funds.

The School District utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented on the combined balance sheet as "cash and cash equivalents with fiscal agents" and represents deposits.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with a maturity of three months or less, at the time they are purchased by the School District, are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

E. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 1999, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

F. Inventory

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items are recorded as an expenditure in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets.

Cardinal Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Inventories of proprietary funds consist of food, purchased food, and school supplies held for resale and are expensed when used.

G. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include amounts required by statute to be set-aside by the School District for the purchase of textbooks and to create a reserve for budget stabilization. See Note 20 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserves.

H. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the enterprise fund is capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five hundred dollars. The School District does not possess any infrastructure.

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 capitalized. Interest incurred during the construction of general fixed assets is also not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of fund fixed assets.

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture, equipment, buildings, and improvements other than buildings in the proprietary fund type is computed using the straight-line method over an estimated useful life of five to twenty years.

I. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

The School District currently participates in several State and Federal programs, categorized as follows:

Entitlements

General Fund

- State Foundation Program
- State Property Tax Relief
- School Bus Purchase Reimbursement

Cardinal Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Non-Reimbursable Grants

Special Revenue Funds

Education Management Information Systems
Disadvantaged Pupil Impact Aid
Title VI-B
Title I
Title VI
Drug Free Schools
Preschool Handicapped

Capital Projects Fund

School Net

Reimbursable Grants

General Fund

Driver Education

Proprietary Funds

National School Lunch Program
Government Donated Commodities

Grants and entitlements amounted to approximately 36 percent of the School District's governmental fund operating revenue during the 1999 fiscal year.

J. 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 School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for classified, certified and administrative employees after five years of current service with the School District.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using available expendable resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

Cardinal Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

K. Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgements, compensated absences, contractually required pension contributions, and special termination benefits that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Payments made more than sixty days after year-end are generally considered not to have been paid with current available financial resources. Bonds are reported as a liability of the general long-term obligations account group until due.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

L. Fund Balance Reserves

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

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

M. Estimates

The preparation of the 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.

N. Contributed Capital

Contributed capital represents resources from other funds, other governments, and private sources provided to proprietary funds that is not subject to repayment. These assets are recorded at their fair market value on the date donated. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year end.

Cardinal Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

O. Total Columns on General Purpose Financial Statements

Total columns on the general purpose financial statements are captioned "Totals - (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data..

Note 3 - Accountability

Fund balances at June 30, 1999 included the following individual fund deficits:

Special Revenue Funds	
Title VI-B	\$1,402
Title I	85,199
Drug Free Schools	1,680
Enterprise Fund	
Food Service	177,358
Internal Service Fund	
Self Insurance	382

The Title VI-B, Title I, and Drug Free Schools special revenue funds' deficits are due to the adjustments for accrued liabilities. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

The Food Service enterprise fund and the Self Insurance internal service fund had deficit retained earnings which are due to adjustments for accrued liabilities. Management is analyzing the operation of the food service and self insurance funds to determine the appropriate action to alleviate the deficit.

Note 4 - Restatement of Retained Earnings and General Fixed Assets

The Enterprise Fund beginning retained earnings deficit as of June 30, 1998 has been restated to a deficit of \$116,000 due to a \$2,899 understatement of depreciation and a \$4,441 change in materials and supplies inventory within the Food Service fund. The effect of these changes was to increase net loss for the fiscal year ended June 30, 1998 from (\$3,640) to (\$10,980).

Due to the re-evaluation of the School District's fixed assets, it was determined that General Fixed Assets were overstated by \$67,635 at June 30, 1998 changing the balance of \$6,942,057 to \$6,874,422.

Cardinal Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 5 - Budgetary Basis of Accounting

While the School District is reporting its 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 Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis) - All Governmental Fund Types and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Non-GAAP Basis) - Proprietary Fund Type are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balances for governmental fund types and as note disclosure in the proprietary fund type (GAAP basis).
4. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transaction (GAAP basis).
5. Proceeds from and principal payments on bond and revenue anticipation notes are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type.

Excess of Revenues and Other Financing Sources
Over (Under) Expenditures and Other Financing Uses
Governmental Fund Types

	General	Special Revenue	Debt Service	Capital Projects
GAAP Basis	\$713,800	(\$75,881)	\$96,752	\$43,004
Net Adjustment for Revenue Accruals	(113,775)	70,801	23,000	(12,001)
Advances In	0	2,000	0	0
Undeposited Cash	(150)	0	0	0
Net Adjustment for Expenditure Accruals	55,586	7,156	0	1
Advances Out	(2,000)	0	0	0
Encumbrances	(313,175)	(53,672)	0	(9,037)
Budget Basis	<u>\$340,286</u>	<u>(\$49,596)</u>	<u>\$119,752</u>	<u>\$21,967</u>

Cardinal Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Net Loss/Excess of Revenues Under Expenses		
Proprietary Fund Types		
	Enterprise	Internal Service
GAAP Basis	(\$16,532)	(\$382)
Net Adjustment for Revenue Accruals	(28,461)	0
Net Adjustment for Expense Accruals	35,423	6,829
Depreciation Expense	7,310	0
Capital Outlay	(6,650)	0
Loss on the Sale of Fixed	(4,649)	0
Encumbrances	(14,002)	(4,613)
Budget Basis	(\$27,561)	\$1,834

Note 6 - Deposits and Investments

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

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

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

Interim deposits are deposits of interim monies. Interim 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 accounts including passbook accounts.

Protection of School District's deposit 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 General Purpose Financial Statements
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Interim monies may 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;
6. The State Treasurer's investment pool (STAROhio);
7. Certain banker's acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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.

Cash on Hand At fiscal year end, the School District had \$150 in undeposited cash on hand which is included on the balance sheet of the School District as part of "equity in pooled cash and cash equivalents."

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

Cardinal Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Deposits At fiscal year end, the carrying amount of the School District's deposits was \$1,816,180 and the bank balance was \$1,968,878. Of the bank balance:

1. \$353,402 was covered by federal depository insurance; and
2. \$1,615,476 was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements would potentially subject the School District to a successful claim by the FDIC.

Investments The School District's investments are required to be categorized below 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. The School District invests in STAROhio, the State Treasurer's Investment Pool, which is not classified by degree of credit risk since it is not evidenced by securities that exist in physical or book entry form.

At June 30, 1999, the School District's investment in STAROhio had a fair value of \$1,014,877.

The classification of cash and cash equivalents, and investments on the combined general purpose financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the combined general purpose financial statements and the classification per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$2,831,207	\$0
Cash on Hand	(150)	0
STAROhio	(1,014,877)	1,014,877
	\$1,816,180	\$1,014,877
GASB Statement No. 3		

Cardinal Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 7 - Property Taxes

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

Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located in the School District. Property tax revenue received during calendar 1999 for real and public utility property taxes represents collections of calendar 1998 taxes. Property tax payments received during calendar 1999 for tangible personal property (other than public utility property) is for calendar 1999 taxes.

1999 real property taxes are levied after April 1, 1999, on the assessed value listed as of January 1, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value: public utility real property is assessed at thirty-five percent of true value. 1999 public utility property taxes became a lien December 31, 1998, are levied after April 1, 1999, and are collected in 2000 with real property taxes.

1999 tangible personal property taxes are levied after April 1, 1998, on the value as of December 31, 1998. Collections are made in 1999. Tangible personal property assessments are twenty-five percent of true value.

The assessed values upon which fiscal year 1999 taxes were collected are:

	1998 Second Half Collections		1999 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$128,355,050	72.04%	\$133,001,590	71.55%
Public Utility	9,491,840	5.33%	9,585,480	5.16%
Tangible Personal Property	40,323,480	22.63%	43,299,674	23.29%
Total Assessed Value	<u>\$178,170,370</u>	<u>100.00%</u>	<u>\$185,886,744</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$52.60		\$52.10	

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

Cardinal Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, the remainder payable by September 20.

The School District receives property taxes from Geauga County and Trumbull County. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 1999, are available to finance fiscal year 1999 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including Cardinal Local School District. The County Auditors periodically remit to the School District its portion of taxes. Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 1999. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended 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, 1999, was \$384,500 and is recognized as revenue. \$368,000 was available to the general fund, \$4,500 was available to the bond retirement fund, and \$12,000 was available to the permanent improvement capital projects fund.

Note 8 - Receivables

Receivables at June 30, 1999, consisted of taxes, accounts (rent, billings for user charged services, and student fees), 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.

A summary of the principal items of intergovernmental receivables follows:

General Fund	
Driver's Education	\$300
Ohio Department of Education	131,918
Total General Fund	<u>132,218</u>
Special Revenue Fund	
E-Rate Grant - Ameritech	4,698
Enterprise Fund	
Food Service - Federal Assistance	12,411
<i>Total Intergovernmental Receivables</i>	<u><u>\$149,327</u></u>

Cardinal Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 9 - Fixed Assets

A summary of the enterprise funds' fixed assets at June 30, 1999, follows:

Buildings and Improvements	\$13,022
Furniture and Equipment	209,360
Less Accumulated Depreciation	<u>(139,793)</u>
Net Fixed Assets	<u>\$82,589</u>

A summary of the changes in general fixed assets during fiscal year 1999 follows:

Asset Category	Balance at 6/30/98	Additions	Deletions	Balance at 6/30/99
Land and Improvements	\$319,728	\$31,186	\$0	\$350,914
Buildings	4,927,893	44,742	0	4,972,635
Furniture and Equipment	1,030,953	119,843	94,223	1,056,573
Vehicles	595,848	109,597	14,055	691,390
Totals	<u>\$6,874,422</u>	<u>\$305,368</u>	<u>\$108,278</u>	<u>\$7,071,512</u>

Note 10 - Risk Management

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 1999, the School District participated in the Ohio Schools Council's property and fleet insurance program which contracted with Todd Associates, Inc. for buildings and contents, inland marine, crime and boiler coverages. The Council contracted with the Wausau Insurance Companies, a member of the Nationwide Insurance Enterprises, for fleet insurance. The School District contracted independently with Wausau Insurance Companies for liability insurance.

Cardinal Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Company	Type of Coverage	Coverage Amount
Crum & Forster Insurance	Property	\$23,523,455
	Inland Marine	634,576
	Crime	250,000
	Extra Expense	1,000,000
Ohio Casualty	Public Officials Bond	15,000
CNA Insurance Company	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
Wausau Insurance	General Liability, in aggregate	5,000,000
	General Liability, per occurrence	2,000,000
	Fleet Insurance, single limit	2,000,000
	Fleet Insurance, uninsured	2,000,000
	Fleet Insurance, uninsured motorist property damage	7,500

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

B. Workers' Compensation

The School District participated in the Ohio Schools Council Workers' Compensation Group Rating Plan, an insurance purchasing pool for calendar premium year 1998 and the Ohio Schools Board Association Group Rating Plan (GRP) for calendar year 1999 (Note 16). 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 performances is compared to the overall savings percent of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "Equity Pooling Fund" 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 and Co. provides administrative, cost control and actuarial services to the GRP.

Cardinal Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

C. Prescription Drug

During fiscal year 1999, the School District established an internal service self insurance fund to account for its prescription drug coverage. The claims liability of \$6,829 reported at June 30, 1999, is based on an estimate provided by the Treasurer and the requirements of GASB No. 10 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, to be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in fund's claims liability amount for the past fiscal year is as follows:

	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
1999	\$0	\$44,626	\$37,797	\$6,829

Note 11 - Other Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers 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 personnel and classified personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 50 days.

B. Insurance Benefits

The School District provides life insurance and accidental death and dismemberment insurance to most employees through UNUM. The School District has elected to provide employee medical and dental through Anthem Blue Cross and Blue Shield. The employees share the cost of the monthly premium with the Board. Employees contribute to the medical portion of the premium: \$16.55 monthly for single coverage, and \$39.05 monthly for family coverage. Dental insurance and prescription is provided by the School District to most employees as a fully paid benefit. The School District also provides fully paid vision insurance with Vision Service Plan.

C. Special Termination Benefit Payable

Employees who retired June 30, 1999, were given a special termination benefit. The board offered a retirement bonus to employees. For the certified staff, \$20,000 was given if they retired the first year of eligibility, \$15,000 the second year, and \$10,000 for the third year of eligibility. Classified staff were given 50% of their final year's gross wage provided they retired in the first year of eligibility. For both the certified and classified, the severance bonus will be paid the following January in a lump sum payment. As of June 30, 1999, three employees have elected to take the special termination benefit, in the amount of \$52,190.

Cardinal Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 12 - Defined Benefit Pension Plans

A. School Employees Retirement System

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

Plan members are required to contribute 9 percent of their annual covered salary and the Cardinal Local School District is required to contribute 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 1999, 7.7 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 1998, 9.02 percent was used to fund the pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$100,017, \$126,781, and \$128,660, respectively; 48.32 percent has been contributed for fiscal year 1999 and 100% for the fiscal years 1998 and 1997. \$51,686 representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds and in the general long-term obligations account group.

B. State Teachers Retirement System

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

For the fiscal year ended June 30, 1999, plan members are required to contribute 9.3 percent of their annual covered salaries. The School District is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. For fiscal year 1998, the portion used to fund pension obligations was 10.5 percent. Contribution rates are established by STRS, upon recommendation 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, 1999, 1998, and 1997 were \$277,548, \$482,148, and \$542,220, respectively; 83.03 percent has been contributed for fiscal year 1999 and 100% for fiscal years 1998 and 1997. \$47,098 representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds.

Cardinal Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 1999, three members of the Board of Education have elected social security. The Board's liability is 6.2 percent of wages paid.

Note 13 - Postemployment Benefits

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System, (STRS), and to retired non-certificated 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 funded 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 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, 1999, the STRS Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund, an increase from 3.5 percent for fiscal year 1998. For the School District this amount equaled \$370,064 for fiscal year 1999.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 1998, (the latest information available) the balance in the Fund was \$2,156 million. For the year ended June 30, 1998, net health care costs paid by STRS were \$219,224,000 and STRS had 91,999 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 1999, employer contributions to fund health care benefits were 6.3 percent of covered payroll, an increase from 4.98 percent for fiscal year 1998. 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 1999, the minimum pay has been established as \$12,400. For the School District, the amount contributed to fund health care benefits, including surcharge, during the 1999 fiscal year equaled \$96,372.

Cardinal Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

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 125 percent of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 1998, (the latest information available), were \$111,900,575 and the target level was \$139.9 million. At June 30, 1998, SERS had net assets available for payment of health care benefits of \$160.3 million. SERS has approximately 50,000 participants currently receiving health care benefits.

Note 14 - Long-term Obligations

The changes in the School District's long-term obligations during fiscal year 1999 were as follows:

	Principal Outstanding 6/30/98	Additions	Deductions	Principal Outstanding 6/30/99
1979 5.78%				
High School and Elementary Additions				
General Obligation Bonds	\$275,000	\$0	(\$55,000)	\$220,000
1994 5.78%				
Energy Conservation Bonds	420,000	0	(50,000)	370,000
Pension Obligation	70,746	69,993	(70,746)	69,993
Special Termination Benefits	41,802	52,190	(41,802)	52,190
Compensated Absences	851,962	82,481	0	934,443
<i>Total General Long-Term Obligations</i>	<u>\$1,659,510</u>	<u>\$204,664</u>	<u>(\$217,548)</u>	<u>\$1,646,626</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. All general obligation bonds will be paid from property taxes.

The intergovernmental payable represents pension obligations paid outside the available period. This liability will be paid from the fund from which the employees' salaries are paid. Compensated absences will also be paid from the fund from which the employees' salaries are paid.

The School District's overall debt margin was \$16,638,661 with an unvoted debt margin of \$185,887 at June 30, 1999. Principal and interest requirements to retire general obligation bonds and energy conservation bonds outstanding at June 30, 1999 are as follows:

Cardinal Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Fiscal year Ending June 30,	Principal	Interest	Total
2000	\$110,000	\$32,439	\$142,439
2001	110,000	25,701	135,701
2002	115,000	18,839	133,839
2003	120,000	11,608	131,608
2004	135,000	8,080	143,080
Total	\$590,000	\$96,667	\$686,667

Note 15 - Jointly Governed Organizations

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

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

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

Cardinal Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

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

Ohio Schools Council The Ohio Schools Council Association (Council) is a jointly governed organization among eighty-two school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. The Council sponsors an insurance purchasing plan in which the School District participates. The Council also sponsors a workers' compensation group rating plan which is an insurance purchasing pool. 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 1999, the School District paid \$700 to the Council. Financial information can be obtained by contacting Joseph Lesak, the Executive Secretary of the Ohio Schools Council at 155 Center Road, Bedford Heights, Ohio 44146.

The School District participates in the Council's electric purchase program which was implemented during fiscal year 1998. This program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating for an eight year period. The participants make monthly payments based on estimated usage. Each June these estimated payments are compared to their actual usage for the year and any necessary adjustments are made.

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

Note 16 - Insurance Purchasing Pool

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

Cardinal Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 17 - Segment Information for Enterprise Funds

The School District maintains two enterprise funds to account for the operations of food service and uniform school supplies. The table below reflects the more significant financial data relating to the enterprise funds of the Cardinal Local School District as of and for the fiscal year ended June 30, 1999.

	Food Service	Uniform School Supplies	Totals
Operating Revenues	\$206,172	\$56,313	\$262,485
Depreciation Expense	7,310	0	7,310
Operating Income (Loss)	(121,847)	10,727	(111,120)
Donated Commodities	27,822	0	27,822
Operating Grants	71,124	0	71,124
Net Income (Loss)	(27,259)	10,727	(16,532)
Plant Additions	6,650	0	6,650
Net Working Capital	(10,482)	44,826	34,344
Total Assets	120,891	45,428	166,319
Total Equity	56,211	44,826	101,037
Encumbrances Outstanding at June 30, 1999	4,658	9,344	14,002

Note 18 - State School Funding Decision

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the Ohio General Assembly to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 1999, the School District received \$2,354,813 of school foundation support for its general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State legislature in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. At this time, the Ohio Supreme Court has not rendered an opinion on this issue. The decision of the Court of Common Pleas in Perry County has been stayed by the Ohio Supreme Court, and, as such, school districts are still operating under the laws that the Common Pleas Court declared unconstitutional.

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

Cardinal Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 19 - Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 1999.

B. Litigation

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

Note 20 - Set Aside Requirements

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

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

	Textbooks	Capital Improvements	Budget Stabilization
Set-aside Cash Balance as of June 30, 1998	\$0	\$0	\$61,265
Current Year Set-aside Requirement	155,450	155,450	77,725
Qualifying Disbursements	(155,121)	(322,699)	0
Balance as of June 30, 1999	<u>329</u>	<u>(167,249)</u>	<u>138,990</u>

Although the School District had qualifying disbursements during the year that reduced the set-aside amounts to below zero, these extra amounts may not be used to reduce the set-aside requirements of future years. Negative amounts are therefore not presented as being carried forward to the next fiscal year.

Note 21 - Subsequent Event

On November 2, 1999 the School District passed a \$10 million bond issue, averaging 3.5 mills over 25 years, for the construction of a new middle school and renovations to the old middle school building.

Cardinal Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 22 - Year 2000 Issue

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the government's operations as early as fiscal year 1999.

Cardinal Local School District has completed an inventory of computer systems and other equipment necessary to conducting School District operations and has identified such systems as being financial reporting, payroll and grant reporting.

The Lake Geauga Educational Computer Association State Software Development Team has indicated that:

“The payroll processing software supported with OECN State Software is compliant with the Year 2000.”

“The accounting software is supported with OECN State Software is compliant with the Year 2000.”

“The education management information system software supported with the OECN State Software is compliant with the Year 2000.”

“The equipment inventory and vehicle inventory system software supported with the OECN State Software will be compliant with Year 2000, beginning with the March 1999 release of SAAS V2.1.”

Property tax billing, collection and remittance for the School District is handled by Geauga County. The County is responsible for remediating this system.

The Cleveland Electric Illuminating Company (CEI) provides the electricity to the School District. The School District has not obtained assurances from CEI regarding remediating this system. CEI is responsible for remediating this system. The Village of Middlefield provides water, sewer and sanitation services to the School District, and East Ohio Gas (EOG) provides gas service. The Village and EOG are responsible for remediating these systems.

All three elementary schools operate on energy management control systems, which were upgraded by Siemens, Landis Division, to be year 2000 compliant.

The State of Ohio distributes a substantial sum of money to the School District in the form of “Foundation” payments. Further, the State processes a significant amount of financial and non-financial information about the School District through the State's Educational Management and Information System (EMIS). The State is responsible for remediating these systems.

Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the School District is or will be year 2000 ready, that the School District's remediation efforts will be successful in whole or part, or that parties with whom the School District does business will be year 2000 ready.

**Combining, Individual Fund
and Account Group
Statements and Schedules**

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 other funds.

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, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$5,662,904	\$5,955,596	\$292,692
Intergovernmental	3,541,900	3,257,878	(284,022)
Interest	118,000	140,852	22,852
Tuition and Fees	142,000	151,925	9,925
Rentals	2,000	2,758	758
Miscellaneous	5,700	7,343	1,643
Total Revenues	9,472,504	9,516,352	43,848
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	3,210,141	3,178,197	31,944
Fringe Benefits	890,624	787,224	103,400
Purchased Services	147,974	114,669	33,305
Materials and Supplies	154,855	128,589	26,266
Capital Outlay - New	37,543	31,614	5,929
Capital Outlay - Replacement	8,118	7,367	751
Total Regular	4,449,255	4,247,660	201,595
Special:			
Salaries and Wages	326,827	311,595	15,232
Fringe Benefits	109,671	88,580	21,091
Purchased Services	439,881	333,152	106,729
Materials and Supplies	10,636	4,471	6,165
Capital Outlay - New	2,400	1,470	930
Total Special	889,415	739,268	150,147
Vocational:			
Salaries and Wages	136,572	133,532	3,040
Fringe Benefits	46,347	36,433	9,914
Purchased Services	1,029	780	249
Total Vocational	183,948	170,745	13,203
Total Instruction	\$5,522,618	\$5,157,673	\$364,945

(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, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Support Services:			
Pupils:			
Salaries and Wages	\$302,404	\$297,140	\$5,264
Fringe Benefits	92,908	76,014	16,894
Purchased Services	74,604	64,859	9,745
Materials and Supplies	12,724	10,182	2,542
Capital Outlay - New	3,863	1,462	2,401
Capital Outlay - Replacement	7,295	7,295	0
Total Pupils	493,798	456,952	36,846
Instructional Staff:			
Salaries and Wages	236,833	188,251	48,582
Fringe Benefits	78,864	63,853	15,011
Purchased Services	1,700	522	1,178
Materials and Supplies	89,429	25,523	63,906
Capital Outlay - New	1,052	771	281
Capital Outlay - Replacement	6,000	1,179	4,821
Other	5,598	1,161	4,437
Total Instructional Staff	419,476	281,260	138,216
Board of Education:			
Salaries and Wages	4,800	4,480	320
Fringe Benefits	1,291	1,268	23
Purchased Services	11,800	3,739	8,061
Materials and Supplies	700	76	624
Other	16,606	10,539	6,067
Total Board of Education	35,197	20,102	15,095
Administration:			
Salaries and Wages	492,756	455,632	37,124
Fringe Benefits	166,865	159,570	7,295
Purchased Services	29,458	14,239	15,219
Materials and Supplies	45,268	15,227	30,041
Capital Outlay - New	44,409	30,717	13,692
Capital Outlay - Replacement	2,299	1,330	969
Other	2,066	1,201	865
Total Administration	\$783,121	\$677,916	\$105,205

(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, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Fiscal:			
Salaries and Wages	\$111,903	\$103,597	\$8,306
Fringe Benefits	44,626	36,801	7,825
Purchased Services	32,563	20,191	12,372
Materials and Supplies	5,277	4,581	696
Capital Outlay - New	166,580	124,468	42,112
Capital Outlay - Replacement	1,000	137	863
Other	2,500	486	2,014
Total Fiscal	364,449	290,261	74,188
Business:			
Salaries and Wages	38,519	38,019	500
Fringe Benefits	20,268	16,630	3,638
Total Business	58,787	54,649	4,138
Operation and Maintenance of Plant:			
Salaries and Wages	371,318	340,662	30,656
Fringe Benefits	156,006	117,335	38,671
Purchased Services	385,210	301,697	83,513
Materials and Supplies	94,270	90,108	4,162
Capital Outlay - New	900	832	68
Capital Outlay - Replacement	23,800	17,567	6,233
Other	195,684	159,420	36,264
Total Operation and Maintenance of Plant	1,227,188	1,027,621	199,567
Pupil Transportation:			
Salaries and Wages	461,988	389,464	72,524
Fringe Benefits	207,614	165,888	41,726
Purchased Services	17,960	17,954	6
Materials and Supplies	122,679	99,054	23,625
Capital Outlay - New	2,000	150	1,850
Capital Outlay - Replacement	122,231	96,754	25,477
Total Pupil Transportation	\$934,472	\$769,264	\$165,208

(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, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Central:			
Salaries and Wages	\$107,478	\$96,896	\$10,582
Fringe Benefits	43,843	37,443	6,400
Purchased Services	35,530	25,451	10,079
Materials and Supplies	600	283	317
Capital Outlay - New	102,000	31,851	70,149
Total Central	289,451	191,924	97,527
Total Support Services	4,605,939	3,769,949	835,990
Operation of Non-Instructional Services:			
Food Service Operations:			
Salaries and Wages	45,135	44,924	211
Fringe Benefits	23,383	19,242	4,141
Total Operation of Non-Instructional Services:	68,518	64,166	4,352
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Salaries and Wages	32,720	32,076	644
Fringe Benefits	4,447	3,317	1,130
Purchased Services	3,000	226	2,774
Total Academic and Subject Oriented Activities	40,167	35,619	4,548
Occupational Oriented Activities:			
Salaries and Wages	510	502	8
Fringe Benefits	111	38	73
Total Occupational Oriented Activities	621	540	81
Sports Oriented Activities:			
Salaries and Wages	125,158	120,602	4,556
Fringe Benefits	18,676	10,341	8,335
Purchased Services	4,010	1,529	2,481
Materials and Supplies	3,437	2,181	1,256
Capital Outlay - Replacement	16,765	11,457	5,308
Total Sports Oriented Activities	\$168,046	\$146,110	\$21,936

(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, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
School and Public Service			
Co-Curricular Activities:			
Salaries and Wages	\$18,218	\$8,098	\$10,120
Fringe Benefits	1,328	591	737
Total School and Public Service Co-Curricular Activities	<u>19,546</u>	<u>8,689</u>	<u>10,857</u>
Total Extracurricular Activities	<u>228,380</u>	<u>190,958</u>	<u>37,422</u>
<i>Total Expenditures</i>	<u>10,425,455</u>	<u>9,182,746</u>	<u>1,242,709</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(952,951)</u>	<u>333,606</u>	<u>1,286,557</u>
Other Financing Sources (Uses)			
Proceeds from Sale of Fixed Assets	10,000	8,680	(1,320)
Advances Out	(32,185)	(2,000)	30,185
Operating Transfers Out	(43,000)	0	43,000
<i>Total Other Financing Sources (Uses)</i>	<u>(65,185)</u>	<u>6,680</u>	<u>71,865</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(1,018,136)</u>	<u>340,286</u>	<u>1,358,422</u>
<i>Fund Balance Beginning of Year</i>	1,274,543	1,274,543	0
Prior Year Encumbrances Appropriated	<u>330,252</u>	<u>330,252</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$586,659</u>	<u>\$1,945,081</u>	<u>\$1,358,422</u>

Special Revenue Funds

Special Revenue Funds are established to account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes. A description of the School District's special revenue funds follows:

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

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

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

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

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

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

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.

Preschool Grants Fund - This fund accounts for funds which provide services and programs for preschool aged children within the School District.

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

Miscellaneous Federal Grants Fund - This fund accounts for federal monies support academic and enrichment programs for the student body.

Cardinal Local School District
Combining Balance Sheet
All Special Revenue Funds
June 30, 1999

	Public School Support	Martha Holden Jennings	District Managed Activities	Teacher Development
Assets				
Equity in Pooled Cash and Cash Equivalents	\$22,543	\$1,411	\$30,942	\$1,581
Intergovernmental Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$22,543</u>	<u>\$1,411</u>	<u>\$30,942</u>	<u>\$1,581</u>
Liabilities				
Accounts Payable	\$588	\$0	\$0	\$0
Accrued Wages and Benefits	0	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
<i>Total Liabilities</i>	<u>588</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Equity				
Fund Balance:				
Reserved for Encumbrances	9,405	0	10,561	207
Unreserved, Undesignated (Deficit)	12,550	1,411	20,381	1,374
<i>Total Fund Equity (Deficit)</i>	<u>21,955</u>	<u>1,411</u>	<u>30,942</u>	<u>1,581</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$22,543</u>	<u>\$1,411</u>	<u>\$30,942</u>	<u>\$1,581</u>

(continued)

Cardinal Local School District
Combining Balance Sheet
All Special Revenue Funds (continued)
June 30, 1999

	<u>Management Information Systems</u>	<u>Instructional Materials</u>	<u>Eisenhower Math and Science</u>	<u>Title VI-B</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,295	\$34,206	\$13,001	\$4,190
Intergovernmental Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u>\$1,295</u>	<u>\$34,206</u>	<u>\$13,001</u>	<u>\$4,190</u>
Liabilities				
Accounts Payable	\$0	\$2,195	\$0	\$0
Accrued Wages and Benefits	0	0	0	4,859
Interfund Payable	0	0	0	0
Intergovernmental Payable	<u>0</u>	<u>0</u>	<u>0</u>	<u>733</u>
<i>Total Liabilities</i>	<u>0</u>	<u>2,195</u>	<u>0</u>	<u>5,592</u>
Fund Equity				
Fund Balance:				
Reserved for Encumbrances	0	29,751	0	0
Unreserved, Undesignated (Deficit)	<u>1,295</u>	<u>2,260</u>	<u>13,001</u>	<u>(1,402)</u>
<i>Total Fund Equity (Deficit)</i>	<u>1,295</u>	<u>32,011</u>	<u>13,001</u>	<u>(1,402)</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$1,295</u>	<u>\$34,206</u>	<u>\$13,001</u>	<u>\$4,190</u>

<u>Title I</u>	<u>Title VI</u>	<u>Drug Free Schools</u>	<u>E-Rate Grants</u>	<u>Miscellaneous Federal Grants</u>	<u>Totals</u>
\$6,503	\$6,194	\$1,023	\$0	\$400	\$123,289
0	0	0	4,698	0	4,698
<u>\$6,503</u>	<u>\$6,194</u>	<u>\$1,023</u>	<u>\$4,698</u>	<u>\$400</u>	<u>\$127,987</u>
\$0	\$0	\$0	\$0	\$0	2,783
80,395	0	600	0	0	85,854
0	0	2,000	0	0	2,000
11,307	0	103	0	0	12,143
<u>91,702</u>	<u>0</u>	<u>2,703</u>	<u>0</u>	<u>0</u>	<u>102,780</u>
617	348	0	0	0	50,889
(85,816)	5,846	(1,680)	4,698	400	(25,682)
<u>(85,199)</u>	<u>6,194</u>	<u>(1,680)</u>	<u>4,698</u>	<u>400</u>	<u>25,207</u>
<u>\$6,503</u>	<u>\$6,194</u>	<u>\$1,023</u>	<u>\$4,698</u>	<u>\$400</u>	<u>\$127,987</u>

Cardinal Local School District
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds
For the Fiscal Year Ended June 30, 1999*

	Public School Support	Martha Holden Jennings	District Managed Activities	Teacher Development
Revenues				
Taxes				
Intergovernmental	\$0	\$6,330	\$0	\$6,513
Interest	0	0	2,757	0
Tuition and Fees	0	0	3,260	0
Extracurricular Activities	31,922	0	95,973	0
Contributions and Donations	1,147	0	19,359	0
Miscellaneous	2,456	0	0	0
<i>Total Revenues</i>	<u>35,525</u>	<u>6,330</u>	<u>121,349</u>	<u>6,513</u>
Expenditures				
Current:				
Instruction:				
Regular	485	0	0	0
Special	934	2,325	0	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	292	2,594	0	6,088
Administration	30,586	0	0	0
Central	0	0	0	0
Extracurricular Activities	399	0	115,180	0
<i>Total Expenditures</i>	<u>32,696</u>	<u>4,919</u>	<u>115,180</u>	<u>6,088</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	2,829	1,411	6,169	425
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>19,126</u>	<u>0</u>	<u>24,773</u>	<u>1,156</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$21,955</u>	<u>\$1,411</u>	<u>\$30,942</u>	<u>\$1,581</u>

<u>Management Information Systems</u>	<u>Instructional Materials</u>	<u>Eisenhower Math and Science</u>	<u>Title VI-B</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug Free Schools</u>
\$5,000	\$20,901	\$12,633	\$49,726	\$435,682	\$5,501	\$4,455
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>5,000</u>	<u>20,901</u>	<u>12,633</u>	<u>49,726</u>	<u>435,682</u>	<u>5,501</u>	<u>4,455</u>
0	4,421	4,236	0	0	0	100
0	0	1,469	0	513,567	0	0
0	0	0	27,732	19,346	0	5,820
0	0	0	20,628	0	4,847	0
0	0	0	0	16,136	0	0
7,165	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>7,165</u>	<u>4,421</u>	<u>5,705</u>	<u>48,360</u>	<u>549,049</u>	<u>4,847</u>	<u>5,920</u>
(2,165)	16,480	6,928	1,366	(113,367)	654	(1,465)
<u>3,460</u>	<u>15,531</u>	<u>6,073</u>	<u>(2,768)</u>	<u>28,168</u>	<u>5,540</u>	<u>(215)</u>
<u>\$1,295</u>	<u>\$32,011</u>	<u>\$13,001</u>	<u>(\$1,402)</u>	<u>(\$85,199)</u>	<u>\$6,194</u>	<u>(\$1,680)</u>

(continued)

Cardinal Local School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 1999

	Preschool Grants	E-Rate Grants	Miscellaneous Federal Grants	Totals
Revenues				
Taxes				
Intergovernmental	\$0	\$4,698	\$4,692	\$556,131
Interest	0	0	0	2,757
Tuition and Fees	0	0	0	3,260
Extracurricular Activities	0	0	0	127,895
Contributions and Donations	0	0	0	20,506
Miscellaneous	0	0	0	2,456
<i>Total Revenues</i>	<u>0</u>	<u>4,698</u>	<u>4,692</u>	<u>713,005</u>
Expenditures				
Current:				
Instruction:				
Regular	0	0	0	9,242
Special	244	0	0	518,539
Support Services:				
Pupils	0	0	0	52,898
Instructional Staff	0	0	4,292	38,741
Administration	0	0	0	46,722
Central	0	0	0	7,165
Extracurricular Activities	0	0	0	115,579
<i>Total Expenditures</i>	<u>244</u>	<u>0</u>	<u>4,292</u>	<u>788,886</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(244)	4,698	400	(75,881)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>244</u>	<u>0</u>	<u>0</u>	<u>101,088</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$0</u>	<u>\$4,698</u>	<u>\$400</u>	<u>\$25,207</u>

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Extracurricular Activities	\$28,009	\$31,922	\$3,913
Contributions and Donations	2,831	1,147	(1,684)
Miscellaneous	3,970	2,456	(1,514)
<i>Total Revenues</i>	<u>34,810</u>	<u>35,525</u>	<u>715</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	1,000	485	515
Special:			
Materials and Supplies	950	934	16
Total Instruction	<u>1,950</u>	<u>1,419</u>	<u>531</u>
Support Services:			
Instructional Staff:			
Materials and Supplies	300	292	8
Administration:			
Purchased Services	7,450	4,348	3,102
Materials and Supplies	37,424	34,841	2,583
Capital Outlay - New	700	387	313
Other	970	226	744
Total Administration	<u>46,544</u>	<u>39,802</u>	<u>6,742</u>
Operation and Maintenance of Plant:			
Capital Outlay - Replacement	532	0	532
Total Support Services	<u>47,376</u>	<u>40,094</u>	<u>7,282</u>
Extracurricular Activities:			
School and Public Service			
Co-Curricular Activities:			
Materials and Supplies	1,000	588	412
<i>Total Expenditures</i>	<u>50,326</u>	<u>42,101</u>	<u>8,225</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(15,516)	(6,576)	8,940
<i>Fund Balance Beginning of Year</i>	18,727	18,727	0
Prior Year Encumbrances Appropriated	399	399	0
<i>Fund Balance End of Year</i>	<u>\$3,610</u>	<u>\$12,550</u>	<u>\$8,940</u>

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Martha Holdings Jennings Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$6,330	\$6,330	\$0
Expenditures			
Current:			
Instruction:			
Special:			
Capital Outlay - New	2,330	2,325	5
Support Services:			
Instructional Staff:			
Salaries and Wages	1,214	405	809
Fringe Benefits	188	6	182
Materials and Supplies	2,348	2,033	315
Capital Outlay - New	250	150	100
Total Support Services	4,000	2,594	1,406
<i>Total Expenditures</i>	6,330	4,919	1,411
<i>Excess of Revenues Over Expenditures</i>	0	1,411	1,411
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$1,411	\$1,411

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
District Managed Activities Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Interest	\$1,426	\$2,757	\$1,331
Tuition and Fees	3,260	3,260	0
Extracurricular Activities	105,160	95,973	(9,187)
Contributions and Donations	11,500	19,359	7,859
<i>Total Revenues</i>	<u>121,346</u>	<u>121,349</u>	<u>3</u>
Expenditures			
Current:			
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Salaries and Wages	300	300	0
Purchased Services	9,879	9,604	275
Materials and Supplies	17,458	16,185	1,273
Capital Outlay - Replacement	750	0	750
Other	17,530	17,030	500
<i>Total Academic and Subject Oriented Activities</i>	<u>45,917</u>	<u>43,119</u>	<u>2,798</u>
Sports Oriented Activities:			
Purchased Services	20,392	19,599	793
Materials and Supplies	48,050	47,954	96
Capital Outlay - Replacement	10,345	9,772	573
Other	7,763	5,296	2,467
<i>Total Sports Oriented Activities</i>	<u>86,550</u>	<u>82,621</u>	<u>3,929</u>
<i>Total Expenditures</i>	<u>132,467</u>	<u>125,740</u>	<u>6,727</u>
<i>Excess of Revenues Under Expenditures</i>	(11,121)	(4,391)	6,730
<i>Fund Balance Beginning of Year</i>	16,702	16,702	0
Prior Year Encumbrances Appropriated	8,070	8,070	0
<i>Fund Balance End of Year</i>	<u>\$13,651</u>	<u>\$20,381</u>	<u>\$6,730</u>

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Teacher Development Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$6,513	\$6,513	\$0
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	3,250	2,756	494
Purchased Services	3,419	3,338	81
Materials and Supplies	1,000	201	799
<i>Total Expenditures</i>	7,669	6,295	1,374
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,156)	218	1,374
<i>Fund Balance Beginning of Year</i>	859	859	0
Prior Year Encumbrances Appropriated	297	297	0
<i>Fund Balance End of Year</i>	\$0	\$1,374	\$1,374

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Management Information Systems Fund
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$0</u>
Expenditures			
Current:			
Support Services:			
Central:			
Purchased Services	5,000	3,750	1,250
Capital Outlay - New	<u>3,460</u>	<u>3,415</u>	<u>45</u>
<i>Total Expenditures</i>	<u>8,460</u>	<u>7,165</u>	<u>1,295</u>
<i>Excess of Revenues Under Expenditures</i>	(3,460)	(2,165)	1,295
<i>Fund Balance Beginning of Year</i>	<u>3,460</u>	<u>3,460</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$1,295</u>	<u>\$1,295</u>

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Instructional Materials Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$20,900	\$20,900	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	36,031	34,172	1,859
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(15,131)	(13,272)	1,859
<i>Fund Balance Beginning of Year</i>	9,699	9,699	0
Prior Year Encumbrances Appropriated	5,833	5,833	0
<i>Fund Balance End of Year</i>	\$401	\$2,260	\$1,859

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Eisenhower Math and Science Fund
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	\$12,633	\$12,633	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	1,560	0	1,560
Fringe Benefits	234	0	234
Purchased Services	3,339	3,136	203
Materials and Supplies	11,990	1,100	10,890
Total Regular	17,123	4,236	12,887
Special:			
Materials and Supplies	1,808	1,694	114
<i>Total Expenditures</i>	18,931	5,930	13,001
<i>Excess of Revenues Over (Under) Expenditures</i>	(6,298)	6,703	13,001
<i>Fund Balance Beginning of Year</i>	4,005	4,005	0
Prior Year Encumbrances Appropriated	2,293	2,293	0
<i>Fund Balance End of Year</i>	\$0	\$13,001	\$13,001

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$49,726	\$49,726	\$0
Expenditures			
Current:			
Support Services:			
Pupils:			
Salaries and Wages	773	0	773
Purchased Services	27,732	27,732	0
Total Pupils	28,505	27,732	773
Instructional Staff:			
Salaries and Wages	19,910	18,318	1,592
Fringe Benefits	4,313	2,489	1,824
Total Instructional Staff	24,223	20,807	3,416
<i>Total Expenditures</i>	52,728	48,539	4,189
<i>Excess of Revenues Over (Under) Expenditures</i>	(3,002)	1,187	4,189
<i>Fund Balance Beginning of Year</i>	3,003	3,003	0
<i>Fund Balance End of Year</i>	\$1	\$4,190	\$4,189

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$511,182	\$511,182	\$0
Expenditures			
Current:			
Instruction:			
Special:			
Salaries and Wages	395,690	395,606	84
Fringe Benefits	100,462	100,399	63
Purchased Services	6,399	5,895	504
Materials and Supplies	5,335	5,323	12
Capital Outlay - New	2,950	2,950	0
Total Instruction	510,836	510,173	663
Support Services:			
Pupils:			
Salaries and Wages	14,530	14,527	3
Fringe Benefits	6,449	4,264	2,185
Purchased Services	330	308	22
Materials and Supplies	100	0	100
Total Pupils	21,409	19,099	2,310
Administration:			
Salaries and Wages	15,022	13,354	1,668
Fringe Benefits	3,513	2,451	1,062
Purchased Services	300	146	154
Materials and Supplies	158	155	3
Total Administration	18,993	16,106	2,887
Total Support Services	40,402	35,205	5,197
Total Expenditures	551,238	545,378	5,860
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(40,056)	(34,196)	5,860
<i>Fund Balance Beginning of Year</i>	35,580	35,580	0
Prior Year Encumbrances Appropriated	4,502	4,502	0
<i>Fund Balance End of Year</i>	\$26	\$5,886	\$5,860

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI Fund
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$5,501</u>	<u>\$5,501</u>	<u>\$0</u>
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Materials and Supplies	4,916	3,266	1,650
Capital Outlay - New	<u>6,125</u>	<u>1,929</u>	<u>4,196</u>
<i>Total Expenditures</i>	<u>11,041</u>	<u>5,195</u>	<u>5,846</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(5,540)	306	5,846
<i>Fund Balance Beginning of Year</i>	754	754	0
Prior Year Encumbrances Appropriated	<u>4,786</u>	<u>4,786</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$5,846</u>	<u>\$5,846</u>

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Free Schools Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$4,455	\$4,455	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	400	100	300
Materials and Supplies	162	0	162
Total Instruction	562	100	462
Support Services:			
Pupils:			
Salaries and Wages	4,911	4,425	486
Fringe Benefits	982	907	75
Total Support Services	5,893	5,332	561
<i>Total Expenditures</i>	6,455	5,432	1,023
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(2,000)	(977)	1,023
Other Financing Sources			
Advances In	2,000	2,000	0
<i>Excess of Revenues and Other</i>			
<i>Financing Sources Over Expenditures</i>	0	1,023	1,023
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$1,023	\$1,023

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Preschool Grants Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues	\$0	\$0	\$0
Expenditures			
Current:			
Instruction:			
Special:			
Materials and Supplies	244	244	0
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(244)	(244)	0
<i>Fund Balance Beginning of Year</i>	244	244	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous Federal Grants Fund
For the Fiscal Year Ended June 30, 1998

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$4,692	\$4,692	\$0
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	4,292	4,292	0
Materials and Supplies	400	0	400
Total Expenditures	4,692	4,292	400
<i>Excess of Revenues Over Expenditures</i>	0	400	400
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$400	\$400

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$626,932	\$626,932	\$0
Interest	1,426	2,757	1,331
Tuition and Fees	3,260	3,260	0
Extracurricular Activities	133,169	127,895	(5,274)
Contributions and Donations	14,331	20,506	6,175
Miscellaneous	3,970	2,456	(1,514)
<i>Total Revenues</i>	<u>783,088</u>	<u>783,806</u>	<u>718</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	1,560	0	1,560
Fringe Benefits	234	0	234
Purchased Services	3,739	3,236	503
Materials and Supplies	49,183	35,757	13,426
Total Regular	<u>54,716</u>	<u>38,993</u>	<u>15,723</u>
Special:			
Salaries and Wages	395,690	395,606	84
Fringe Benefits	100,462	100,399	63
Purchased Services	6,399	5,895	504
Materials and Supplies	8,337	8,195	142
Capital Outlay - New	5,280	5,275	5
Total Special	<u>516,168</u>	<u>515,370</u>	<u>798</u>
Total Instruction	<u>\$570,884</u>	<u>\$554,363</u>	<u>\$16,521</u>

(continued)

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Support Services:			
Pupils:			
Salaries and Wages	\$20,214	\$18,952	\$1,262
Fringe Benefits	7,431	5,171	2,260
Purchased Services	28,062	28,040	22
Materials and Supplies	100	0	100
Total Pupils	<u>55,807</u>	<u>52,163</u>	<u>3,644</u>
Instructional Staff:			
Salaries and Wages	24,374	21,479	2,895
Fringe Benefits	4,501	2,495	2,006
Purchased Services	7,711	7,630	81
Materials and Supplies	8,964	5,792	3,172
Capital Outlay - New	6,375	2,079	4,296
Total Instructional Staff	<u>51,925</u>	<u>39,475</u>	<u>12,450</u>
Administration:			
Salaries and Wages	15,022	13,354	1,668
Fringe Benefits	3,513	2,451	1,062
Purchased Services	7,750	4,494	3,256
Materials and Supplies	37,582	34,996	2,586
Capital Outlay - New	700	387	313
Other	970	226	744
Total Administration	<u>65,537</u>	<u>55,908</u>	<u>9,629</u>
Operation and Maintenance of Plant:			
Capital Outlay - Replacement	<u>\$532</u>	<u>\$0</u>	<u>\$532</u>

(continued)

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Central:			
Purchased Services	\$5,000	\$3,750	\$1,250
Capital Outlay - New	3,460	3,415	45
Total Central	8,460	7,165	1,295
Total Support Services	182,261	154,711	27,550
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Salaries and Wages	300	300	0
Purchased Services	9,879	9,604	275
Materials and Supplies	17,458	16,185	1,273
Capital Outlay - Replacement	750	0	750
Other	17,530	17,030	500
Total Academic and Subject Oriented Activities	45,917	43,119	2,798
Sports Oriented Activities:			
Purchased Services	20,392	19,599	793
Materials and Supplies	48,050	47,954	96
Capital Outlay - Replacement	10,345	9,772	573
Other	7,763	5,296	2,467
Total Sports Oriented Activities	86,550	82,621	3,929
School and Public Service Co-Curricular Activities:			
Materials and Supplies	1,000	588	412
Total Extracurricular Activities	133,467	126,328	7,139
Total Expenditures	\$886,612	\$835,402	\$51,210

(continued)

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Excess of Revenues Under Expenditures</i>	(\$103,524)	(\$51,596)	\$51,928
Other Financing Sources			
Advances In	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Under Expenditures	(101,524)	(49,596)	51,928
<i>Fund Balances Beginning of Year</i>	93,033	93,033	0
Prior Year Encumbrances Appropriated	<u>26,180</u>	<u>26,180</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$17,689</u>	<u>\$69,617</u>	<u>\$51,928</u>

Debt Service Fund

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Since there is only one debt service fund and the level of budgetary control is not greater than that presented in the combined financial statements, no additional financial statements are presented here.

Capital Projects Funds

The Capital Projects Fund accounts for the acquisition, construction or improvement of capital facilities other than those financed by proprietary and trust 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
All Capital Projects Funds
June 30, 1999

	Permanent Improvement	SchoolNet	Totals
Assets			
Equity in Pooled Cash and Cash Equivalents	\$27,901	\$8,430	\$36,331
Receivables:			
Taxes	186,597	0	186,597
<i>Total Assets</i>	<u>\$214,498</u>	<u>\$8,430</u>	<u>\$222,928</u>
Liabilities			
Deferred Revenue	\$174,597	\$0	\$174,597
Fund Equity			
Fund Balance:			
Reserved for Encumbrances	8,938	99	9,037
Reserved for Property Taxes	12,000	0	12,000
Unreserved, Undesignated	18,963	8,331	27,294
<i>Total Fund Equity</i>	<u>39,901</u>	<u>8,430</u>	<u>48,331</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$214,498</u>	<u>\$8,430</u>	<u>\$222,928</u>

Cardinal Local School District
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Capital Projects Funds
For the Fiscal Year Ended June 30, 1999*

	<u>Permanent Improvement</u>	<u>SchoolNet</u>	<u>Totals</u>
Revenues			
Taxes	\$84,403	\$0	\$84,403
Intergovernmental	7,794	49,445	57,239
<i>Total Revenues</i>	<u>92,197</u>	<u>49,445</u>	<u>141,642</u>
Expenditures			
Current:			
Instruction:			
Regular	0	40,904	40,904
Support Services:			
Instructional Staff	0	3,313	3,313
Fiscal	1,332	0	1,332
Operation and Maintenance of Plant	0	2,125	2,125
Capital Outlay	50,964	0	50,964
<i>Total Expenditures</i>	<u>52,296</u>	<u>46,342</u>	<u>98,638</u>
<i>Excess of Revenues Over Expenditures</i>	39,901	3,103	43,004
<i>Fund Balances Beginning of Year</i>	<u>0</u>	<u>5,327</u>	<u>5,327</u>
<i>Fund Balances End of Year</i>	<u>\$39,901</u>	<u>\$8,430</u>	<u>\$48,331</u>

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$71,498	\$72,403	\$905
Intergovernmental	8,000	7,794	(206)
<i>Total Revenues</i>	<u>79,498</u>	<u>80,197</u>	<u>699</u>
Expenditures			
Current:			
Support Services:			
Fiscal:			
Other	2,000	1,332	668
Capital Outlay:			
Building Improvement Services:			
Purchased Services	2,000	1,695	305
Capital Outlay - Replacement	71,050	58,207	12,843
Total Capital Outlay	<u>73,050</u>	<u>59,902</u>	<u>13,148</u>
<i>Total Expenditures</i>	<u>75,050</u>	<u>61,234</u>	<u>13,816</u>
<i>Excess of Revenues Over Expenditures</i>	4,448	18,963	14,515
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,448</u></u>	<u><u>\$18,963</u></u>	<u><u>\$14,515</u></u>

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
School Net Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$49,444	\$49,444	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	4,722	530	4,192
Materials and Supplies	1,975	1,812	163
Capital Outlay - New	42,260	38,661	3,599
Total Instruction	48,957	41,003	7,954
Support Services:			
Instructional:			
Purchased Services	3,342	3,313	29
Operation and Maintenance of Plant:			
Purchased Services	2,472	2,124	348
Total Support Services	5,814	5,437	377
<i>Total Expenditures</i>	54,771	46,440	8,331
<i>Excess of Revenues Over (Under) Expenditures</i>	(5,327)	3,004	8,331
<i>Fund Balance Beginning of Year</i>	5,075	5,075	0
Prior Year Encumbrances Appropriated	252	252	0
<i>Fund Balance End of Year</i>	\$0	\$8,331	\$8,331

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
All Capital Projects Funds
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$71,498	\$72,403	\$905
Intergovernmental	57,444	57,238	(206)
<i>Total Revenues</i>	<u>128,942</u>	<u>129,641</u>	<u>699</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	4,722	530	4,192
Materials and Supplies	1,975	1,812	163
Capital Outlay - New	42,260	38,661	3,599
Total Instruction	<u>48,957</u>	<u>41,003</u>	<u>7,954</u>
Support Services:			
Instructional:			
Purchased Services	3,342	3,313	29
Fiscal:			
Other	2,000	1,332	668
Operation and Maintenance of Plant:			
Purchased Services	2,472	2,124	348
Total Support Services	<u>7,814</u>	<u>6,769</u>	<u>1,045</u>
Capital Outlay:			
Building Improvement Services:			
Purchased Services	2,000	1,695	305
Capital Outlay - Replacement	71,050	58,207	12,843
Total Capital Outlay	<u>73,050</u>	<u>59,902</u>	<u>13,148</u>
<i>Total Expenditures</i>	<u>129,821</u>	<u>107,674</u>	<u>22,147</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(879)	21,967	22,846
<i>Fund Balances Beginning of Year</i>	5,075	5,075	0
Prior Year Encumbrances Appropriated	<u>252</u>	<u>252</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$4,448</u>	<u>\$27,294</u>	<u>\$22,846</u>

Enterprise Funds

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

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.

Cardinal Local School District
Combining Balance Sheet
All Enterprise Funds
June 30, 1999

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Totals</u>
Assets			
<i>Current Assets</i>			
Equity in Pooled Cash and Cash Equivalents	\$16,485	\$44,187	\$60,672
Receivables:			
Intergovernmental	12,411	0	12,411
Inventory Held For Resale	8,121	1,241	9,362
Materials and Supplies Inventory	1,285	0	1,285
<i>Total Current Assets</i>	38,302	45,428	83,730
<i>Non-Current Assets</i>			
Fixed Assets (Net of Accumulated Depreciation)	82,589	0	82,589
<i>Total Assets</i>	<u>\$120,891</u>	<u>\$45,428</u>	<u>\$166,319</u>
Liabilities			
<i>Current Liabilities</i>			
Accounts Payable	\$0	\$602	\$602
Accrued Wages and Benefits	21,751	0	21,751
Intergovernmental Payable	15,368	0	15,368
Deferred Revenue	11,665	0	11,665
<i>Total Current Liabilities</i>	48,784	602	49,386
<i>Long-Term Liabilities</i>			
Compensated Absences Payable	15,896	0	15,896
<i>Total Liabilities</i>	<u>64,680</u>	<u>602</u>	<u>65,282</u>
Fund Equity			
Contributed Capital	233,569	0	233,569
Retained Earnings			
Unreserved (Deficit)	(177,358)	44,826	(132,532)
<i>Total Fund Equity</i>	<u>56,211</u>	<u>44,826</u>	<u>101,037</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$120,891</u>	<u>\$45,428</u>	<u>\$166,319</u>

Cardinal Local School District
*Combining Statement of Revenues,
Expenses and Changes in Fund Equity
All Enterprise Funds
For the Fiscal Year Ended June 30, 1999*

	Food Service	Uniform School Supplies	Totals
Operating Revenues			
Sales	\$205,736	\$56,313	\$262,049
Other	436	0	436
<i>Total Operating Revenues</i>	<u>206,172</u>	<u>56,313</u>	<u>262,485</u>
Operating Expenses			
Salaries	117,013	0	117,013
Fringe Benefits	52,010	0	52,010
Purchased Services	4,501	16,297	20,798
Materials and Supplies	0	13,518	13,518
Cost of Sales	146,378	15,771	162,149
Depreciation	7,310	0	7,310
Other Operating Expenses	807	0	807
<i>Total Operating Expenses</i>	<u>328,019</u>	<u>45,586</u>	<u>373,605</u>
Operating Income (Loss)	<u>(121,847)</u>	<u>10,727</u>	<u>(111,120)</u>
Non-Operating Revenues (Expenses)			
Federal Donated Commodities	27,822	0	27,822
Interest	292	0	292
Operating Grants	71,123	0	71,123
Loss on Disposal of Fixed Assets	(4,649)	0	(4,649)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>94,588</u>	<u>0</u>	<u>94,588</u>
Net Income (Loss)	<u>(27,259)</u>	<u>10,727</u>	<u>(16,532)</u>
<i>Retained Earnings (Deficit) Beginning of Year</i>	<u>(150,099)</u>	<u>34,099</u>	<u>(116,000)</u>
<i>Retained Earnings (Deficit) End of Year</i>	<u>(177,358)</u>	<u>44,826</u>	<u>(132,532)</u>
Contributed Capital Beginning and End of Year	<u>233,569</u>	<u>0</u>	<u>233,569</u>
<i>Total Fund Equity End of Year</i>	<u>\$56,211</u>	<u>\$44,826</u>	<u>\$101,037</u>

Cardinal Local School District
Combining Statement of Cash Flows
All Enterprise Funds
For the Fiscal Year Ended June 30, 1999

	Food Service	Uniform School Supplies	Totals
<i>Increase (Decrease) in Cash and Cash Equivalents</i>			
Cash Flows from Operating Activities			
Cash Received from Customers	\$205,736	\$56,313	\$262,049
Cash Received from Other Operating Sources	436	0	436
Cash Payments to Suppliers for Goods and Services	(126,314)	(45,415)	(171,729)
Cash Payments to Employees for Services	(115,271)	0	(115,271)
Cash Payments for Employee Benefits	(52,363)	0	(52,363)
Cash Payments for Other Operating Expenses	(807)	0	(807)
<i>Net Cash Provided by (Used for) Operating Activities</i>	(88,583)	10,898	(77,685)
Cash Flows from Noncapital Financing Activities			
Operating Grants Received	70,484	0	70,484
Cash Flows from Capital and Related Financing Activities			
Payments for Capital Acquisitions	(6,650)	0	(6,650)
Cash Flows from Investing Activities			
Interest on Investments	292	0	292
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(24,457)	10,898	(13,559)
<i>Cash and Cash Equivalents Beginning of Year</i>	40,942	33,289	74,231
<i>Cash and Cash Equivalents End of Year</i>	\$16,485	\$44,187	\$60,672
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
<i>Operating Income (Loss)</i>	(\$121,847)	\$10,727	(\$111,120)
<i>Adjustments:</i>			
Depreciation	7,310	0	7,310
Donated Commodities Used During Year	27,822	0	27,822
(Increase) Decrease in Assets:			
Inventory Held for Resale	(3,123)	(431)	(3,554)
Materials and Supplies Inventory	(135)	0	(135)
Increase (Decrease) in Liabilities:			
Accounts Payable	0	602	602
Accrued Wages and Benefits	699	0	699
Compensated Absences Payable	1,043	0	1,043
Intergovernmental Payable	(352)	0	(352)
<i>Total Adjustments</i>	33,264	171	33,435
<i>Net Cash Provided by (Used for) Operating Activities</i>	(\$88,583)	\$10,898	(\$77,685)

Cardinal Local School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sales	\$206,295	\$205,736	(\$559)
Interest	0	292	292
Other Revenues	600	436	(164)
Operating Grants	70,000	70,484	484
<i>Total Revenues</i>	<u>276,895</u>	<u>276,948</u>	<u>53</u>
Expenses			
Salaries:			
Food Service Operations	115,416	115,271	145
Fringe Benefits:			
Food Service Operations	53,065	52,363	702
Purchased Services:			
Food Service Operations	10,500	9,717	783
Materials and Supplies:			
Food Service Operations	125,746	121,255	4,491
Other:			
Food Service Operations	839	807	32
Capital Outlay:			
Food Service Operations	7,489	6,650	839
Total Expenses	<u>313,055</u>	<u>306,063</u>	<u>6,992</u>
<i>Excess of Revenues Under Expenses</i>	(36,160)	(29,115)	7,045
<i>Fund Equity Beginning of Year</i>	39,234	39,234	0
Prior Year Encumbrances Appropriated	1,708	1,708	0
<i>Fund Equity End of Year</i>	<u>\$4,782</u>	<u>11,827</u>	<u>7,045</u>

Cardinal Local School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sales	\$56,125	\$56,313	\$188
Expenses			
Purchased Services:			
Regular Instruction	23,561	16,517	7,044
Materials and Supplies:			
Regular Instruction	44,039	38,242	5,797
Total Expenses	67,600	54,759	12,841
<i>Excess of Revenues Over (Under) Expenses</i>	(11,475)	1,554	13,029
<i>Fund Equity Beginning of Year</i>	24,038	24,038	0
Prior Year Encumbrances Appropriated	9,251	9,251	0
<i>Fund Equity End of Year</i>	\$21,814	\$34,843	\$13,029

Cardinal Local School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
All Enterprise Funds
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sales	\$262,420	\$262,049	(\$371)
Interest	0	292	292
Other Revenues	600	436	(164)
Operating Grants	70,000	70,484	484
<i>Total Revenues</i>	<u>333,020</u>	<u>333,261</u>	<u>241</u>
Expenses			
Salaries:			
Food Service Operations	115,416	115,271	145
Fringe Benefits:			
Food Service Operations	53,065	52,363	702
Purchased Services:			
Regular Instruction	23,561	16,517	7,044
Food Service Operations	10,500	9,717	783
<i>Total Purchased Services</i>	<u>34,061</u>	<u>26,234</u>	<u>7,827</u>
Materials and Supplies:			
Regular Instruction	44,039	38,242	5,797
Food Service Operations	125,746	121,255	4,491
<i>Total Materials and Supplies</i>	<u>169,785</u>	<u>159,497</u>	<u>10,288</u>
Other:			
Food Service Operations	839	807	32
Capital Outlay:			
Food Service Operations	7,489	6,650	839
<i>Total Expenses</i>	<u>380,655</u>	<u>360,822</u>	<u>19,833</u>
<i>Excess of Revenues Under Expenses</i>	(47,635)	(27,561)	20,074
<i>Fund Equity Beginning of Year</i>	63,272	63,272	0
Prior Year Encumbrances Appropriated	10,959	10,959	0
<i>Fund Equity End of Year</i>	<u>\$26,596</u>	<u>46,670</u>	<u>20,074</u>

Internal Service Fund

The Internal Service Fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost-reimbursement basis.

Since there is only one internal service fund and the level of budgetary control is not greater than the presented in the combined financial statements, no additional financial statements are presented here.

Self Insurance Fund - This fund accounts for the insurance premiums revenue received from other funds and settlement expenses for the prescription drug coverage provided by the School District.

Fiduciary Fund

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and other funds. The following is the School District's fiduciary fund type:

Agency Fund

Student Activities Fund - This fund reflects resources that belong to the student bodies of the various schools, accounting for sales and other revenue generating activities.

Cardinal Local School District
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 1999

	Beginning Balance <u>June 30, 1998</u>	<u>Additions</u>	<u>Reductions</u>	Ending Balance <u>June 30, 1999</u>
Student Activities				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$21,023</u>	<u>\$16,273</u>	<u>\$0</u>	<u>\$37,296</u>
Liabilities				
Due to Students	<u>\$21,023</u>	<u>\$16,273</u>	<u>\$0</u>	<u>\$37,296</u>

General Fixed Assets Account Group

The general fixed assets account group is used to account for all land and improvements, buildings, furniture and equipment and vehicles not used in the operations of the proprietary funds.

Cardinal Local School District
Schedule of General Fixed Assets
By Function and Type
June 30, 1999

	<u>Total</u>	<u>Land and Improvements</u>	<u>Buildings</u>	<u>Furniture and Equipment</u>	<u>Vehicles</u>
Instruction	\$4,712,828	\$89,210	\$4,031,577	\$592,041	\$0
Support Services:					
Pupils	171,398	0	0	171,398	0
Instructional Staff	82,303	0	0	82,303	0
Administration	51,904	0	0	51,904	0
Fiscal	20,429	0	0	20,429	0
Business	3,779	0	0	3,779	0
Operation and Maintenance of Plant	1,073,908	101,972	848,134	108,436	15,366
Pupil Transportation	760,708	0	83,746	5,923	671,039
Central	22,545	0	9,178	13,367	0
Extracurricular Activities	171,710	159,732	0	6,993	4,985
<i>Total General Fixed Assets</i>	<u>\$7,071,512</u>	<u>\$350,914</u>	<u>\$4,972,635</u>	<u>\$1,056,573</u>	<u>\$691,390</u>

Cardinal Local School District
Schedule of Changes in General Fixed Assets
By Function
For the Fiscal Year Ended June 30, 1999

Function	General Fixed Assets June 30, 1998	Additions	Deletions	General Fixed Assets June 30, 1999
Instruction	\$4,683,911	\$87,519	\$58,602	\$4,712,828
Support Services:				
Pupils	171,398	0	0	171,398
Instructional Staff	87,396	0	5,093	82,303
Administration	59,166	0	7,262	51,904
Fiscal	26,909	0	6,480	20,429
Business	3,779	0	0	3,779
Operation and Maintenance of Plant	1,003,972	90,053	20,117	1,073,908
Pupil Transportation	652,331	109,597	1,220	760,708
Central	24,399	7,650	9,504	22,545
Extracurricular Activities	161,161	10,549	0	171,710
<i>Total General Fixed Assets</i>	<u>\$6,874,422</u>	<u>\$305,368</u>	<u>\$108,278</u>	<u>\$7,071,512</u>

Cardinal Local School District
Schedule of General Fixed Assets
By Source
June 30, 1999

General Fixed Assets

Land and Improvements	\$350,914
Buildings	4,972,635
Furniture and Equipment	1,056,573
Vehicles	<u>691,390</u>
<i>Total General Fixed Assets</i>	<u><u>\$7,071,512</u></u>

Investments in General Fixed Assets

General Fund	\$6,191,993
Special Revenue Funds	123,316
Capital Projects Funds	<u>756,203</u>
<i>Total Investment in General Fixed Assets</i>	<u><u>\$7,071,512</u></u>

STATISTICAL SECTION

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

	1999 (1)	1998 (1)	1997 (1)	1996 (1)	1995	1994	1993	1992	1991	1990
Current:										
Instruction:										
Regular	\$4,214,024	\$4,076,228	\$3,999,704	\$3,728,955	\$3,663,910	\$3,492,044	\$3,303,336	\$3,192,171	\$3,200,688	\$2,907,979
Special	711,020	508,714	455,100	489,916	403,397	379,670	362,384	326,618	286,670	254,002
Vocational	170,192	160,770	154,972	152,644	157,373	149,047	142,462	137,051	99,285	97,618
Support Services										
Pupil	451,004	391,116	421,947	402,261	357,940	336,914	343,767	316,252	267,266	232,498
Instructional Staff	274,548	234,214	203,775	196,579	201,677	217,747	190,679	188,656	159,734	152,650
Board of Education	19,497	19,643	23,278	19,139	19,259	15,332	16,090	12,147	12,957	14,545
Administration	657,306	632,230	655,597	667,961	636,190	699,555	762,128	748,128	875,136	818,536
Fiscal	280,535	272,453	291,628	278,952	274,460	251,262	232,038	215,348	216,301	191,222
Business	56,105	48,223	44,418	44,222	43,324	97,347	103,468	81,063	0	0
Operation and Maintenance										
of Plant	923,486	842,115	864,957	875,722	740,759	733,177	694,683	654,538	695,984	698,734
Pupil Transportation	722,151	695,202	701,000	584,067	607,242	647,485	556,597	677,581	561,664	503,135
Central	192,743	178,344	187,308	184,533	170,378	61,313	35,965	21,391	15,187	8,771
Operation of Non-Instructional										
Services	64,518	60,180	63,066	57,869	58,128	9,768	0	841	12,672	0
Extracurricular Activities	188,028	180,654	178,185	164,484	163,727	169,048	145,874	139,681	136,944	124,227
Capital Outlay	0	0	0	8,000	28,714	0	0	27,180	39,980	6,575
Debt Service	0	24,015	18,615	13,215	0	0	0	0	0	0
Other Financing Uses	0	0	0	0	134,716	28,140	85,335	0	80,404	31,000
Total	\$8,925,157	\$8,324,101	\$8,263,550	\$7,868,519	\$7,661,194	\$7,287,849	\$6,974,806	\$6,738,646	\$6,660,872	\$6,041,492

Source: School District Financial Records

(1) 1996 through 1999 reported on a GAAP Basis; All others on Cash Basis.

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

	1999 (1)	1998 (1)	1997 (1)	1996 (1)	1995	1994	1993	1992	1991	1990
Taxes	\$5,939,096	\$5,544,430	\$5,296,756	\$4,543,157	\$4,616,543	\$4,476,315	\$3,397,238	\$3,351,125	\$3,325,746	\$3,053,000
Intergovernmental	3,389,696	3,233,588	3,105,802	3,065,402	2,915,504	2,831,720	2,617,038	2,530,140	2,484,560	2,509,814
Interest	140,853	109,452	88,669	70,857	49,050	39,430	40,136	63,904	124,148	156,633
Tuition and Fees	151,925	132,548	138,932	125,914	122,585	110,225	128,063	122,220	99,325	96,249
Contributions and Donations	0	0	345	6,825	495	9,000	0	0	0	4,000
Rentals	2,758	2,104	3,139	3,804	5,343	4,210	3,981	9,905	9,148	8,480
Miscellaneous	5,949	65,101	0	920	846	944	100	282	122	157
Other Financing Sources	8,680	23,568	111,699	0	29,331	61,061	604,062	527,062	74,229	14,528
Total	\$9,638,957	\$9,110,791	\$8,745,342	\$7,816,879	\$7,739,697	\$7,532,905	\$6,790,618	\$6,604,638	\$6,117,278	\$5,842,861

Source: School District Financial Records

(1) 1996 through 1999 reported on GAAP basis, all other years on cash basis.

Cardinal Local School District
Property Tax Levies and Collections
Real and Tangible Personal Property (1)
Last Six 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
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. 1999 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)	
1999	\$133,001,590	\$380,004,543	\$9,585,480	\$10,892,591	\$43,299,674	\$173,198,696	\$185,886,744	\$564,095,830	33%
1998	128,355,050	366,728,714	9,491,840	10,786,182	40,323,480	161,293,920	178,170,370	538,808,816	33
1997	123,338,590	352,395,971	8,820,000	10,022,727	37,495,320	149,981,280	169,653,910	512,399,978	33
1996	112,063,340	320,180,971	8,669,150	9,851,307	31,960,530	127,842,120	152,693,020	457,874,398	33
1995	108,065,740	308,759,257	8,596,610	9,768,875	30,067,030	120,268,120	146,729,380	438,796,252	33
1994	104,905,480	299,729,943	8,408,710	9,555,352	26,934,445	107,737,780	140,248,635	417,023,075	34
1993	88,224,800	252,070,857	9,607,330	10,917,420	28,611,665	114,446,660	126,443,795	377,434,937	34
1992	86,447,850	246,993,857	10,163,100	11,548,977	27,239,420	104,767,000	123,850,370	363,309,834	34
1991	84,488,790	241,396,543	9,176,930	10,428,330	27,148,670	100,550,630	120,814,390	352,375,503	34
1990	73,791,960	210,834,171	8,750,990	9,944,307	23,002,276	82,150,986	105,545,226	302,929,464	35

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.

Prior to 1990 it was assessed at 100 percent of actual value.

Tangible personal property is assessed at 25 percent of actual value for 1999.

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
1999	\$52.10	\$1.50	\$2.80	\$1.00	\$12.45	\$69.85	\$0.50	\$0.30	\$0.80
1998	52.60	1.50	2.80	1.00	12.45	70.35	2.00	0.30	2.30
1997	52.70	1.50	2.80	1.00	12.45	70.45	2.10	0.30	2.40
1996	53.00	1.50	2.80	1.00	12.45	70.75	0.90	0.30	1.20
1995	53.00	1.50	2.80	1.00	12.85	71.15	0.90	0.30	1.20
1994	53.00	1.50	0.00	1.00	10.85	66.35	0.90	0.30	1.20
1993	53.40	1.50	0.00	1.00	10.85	66.75	1.30	0.30	1.60
1992	43.90	1.50	0.00	1.00	10.20	56.60	1.50	0.30	1.80
1991	43.90	1.50	0.00	1.00	10.20	56.60	1.80	0.45	2.25
1990	44.20	1.50	0.00	0.00	10.35	56.05	1.80	0.45	2.25

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

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

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

<u>Year</u>	<u>Net General Obligation Bonded Debt (1)</u>	<u>Assessed Value (2)</u>	<u>Population (3)</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>
1999	\$278,854	\$185,886,744	14,115	0.15%	\$19.76
1998	480,606	178,170,370	13,951	0.27	34.45
1997	753,997	169,653,910	13,938	0.44	54.10
1996	864,390	152,693,020	13,924	0.57	62.08
1995	1,010,272	146,729,380	13,910	0.69	72.63
1994	540,451	140,248,635	13,199	0.39	40.95
1993	638,755	126,443,795	12,691	0.51	50.33
1992	752,286	123,850,370	12,203	0.61	61.65
1991	874,011	120,814,390	11,734	0.72	74.49
1990	998,785	105,545,226	10,408	0.95	95.96

Sources:

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

Cardinal Local School District
Computation of Legal Debt Margin
 June 30, 1999

Assessed Valuation	<u>\$185,886,744</u>
Overall Debt Limit - 9% of Assessed Value (1)	\$16,729,807
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonds	(220,000)
Energy Conservation Bonds	(370,000)
Amount Available in Debt Service Fund	<u>311,146</u>
Total	(278,854)
Exemptions:	
Energy Conservation Bonds	<u>370,000</u>
Amount of Debt Subject to the Limit	<u>91,146</u>
Overall Debt Margin	<u>\$16,638,661</u>
Unvoted Debt Limit - .10% of Assessed Value (1)	\$185,887
Amount of Debt Applicable	<u>0</u>
Unvoted Debt Margin	<u>\$185,887</u>
Additional Limit for Unvoted Energy Conservation Bonds:	
Debt Limit - .9% of Assessed Valuation	1,672,981
Energy Conservation Bonds	<u>370,000</u>
Additional Unvoted Debt Margin	<u>1,302,981</u>

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, 1998

<u>Jurisdiction</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Applicable to School District</u>
Cardinal Local School District	\$590,000	100.00 %	\$590,000
Geauga County	3,407,513	9.97	339,729
Parkman Township	105,000	100.00	105,000
Total			<u>\$1,034,729</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 1998 collection year.

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

<u>Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures (1)</u>	<u>Ratio of Debt Service to General Fund Expenditures (Percentage)</u>
1999	(2)	\$105,000	\$42,455	\$147,455	\$8,925,157	1.65%
1998	(2)	105,000	45,879	150,879	8,324,101	1.81
1997	(2)	165,000	54,066	219,066	8,263,550	2.65
1996	(2)	165,000	63,740	228,740	7,868,519	2.91
1995		120,000	74,765	194,765	7,661,194	2.54
1994		120,000	46,644	166,644	7,287,849	2.29
1993		120,000	53,606	173,606	6,974,806	2.49
1992		120,000	60,569	180,569	6,738,646	2.68
1991		120,000	67,531	187,531	6,660,872	2.82
1990		120,000	74,493	194,493	6,041,492	3.22

Source: School District Financial Records

(1) Includes other financing uses.

(2) 1996 through 1999 on GAAP basis.

Cardinal Local School District
Demographic Statistics
Last Ten Years

Year	Geauga County Population (1)	Cardinal LSD Area Population (2)	School Enrollment (3)	Geauga County Unemployment Rate (4)
1999	87,913	14,115	1,523	3.0%
1998	86,054	13,951	1,577	3.5
1997	86,054	13,938	1,549	3.6
1996	84,260	13,924	1,550	3.8
1995	83,400	13,910	1,532	3.8
1994	83,241	13,199	1,480	5.1
1993	82,094	12,691	1,504	5.8
1992	82,094	12,203	1,550	5.4
1991	81,129	11,734	1,582	4.0
1990	79,300	10,408	1,554	4.0

Sources:

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

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

<u>Year</u>	<u>Property Value (Real Estate Only) (1)</u>	<u>Financial Institution Deposits Banks</u>	<u>Permits Issued Geauga County</u>	<u>Permits Issued Huntsburg Township</u>	<u>Permits Issued Middlefield Township</u>	<u>Permits Issued Middlefield Village</u>	<u>Permits Issued Parkman Township</u>
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, 1998

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Dillen Products	\$3,337,180	1.80%
Johnson Rubber	1,784,480	0.96
Anna M. Rothenbuhler	1,388,850	0.75
Burdkidz LTD	1,260,000	0.68
Sajar Plastics, Inc.	1,193,340	0.64
Harrington Square	1,028,480	0.55
Middlefield Banking Company	1,015,630	0.55
Middlefield Village Appartments	978,600	0.53
Geauga Industries	878,160	0.47
Marjoan Associates	833,010	0.45
Total	<u>\$13,697,730</u>	<u>7.38%</u>

Source: Geauga County Auditor

(1) Assessed values are for the 1999 collection year.

Cardinal Local School District
Principal Taxpayers
Tangible Personal Property Tax
December 31, 1998

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Kraftmaid Cabinetry, Inc.	\$13,332,430	7.17%
Duramax, Inc.	4,285,880	2.31
Hans Rothenbuhler & Sons	3,141,070	1.69
Dillen Products	1,882,670	1.01
Carlisle Geauga Company	1,448,670	0.78
Neff Perkins Company	1,420,760	0.76
Mercury Plastics, Inc.	1,362,800	0.73
Middlefield Mix, Inc.	1,180,690	0.64
Universal Polymer & Rubber Company	1,174,240	0.63
Sajar Plastics, Inc.	1,159,560	0.62
Total	<u>\$30,388,770</u>	<u>16.34%</u>

Source: Geauga County Auditor

(1) Assessed values are for the 1999 collection year.

Cardinal Local School District
Principal Taxpayers
Public Utilities Tax
December 31, 1998

Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Cleveland Electric Illuminating Company	\$5,890,810	3.17%
Western Reserve Telephone Company	1,468,390	0.79
Ohio Edison	1,132,790	0.61
East Ohio Gas Company	828,750	0.45
Total	\$9,320,740	5.02%

Source: Geauga County Auditor

(1) Assessed values are for the 1999 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>
1999 (2)	\$8,925,157	1,523	\$5,860
1998 (2)	8,324,101	1,577	5,278
1997 (2)	8,263,550	1,549	5,335
1996 (2)	7,868,519	1,550	5,076
1995	7,661,194	1,532	5,001
1994	7,287,849	1,480	4,924
1993	6,974,806	1,504	4,638
1992	6,738,646	1,550	4,348
1991	6,660,872	1,582	4,210
1990	6,041,492	1,554	3,888

Source: School District Financial Records.

(1) Includes Other Financing Uses

(2) 1996 through 1999 on GAAP Basis

Cardinal Local School District
Teacher Education and Experience
 June 30, 1999

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	23	22.55%
Bachelor + 15	12	11.76
Bachelor + 30	20	19.61
Master's Degree	18	17.65
Master's + 15	11	10.78
Master's + 30	18	17.65
Total	<u>102</u>	<u>100.00%</u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	19	18.63%
6 - 10	16	15.69
11 and Over	67	65.68
	<u>102</u>	<u>100.00%</u>

Source: School District Personnel Records



STATE OF OHIO
OFFICE OF THE AUDITOR

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CARDINAL LOCAL SCHOOL DISTRICT

GEAUGA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 6, 2000**