

# **Cardinal Local School District**

\* \* \* \*

*Report Letters*

*June 30, 2006*





Mary Taylor, CPA  
Auditor of State

Board of education  
Cardinal Local School District  
15982 East High Street  
P.O. Box 188  
Middlefield, Ohio 44062

We have reviewed the *Independent Auditor's Report* of the Cardinal Local School District, Geauga County, prepared by Rea & Associates, Inc., for the audit period July 1, 2005 through June 30, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Cardinal Local School District is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

February 21, 2007

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**CARDINAL LOCAL SCHOOL DISTRICT**

**TABLE OF CONTENTS**

	<b>PAGE</b>
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on Audit of Financial Statements Performed in Accordance With Government Auditing Standards.....	1-2
Independent Auditor’s Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.....	3-4
Schedule of Expenditures of Federal Awards .....	5
Schedule of Findings and Questioned Costs .....	6

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# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

December 15, 2006

## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Board of Education  
Cardinal Local School District  
Middlefield, Ohio

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cardinal Local School District as of and for the year ended June 30, 2006, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 15, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Cardinal Local School 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 an opinion 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 reportable 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 caused by error or fraud 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 certain matters that we have reported to management of Cardinal Local School District in a separate letter dated December 15, 2006.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cardinal Local School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial

Cardinal Local School District  
Report on Internal Control

instances of non-compliance that we have reported to management of Cardinal Local School District in a separate letter dated December 15, 2006.

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

*Hea & Associates, Inc.*



# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

December 15, 2006

## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Board of Education  
Cardinal Local School District  
16000 East High Street  
Middlefield, Ohio 44062

### Compliance

We have audited the compliance of Cardinal Local School 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 each of its major federal programs for the year ended June 30, 2006. Cardinal Local School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Cardinal Local School District's management. Our responsibility is to express an opinion on Cardinal Local School District's compliance based on our audit.

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

In our opinion, Cardinal Local School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

### Internal Control over Compliance

The management of Cardinal Local School 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 Cardinal Local

Cardinal Local School District  
OMB Circular A-133 Report

School 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 reportable 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 caused by error or fraud 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 Expenditures of Federal Awards - Non GAAP Budgetary Basis

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cardinal Local School District, as of and for the year ended June 30, 2006, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 15, 2006. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements of Cardinal Local School District. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Education, management, 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.

*Hea & Associates, Inc.*

CARDINAL LOCAL SCHOOL DISTRICT  
 GEAUGA COUNTY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH BASIS  
 FOR THE YEAR ENDED JUNE 30, 2006

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	CFDA Number	Grant Number	Federal Receipts	Non-Cash Receipts	Federal Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF EDUCATION (Passed through Ohio Department of Education)						
Title 1, Part A, to LEA's	84.010	C1-S1 2005	\$ (54,886) (C)		\$ 108,438	
		C1-S1 2006	849,110		784,426	
Total Title 1, Part A, to LEA's			794,224		892,864	
IDEA-B Special Education Grant	84.027	6B-SF 2005	(16,042) (C)		13,413	
		6B-SF 2006	373,440		358,139	
Total IDEA-B Special Education Grant			357,399		371,552	
Title V Part A ESEA Innovative Programs	84.298	C2-S1 2005	(1,520) (C)		90	
		C2-S1 2006	5,749		5,307	
Total Title V ESEA Innovative Program			4,229		5,397	
Title II D ESEA Education Technology	84.318	TJ-S1 2005	(2,946) (C)		581	
		TJ-S1 2006	15,634		7,928	
Total Title II D ESEA Education Technology			12,687		8,509	
Title II A Improving Teacher Quality	84.367	TR-S1 2005	(2,873) (C)		2,556	
		TR-S1 2006	158,258		155,386	
Total Title II A Improving Teacher Quality			155,384		157,942	
Improving Teacher Quality	84.340		0		(138)	
Title IV A Safe & Drug-Free Schools & Communities	84.186	DR-S1 2005	(1,119) (C)		437	
		DR-S1 2006	18,659		18,872	
Total Safe & Drug-Free Schools & Communities			17,540		19,309	
Total U. S. Department of Education			1,341,464		1,455,435	
U. S. DEPARTMENT OF AGRICULTURE (Passed through Ohio Department of Education) Nutrition Cluster:						
Food Distribution Program (A) (B)	10.550		0	\$ 41,562	0	\$ 41,562
National School Lunch Program (B)	10.555	LL-P4 2005	28,995		41,838	
		LL-P4 2006	83,188		112,183	
Total National School Lunch Program			112,183		154,021	
Total US Department of Agriculture - Nutrition Cluster			112,183		154,021	
Total Federal Financial Assistance			\$ 1,453,647	\$ 41,562	\$ 1,609,456	\$ 41,562

- (A) Government commodities are reported at the fair market value of the commodities received and disbursed.  
 (B) Federal money commingled with state subsidy reimbursements. It is assumed federal moneys are expended first.  
 (C) Refunded Receipt

**CARDINAL LOCAL SCHOOL DISTRICT  
 GEAUGA COUNTY  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 OMB CIRCULAR A-133 , Section .505  
 JUNE 30, 2006**

**1. SUMMARY OF AUDITOR'S RESULTS**

(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) (iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unqualified
(d) (1) (vi)	Are there any reportable findings under Section .510?	No
(d) (1) (vii)	Major Programs (list):	Title I 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 noted.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None noted.

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

**Comprehensive Annual Financial Report**  
*For the Fiscal Year Ended June 30, 2006*

Prepared by

Treasurer's Office  
Merry Lou Tramont  
Treasurer



## **Introductory Section**





Cardinal Local School District  
*Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2006  
Table of Contents*

<b>I. Introductory Section</b>	<b>Page</b>
Table of Contents .....	i
Letter of Transmittal.....	v
List of Principal Officials.....	xiv
Organization Chart .....	xv
Certificate of Achievement .....	xvi
 <b>II. Financial Section</b>	
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	3
 Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets .....	14
Statement of Activities.....	15
 Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	16
Reconciliation of Total Governmental Fund Balances to Net Assets Governmental Activities.....	17
Statement of Revenues, Expenditures and Changes In Fund Balances – Governmental Funds .....	18
Reconciliation of the Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	19
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual General Fund.....	20
Statement of Net Assets – Internal Service Fund.....	21
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds .....	22
Statement of Cash Flows – Proprietary Funds .....	23
Statement of Fiduciary Assets and Liabilities – Fiduciary Funds .....	24
Notes to the Basic Financial Statements .....	25

Cardinal Local School District  
*Comprehensive Annual Financial Report  
 For the Fiscal Year Ended June 30, 2006  
 Table of Contents*

Combining and Individual Fund Statements and Schedules:

Combining Statements - Nonmajor Governmental Funds:

Description of Funds .....	52
Combining Balance Sheet – Nonmajor Governmental Funds .....	54
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	55
Combining Balance Sheet – Nonmajor Special Revenue Funds .....	56
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds .....	60
Combining Balance Sheet – Nonmajor Capital Project Funds .....	63
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds .....	64

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

Major Funds:

General Fund .....	66
Bond Retirement Fund .....	70

Nonmajor Funds:

Library Bond Retirement Fund.....	71
Food Service Fund.....	72
Uniform School Supplies Fund .....	73
Public School Support Fund.....	74
Martha Holden Jennings Grant Fund .....	75
Termination Benefits Fund.....	76
District Managed Activities Fund.....	77
Auxiliary Services Fund.....	78
Management Information Systems Fund .....	79
OneNet Fund .....	80
SchoolNet Professional Development Fund .....	81
Ohio Reads Grant Fund.....	82
Summer Intervention Fund .....	83
Eisenhower Math and Science Grant Fund.....	84
IDEA Part B Special Education Fund.....	85
Title I Fund .....	86
Innovative Programs – Title V.....	88
Drug Free & Safe Schools Fund.....	89
Improving Teacher Quality Fund .....	90
Technology II-D Grant Fund.....	91
Permanent Improvement Fund.....	92

Cardinal Local School District  
*Comprehensive Annual Financial Report  
 For the Fiscal Year Ended June 30, 2006  
 Table of Contents*

Library Construction Fund .....	93
SchoolNet Fund .....	94
Individual Fund Statement – Agency Fund	
Description of Fund.....	95
Combining Statement of Assets and Liabilities- Agency Fund.....	96
Combining Statement of Changes in Assets and Liabilities- Agency Funds .....	97
<b>III. Statistical Section</b>	
Statistical Section Contents.....	S1
Net Assets by Component - Governmental Activities	
Last Seven Fiscal Years.....	S2
Changes in Net Assets of Governmental Activities – Last Seven Fiscal Years.....	S3
Program Revenues by Function	
Last Seven Fiscal Years.....	S6
Fund Balances, Governmental Funds	
Last Ten Fiscal Years .....	S8
Changes in Fund Balances	
Last Ten Fiscal Years .....	S10
Assessed and Estimated Actual Value of Taxable Property	
Last Ten Years .....	S13
Property Tax Rates	
Last Ten Years .....	S14
Property Tax Levies and Collections	
Last Ten Years .....	S20
Principal Taxpayers:	
Real Estate Tax.....	S21
Tangible Personal Property Tax.....	S22
Public Utilities Tax.....	S23
Computation of Direct and Overlapping General Obligation Bonded Debt.....	S24

Cardinal Local School District  
*Comprehensive Annual Financial Report  
 For the Fiscal Year Ended June 30, 2006  
 Table of Contents*

Ratio of Debt to Estimated Actual Value and Debt per Capita Last Ten Fiscal Years .....	S25
Computation of Legal Debt Margin Last Nine Fiscal Years.....	S26
Demographic and Economic Statistics Last Seven Years .....	S28
Principal Employers.....	S30
Enrollment Statistics – Last Ten Fiscal Years.....	S31
Building Statistics by Function/Program – Last Five Fiscal Years .....	S33
Per Pupil Cost - Last Ten Fiscal Years .....	S34
Attendance and Graduation Rates - Last Eight Fiscal Years .....	S35
School District Employees by Function/Program – Last Seven Fiscal Years.....	S36
Full-Time Equivalent Certified School Employees by Education – Last Nine Fiscal Years.....	S38
SAT Composite Scores– Last Six School Years .....	S40
ACT Composite Scores– Last Six School Years.....	S42
National Merit Scholarship Program - Last Five School Years .....	S43
Average Number of Students per Teacher - Last Nine School Years.....	S44
Teacher Education and Experience .....	S45
Construction, Bank Deposits and Property Values – Last Ten Years .....	S46
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures – Last Ten Fiscal Years.....	S48
Capital Assets - Last Ten Fiscal Years .....	S50
Outstanding Debt by Type - Last Ten Years.....	S52
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years.....	S53

# *Cardinal Local School District*

15982 EAST HIGH STREET  
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December 15, 2006

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, 2006. This CAFR includes an opinion from the Independent Auditors 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 management of the School District.

To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the School District. This report will provide the taxpayers of the Cardinal Local School District with comprehensive financial data in a format which will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the Geauga County Public Library, major taxpayers, financial rating services and other interested parties.

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

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

## **The School District**

The Cardinal Local School District is located in eastern Geauga County including all of Huntsburg, Middlefield and Parkman Townships and Middlefield Village. A small portion of the School District is in western Trumbull County in Mesopotamia Township. The School District operates under a locally-elected Board form of government. This Board manages the School District's 5 instructional/support facilities staffed by 71 non-certificated employees, 112 certificated full time teaching personnel and 7 administrative employees to provide services to 1,502 students and other community members.

The School District was established February 1, 1957 through the consolidation of existing land areas and School Districts and is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. Under such laws there is no authority for a School District to have a charter or adopt local laws. The legislative power of the School District is vested in the Board of Education, consisting of five members elected at-large for staggered four year terms. Statutorily, the School District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 to provide services mandated by State and Federal agencies.

The Cardinal Local School District provides educational programs and services along with athletic and other extracurricular programs to students in five buildings:

- Cardinal High School built in 1961, with additions in 1967 and 1980, houses 402 students from grades 9 through 12.
- Cardinal Middle School built in 2002, houses 306 students from grades 6 through 8.
- Huntsburg Elementary built in 1951, with an addition in 1974, houses 158 students from grades K through 5.
- Jordak Elementary built in 1951, with additions in 1956 and 1974, houses 422 students from grades K through 5.
- Parkman Elementary built in 1951, with an addition in 1974, houses 179 students from grades K through 5.

As of June 30, 2006, the Cardinal Board of Education made the tough but necessary decision to close the Huntsburg and Parkman Elementary buildings due to lack of support for the proposed school levy, cuts in tangible personal property taxes and State funding uncertainty. All K through 3<sup>rd</sup> grade classes would be consolidated into the Jordak Elementary building. While all 4<sup>th</sup> and 5<sup>th</sup> grade classes would be consolidated into the Cardinal Intermediate building, which formally housed the Head-Start and the ELI programs. Those programs would now be housed in the Huntsburg building and the Parkman building was closed and is to be used for storage until further notice. These changes were made due to the monetary concerns which the School District is facing in the next two to three fiscal years.

## **Reporting Entity**

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

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

The School District is associated with five jointly governed organizations and one public entity risk pool. These organizations are the Auburn Career Center, the Lake Geauga Computer Association, the East Shore Regional Transportation System, the East Shore Center, the Ohio Schools Council Association and the Ohio School Boards Association Worker's Compensation Group Rating Plan. These organizations are presented in Notes 14 and 15 to the basic financial statements. A complete discussion of the School District's reporting entity is provided in Note 1 to the basic financial statements.

### **Economic Condition and Outlook**

Agriculture is a main component of Cardinal Local School District's profile. Many small farms continue to operate. Two local auctions operate on a weekly basis during the harvest season to sell plants and vegetables. One of the auctions operates from spring through fall. The area is home to the fourth largest Amish settlement in the United States. Many small businesses exist to support their way of life.

Industrial and commercial growth are the strongest economic factors. The 75 square mile area encompassing the rural, residential townships is strongly influenced by the Village of Middlefield (2 square miles). Five of the county's largest employers are within the Village. KraftMaid Industries is the largest employer based on full-time employees. Other large employers include Dillen Products, Wal-Mart, Inc., Duramax, Inc., and Mercury Plastics. Over 40 percent of Geauga County's industry is located within the School District contributing around 20 percent of the real estate valuation and \$41,144,210 in tangible personal property tax valuation to the School District. The Village continues to encourage economic development through the use of tax incentives. Currently, 62 percent of the tax abatement area is developed while 38 percent remains available for future growth. There is continued interest in the abatement area and Village Council is looking at future programs.

The Village of Middlefield has accounted for this potential growth without adding to public indebtedness. Impact fees collected from construction projects are added to a fund to expand the sewer treatment plant as needed. This project was started in 2006 and is slated for completion in June 2007. It will be at a cost of \$7.5 million and will increase the water flow to 1.5 million gallons per day. The Village announced in September 2006 that sewer rates will be increasing in January 2007 to help defray the costs of the new sewer treatment plant.

With the opening of Wal-Mart in 2006, several new businesses and relocated businesses were added to the strip mall along Springdale Drive. Quiznos, China Dragon Buffet, Alltel Store, and Middlefield Rental now line the way to the Wal-Mart shopping plaza. Napa Auto Parts began construction on its own building along Route 608 in mid-year and moved in the fall of 2006.

Landowner and developer, Richard Bonner, is building affordable condominiums in his complex on State Route 528. Move in has begun on some of the buildings with completion of the rest in the near future. New homes were added and are being added to the Windsong Development off of State Route 608, towards the west-end of town. New construction in these two sites as well as other developments within the School District will add over \$10,000,000 in value for the 2007 collection year.

### **School District Local Funding**

School District management will carefully control expenses during the coming years to continue to assure tax levy revenues are adequate and well spent. A 9.7 mill replacement levy was approved by voters in May of 2002. The additional income was expected to carry the School District through the next five-year period beginning in 2003. Because of cuts in State funding, reduced revenues from the phasing out of the tangible personal property tax and increased costs in health care, bus fuel and utilities, the School District was forced to return to the ballot for additional operating revenues. The School District placed a 9.7 mill replacement levy on the November 2006 ballot, to begin collection in 2008 since the old levy ends in December 2007. However, the community defeated the levy by less than 100 votes. The School District will need to determine the necessary steps to take in the near future and decide if they should put

the levy on again in either February or May of 2007. At that point the School District will also need to decide what the necessary cuts need to be made in order to begin the next fiscal year within an even tighter budget if the levy should fail again prior to August 2007.

During fiscal year 2006, the School District trimmed the budget by nearly \$900,000 by implementing various cost cutting measures including: a pay-to-participate program for extracurricular activities, going to alternate day kindergarten from all day-every day kindergarten, eliminating non-core programs at the high school and middle school, closing the elementary buildings in the evenings and increasing student fees. Additionally the teaching staff agreed to a wage freeze, some custodians were laid off as well as the technical assistant, and any retiring staff member was not replaced.

With the failure of the 5.95 mill levy on the November 2005 ballot, the Board of Education decided the necessity to close the Huntsburg and Parkman Elementary buildings and consolidate all elementary classes at the Jordak Elementary location for the fiscal year 2006-2007. The Head-Start and ELI special programs housed in the Cardinal Intermediate Building were relocated to the Huntsburg location. The fourth and fifth grade classes will occupy that building with kindergarten through third grade in the Jordak Elementary building. The Board decided not to try the levy again in the spring election.

The School District also refunded the 1999 Cardinal Middle School bonds at a lower interest rate in order to save nearly \$560,000 in interest over the life of the bonds. The \$7,484,980 in refunded school improvement bonds will be paid off a year earlier in 2025.

The Board Offices were moved into the old library building, which was renovated with over \$40,000 in donations from various people and businesses in the area. This move freed up space within the building for the STARS (autistic) program, which was previously housed in the Cardinal Intermediate Building.

During fiscal year 2007, the School District trimmed another \$900,000 from the budget with the effects of the closing the two buildings which included reduction of force for 9 teaching positions and 6 classified positions, a retirement buy-out program, reduction of classified hours and supervisor hours and salary, and the elimination of 1 bus route. Additional cost saving measures included a new food service program and sharing the new treasurer with Berkshire Local School District. The School District is striving to maintain a quality education for its students within a tight budget.

## **Major Initiatives**

### ***Strategic Planning***

The School District completes an annual continuous improvement plan. This is a form of strategic planning guiding the School District in all phases of operation. The involvement of the general public and employees has broadened support for School District improvement initiatives. The positive effects of the plan can be observed in the academic achievement of students and tangible long-term improvements to programming and school facilities. A new three-year plan was adopted in June of 2002. Seven goals and fifteen (15) strategies were identified to meet those goals. Six of the goals have been met and the final one is ongoing. The School District's main goal for the fiscal year was the consolidation of the elementary buildings into a campus setting at the Jordak and Intermediate School locations in Middlefield. The Huntsburg and Parkman Elementary buildings were closed at the end of June, 2006. The School District will continue to review the plan for any future changes needed.

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

The Ohio Report Card is issued in February of each school year. The report uses data from the previous school year to inform the public of School District success or failure in 25 indicators. On the 2005 report card the School District met, or exceeded the Ohio standard in 23 of 25 indicators. The School District maintained a rating in the category titled, "Effective" while both Huntsburg and Parkman Elementary Schools and Cardinal High School received "Excellent" ratings.



### ***No Child Left Behind Compliance***

Unfunded federal mandates require additional extensive diagnostic and achievement testing of students. Cardinal Local School District has complied with such requirements. As such testing is introduced at various grade levels, the School District is working with the assessment instruments provided by the State of Ohio. In addition, Cardinal Local School District teachers are being measured by the NCLB standard of "highly qualified" in relationship to their teaching assignments.

### ***Federal Projects***

The School District files applications for federal funds electronically utilizing the Consolidated Local Plan. This allows the Director, Mr. Lynne Muzik, to coordinate the application to the goals of the Continuous Improvement Plan. The School District continues to apply for all federal funds for which the School District is eligible. This includes the Class-Size Reduction Grant under Title V allowing for three additional teachers at Kindergarten and Grade One. The Title I Reading Recovery program improves the reading for eligible students in First Grade at each of the elementary buildings. Student readiness for advancement in each grade has been the primary focus of these services.

### ***Educational Programs and Facilities Improvements***

In May 2005, the School District and Library Board modified the existing "triple net lease" agreement to allow for the exchange of deeds at the end of the bonded debt (a period of twenty years). At that time the School District will have ownership of the old library facility adjoining A.J. Jordak and the Cardinal Intermediate School properties and the Geauga County Public Library will have ownership of the new facility. The School District completed renovations to the old library building for use as Board of Education offices, a parent resource center and technology hub. Some Title I money was eligible to be used for the establishment of the parent resource center in the Helen Zang Memorial Room. Donations of nearly \$40,000 in cash and items/services were received to renovate the building for the Board of Education offices. The work was completed in January 2006.

The School District has accepted open enrollment students since the programs inception in 1993. The School District receives the full Ohio Basic Aid amount for each of these students. With over 90 open enrollment students from other School Districts the School District receives over \$587,000 in annual revenue. Students are distributed throughout all grade levels at all schools. New applicants appear each year. Some applicants are denied enrollment due to class size restrictions defined by local board policy. For fiscal year 2007, open enrollment will be limited due to the consolidation of the elementary buildings. Approximately a 50 percent decrease in revenue is expected.

### **Financial Information**

#### ***Internal Accounting and Budgetary Control***

The School District's accounting system is organized on a "fund" basis. Each fund is a distinct self-balancing accounting entity. Reports 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. Reports 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 capital assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensure 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 fund level for all funds. The Treasurer has been given authority to allocate board appropriations to the function and object levels within each 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.

The Principal at each building directs site-based financial management. Building teams are formed to respond to the School District's Continuous Improvement Plan and pertinent budget issues identified by the staff, parents or students. Each building has an annual budget for instructional support and office operation. The administrators and school principals are furnished monthly reports showing the status of the budget accounts for which they are responsible. The School District established a network, which allowed electronic, building level input of purchase requisitions. The requisitions are approved by the Treasurer and electronically converted to numbered purchase orders that then receive the approval or disapproval of the Superintendent who acts as the School District's purchasing agent.

The basis of accounting and the various funds utilized by Cardinal Local School District are fully described in Note 2 of the basic financial statements. Additional information on the School District's budgetary accounting can also be found in Note 2.

### ***Financial Condition***

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

**Government-wide financial statements** These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses. The government-wide statements include the financial activities of the primary government, except for fiduciary funds. The government-wide statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The School District has no business-type activities.

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

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

As a part of this reporting model, management is responsible for preparing a Management's Discussion and Analysis of the School District. This discussion appears after the Independent Auditor's Report in the financial section of this report. The Management's Discussion and Analysis provides an assessment of the School District's finances for fiscal year 2006. Because that discussion focuses on major funds, the internal service fund is discussed briefly in this letter.

### ***Financial Highlights – Internal Service Fund***

The only internal service fund carried on the financial records of the School District is related to self-insurance. This fund accounted for the revenues and expenses related to the provision of prescription and dental coverage for all School District employees. Effective July 1, 2005, the School District went to a fully insured program with United Healthcare to contain the costs of the School District's benefits program. The claims run-out, as well as the administration fees, will be funded with the balance in the Internal Service Fund as of June 30, 2006. The School District was instructed by the auditors to petition the Common Pleas Court of Geauga County in order to close the internal service funds to the general fund. A resolution to request such action was approved at the June 12, 2006 Board Meeting and then forwarded to the Court. In August 2006, the Prosecutor's office informed the School District the balance of \$14,263.25 as of June 30, 2006 may be transferred to the general fund without Common Pleas approval. The closing of this fund will be reflected in the financial records for fiscal year 2007.

### **Cash Management**

The Board of Education's investment policy allows flexibility and a range of approved investments. The intent is to maximize interest income while ensuring safety and liquidity. 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 market value of the pooled collateral must equal at least 105 percent of public funds deposited. Trustees including the Federal Reserve Bank and designated third party trustees of the financial institution hold collateral.

With the use of a treasury management system, the School Board is able to aggregate revenues in a sweep account that can be drawn on to meet daily needs of payroll, benefits and general operation accounts. This account invests in overnight repurchase agreements. The School Board also uses STAROhio for interim balances and has a money market mutual fund.

Interest revenue in the governmental funds totaled \$145,582 for fiscal year 2006, all of which was credited to the general fund. Information regarding School District investments is found in Note 5 to the basic financial statements.

## **Risk Management**

The School District offers health care, prescription and dental benefits through United Healthcare. The employees are offered single and family coverage and are required to pay five percent of the premium costs through payroll deductions.

The School District is in the Worker's Compensation Group Rating Program with the members of the Ohio School Boards Association. Participation provides a lower premium rate per \$100 of salary based on the pool's experience, which is lower than if the School District was rated individually.

The School District contracts independently with the Hylant Insurance Agency for general liability insurance with a \$1,000,000 per occurrence and \$3,000,000 aggregate. As an additional safeguard to the Crime Coverage that blankets all employees, a separate, higher limit bond covers certain individuals in policy-making roles.

Property and fleet insurance are bid and purchased through the Ohio Schools Council. Todd Associates is contracted to provide the property and fleet insurance. In November 2002, the School District received the *Excellence in Safety* award for a "commitment to loss prevention and efforts to provide a healthful and safe environment for students and staff." Losses were below the eight percent of premium level for a two-year period.

Risk Management is discussed in detail in Note 9 to the basic financial statements.

## **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 Rea and Associates, Inc., was selected to render an opinion on the School District's financial statements as of and for the year ended June 30, 2006. 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 school districts in Ohio. The School District adopted and has been in conformance with that system beginning with its financial report for fiscal year 1981.

## **Awards**

### ***GFOA Certificate of Achievement***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Cardinal Local School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

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

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

## **Acknowledgments**

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

Special appreciation is expressed to Rea & Associates, Inc., for assistance in the planning, designing and reviewing of this financial report.

In May 2006, Treasurer Dianne Kellogg decided to retire as of July 31, 2006, after returning to the position on an interim basis in April 2005. We would like to express our utmost gratitude for all of the work and dedication she has provided over the years to this School District.

Finally, sincere appreciation is extended to the Board of Education for their support for this project and their continued commitment to providing quality education for the students in our community.

Respectfully submitted,

Merry Lou Tramont  
Treasurer

Paul Yocum  
Superintendent

**Cardinal Local School District**

*Principal Officials*  
*June 30, 2006*

***Board of Education***

Mr. Richard A. Moss.....President  
Mr. Kenneth J. Klima ..... Vice-President  
Mrs. Pamela Cermak ..... Member  
Mrs. Bonnie Makowski ..... Member  
Dr. I Jack Youshak ..... Member

***Treasurer***

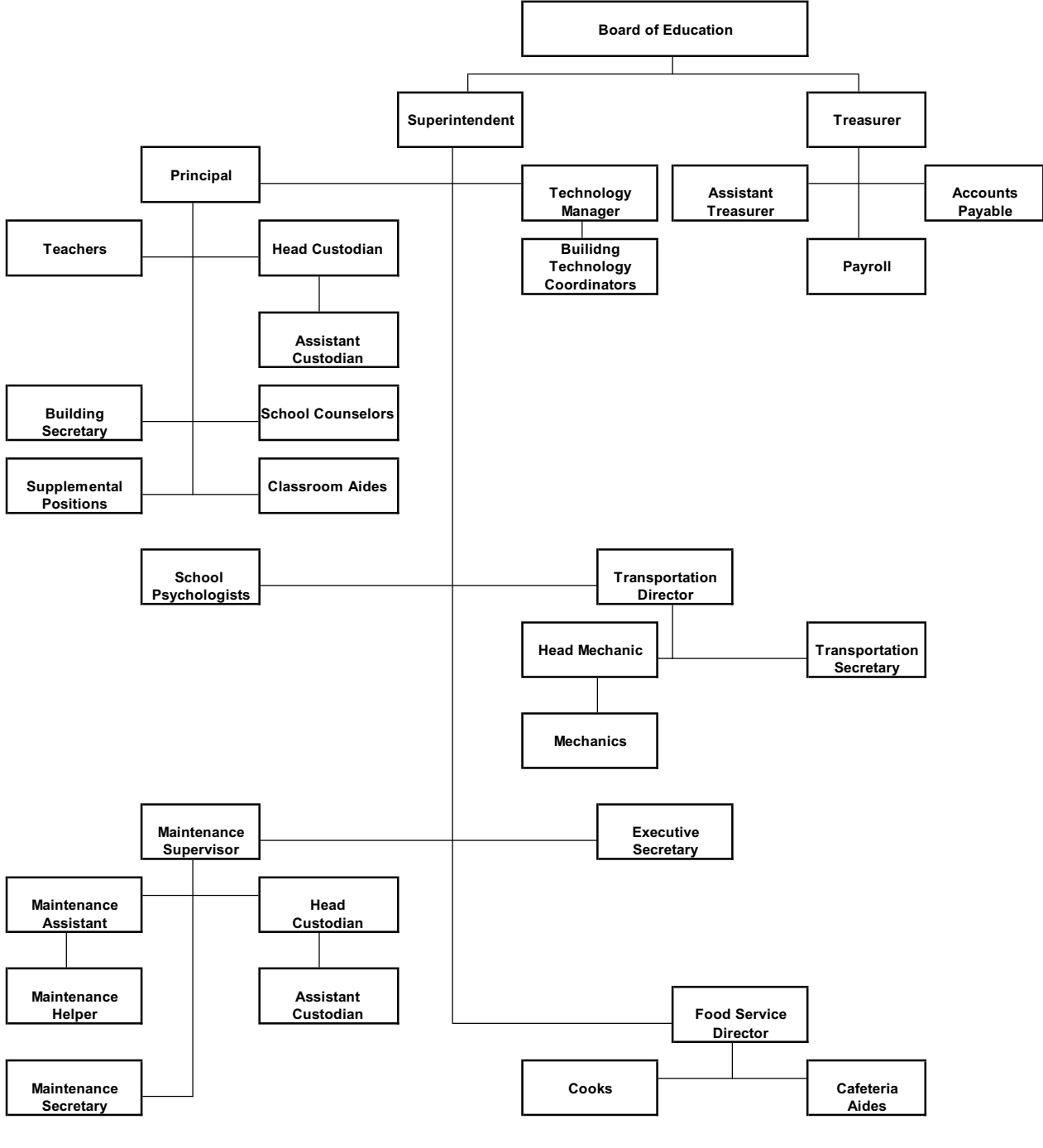
Mrs. Dianne Kellogg  
(retired 7/31/06)

Mrs. Merry Lou Tramont  
(hired 7/1/06)

***Superintendent***

Mr. Paul D. Yocum

# Cardinal Local School District



# 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, 2005

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.



President

Executive Director



## **Financial Section**



# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

December 15, 2006

The Board of Education  
Cardinal Local School District  
Middlefield, OH 44231

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cardinal Local School District (the School District), as of and for the year ended June 30, 2006, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Cardinal Local School District as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2006 on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 13 are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cardinal Local School District's basic financial statements. The combining and individual nonmajor fund statements and other schedules, listed in the table of contents as supplementary information, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of basic financial statements and, accordingly, we express no opinion on them.

*Kea & Associates, Inc.*

**Cardinal Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*Unaudited*

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The discussion and analysis of Cardinal Local School District's (the "School District") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2006. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and the basic financial statements to enhance their understanding of the School District's financial performance.

### **Financial Highlights**

Key financial highlights for 2006 include:

- Re-assessing the long-term financial needs of the School District in the current economic climate in Ohio and Geauga County.
- Total net assets decreased nearly \$720,000 from 2005.
- During the fiscal year, the School District issued \$7,484,980 in general obligation school improvement refunding bonds. The issuance resulted in a savings between future cash flows of \$1,004,461, with a present value (economic gain) of \$699,915.
- Total revenues of \$14,700,564 were comprised of general revenues in the amount of \$11,529,550 or 78.43 percent and program specific revenues from charges for services, grants and contributions in the amount of \$3,171,014 or 21.57 percent.

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

This annual report consists of a series of financial statements and notes pertaining to those statements. These statements are organized so the reader can understand Cardinal Local School District as a financial whole, or complete operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate and longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements explain how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column. In the case of Cardinal Local School District, the general and bond retirement debt service funds are the most significant funds.

### **Reporting the School District as a Whole**

#### *Statement of Net Assets and the Statement of Activities*

The analysis of the School District as a whole begins on page 5. The view of the School District as a whole looks at all financial transactions and asks the questions, "Are we in a better financial position this year than last?" and "Why" or "Why not". The Statement of Net Assets and the Statement of Activities provide the basis for answering these questions. The statements include *all assets* and *liabilities* using the *accrual*

**Cardinal Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*Unaudited*

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*basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting recognizes all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Assets and the Statement of Activities, all of the School District's activities are classified as governmental. All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities as well as food services operations.

### **Reporting the School District's Most Significant Funds**

The analysis of the School District's major funds begins on page 9. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, the fund financial statements focus on the School District's most significant funds.

***Governmental Funds*** - The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* is reconciled in the financial statements of the *Governmental Funds*.

***Proprietary Funds*** - Proprietary funds have historically operated as *enterprise* and *internal service funds* using the same basis of accounting as business-type activities; however, beginning with the fiscal year 2002 report, the School District reclassified the enterprise funds as *special revenue funds*. The lack of profitability in the food service fund, lead to the decision to no longer report it as an enterprise fund. The charge for a school lunch cannot keep pace with the ever-increasing wage and benefit costs. In addition, the School District recognizes the many subsidies received by the food service fund preclude it from being considered a business-type activity. This change is reflected in the tables presented on the next page. The internal service fund accounts for the self-insurance fund for prescription drugs and dental coverage and is reported separately as the School District's only proprietary fund.

**Cardinal Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*Unaudited*

**The School District as a Whole**

You may recall that the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a comparison of the School District's Net Assets for fiscal 2006 compared to fiscal 2005:

(Table 1)  
Net Assets

	Governmental Activities	
	2006	Restated 2005
<b>Assets</b>		
Current and Other Assets	\$12,076,735	\$11,758,307
Capital Assets, Net	12,286,886	12,967,390
<i>Total Assets</i>	24,363,621	24,725,697
<b>Liabilities</b>		
Current and Other Liabilities	9,480,443	8,515,083
Long-Term Liabilities:		
Due Within One Year	166,479	374,935
Due in More than One Year	12,565,141	12,964,249
<i>Total Liabilities</i>	22,212,063	21,854,267
<b>Net Assets</b>		
Invested in Capital Assets, Net of Debt	3,879,893	3,928,114
Restricted:		
Debt Service	809,579	951,862
Capital Projects	253,358	368,784
Set Asides	180,345	127,341
Other Purposes	184,423	209,748
Unrestricted (Deficit)	(3,156,040)	(2,714,419)
<i>Total Net Assets</i>	\$2,151,558	\$2,871,430

Total assets decreased by approximately \$362,000, primarily with a decrease in capital assets of \$680,000. The primary factor contributing to the decrease in capital assets was due to the depreciation expense exceeding capital asset additions for the year.

Current and other liabilities increased by \$965,360, as compared to the prior fiscal year. Unearned revenue had an increase of \$1,633,708 from the prior year comprising the largest portion of the current liabilities increase. There were no significant changes in taxes receivable from the prior year; however less property tax collections were available as an advance from the County during the fiscal year. This amount is

**Cardinal Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*Unaudited*

recognized as revenue in the basic financial statements. The increases in current liabilities were offset by decreases in accrued wages and benefits of \$362,344 and accounts payable of \$161,435. Long term liabilities decreased by \$607,564, primarily due to principal retirement and the net effects of the recognition of the refunding bonds issued (See Note 13 for more detail).

Table 2 shows the changes in net assets for fiscal year 2006 compared to fiscal year 2005.

**(Table 2)**  
**Governmental Activities**

	2006	Restated 2005
<b>Revenues</b>		
<i>Program Revenues:</i>		
Charges for Services	\$1,523,819	\$1,269,578
Operating Grants and Contributions	1,647,195	1,590,425
Capital Grants	0	9,135
<i>Total Program Revenue</i>	<u>3,171,014</u>	<u>2,869,138</u>
<i>General Revenue:</i>		
Property Taxes	7,707,713	10,320,703
Grants and Entitlements	3,526,655	3,411,745
Miscellaneous and Investment Earnings	295,182	210,915
Special Items	0	(2,681,955)
Total General Revenues and Special Items	<u>11,529,550</u>	<u>11,261,408</u>
<i>Total Revenues</i>	<u>14,700,564</u>	<u>14,130,546</u>
<b>Program Expenses</b>		
Instruction	8,139,307	8,606,747
Support Services:		
Pupil and Instructional Staff	1,731,188	1,899,690
Board of Education, Administration, Fiscal and Business	1,376,816	1,537,214
Operation and Maintenance	1,453,072	1,341,236
Pupil Transportation	998,390	958,004
Central	362,057	275,932
Extracurricular Activities	289,219	411,279
Operation of Food Services	509,206	488,984
Other Non-Instructional Services	28,319	0
Interest and Fiscal Charges	532,862	686,596
<i>Total Expenses</i>	<u>15,420,436</u>	<u>16,205,682</u>
Increase (Decrease) in Net Assets	(719,872)	(2,075,136)
<i>Net Assets Beginning of Year</i>	<u>2,871,430</u>	<u>4,946,566</u>
<i>Net Assets End of Year</i>	<u>\$2,151,558</u>	<u>\$2,871,430</u>

Program Revenues include charges for services, grants and contributions that are program specific. Surrounding schools with resident students attending Cardinal Local School District pay the School District \$5,428 per pupil under Ohio's open enrollment plan. The School District operates special education units with excess costs charged back to the students' district of residence. There were no



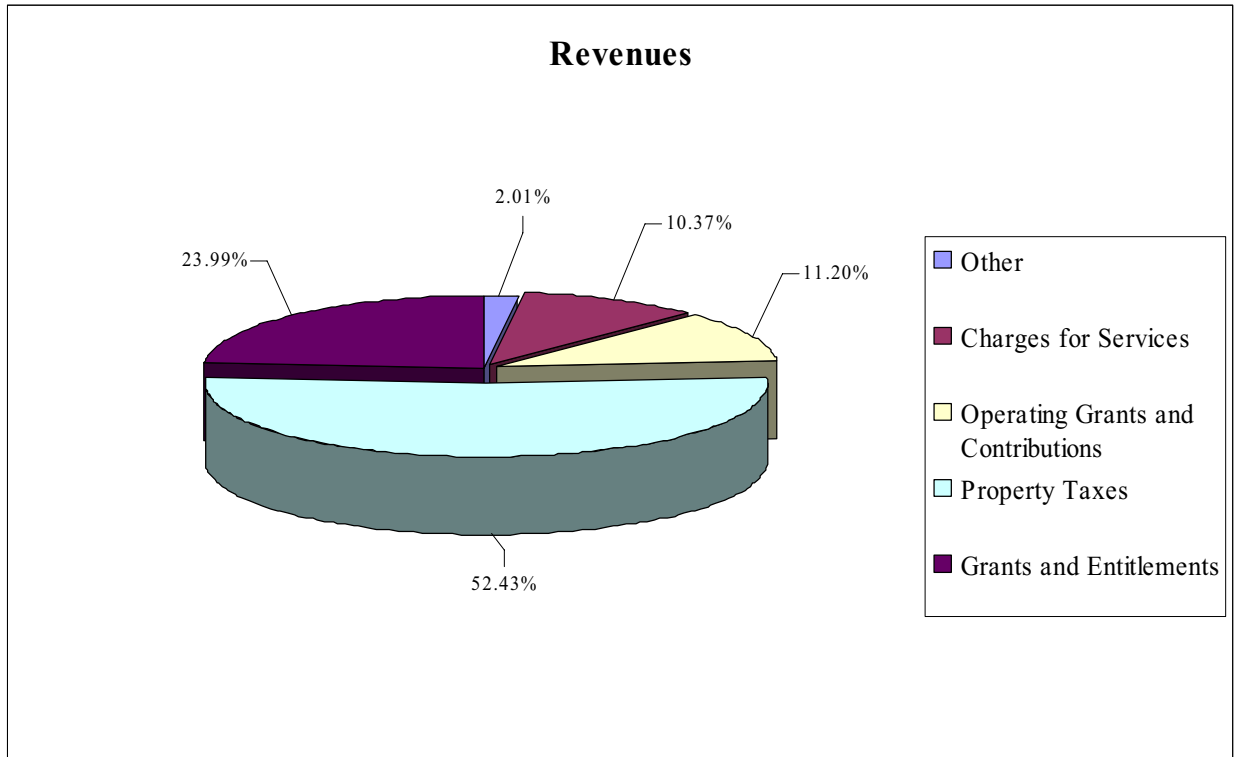
**Cardinal Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*Unaudited*

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significant changes to program revenues to report in the current year.

Property taxes made up 52.43 percent of total revenues for governmental activities for Cardinal Local School District in fiscal year 2006. Program Revenues comprised of *charges for services and sales, and operating grants and contributions* provided 21.57 percent of total revenues. 78.43 percent of all governmental activities are supported through property taxes, grants and entitlements, and other general revenues. The 24.0 percent provided by the grants and entitlements portion of general revenues includes monies received from the Ohio Department of Education, State Foundation Program and property tax relief such as the homestead exemptions and rollbacks provided by HB 920. The community, through its willingness to provide property tax revenues, is by far the primary support for Cardinal Local School District students.

(Graph 1)  
Revenue Distribution - Governmental Activities

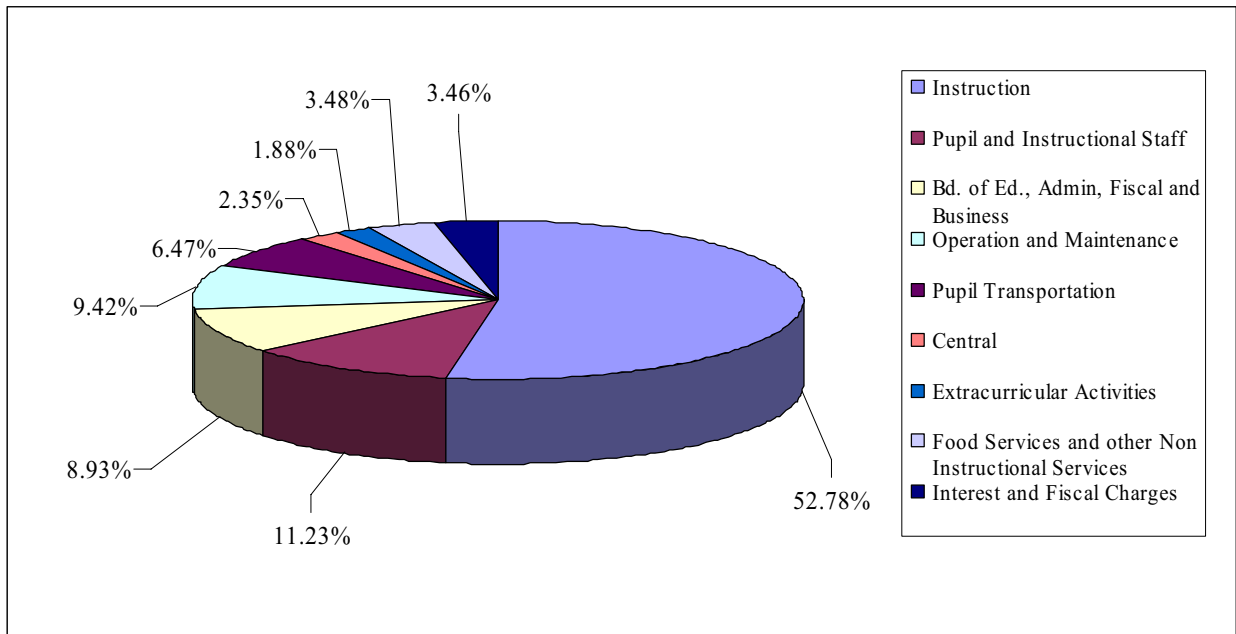


**Cardinal Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*Unaudited*

Instruction comprised 52.78 percent of governmental program expenses or 5.43 percent decrease from fiscal 2005. Support services in the area of pupil and instructional staff decreased by 8.87 percent.

The expenses for food service operations in 2006 increased \$20,222 or 4.14 percent. Uniform school supplies expense is reflected in instruction. In fiscal year 2006, operation and maintenance of plant expenses increased by \$111,836, primarily energy and transportation costs. The School District completely tightened its belt in this area plus it benefited from the extensive preventive maintenance work performed in previous years.

(Graph 2)  
 Expense Distribution – Governmental Activities



***Governmental Activities***

The unique property tax structure of Ohio factors in protection for property owners against inflation through millage rollbacks that offset value increases. Since 1992, the Board has regularly placed a 9.7 mill five (5) year limited operating levy before the voters. The replacement is calculated as a levy on the current tax duplicate unlike renewal levies that are calculated on the value of the duplicate when the issue first received voter approval. Continuing the five (5) year replacement process helps offset the inflation limiting effects of Ohio law. Ohio mandates the use of a five-year forecast that includes three years of history and five years of projected operating revenues and expenditures. The School District's long-range financial plans show the School District unable to finish fiscal year 2006 in the positive thus the need for a new operating issue of 5.95 mills for current expense. This issue was approved by the Board of Education to appear on the November 2005 general election ballot. However, on November 8, 2005, the voters defeated this issue. Additional spending cuts are being proposed to offset the forecasted loss.

**Cardinal Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*Unaudited*

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

Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows for government activities, the total cost of services and the net cost of services. The (\$12,249,422) *Net Cost of Services 2006* tells the reader that these services are not self-supporting, but are supported by tax revenues and unrestricted State entitlements.

(Table 3)

	Governmental Activities			
	Total Cost of Services	Restated Total Cost of Services	Net Cost of Services	Restated Net Cost of Services
	2006	2005	2006	2005
Instruction	\$8,139,307	\$8,606,747	(\$6,028,207)	(\$6,940,703)
Support Services:				
Pupil and Instructional Staff	1,731,188	1,899,690	(1,338,306)	(1,394,242)
Board of Education, Administration, Fiscal and Business	1,376,816	1,537,214	(1,370,684)	(1,493,285)
Operation and Maintenance of Plant	1,453,072	1,341,236	(1,453,072)	(1,440,560)
Pupil Transportation	998,390	958,004	(998,390)	(926,102)
Central	362,057	275,932	(333,057)	(252,932)
Extracurricular Activities	289,219	411,279	(49,487)	(256,107)
Operation of Non-Instructional Services:				
Food Service Operations	509,206	488,984	(117,038)	(121,137)
Other Non-Instructional Services	28,319	0	(28,319)	0
Interest and Fiscal Charges	532,862	686,596	(532,862)	(686,596)
<i>Total Expenses</i>	<u>\$15,420,436</u>	<u>\$16,205,682</u>	<u>(\$12,249,422)</u>	<u>(\$13,511,664)</u>

**The School District's Funds**

The School District's governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$14,828,713 and expenditures of \$15,586,002. In fiscal 2006, the net change in fund balance in the general fund was (\$558,346). Additionally, total revenues experienced a decrease of \$1,977,347 with a large portion, \$2,520,031, coming from taxes, which was offset by a \$335,054 increase from intergovernmental revenue. There were no significant changes in taxes receivable from the prior year; however less property tax collections were available as an advance from the County. This amount is recognized as revenue in the basic financial statements.

**Cardinal Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*Unaudited*

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### **General Fund Budgeting Highlights**

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

During the course of fiscal 2006, the School District amended its general fund budget numerous times. For the general fund, the final budget basis revenue estimate was \$11,920,490, representing a \$70,627 decrease from the original budget estimates of \$11,991,117. The School District's general unencumbered fund balance at end of year was \$1,283,013 reflecting additional funds budgeted but not expended or encumbered.

The School District revises its appropriations throughout the fiscal year. During fiscal year 2006, no significant fluctuations between original and final budget were noted. Final expenditures plus outstanding encumbrances fell below the final appropriated amounts by \$338,330. There were no individually significant events that caused this variance. The School District has adopted a fund level of budgeting.

The School District uses a site-based budgeting system designed to tightly control total site budgets but provide flexibility for site management. Building principals are given a per pupil allocation for textbooks, instructional materials and equipment. Senate Bill 345 requires the School District to set aside general fund revenues in each of two areas, one for the purchase of textbooks and materials related to instruction and the other for capital outlay. For fiscal year 2006, this amounted to \$225,977 for each set aside for Cardinal Local School District.

### **Capital Assets and Debt Administration**

#### ***Capital Assets***

At the end of fiscal 2006 the School District had \$12,286,886 invested in land, land improvements buildings and improvements, furniture and equipment, vehicles and textbooks. Table 4 shows fiscal 2006 balances compared to fiscal year 2005. More detailed information is presented in Note 8 of the notes to the basic financial statements.

**Cardinal Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*Unaudited*

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

	Governmental Activities	
	2006	2005
Land	\$584,819	\$584,819
Land Improvements	1,477,538	1,547,573
Buildings and Improvements	9,125,165	9,540,317
Furniture and Equipment	768,780	866,301
Vehicles	302,449	387,260
Textbooks	28,135	41,120
	\$12,286,886	\$12,967,390

The primary factor that caused the overall decrease in net capital assets of \$680,504 has previously been discussed. There were no significant changes to capital assets, other than the recognition of \$684,522 in depreciation expense.

***Debt***

At June 30, 2006 the School District had \$10,991,973 in bonds outstanding, \$106,103 due within one year. Table 5 summarizes general obligation bonds outstanding.

(Table 5)  
 Outstanding Debt at Year End

	Governmental Activities	
	2006	2005
Various School Improvement Serial Bonds	\$615,000	\$8,100,000
Various School Improvement Capital Appreciation Bonds	411,993	579,930
Middlefield Public Library Serial Bonds	2,260,000	2,395,000
Middlefield Public Library Capital Appreciation Bonds	220,000	220,000
Current Interest Serial Bonds	7,020,000	0
Capital Appreciation Bonds	464,980	0
Totals	\$10,991,973	\$11,294,930

During the fiscal year, the School District issued \$7,484,980 in refunding bonds in order to take advantage of favorable interest rates. More information regarding this refunding, and other long-term obligations of the School District, is presented in Note 13 to the basic financial statements.

**Cardinal Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*Unaudited*

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## **Challenges and Opportunities for the Future**

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

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

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

Tax base growth has also continued over the past year. The duplicate total assessed value went from \$276.2 million in 2005 to \$303.8 million in 2006 an increase of 10 percent. General fund operations receive 48.39 percent of its revenue from real estate taxes on residential, commercial, and industrial properties. Another 19.05 percent is received from tangible personal property taxpayers and 25.0 percent being received from various forms of State aid including homestead and rollback exclusions on property taxes. The remaining 7.56 percent is received from open enrollment fees, billed back special education charges and interest earnings.

In June of 2005 the State of Ohio adopted its biennium budget, HB66, and created sweeping changes in state taxation. The budget provides for the complete elimination of tangible personal property taxes by the year 2018. In the interim, a schedule of reductions is in effect freezing the base year at 2004 levels and providing for a percentage make up by the state from the proceeds of the new Commercial Activity Tax. Since the School District currently receives 20 percent of its revenue from this source, the calculated loss over the next 13 years is estimated by the County Auditor to be \$13,940,970. In the period of the current 5-year Forecast, the School District estimates a loss of \$2.4 million.

Cardinal Local School District has committed itself to financial reporting excellence for many years. The School District received its first Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting in 1998. Cardinal continues its commitment to continuous improvement in financial reporting to our community.

**Cardinal Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*Unaudited*

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

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Merry Lou Tramont, Treasurer at Cardinal Local School District, 16000 East High Street, P.O. Box 188, Middlefield, Ohio 44062, [ca\\_tramont@lgca.org](mailto:ca_tramont@lgca.org).

# CARDINAL LOCAL SCHOOL DISTRICT

## Statement of Net Assets

June 30, 2006

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$2,616,789
Receivables:	
Taxes	8,914,990
Accounts	62,994
Intergovernmental	154,621
Materials and Supplies Inventory	49,241
Inventory Held for Resale	2,642
Deferred Charges	275,458
Nondepreciable Capital Assets	584,819
Depreciable Capital Assets (Net)	<u>11,702,067</u>
<i>Total Assets</i>	<u>24,363,621</u>
<b>Liabilities</b>	
Accounts Payable	33,340
Accrued Wages and Benefits	1,200,210
Intergovernmental Payable	415,744
Accrued Vacation Payable	24,654
Matured Compensated Absences Payable	38,110
Unearned Revenue	7,768,385
Long Term Liabilities:	
Due Within One Year	166,479
Due In More Than One Year	<u>12,565,141</u>
<i>Total Liabilities</i>	<u>22,212,063</u>
<b>Net Assets</b>	
Invested in Capital Assets, Net of Related Debt	3,879,893
Restricted for:	
Debt Service	809,579
Capital Projects	253,358
Set Asides	180,345
Other Purposes	184,423
Unrestricted (Deficit)	<u>(3,156,040)</u>
<i>Total Net Assets</i>	<u><u>\$2,151,558</u></u>

See accompanying notes to basic financial statements.



# CARDINAL LOCAL SCHOOL DISTRICT

## Statement of Activities

For the Fiscal Year Ended June 30, 2006

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets
Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	
<b>Governmental Activities</b>				
Current:				
Instruction:				
Regular	\$6,082,539	\$855,864	\$297,037	(\$4,929,638)
Special	1,984,328	187,717	770,482	(1,026,129)
Vocational	72,440	0	0	(72,440)
Support Services:				
Pupils	1,009,656	0	17,168	(992,488)
Instructional Staff	721,532	0	375,714	(345,818)
Board of Education	49,092	0	0	(49,092)
Administration	860,962	6,132	0	(854,830)
Fiscal	419,616	0	0	(419,616)
Business	47,146	0	0	(47,146)
Operation and Maintenance of Plant	1,453,072	0	0	(1,453,072)
Pupil Transportation	998,390	0	0	(998,390)
Central	362,057	0	29,000	(333,057)
Food Service Operations	509,206	234,374	157,794	(117,038)
Community Services	28,319	0	0	(28,319)
Extracurricular Activities	289,219	239,732	0	(49,487)
Interest and Fiscal Charges	532,862	0	0	(532,862)
<i>Total Governmental Activities</i>	<u>\$15,420,436</u>	<u>\$1,523,819</u>	<u>\$1,647,195</u>	<u>(12,249,422)</u>
<b>General revenues:</b>				
Property Taxes Levied for:				
General Purposes				6,857,970
Debt Service				849,743
Grants and Entitlements not Restricted to Specific Programs				3,526,655
Investment Earnings				145,582
Miscellaneous				149,600
<i>Total General Revenues</i>				<u>11,529,550</u>
<i>Change in Net Assets</i>				(719,872)
<i>Net Assets Beginning of Year, Restated (See Note 19)</i>				<u>2,871,430</u>
<i>Net Assets End of Year</i>				<u>\$2,151,558</u>

See accompanying notes to basic financial statements.

**CARDINAL LOCAL SCHOOL DISTRICT**

*Balance Sheet  
Governmental Funds  
June 30, 2006*

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,228,428	\$457,512	\$736,240	\$2,422,180
Restricted Cash and Cash Equivalents	180,345	0	0	180,345
Receivables:				
Accounts	62,004	0	990	62,994
Taxes	7,864,572	798,814	251,604	8,914,990
Intergovernmental	0	0	154,621	154,621
Interfund Receivable	19,731	0	0	19,731
Materials and Supplies Inventory	48,675	0	566	49,241
Inventory Held for Resale	0	0	2,642	2,642
<i>Total Assets</i>	<u>\$9,403,755</u>	<u>\$1,256,326</u>	<u>\$1,146,663</u>	<u>\$11,806,744</u>
<b>Liabilities and Fund Balances</b>				
Accounts Payable	\$30,504	\$0	\$2,836	\$33,340
Accrued Wages and Benefits	1,033,112	0	167,098	1,200,210
Interfund Payable	0	0	19,731	19,731
Intergovernmental Payable	370,493	0	45,251	415,744
Matured Compensated Absences Payable	38,110	0	0	38,110
Deferred Revenue	7,144,537	701,414	225,661	8,071,612
<i>Total Liabilities</i>	<u>8,616,756</u>	<u>701,414</u>	<u>460,577</u>	<u>9,778,747</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	95,263	0	48,113	143,376
Reserved for Property Taxes	780,178	97,400	30,643	908,221
Reserved for Budget Stabilization	127,341	0	0	127,341
Reserved for Capital Improvements	53,004	0	0	53,004
Unreserved:				
Undesignated (Deficit) Reported, in:				
General Fund	(268,787)	0	0	(268,787)
Special Revenue Funds	0	0	168,783	168,783
Debt Service Funds	0	457,512	187,575	645,087
Capital Projects Funds	0	0	250,972	250,972
<i>Total Fund Balances</i>	<u>786,999</u>	<u>554,912</u>	<u>686,086</u>	<u>2,027,997</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$9,403,755</u>	<u>\$1,256,326</u>	<u>\$1,146,663</u>	<u>\$11,806,744</u>

See accompanying notes to basic financial statements.

**CARDINAL LOCAL SCHOOL DISTRICT**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets Governmental Activities  
 June 30, 2006*

Total Governmental Fund Balances		\$2,027,997
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		12,286,886
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds.		
Grants	4,700	
Excess Cost	60,143	
Delinquent Property Taxes	238,384	
Total	303,227	303,227
In the statement of activities, bond issuance costs are amortized over the term of the bonds, whereas in governmental funds a bond issuance expenditure is reported when bonds are issued.		275,458
An internal service fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net assets.		14,264
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.		
General Obligation Bonds	(9,895,000)	
Capital Appreciation Bonds	(1,096,973)	
Unamortized Premium	(633,423)	
Refunding Loss	462,620	
Bond Accretion	(463,216)	
Total	(11,625,992)	(11,625,992)
Some expenses reported in the statement of activities do not use the current financial resources and therefore, are not reported as expenditures in governmental funds.		
Compensated Absences	(1,105,628)	
Vacation Benefits Payable	(24,654)	
Total	(1,130,282)	(1,130,282)
<i>Net Assets of Governmental Activities</i>		<b>\$2,151,558</b>

See accompanying notes to basic financial statements.

**CARDINAL LOCAL SCHOOL DISTRICT**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2006*

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Taxes	\$6,903,088	\$640,058	\$202,123	\$7,745,269
Intergovernmental	3,485,180	96,102	1,740,257	5,321,539
Investment Income	145,582	0	0	145,582
Tuition and Fees	808,862	0	66,342	875,204
Rentals	110,403	0	0	110,403
Extracurricular Activities	131,870	0	89,842	221,712
Charges for Services	0	0	234,374	234,374
Gifts and Donations	21,850	0	21,980	43,830
Miscellaneous	130,128	0	672	130,800
<i>Total Revenues</i>	<u>11,736,963</u>	<u>736,160</u>	<u>2,355,590</u>	<u>14,828,713</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	5,591,581	0	236,242	5,827,823
Special	1,270,763	0	661,394	1,932,157
Vocational	63,597	0	0	63,597
Support Services:				
Pupils	777,438	0	235,690	1,013,128
Instructional Staff	351,303	0	331,948	683,251
Board of Education	46,579	0	0	46,579
Administration	848,375	0	18,283	866,658
Fiscal	387,670	15,103	14,663	417,436
Business	47,200	0	0	47,200
Operation and Maintenance of Plant	1,301,668	0	59,748	1,361,416
Pupil Transportation	942,728	0	0	942,728
Central	339,457	0	23,398	362,855
Operation of Non-Instructional Services:				
Food Service Operations	42,185	0	435,881	478,066
Community Services	4,919	0	31,711	36,630
Extracurricular Activities	200,357	0	80,859	281,216
Capital Outlay	25,868	0	0	25,868
Debt Service:				
Principal Retirement	0	167,937	135,000	302,937
Interest and Fiscal Charges	0	585,346	105,040	690,386
Issuance Costs	0	206,071	0	206,071
<i>Total Expenditures</i>	<u>12,241,688</u>	<u>974,457</u>	<u>2,369,857</u>	<u>15,586,002</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(504,725)</u>	<u>(238,297)</u>	<u>(14,267)</u>	<u>(757,289)</u>
<b>Other Financing Sources (Uses):</b>				
Refunding Bonds Issued	0	7,484,980	0	7,484,980
Premium Refunding Bond Issued	0	563,711	0	563,711
Payment to Refunded Bond Escrow Agent	0	(7,947,620)	0	(7,947,620)
Transfers In	0	0	53,621	53,621
Transfers Out	(53,621)	0	0	(53,621)
<i>Total Financing Sources (Uses)</i>	<u>(53,621)</u>	<u>101,071</u>	<u>53,621</u>	<u>101,071</u>
<i>Net Change in Fund Balance</i>	<u>(558,346)</u>	<u>(137,226)</u>	<u>39,354</u>	<u>(656,218)</u>
<i>Fund Balance Beginning of Year,</i> <i>Restated (See Note 19)</i>	<u>1,345,345</u>	<u>692,138</u>	<u>646,732</u>	<u>2,684,215</u>
<i>Fund Balance End of Year</i>	<u><u>\$786,999</u></u>	<u><u>\$554,912</u></u>	<u><u>\$686,086</u></u>	<u><u>\$2,027,997</u></u>

See accompanying notes to basic financial statements.

**CARDINAL LOCAL SCHOOL DISTRICT**  
*Reconciliation of the Changes*  
*in Fund Balances of Governmental Funds to the Statement of Activities*  
*For the Fiscal Year Ended June 30, 2006*

<b>Net Change in Fund Balances - Total Governmental Funds</b>		(\$656,218)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The amount by which depreciation exceeded capital asset additions in the current period.		
Capital Asset Additions	4,018	
Current Year Depreciation	(684,522)	
Total		(680,504)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Grants	(150,736)	
Tuition and Fees	60,143	
Delinquent Property Taxes	(37,556)	
Total		(128,149)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the statement of activities		
		(9,914)
In statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
Current Year Bond Premium Amortization	198,349	
Current Year Bond Issuance Costs Deferred (net)	146,743	
Current Year Bond Accretion (net)	18,503	
Total		363,595
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Bond Principal		302,937
The issuance of refunding bonds results in expenditures and other financing sources and uses in the governmental funds, but these transactions are reflected in the statement of net assets as long-term assets and liabilities.		
Payment to Refund Bond Escrow Agent	7,485,000	
Payment to Refund Bond Escrow Agent-Refunding Loss	462,620	
Refunding Bonds Issued	(7,484,980)	
Premium on Refunding Bonds Issued	(563,711)	
Total		(101,071)
Some expenses reported in the statement of activities do not use the current financial resources and therefore, are not reported as expenditures in governmental funds.		
Decrease in compensated absences	188,846	
Decrease in vacation benefits payable	606	
Total		189,452
<b>Change in Net Assets of Governmental Activities</b>		<b>(\$719,872)</b>

See accompanying notes to basic financial statements.

**CARDINAL LOCAL SCHOOL DISTRICT**  
*Statement of Revenues, Expenditures, and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 General Fund  
 For the Fiscal Year Ended June 30, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$7,758,400	\$7,734,522	\$8,091,603	\$357,081
Intergovernmental	3,318,320	3,111,680	3,485,180	373,500
Investment Income	99,734	100,000	145,582	45,582
Tuition and Fees	544,572	742,000	807,001	65,001
Rent	75,634	63,050	110,403	47,353
Extracurricular Activities	90,341	69,924	131,870	61,946
Gifts and Donations	14,969	15,000	21,850	6,850
Miscellaneous	89,147	84,314	130,128	45,814
<i>Total Revenues</i>	<u>11,991,117</u>	<u>11,920,490</u>	<u>12,923,617</u>	<u>1,003,127</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Instruction:				
Regular	5,978,835	5,822,214	5,819,334	2,880
Special	1,398,851	1,322,168	1,361,533	(39,365)
Vocational	73,572	62,298	71,609	(9,311)
Support Services:				
Pupils	841,828	848,017	819,370	28,647
Instructional Staff	376,841	392,940	366,788	26,152
Board of Education	47,977	42,598	46,697	(4,099)
Administration	886,241	1,076,859	862,599	214,260
Fiscal	386,318	415,799	376,012	39,787
Business	48,012	56,587	46,731	9,856
Operation and Maintenance of Plant	1,513,244	1,394,334	1,472,875	(78,541)
Pupil Transportation	988,243	1,074,496	961,880	112,616
Central	347,581	302,151	338,308	(36,157)
Operation of Non- Instructional Services	58,899	96,449	57,328	39,121
Extracurricular Activities	205,277	227,076	199,800	27,276
Capital Outlay	28,325	32,776	27,568	5,208
<i>Total Expenditures</i>	<u>13,180,044</u>	<u>13,166,762</u>	<u>12,828,432</u>	<u>338,330</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,188,927)</u>	<u>(1,246,272)</u>	<u>95,185</u>	<u>1,341,457</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	2,321	118,388	0	(118,388)
Advances In	8,282	8,082	0	(8,082)
Transfers Out	(58,571)	(75,000)	(53,621)	21,379
Advances Out	(11,763)	(12,000)	(11,450)	550
Total Other Financing Sources (Uses)	<u>(59,731)</u>	<u>39,470</u>	<u>(65,071)</u>	<u>(104,541)</u>
Total Net Changes in Fund Balance	(1,248,658)	(1,206,802)	30,114	1,236,916
Fund Balance Beginning of Year	1,005,812	1,005,812	1,005,812	0
Prior Year Encumbrances Appropriated	247,087	247,087	247,087	0
Fund Balance End of Year	<u>\$4,241</u>	<u>\$46,097</u>	<u>\$1,283,013</u>	<u>\$1,236,916</u>

See accompanying notes to basic financial statements.

**CARDINAL LOCAL SCHOOL DISTRICT**

*Statement of Net Assets*

*Internal Service Fund*

*June 30, 2006*

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	Governmental Activities - Internal Service Fund
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$14,264</u>
<b>Net Assets</b>	
Unrestricted	<u><u>\$14,264</u></u>

See accompanying notes to basic financial statements.

**CARDINAL LOCAL SCHOOL DISTRICT**  
*Statement of Revenues, Expenses and Changes in Fund Net Assets*  
*Proprietary Funds*  
*For the Fiscal Year Ended June 30, 2006*

	Governmental Activities Internal Service Fund
<b>Operating Revenues:</b>	
Charges for Services	\$3,146
<b>Operating Expenses:</b>	
Purchased Services	7,706
Claims	5,354
<i>Total Operating Expenses</i>	13,060
<i>Change in Net Assets</i>	(9,914)
<i>Net Assets Beginning of Year</i>	24,178
<i>Net Assets End of Year</i>	\$14,264

See accompanying notes to basic financial statements.



# CARDINAL LOCAL SCHOOL DISTRICT

## Statement of Cash Flows

### Proprietary Funds

For the Fiscal Year Ended June 30, 2006

	Governmental Activities Internal Service Fund
<b>Cash Flows From Operating Activities:</b>	
Cash Received for Charges for Services	\$3,146
Cash Paid for Services	(7,706)
Cash Paid for Claims	(20,729)
	<hr/>
<i>Net Decrease in Cash and Cash Equivalents</i>	(25,289)
	<hr/>
<i>Cash and Cash Equivalents Beginning of Year</i>	39,553
	<hr/>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$14,264</u></u>
<b>Reconciliation of Operating Loss to Net Cash Used For Operating Activities:</b>	
Operating Loss	(\$9,914)
Adjustments:	
Decrease in Liabilities	
Claims Payable	(15,375)
	<hr/>
<i>Net Cash Used For Operating Activities</i>	<u><u>(\$25,289)</u></u>

See accompanying notes to basic financial statements.

**CARDINAL LOCAL SCHOOL DISTRICT**

*Statement of Fiduciary Assets and Liabilities*

*Fiduciary Funds*

*June 30, 2006*

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	<u>Agency</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$21,973</u>
<b>Liabilities</b>	
Due to Students	<u>\$21,973</u>

See accompanying notes to basic financial statements.

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ending June 30, 2006*

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**Note 1 - Description of the School District**

Cardinal Local School District (the "School District") operates under a locally-elected Board form of government and provides educational services as authorized by state and federal agencies. This Board controls the School District's 5 instructional/support facilities staffed by 71 non-certificated employees, 112 certificated full time teaching personnel and 7 administrative employees to provide services to 1,502 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 75 square miles. It is located in Geauga County, including all of Huntsburg, Middlefield and Parkman Townships and Middlefield Village. A small portion of Trumbull County, Mesopotamia Township is also served by the School District.

*Reporting Entity*

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School District. For Cardinal Local School District, this includes the agencies and departments that provide the following services: general operations, food service and student related activities of the School District.

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

The School District participates in five jointly governed organizations and one insurance purchasing pool. These organizations are the Auburn Career Center, the Lake Geauga Computer Association, the East Shore Regional Transportation System, the East Shore Center, Ohio Schools Council Association and the Ohio School Boards Association Workers' Compensation Group Rating Plan. These organizations are presented in Notes 14 and 15 to the basic financial statements.

**Note 2 - Summary of Significant Accounting Policies**

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The School District also applies Financial Accounting Standards Board (FASB)

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ending June 30, 2006*

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Statements and Interpretations issued on or before November 30, 1989, to its governmental activities and to its internal service fund unless those pronouncements conflict with or contradict GASB pronouncements. For the year ended June 30, 2006, the School District has implemented GASB Statement No. 42, “*Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*,” GASB Statement No. 46 “*Net Assets Restricted by Enabling Legislation*”, and Statement No. 47 “*Accounting for Termination Benefits*.”

Statement No. 42 establishes accounting and financial standards for impairment of capital assets and clarifies and establishes accounting requirements for insurance recoveries.

Statement No. 46 establishes that any amount of the primary government’s net assets at the end of the reporting period restricted by enabling legislation should be disclosed in the notes to the financial statements.

Statement No. 47 provides guidance to governmental employers for measuring, recognizing, and reporting liabilities and expenses/ expenditures related to *all* termination benefits without limitation as to the period of time during which the benefits are offered.

There was no effect on fund balances as a result of the implementation of these new Standards. The most significant of the School District’s accounting policies are described below.

***A. Basis of Presentation***

The School District’s basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

***Government-wide Financial Statements*** The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid “doubling up” revenues and expenses.

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

***Fund Financial Statements*** During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ending June 30, 2006*

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a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. The fiduciary fund is reported by type.

***B. Fund Accounting***

The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

***Governmental Funds*** Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

***General Fund*** The general fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund.

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

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

***Proprietary Funds*** Proprietary funds focus on the determination of changes in net assets, financial position and cash flows and are classified as either enterprise or internal service. The School District's only proprietary fund is an internal service fund.

***Internal Service Fund*** Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the School District, or to other governments, on a cost reimbursement basis. The only internal service fund of the School District accounts for a self-insurance program that accounts for prescription drug and dental claims of School District employees. As of March 2005, the School District ceased operating this self-funded insurance program, and beginning April 2005, the School District joined the Geauga Schools Benefit Plan Association to obtain better insurance rates, however, each district is billed on their own experience and determines their own plan coverage. See Note 9 to the basic financial statements for detail on the School District's risk management.

***Fiduciary Funds*** Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's only fiduciary funds are agency funds which report resources that belong to the student bodies of the various schools, and to account for tangible tax proceeds held until proper refunding procedures have been filed and approved with the County.

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ending June 30, 2006*

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***C. Measurement Focus***

***Government-wide Financial Statements*** The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets. The statement of activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net assets.

***Fund Financial Statements*** All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

***D. Basis of Accounting***

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the statements for the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

***Revenues - Exchange and Non-Exchange Transactions*** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within 60 days of fiscal year-end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ending June 30, 2006*

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

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

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

Property taxes for which there is an enforceable legal claim as of June 30, 2006, but which were levied to finance fiscal year 2006 operations, have been recorded as deferred/unearned revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred/unearned revenue.

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

***Expenses/Expenditures*** On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the fund financial statements as intergovernmental revenue and an expenditure of food service operations.

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

***E. Budgetary Data***

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

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

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

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ending June 30, 2006*

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***F. Cash and Cash Equivalents***

To improve cash management, all cash received by the School District is pooled. Monies for all funds, including the internal service fund, are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as "equity in pooled cash and cash equivalents".

During fiscal year 2006, investments were limited to STAROhio. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2006.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest. Interest revenue credited to the general fund during fiscal year 2006 amounted to \$145,582, which includes \$70,133 assigned from other School District funds.

Investments of the cash management pool and investments with a maturity of three months or less at the time they are purchased by the School District are reported as cash equivalents.

***G. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2006, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

***H. Inventory***

Inventories are presented at cost on a first-in, first-out basis and are expensed/expended when used. Inventories consist of donated food, purchased food and school supplies held for resale, and supplies held for consumption.

***I. Restricted Assets***

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets in the general fund include unspent resources restricted for amounts required by State statute to be set aside to create a reserve for budget stabilization and for capital improvements. See Note 17 for additional information regarding set-asides.



**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ending June 30, 2006*

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***J. Deferred Charges***

On the governmental fund statements, bond issuance costs are recorded as an expenditure when incurred. Bond issuance costs are reported as deferred and amortized over the term of the bonds using the straight-line method on the government-wide statements since the results are not significantly different from the effective interest method.

***K. Bond Premiums***

Bond premiums are recorded as an other financing source on the governmental fund statements. On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight-line method on the government-wide statements since the results are not significantly different from the effective interest method. Bond premiums are presented as an increase of the face amount of the bonds payable.

***L. Capital Assets***

All capital assets of the School District are classified as general capital assets. These assets generally result from expenditures in the governmental funds. They are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$1,500. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	15-35 years
Buildings and Improvements	10-50 years
Furniture and Equipment	5-10 years
Vehicles	5-10 years
Textbooks	5 years

***M. Interfund Balances***

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental activities columns of the statement of net assets.

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ending June 30, 2006*

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***N. Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

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

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

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

***O. Accrued Liabilities and Long-term Obligations***

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

***P. Net Assets***

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

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

***Q. Fund Balance Reserves***

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

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ending June 30, 2006*

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

***R. Operating Revenues and Expenses***

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

***S. Extraordinary and Special Items***

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal 2006.

***T. Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Note 3 – Fund Deficits**

Fund balances and net assets at June 30, 2006, included the following individual fund deficits:

	Deficit	
	Fund Balance	Net Assets
General Fund	N/A	\$70,879
Nonmajor Governmental Funds:		
Food Service	\$18,920	29,246
Special Education	42,711	42,711
Drug Free & Safe Schools	474	474
Improving Teacher Quality	729	729

The deficits resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in other governmental funds, and will provide transfers when cash is required, rather than when accruals occur.

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ending June 30, 2006*

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**Note 4 - Budgetary Basis of Accounting**

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

1. Revenues are recorded when received in cash (Budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (Budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (Budget) rather than as a reservation of fund balance (GAAP).
4. Advances In and Advances Out are operating transactions (Budget) as opposed to balance sheet transactions (GAAP).

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

Net Change in Fund Balance	
GAAP Basis	(\$558,346)
Net Adjustments for Revenue Accruals	1,186,654
Net Adjustments for Expenditures Accruals	(472,427)
Adjustment for Encumbrances	<u>(125,767)</u>
Budget Basis	<u><u>\$30,114</u></u>

**Note 5 - Deposits and Investments**

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

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

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

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ending June 30, 2006*

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Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

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

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

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

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. Protection of School District cash and deposits is provided by the Federal Deposit Insurance Corporation (FDIC), as well as qualified securities pledged by the institution holding the assets. By law, financial institutions must collateralize all public deposits. The face value of the pooled collateral must equal at least 105 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ending June 30, 2006*

**Deposits** At fiscal year-end, the carrying amount of the School District's deposits was \$702,459 and the bank balance was \$1,018,016. Of the bank balance:

1. \$300,000 of the bank balance was covered by depository insurance; and
2. \$718,016 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging institution in the pledging institution's name, and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

**Investments** Investments are reported at fair value. As of June 30, 2006, the School District had the following investments:

	Fair Value	Investment Maturities (in months) 0 - 6
	Value	0 - 6
STAROhio	\$ 1,936,303	\$ 1,936,303

**Interest Rate Risk:** The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. It is the School District's policy to evaluate market conditions, interest rate forecasts, and cash flow requirements to consider the term of an investment, with the goal being to buy where relative value exists along the maturity spectrum.

**Credit Risk:** The School District's only investment during June 30, 2006, was STAROhio. Its investment in STAROhio is rated AAA by Standard and Poor's. The School District's policy doesn't address credit risk.

**Concentration of Credit Risk:** The School District will diversify its investments by security, type and institution. With the exception of direct obligations of the U.S Treasury and STAROhio, no more than 50 percent of the School District's total investment portfolio will be invested in a single security type or with a single financial institution.

**Note 6 - Property Taxes**

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2006 represents collections of calendar year 2005 taxes. Real property taxes received in calendar year 2006 were levied after April 1, 2005, on the assessed value listed as of January 1, 2005, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. 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 alternate payment dates to be established.

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ending June 30, 2006*

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Public utility property tax revenue received in calendar 2006 represents collections of calendar year 2005 taxes. Public utility real and tangible personal property taxes received in calendar year 2006 became a lien December 31, 2004, were levied after April 1, 2005 and are collected in 2006 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2006 (other than public utility property) represents the collection of 2006 taxes. Tangible personal property taxes received in calendar year 2006 were levied after April 1, 2005, on the value as of December 31, 2004. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent of true value for inventory. Payments 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, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Geauga 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, 2006, are available to finance fiscal year 2006 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2006, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2006, was \$780,178 in the general fund, \$97,400 in the bond retirement debt service fund and \$30,643 in the library bond retirement debt service fund.

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

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ending June 30, 2006*

The assessed values upon which the fiscal year 2006 taxes were collected are:

	2005 Second Half Collections		2006 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$213,134,120	77.15 %	\$255,818,310	84.20 %
Public Utility	7,309,910	2.65	6,869,190	2.26
Tangible Personal Property	55,800,660	20.20	41,144,210	13.54
	<u>\$276,244,690</u>	<u>100.00 %</u>	<u>\$303,831,710</u>	<u>100.00 %</u>
Tax rate per \$1,000 of assessed valuation	\$56.25		\$56.25	

**Note 7 - Receivables**

Receivables at June 30, 2006, consisted of taxes, accounts, interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All are expected to be received within one year.

A summary of the principal items of intergovernmental receivables follows:

	Amount
School Net Professional Development	\$2,800
Ohio Reads	1,900
IDEA Part B	12,415
Title I	119,810
Food Service	17,696
	<u>\$154,621</u>



**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ending June 30, 2006

**Note 8 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2006, was as follows:

	Balance 6/30/2005	Additions	Deletions	Balance 6/30/2006
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$584,819	\$0	\$0	\$584,819
<i>Capital Assets, being depreciated:</i>				
Land Improvements	2,012,307	0	0	2,012,307
Buildings and Improvements	14,124,312	0	0	14,124,312
Furniture and Equipment	1,675,181	4,018	0	1,679,199
Vehicles	967,120	0	0	967,120
Textbooks	77,911	0	0	77,911
<i>Total Capital Assets, being depreciated</i>	<u>18,856,831</u>	<u>4,018</u>	<u>0</u>	<u>18,860,849</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(464,734)	(70,035)	0	(534,769)
Buildings and Improvements	(4,583,995)	(415,152)	0	(4,999,147)
Furniture and Equipment	(808,880)	(101,539)	0	(910,419)
Vehicles	(579,860)	(84,811)	0	(664,671)
Textbooks	(36,791)	(12,985)	0	(49,776)
<i>Total Accumulated Depreciation</i>	<u>(6,474,260)</u>	<u>(684,522)</u>	<u>0</u>	<u>(7,158,782)</u>
<b>Total Capital Assets, being depreciated, net</b>	<u>12,382,571</u>	<u>(680,504)</u>	<u>0</u>	<u>11,702,067</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$12,967,390</u>	<u>(\$680,504)</u>	<u>\$0</u>	<u>\$12,286,886</u>

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ending June 30, 2006*

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Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$385,982
Special	33,911
Vocational	8,628
Support Services:	
Pupils	1,851
Instructional Staff	50,996
Board of Education	2,513
Administration	17,868
Fiscal	2,904
Operation and Maintenance of Plant	74,764
Pupil Transportation	69,590
Central	1,158
Extracurricular Activities	8,003
Food Service Operations	26,354
Total Depreciation Expense	\$684,522

**Note 9 - Risk Management**

***A. Workers' Compensation***

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

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

***B. Property and Liability***

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The School District participates in the Ohio Schools Council's property and fleet insurance program which contracted with Ohio Farmers Insurance Company for buildings and contents, inland marine, crime and boiler coverages. The Council contracted with the Indiana Insurance Company for fleet insurance. The School District contracted independently with Wausau Insurance Companies/Harcum-Hyre Agency for liability insurance.

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ending June 30, 2006*

Company	Type of Coverage	Coverage Amount
Indiana Insurance Company	Fleet Insurance, single limit	\$2,000,000
	Fleet Insurance, uninsured	2,000,000
	Property	32,888,452
	Inland Marine	304,455
	Crime	250,000
Ohio Farmers Insurance Company	Builder's Risk	2,000,000
Harcum-Hyre Insurance Agency	General Liability, in aggregate	3,000,000
	General Liability, per occurrence	1,000,000
	Fire Damage	500,000
	Medical Expense, any one person	10,000
	Employee Benefits Liability, in aggregate	3,000,000
	Employee Benefits Liability, per occurrence	1,000,000
	Educational Legal Liability, in aggregate	2,000,000
	Educational Legal Liability, per occurrence	1,000,000
Travelers Insurance	Boiler and Machinery	30,000,000
	Consequential Loss	50,000
	Expediting Expense	100,000
	Hazardous Substance	100,000
	Ammonia Contamination	100,000
	Water Damage	100,000
Ohio Casualty	Public Officials Bond	20,000

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

***C. Prescription Drug and Dental***

As of March 2005, the School District ceased operating a self-funded health insurance program.

Beginning April 2005, the School District has contracted with Medical Mutual to provide employee medical/surgical and dental benefits. The School District pays \$697.47 for family coverage and \$278.98 for single coverage per month. The employees pay five percent of the premium through a payroll deduction.

An internal service fund continues to be reported for the current year's activities. As required by GASB statement No. 10, a liability for unpaid claims costs, including estimates of cost relating to incurred but not reported claims, be reported. Changes in the fund's claims liability amount in fiscal years 2005 and 2006 were:

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ending June 30, 2006

	<u>Balance</u> <u>Beginning of Year</u>	<u>Current</u> <u>Year Claims</u>	<u>Claim</u> <u>Payments</u>	<u>Balance</u> <u>End of Year</u>
2005	\$14,734	\$473,032	\$472,391	\$15,375
2006	15,375	5,354	20,729	0

**Note 10 - Other Employee Benefits**

***A. Compensated Absences***

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 275 days for all certified and classified personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 68.78 days for certified and classified personnel.

***B. Insurance Benefits***

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

The School District has contracted with the Medical Mutual of Ohio to provide employee medical/surgical benefits. Vision is provided through VSP.

***C. Service Retirement Bonus***

The School District Board of Education offers employees participation in a Service Retirement Bonus program for those employees who retire during their respective years of contracts. The certified staff bonus is limited to no more than 5 percent of staff retiring in any given school year. If more than 5 percent of certified staff retires, then seniority will decide who gets the bonus. The classified staff retirement bonus is limited to 5 retirees. The bonus is paid out at 50 percent of their final year's salary. Seniority again plays a role in determining those eligible if more than 5 employees retire from the classified union.

**Note 11 - Defined Benefit Pension Plans**

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

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension 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, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (614) 222-5853. It is also posted on SERS' website, [www.ohsers.org](http://www.ohsers.org), under Forms and Publications.

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ending June 30, 2006*

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Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2005, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2006, 2005 and 2004 were \$216,384, \$214,981, and \$177,377, respectively; 25.61 percent has been contributed for fiscal year 2006 and 100 percent for fiscal years 2005 and 2004. \$160,968 represents the unpaid contribution for fiscal year 2006, and is recorded as a liability within the respective funds.

***B. State Teachers Retirement System***

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling (614) 227-4090, or by visiting the STRS Ohio Web site at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2006, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ending June 30, 2006*

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The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2006, 2005, and 2004 were \$779,580, \$812,752 and \$789,195, respectively; 80 percent has been contributed for fiscal year 2006 and 100 percent for fiscal years 2005 and 2004. Contributions to the DC and Combined Plans for fiscal year 2006 were \$16,155 made by the School District and \$22,992 made by the plan members. \$158,496 represents the unpaid contribution for fiscal year 2006, and is recorded as a liability within the respective funds.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. Effective April 11, 2005, a reemployed retiree may alternatively receive a refund of member contributions with interest before age 65, once employment is terminated.

**Note 12 - Postemployment Benefits**

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System, (STRS), and to retired non-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 the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate; currently 14 percent of covered payroll. For the fiscal year ended June 30, 2006, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$59,968 for fiscal year 2006.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2005 (the latest information available), the balance in the Fund was \$3.3 billion. For the year ended June 30, 2005, net health care costs paid by STRS were \$254,780,000 and STRS had 115,395 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, 2006, employer contributions to fund health care benefits were 3.43 percent of covered payroll. 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 2005, the minimum pay has been established as \$27,400. 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. For the School District, the amount to fund health care benefits, including surcharge, during the 2006 fiscal year equaled \$137,538.

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ending June 30, 2006

Net health care costs for the year ending June 30, 2005 (the latest information available) were \$178,221,113. The target level for the health care fund is 150 percent of the projected claims less premium contributions for the next fiscal year. As of June 30, 2006, the value of the health care fund was \$267.5 million, which is about 168 percent of next year's projected net health care costs of \$158,776,151. On the basis of actuarial projections, the allocated contributions will be insufficient, in the long term, to provide for a health care reserve equal to at least 150 percent of estimated annual net claim costs. The number of participants eligible to receive benefits is 58,123.

**Note 13 - Long-Term Obligations**

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

	Principal Outstanding 6/30/2005	Additions	Reductions	Principal Outstanding 6/30/2006	Amounts Due in One Year
<i>General Obligation Bonds:</i>					
2000 \$9,749,930 Various					
School Improvement Serial Bonds	\$8,100,000	\$0	\$7,485,000	\$615,000	\$0
Capital Appreciation Bonds 10.51%	579,930	0	167,937	411,993	0
Accretion on Capital Appreciation Bonds	412,941	81,803	132,063	362,681	0
Unamortized Premium	193,702	0	193,702	0	0
2002 Middlefield Public Library Bonds					
Serial Bonds 5%	2,395,000	0	135,000	2,260,000	81,103
Capital Appreciation Bonds 10.71%	220,000	0	0	220,000	0
Accretion on Capital Appreciation Bonds	68,778	31,757	0	100,535	0
Unamortized Premium	74,359	0	4,647	69,712	0
2006 \$7,484,980 Refunding Bonds (5.78%)					
Current Interest Serial Bonds	0	7,020,000	0	7,020,000	25,000
Capital Appreciation Bonds	0	464,980	0	464,980	0
Unamortized Premium	0	563,711	0	563,711	0
Refunding Loss	0	(462,620)	0	(462,620)	0
<i>Total General Obligation Bonds Payable</i>	<u>12,044,710</u>	<u>7,699,631</u>	<u>8,118,349</u>	<u>11,625,992</u>	<u>106,103</u>
Compensated Absences	<u>1,294,474</u>	<u>0</u>	<u>188,846</u>	<u>1,105,628</u>	<u>60,376</u>
Total Governmental Activities Long-Term Liabilities	<u>\$13,339,184</u>	<u>\$7,699,631</u>	<u>\$8,307,195</u>	<u>\$12,731,620</u>	<u>\$166,479</u>

**2006 School Improvement Refunding General Obligation Bonds**

On May 1, 2006, the School District issued \$7,484,980 general obligation school improvement refunding bonds. The proceeds of the bonds were used to refund a portion, equal to \$7,485,000, of the School District's outstanding 2000 School Improvement bonds. The bonds were issued for a 20 year period with final maturity at December 1, 2025. At the date of the refunding, \$7,947,620 (including premium and after underwriting fees) was deposited in an irrevocable trust to provide for all future payments on the refunded bonds. As of June 30, 2006, \$7,485,000 of these bonds is considered defeased.

These refunding bonds were issued with a premium of \$563,711, which is reported as an increase to bonds payable. The amounts are being amortized to interest expenses over the life of the bonds using the straight-line method; the amortization for June 30, 2006 was \$0. The issuance costs of \$206,071 are

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ending June 30, 2006*

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reported as deferred charges and are being amortized over the life of the bonds using the straight-line method; the amortization for June 30, 2006 was \$0. The refunding resulted in a difference between the net carrying amount of the debt and the acquisition price of \$462,620. This difference, reported in the accompanying financial statements as a difference to bonds payable, is being amortized to interest expense over the life of the bonds using the straight line method, the amortization of this difference for fiscal year 2006 was \$0. The issuance resulted in a difference (savings) between the cash flows required to service the old debt and the cash flows required to service the new debt of \$1,004,461. The issuance resulted in an economic gain of \$699,915.

The bond issue consists of serial and capital appreciation bonds. These bonds are not subject to early redemption.

The capital appreciation bonds mature December 1, 2012, 2013 and 2014. These bonds were purchased at a substantial discount at the time of issuance. At maturity all compounded interest is paid and the bond holder receives the face value of the bond. As the value of the bond increases, the accretion is reflected as principal liability. The maturity amount of the bonds is \$1,370,000.

On March 16, 2000, Cardinal Local School District issued \$9,749,930 in voted general obligation bonds which included serial and capital appreciation (deep discount) bonds in the amount of \$9,170,000 and \$579,930, respectively. The general obligation bonds were issued for the purpose of constructing a middle school. The bonds were issued at a premium of \$242,127 for a twenty-five year period with final maturity at December 1, 2025.

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

All general obligation bonds will be paid from property taxes reported within the bond retirement debt service fund. Compensated absences will be paid from the general, food service and Title I special revenue funds.

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2006 are as follows:



**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ending June 30, 2006*

	General Obligation Bonds		Capital Appreciation Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$106,103	\$428,517	\$0	\$0	\$106,103	\$428,517
2008	163,068	439,744	0	0	163,068	439,744
2009	460,829	443,284	0	0	460,829	443,284
2010	550,000	372,647	0	0	550,000	372,647
2011	245,000	363,182	151,599	133,989	396,599	497,171
2012-2016	1,685,000	1,621,605	725,374	1,135,186	2,410,374	2,756,791
2017 - 2021	3,550,000	1,080,241	0	0	3,550,000	1,080,241
2022 - 2026	3,355,000	335,295	0	0	3,355,000	335,295
Total	<u>\$10,115,000</u>	<u>\$5,084,515</u>	<u>\$876,973</u>	<u>\$1,269,175</u>	<u>\$10,991,973</u>	<u>\$6,353,690</u>

**Note 14 - Jointly Governed Organizations**

**A. Auburn Career Center**

The Auburn Career Center is a joint vocational school district which is a jointly governed organization among eleven school districts. Each participating school district's board of education appoints one of its members to the Auburn Career Center's Board of Education. The students of each participating school district may attend classes offered at the vocational facility. Each participant's control over the operation of the Auburn Career Center is limited to its representation on the board. Continued existence of the Auburn Career Center is not dependent on the School District's continued participation. During fiscal year 2005, the School District did not make any contributions or payments to the Center. Financial information can be obtained by writing the Auburn Career Center, 8140 Auburn Road, Painesville, Ohio 44077.

**B. Lake Geauga Computer Association**

The Lake Geauga Computer Association (LGCA) is a jointly governed organization that was formed for the purpose of providing computer services for accounting, grading, scheduling, EMIS and other applications to its eighteen member school districts. Each of the districts supports LGCA based upon a per pupil charge. The executive committee (governing board) consists of the superintendents and treasurers of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the governing board. LGCA's continued existence is not dependent on the School District's continued participation. During fiscal year 2006, the School District paid \$82,791 to the Association. Financial information can be obtained from Lake Geauga Computer Association, 8221 Auburn Road, Painesville, Ohio 44077.

**C. East Shore Regional Transportation System**

The East Shore Regional Transportation System (ESRTA) is a jointly governed organization that was formed for the purpose of providing a transportation system for the handicapped children in the sixteen member school districts. The transportation committee (governing board) consists of the superintendents of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the governing board. During fiscal year 2006, the School District paid \$1,755 for services. Financial information can be obtained by writing the fiscal agent, Kirtland Board of Education, 9152 Chillicothe Road, Kirtland, Ohio 44094.

During 2006 we cancelled our services with East Shore Transportation since we only had one student.

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ending June 30, 2006*

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***D. East Shore Center***

The East Shore Center is a jointly governed organization that was formed for the purpose of providing special education for the handicapped children in the 16 member school districts. The governing board consists of the superintendents of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the governing board. During fiscal year 2006, the School District did not make any contributions or payments to the Center. Financial information can be obtained by writing the fiscal agent, Lake County Educational Service Center, 30 South Park Place, Suite 30, Painesville, Ohio 44077.

***E. Ohio Schools Council Association***

The Ohio Schools Council Association (Council) is a jointly governed organization among ninety-one school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2006, the School District paid \$1,350 to the Council. Financial information can be obtained by contacting Kathleen T. Neal, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio, 44131.

The School District participates in the Council's electric purchase program which was implemented during fiscal year 1998 and the natural gas program which was implemented during fiscal year 2001.

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

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

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

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

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ending June 30, 2006*

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**Note 15 - Insurance Purchasing Pool**

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

**Note 16 - Contingencies**

***A. Grants***

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are 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 the School District, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2006.

***B. Litigation***

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

**Note 17 – Set-Asides**

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for acquisition and construction of capital improvements. Amounts not spent by fiscal year-end or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end and carried forward to be used for the same purposes in future years. In prior years, the School District was also required to set aside money for budget stabilization. At June 30, 2006, only the unspent portion of certain workers' compensation refunds continues to be set-aside.

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

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ending June 30, 2006

	Budget		Capital	Totals
	Stabilization	Textbooks	Improvements	
Set Aside Reserve Balance as of June 30,2005	\$127,341	\$0	\$0	\$127,341
Current Year Set-Aside Requirement	0	225,977	225,977	451,954
Balance Carried over from Prior Year	0	(258,770)	0	(258,770)
Qualifying Disbursements	0	(28,500)	(172,973)	(201,473)
Totals	<u>\$127,341</u>	<u>(\$61,293)</u>	<u>\$53,004</u>	<u>\$119,052</u>
Set-Aside Balance Carried Forward to Future Fiscal Years	<u>\$127,341</u>	<u>(\$61,293)</u>	<u>\$53,004</u>	<u>\$119,052</u>
Set Aside Reserve Balance as of June 30, 2006	<u>\$127,341</u>	<u>\$0</u>	<u>\$53,004</u>	<u>\$180,345</u>

The School District had qualifying disbursements during the fiscal year that reduced the textbook set-aside amount below zero. This amount may be used to reduce the set-aside requirement in future fiscal years. The total reserve balance for the three set-asides at the end of the fiscal year was \$180,345.

**Note 18 – Interfund Balances and Transfers**

**A. Interfund Balances**

Interfund balances at June 30, 2006, consist of the following individual fund receivables and payables:

	Interfund Payable	Interfund Receivable
General	\$0	\$19,731
Nonmajor governmental funds:		
Food Service	8,282	0
Special Education Part B IDEA	11,100	0
Drug Free & Safe Schools	349	0
Totals	<u>\$19,731</u>	<u>\$19,731</u>

Interfund receivables and payables resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made. As of June 30, 2006, all interfund payables outstanding are anticipated to be repaid in fiscal year 2007, except for the amounts owed to the general fund by food service special revenue fund. In a prior year, the general fund loaned the food service special revenue \$8,282 to help offset a fund deficit. It's anticipated that this loan will be repaid when resources become available.

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ending June 30, 2006*

**B. Interfund Transfers**

	Transfer In	Transfer Out
General Fund	\$0	\$53,621
Other Governmental Funds:		
Food Service	53,500	0
Summer Intervention	121	0
Total	\$53,621	\$53,621

Transfers are primarily to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**Note 19 – Restatement of Net Assets**

For the period ending June 30, 2005, contracts payable were overstated in the library construction capital project fund. This fund was reported as a major fund in the prior year; however, it is reported within the Other Governmental column of the basic financial statements for the current year. The following is summary of the effect on the fund balance and net asset amounts reported in the basic financial statements for the period ending June 30, 2005:

	Total Governmental Funds								
Fund Balances, June 30, 2005	\$2,596,655								
Adjustment for contracts payable	87,560								
Fund Balances, June 30, 2005, restated	\$2,684,215								
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: center; border-bottom: 1px solid black;">Governmental Activities</th> </tr> </thead> <tbody> <tr> <td>Net Assets, June 30, 2005</td> <td style="text-align: right;">\$2,783,870</td> </tr> <tr> <td style="padding-left: 20px;">Adjustment for contracts payable</td> <td style="text-align: right;">87,560</td> </tr> <tr> <td>Restated Net Assets June 30, 2005</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$2,871,430</td> </tr> </tbody> </table>			Governmental Activities	Net Assets, June 30, 2005	\$2,783,870	Adjustment for contracts payable	87,560	Restated Net Assets June 30, 2005	\$2,871,430
	Governmental Activities								
Net Assets, June 30, 2005	\$2,783,870								
Adjustment for contracts payable	87,560								
Restated Net Assets June 30, 2005	\$2,871,430								

**Combining and Individual Fund  
Statements and Schedules**  
*Fund Descriptions – Nonmajor Governmental Funds*

***Nonmajor Debt Service Fund***

The debt service fund is used to account for the accumulation of resources and the payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the government is obligated in some manner for the payment. It is also used to for the accumulation of resources and the payment of general obligation notes payable, as required by Ohio Law.

*Library Bond Retirement Fund* - This fund accounts for the accumulation of property tax revenues for, and the payment of , general obligation bonds issued for the Middlefield Public Library.

***Nonmajor Special Revenue Funds***

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

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

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

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

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

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

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

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

*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.

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

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

(continued)

### ***Fund Descriptions – Nonmajor Special Revenue Funds (continued)***

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

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

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

*IDEA Part B – Special Education Fund* - Grants to assist states in providing an appropriate public education to all children with disabilities.

*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 V 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.

*Improving Teacher Quality Fund*- This fund accounts for Federal monies received to encourage and help fund smaller classroom size and additional staffing needs.

*Technology II-D Grant Fund* – This fund accounts for Federal monies used primarily for assistive mobility and learning devices for orthopedically handicapped students.

### ***Nonmajor Capital Projects Fund***

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

*Permanent Improvement Fund* - This fund accounts for property taxes levied to be used for various capital improvements within the School District.

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

*School Net Fund* - A fund provided to account for wiring to all classrooms in the State and to provide a computer workstation and related technology for every classroom in Ohio's low-wealth school districts.

**Cardinal Local School District**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*June 30, 2006*

	Nonmajor Debt Service Fund	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$187,575	\$295,814	\$252,851	\$736,240
Taxes Receivable	251,604	0	0	251,604
Inventory Held for Resale	0	2,642	0	2,642
Accounts Receivable	0	990	0	990
Materials and Supplies Inventory	0	566	0	566
Intergovernmental Receivable	0	154,621	0	154,621
<i>Total Assets</i>	<u>\$439,179</u>	<u>\$454,633</u>	<u>\$252,851</u>	<u>\$1,146,663</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$0	\$1,453	\$1,383	\$2,836
Accrued Wages and Benefits	0	167,098	0	167,098
Interfund Payable	0	19,731	0	19,731
Intergovernmental Payable	0	45,251	0	45,251
Deferred Revenue	220,961	4,700	0	225,661
<i>Total Liabilities</i>	<u>220,961</u>	<u>238,233</u>	<u>1,383</u>	<u>460,577</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	0	47,617	496	48,113
Reserved for Property Taxes	30,643	0	0	30,643
Unreserved, Undesignated Reported in:				
Debt Service Fund	187,575	0	0	187,575
Special Revenue Funds	0	168,783	0	168,783
Capital Projects Funds	0	0	250,972	250,972
<i>Total Fund Balances</i>	<u>218,218</u>	<u>216,400</u>	<u>251,468</u>	<u>686,086</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$439,179</u>	<u>\$454,633</u>	<u>\$252,851</u>	<u>\$1,146,663</u>



## Cardinal Local School District

*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*

*Nonmajor Governmental Funds*

*For the Fiscal Year Ended June 30, 2006*

	Nonmajor Debt Service Fund	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Taxes	\$202,123	\$0	\$0	\$202,123
Intergovernmental	32,227	1,708,030	0	1,740,257
Tuition and Fees	0	66,342	0	66,342
Extracurricular Activities	0	89,842	0	89,842
Gifts and Donations	0	21,980	0	21,980
Charges for Services	0	234,374	0	234,374
Miscellaneous	0	672	0	672
<i>Total Revenues</i>	<u>234,350</u>	<u>2,121,240</u>	<u>0</u>	<u>2,355,590</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	0	233,832	2,410	236,242
Special	0	661,394	0	661,394
Support Services:				
Pupils	0	235,690	0	235,690
Instructional Staff	0	331,948	0	331,948
Administration	0	18,283	0	18,283
Fiscal	6,929	7,734	0	14,663
Operation and Maintenance	0	13,403	46,345	59,748
Central	0	23,398	0	23,398
Operation of Non-Instructional Services:				
Food Service Operations	0	435,881	0	435,881
Community Services	0	5,847	25,864	31,711
Extracurricular Activities	0	80,859	0	80,859
Debt Service:				
Principal Retirement	135,000	0	0	135,000
Interest and Fiscal Charges	105,040	0	0	105,040
<i>Total Expenditures</i>	<u>246,969</u>	<u>2,048,269</u>	<u>74,619</u>	<u>2,369,857</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(12,619)	72,971	(74,619)	(14,267)
<b>Other Financing Sources:</b>				
Transfers In	0	53,621	0	53,621
<i>Net Change in Fund Balance</i>	(12,619)	126,592	(74,619)	39,354
<i>Fund Balance Beginning of Year</i>	<u>230,837</u>	<u>89,808</u>	<u>326,087</u>	<u>646,732</u>
<i>Fund Balance End of Year</i>	<u>\$218,218</u>	<u>\$216,400</u>	<u>\$251,468</u>	<u>\$686,086</u>

**Cardinal Local School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2006*

	Food Service	Uniform School Supplies	Public School Support	Martha Holden Jennings Grant
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$4,746	\$70,288	\$27,589	\$3,752
Inventory Held for Resale	1,561	1,081	0	0
Materials and Supplies Inventory	566	0	0	0
Accounts Receivable	216	0	712	0
Intergovernmental Receivable	17,696	0	0	0
<i>Total Assets</i>	<u>\$24,785</u>	<u>\$71,369</u>	<u>\$28,301</u>	<u>\$3,752</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts Payable	\$0	\$159	\$0	\$0
Accrued Wages and Benefits	25,385	0	0	0
Interfund Payable	8,282	0	0	0
Intergovernmental Payable	10,038	0	0	273
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>43,705</u>	<u>159</u>	<u>0</u>	<u>273</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	0	127	0	750
Unreserved, Undesignated (Deficit) Reported in Special Revenue Funds	<u>(18,920)</u>	<u>71,083</u>	<u>28,301</u>	<u>2,729</u>
<i>Total Fund Balances (Deficit)</i>	<u>(18,920)</u>	<u>71,210</u>	<u>28,301</u>	<u>3,479</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$24,785</u>	<u>\$71,369</u>	<u>\$28,301</u>	<u>\$3,752</u>

<u>Termination Benefits</u>	<u>District Managed Activities</u>	<u>Auxiliary Services</u>	<u>Management Information Systems</u>	<u>OneNet Fund</u>	<u>SchoolNet Professional Development Fund</u>	<u>Ohio Reads Grant</u>
\$64,729	\$59,406	\$4,110	\$2,378	\$0	\$441	\$4,000
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	62	0	0	0	0	0
0	0	0	0	0	2,800	1,900
<u>\$64,729</u>	<u>\$59,468</u>	<u>\$4,110</u>	<u>\$2,378</u>	<u>\$0</u>	<u>\$3,241</u>	<u>\$5,900</u>
\$0	\$0	\$500	\$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	2,800	1,900
0	0	500	0	0	2,800	1,900
0	1,640	550	324	0	0	0
64,729	57,828	3,060	2,054	0	441	4,000
64,729	59,468	3,610	2,378	0	441	4,000
<u>\$64,729</u>	<u>\$59,468</u>	<u>\$4,110</u>	<u>\$2,378</u>	<u>\$0</u>	<u>\$3,241</u>	<u>\$5,900</u>

(continued)

**Cardinal Local School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*June 30, 2006*

	Summer Intervention	Eisenhower Math and Science Grant	IDEA Part B Special Education	Title I
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$17	\$10,358	\$38,880
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	0	12,415	119,810
<i>Total Assets</i>	<u>\$0</u>	<u>\$17</u>	<u>\$22,773</u>	<u>\$158,690</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts Payable	\$0	\$0	\$605	\$0
Accrued Wages and Benefits	0	0	39,642	102,071
Interfund Payable	0	0	11,100	0
Intergovernmental Payable	0	0	14,137	19,937
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>65,484</u>	<u>122,008</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	0	0	9,678	32,994
Unreserved, Undesignated (Deficit) Reported in Special Revenue Funds	0	17	(52,389)	3,688
<i>Total Fund Balances (Deficit)</i>	<u>0</u>	<u>17</u>	<u>(42,711)</u>	<u>36,682</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$0</u>	<u>\$17</u>	<u>\$22,773</u>	<u>\$158,690</u>

<u>Title V</u>	<u>Drug Free Schools</u>	<u>Improving Teacher Quality</u>	<u>Technology II-D Grant</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$1,902	\$8	\$4	\$3,206	\$295,814
0	0	0	0	2,642
0	0	0	0	566
0	0	0	0	990
0	0	0	0	154,621
<u>\$1,902</u>	<u>\$8</u>	<u>\$4</u>	<u>\$3,206</u>	<u>\$454,633</u>
\$189	\$0	\$0	\$0	\$1,453
0	0	0	0	167,098
0	349	0	0	19,731
0	133	733	0	45,251
0	0	0	0	4,700
<u>189</u>	<u>482</u>	<u>733</u>	<u>0</u>	<u>238,233</u>
0	0	0	1,554	47,617
<u>1,713</u>	<u>(474)</u>	<u>(729)</u>	<u>1,652</u>	<u>168,783</u>
<u>1,713</u>	<u>(474)</u>	<u>(729)</u>	<u>3,206</u>	<u>216,400</u>
<u>\$1,902</u>	<u>\$8</u>	<u>\$4</u>	<u>\$3,206</u>	<u>\$454,633</u>

**Cardinal Local School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2006*

	Food Service	Uniform School Supplies	Public School Support	Martha Holden Jennings Grant	Termination Benefits	District Managed Activities
<b>Revenues:</b>						
Intergovernmental	\$157,794	\$0	\$0	\$18,800	\$0	\$0
Tuition and Fees	0	64,169	0	0	0	2,173
Extracurricular Activities	0	0	16,706	0	0	73,136
Gifts and Donations	0	0	6,132	0	0	15,848
Charges for Services	234,374	0	0	0	0	0
Miscellaneous	0	0	672	0	0	0
<b>Total Revenues</b>	<b>392,168</b>	<b>64,169</b>	<b>23,510</b>	<b>18,800</b>	<b>0</b>	<b>91,157</b>
<b>Expenditures:</b>						
Current:						
Instruction:						
Regular	0	50,904	884	18,227	0	0
Special	0	0	0	130	0	0
Support Services:						
Pupils	0	0	0	0	0	0
Instructional Staff	0	0	0	893	0	0
Administration	0	0	5,136	0	(8,465)	0
Fiscal	0	0	0	0	0	0
Operation and Maintenance	576	2,153	0	0	0	0
Central	0	0	0	0	0	0
Operation of Non-Instructional Services:						
Food Service Operations	435,881	0	0	0	0	0
Community Services	0	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0	80,859
<b>Total Expenditures</b>	<b>436,457</b>	<b>53,057</b>	<b>6,020</b>	<b>19,250</b>	<b>(8,465)</b>	<b>80,859</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(44,289)</b>	<b>11,112</b>	<b>17,490</b>	<b>(450)</b>	<b>8,465</b>	<b>10,298</b>
<b>Other Financing Sources:</b>						
Transfers In	53,500	0	0	0	0	0
<b>Net Change in Fund Balance</b>	<b>9,211</b>	<b>11,112</b>	<b>17,490</b>	<b>(450)</b>	<b>8,465</b>	<b>10,298</b>
<b>Fund Balance (Deficit) Beginning of Year</b>	<b>(28,131)</b>	<b>60,098</b>	<b>10,811</b>	<b>3,929</b>	<b>56,264</b>	<b>49,170</b>
<b>Fund Balance (Deficit) End of Year</b>	<b>(\$18,920)</b>	<b>\$71,210</b>	<b>\$28,301</b>	<b>\$3,479</b>	<b>\$64,729</b>	<b>\$59,468</b>

Auxiliary Services	Management Information Systems	OneNet Fund	SchoolNet Professional Development	Ohio Reads Grant	Summer Intervention	Eisenhower Math and Science Grant	IDEA Part B Special Education
\$18,426	\$5,000	\$18,000	\$3,200	\$4,000	\$9,119	\$0	\$369,814
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	0	0	0	0	0
18,426	5,000	18,000	3,200	4,000	9,119	0	369,814
15,629	0	0	0	0	16,250	0	0
0	0	0	0	0	0	0	30,296
3,714	0	0	0	0	0	0	93,202
0	0	0	0	(7,605)	0	0	253,165
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	2,639	18,000	2,759	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
19,343	2,639	18,000	2,759	(7,605)	16,250	0	376,663
(917)	2,361	0	441	11,605	(7,131)	0	(6,849)
0	0	0	0	0	121	0	0
(917)	2,361	0	441	11,605	(7,010)	0	(6,849)
4,527	17	0	0	(7,605)	7,010	17	(35,862)
\$3,610	\$2,378	\$0	\$441	\$4,000	\$0	\$17	(\$42,711)

(continued)

**Cardinal Local School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds (continued)*  
*For the Fiscal Year Ended June 30, 2006*

	Title I	Title V	Drug Free	Improving Teacher Quality	Technology II- D Grant	Total Nonmajor Special Revenue Funds
<b>Revenues:</b>						
Intergovernmental	\$914,035	\$6,480	\$17,540	\$155,385	\$10,437	\$1,708,030
Tuition and Fees	0	0	0	0	0	66,342
Extracurricular Activities	0	0	0	0	0	89,842
Gifts and Donations	0	0	0	0	0	21,980
Charges for Services	0	0	0	0	0	234,374
Miscellaneous	0	0	0	0	0	672
<b>Total Revenues</b>	<b>914,035</b>	<b>6,480</b>	<b>17,540</b>	<b>155,385</b>	<b>10,437</b>	<b>2,121,240</b>
<b>Expenditures:</b>						
Current:						
Instruction:						
Regular	0	4,465	0	119,815	7,658	233,832
Special	630,968	0	0	0	0	661,394
Support Services:						
Pupils	120,154	0	18,620	0	0	235,690
Instructional Staff	83,913	821	0	0	761	331,948
Administration	21,612	0	0	0	0	18,283
Fiscal	7,734	0	0	0	0	7,734
Operation and Maintenance	10,674	0	0	0	0	13,403
Central	0	0	0	0	0	23,398
Operation of Non-Instructional Services:						
Food Service Operations	0	0	0	0	0	435,881
Community Services	2,510	90	386	2,561	300	5,847
Extracurricular Activities	0	0	0	0	0	80,859
<b>Total Expenditures</b>	<b>877,565</b>	<b>5,376</b>	<b>19,006</b>	<b>122,376</b>	<b>8,719</b>	<b>2,048,269</b>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>36,470</i>	<i>1,104</i>	<i>(1,466)</i>	<i>33,009</i>	<i>1,718</i>	<i>72,971</i>
<b>Other Financing Sources:</b>						
Transfers In	0	0	0	0	0	53,621
<b>Net Change in Fund Balance</b>	<b>36,470</b>	<b>1,104</b>	<b>(1,466)</b>	<b>33,009</b>	<b>1,718</b>	<b>126,592</b>
<i>Fund Balance (Deficit) Beginning of Year</i>	<i>212</i>	<i>609</i>	<i>992</i>	<i>(33,738)</i>	<i>1,488</i>	<i>89,808</i>
<b>Fund Balance (Deficit) End of Year</b>	<b>\$36,682</b>	<b>\$1,713</b>	<b>(\$474)</b>	<b>(\$729)</b>	<b>\$3,206</b>	<b>\$216,400</b>



**Cardinal Local School District**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*June 30, 2006*

	Permanent Improvement Fund	Library Construction Fund	School Net Fund	Total Nonmajor Capital Projects Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$232,456	\$20,382	\$13	\$252,851
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts Payable	\$0	\$1,383	\$0	\$1,383
<b>Fund Balances</b>				
Reserved for Encumbrances	0	496	0	496
Unreserved, Undesignated Reported In Capital Projects Funds	232,456	18,503	13	250,972
<i>Total Fund Balances</i>	232,456	18,999	13	251,468
<i>Total Liabilities and Fund Balances</i>	\$232,456	\$20,382	\$13	\$252,851

**Cardinal Local School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Fiscal Year Ended June 30, 2006*

	Permanent Improvement Fund	Library Construction Fund	School Net Fund	Total Nonmajor Capital Projects Funds
<b>Revenue:</b>	\$0	\$0	\$0	\$0
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	2,410	0	0	2,410
Support Services:				
Operation and Maintenance	46,345	0	0	46,345
Operation of Non-Instructional Services:				
Community Services	0	25,864	0	25,864
<i>Total Expenditures</i>	48,755	25,864	0	74,619
<i>Net Change in Fund Balance</i>	(48,755)	(25,864)	0	(74,619)
<i>Fund Balance Beginning of Year</i>	281,211	44,863	13	326,087
<i>Fund Balance End of Year</i>	\$232,456	\$18,999	\$13	\$251,468

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

**Cardinal Local School District**

*Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2006*

	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>			
Taxes	\$7,734,522	\$8,091,603	\$357,081
Intergovernmental	3,111,680	3,485,180	373,500
Interest	100,000	145,582	45,582
Tuition and Fees	742,000	807,001	65,001
Rentals	63,050	110,403	47,353
Extracurricular Activities	69,924	131,870	61,946
Contributions and Donations	15,000	21,850	6,850
Miscellaneous	84,314	130,128	45,814
<i>Total Revenues</i>	<u>11,920,490</u>	<u>12,923,617</u>	<u>1,003,127</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	4,220,231	4,138,332	81,899
Fringe Benefits	1,251,749	1,316,493	(64,744)
Purchased Services	283,659	305,748	(22,089)
Materials and Supplies	57,417	50,925	6,492
Capital Outlay	2,158	1,154	1,004
Capital Outlay - Replacement	7,000	6,682	318
Total Regular	<u>5,822,214</u>	<u>5,819,334</u>	<u>2,880</u>
Special:			
Salaries and Wages	593,000	593,793	(793)
Fringe Benefits	173,386	213,978	(40,592)
Purchased Services	549,182	550,112	(930)
Materials and Supplies	6,600	3,650	2,950
Total Special	<u>1,322,168</u>	<u>1,361,533</u>	<u>(39,365)</u>
Vocational:			
Salaries and Wages	44,260	50,852	(6,592)
Fringe Benefits	18,038	20,757	(2,719)
Total Vocational	<u>62,298</u>	<u>71,609</u>	<u>(9,311)</u>
Total Instruction	<u>7,206,680</u>	<u>7,252,476</u>	<u>(45,796)</u>
Support Services:			
Pupils:			
Salaries and Wages	439,600	387,767	51,833
Fringe Benefits	133,621	169,238	(35,617)
Purchased Services	247,655	254,457	(6,802)
Materials and Supplies	26,189	7,656	18,533
Capital Outlay	252	252	0
Capital Outlay - Replacement	700	0	700
Total Pupils	<u>\$848,017</u>	<u>\$819,370</u>	<u>\$28,647</u>

(continued)

**Cardinal Local School District**

*Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
General Fund (continued)  
For the Fiscal Year Ended June 30, 2006*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Instructional Staff:</b>			
Salaries and Wages	\$296,285	\$248,311	\$47,974
Fringe Benefits	86,180	111,448	(25,268)
Purchased Services	3,000	1,125	1,875
Materials and Supplies	4,674	3,624	1,050
Capital Outlay	2,801	2,280	521
<b>Total Instructional Staff</b>	<u>392,940</u>	<u>366,788</u>	<u>26,152</u>
<b>Board of Education:</b>			
Salaries and Wages	12,380	13,880	(1,500)
Fringe Benefits	550	(534)	1,084
Purchased Services	8,865	10,679	(1,814)
Materials and Supplies	800	779	21
Other	20,003	21,893	(1,890)
<b>Total Board of Education</b>	<u>42,598</u>	<u>46,697</u>	<u>(4,099)</u>
<b>Administration:</b>			
Salaries and Wages	713,618	540,802	172,816
Fringe Benefits	287,200	233,903	53,297
Purchased Services	30,990	31,075	(85)
Materials and Supplies	12,859	8,396	4,463
Other	32,192	48,423	(16,231)
<b>Total Administration</b>	<u>1,076,859</u>	<u>862,599</u>	<u>214,260</u>
<b>Fiscal:</b>			
Salaries and Wages	157,208	144,190	13,018
Fringe Benefits	66,434	58,554	7,880
Purchased Services	21,500	15,308	6,192
Materials and Supplies	1,717	1,763	(46)
Other	168,940	156,197	12,743
<b>Total Fiscal</b>	<u>415,799</u>	<u>376,012</u>	<u>39,787</u>
<b>Business:</b>			
Salaries and Wages	30,000	30,418	(418)
Fringe Benefits	16,587	16,313	274
Purchased Services	10,000	0	10,000
<b>Total Business</b>	<u>\$56,587</u>	<u>\$46,731</u>	<u>\$9,856</u>

(continued)

**Cardinal Local School District**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 General Fund (continued)  
 For the Fiscal Year Ended June 30, 2006*

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Operation and Maintenance of Plant:</b>			
Salaries and Wages	\$424,100	\$516,533	(\$92,433)
Fringe Benefits	229,491	225,031	4,460
Purchased Services	634,123	625,194	8,929
Materials and Supplies	101,230	98,234	2,996
Capital Outlay - Replacement	4,000	6,493	(2,493)
Other	1,390	1,390	0
<b>Total Operation and Maintenance of Plant</b>	<b>1,394,334</b>	<b>1,472,875</b>	<b>(78,541)</b>
<b>Pupil Transportation:</b>			
Salaries and Wages	583,635	482,800	100,835
Fringe Benefits	299,760	285,561	14,199
Purchased Services	24,837	22,563	2,274
Materials and Supplies	142,900	155,487	(12,587)
Capital Outlay - Replacement	23,364	15,469	7,895
<b>Total Public Transportation</b>	<b>1,074,496</b>	<b>961,880</b>	<b>112,616</b>
<b>Central:</b>			
Salaries and Wages	117,737	160,121	(42,384)
Fringe Benefits	73,246	82,959	(9,713)
Purchased Services	111,018	94,959	16,059
Materials and Supplies	150	269	(119)
<b>Total Central</b>	<b>302,151</b>	<b>338,308</b>	<b>(36,157)</b>
<b>Total Support Services</b>	<b>5,603,781</b>	<b>5,291,260</b>	<b>312,521</b>
<b>Extracurricular Activities:</b>			
<b>Academic and Subject Oriented:</b>			
Salaries and Wages	28,171	31,349	(3,178)
Fringe Benefits	8,244	4,958	3,286
Purchased Services	3,000	0	3,000
<b>Total Academic and Subject Oriented</b>	<b>39,415</b>	<b>36,307</b>	<b>3,108</b>
<b>Sports Oriented:</b>			
Salaries and Wages	147,137	130,128	17,009
Fringe Benefits	24,375	22,363	2,012
Purchased Services	10,500	2,057	8,443
Materials and Supplies	362	362	0
Capital Outlay - Replacement	600	0	600
<b>Total Sports Oriented</b>	<b>182,974</b>	<b>154,910</b>	<b>28,064</b>

(continued)

**Cardinal Local School District**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 General Fund (continued)  
 For the Fiscal Year Ended June 30, 2006*

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
School and Public Service Co-Curricular:			
Salaries and Wages	\$4,180	\$7,646	(\$3,466)
Fringe Benefits	507	937	(430)
Total School and Public Service Co-Curricular	4,687	8,583	(3,896)
Total Extracurricular Activities	227,076	199,800	27,276
Operation of Non-Instructional Services:			
Salaries and Wages	69,202	35,124	34,078
Fringe Benefits	27,247	22,204	5,043
Total Operation of Non-Instructional Services	96,449	57,328	39,121
Capital Outlay:			
Architecture and Engineering Services:			
Salaries			
Purchased Services	5,776	5,776	0
Building Improvement Services:			
Salaries			
Capital Outlay Replacement	27,000	21,792	5,208
Total Capital Outlay	32,776	27,568	5,208
<i>Total Expenditures</i>	13,166,762	12,828,432	338,330
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,246,272)	95,185	1,341,457
<b>Other Financing Sources (Uses):</b>			
Advances In	8,082	0	(8,082)
Advances Out	(12,000)	(11,450)	550
Transfers In	118,388	3,388	(115,000)
Transfers Out	(75,000)	(57,009)	17,991
<i>Total Other Financing Sources (Uses)</i>	39,470	(65,071)	(104,541)
<i>Net Change in Fund Balance</i>	(1,206,802)	30,114	1,236,916
<i>Fund Balance Beginning of Year</i>	1,005,812	1,005,812	0
Prior Year Encumbrances Appropriated	247,087	247,087	0
<i>Fund Balance End of Year</i>	\$46,097	\$1,283,013	\$1,236,916

**Cardinal Local School District**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Bond Retirement Fund  
 For the Fiscal Year Ended June 30, 2006*

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>			
Taxes	\$795,269	\$783,493	(\$11,776)
Intergovernmental	78,516	96,102	17,586
<i>Total Revenues</i>	<u>873,785</u>	<u>879,595</u>	<u>5,810</u>
<b>Expenditures:</b>			
Current:			
Support Services:			
Fiscal:			
Purchase Services	5,000	4,250	750
Other	17,000	10,853	6,147
Total Support Services	<u>22,000</u>	<u>15,103</u>	<u>6,897</u>
Debt Service:			
Principal Retirement	167,937	167,937	0
Interest and Fiscal Charges	598,283	585,346	12,937
Bond Insurance Costs	238,132	238,132	0
Total Debt Service	<u>1,004,352</u>	<u>991,415</u>	<u>12,937</u>
<i>Total Expenditures</i>	<u>1,026,352</u>	<u>1,006,518</u>	<u>19,834</u>
<i>Excess of Revenues Under Expenditures</i>	(152,567)	(126,923)	25,644
<b>Other Financing Sources Uses:</b>			
General Obligation Bonds Issued	7,278,909	7,278,909	0
Accrued Interest on Debt Issuance	563,711	563,711	0
Transfers Out	(36,875)	0	36,875
Other Financing Uses	(7,709,488)	(7,709,488)	0
<i>Total Other Financing Sources (Uses)</i>	<u>96,257</u>	<u>133,132</u>	<u>36,875</u>
<i>Net Change in Fund Balance</i>	(56,310)	6,209	62,519
<i>Fund Balance Beginning of Year</i>	<u>451,305</u>	<u>451,305</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$394,995</u>	<u>\$457,514</u>	<u>\$62,519</u>



**Cardinal Local School District**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Library Bond Retirement Fund  
 For the Fiscal Year Ended June 30, 2006*

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>			
Taxes	\$251,575	\$247,796	(\$3,779)
Intergovernmental	6,785	32,227	25,442
Interest	17,717	0	(17,717)
<i>Total Revenues</i>	<u>276,077</u>	<u>280,023</u>	<u>3,946</u>
<b>Expenditures:</b>			
Current:			
Support Services:			
Fiscal:			
Purchased Services	2,500	3,500	(1,000)
Other	5,000	3,429	1,571
Total Support Services	<u>7,500</u>	<u>6,929</u>	<u>571</u>
Debt Service:			
Principal Retirement	135,000	135,000	0
Interest and Fiscal Charges	255,040	105,040	150,000
Total Debt Service	<u>390,040</u>	<u>240,040</u>	<u>150,000</u>
<i>Total Expenditures</i>	<u>397,540</u>	<u>246,969</u>	<u>150,571</u>
<i>Net Change in Fund Balance</i>	(121,463)	33,054	154,517
<i>Fund Balance Beginning of Year</i>	<u>154,522</u>	<u>154,522</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$33,059</u>	<u>\$187,576</u>	<u>\$154,517</u>

**Cardinal Local School District**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Food Service Fund  
 For the Fiscal Year Ended June 30, 2006*

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$100,000	\$116,215	\$16,215
Sales and Services	237,000	234,158	(2,842)
<i>Total Revenues</i>	<u>337,000</u>	<u>350,373</u>	<u>13,373</u>
<b>Expenditures:</b>			
Current:			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Purchased Services	1,000	576	424
Operation of Non-Instructional Services:			
Food Service Operations:			
Salaries and Wages	152,800	163,360	(10,560)
Fringe Benefits	105,434	102,272	3,162
Purchased Services	5,600	2,300	3,300
Materials and Supplies	150,000	130,581	19,419
Capital Outlay	1,000	485	515
Capital Outlay Replacement	200	134	66
<i>Total Operation of Non-Instructional Services</i>	<u>415,034</u>	<u>399,132</u>	<u>15,902</u>
<i>Total Expenditures</i>	<u>416,034</u>	<u>399,708</u>	<u>16,326</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(79,034)</u>	<u>(49,335)</u>	<u>(29,699)</u>
<b>Other Financing Sources:</b>			
Transfers In	75,000	53,500	(21,500)
Advances In	12,000	0	(12,000)
<i>Total Other Financing Sources</i>	<u>87,000</u>	<u>53,500</u>	<u>(33,500)</u>
<i>Net Change in Fund Balance</i>	7,966	4,165	(3,801)
<i>Fund Balance Beginning of Year</i>	582	582	0
<i>Fund Balance End of Year</i>	<u>\$8,548</u>	<u>\$4,747</u>	<u>(\$3,801)</u>

**Cardinal Local School District**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Uniform School Supplies Fund  
 For the Fiscal Year Ended June 30, 2006*

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>			
Tuition and Fees	\$60,000	\$64,169	\$4,169
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Purchased Services	9,165	2,253	6,912
Materials and Supplies	52,925	45,379	7,546
Total Instruction	62,090	47,632	14,458
Support Services:			
Operation and Maintenance of Plant:			
Purchased Services	700	2,208	(1,508)
<i>Total Expenditures</i>	62,790	49,840	12,950
<i>Net Change in Fund Balance</i>	(2,790)	14,329	17,119
<i>Fund Balance Beginning of Year</i>	54,491	54,491	0
Prior Year Encumbrances Appropriated	1,180	1,180	0
<i>Fund Balance End of Year</i>	\$52,881	\$70,000	\$17,119

**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, 2006*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Extracurricular Activities	\$14,000	\$15,994	\$1,994
Contributions and Donations	0	6,132	6,132
Miscellaneous	3,200	672	(2,528)
<i>Total Revenues</i>	<u>17,200</u>	<u>22,798</u>	<u>5,598</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	<u>3,500</u>	<u>884</u>	<u>2,616</u>
Support Services:			
Administration:			
Purchased Services	0	140	(140)
Materials and Supplies	<u>13,734</u>	<u>11,386</u>	<u>2,348</u>
<i>Total Support Services</i>	<u>13,734</u>	<u>11,526</u>	<u>2,208</u>
Extracurricular Activities:			
School and Public Service Co-Curricular Activities:			
Materials and Supplies	<u>34</u>	<u>34</u>	<u>0</u>
<i>Total Expenditures</i>	<u>17,268</u>	<u>12,444</u>	<u>4,824</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(68)</u>	<u>10,354</u>	<u>(10,422)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers In	0	463	463
Transfers Out	<u>(500)</u>	<u>(463)</u>	<u>37</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(500)</u>	<u>0</u>	<u>500</u>
<i>Net Change in Fund Balance</i>	(568)	10,354	10,922
<i>Fund Balance Beginning of Year</i>	14,267	14,267	0
Prior Year Encumbrances Appropriated	<u>2,968</u>	<u>2,968</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$16,667</u></u>	<u><u>\$27,589</u></u>	<u><u>\$10,922</u></u>

**Cardinal Local School District**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Martha Holden Jennings Grant Fund  
 For the Fiscal Year Ended June 30, 2006*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental	\$18,000	\$18,800	\$800
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	17,000	16,048	952
Capital Outlay	2,929	2,929	0
Total Instruction	19,929	18,977	952
Support Services:			
Pupils			
Materials and Supplies	250	0	250
Instructional Staff:			
Materials and Supplies	750	750	0
Total Support Services	1,000	750	250
<i>Total Expenditures</i>	20,929	19,727	1,202
<i>Net Change in Fund Balance</i>	(2,929)	(927)	2,002
<i>Fund Balance Beginning of Year</i>	3,929	3,929	0
<i>Fund Balance End of Year</i>	\$1,000	\$3,002	\$2,002

## Cardinal Local School District

*Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Termination Benefits Fund  
For the Fiscal Year Ended June 30, 2006*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
<i>Total Revenues</i>	\$0	\$0	\$0
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	39,764	43,366	(3,602)
Support Services:			
Administration:			
Salaries and Wages	8,243	8,243	0
Operation and Maintenance of Plant:			
Salaries and Wages	9,526	9,526	0
Total Support Services	17,769	17,769	0
Operation of Non-Instructional Services:			
Food Service Operations:			
Salaries and Wages	6,000	2,398	3,602
<i>Total Expenditures</i>	63,533	63,533	0
<i>Excess of Revenues Under Expenditures</i>	(63,533)	(63,533)	0
<b>Other Financing Uses:</b>			
Transfers Out	(64,730)	0	64,730
<i>Net Change in Fund Balance</i>	(128,263)	(63,533)	64,730
<i>Fund Balance Beginning of Year</i>	128,263	128,263	0
<i>Fund Balance End of Year</i>	\$0	\$64,730	\$64,730

## 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, 2006*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Tuition and Fees	\$7,000	\$2,173	(\$4,827)
Extracurricular Activities	95,500	73,074	(22,426)
Gifts and Donations	17,500	15,848	(1,652)
<i>Total Revenues</i>	<u>120,000</u>	<u>91,095</u>	<u>(28,905)</u>
<b>Expenditures:</b>			
Current:			
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Purchased Services	21,497	14,836	6,661
Materials and Supplies	17,700	8,151	9,549
Capital Outlay	500	0	500
Capital Outlay - Replacement	3,000	1,298	1,702
Other	7,500	1,414	6,086
Total Academic and Subject Oriented Activities	<u>50,197</u>	<u>25,699</u>	<u>24,498</u>
Sports Oriented Activities:			
Purchased Services	22,510	19,927	2,583
Materials and Supplies	44,110	34,602	9,508
Capital Outlay	500	0	500
Capital Outlay - Replacement	2,000	1,280	720
Other	8,500	5,547	2,953
Total Sports Oriented Activities	<u>77,620</u>	<u>61,356</u>	<u>16,264</u>
<i>Total Expenditures</i>	<u>127,817</u>	<u>87,055</u>	<u>40,762</u>
<i>Net Change in Fund Balance</i>	<u>(7,817)</u>	<u>4,040</u>	<u>11,857</u>
<i>Fund Balance Beginning of Year</i>	43,899	43,899	0
Prior Year Encumbrances Appropriated	<u>9,832</u>	<u>9,832</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$45,914</u>	<u>\$57,771</u>	<u>\$11,857</u>

## Cardinal Local School District

*Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Auxiliary Services Fund  
For the Fiscal Year Ended June 30, 2006*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental	<u>\$19,203</u>	<u>\$18,426</u>	<u>(\$777)</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	<u>17,137</u>	<u>16,917</u>	<u>220</u>
Support Services:			
Pupils:			
Purchased Services	<u>5,795</u>	<u>3,714</u>	<u>2,081</u>
Fiscal:			
Purchased Services	<u>1,322</u>	<u>562</u>	<u>760</u>
Total Support Services	<u>7,117</u>	<u>4,276</u>	<u>2,841</u>
<i>Total Expenditures</i>	<u>24,254</u>	<u>21,193</u>	<u>3,061</u>
<i>Net Change in Fund Balance</i>	<u>(5,051)</u>	<u>(2,767)</u>	<u>2,284</u>
<i>Fund Balance Beginning of Year</i>	<u>307</u>	<u>307</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>5,521</u>	<u>5,521</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$777</u>	<u>\$3,061</u>	<u>\$2,284</u>



**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, 2006*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental	\$5,000	\$5,000	\$0
<b>Expenditures:</b>			
Current:			
Support Services:			
Central:			
Purchased Services	<u>5,135</u>	<u>3,098</u>	<u>2,037</u>
<i>Net Change in Fund Balance</i>	(135)	1,902	2,037
<i>Fund Balance Beginning of Year</i>	17	17	0
<i>Prior Year Encumbrances Appropriated</i>	<u>135</u>	<u>135</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$17</u></u>	<u><u>\$2,054</u></u>	<u><u>\$2,037</u></u>

**Cardinal Local School District**

*Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
OneNet Fund*

*For the Fiscal Year Ended June 30, 2006*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental	\$18,000	\$18,000	\$0
<b>Expenditures:</b>			
Current:			
Support Services:			
Central:			
Purchased Services	<u>18,000</u>	<u>18,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<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>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Cardinal Local School District**

*Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
SchoolNet Professional Development Fund  
For the Fiscal Year Ended June 30, 2006*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental	<u>\$3,200</u>	<u>\$3,200</u>	<u>\$0</u>
<b>Expenditures:</b>			
Current:			
Support Services:			
Central:			
Salaries	800	659	141
Purchased Services	<u>2,400</u>	<u>2,100</u>	<u>300</u>
<i>Total Expenditures</i>	<u>3,200</u>	<u>2,759</u>	<u>441</u>
<i>Net Change in Fund Balance</i>	0	441	441
<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>\$0</u></u>	<u><u>\$441</u></u>	<u><u>\$441</u></u>

**Cardinal Local School District**

*Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Ohio Reads Grant Fund  
For the Fiscal Year Ended June 30, 2006*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental	\$4,000	\$4,000	\$0
<b>Expenditures:</b>			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	<u>8,789</u>	<u>4,789</u>	<u>4,000</u>
<i>Net Change in Fund Balance</i>	(4,789)	(789)	4,000
<i>Fund Balance Beginning of Year</i>	<u>4,789</u>	<u>4,789</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$4,000</u></u>	<u><u>\$4,000</u></u>

## Cardinal Local School District

*Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Summer Intervention Fund  
For the Fiscal Year Ended June 30, 2006*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental	<u>\$10,000</u>	<u>\$9,119</u>	<u>(\$881)</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	15,780	15,780	0
Fringe Benefits	<u>1,986</u>	<u>1,986</u>	<u>0</u>
<i>Total Expenditures</i>	<u>17,766</u>	<u>17,766</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(7,766)	(8,647)	(881)
<b>Other Financing Sources:</b>			
Transfers In	<u>121</u>	<u>121</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(7,645)	(8,526)	(881)
<i>Fund Balance Beginning of Year</i>	221	221	0
<i>Prior Year Encumbrances Appropriated</i>	<u>8,306</u>	<u>8,306</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$882</u>	<u>\$1</u>	<u>(\$881)</u>

**Cardinal Local School District**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Eisenhower Math and Science Grant Fund  
 For the Fiscal Year Ended June 30, 2006*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Total Revenues	\$0	\$0	\$0
<b>Expenditures:</b>			
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<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>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Cardinal Local School District**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 IDEA Part B- Special Education Fund  
 For the Fiscal Year Ended June 30, 2006*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental	\$369,812	\$357,399	(\$12,413)
<b>Expenditures:</b>			
Current:			
Instruction:			
Special:			
Purchased Services	84,579	27,379	57,200
Materials and Supplies	1,025	1,025	0
Capital Outlay	2,618	2,618	0
Total Instruction	88,222	31,022	57,200
Support Services:			
Pupils:			
Salaries and Wages	30,968	35,572	(4,604)
Fringe Benefits	14,005	17,057	(3,052)
Purchased Services	42,000	42,000	0
Total Pupils	86,973	94,629	(7,656)
Instructional Staff:			
Salaries and Wages	133,645	160,021	(26,376)
Fringe Benefits	80,255	93,455	(13,200)
Purchased Services	2,126	1,803	323
Materials and Supplies	1,100	905	195
Total Instructional Staff	217,126	256,184	(39,058)
Total Support Services	304,099	350,813	(46,714)
<i>Total Expenditures</i>	392,321	381,835	10,486
<i>Excess of Revenues Under Expenditures</i>	(22,509)	(24,436)	(1,927)
<b>Other Financing Sources:</b>			
Advances In	9,096	11,100	2,004
<i>Net Change in Fund Balance</i>	(13,413)	(13,336)	77
<i>Fund Balance Beginning of Year</i>	6,627	6,627	0
Prior Year Encumbrances Appropriated	6,786	6,786	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$77</u>	<u>\$77</u>

**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, 2006*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$800,000	\$794,225	(\$5,775)
<b>Expenditures:</b>			
Current:			
Instruction:			
Special:			
Salaries and Wages	478,320	475,902	2,418
Fringe Benefits	160,044	136,387	23,657
Purchased Services	8,007	26,082	(18,075)
Materials and Supplies	11,803	16,731	(4,928)
Capital Outlay	18,000	17,014	986
Total Instruction	676,174	672,116	4,058
Support Services:			
Pupils:			
Salaries and Wages	72,138	73,488	(1,350)
Fringe Benefits	33,895	34,321	(426)
Purchased Services	17,000	16,155	845
Materials and Supplies	4,939	242	4,697
Total Pupils	127,972	124,206	3,766
Instructional Staff:			
Salaries and Wages	29,865	37,143	(7,278)
Fringe Benefits	19,817	26,412	(6,595)
Purchased Services	26,167	20,665	5,502
Total Instructional Staff	75,849	84,220	(8,371)
Administration:			
Salaries and Wages	22,962	15,994	6,968
Fringe Benefits	7,946	6,339	1,607
Total Administration	\$30,908	\$22,333	\$8,575

(continued)



**Cardinal Local School District**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Title I Fund (continued)  
 For the Fiscal Year Ended June 30, 2006*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Fiscal:			
Purchased Services	\$1,234	\$1,234	\$0
Other	<u>6,500</u>	<u>6,500</u>	<u>0</u>
Total Fiscal	<u>7,734 0</u>	<u>7,734 0</u>	<u>0</u>
Operation and Maintenance of Plant			
Capital Outlay	<u>10,674</u>	<u>10,674</u>	<u>0</u>
Total Support Services	<u>253,137</u>	<u>249,167</u>	<u>3,970</u>
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	3,729	3,636	93
Materials and Supplies	<u>4,473</u>	<u>936</u>	<u>3,537</u>
Total Operation of Non-Instructional Services	<u>8,202</u>	<u>4,572</u>	<u>3,630</u>
<i>Total Expenditures</i>	<u>937,513</u>	<u>925,855</u>	<u>11,658</u>
<i>Net Change in Fund Balance</i>	(137,513)	(131,630)	5,883
<i>Fund Balance Beginning of Year</i>	119,545	119,545	0
Prior Year Encumbrances Appropriated	<u>17,968</u>	<u>17,968</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$5,883</u>	<u>\$5,883</u>

## Cardinal Local School District

*Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Innovative Programs - Title V  
For the Fiscal Year Ended June 30, 2006*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental	\$7,800	\$6,480	(\$1,320)
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	1,132	559	573
Capital Outlay	5,680	4,096	1,584
Total Instruction	6,812	4,655	2,157
Support Services:			
Instructional Staff:			
Purchased Services	1,434	821	613
Operation of Non-Instructional Services:			
Community Services:			
Materials and Supplies	180	90	90
<i>Total Expenditures</i>	<u>8,426</u>	<u>5,566</u>	<u>2,860</u>
<i>Net Change in Fund Balance</i>	(626)	914	1,540
<i>Fund Balance Beginning of Year</i>	747	747	0
Prior Year Encumbrances Appropriated	<u>90</u>	<u>90</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$211</u></u>	<u><u>\$1,751</u></u>	<u><u>\$1,540</u></u>

## Cardinal Local School District

*Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Drug Free & Safe Schools Fund  
For the Fiscal Year Ended June 30, 2006*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$20,882	\$17,540	(\$3,342)
<b>Expenditures:</b>			
Current:			
Support Services:			
Pupils:			
Salaries and Wages	15,624	18,146	(2,522)
Fringe Benefits	2,718	22	2,696
Purchased Services	400	320	80
Materials and Supplies	1,262	330	932
Total Pupils	20,004	18,818	1,186
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	407	107	300
Materials and Supplies	398	386	12
Total Operation of Non-Instructional Services	805	493	312
<i>Total Expenditures</i>	20,809	19,311	1,498
<i>Excess of Revenues Over (Under) Expenditures</i>	73	(1,771)	(1,844)
<b>Other Financing Sources:</b>			
Advances In	0	350	350
<i>Net Change in Fund Balance</i>	73	(1,421)	(1,494)
<i>Fund Balance Beginning of Year</i>	984	984	0
Prior Year Encumbrances Appropriated	446	446	0
<i>Fund Balance End of Year</i>	\$1,503	\$9	(\$1,494)

## Cardinal Local School District

*Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Improving Teacher Quality Fund  
For the Fiscal Year Ended June 30, 2006*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$160,093	\$155,386	(\$4,707)
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	119,721	118,809	912
Fringe Benefits	37,015	36,430	585
Total Instruction	156,736	155,239	1,497
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	4,362	2,501	1,861
Materials and Supplies	69	60	9
Total Operation of Non-Instructional Services	4,431	2,561	1,870
<i>Total Expenditures</i>	161,167	157,800	3,367
<i>Excess of Revenues Under Expenditures</i>	(1,074)	(2,414)	(1,340)
<b>Other Financing Uses:</b>			
Refund of Prior Year Receipts	(1)	(1)	0
<i>Net Change in Fund Balance</i>	(1,074)	(2,414)	(1,340)
<i>Fund Balance Beginning of Year</i>	247	247	0
Prior Year Encumbrances Appropriated	2,171	2,171	0
<i>Fund Balance End of Year</i>	\$1,343	\$3	(\$1,340)

## Cardinal Local School District

*Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Technology II-D Grant Fund  
For the Fiscal Year Ended June 30, 2006*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$10,500	\$10,437	(\$63)
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Purchased Services	5,000	4,914	86
Capital Outlay	5,490	4,088	1,402
Total Instruction	10,490	9,002	1,488
Support Services:			
Instructional Staff:			
Fringe Benefits	0	4	(4)
Purchased Services	988	757	231
Total Support Services	988	761	227
Operation of Non-Instructional Services:			
Community Services:			
Materials and Supplies	300	300	0
<i>Total Expenditures</i>	11,778	10,063	1,715
<i>Net Change in Fund Balance</i>	(1,278)	374	1,652
<i>Fund Balance Beginning of Year</i>	629	629	0
Prior Year Encumbrances Appropriated	650	650	0
<i>Fund Balance End of Year</i>	\$1	\$1,653	\$1,652

## 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, 2006*

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$3,904	\$0	(\$3,904)
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	84,258	1,268	82,990
Capital Outlay	8,000	1,142	6,858
Total Instruction	92,258	2,410	89,848
Support Services:			
Operation and Maintenance of Plant:			
Purchased Services	30,000	41,011	(11,011)
Capital Outlay Replacement	79,190	15,524	63,666
Total Operation and Maintenance of Plant	109,190	56,535	52,655
Public Transportation:			
Capital Outlay Replacement	88,953	0	88,953
Total Support Services	198,143	56,535	141,608
Operation of Non-Instructional Services:			
Capital Outlay Replacement	1,000	0	1,000
<i>Total Expenditures</i>	291,401	58,945	232,456
<i>Net Change in Fund Balance</i>	(287,497)	(58,945)	(236,360)
<i>Fund Balance Beginning of Year</i>	256,591	256,591	0
Prior Year Encumbrances Appropriated	34,810	34,810	0
<i>Fund Balance End of Year</i>	\$3,904	\$232,456	\$228,552

## Cardinal Local School District

*Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Library Construction Fund  
For the Fiscal Year Ended June 30, 2006*

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>			
<i>Total Revenues</i>	\$0	\$0	\$0
<b>Expenditures:</b>			
Current:			
Operation of Non-Instructional Services:			
Community Services			
Purchased Services	22	0	22
Capital Outlay	82,841	64,360	18,481
<i>Total Expenditures</i>	82,863	64,360	18,503
<i>Net Change in Fund Balances</i>	(82,863)	(64,360)	18,503
<i>Fund Balance Beginning of Year</i>	18,854	18,854	0
Prior Year Encumbrances Appropriated	64,009	64,009	0
<i>Fund Balance End of Year</i>	\$0	\$18,503	\$18,503

**Cardinal Local School District**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 SchoolNet Fund  
 For the Fiscal Year Ended June 30, 2006*

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$0	\$0	\$0
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Capital Outlay	<u>13</u>	<u>0</u>	<u>13</u>
<i>Net Change in Fund Balance</i>	(13)	0	13
<i>Fund Balance Beginning of Year</i>	<u>13</u>	<u>13</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$13</u></u>	<u><u>\$13</u></u>



## **Individual Fund Statement – Agency Fund**

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations or other governments and therefore not available to support the School District's own programs. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results or operations. A description of the School District's agency fund follows:

*Escrow Tangible Personal Property (TPP) Tax Refund - Fund* - This fund is used to report undistributed tangible tax proceeds that are being held until the refunding process is complete.

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

**Cardinal Local School District**  
*Combining Statement of Assets and Liabilities*  
*Agency Fund*  
*June 30, 2006*

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	<u>Student Managed Activities</u>
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$21,973</u>
<b>Liabilities:</b>	
Due to Students	<u>\$21,973</u>

**Cardinal Local School District**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Fiscal Year Ended June 30, 2006*

	Beginning Balance 6/30/05	Additions	Deductions	Ending Balance 6/30/06
<b>Escrow TPP Tax Refund</b>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$383,034	\$0	\$383,034	\$0
Liabilities:				
Undistributed Monies	\$383,034	\$0	\$383,034	\$0
<b>Student Managed Activities</b>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$27,501	\$38,525	\$44,053	\$21,973
Liabilities:				
Due to Students	\$27,501	\$38,525	\$44,053	\$21,973
<b>Total - All Agency Funds</b>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$410,535	\$38,525	\$427,087	\$21,973
Liabilities:				
Undistributed Monies	\$383,034	\$0	\$383,034	\$0
Due to Students	27,501	38,525	44,053	21,973
Total Liabilities	\$410,535	\$38,525	\$427,087	\$21,973

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## **Statistical Section**



## Statistical Section

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This part of the Cardinal Local School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial health.

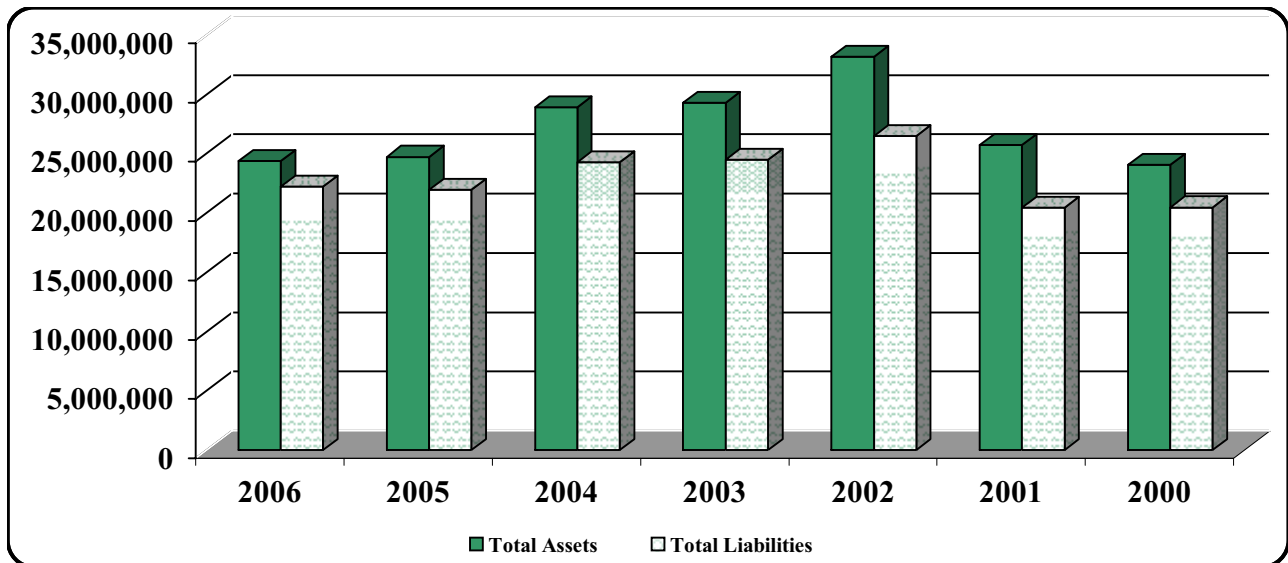
<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	S-2 - S-10
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	S-11 - S-22
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	S-23 - S-26
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	S-27 - S-29
<b>Operating Information</b> These schedules contain service data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	S-30 - S-55

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant fiscal year. The School District implemented GASB Statement No. 34 in 2000; schedules presenting government-wide information include information beginning in that fiscal year.

**Cardinal Local School District**  
*Net Assets by Component - Governmental Activities*  
*Last Seven Fiscal Years*  
*(accrual basis of accounting)*

	2006	2005	2004	2003	2002	2001	2000
Invested in Capital Assets, Net of Related Debt	\$3,879,893	\$3,928,114	\$4,393,869	\$3,590,853	\$2,676,989	\$1,876,494	\$2,201,647
Restricted for:							
Capital Projects	253,358	951,862	196,021	468,713	4,288,067	1,737,661	540,252
Debt Service	809,579	281,224	338,873	568,868	0	743,013	583,346
Set Asides	180,345	127,341	127,341	127,341	127,341	127,341	282,652
Other Purposes	184,423	209,748	178,024	466,204	466,526	117,946	100,034
Unrestricted (Deficit)	<u>(3,156,040)</u>	<u>(2,714,419)</u>	<u>(601,715)</u>	<u>(416,612)</u>	<u>(855,516)</u>	<u>655,453</u>	<u>(106,898)</u>
<b>Total Net Assets</b>	<u>\$2,151,558</u>	<u>\$2,783,870</u>	<u>\$4,632,413</u>	<u>\$4,805,367</u>	<u>\$6,703,407</u>	<u>\$5,257,908</u>	<u>\$3,601,033</u>

Source: School District Financial Records





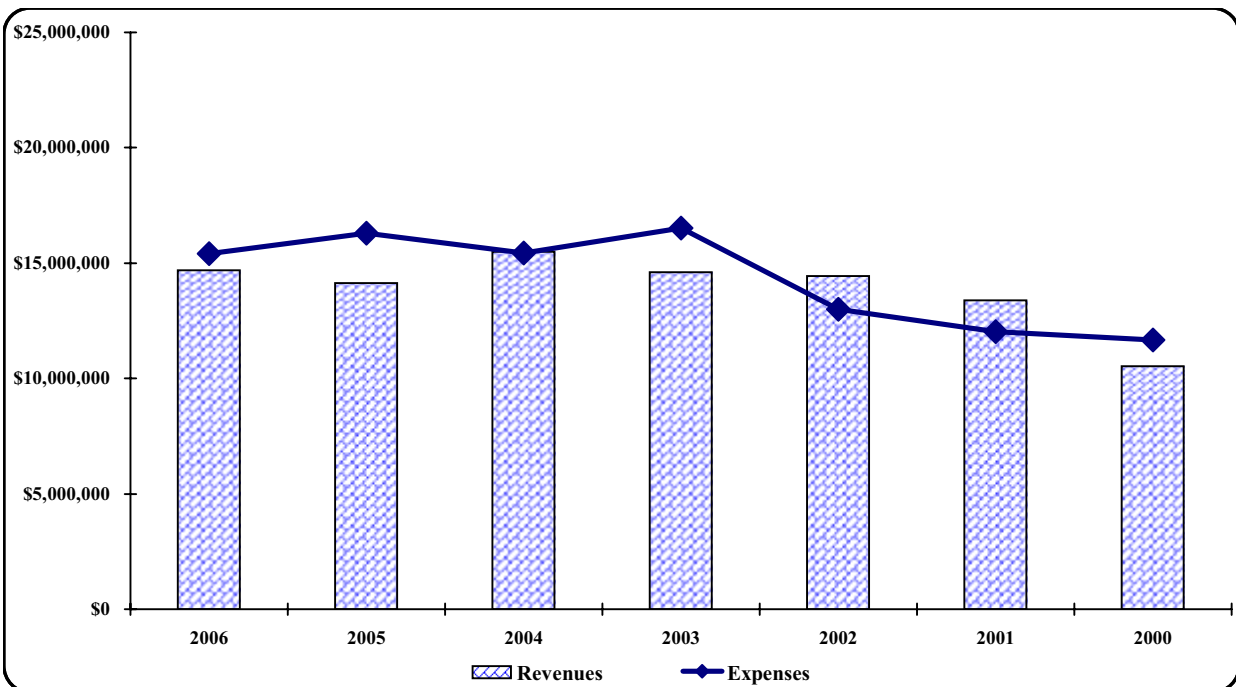
**Cardinal Local School District**  
*Changes in Net Assets of Governmental Activities*  
*Last Seven Fiscal Years*  
*(accrual basis of accounting)*

	2006	2005	2004	2003	2002	2001	2000
<b>Expenses</b>							
Regular Instruction	\$6,082,539	\$6,607,043	\$6,700,477	\$6,885,667	\$5,339,683	\$5,460,249	\$5,141,226
Special Instruction	1,984,328	1,910,585	1,677,655	1,957,339	1,341,464	1,233,556	1,318,006
Vocational Instruction	72,440	89,119	145,519	201,001	118,448	104,018	168,832
Pupil Support	1,009,656	1,067,213	733,067	871,685	798,170	582,454	507,626
Instructional Staff Support	721,532	832,477	712,066	814,915	692,911	475,239	401,176
Board of Education	49,092	48,665	27,021	34,831	47,125	16,313	23,328
Administration	860,962	954,634	910,070	844,084	756,284	782,822	683,203
Fiscal	419,616	486,221	453,006	477,098	375,315	359,270	321,406
Business	47,146	47,694	45,553	50,711	45,080	48,487	59,220
Operation and Maintenance of Plant	1,453,072	1,428,796	1,184,735	1,387,312	1,128,307	1,056,124	897,041
Pupil Transportation	998,390	958,004	955,971	1,097,773	811,498	664,822	688,411
Central	362,057	275,932	270,224	241,170	206,313	184,936	172,079
Extracurricular Activities	317,538	411,279	421,052	408,672	353,431	327,796	331,264
Food Service Operations	509,206	488,984	457,508	367,376	451,803	0	0
Other Non-Instructional Services	0	0	35,499	215,053	0	81,410	67,521
Interest and Fiscal Charges	532,862	686,596	697,067	661,232	531,713	640,668	886,000
<i>Total Expenses</i>	<u>15,420,436</u>	<u>16,293,242</u>	<u>15,426,490</u>	<u>16,515,919</u>	<u>12,997,545</u>	<u>12,018,164</u>	<u>11,666,339</u>
<b>Program Revenues</b>							
Charges for Services							
Regular Instruction	855,864	709,403	714,938	588,410	628,178	627,262	500,870
Special Instruction	187,717	22,920	125,186	148,953	48,979	25,149	26,191
Vocational Instruction	0	15,690	0	0	0	0	0
Pupil Support	0	0	0	0	130,407	15,559	0
Instructional Staff Support	0	0	0	1,561	186	1,280	0
Administration	6,132	19,231	15,593	11,729	10,682	19,544	0
Fiscal	0	0	0	0	0	0	0
Business	0	0	0	0	0	0	0
Operation and Maintenance of Plant	0	75,796	76,680	29,431	3,841	3,390	4,127
Pupil Transportation	0	31,902	0	62,662	76,394	95,642	128,112
Extracurricular Activities	239,732	155,172	119,047	89,820	104,233	1,564	169,813
Food Service Operations	234,374	239,464	231,498	243,331	243,899	0	0
Operating Grants, Contributions and Interest							
Regular Instruction	297,037	244,039	185,511	198,173	139,620	92,948	79,128
Special Instruction	770,482	664,857	554,311	737,143	492,446	473,902	467,438
Vocational Instruction	0	0	0	3,999	0	0	0
Pupil Support	17,168	249,532	127,547	126,310	98,381	62,133	59,833
Instructional Staff Support	375,714	255,916	179,508	102,074	110,392	74,935	36,398
Administration	0	24,698	20,987	25,635	20,196	16,827	15,398
Fiscal	0	0	23,457	0	714	0	0
Operation and Maintenance of Plant	0	0	0	80	0	0	0
Pupil Transportation	0	0	0	0	0	0	0
Central	29,000	23,000	0	13,799	5,373	5,708	8,240
Extracurricular Activities	0	0	0	20,215	19,336	0	0
Food Service Operations	157,794	128,383	132,317	112,233	53,880	0	0
Capital Grants and Contributions							
Regular Instruction	0	9,135	0	29,750	0	18,000	21,569
Pupil Transportation	0	0	14,816	23,171	26,140	84,292	0
Central	0	0	0	20,220	13,500	0	0
<i>Total Program Revenues</i>	<u>3,171,014</u>	<u>2,869,138</u>	<u>2,521,396</u>	<u>2,588,699</u>	<u>2,226,777</u>	<u>1,618,135</u>	<u>1,517,117</u>
Net Expense	<u>(\$12,249,422)</u>	<u>(\$13,424,104)</u>	<u>(\$12,905,094)</u>	<u>(\$13,927,220)</u>	<u>(\$10,770,768)</u>	<u>(\$10,400,029)</u>	<u>(\$10,149,222)</u>

**Cardinal Local School District**  
*Changes in Net Assets of Governmental Activities (continued)*  
*Last Seven Fiscal Years*  
*(accrual basis of accounting)*

	2006	2005	2004	2003	2002	2001	2000
<i>General Revenues</i>							
Property Taxes Levied for:							
General Purposes	6,857,970	8,839,149	7,498,414	6,939,254	6,493,262	6,531,095	6,014,746
Debt Service	849,743	1,294,355	1,016,126	1,054,117	711,361	817,554	228,840
Capital Outlay	0	187,199	355,602	297,287	462,238	212,820	188,182
Grants and Entitlements not							
Restricted to Specific Programs	3,526,655	3,411,745	3,695,629	3,553,129	3,305,179	3,221,848	3,368,610
Interest	145,582	60,819	102,886	179,892	949,742	960,443	700,727
Miscellaneous	149,600	150,096	298,351	2,001	291,496	11,870	28,591
Gain on the Sale of Capital Assets	0	0	0	0	0	3,548	0
Unrestricted Contributions and							
Donations	0	0	0	2,500	0	0	0
Special Item	0	(2,681,955)	0	0	0	0	0
<b>Total General Revenues</b>	<b>11,529,550</b>	<b>11,261,408</b>	<b>12,967,008</b>	<b>12,028,180</b>	<b>12,213,278</b>	<b>11,759,178</b>	<b>10,529,696</b>
<b>Change in Net Assets</b>	<b>(\$719,872)</b>	<b>(\$2,162,696)</b>	<b>\$61,914</b>	<b>(\$1,899,040)</b>	<b>\$1,442,510</b>	<b>\$1,359,149</b>	<b>\$380,474</b>

Source: School District Financial Records



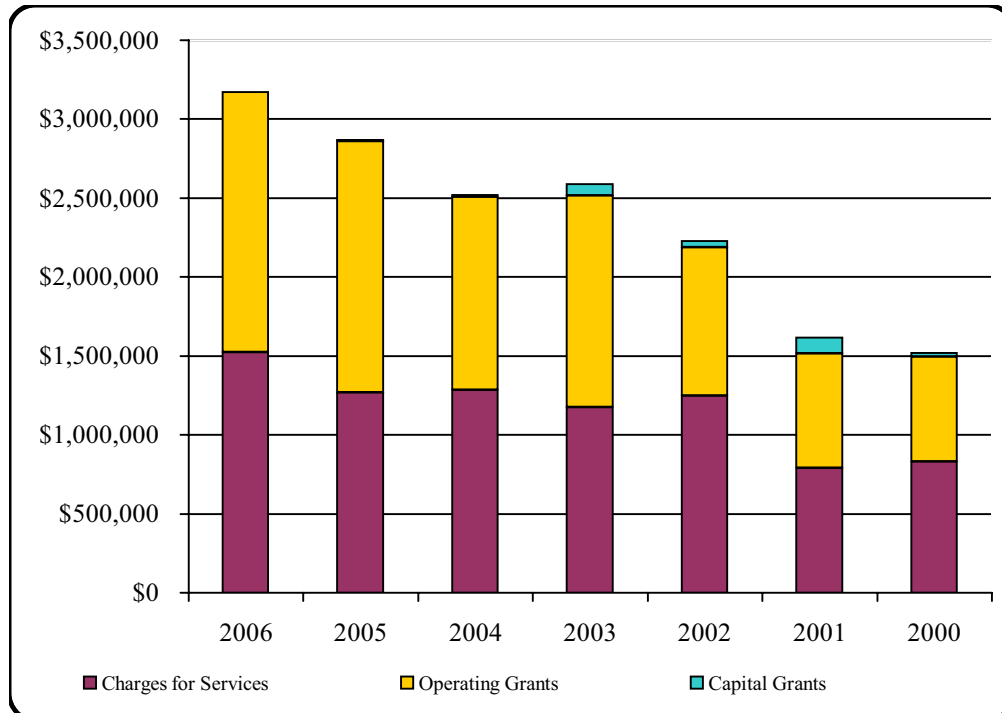
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**Cardinal Local School District**  
*Program Revenues by Function*  
*Last Seven Fiscal Years*  
*(accrual basis of accounting)*

	2006	2005	2004
<b>Governmental Activities</b>			
<i>Function</i>			
Regular Instruction	\$1,152,901	\$962,577	\$900,449
Special Instruction	958,199	687,777	679,497
Vocational Instruction	0	15,690	0
Pupil Support	17,168	249,532	127,547
Instructional Staff Support	375,714	255,916	179,508
Administration	6,132	43,929	36,580
Fiscal	0	0	23,457
Business	0	0	0
Operation and Maintenance of Plant	0	75,796	76,680
Pupil Transportation	0	31,902	14,816
Central	29,000	23,000	0
Operation of Non-Instructional Services	0	0	0
Food Service Operations	392,168	367,847	363,815
Extracurricular Activities	239,732	155,172	119,047
<b>Total Program Revenues</b>	<b>\$3,171,014</b>	<b>\$2,869,138</b>	<b>\$2,521,396</b>

**Source:** School District Financial Records

Note: Prior to fiscal year 2002, the food service operations were accounted for as Business-type Activities.

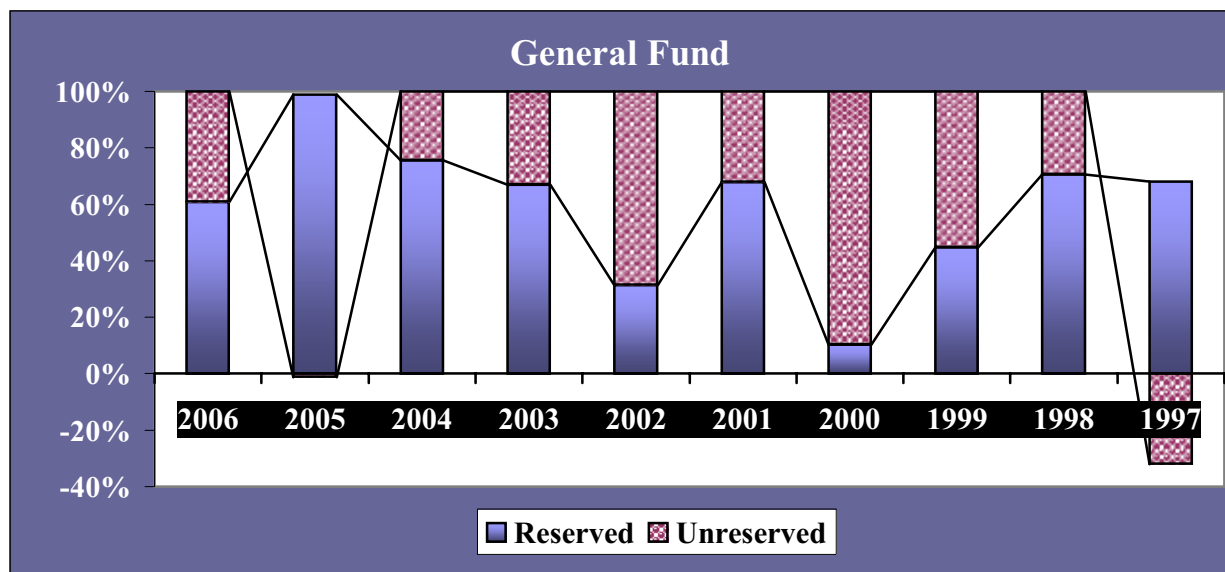


2003	2002	2001	2000
\$816,333	\$767,798	\$738,210	\$601,567
886,096	541,425	499,051	493,629
3,999	0	0	0
126,310	228,788	77,692	59,833
103,635	110,578	76,215	36,398
37,364	30,878	36,371	15,398
0	714	0	0
0	0	0	0
29,511	3,841	3,390	4,127
85,833	102,534	179,934	128,112
34,019	18,873	5,708	8,240
0	0	0	0
355,564	297,779	0	0
110,035	123,569	1,564	169,813
<u>\$2,588,699</u>	<u>\$2,226,777</u>	<u>\$1,618,135</u>	<u>\$1,517,117</u>

**Cardinal Local School District**  
*Fund Balances, Governmental Funds*  
*Last Ten Fiscal Years*  
*(modified accrual basis of accounting)*

	2006	2005	2004	2003
General Fund				
Reserved	\$1,055,786	\$2,218,943	\$1,065,445	\$1,016,489
Unreserved (Deficit)	(268,787)	(873,598)	57,890	64,557
<i>Total General Fund</i>	<u>786,999</u>	<u>1,345,345</u>	<u>1,123,335</u>	<u>1,081,046</u>
All Other Governmental Funds				
Reserved	176,156	410,848	1,168,803	2,395,902
Unreserved, Undesignated, Reported in:				
Special Revenue funds	168,783	46,739	217,186	258,011
Debt Service funds	645,087	605,824	518,478	463,379
Capital Projects funds (Deficit)	250,972	187,899	(72,449)	907,869
<i>Total All Other Governmental Funds</i>	<u>1,240,998</u>	<u>1,251,310</u>	<u>1,832,018</u>	<u>4,025,161</u>
<i>Total Governmental Funds</i>	<u><u>\$2,027,997</u></u>	<u><u>\$2,596,655</u></u>	<u><u>\$2,955,353</u></u>	<u><u>\$5,106,207</u></u>

**Source:** School District Financial Records



2002	2001	2000	1999	1998	1997
\$781,665	\$961,529	\$989,271	\$826,616	\$818,063	\$505,532
1,483,293	1,272,527	994,227	808,362	90,597	(377,355)
2,264,958	2,234,056	1,983,498	1,634,978	908,660	128,177
1,741,221	6,025,426	303,550	76,426	48,906	32,010
485,367	144,553	102,295	(25,682)	79,934	69,936
3,489,732	582,520	452,412	306,646	186,894	31,503
83,092	1,318,241	9,695,103	27,294	5,075	22,335
5,799,412	8,070,740	10,553,360	384,684	320,809	155,784
<u>\$8,064,370</u>	<u>\$10,304,796</u>	<u>\$12,536,858</u>	<u>\$2,019,662</u>	<u>\$1,229,469</u>	<u>\$283,961</u>

**Cardinal Local School District**  
*Changes in Fund Balances*  
*Last Ten Fiscal Years*  
*(modified accrual basis of accounting)*

	2006	2005	2004	2003	2002
<b>Revenues</b>					
Taxes	\$7,745,269	\$10,265,300	\$8,875,592	\$8,272,725	\$7,610,341
Intergovernmental	5,321,539	4,986,485	5,157,158	4,550,158	4,265,296
Interest	145,582	60,819	102,886	179,892	950,156
Tuition and Fees	875,204	849,539	777,582	777,872	815,067
Rentals	110,403	75,796	75,448	49,301	3,354
Extracurricular Activities	221,712	122,864	115,302	105,257	117,980
Charges for Services	234,374	239,168	231,794	243,467	310,398
Contributions and Donations	43,830	59,041	19,816	54,799	19,447
Miscellaneous	130,800	147,048	298,351	2,001	264,906
<i>Total Revenues</i>	<u>14,828,713</u>	<u>16,806,060</u>	<u>15,653,929</u>	<u>14,235,472</u>	<u>14,356,945</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	5,829,048	6,194,939	6,118,373	5,996,850	5,524,317
Special	1,932,031	1,862,917	1,646,952	1,728,565	1,348,861
Vocational	63,597	78,996	152,655	116,549	119,058
Support Services:					
Pupil	1,013,128	1,062,714	727,765	819,596	794,276
Instructional Staff	682,442	792,960	670,677	630,426	698,042
Board of Education	46,579	49,611	26,075	34,831	47,125
Administration	866,658	946,350	905,596	789,716	787,357
Fiscal	417,435	503,396	470,403	432,916	370,556
Business	47,200	48,971	42,203	51,034	45,769
Operation and Maintenance of Plant	1,361,416	1,557,113	1,380,779	1,258,452	1,052,605
Pupil Transportation	942,728	906,463	916,987	915,585	796,926
Central	362,566	280,482	273,729	231,586	189,252
Operation of Non-Instructional Services	0	172,964	39,245	297,467	0
Food Service Operations	478,005	480,088	421,174	374,679	464,370
Extracurricular Activities	317,907	401,182	403,310	277,857	369,125
Capital Outlay	25,868	792,958	2,551,860	2,074,561	6,162,464
Debt Service:					
Principal Retirement	302,937	485,000	460,000	515,000	365,000
Interest and Fiscal Charges	690,386	570,717	591,436	654,365	538,252
Bond Issuance Costs	206,071	0	0	0	86,737
<i>Total Expenditures</i>	<u>15,586,002</u>	<u>17,187,821</u>	<u>17,799,219</u>	<u>17,200,035</u>	<u>19,760,092</u>
<i>Excess of Revenue Over (Under) Expenditures</i>	<u>(757,289)</u>	<u>(381,761)</u>	<u>(2,145,290)</u>	<u>(2,964,563)</u>	<u>(5,403,147)</u>
<b>Other Financing Sources (Uses):</b>					
Sale of Capital Assets	0	23,063	0	6,400	26,590
Refunding Bonds Issued	7,484,980	0	0	0	0
General Obligation Bonds Issued	0	0	0	0	3,000,000
Premium on Bonds	0	0	0	0	88,300
Premium Refunding Bonds Issued	563,711	0	0	0	0
Payment to Refunded Bond Escrow Agent	(7,947,620)	0	0	0	0
Transfers In	53,621	484,958	8,553	196,331	35,000
Transfers Out	(53,621)	(484,958)	(8,553)	(196,331)	(35,000)
<i>Total Other Financing Sources (Uses)</i>	<u>101,071</u>	<u>23,063</u>	<u>0</u>	<u>6,400</u>	<u>3,114,890</u>
<i>Net Change in Fund Balances</i>	<u><u>(\$656,218)</u></u>	<u><u>(\$358,698)</u></u>	<u><u>(\$2,145,290)</u></u>	<u><u>(\$2,958,163)</u></u>	<u><u>(\$2,288,257)</u></u>
<i>Debt Service as a Percentage of</i>					
<i>Noncapital Expenditures</i>	7.71%	6.44%	6.90%	7.73%	7.28%

**Source:** School District Financial Records

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



2001	2000	1999	1998	1997
\$7,522,004	\$6,319,700	\$6,232,617	\$5,840,166	\$5,488,203
4,119,351	3,987,745	4,026,990	3,911,803	3,740,990
960,443	700,727	154,775	109,944	89,065
663,084	658,363	155,185	135,338	140,943
2,985	4,127	2,758	2,104	3,139
108,594	147,257	127,895	114,298	92,138
0	0	0	0	0
14,727	17,093	20,506	13,811	5,023
11,870	36,257	8,405	71,543	3,550
<u>13,403,058</u>	<u>11,871,269</u>	<u>10,729,131</u>	<u>10,199,007</u>	<u>9,563,051</u>
5,059,446	4,805,898	4,264,170	4,164,612	4,012,955
1,246,973	1,251,265	1,229,559	970,413	903,737
119,824	171,121	170,192	160,770	154,972
587,965	506,212	503,902	444,050	467,349
460,253	367,173	316,602	270,039	234,220
16,313	24,446	19,497	19,643	23,278
747,858	708,065	704,028	663,568	679,781
348,564	315,797	281,867	276,471	294,592
49,226	57,881	56,105	50,443	46,524
983,080	885,844	925,611	842,115	864,957
829,342	684,116	722,151	695,202	701,000
187,016	173,986	199,908	179,884	189,487
79,763	62,682	64,518	65,490	66,036
0	0	0	0	0
333,703	350,066	303,607	291,978	253,980
3,800,658	562,637	50,964	0	127,891
110,000	110,000	105,000	105,000	165,000
672,501	421,956	42,455	69,894	72,681
0	68,739	0	0	0
<u>15,632,485</u>	<u>11,527,884</u>	<u>9,960,136</u>	<u>9,269,572</u>	<u>9,258,440</u>
<u>(2,229,427)</u>	<u>343,385</u>	<u>768,995</u>	<u>929,435</u>	<u>304,611</u>
3,548	6,300	8,680	22,280	67,111
0	0	0	0	0
0	9,992,057	0	0	0
0	23,958	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	44,588
0	0	0	0	(44,588)
<u>3,548</u>	<u>10,022,315</u>	<u>8,680</u>	<u>22,280</u>	<u>67,111</u>
<u>(\$2,225,879)</u>	<u>\$10,365,700</u>	<u>\$777,675</u>	<u>\$951,715</u>	<u>\$371,722</u>
6.61%	5.48%	1.49%	1.89%	2.60%

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

Collection Year	Real Estate		Tangible	Personal
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2006	\$255,818,310	\$730,909,457	\$41,144,210	\$164,576,840
2005	213,134,120	608,954,629	55,800,660	223,202,640
2004	209,675,890	599,073,971	53,316,420	213,265,680
2003	203,582,810	581,665,171	50,313,160	180,623,328
2002	180,996,580	517,133,086	49,792,500	199,170,000
2001	171,952,750	491,293,571	48,597,230	194,388,920
2000	166,528,650	475,796,143	44,936,615	179,746,460
1999	133,001,590	380,004,543	43,299,674	173,198,696
1998	128,355,050	366,728,714	40,323,480	161,293,920
1997	123,338,590	352,395,971	37,495,320	149,981,280

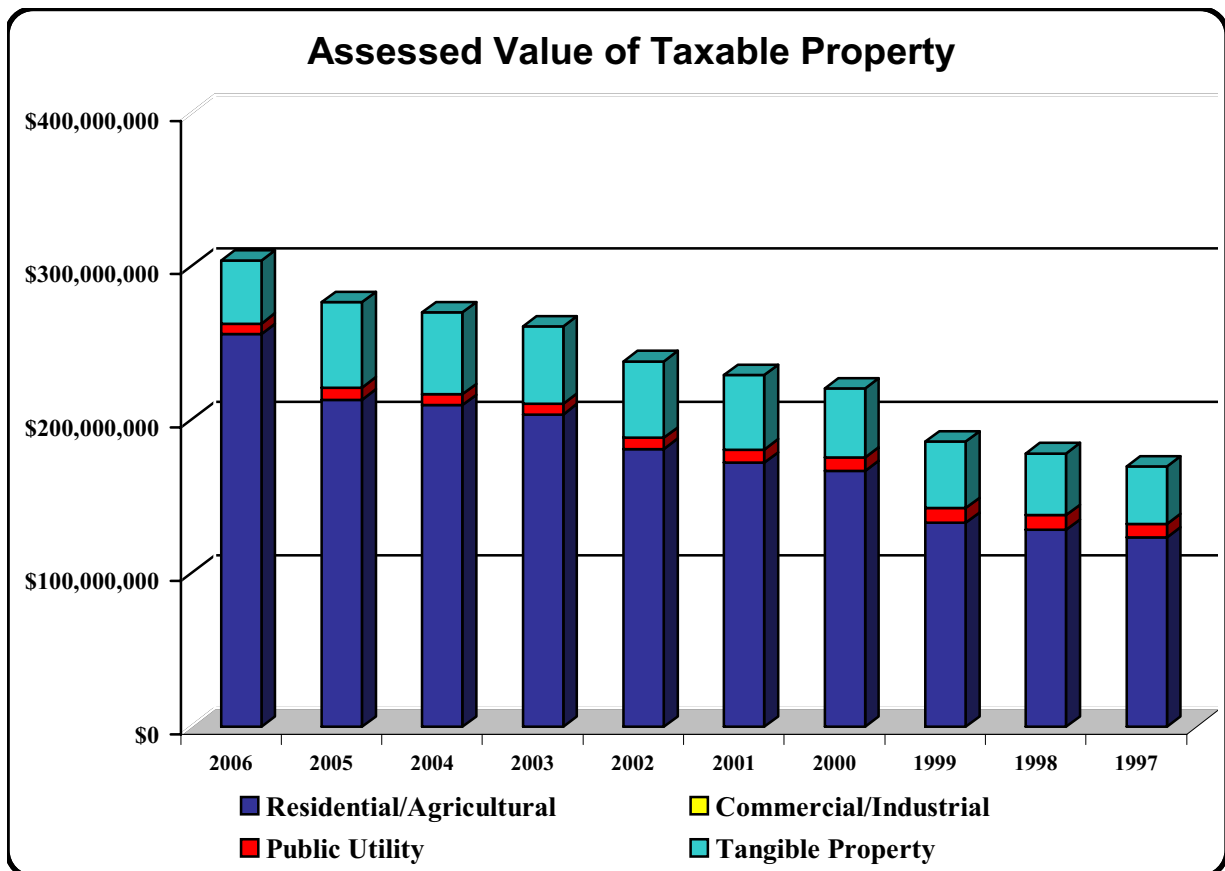
**Source:** Office of the County Auditor, Geauga County, Ohio

**Note:** Property in Geauga County is reappraised once every six years with a State mandated update of the current market value in the third year after a reappraisal.

\* Assessed valuation for real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. Other tangible personal property is assessed at 25 percent for everything except inventories, which are assessed at 23 percent.

The values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue received in that year.

Public Utility		Total		
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio
\$6,869,190	\$7,805,898	\$303,831,710	\$903,292,195	35.36%
7,309,910	8,306,716	276,244,690	840,463,983	35.25
6,943,780	7,890,659	269,936,090	820,230,311	35.37
6,943,510	7,890,352	759,951,942	770,178,852	35.43
7,392,290	8,400,330	238,181,370	724,703,415	35.39
8,702,780	9,889,523	229,252,760	695,572,014	35.29
8,917,030	10,132,989	220,382,295	665,675,591	35.29
9,585,480	10,892,591	185,886,744	564,095,830	34.90
9,491,840	10,786,182	178,170,370	538,808,816	35.00
8,820,000	10,022,727	169,653,910	512,399,979	34.92



**Cardinal Local School District***Property Tax Rates*

(per \$1,000 of assessed value)

*Last Ten Years (1)*

	2006	2005	2004	2003
<b>Unvoted Millage</b>				
Operating	\$4.500000	\$3.000000	\$3.000000	\$3.000000
Debt Service	0.000000	0.000000	0.000000	0.000000
Permanent Improvement	0.000000	1.500000	1.500000	1.500000
<b>Voted Millage - by levy</b>				
1976 Operating - continuing	20.200000	20.200000	20.200000	20.200000
Effective Millage Rates				
Residential/Agricultural	3.986712	4.626850	4.651110	4.669270
Commercial/Industrial	6.914217	8.020228	8.019278	7.979181
Tangible/Public Utility Personal	20.200000	20.200000	20.200000	20.200000
1977 Operating - continuing	5.700000	5.700000	5.700000	5.700000
Effective Millage Rates				
Residential/Agricultural	1.124963	1.305596	1.312442	1.317566
Commercial/Industrial	1.951041	2.263133	2.262865	2.251551
Tangible/Public Utility Personal	5.700000	5.700000	5.700000	5.700000
1979 Bond (\$1,308,000)	0.000000	0.000000	0.000000	0.000000
1981 Operating - continuing	7.500000	7.500000	7.500000	7.500000
Effective Millage Rates				
Residential/Agricultural	1.833067	2.127405	2.138557	2.146912
Commercial/Industrial	3.116850	3.615420	3.614992	3.596925
Tangible/Public Utility Personal	7.500000	7.500000	7.500000	7.500000
1985 Operating - continuing	4.500000	4.500000	4.500000	4.500000
Effective Millage Rates				
Residential/Agricultural	1.636510	1.899288	1.909246	1.916703
Commercial/Industrial	2.239083	2.597251	2.596945	2.583963
Tangible/Public Utility Personal	4.500000	4.500000	4.500000	4.500000
1992 Operating - 5 years	0.000000	0.000000	0.000000	0.000000
Effective Millage Rates				
Residential/Agricultural	0.000000	0.000000	0.000000	0.000000
Commercial/Industrial	0.000000	0.000000	0.000000	0.000000
Tangible/Public Utility Personal	0.000000	0.000000	0.000000	0.000000
1997 Operating - 5 years	0.000000	0.000000	0.000000	0.000000
Effective Millage Rates				
Residential/Agricultural	0.000000	0.000000	0.000000	0.000000
Commercial/Industrial	0.000000	0.000000	0.000000	0.000000
Tangible/Public Utility Personal	0.000000	0.000000	0.000000	0.000000

2002	2001	2000	1999	1998	1997
\$3.000000	\$3.000000	\$3.000000	\$3.000000	\$3.000000	\$3.000000
0.500000	0.500000	0.500000	0.500000	1.500000	1.500000
1.000000	1.000000	1.000000	1.000000	0.000000	0.000000
20.200000	20.200000	20.200000	20.200000	20.200000	20.200000
5.262483	5.285956	5.332901	6.612207	6.637194	6.697673
8.169001	8.180757	8.213501	9.500787	9.531370	9.510564
20.200000	20.200000	20.200000	20.200000	20.200000	20.200000
5.700000	5.700000	5.700000	5.700000	5.700000	5.700000
1.484958	1.491581	1.504828	1.865820	1.872871	1.889937
2.305114	2.308431	2.317671	2.680915	2.689545	2.683674
5.700000	5.700000	5.700000	5.700000	5.700000	5.700000
0.000000	0.000000	0.000000	0.000000	0.500000	0.600000
7.500000	7.500000	7.500000	7.500000	7.500000	7.500000
2.419665	2.430465	2.452050	3.040275	3.051757	3.079567
3.682500	3.687802	3.702562	4.282852	4.296637	4.287255
7.500000	7.500000	7.500000	7.500000	7.500000	7.500000
4.500000	4.500000	4.500000	4.500000	4.500000	4.500000
2.160211	2.169850	2.189119	2.714269	2.724525	2.749351
2.645437	2.649244	2.659851	3.076722	3.086626	3.079890
4.500000	4.500000	4.500000	4.500000	4.500000	4.500000
0.000000	0.000000	0.000000	0.000000	0.000000	9.700000
0.000000	0.000000	0.000000	0.000000	0.000000	7.515986
0.000000	0.000000	0.000000	0.000000	0.000000	8.126058
0.000000	0.000000	0.000000	0.000000	0.000000	9.700000
9.700000	9.700000	9.700000	9.700000	9.700000	0.000000
7.621406	7.655424	7.723421	9.576218	9.612399	0.000000
8.313511	8.325480	8.358810	9.668872	9.700000	0.000000
9.700000	9.700000	9.700000	9.700000	9.700000	0.000000

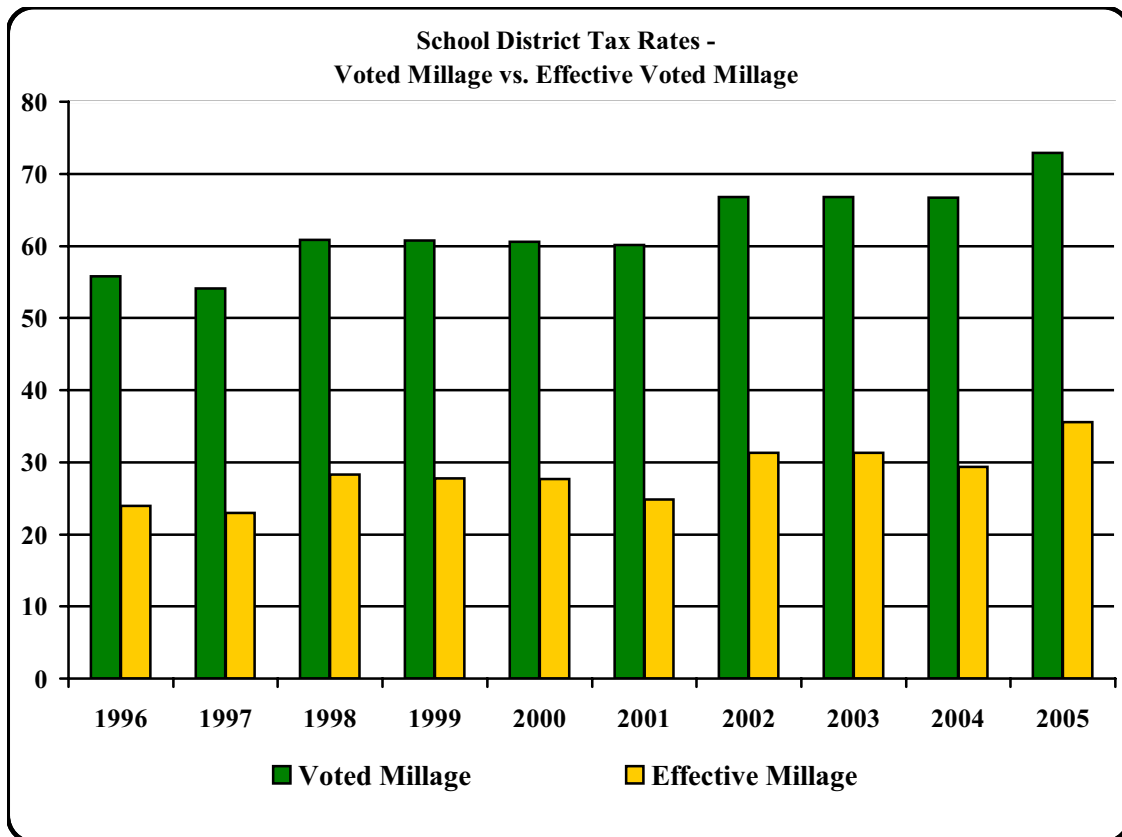
**Cardinal Local School District**

*Property Tax Rates*

(per \$1,000 of assessed value)

*Last Ten Years (1)*

	2006	2005	2004	2003
1999 Bond (\$10,000,000)	\$2.700000	\$3.150000	\$3.150000	\$3.150000
2001 Library Bond (\$3,000,000)	0.850000	1.000000	1.000000	1.000000
2002 Operating - 5 years	9.700000	9.700000	9.700000	9.700000
Effective Millage Rates				
Residential/Agricultural	7.348399	8.528356	8.573073	8.606567
Commercial/Industrial	8.210012	9.523295	9.522179	9.474581
Tangible/Public Utility Personal	9.700000	9.700000	9.700000	9.700000
<b>Total Voted Millage</b>	<b>51.150000</b>	<b>51.750000</b>	<b>51.750000</b>	<b>51.750000</b>
<b>Total Effective Voted Millage by type of property</b>				
Residential/Agricultural	19.479651	22.637495	22.734428	22.807018
Commercial/Industrial	25.981203	30.169327	30.166259	30.036201
Tangible/Public Utility Personal	51.150000	51.750000	51.750000	51.750000



2002	2001	2000	1999	1998	1997
\$3.500000	\$3.500000	\$3.500000	\$0.000000	\$0.000000	\$0.000000
1.000000	0.000000	0.000000	0.000000	0.000000	0.000000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
52.100000	51.100000	51.100000	47.600000	48.100000	48.200000
23.448723	22.533276	22.702319	23.808789	24.398746	22.532514
29.615563	28.651714	28.752395	29.210148	29.804178	28.287441
52.100000	51.100000	51.100000	47.600000	48.100000	48.200000

(continued)

**Cardinal Local School District**

*Property Tax Rates*

(per \$1,000 of assessed value)

*Last Ten Years (1)*

	2006	2005	2004	2003
<b>Overlapping Rates by Taxing District</b>				
Middlefield Township Voted Millage				
General Fund Operating	\$1.300000	\$1.300000	\$1.300000	\$1.300000
Road and Bridge Operating	1.700000	1.700000	1.700000	1.700000
1992 Emergency Medical Service	0.000000	0.000000	0.000000	0.000000
1996 Road and Bridge, 5 year	2.500000	2.500000	2.500000	2.500000
Effective Millage Rates				
Residential/Agricultural	1.413017	1.653040	1.655685	1.659667
Commercial/Industrial	1.801182	2.056550	2.059510	2.061970
Tangible/Public Utility Personal	2.500000	2.500000	2.500000	2.500000
1997 Ambulance, 5 year	1.120000	1.120000	1.120000	1.120000
Effective Millage Rates				
Residential/Agricultural	0.685622	0.802086	0.803370	0.805302
Commercial/Industrial	0.807158	0.921595	0.922921	0.924024
Tangible/Public Utility Personal	1.120000	1.120000	1.120000	1.120000
Auburn Joint Vocational School District	1.500000	1.500000	1.500000	1.500000
Geauga County Voted Millage	15.100000	15.100000	15.100000	14.600000
Effective Millage Rates				
Residential/Agricultural	10.891352	11.876713	10.858588	10.387579
Commercial/Industrial	11.414258	12.603699	11.755403	11.298447
Tangible/Public Utility Personal	15.100000	15.100000	15.100000	14.600000
Geauga County Library District Voted Millage	1.000000	1.000000	1.000000	1.000000
Effective Millage Rates				
Residential/Agricultural	0.807751	0.902201	0.901314	0.907913
Commercial/Industrial	0.827379	0.938667	0.942192	0.946233
Tangible/Public Utility Personal	1.000000	1.000000	1.000000	1.000000

**Source:** Office of the County Auditor, Geauga County, Ohio

(1) The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented on S10 and S11 generated the property tax revenue received in that year.



2002	2001	2000	1999	1998	1997
\$1.300000	\$1.300000	\$1.300000	\$1.300000	\$1.300000	\$1.300000
1.700000	1.700000	1.700000	1.700000	1.700000	1.700000
0.000000	0.000000	0.000000	0.000000	0.000000	1.650000
2.500000	2.500000	2.500000	2.500000	2.500000	2.500000
1.863300	1.872045	1.878572	2.285832	2.290800	2.308232
2.090995	2.090995	2.095540	2.491622	2.494117	2.499292
2.500000	2.500000	2.500000	2.500000	2.500000	2.500000
1.600000	1.600000	1.600000	1.600000	1.600000	0.000000
1.291584	1.297646	1.302171	1.584472	1.587915	0.000000
1.338616	1.338616	1.341524	1.595089	1.596686	0.000000
1.600000	1.600000	1.600000	1.600000	1.600000	0.000000
1.500000	1.500000	1.500000	1.500000	1.500000	1.500000
14.400000	13.400000	12.650000	12.450000	12.450000	12.450000
10.991590	10.020950	9.122794	9.188474	9.229701	9.268421
11.582869	10.595040	9.700071	10.336281	10.368604	10.367874
14.400000	13.400000	12.650000	12.450000	12.450000	12.450000
1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
0.992066	0.638504	0.641360	0.749500	0.754083	0.766837
0.996923	0.728022	0.727255	0.861509	0.865772	0.870234
1.000000	1.000000	1.000000	1.000000	1.000000	1.000000

**Cardinal Local School District**  
*Property Tax Levies and Collections (1)*  
*Last Ten Years*

Collection Year (2)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
2005	\$10,194,254	\$9,038,642	88.66 %	\$292,355	\$9,330,997	91.53 %
2004	10,121,279	9,406,615	92.94	204,880	9,611,495	94.96
2003	9,727,424	9,048,653	93.02	251,122	9,299,775	95.60
2002	8,914,432	8,231,692	92.34	224,412	8,456,104	94.86
2001	8,301,429	7,806,730	94.04	169,835	7,976,565	96.09
2000	8,167,546	7,681,629	94.05	121,341	7,802,970	95.54
1999	7,061,165	6,594,575	93.39	144,881	6,739,456	95.44
1998	6,518,460	6,402,632	98.22	213,730	6,616,362	101.50
1997	5,944,364	5,772,668	97.11	153,832	5,926,500	99.70
1996	5,708,577	5,545,982	97.15	159,449	5,705,431	99.94

**Source:** Office of the Auditor, Geauga County, Ohio

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) The 2006 information cannot be presented because all collections have not been made by June 30, 2006.
- (3) The County does not maintain delinquency collections information by tax year.

**Cardinal Local School District**  
*Principal Taxpayers*  
*Real Estate Tax*  
*December 31, 2005 and December 31, 1997*

Name of Taxpayer	December 31, 2005	
	Assessed Valuation	Percent of Real Assessed Value
Kraftmaid Cabinetry, Incorporated	\$6,314,980	2.47 %
Johnson Rubber	1,960,130	0.77
Burdkidz, Limited	1,721,720	0.67
Sajar Plastics	1,662,500	0.65
Luxemburg Properties	1,377,230	0.54
WalMart Real Estate	1,344,250	0.53
Dillon Properties, Limited	1,323,010	0.52
Consolidation Est. Limited	1,270,400	0.50
Middlefield Square	1,260,790	0.49
Bonner Madison Road	1,223,080	0.48
<b>Total</b>	<b>\$19,458,090</b>	<b>7.62 %</b>
<b>Total Real Estate Valuation</b>	<b>\$255,818,310</b>	
Name of Taxpayer	December 31, 1997 (1)	
	Assessed Valuation	Percent of Real Assessed Value
Dillen Products	\$2,830,840	2.30 %
Johnson Rubber	1,437,880	1.17
Anna M Rothenbuhler	1,352,080	1.10
Sajar Products, Incorporation	1,134,010	0.92
Middlefield Village Apartments	1,006,710	0.82
Middlefield Banking Company	1,002,350	0.81
Burdkidz, Limited	976,790	0.79
Harrington Square	917,010	0.74
Geauga Industries	855,690	0.69
River Pines Recreation	668,020	0.54
<b>Total</b>	<b>\$12,181,380</b>	<b>9.88 %</b>
<b>Total Real Estate Valuation</b>	<b>\$123,338,590</b>	

**Source:** Office of the Auditor, Geauga County, Ohio

(1) Information prior to 1997 is not available.

**Cardinal Local School District**  
*Principal Taxpayers*  
*Tangible Personal Property Tax*  
*December 31, 2005 and December 31, 1997*

Name of Taxpayer	December 31, 2005	
	Assessed Valuation	Percent of Tangible Assessed Value
Kraftmaid Cabinetry, Incorporated	\$15,848,130	38.52 %
Myers Industries, Incorporated	6,760,620	16.43
Duramax, Incorporated	5,755,600	13.99
Hans Rothenbuhler & Sons	4,590,910	11.16
Gold Key Processing, Limited	2,292,010	5.57
Neff Perkins Company	1,325,870	3.22
Mercury Plastics, Incorporated	1,275,000	3.10
Sajar Plastics	1,170,430	2.85
Xerox Corporation	1,040,450	2.53
Flambeau Products Corporation	975,610	2.37
<b>Total</b>	<b>\$41,034,630</b>	<b>99.74 %</b>
<b>Total Tangible Assessed Valuation</b>	<b>\$41,144,210</b>	

Name of Taxpayer	December 31, 1997 (1)	
	Assessed Valuation	Percent of Tangible Assessed Value
Kraftmaid Cabinetry, Incorporated	\$12,372,480	33.00 %
Duramax, Incorporated	3,638,680	9.70
Hans Rothenbuhler & Sons	2,859,950	7.62
Dillion Products	1,931,660	5.15
Carlisle Geauga Company	1,430,780	3.82
Mercury Plastics, Incorporated	1,400,450	3.73
Middlefield Mix, Incorporated	1,300,390	3.47
Neff Perkins Company	1,284,590	3.43
Universal Polymer & Rubber Company	1,083,990	2.89
Sajar Plastics	1,041,620	2.78
<b>Total</b>	<b>\$28,344,590</b>	<b>75.59 %</b>
<b>Total Tangible Assessed Valuation</b>	<b>\$37,495,320</b>	

**Source:** Office of the Auditor, Geauga County, Ohio

(1) Information prior to 1997 is not available.

**Cardinal Local School District**  
*Principal Taxpayers*  
*Public Utilities Tax*  
*December 31, 2005 and December 31, 1997*

December 31, 2005		
Name of Taxpayer	Assessed Valuation	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$4,053,350	59.01 %
Western Reserve Telephone Company	859,610	12.51
Ohio Edison	778,790	11.34
American Transmission	516,620	7.52
East Ohio Gas Company	281,140	4.09
<b>Total</b>	<b>\$6,489,510</b>	<b>94.47 %</b>
<b>Total Public Utility Valuation</b>	<b>\$6,869,190</b>	

December 31, 1997 (1)		
Name of Taxpayer	Assessed Valuation	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$4,622,170	54.41 %
Western Reserve Telephone Company	1,604,390	18.19
Ohio Edison	1,152,380	13.07
East Ohio Gas Company	761,860	8.64
<b>Total</b>	<b>\$8,140,800</b>	<b>94.31 %</b>
<b>Total Public Utility Valuation</b>	<b>\$8,820,000</b>	

**Source:** Office of the Auditor, Geauga County, Ohio

(1) Information prior to 1997 is not available.

**Cardinal Local School District**  
*Computation of Direct and Overlapping*  
*General Obligation Bonded Debt*  
*June 30, 2006*

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	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount of Direct and Overlapping Debt</u>
<b>Direct:</b>			
Cardinal Local School District	\$10,991,973	100.00 %	\$10,991,973
<b>Overlapping:</b>			
Geauga County	<u>11,351,378</u>	9.99	<u>1,134,003</u>
Total	<u><u>\$22,343,351</u></u>		<u><u>\$12,125,976</u></u>

**Source:** Office of the Auditor, Geauga County, Ohio

(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 2006 collection year.

**Cardinal Local School District**  
*Ratio of Debt to Estimated Actual Value and Debt per Capita*  
*Last Ten Fiscal Years*

Fiscal Year	Estimated Population	Estimated Actual Value	General Obligation Bonded Debt		
			Bonded Debt	Ratio of Bonded Debt to Estimated Actual Value	Bonded Debt per Capita
2006	15,500	\$303,831,710	\$10,991,973	3.62 %	\$709
2005	15,500	276,244,690	10,371,955	3.75	669
2004	15,500	269,936,090	11,177,838	4.14	721
2003	13,804	260,840,480	11,701,186	4.49	848
2002	13,494	238,181,370	12,196,420	5.12	904
2001	13,494	229,252,760	9,464,224	4.13	701
2000	14,439	220,382,295	9,728,818	4.41	674
1999	14,115	185,886,744	278,854	0.15	20
1998	13,951	178,170,370	480,606	0.27	34
1997	13,938	169,653,910	753,997	0.44	54

**Source:** School District Financial Records  
The U.S. Census Bureau (Census 2000) and the Geauga County Planning Commission

**Cardinal Local School District**  
*Computation of Legal Debt Margin*  
*Last Nine Fiscal Years (1)*

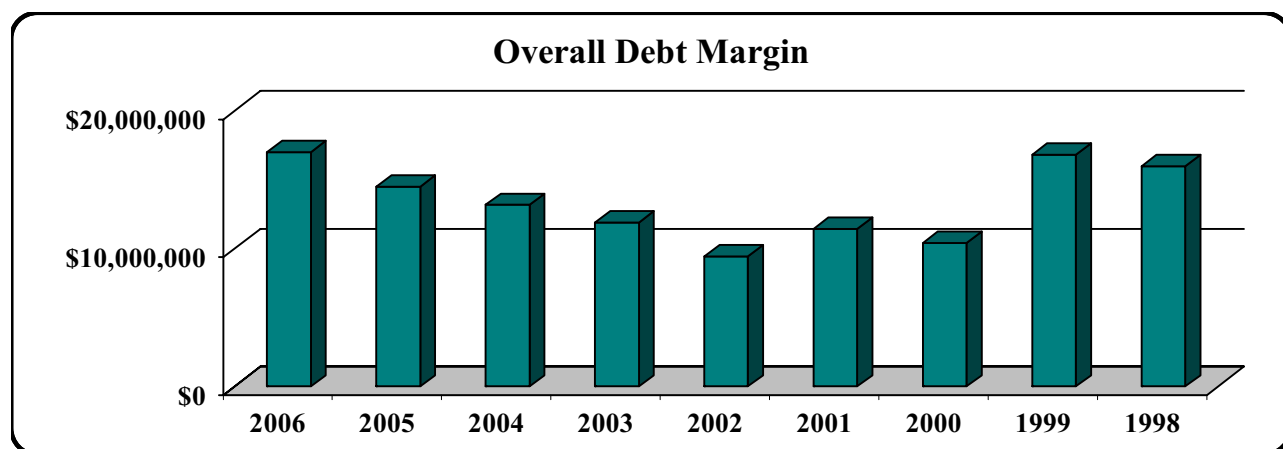
	<u>2006</u>	<u>2005</u>	<u>2004</u>
Assessed Valuation	<u>\$303,831,710</u>	<u>\$276,244,690</u>	<u>\$269,936,090</u>
Debt Limit - 9% of Assessed Value (2)	\$27,344,854	\$24,862,022	\$24,294,248
Amount of Debt Outstanding			
General Obligation Bonds	8,511,973	8,679,930	8,964,930
Energy Conservation Bonds	0	0	70000
Middlefield Public Library Bonds	2,479,999	2,615,000	2745000
Middlefield Public Library Notes	0	0	0
Less: Amount Available in Debt Service	<u>(645,087)</u>	<u>(922,975)</u>	<u>(602,092)</u>
Total	10,346,885	10,371,955	11,177,838
Exemptions:			
Energy Conservation Bonds	0	0	(70,000)
Middlefield Public Library Notes	<u>0</u>	<u>0</u>	<u>0</u>
Amount of Debt Subject to Limit	<u>10,346,885</u>	<u>10,371,955</u>	<u>11,107,838</u>
Overall Debt Margin	<u>\$16,997,969</u>	<u>\$14,490,067</u>	<u>\$13,186,410</u>
Legal Debt Margin as a Percentage of Debt Limit	62.16%	58.28%	54.28%
Unvoted Legal Debt Limit - .10% of Assessed Value (2)	\$303,832	\$276,245	\$269,936
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Debt Margin	<u>\$303,832</u>	<u>\$276,245</u>	<u>\$269,936</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%

**Source:** Geauga County Auditor and School District Financial Records

- (1) Information prior to 1998 is not available
- (2) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.



2003	2002	2001	2000	1999	1998
<u>\$260,840,480</u>	<u>\$238,181,370</u>	<u>\$229,252,760</u>	<u>\$220,382,295</u>	<u>\$185,886,744</u>	<u>\$178,170,370</u>
\$23,475,643	\$21,436,323	\$20,632,748	\$19,834,407	\$16,729,807	\$16,035,333
9,239,930	9,554,930	9,859,930	9,914,930	220,000	275,000
135,000	200,000	260,000	315,000	370,000	420,000
2,865,000	3,000,000	0	0	0	0
0	3,000,000	0	0	0	0
<u>(538,744)</u>	<u>(558,610)</u>	<u>(655,686)</u>	<u>(501,112)</u>	<u>(311,146)</u>	<u>(214,394)</u>
11,701,186	15,196,320	9,464,244	9,728,818	278,854	480,606
(135,000)	(200,000)	(260,000)	(315,000)	(370,000)	(420,000)
<u>0</u>	<u>(3,000,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11,566,186	11,996,320	9,204,244	9,413,818	(91,146)	60,606
<u>\$11,909,457</u>	<u>\$9,440,003</u>	<u>\$11,428,504</u>	<u>\$10,420,589</u>	<u>\$16,820,953</u>	<u>\$15,974,727</u>
50.73%	44.04%	55.39%	52.54%	100.54%	99.62%
\$260,840	\$238,181	\$229,253	\$220,382	\$185,887	\$178,170
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$260,840</u>	<u>\$238,181</u>	<u>\$229,253</u>	<u>\$220,382</u>	<u>\$185,887</u>	<u>\$178,170</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%



**Cardinal Local School District**  
*Demographic and Economic Statistics*  
*Last Seven Years (1)*

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Year	Estimated Population	Total Personal Income	Personal Income Per Capita	Median Household Income
2006	15,500	\$237,894,000	\$15,348	\$44,253
2005	15,500	237,894,000	15,348	44,253
2004	15,500	237,894,000	15,348	44,253
2003	13,804	211,863,792	15,348	44,253
2002	13,494	207,105,912	15,348	44,253
2001	13,494	207,105,912	15,348	44,253
2000	14,439	221,609,772	15,348	44,253

**Source:** 2000 U.S. Census Bureau  
Ohio Bureau of Employment Services

(1) Information prior to 2000 not available

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Median Age	Median Value of Residential Property	Geauga County Unemployment Rate	Total Assessed Property Value
28.28	\$152,267	4.7 %	\$303,831,710
28.28	152,267	4.5	276,244,690
28.28	152,267	5.3	269,936,090
28.28	152,267	4.4	260,840,480
28.28	152,267	3.7	238,181,370
28.28	152,267	2.9	229,252,760
28.28	152,267	2.8	220,382,295

**Cardinal Local School District**  
*Principal Employers*  
*December 31, 2005 and December 31, 1996*

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**2005**

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Employer	Location	Nature of Business or Activity	Number of Employees
Kraftmaid, Incorporated	Middlefield	Manufacturer	3,185
Dillen Products	Middlefield	Manufacturer	511
Wal-Mart	Middlefield	Retail	340
Duramax, Incorporated	Middlefield	Manufacturer	317
Mercury Plastics	Middlefield	Manufacturer	250
Total			<u>4,603</u>
Total Employment within the School District			<u>n/a</u>

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**1996**

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Employer	City	Nature of Business or Activity	Number of Employees
Kraftmaid, Incorporated	Middlefield	Manufacturer	3,185
Dillen Products	Middlefield	Manufacturer	511
Duramax, Incorporated	Middlefield	Manufacturer	317
Mercury Plastics	Middlefield	Manufacturer	225
Total			<u>4,238</u>
Total Employment within the School District			<u>n/a</u>

Source: Geauga County Records and Individual Employers

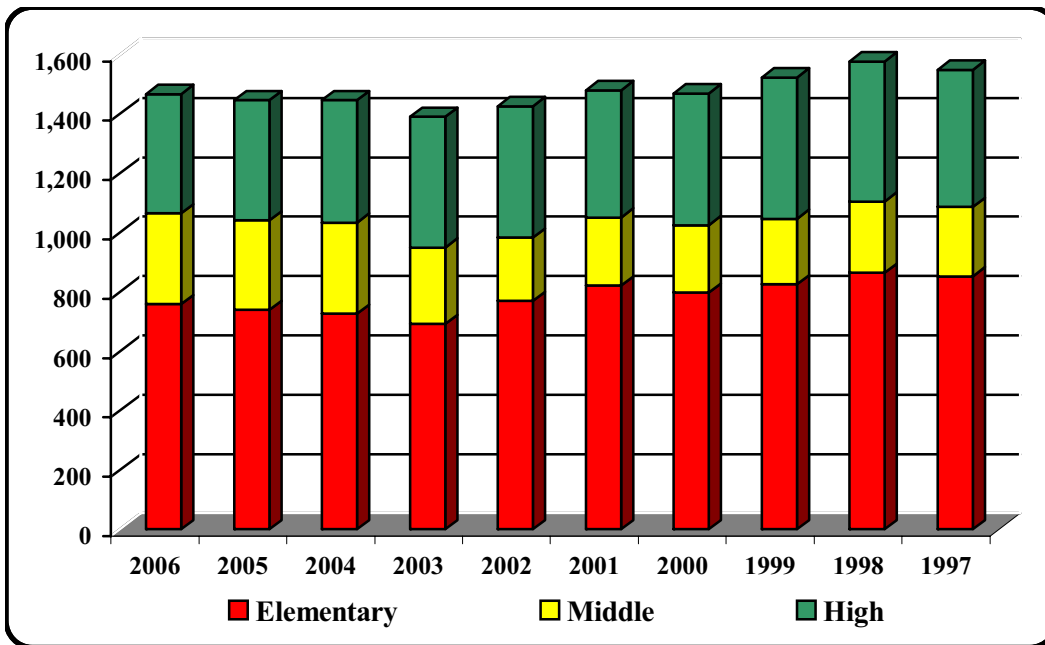
n/a - Information not available

## Cardinal Local School District

### *Enrollment Statistics*

#### *Last Ten Fiscal Years*

Fiscal Year	Elementary Schools	Middle School	High School	Total
2006	759	306	402	1,467
2005	740	302	405	1,447
2004	726	308	412	1,446
2003	(1) 692	258	440	1,390
2002	770	214	442	1,426
2001	822	229	429	1,480
2000	798	227	444	1,469
1999	826	221	476	1,523
1998	864	241	472	1,577
1997	853	233	463	1,549



**Source:** School District Records

- (1) The following are changes made in the 2002-03 school year  
 Elementary grade change from K-6 to K-5  
 Middle School grade change from 7,8 to 6,7,8

**Cardinal Local School District**  
*Building Statistics by Function/Program*  
*Last Five Fiscal Years*

	2006	2005	2004	2003 (1)	2002
<b>Huntsburg Elementary School</b>					
Constructed in 1951					
Addition in 1974					
Total Building Square Footage	21,918	21,918	21,918	21,918	21,918
Enrollment Grades K - 5	158	156	140	129	143
Student Capacity	250	250	250	250	250
Regular Instruction Classrooms	9	9	9	9	9
Regular Instruction Teachers	6	7	7	7	7
Special Instruction Classrooms	3	2	3	3	3
Special Instruction Teachers	3	3	3	3	3
<b>Jordak Elementary School</b>					
Constructed in 1951					
Additions in 1956, 1974					
Total Building Square Footage	48,758	48,758	48,758	48,758	48,758
Enrollment Grades K - 5	422	438	428	417	452
Student Capacity	525	525	525	525	525
Regular Instruction Classrooms	23	23	23	23	23
Regular Instruction Teachers	19	20	21	22	23
Special Instruction Classrooms	9	9	9	9	9
Special Instruction Teachers	10	10	10	11	9
<b>Parkman Elementary School</b>					
Constructed in 1951					
Addition in 1974					
Total Building Square Footage	26,304	26,304	26,304	26,304	26,304
Enrollment Grades K - 5	179	146	158	146	175
Student Capacity	250	250	250	250	250
Regular Instruction Classrooms	15	15	15	15	15
Regular Instruction Teachers	6	6	6	6	7
Special Instruction Classrooms	5	5	5	5	5
Special Instruction Teachers	3	3	3	3	3

(continued)

**Cardinal Local School District**  
*Building Statistics by Function/Program (continued)*  
*Last Five Fiscal Years*

	2006	2005	2004	2003 (1)	2002
<b>Cardinal Middle School</b>					
Constructed in 2002					
Total Building Square Footage	72,000	72,000	72,000	72,000	72,000
Enrollment Grades 6 - 8	306	302	308	258	214
Student Capacity	450	450	450	450	450
Regular Instruction Classrooms	20	20	20	20	20
Regular Instruction Teachers	16	15	14	10	10
Special Instruction Classrooms	4	4	4	4	4
Special Instruction Teachers	6	7	7	7	7
<b>Cardinal High School</b>					
Constructed in 1961					
Additions in 1967, 1980					
Total Building Square Footage	85,678	85,678	85,678	85,678	85,678
Enrollment - Grades 9 - 12	402	405	412	440	442
Student Capacity	525	525	525	525	525
Regular Instruction Classrooms	20	20	20	20	20
Regular Instruction Teachers	19	19	19	18	20
Special Instruction Classrooms	3	3	3	3	3
Special Instruction Teachers	6	7	7	7	7
Vocational Instruction Classrooms	2	2	2	2	2
Vocational Instruction Teachers	1	2	2	2	2

**Source:** School District Records

- (1) The following are changes made in the 2002-03 school year  
 Elementary grade change from K-6 to K-5  
 Middle School grade change from 7,8 to 6,7,8

**Cardinal Local School District**

*Per Pupil Cost*

*Last Ten Fiscal Years*

Fiscal Year	Student Enrollment		General Governmental		Governmental Activities	
	Average Enrollment	Percentage of Change	Total Expenditures (1)	Per Pupil Cost	Total Expenses (2)	Per Pupil Cost
2006	1,467	1.36 %	\$15,586,002	\$10,624	N/A	N/A
2005	1,447	0.07	17,187,821	11,878	N/A	N/A
2004	1,446	3.87	17,799,219	12,309	N/A	N/A
2003	1,390	(2.59)	17,200,035	12,374	N/A	N/A
2002	1,426	(3.79)	19,760,092	13,857	N/A	N/A
2001	1,480	0.74	15,991,707	10,805	N/A	N/A
2000	1,469	(3.68)	9,566,879	6,513	N/A	N/A
1999	1,523	(3.55)	8,925,157	5,860	\$9,960,136	\$6,540
1998	1,577	1.78	8,324,101	5,278	9,269,572	5,878
1997	1,549	(0.06)	8,263,550	5,335	9,258,440	5,977

**Source:** School District Financial Records

(1) Debt Service totals have been excluded.

(2) The School District implemented GASB-34 in fiscal year 2000.



**Cardinal Local School District**  
*Attendance and Graduation Rates*  
*Last Eight Fiscal Years*

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Fiscal Year	Cardinal Attendance Rate	State Average	Cardinal Graduation Rate	State Average
2006	95.60 %	94.10 %	93.10 %	86.20 %
2005	95.40	94.30	91.90	85.90
2004	95.60	94.50	91.90	84.30
2003	95.50	94.50	91.50	83.90
2002	95.50	94.30	90.20	82.80
2001	96.40	93.90	86.00	81.20
2000	94.80	93.60	86.60	80.70
1999	95.40	93.50	89.10	81.40

Source: Ohio Department of Education Local Report Cards

**Cardinal Local School District**  
*School District Employees by Function/Program*  
*Last Seven Fiscal Years*

<b>Function/Program</b>	2006	2005	2004
<b>Regular Instruction</b>			
Elementary Classroom Teachers	34	37	38
Middle School Classroom Teachers	18	17	16
High School Classroom Teachers	23	24	24
<b>Special Instruction</b>			
Elementary Classroom Teachers	4	4	4
Gifted Education Teachers	1	1	1
Middle School Classroom Teachers	2	2	2
High School Classroom Teachers	3	3	3
<b>Vocational Instruction</b>			
High School Classroom Teachers	1	2	2
<b>Pupil Support Services</b>			
Guidance Counselors	3.6	3.6	3.6
Librarians	3	5	5.5
Speech & Language Pathologists	3	3	2
Nurse	3	3	3
Classroom Aides	11.45	12.5	12.5
<b>Administration</b>			
Elementary	7.8	7.8	7.8
Middle School	3	3	3
High School	3	3	3
Districtwide	10	10	10
<b>Operation of Plant</b>			
Custodians	10	12.5	12.5
Maintenance	1	3	3
<b>Pupil Transportation</b>			
Bus Drivers	14	17	17
Van Drivers	2	4	4
Bus Aides	1	3	3
Mechanics	2	2	2
<b>Food Service Program</b>			
Elementary Cooks and Monitors	5	6.5	6.5
Middle School Cooks and Monitors	3	3	3
High School Cooks and Monitors	2	2	2

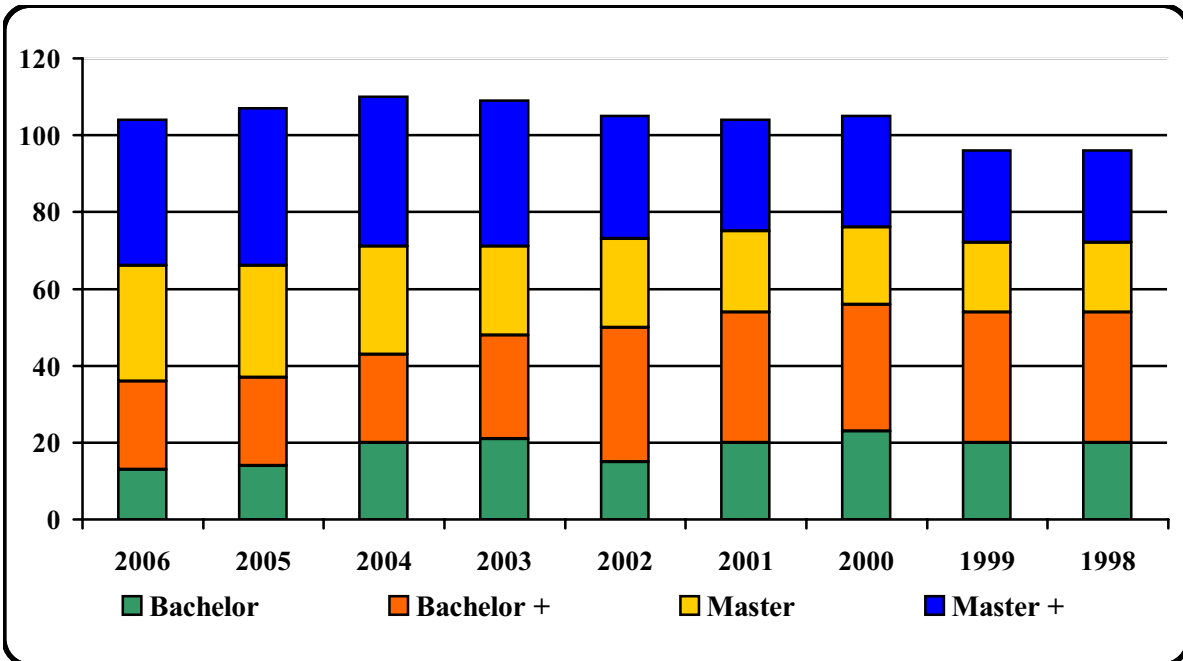
**Source:** School District Records

2003	2002	2001	2000
39	41	41	40.5
12	12	12	12
23.11	24	23	23
4	4.5	3.5	3.5
1	1	1	1
2	2	2	2
3	3	2	2
2	2	2	3
3.6	3	3	2.5
5.5	5.5	5	5.5
1	1.75	1.75	1.75
3	2	2	1
12.5	12.5	10.75	10.5
7.8	7.8	7.8	7.8
3	3	3	3
3	3	3	3
10	10	9.75	9.75
12.5	11	11	11
2	2	2	2
16	15	15	15
4	2	2	2
2	2	2	2
2	2	2	2
5	4	4	4
3	2	2	2
2	2	2	2

**Cardinal Local School District**  
*Full-Time Equivalent Certified School Employees by Education*  
*Last Nine Fiscal Years*

Degree	2006	2005	2004	2003
Bachelor	13	14	20	21
Bachelor +15	11	11	8	10
Bachelor +30	12	12	15	17
Master	30	29	28	23
Master +15	13	16	18	17
Master +30	25	25	21	21
<b>Total</b>	<u>104</u>	<u>107</u>	<u>110</u>	<u>109</u>

**Source:** School District Records



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<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
15	20	23	23	20
12	9	10	12	13
23	25	23	20	21
23	21	20	18	18
12	11	11	11	9
<u>20</u>	<u>18</u>	<u>18</u>	<u>18</u>	<u>15</u>
<u>105</u>	<u>104</u>	<u>105</u>	<u>102</u>	<u>96</u>

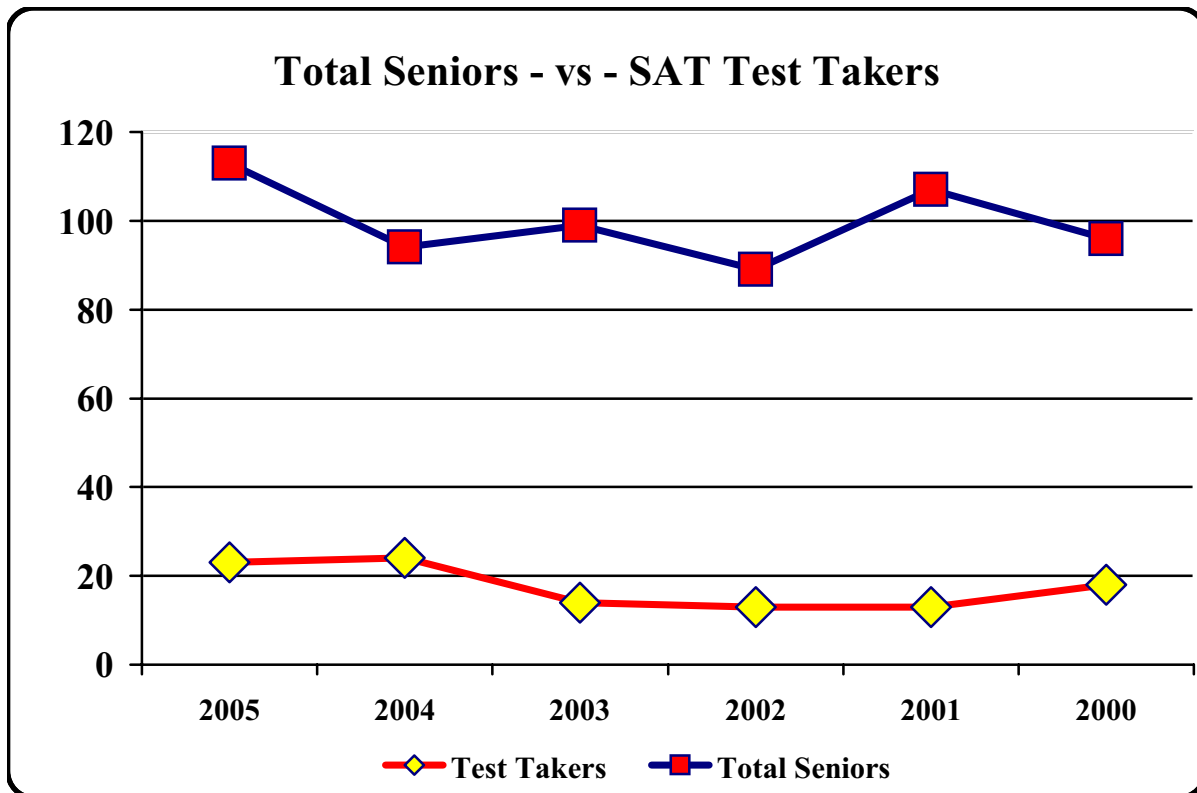
**Cardinal Local School District**

*SAT Composite Scores*

*Last Six School Years*

School Year	Number of Test Takers	Number of Seniors	Percent of Students	Cardinal Verbal	Ohio Verbal	National Verbal
2005	23	113	20.35 %	535	535	505
2004	24	94	25.53	525	536	505
2003	14	99	14.14	512	534	505
2002	13	89	14.61	591	533	505
2001	13	107	12.15	608	534	506
2000	18	96	18.75	558	533	504

**Source:** High School Guidance Office,  
Cardinal Local School District





<u>Cardinal Math</u>	<u>Ohio Math</u>	<u>National Math</u>
567	536	511
538	540	512
542	538	511
561	539	514
591	539	514
577	540	516

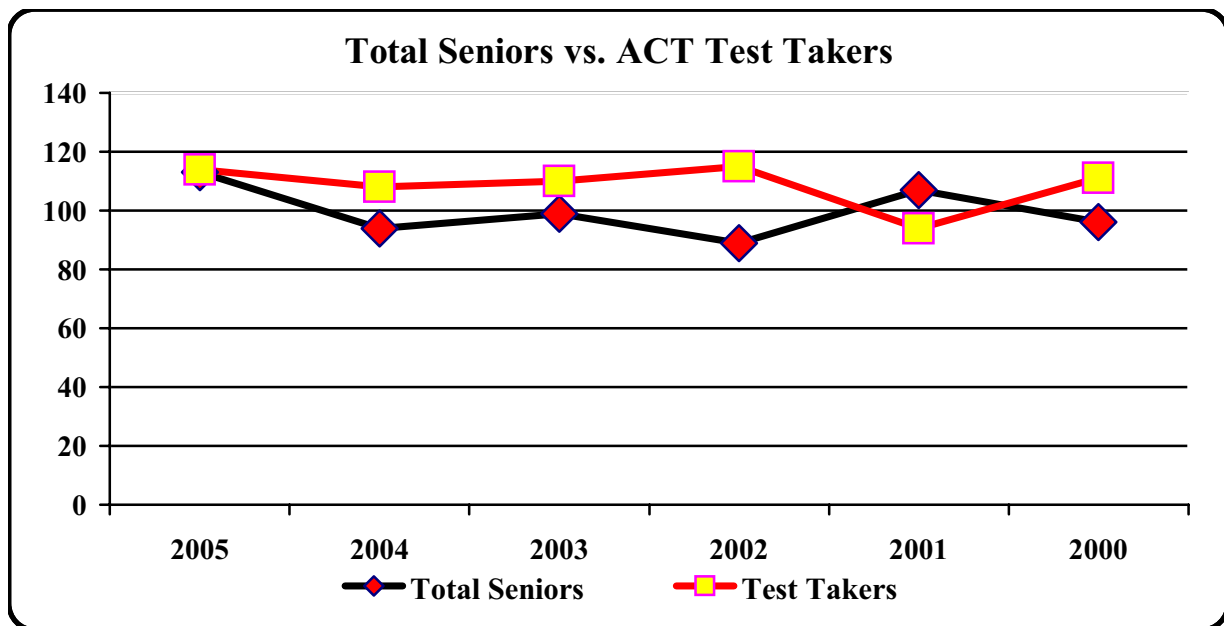
**Cardinal Local School District**

*ACT Composite Scores*

*Last Six School Years*

School Year	Number of Test Takers	Number of Seniors	Percent of Students	Cardinal Composite	Ohio Composite	National Composite
2005	114	113	100.88 %	22.0	21.3	21.0
2004	108	94	114.89	21.4	21.4	21.0
2003	110	99	111.11	21.3	21.4	21.0
2002	115	89	129.21	22.3	21.4	21.0
2001	94	107	87.85	22.5	21.4	21.0
2000	111	96	115.63	21.7	21.4	20.8

**Source:** High School Guidance Office,  
Cardinal Local School District

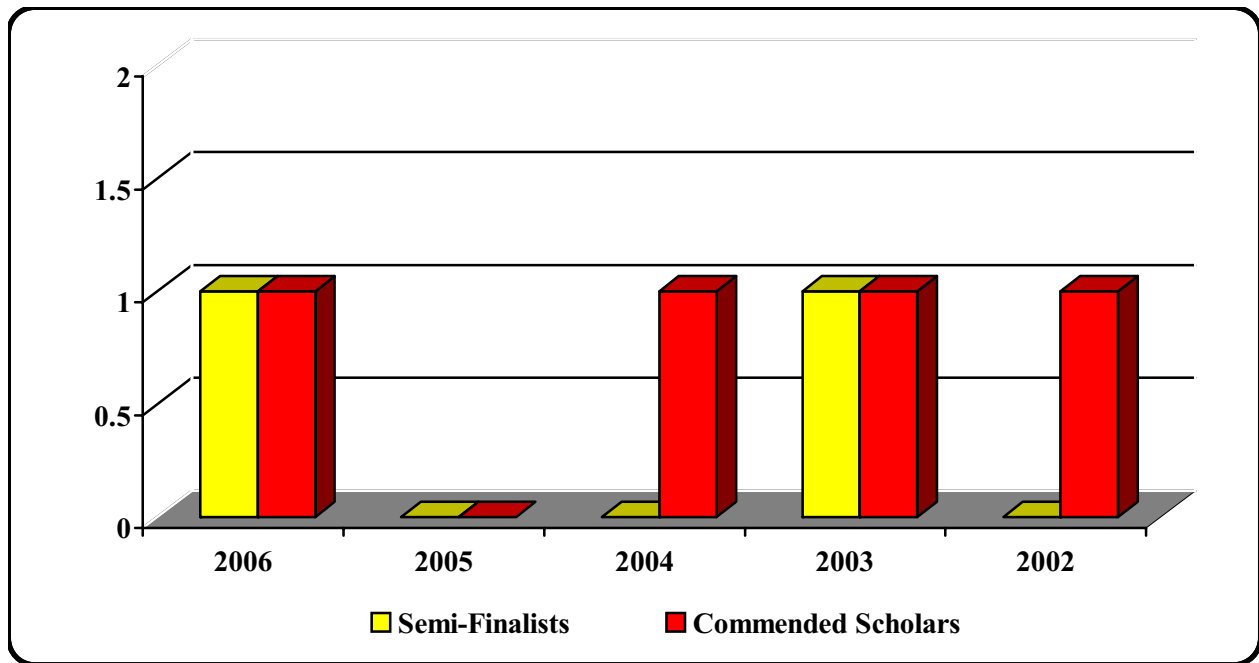




**Cardinal Local School District**  
*National Merit Scholarship Program*  
*Last Five School Years*

School Year	Semi- Finalists	Commended Scholars	Total
2006	1	1	2
2005	0	0	0
2004	0	1	1
2003	1	1	2
2002	0	1	1

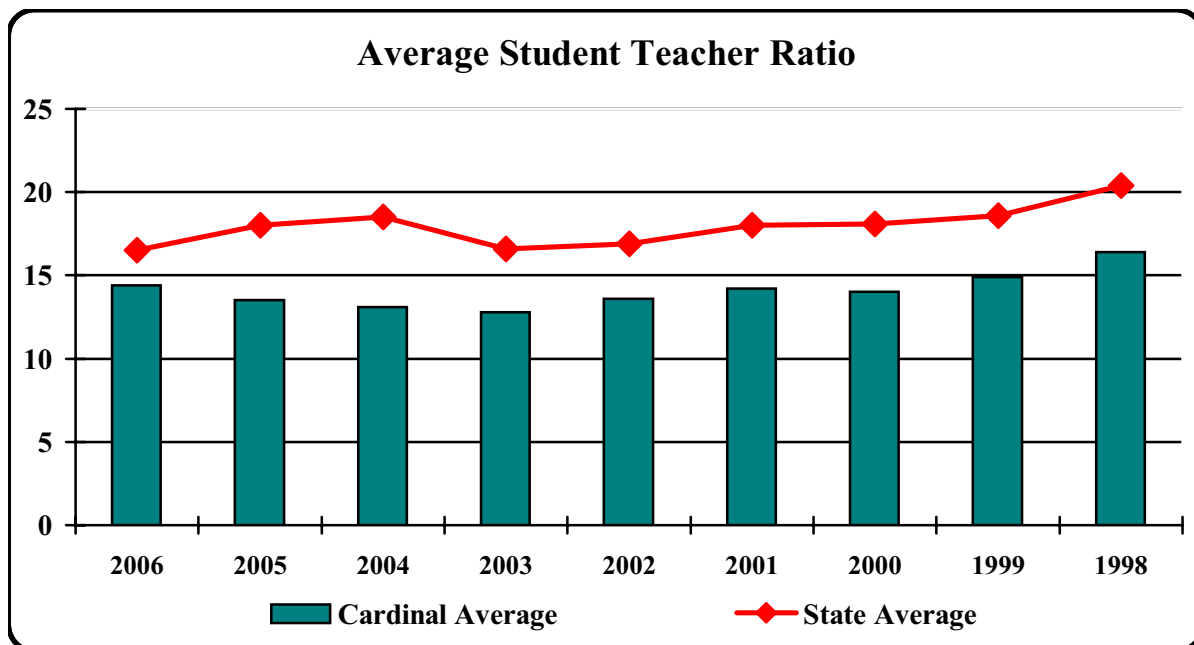
**Source:** High School Guidance Office  
 Cardinal Local School District



**Cardinal Local School District**  
*Average Number of Students per Teacher*  
*Last Nine School Years*

School Year	Cardinal Average	State Average
2006	14.1	16.5
2005	13.5	18.0
2004	13.1	18.5
2003	12.8	16.6
2002	13.6	16.9
2001	14.2	18.0
2000	14.0	18.1
1999	14.9	18.6
1998	16.4	20.4

Source: Ohio Department of Education, EMIS Reports



**Cardinal Local School District**  
*Teacher Education and Experience*  
 June 30, 2006

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Degree	Number of Teachers	Percentage of Total
Bachelor	13	12.50 %
Bachelor + 15	11	10.58
Bachelor + 30	12	11.54
Master	30	28.85
Master + 15	13	12.50
Master + 30	25	24.04
Total	104	100.00 %

Years of Experience	Number of Teachers	Percentage of Total
0 - 5	34	32.69%
6 - 10	11	10.58
11 and Over	59	56.73
	104	100.00%

**Source:** School District Personnel Records

**Cardinal Local School District**  
*Construction, Bank Deposits and Property Values*  
*Last Ten Years*

Tax Year	No. of Building Permits (1)	Value of Building Permits Huntsburg Township (1)	Value of Building Permits Middlefield Township (1)	Value of Building Permits Middlefield Village (1)	Value of Building Permits Parkman Township (1)
2005	1,733	\$2,582,090	\$3,195,450	\$17,016,076	\$3,969,661
2004	1,667	3,810,411	2,099,320	21,247,864	4,060,740
2003	1,784	3,204,651	2,719,765	7,915,288	3,469,082
2002	1,812	3,307,465	2,125,490	10,708,503	3,361,566
2001	1,711	3,409,480	3,490,725	44,866,471	3,701,205
2000	1,921	1,568,057	971,320	2,973,404	1,345,856
1999	1,790	3,675,675	5,720,072	5,820,500	3,673,502
1998	1,661	2,599,387	3,603,445	7,306,938	3,062,148
1997	1,603	2,075,000	1,169,329	2,574,255	2,138,600
1996	1,731	3,195,520	3,589,837	8,598,774	2,071,862

**Sources:**

- (1) Geauga County Building Department
- (2) Federal Reserve Bank of Cleveland (total demand, time and savings deposits for Geauga County, Ohio Banks)
- (3) Office of the Auditor, Geauga County

Geauga County Bank Deposits (in 000's) (2)	Residential and Other Real Estate (3)	Public Utility Tangible (3)	Personal Tangible (3)	Total Assessed Valuation
\$254,730,000	\$213,134,120	\$7,309,910	\$55,800,660	\$276,244,690
168,080,500	209,675,890	6,943,780	53,316,420	269,936,090
365,826,000	203,583,810	6,943,510	50,313,160	260,840,480
288,126,000	180,996,580	7,392,290	49,792,500	238,181,370
220,100,693	171,952,750	8,702,780	48,597,230	229,252,760
222,518,000	166,528,650	8,917,030	44,936,615	220,382,295
249,478,000	133,001,590	9,585,480	43,299,674	185,886,744
254,641,000	128,355,050	9,491,840	40,323,480	178,170,370
222,202,000	123,338,590	8,820,000	37,495,320	169,653,910
212,614,000	112,063,340	8,669,150	31,960,530	152,693,020

**Cardinal Local School District**  
*Ratio of Annual Debt Service Expenditures for General  
Obligation Bonded Debt to Total General Governmental Expenditures  
Last Ten Fiscal Years*

Fiscal Years	Total Principal and Interest	Total General Governmental Expenditures (1)	Ratio of General Obligation Bond Debt Service to Total General Governmental Expenditures
2006 (2)	\$7,787,937	\$15,586,002	49.97 %
2005	1,055,717	17,187,821	6.14
2004	1,051,436	17,799,219	5.91
2003	1,169,365	17,200,035	6.80
2002	896,049	19,760,092	4.53
2001	769,033	15,991,707	4.81
2000	142,439	9,566,879	1.49
1999	147,455	8,925,157	1.65
1998	150,879	8,324,101	1.81
1997	219,066	8,263,550	2.65

**Source:** School District Financial Records

- (1) Includes General, Special Revenue, Capital Projects and Debt Service Funds.
- (2) The School District refunded the 1999 Middle School bonds.

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**Cardinal Local School District**

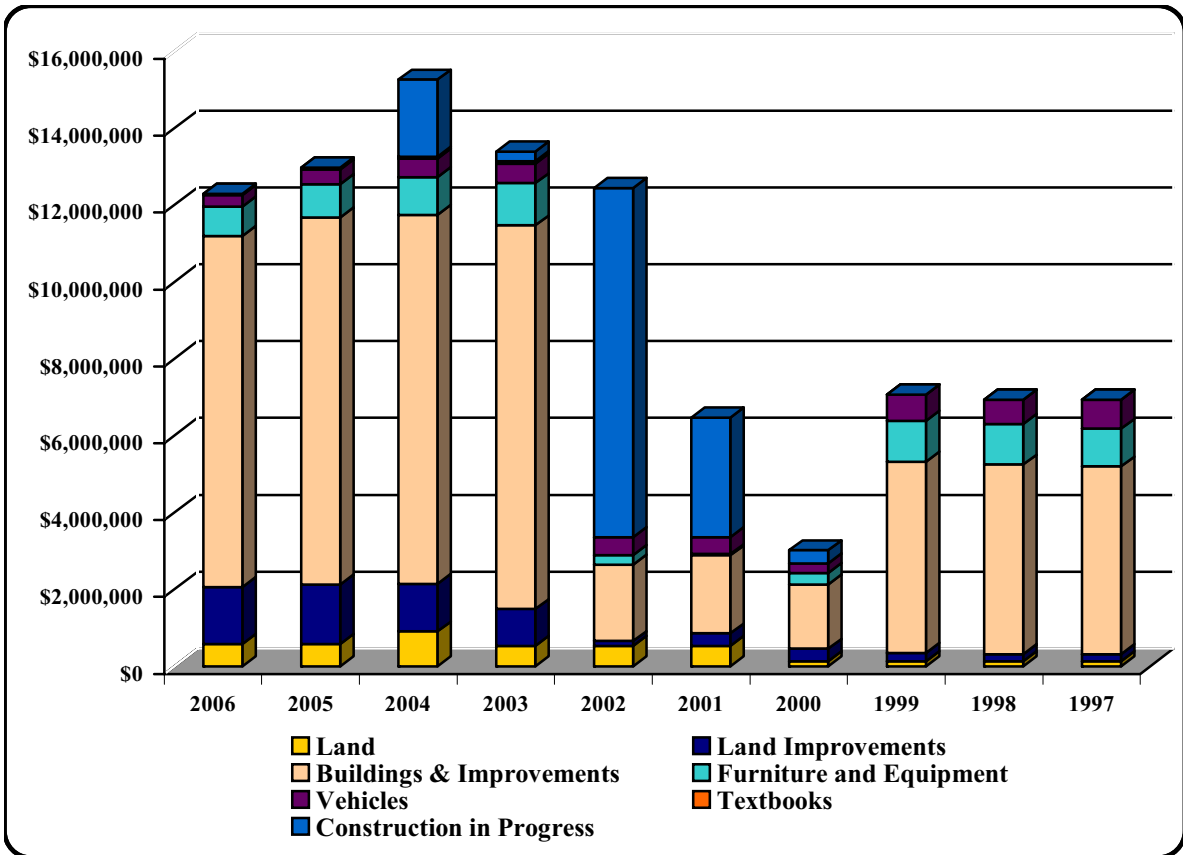
*Capital Assets*

*Last Ten Fiscal Years*

	2006	2005	2004	2003
Capital Assets:				
Land	\$584,819	\$584,819	\$904,478	\$529,319
Land Improvements	1,477,538	1,547,573	1,245,578	956,874
Buildings and Improvements	9,125,165	9,540,317	9,594,778	9,983,116
Furniture and Equipment	768,780	866,301	983,947	1,095,344
Vehicles	302,449	387,260	473,252	505,627
Textbooks	28,135	41,120	54,105	67,090
Construction in Progress	0	0	2,006,502	232,589
<b>Total Capital Assets</b>	<b>\$12,286,886</b>	<b>\$12,967,390</b>	<b>\$15,262,640</b>	<b>\$13,369,959</b>

**Source:** School District Financial Records

(1) Prior to 2002, Food Service Fund Capital Assets were listed as Enterprise Capital Assets.





<u>2002</u>	<u>2001 (1)</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
\$529,319	\$529,319	\$132,039	\$132,039	\$132,039	\$132,039
125,946	327,167	323,893	218,875	187,689	184,416
1,982,865	2,027,209	1,666,841	4,972,635	4,927,893	4,880,898
248,902	34,567	300,508	1,056,573	1,051,903	981,581
467,724	437,198	258,366	691,390	642,533	751,049
0	0	0	0	0	0
<u>9,087,625</u>	<u>3,109,726</u>	<u>336,348</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$12,442,381</u>	<u>\$6,465,186</u>	<u>\$3,017,995</u>	<u>\$7,071,512</u>	<u>\$6,942,057</u>	<u>\$6,929,983</u>

**Cardinal Local School District**

*Outstanding Debt by Type*

*Last Ten Years*

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<u>Year</u>	<u>General Obligation Bonds</u>	<u>Pension Obligation</u>	<u>Bond Anticipation Notes</u>	<u>Total Debt</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
2006	\$10,991,973	\$0	\$0	\$10,991,973	4.62%	\$709.16
2005	12,044,710	0	0	12,044,710	5.06	777.08
2004	12,419,028	0	0	12,419,028	5.22	801.23
2003	12,551,047	0	3,000,000	15,551,047	7.34	1,126.56
2002	13,065,987	0	3,000,000	16,065,987	7.76	1,190.60
2001	10,352,372	0	250,000	10,602,372	5.12	785.71
2000	10,229,930	0	250,000	10,479,930	4.73	725.81
1999	590,000	122,183	0	712,183	n/a	50.46
1998	695,000	70,746	0	765,746	n/a	54.89
1997	800,000	0	120,000	920,000	n/a	66.01

**Source:** School District Financial Records

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

Collection Year	School Levy					
	Inside Millage (Unvoted)			Voted Millage		Total School Levy
	Operating	Debt	Permanent Improvement	Operating	Debt	
2006	\$4.50	\$0.00	\$0.00	\$47.60	\$3.55	\$55.65
2005	3.00	0.00	1.50	47.60	4.15	56.25
2004	3.00	0.00	1.50	47.60	4.15	56.25
2003	3.00	0.00	1.50	47.60	4.15	56.25
2002	3.00	0.50	1.00	47.60	4.50	56.60
2001	3.00	0.50	1.00	47.60	3.50	55.60
2000	3.00	0.50	1.00	47.60	3.50	55.60
1999	3.00	0.50	1.00	47.60	0.00	52.10
1998	3.00	0.50	1.00	48.10	0.00	52.60
1997	3.00	0.50	1.00	48.20	0.00	52.70

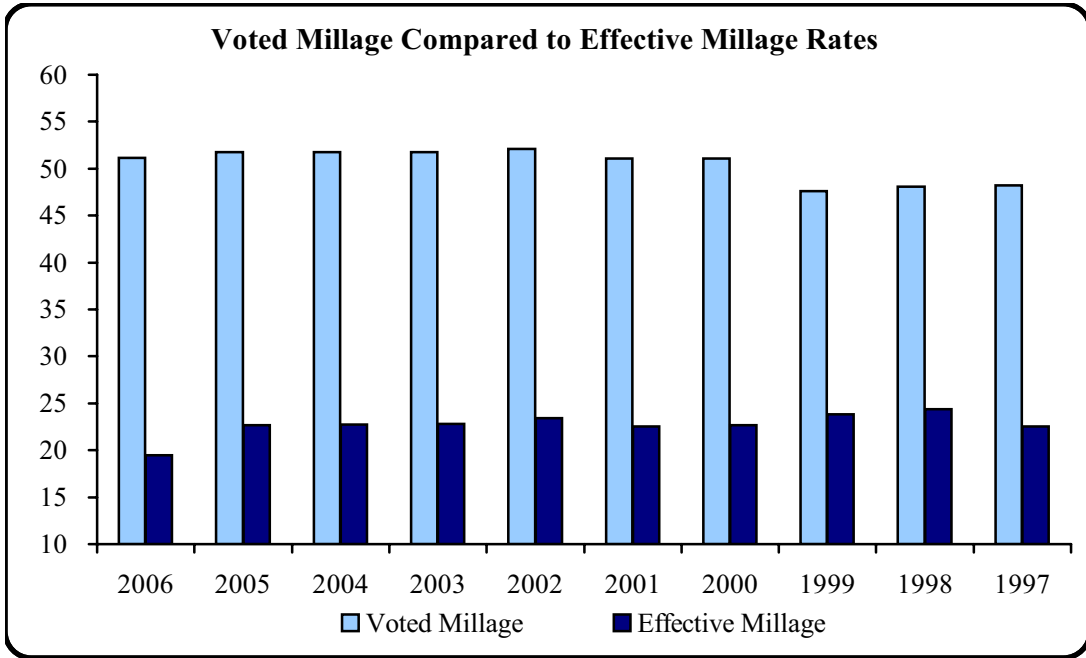
**Source:** Office of the Auditor, Geauga County, Ohio  
 Data provided on a collection year basis, the manner in which it is maintained by the County Auditor.

**Note:** The School District's basic property tax rate may be increased only by a majority vote of the School District's residents. Rates for debt service are set based on each year's requirements.

Overlapping rates are those of local and county governments that apply to property owners within the Village of Middlefield and the Townships of Huntsburg, Middlefield and Parkman

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

Special District (1)	Public Library	Geauga County (and Others)	Auburn Career Center	Total Cardinal
\$4.05	\$1.00	\$15.10	\$1.50	\$77.30
4.05	1.00	15.10	1.50	77.90
4.05	1.00	15.10	1.50	77.90
4.05	1.00	14.60	1.50	77.40
2.80	1.00	14.40	1.50	76.30
2.80	1.00	13.40	1.50	74.30
2.80	1.00	12.65	1.50	73.55
2.80	1.00	12.45	1.50	69.85
2.80	1.00	12.45	1.50	70.35
2.80	1.00	12.45	1.50	70.45







Mary Taylor, CPA  
Auditor of State

**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**  
**MARCH 6, 2007**