

Mary Taylor, CPA
Auditor of State

**CARDINAL LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Federal Awards Receipts and Expenditures Schedule	1
Notes to the Federal Awards Receipts and Expenditures Schedule	2
Independent Accountants' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	3
Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program, on Internal Control Over Compliance in Accordance With <i>OMB Circular A-133</i> , and the Federal Receipt and Expenditure Schedule	5
Schedule of Findings	7

This page intentionally left blank.

**CARDINAL LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2010**

Federal Grantor Pass Through Grantor Program Title	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. Department of Agriculture</u>					
<i>Passed Through Ohio Department of Education:</i>					
<i>Nutrition Cluster:</i>					
School Breakfast Program	10.553	\$32,054	\$0	\$32,054	\$0
National School Lunch Program	10.555	161,946	3,754	161,946	3,754
Total Nutrition Cluster		<u>194,000</u>	<u>3,754</u>	<u>194,000</u>	<u>3,754</u>
Total U.S. Department of Agriculture		<u>194,000</u>	<u>3,754</u>	<u>194,000</u>	<u>3,754</u>
<u>U.S. Department of Education</u>					
<i>Passed Through Ohio Department of Education:</i>					
<i>Special Education Cluster:</i>					
ARRA - Special Education Grants to States	84.391	231,914	-	231,790	
Special Education Grants to States	84.027	287,532	-	292,261	-
Total Special Education Cluster		<u>519,446</u>	<u>-</u>	<u>524,051</u>	<u>-</u>
ARRA - Title I Grants to Local Educational Agencies	84.389	249,821	-	263,674	
Title I Grants to Local Educational Agencies	84.010	639,554	-	656,448	-
		<u>889,375</u>	<u>-</u>	<u>920,122</u>	<u>-</u>
ARRA - State Fiscal Stabilization Fund	84.394	166,623	-	140,055	-
Safe and Drug-Free Schools and Communities State Grants	84.186	16,980	-	5,567	-
Education Technology State Grants	84.318	3,731	-	1,189	-
Improving Teacher Quality State Grants	84.367	149,867	-	147,528	-
Title III LEP Grant	84.365	21,472	-	14,113	-
Total U.S. Department of Education		<u>1,767,494</u>	<u>-</u>	<u>1,752,625</u>	<u>-</u>
Total Federal Assistance		<u>\$1,961,494</u>	<u>\$3,754</u>	<u>1,946,625</u>	<u>\$3,754</u>

The accompanying notes to this schedule are an integral part of this schedule.

**CARDINAL LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2010**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

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

NOTE C - NATIONAL SCHOOL LUNCH AND BREAKFAST PROGRAMS

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

CFDA - Catalog of Federal Domestic Assistance



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Cardinal Local School District
Geauga County
15982 East High Street, P.O. Box 188
Middlefield, Ohio 44062

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cardinal Local School District, Geauga County, Ohio, (the District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated August 31, 2010. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note a certain matter not requiring inclusion in this report that we reported to the District's management in a separate letter dated August 31, 2010.

We intend this report solely for the information and use of the audit committee, management, the Board of Education, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

August 31, 2010



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133, AND THE FEDERAL AWARDS RECEIPTS AND EXPENDITURE SCHEDULE

Cardinal Local School District
Geauga County
15982 East High Street, P.O. Box 188
Middlefield, Ohio 44062

To the Board of Education:

Compliance

We have audited the compliance of the Cardinal Local School District, Geauga County, Ohio, (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended June 30, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the Cardinal Local School District, Geauga County, Ohio, complied, in all material respects, with the requirements referred to above that apply to each major federal program for the year ended June 30, 2010.

Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of opining on compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Federal Awards Receipts and Expenditures Schedule

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Cardinal Local School District, Geauga County, Ohio, as of and for the year ended June 30, 2010, and have issued our report thereon dated August 31, 2010. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Federal Awards Receipts and Expenditures Schedule provide additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the audit committee, management, the Board of Education, federal awarding agencies and pass-through entities. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

August 31, 2010

**CARDINAL LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2010**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Program(list):	CFDA # 84.027/84.391 – Special Education Grants to States CFDA # 84.010/84.389 – Title 1
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

Cardinal Local School District
Middlefield, Ohio

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2010

Prepared by

Treasurer's Office
Merry Lou Knuckles
Treasurer

Introductory Section

Cardinal Local School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2010
Table of Contents

Page

I. Introductory Section

Table of Contents	i
Letter of Transmittal	v
List of Principal Officials	xi
Organizational Chart	xii
GFOA Certificate of Achievement	xiii

II. Financial Section

Independent Accountants' 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 of Governmental Activities	17
--	----

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18
--	----

Reconciliation of the Statement of Revenues, Expenditures and 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 Revenues, Expenses and Changes in Fund Net Assets - Internal Service Fund	21
---	----

Statement of Cash Flows - Internal Service Fund	22
---	----

Statement of Fiduciary Assets and Liabilities - Agency Fund	23
---	----

Notes to the Basic Financial Statements	24
---	----

Combining Statements and Individual Fund Schedules:

Combining Statements - Nonmajor Governmental Funds:

Fund Descriptions.....	50
Combining Balance Sheet - Nonmajor Governmental Funds	52
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	53
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	54
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	58
Combining Balance Sheet - Nonmajor Capital Projects Funds	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	63
Description of Fiduciary Fund	64
Statement of Changes in Assets and Liabilities - Agency Fund	65

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

Major Funds:

General Fund	67
Bond Retirement Fund.....	71

Nonmajor Funds:

Food Service Fund.....	72
Uniform School Supplies Fund	73
Public School Support Fund	74
Martha Holden Jennings Grant Fund.....	75
District Managed Activities Fund.....	76
Auxiliary Services Fund	77
Management Information Systems Fund.....	78
OneNet Fund.....	79
SchoolNet Professional Development Fund	80
Ohio Reads Grant Fund	81
IDEA Part B - Special Education Fund	82
Education Stabilization Fund.....	83
Technology II-D Grant Fund.....	84
Title III Fund	85
Title I Fund	86
Title V Fund.....	88
Drug Free Schools Fund.....	89
Improving Teacher Quality Fund	90
Library Bond Retirement Fund.....	91
Permanent Improvement Fund	92
Library Construction Fund	94
SchoolNet Fund	95

III. Statistical Section

Statistical Section Contents	S1
Net Assets by Component - Governmental Activities Last Ten Fiscal Years	S2
Changes in Net Assets of Governmental Activities - Last Ten Fiscal Years	S4
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	S12
Property Tax Rates - Direct and Overlapping Governments Last Ten Years	S14
Property Tax Levies and Collections Last Ten Years	S18
Principal Taxpayers: Real Estate Tax–2010 and 2001	S19
Public Utilities Tax–2010 and 2001	S21
Ratio of Bonded Debt to Estimated Actual Value, Personal Income and Population Last Ten Fiscal Years	S22
Computation of Legal Debt Margin Last Ten Fiscal Years	S24
Computation of Direct and Overlapping Governmental Activities Debt	S26
Principal Employers - 2009 and 2000	S27
Demographic and Economic Statistics Last Ten Years	S28
Building Statistics by Function/Program–Last Nine Fiscal Years	S30
Per Pupil Cost - Last Ten Fiscal Years	S34
Attendance and Graduation Rates - Last Ten Fiscal Years	S35
School District Employees by Function/Program - Last Ten Fiscal Years	S36
Full-Time Equivalent Certificated School District Employees by Education–Last Ten Fiscal Years	S38

SAT Composite Scores - Last Ten School Years.....	S40
ACT Composite Scores - Last Ten School Years	S42
Average Number of Students per Teacher - Last Ten School Years	S43
Certified Teacher Education and Experience	S44
Enrollment Statistics - Last Ten Fiscal Years	S45
Capital Assets - Last Ten Fiscal Years.....	S46

Cardinal Local School District

**15982 EAST HIGH STREET
P.O. BOX 188
MIDDLEFIELD OH 44062**

**PHONE: 440-632-0261
FAX: 440-632-0886**

August 31, 2010

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, 2010. This report enables the School District to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires the School Districts reporting on a GAAP basis to file an annual unaudited report with the Auditor of State within 150 days of year end.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Independent auditor State Auditor Mary Taylor, has issued an unqualified (“clean”) opinion on the Cardinal Local School District’s financial statements for the fiscal year ended June 30, 2010. The Independent Accountants’ Report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the Independent Accountants’ Report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

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 70 non-certificated employees, 93 certificated full time teaching personnel, 7 confidential employees, and 7 administrative employees to provide services to 1,285 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 School District recognized fifty years of quality education in 2007. The Huntsburg, Parkman and Middlefield school districts consolidated into Cardinal Local School District in 1957 with each township housing their own elementary school and all junior high and high school students attending school in Middlefield. In 2006, the Board of Education voted to close the

elementary buildings in Parkman and Huntsburg and consolidate all elementary students into the Jordak Elementary building and the Cardinal Intermediate building in Middlefield to help cut costs due to declining enrollment and reduced tax revenues for the School District.

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

- Cardinal High School built in 1961, with additions in 1967 and 1980, houses 379 students from grades 9 through 12.
- Cardinal Middle School built in 2002, houses 315 students from grades 6 through 8.
- Cardinal Intermediate School built in 1925, houses 193 students from grades 4 and 5.
- Jordak Elementary built in 1951, with additions in 1956 and 1974, houses 398 students from grades K through 3.

Some highlights of the school year were that the Boys Basketball team was the 2010 District Champs and Stephanie Boles, sixth grade Science teacher, was named Teacher of the Year.

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 has previously been the strongest economic factor for the School District. However, due to the current economic conditions the growth in our area is limited. The 75 square mile area encompassing the rural, residential townships is strongly influenced by the Village of Middlefield (2 square miles). Three 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 and Wal-Mart, Inc.

During fiscal year 2010, KraftMaid Industries has continued to experience a downward slide in sales. They laid off over 300 employees in their company, affecting nearly 100 jobs in the Middlefield Plant in 2009 and then another 200 employees in 2010. The headquarters was previously located in Middlefield but now has been moved to Ann Arbor, Michigan. This accounted for over 100 of the 200 jobs lost in 2010. At this time there are several vacant buildings and storefronts within the School District due to business closings.

The Village of Middlefield 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. By the end of 2009, several tax abatements will expire and their values will be put back on the tax rolls of the County to the benefit of the School District in fiscal year 2011. There is continued interest in the abatement area and Village Council is looking at future programs.

The Village has accounted for any potential growth without adding to public indebtedness. Impact fees collected from construction projects are added to expand and maintain the newly constructed sewer treatment plant as needed.

Very few new housing sites were built upon in the developments within the School District, but they will add taxable values for the 2010 and 2011 collection years. The Village of Middlefield completed several upgrades to the sewer lines and road repairs during the 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 on February 6, 2007, which began collection in 2008. The additional income, due to a change in the effective rate and new construction, was expected to carry the School District through the next five-year period beginning in 2008. Because of cuts in State funding, reduced revenues from the phasing out of the tangible personal property tax, decreased interest rates and increased costs in special education instructional services, health care, bus fuel and utilities, the School District will be forced to return to the ballot for additional operating revenues.

The Board reviewed the various levy options and the best strategy to ensure the financial stability of the School District and decided to put a 6.8 mill levy on the ballot in May, 2010. It included .3 mills for all-day, every-day kindergarten as mandated by the State, .3 mills for a gifted program and .3 mills for a reduction to pay-to-participate fees. The levy failed 785 votes for the levy to 1,354 votes against the levy. The Board voted in July, 2010 to put a 6.2 mill replacement levy on the November, 2010 ballot.

During fiscal year 2010, the School District maintained a restrictive budget and closely monitored costs. With the failure of the levy in May, 2010, the School Board had to cut over \$400,000 to start the school year for fiscal year 2011 in order to eliminate the reported deficit per the five-year forecast for fiscal year 2011. These cuts included not replacing two retiring teachers, a reduction in force of a part-time custodian and the assistant principal at the CIS building, a cut in professional development costs and delaying the purchase of any new vehicles for two years. The Superintendent and the Treasurer review all purchase order requests and rank them in order of need. The School District is striving to maintain a quality education for its students within a tight budget.

Long-term Financial Planning

The annual budget serves as the foundation for the Cardinal Local School District's financial planning and control. The budget is prepared by fund and main object level for the general fund and by fund for all other School District funds. The Treasurer has been given the authority to transfer resources within the departments as needed to operate. Transfers between funds, however, need special approval from the Board.

During fall/winter of 2009, the School District used Energy Conservation Bonds to fund an energy project to replace the heating and cooling systems within the four school buildings. This \$1.068 million project is expected to save the School District enough money in electric and gas bills to repay the principal over the fifteen year life of the bonds.

After school let out, the School District repaired parking lots, roofs, and completed other general maintenance on the buildings. Permanent improvement funds were used when appropriate to pay for and complete these projects. The Board voted in January 2007 and January 2008 to move .5 mill each time for a total of 1 mill of inside millage to the permanent improvement fund to set aside funds to cover building improvement projects as needed. The School District has reviewed the facility needs and the Superintendent works to keep a schedule of projects for completion within the available budget.

The Governor's education plan requires all-day every day kindergarten for all public schools. This will bring a financial hardship on the School District as we do not have the space for two additional classrooms and we will have to hire two additional kindergarten teachers. The Core curriculum requirements would force us to hire at least one more teacher for the next fiscal year. The average cost of a new teacher with benefits is \$50,000.

Current projects to be considered as the funds become available are roof replacement for two buildings. With the sale of the Huntsburg elementary building in July, 2010, a new storage area is being constructed in the CIS building to house the records previously held in Huntsburg. The gym in the CIS building is rarely used and will be converted to storage space and into two classrooms when needed for all-day, every day kindergarten takes effect. These costs are being covered with permanent improvement funds.

The School District has been in discussions to determine the future funding of the School District including the need for a replacement operating levy and a permanent improvement levy. With today's economy these are tough decisions to make, but the School District's goal is to provide a well rounded education to the students within the School District while maintaining and enhancing fiscal stability. The School District is placing a 6.2 mill replacement continuous levy on the ballot in November of 2010. This will replace a 7.2 mill continuous levy passed in 1981. The Board will then have to go back to the voters in November of 2011 to replace the 9.7 mill levy last approved in 2007.

Relevant Financial Policies

Annually, the School District prepares a five-year financial forecast in accordance with State law. The financial forecast is the foundation for the School District's operations and is used as a financial planning tool to assist the School District in determining its ability to meet certain financial obligations and plan future funding needs. The forecast shows revenues and expenditures for the general operating fund for the past three fiscal years and projects revenues and expenditures for the ensuing five-year period. The School District's current five-year forecast as approved in May, 2010, is showing positive ending cash balance for fiscal year 2010 and projected deficit cash balances for the remaining years of the forecast due to a loss of tax revenues and increased operating costs. Through a collaborative process, the administration assists the Board of Education in determining and prioritizing the needs of the School District.

Major Initiatives

Strategic Planning

The School District completed a 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 plan was adopted in June of 2002. Seven goals and fifteen strategies were identified to meet those goals. As of June of 2007, all seven of the goals have been met with the consolidation of the elementary buildings into a campus setting at the Jordak and Intermediate School locations in Middlefield for the beginning of fiscal year 2007.

The School District will continue to review the plan for any future changes needed to make sure they are affordable and sustainable over the forecasted fiscal years. Curriculum review is being addressed, especially with due to the changes to the Core Curriculum required for graduation for the freshman class in the fall of 2010. The mandatory all-day every-day kindergarten is going bring another challenge to the School District in finding the space to provide this and added new teachers as needed. The School District has applied for and received a waiver for all-day every-day kindergarten for fiscal year 2011 and will apply again for a waiver for fiscal year 2012.

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 30 indicators. On the 2009 report card the School District met or exceeded the Ohio standard in 27 of 30 indicators. The 2010 Ohio Report Card will not be available until late August, 2010. The School District maintained a rating in the category titled "Effective" while Jordak Elementary School, Cardinal Middle School and Cardinal High School received "Excellent" ratings. The School District is reviewing the special education test scores to find

ways to achieve better scores. A continuous improvement task force has been set up through the State to help in this process. The implementation of the new Everyday Math program is expected to increase math scores in the elementary and intermediate levels.

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 grants co-coordinator 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 1 Reading Recovery program improves the reading for eligible students in First Grade at the elementary building. Student readiness for advancement in each grade has been the primary focus of these services. The Title VI-B Special Education IDEA program is used to for special education services and needs of the students. We currently pay our classroom aides from this fund along with physical and occupational therapies, speech and hearing services, educational professional development and classroom materials. The Title IV-A Drug Free Schools Grant allows the building principals to provide assemblies and activities to promote a positive way of life. Concerts, demonstrations and dances have been some of the activities enjoyed by the students. Prom Safe program with a “live” demonstration of a drunk driving accident always provides a major impact on the students.

Educational Programs and Facilities Improvements

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 84 open enrollment students from other school districts, the School District receives over \$453,300 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. With the change in the economy we are anticipating several of our students attending tuition-based schools to return to our School District for the upcoming school year as they did in fiscal year 2010. This will decrease our tuition expense and could limit our open enrollment slots available for outside students.

As mentioned earlier, with the changes in the Core Requirements for graduating classes beginning with the freshman class in the fall of 2010, the School District will be reviewing and implementing changes to curriculum and the electives it offers the students. Many of those changes will concern the requirements for more math and science credits, the need for some type of personal finance class, and how to implement the changes in the best and most efficient manner. The administration has been reviewing the Flex Credit program to be implemented in the fall of 2010.

Many students take advantage of the educational opportunities outside of the School District, including the programs offered at Auburn Career Center and college course work at Kent State – Geauga Campus. Auburn Career Center is also working on and offering various on-line courses in a variety of areas. Their enrollment was the highest in many years. This type of “outside” education may see an increase as the offerings change over the next few years.

The technology director set up two portable computer labs for the Jordak and the CIS buildings and two in the high school. Some of the stimulus money received by the School District was used for these purchases. The School District received Title VI-B – IDEA ARRA stimulus funds and Title I ARRA stimulus funds in fiscal year 2010. Some of the money was used for teacher and classroom aides' salaries and benefits. An elevator/lift was installed at the Jordak elementary building in order to get a wheel-chair bound student to the second floor classrooms. The shaft had been in the building so only the lift and the controls were needed. A safety inspection in fiscal year 2009 stated that the nurse's office in the CIS building should be separate from the office and have a separate restroom facility. Therefore some of the stimulus money was approved to move the principal's and nurse's office to the main floor from the second floor and a separate restroom was added for the nurse. The School District also purchased two special education vans with stimulus funds.

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 (CAFR) for the fiscal year ended June 30, 2009. This is the twelfth consecutive year that the School District has received this prestigious award. 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 CAFR that satisfies 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's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

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. The preparation of this report would not have been possible without the efficient and dedicated service of the Treasurer's Office staff. Assistance from the Geauga County Auditor's staff and outside agencies made possible the fair presentation of statistical data.

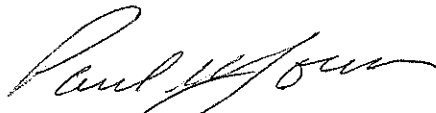
Special appreciation is expressed to State Auditor Taylor's office Local Government Services Section for assistance in the planning, designing and reviewing of this financial report.

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

Respectfully submitted,



Merry Lou Knuckles
Treasurer



Paul Yocum
Superintendent

Cardinal Local School District

Principal Officials
June 30, 2010

Board of Education

Mr. Kenneth J. Klima.....President
Mr. Thomas Petronio Vice-President
Mrs. Wendy Anderson Member
Mr. Alan Preston Member
Mrs. Wendy Ward..... Member

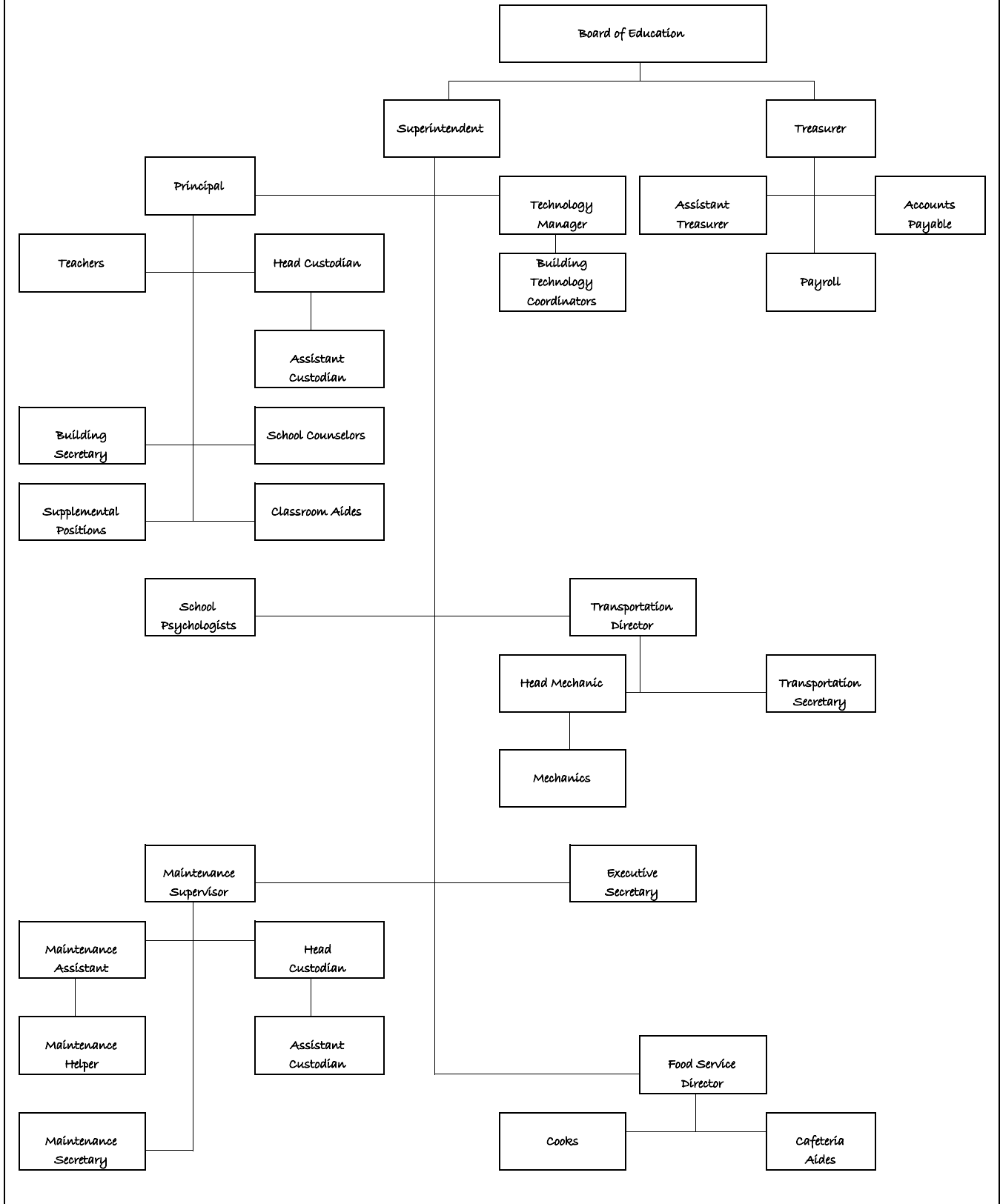
Treasurer

Ms. Merry Lou Knuckles

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, 2009

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.



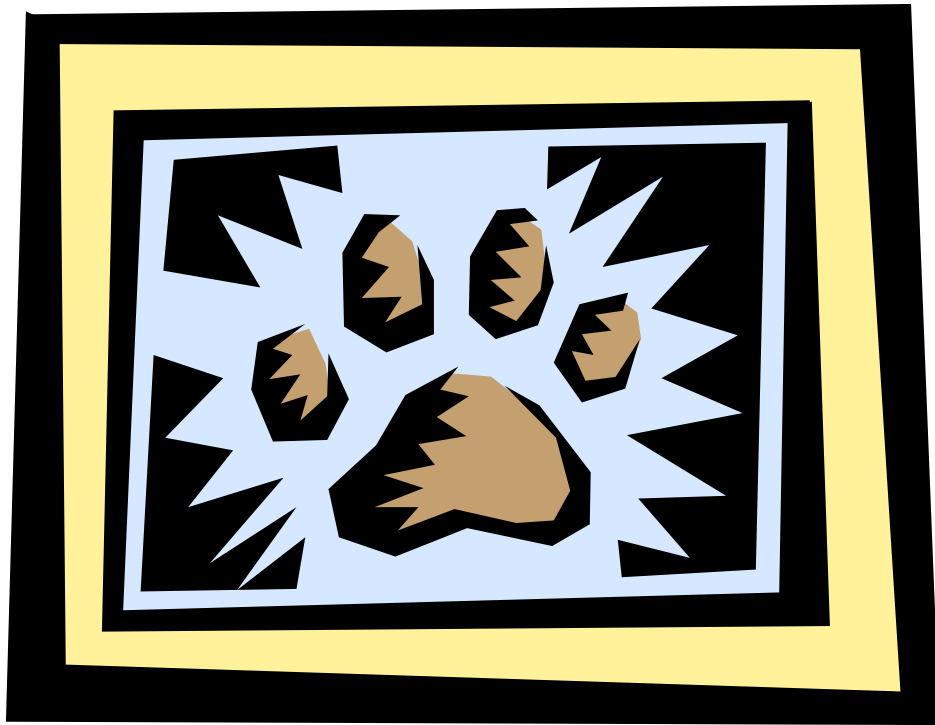
A handwritten signature in black ink, appearing to read "JEFFREY R. EMER".

President

A handwritten signature in black ink, appearing to read "JEFFREY R. EMER".

Executive Director

Welcome to
Huskie Country



Financial Section



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Cardinal Local School District
Geauga County
15982 East High Street, P.O. Box 188
Middlefield, Ohio 44062

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cardinal Local School District, Geauga County, Ohio, (the District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 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 the Cardinal Local School District, Geauga County, Ohio, as of June 30, 2010, and the respective changes in financial position, and where applicable, cash flows, thereof and the budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2010, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquires of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

August 31, 2010

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

The management's 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, 2010. 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, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key Financial Highlights for fiscal year 2010 are as follows:

- Total net assets of governmental activities decreased by \$806,017, which represents a 34.46 percent decrease from fiscal year 2009.
- Total revenues of \$16,149,576 were comprised of general revenues in the amount of \$12,313,231, or 76.24 percent, and program specific revenues from charges for services, grants and contributions in the amount of \$3,836,345, or 23.76 percent.
- Total assets of governmental activities decreased by \$6,112, which includes an increase in depreciable capital assets of \$636,137 and a decrease in current and other assets of \$642,249.
- The School District had \$16,955,593 in expenses related to governmental activities; only \$3,836,345 of these expenses were offset by program specific charges for services and grants and contributions. General revenues (primarily taxes and school foundation) of \$12,313,231 helped to provide for these programs.
- The general fund balance was \$72,855 at fiscal year end, down from \$905,709 at June 30, 2009.

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 non-major funds presented in total in one column. In the case of Cardinal Local School District, the general fund and the bond retirement debt service fund are the most significant funds.

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

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. While this document contains all the funds used by the School District to provide programs and activities, the view of the School District as a whole considers all financial transactions and asks the question, "How did we do financially during 2010?" The *Statement of Net Assets* and the *Statement of Activities* provide the basis for the answer to this question. These statements include all assets and liabilities using the accrual basis of accounting, similar to the accounting used by most private-sector companies. This basis of accounting recognizes all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and any changes in those assets. This 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, food service operations and extracurricular activities.

Reporting the School District's Most Significant Funds

The analysis of the School District's major funds begins on page 8. 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. The School District's major governmental funds are the general fund and the bond retirement debt service fund.

Governmental Funds Most of the School District's activities are reported as governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are 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 these financial statements.

Proprietary Funds - Proprietary funds have historically operated as *enterprise* and *internal service funds* using the same basis of accounting as business-type activities. In prior years the School District reclassified the enterprise funds as *special revenue funds*. In 2006 the School District ceased being self-insured and in fiscal year 2010 the balance of the account was transferred to the general fund to close the account.

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds is not available to support the School District's programs. These funds use the accrual basis of accounting.

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 2010 compared to 2009:

Table (1)
 Net Assets
 Governmental Activities

	<u>2010</u>	<u>2009</u>	<u>Change</u>
Assets			
Current and Other Assets	\$11,249,749	\$11,891,998	(\$642,249)
Capital Assets	<u>10,956,308</u>	<u>10,320,171</u>	<u>636,137</u>
<i>Total Assets</i>	<u>22,206,057</u>	<u>22,212,169</u>	<u>(6,112)</u>
Liabilities			
Current Liabilities	8,487,608	8,334,235	153,373
Long-Term Liabilities			
Due within One Year	1,074,790	858,447	216,343
Due in More than One Year	<u>11,110,988</u>	<u>10,680,799</u>	<u>430,189</u>
<i>Total Liabilities</i>	<u>20,673,386</u>	<u>19,873,481</u>	<u>799,905</u>
Net Assets			
Invested in Capital Assets			
Net of Related Debt	2,557,403	2,577,943	(20,540)
Restricted for:			
Capital Projects	679,513	532,929	146,584
Debt Service	1,310,622	1,323,186	(12,564)
Set Asides	598,532	563,531	35,001
Other Purposes	264,498	187,289	77,209
Unrestricted (Deficit)	<u>(3,877,897)</u>	<u>(2,846,190)</u>	<u>(1,031,707)</u>
<i>Total Net Assets</i>	<u>\$1,532,671</u>	<u>\$2,338,688</u>	<u>(\$806,017)</u>

The decrease in total net assets is attributable to many factors. The County Auditor certified a zero percent increase in assessed valuations during the County's triennial update year of 2009. Normally the School District would see a five to seven percent increase in tax revenues with an update. The only increase in tax revenues would be in the new homes hitting the tax roles and the payment of delinquent taxes. With slumping sales, foreclosures and delinquent tax payments less tax revenues were available to the School District. The majority of the decrease shown above is due to less cash available at fiscal year-end due to

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

increased costs during the year and decreased revenues. In fiscal year 2009, the depreciation was overstated creating an increase in capital assets for fiscal year 2010. By the end of fiscal year 2010, we had three teachers retire which contributed to a decrease in compensated absences in the long-term liabilities. However, in fiscal year 2010, more employees qualified for retirement and this increase negated the retirements previously mentioned. Even with careful expenditure controls the School District ended the year with a decrease in the cash balance over the previous year.

Table 2 shows the changes in net assets for fiscal year 2010 compared to 2009.

Table (2)
Change in Net Assets
Governmental Activities

	2010	2009	Change
Revenues			
<i>Program Revenues</i>			
Charges for Services	\$1,113,171	\$1,187,773	(\$74,602)
Operating Grants and Contributions	2,723,174	1,520,319	1,202,855
<i>Total Program Revenues</i>	3,836,345	2,708,092	1,128,253
<i>General Revenues</i>			
Property Taxes	6,901,878	7,825,766	(923,888)
Grants and Entitlements	5,286,815	5,799,670	(512,855)
Investment Earnings	14,715	45,404	(30,689)
Miscellaneous	109,823	29,523	80,300
<i>Total General Revenues</i>	12,313,231	13,700,363	(1,387,132)
<i>Total Revenues</i>	16,149,576	16,408,455	(258,879)
<i>Program Expenses</i>			
Current:			
Instruction	9,423,579	9,488,223	(64,644)
Support Services:			
Pupil and Instructional Staff	1,505,339	1,350,594	154,745
Board of Education, Administration, Fiscal and Business	1,642,620	1,669,321	(26,701)
Operation and Maintenance of Plant	1,478,693	1,561,540	(82,847)
Pupil Transportation	1,356,684	1,292,680	64,004
Central	205,963	217,524	(11,561)
Operation of Non-Instructional Services:			
Food Services Operations	517,464	595,611	(78,147)
Other Non-Instructional Services	7,646	20,508	(12,862)
Extracurricular Activities	291,918	339,322	(47,404)
Interest and Fiscal Charges	525,687	550,480	(24,793)
<i>Total Program Expenses</i>	16,955,593	17,085,803	(130,210)
<i>Decrease in Net Assets</i>	(806,017)	(677,348)	(128,669)
Net Assets Beginning of Year	2,338,688	3,016,036	(677,348)
<i>Net Assets End of Year</i>	\$1,532,671	\$2,338,688	(\$806,017)

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

Program revenues include charges for services and grants and contributions that are program specific. Surrounding schools with resident students attending Cardinal Local School District pay the School District \$5,732 per pupil under Ohio's open enrollment plan. The School District operates special education units with excess costs charged back to the student's district of residence. Charges for services increased slightly this fiscal year partly due to an increase in rental receipts as we have additional space in our Huntsburg building being rented to the ELI and HeadStart County Programs.

The general revenues account for all governmental activities which are supported through property taxes, grants and entitlements, and other revenues. Property taxes account for the largest portion of general revenues in fiscal year 2009. Grants and entitlements portion of the general revenues is the second largest source of revenues for the School District and includes monies received from the Ohio Department of Education, the State Foundation Program and property tax relief such as homestead exemptions and rollbacks provided by HB 920. Program revenues provide the third largest source of total revenues. The community, through its willingness to provide property tax revenues, is by far the primary support for the Cardinal Local School District students.

Program expenses include the costs associated with operating of the School District. Instruction is the largest portion of the program expenses and includes teacher salaries and benefits. The negotiated contract for the teachers included a one percent base increase for fiscal year 2010. This and the additional costs associated with services for our special education students helped to increase the instruction expenses over fiscal year 2009. The classified negotiated contract had a one and a half percent increase to the base; this is reflected in the various program expenses.

Governmental Activities

The unique property tax structure in 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 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 year replacement process helps offset the inflation limiting effects of Ohio law. The Board last brought a 9.7 mill replacement operating levy before the voters in February 2007 which passed by a good margin. 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 current five-year forecast reflects the downturn in the economy and the need for additional revenues by fiscal year 2012. The School District's long-range financial plans showed the School District would be able to operate at the current levels with some room for inflation and other unknown factors only if additional levy income is received. The Board is currently reviewing the various tax levy options.

The phase out of the tangible personal property tax revenues will have a profound effect on the School District as it has a large manufacturing base. As of the last known information from the Governor's office the tangible personal property tax loss make-up payments should remain consistent with the 2004 tax collection value through fiscal year 2013. However, the School District received \$340,000 less in these payments in fiscal year 2010 and per the State our payment value will be approximately \$2.3 million until fiscal year 2014 when the phase out period is expected to begin.

The *Statement of Activities* shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services for 2010 compared to 2009. The (\$13,119,248) *Net Cost of Services* tells the reader that these services are not self-supporting, but are supported by tax revenues and unrestricted State entitlements.

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

(Table 3)
 Total and Net Cost of Program Services
 Governmental Activities

	2010		2009	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$9,423,579	(\$7,559,242)	\$9,488,222	(\$7,596,488)
Support Services:				
Pupil and Instructional Staff	1,505,339	(833,427)	1,350,594	(985,402)
Board of Education, Administration, Fiscal and Business	1,642,620	(1,640,207)	1,669,321	(1,654,843)
Operation and Maintenance of Plant	1,478,693	(1,478,693)	1,561,540	(1,561,540)
Pupil Transportation	1,356,684	(821,337)	1,292,680	(1,292,680)
Central	205,963	(191,818)	217,524	(198,094)
Operation of Non-Instructional Services:				
Food Service Operations	517,464	(149,178)	595,611	(235,511)
Other Non-Instructional Services	7,646	101,909	20,508	(20,508)
Extracurricular Activities	291,918	(21,568)	339,322	(282,165)
Interest and Fiscal Charges	525,687	(525,687)	550,480	(550,480)
Total	\$16,955,593	(\$13,119,248)	\$17,085,802	(\$14,377,711)

The School District's Funds

Information about the School District's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$16,091,351 and expenditures of \$18,022,142. In fiscal year 2010, the net change in fund balance for the fiscal year was most significant in the general fund due to a significant decrease in property taxes received by the School District. This decrease offset the increase in pupil transportation which reflects the new vehicle purchases.

The bond retirement fund is currently collecting tax revenues to pay down the refunded debt for the Middle School Building project. This project was completed in 2002 and the first classes were held in the new building that fall. The County Auditor has determined that the current millage is collecting more revenues than needed for debt retirement and will be reducing the millage effective with tax bills received after January 2010. The School District saw a significant decrease in property tax revenues received in this fund also during fiscal year 2010.

With the aging buildings within the School District and the historical difficulty to pass new operating levies, the Board of Education voted in fiscal year 2007 to move a total of 1 mill of inside millage over a two year period to the permanent improvement fund. This money will be used for maintenance and upkeep of School District property. The movement of the inside millage to the permanent improvement fund provided less taxes revenues to be certified and less property tax collections were available as an advance to the general fund from the County. During fiscal year 2010, the School District made roof repairs, patched parking lots, and repaired other items as needed.

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

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 2010, the School District amended its general fund budget numerous times. Many of the amendments are due to changes in expenditure priorities for professional services and maintenance and repairs needs. For the general fund, the final budget basis revenue estimate was \$12,666,733 representing an increase from the original budget estimates of \$12,270,676. A good portion of this difference was due to the receipt of Trumbull County tax revenues not included in the Geauga County Tax Budget amounts and conservative estimates in the area of intergovernmental revenues and tuition. The School District's general fund unencumbered balance at the end of the fiscal year was \$1,053,186, reflecting additional funds budgeted but not expended or encumbered.

The School District revises its budget throughout the fiscal year. During fiscal year 2010, modifications to the original budget of \$13,946,373 included decreases to most of the line items with a few increases in line items to cover the needed expenditures. These changes included the maintenance and repair costs and increases in transportation costs. With our older vehicles we saw an increase in maintenance repair costs. The School District has a goal of replacing the aging fleet by one vehicle each year.

The School District is continuing to see an increase in the required services for our special education students. Additional physical and occupational therapy services were needed for students this year and we saw an increase in our special education students needing services. There were no individually significant events that caused this variance. The School District ended the fiscal year \$197,854 higher than budgeted showing the conservative approach to spending was working. The School District had adopted a fund/major object level of budgeting for the general fund and a fund level budgeting for all other funds.

The School District uses a site-based budgeting system designed to tightly control total site budgets but provide flexibility for site management. Building principals are given a per pupil allocation for textbook, instructional materials and equipment. HB412 requires the School District to set aside 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 2010, this amounted to \$223,863 for each set aside for Cardinal Local School District.

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2010 the School District had \$10,956,308 invested in land, land improvements, buildings and improvements, furniture and equipment, and vehicles in governmental activities. Table 4 shows fiscal year 2010 balances compared to fiscal year 2009:

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

	2010	2009
Land	\$560,094	\$560,094
Land Improvements	949,431	1,047,873
Buildings and Improvements	8,200,007	7,614,386
Furniture and Equipment	636,019	636,363
Vehicles	610,757	461,455
Total	\$10,956,308	\$10,320,171

During 2010, the School District purchased two new buses and a new special education van and retired three corresponding vehicles. With the use of stimulus monies the School District made some much needed improvements to the School District's buildings and this accounts for the majority of the increase in capital assets. See Note 9 to the Basic Financial Statements for additional capital asset information.

Debt

At June 30, 2010, the School District had \$11,627,920 in bonds outstanding, \$623,252 due within one year. Table 5 summarizes general obligation bonds outstanding for governmental activities.

(Table 5)
 Outstanding Debt at Fiscal Year End

	2010	2009
General Obligation Bonds	\$10,559,668	\$10,127,903
Energy Conservation Bonds	1,068,252	0
Total Debt	\$11,627,920	\$10,127,903

More information regarding long-term debt obligations of the School District is presented in Note 16 to the Basic Financial Statements.

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

Challenges and Opportunities for the Future

Cardinal Local School District is always presented with challenges and opportunities. The Board of Education and administration closely monitor its revenues and expenditures in accordance with its financial forecast. There is a strong industrial base within the School District; however with the phasing out of the tangible personal property tax, the School District will be losing a significant amount of money with limited payback in the form of the Commercial Activities Tax (CAT).

Increases in utility costs, fuel costs, and special education instruction and transportation costs are causing the comfort level to decrease. The uncertainty of the economy is also adding to the decrease in projected revenues and the increase in projected expenditures for the next financial forecast period. The State has yet to determine the allocation formula for the CAT revenues to be received for the school districts as the tangible personal property tax revenues ceased collection in December 2008, with the exception of delinquent taxes. The tangible personal property tax loss make-up revenues are being phased out between fiscal years 2014 and 2018.

The Governor's Education Policy mandates all-day, everyday kindergarten for all school districts. This mandate will create a hardship for the School District as we do not have the space to add two more classrooms as needed for kindergarten. We would also have the additional costs of the salary and benefits for two new teachers. The Board will need to review our options and decided the best way to handle this new cost to the School District for fiscal year 2012 as we were granted the waiver for fiscal year 2011. With the CORE class requirements being in effect for the freshman of 2010, the School District reviewed our teaching needs and will be making movements and adjustments as necessary.

The School District previously 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 9 years, but by adopting the master plan now, the new middle school will qualify for 17 percent reimbursement when the State reaches schools in our 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 the tax 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. In calendar year 2009, several abated properties will be coming off abatement and the School District will begin to see the tax effect of this movement in fiscal year 2011.

Tax base growth has been minimal over the past year due to the slumping economy and the poor housing market. There have been some housing sales during this fiscal year, but more and more houses are going on the market and not selling. During the triennial update period in 2008, the Geauga County Auditor with the approval of the State Tax Commission kept the taxable values at the current amounts. At the Tax Budget Hearing for fiscal year 2010, the County Auditor once again certified a zero percent increase in assessed valuation with a one percent increase for new construction and potential lot splits. He predicted this zero growth for the next two fiscal years when the effects of the sexennial reappraisal is expected to show about a three percent increase.

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

The duplicate total assessed value went from \$293.4 million in 2009 to \$288.3 million in 2010, a decrease of 1.74 percent. General fund operations received 47.05 percent of its revenue from real estate taxes on residential, commercial, and industrial properties. Another 45.54 percent is received from various forms of State aid including homestead and rollback exclusions on property taxes. The remaining 7.41 percent of revenues come from sources the School District can control to some extent. These revenues include fees and rentals.

The tangible personal property tax has been phased out – the assessment percentage for all property, including inventory has been reduced to zero for 2009 and beyond. The State has not provided a replacement vehicle for the lost inventory tax because it feels growth will offset the loss. Economic factors have had an adverse impact on commercial or industrial growth in the School District. During 2010, KraftMaid and Dillen Manufacturing have had huge lay-offs affecting over 300 people employed in the School District.

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.

As a result of the challenges mentioned, it is imperative the School District's management continue to carefully and prudently plan in order to provide the resources required to meet student needs over the next several years.

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 Knuckles, Treasurer at Cardinal Local School District, 15982 East High Street, P.O. Box 188, Middlefield, Ohio 44062 or email at ca_knuckles@lgca.org.

Basic Financial Statements

Cardinal Local School District

Statement of Net Assets

June 30, 2010

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$3,259,343
Accrued Interest Receivable	9,698
Accounts Receivable	6,251
Intergovernmental Receivable	429,081
Prepaid Items	2,741
Inventory Held for Resale	2,718
Materials and Supplies Inventory	62,836
Property Taxes Receivable	7,237,947
Deferred Charges	239,134
Nondepreciable Capital Assets	560,094
Depreciable Capital Assets, Net	<u>10,396,214</u>
<i>Total Assets</i>	<u>22,206,057</u>
Liabilities	
Accounts Payable	13,938
Accrued Wages and Benefits	1,568,161
Intergovernmental Payable	476,398
Accrued Interest Payable	38,039
Matured Compensated Absences Payable	29,342
Accrued Vacation Leave Payable	25,753
Deferred Revenue	6,335,977
Long-Term Liabilities:	
Due Within One Year	1,074,790
Due In More Than One Year	<u>11,110,988</u>
<i>Total Liabilities</i>	<u>20,673,386</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	2,557,403
Restricted for:	
Capital Projects	679,513
Debt Service	1,310,622
Set Asides	598,532
Other Purposes	264,498
Unrestricted (Deficit)	<u>(3,877,897)</u>
<i>Total Net Assets</i>	<u><u>\$1,532,671</u></u>

See accompanying notes to the basic financial statements

Cardinal Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2010

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction:				
Regular	\$6,596,261	\$563,592	\$335,755	(\$5,696,914)
Special	2,827,318	0	964,990	(1,862,328)
Support Services:				
Pupil	780,729	0	0	(780,729)
Instructional Staff	724,610	0	671,912	(52,698)
Board of Education	20,637	0	0	(20,637)
Administration	1,108,119	0	2,413	(1,105,706)
Fiscal	454,235	0	0	(454,235)
Business	59,629	0	0	(59,629)
Operation and Maintenance of Plant	1,478,693	0	0	(1,478,693)
Pupil Transportation	1,356,684	0	535,347	(821,337)
Central	205,963	0	14,145	(191,818)
Operation of Non-Instructional Services				
Food Service Operations	517,464	169,895	198,391	(149,178)
Other Non-Instructional Services	7,646	109,555	0	101,909
Extracurricular Activities	291,918	270,129	221	(21,568)
Interest and Fiscal Charges	525,687	0	0	(525,687)
Totals	\$16,955,593	\$1,113,171	\$2,723,174	(13,119,248)
General Revenues				
Property Taxes Levied for:				
				5,871,652
				784,281
				245,945
Grants and Entitlements not Restricted				
				5,286,815
				14,715
				109,823
				<u>12,313,231</u>
				Change in Net Assets (806,017)
				Net Assets Beginning of Year - Restated (See Note 3) <u>2,338,688</u>
				<u>Net Assets End of Year \$1,532,671</u>

See accompanying notes to the basic financial statements

Cardinal Local School District

*Balance Sheet
Governmental Funds
June 30, 2010*

	<u>General</u>	<u>Bond Retirement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$474,631	\$1,033,290	\$1,152,890	\$2,660,811
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	598,532	0	0	598,532
Accrued Interest Receivable	9,698	0	0	9,698
Accounts Receivable	6,001	0	250	6,251
Intergovernmental Receivable	258,800	0	170,281	429,081
Prepaid Items	2,700	0	41	2,741
Inventory Held for Resale	0	0	2,718	2,718
Materials and Supplies Inventory	52,835	0	10,001	62,836
Property Taxes Receivable	6,183,749	602,982	451,216	7,237,947
Interfund Receivable	14,191	0	0	14,191
<i>Total Assets</i>	<u>\$7,601,137</u>	<u>\$1,636,272</u>	<u>\$1,787,397</u>	<u>\$11,024,806</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$1,709	\$0	\$12,229	\$13,938
Accrued Wages and Benefits	1,329,893	0	238,268	1,568,161
Interfund Payable	0	0	14,191	14,191
Intergovernmental Payable	408,759	0	67,639	476,398
Matured Compensated Absences Payable	29,342	0	0	29,342
Deferred Revenue	5,758,579	551,930	544,321	6,854,830
<i>Total Liabilities</i>	<u>7,528,282</u>	<u>551,930</u>	<u>876,648</u>	<u>8,956,860</u>
 Fund Balances				
Reserved for Encumbrances	15,474	0	122,972	138,446
Reserved for Property Taxes	500,170	51,052	38,233	589,455
Reserved for Textbooks and Materials	598,532	0	0	598,532
Unreserved:				
Undesignated, Reported in:				
General Fund (Deficit)	(1,041,321)	0	0	(1,041,321)
Special Revenue Funds (Deficit)	0	0	(60,838)	(60,838)
Debt Service Funds	0	1,033,290	263,211	1,296,501
Capital Projects Funds	0	0	547,171	547,171
<i>Total Fund Balances</i>	<u>72,855</u>	<u>1,084,342</u>	<u>910,749</u>	<u>2,067,946</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$7,601,137</u>	<u>\$1,636,272</u>	<u>\$1,787,397</u>	<u>\$11,024,806</u>

See accompanying notes to the basic financial statements

Cardinal Local School District
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2010*

Total Governmental Fund Balances		\$2,067,946
 <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.		10,956,308
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property Taxes	312,515	
Intergovernmental	206,338	
Total		518,853
In the statements 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.		239,134
Long-term liabilities payable are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds	(10,127,903)	
Energy Conservation Bonds	(1,068,252)	
Compensated Absences Payable	(989,623)	
Total		(12,185,778)
Accrued interest payable is not due and payable in the current period and therefore not reported in the funds.		(38,039)
Vacation Benefits payable is not expected to be paid with expendable available financial resources and therefore is not reported in the funds.		(25,753)
<i>Net Assets of Governmental Activities</i>		\$1,532,671

See accompanying notes to the 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, 2010

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$5,860,905	\$598,559	\$433,415	\$6,892,879
Intergovernmental	5,673,008	109,126	2,172,237	7,954,371
Interest	14,656	0	59	14,715
Tuition and Fees	500,286	0	63,306	563,592
Extracurricular Activities	190,350	0	79,779	270,129
Contributions and Donations	3,758	0	2,634	6,392
Charges for Services	0	0	169,895	169,895
Rentals	109,555	0	0	109,555
Miscellaneous	104,405	0	5,418	109,823
<i>Total Revenues</i>	<u>12,456,923</u>	<u>707,685</u>	<u>2,926,743</u>	<u>16,091,351</u>
Expenditures				
Current:				
Instruction:				
Regular	5,687,544	0	362,001	6,049,545
Special	1,924,704	0	881,874	2,806,578
Support Services:				
Pupil	553,055	0	237,442	790,497
Instructional Staff	220,548	0	478,839	699,387
Board of Education	18,878	0	0	18,878
Administration	1,063,416	0	28,519	1,091,935
Fiscal	424,203	12,599	10,471	447,273
Business	58,167	0	0	58,167
Operation and Maintenance of Plant	1,307,415	0	31,159	1,338,574
Pupil Transportation	1,513,865	0	217	1,514,082
Central	194,315	0	14,947	209,262
Operation of Non-Instructional Services:				
Food Service Operations	4,099	0	495,990	500,089
Other Non-Instructional Services	0	0	7,646	7,646
Extracurricular Activities	220,584	0	67,198	287,782
Capital Outlay	0	0	1,244,439	1,244,439
Debt Service:				
Principal Retirement	0	400,000	135,000	535,000
Interest and Fiscal Charges	4,748	296,010	100,585	401,343
Bond Issuance Costs	0	0	21,665	21,665
<i>Total Expenditures</i>	<u>13,195,541</u>	<u>708,609</u>	<u>4,117,992</u>	<u>18,022,142</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	<u>(738,618)</u>	<u>(924)</u>	<u>(1,191,249)</u>	<u>(1,930,791)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	6,500	0	0	6,500
Energy Conservation Bonds Issued	0	0	1,068,252	1,068,252
Transfers In	14,264	0	115,000	129,264
Transfers Out	(115,000)	0	0	(115,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(94,236)</u>	<u>0</u>	<u>1,183,252</u>	<u>1,089,016</u>
<i>Net Change in Fund Balances</i>	(832,854)	(924)	(7,997)	(841,775)
<i>Fund Balances Beginning of Year</i>	<u>905,709</u>	<u>1,085,266</u>	<u>918,746</u>	<u>2,909,721</u>
<i>Fund Balances End of Year</i>	<u>\$72,855</u>	<u>\$1,084,342</u>	<u>\$910,749</u>	<u>\$2,067,946</u>

See accompanying notes to the basic financial statements

Cardinal Local School District
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2010*

Net Change in Fund Balances - Total Governmental Funds (\$841,775)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital Outlay	1,288,148
Depreciation	<u>(644,832)</u>

Total	643,316
-------	---------

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (7,179)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes	8,999
Intergovernmental	<u>49,226</u>

Total	58,225
-------	--------

Other financing sources, such as general obligation bonds issued, in the governmental funds increase long-term liabilities in the statement of net assets. (1,068,252)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.

Accrued Interest	(5,698)
Accretion on Capital Appreciation Bonds	(113,203)
Amortization of Bond Issuance Costs	(15,411)
Amortization of Loss on Refunding	(24,348)
Amortization of Bond Premium	<u>34,316</u>

Total	(124,344)
-------	-----------

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 535,000

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. 21,665

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences	(10,047)
Accrued Vacation Leave Payable	<u>1,638</u>

Total	(8,409)
-------	---------

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statements of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. (14,264)

Change in Net Assets of Governmental Activities (\$806,017)

See accompanying notes to the 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, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$5,829,967	\$6,027,937	\$6,027,935	(\$2)
Intergovernmental	5,546,709	5,712,592	5,652,653	(59,939)
Interest	45,000	20,500	19,908	(592)
Tuition and Fees	425,000	500,400	500,286	(114)
Extracurricular Activities	174,000	158,225	190,350	32,125
Contributions and Donations	0	3,980	3,758	(222)
Rentals	180,000	112,250	109,555	(2,695)
Miscellaneous	70,000	130,849	106,477	(24,372)
<i>Total Revenues</i>	12,270,676	12,666,733	12,610,922	(55,811)
Expenditures				
Current:				
Instruction:				
Regular	5,899,443	5,729,664	5,701,148	28,516
Special	2,303,665	2,289,935	2,257,384	32,551
Support Services:				
Pupil	597,345	566,055	562,679	3,376
Instructional Staff	202,228	213,901	207,023	6,878
Board of Education	32,600	31,410	31,280	130
Administration	1,089,600	1,073,859	1,064,009	9,850
Fiscal	460,178	431,184	427,185	3,999
Business	59,820	60,017	59,828	189
Operation and Maintenance of Plant	1,390,082	1,467,972	1,370,221	97,751
Pupil Transportation	1,448,145	1,515,753	1,508,665	7,088
Central	209,828	203,656	198,807	4,849
Operation of Non-Instructional Services:				
Food Service Operations	3,496	4,189	4,187	2
Extracurricular Activities	249,943	235,919	233,496	2,423
Debt Service:				
Interest and Fiscal Charges	0	5,000	4,748	252
<i>Total Expenditures</i>	13,946,373	13,828,514	13,630,660	197,854
<i>Excess of Revenues Under Expenditures</i>	(1,675,697)	(1,161,781)	(1,019,738)	142,043
Other Financing Sources (Uses)				
Sale of Capital Assets	0	6,500	6,500	0
Advances Out	(25,000)	0	0	0
Transfers In	0	14,265	14,263	(2)
Transfers Out	(100,000)	(115,000)	(115,000)	0
<i>Total Other Financing Sources (Uses)</i>	(125,000)	(94,235)	(94,237)	(2)
<i>Net Change in Fund Balance</i>	(1,800,697)	(1,256,016)	(1,113,975)	142,041
<i>Fund Balance Beginning of Year</i>	1,791,565	1,791,565	1,791,565	0
Prior Year Encumbrances Appropriated	375,596	375,596	375,596	0
<i>Fund Balance End of Year</i>	\$366,464	\$911,145	\$1,053,186	\$142,041

See accompanying notes to the basic financial statements

Cardinal Local School District
*Statement of Revenues,
 Expenses and Changes in Fund Net Assets
 Internal Service Fund
 For the Fiscal Year Ended June 30, 2010*

	Insurance
Operating Revenues	\$0
Operating Expenses	0
Income Before Transfers	0
Transfers Out	(14,264)
<i>Change in Net Assets</i>	(14,264)
<i>Net Assets Beginning of Year</i>	14,264
<i>Net Assets End of Year</i>	\$0

See accompanying notes to the basic financial statements

Cardinal Local School District
Statement of Cash Flows
Internal Service Fund
For the Fiscal Year Ended June 30, 2010

	<u>Insurance</u>
<i>Decrease in Cash and Cash Equivalents</i>	
Cash Flows from Noncapital Financing Activities	
Transfers Out	(\$14,264)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>14,264</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements

Cardinal Local School District
Statement of Fiduciary Assets and Liabilities
Agency Fund
June 30, 2010

Assets

Equity in Pooled Cash and Cash Equivalents	<u><u>\$27,922</u></u>
--	------------------------

Liabilities

Due to Students	<u><u>\$27,922</u></u>
-----------------	------------------------

See accompanying notes to the basic financial statements

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2010

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 68 non-certificated employees, 93 certificated full time teaching personnel, 7 confidential employees, and 7 administrative employees to provide services to 1,285 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 three jointly governed organizations and one insurance purchasing pool. These organizations are the Auburn Career Center, the Lake Geauga Computer Association, Ohio Schools Council Association and the Ohio School Boards Association Workers' Compensation Group Rating Program. These organizations are presented in Notes 17 and 18 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, 2010

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. The more 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. These statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type. The School District however has no business-type activities.

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 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:

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2010

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

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 The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District, 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. The School District is no longer self-insured and the remaining cash balance has been transferred to the general fund during fiscal year 2010 to close out the fund.

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

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.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2010

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

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

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

Property taxes for which there is an enforceable legal claim as of June 30, 2010, but which were levied to finance fiscal year 2011 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2010

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

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

E. Budgetary Data

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

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 and final budgeted amounts in the budgetary statements reflect the amounts in the original and final amended certificate in effect when the original and 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.

F. Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds 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 2010, 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, 2010.

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 2010 amounted to \$14,656, which includes \$9,870 assigned from other School District funds.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2010

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 presented on the financial statements as cash equivalents.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2010, 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 represent money required by State statute to be set aside to create a reserve for the purchase of textbooks. See Note 19 for additional information regarding set-asides.

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. Bond issuance costs are generally paid from the bond proceeds.

As permitted by State statute, the School District paid bond issuance costs from the bond proceeds and therefore does not consider that portion of the debt to be capital-related debt. That portion of the debt was offset against the unamortized bond issuance costs which were included in the determination of unrestricted net assets. Reporting both within the same element of net assets prevents one classification from being overstated while another is understated by the same amount.

K. Bond Premiums

Bond premiums are recorded as 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. Loss on Refunding

On the governmental-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the loss on refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, whichever is shorter.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2010

M. 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.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The School District was able to estimate the historical cost for the initial reporting of assets by backtrending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of two thousand five hundred dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land 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 - 15 years
Vehicles	5 - 10 years

N. 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.

O. 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. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the 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.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2010

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.

P. 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.

Q. 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.

R. Interfund Activity

Transfers between governmental activities are eliminated on the government-wide financial statements. Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for services provided and used are not eliminated.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayment from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2010

S. Fund Balance Reserves

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

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute.

T. 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.

U. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence.

V. Estimates

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

Note 3- Change in Accounting Principles/Restatement of Net Assets

A. Change in Accounting Principles

For fiscal year 2010, the School District has implemented Governmental Accounting Standard Board (GASB) Statement No. 51, "Accounting and Reporting for Intangible Assets", Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans", and Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies".

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets to reduce inconsistencies thereby enhancing the comparability of accounting and financial reporting of such assets among state and local governments. The implementation of this statement did not result in any change to the School District's financial statements.

GASB Statement No. 53 enhances the usefulness and comparability of derivative instrument information reported by state and local governments. This Statement provides a comprehensive framework for the measurement, recognition, and disclosure of derivative instrument transactions. The implementation of this statement did not result in any change to the School District's financial statements.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2010

GASB Statement No. 57 addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). The requirements in this Statement will allow more agent employers to use the alternative measurement method to produce actuarially based information for purposes of financial reporting and clarify that OPEB measures reported by agent multiple-employer OPEB plans and their participating employers should be determined at the same minimum frequency and as of a common date to improve the consistency of reporting with regard to funded status and funding progress information. The implementation of this statement did not result in any change in the School District's financial statements.

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements in this Statement will provide more consistent recognition, measurement, display, and disclosure guidance for governments that file for Chapter 9 bankruptcy. The implementation of this statement did not result in any change in the School District's financial statements.

B. Restatement of Net Assets

During fiscal year 2010, it was determined that the capital assets were understated by \$390,899 due to accumulated depreciation being overstated for fiscal year 2009. Net assets for governmental activities increased from \$1,947,789 to \$2,338,688.

Note 4 – Fund Deficits

The following funds had deficit fund balances as of June 30, 2010:

<i>Special Revenue Funds</i>	
Food Service	\$49,945
IDEA Part B - Special Education	38,147
Title I	161,900
Improving Teacher Quality	97

The special revenue funds have deficits caused by the recognition of expenditures on a modified accrual basis of accounting which are substantially greater than the expenditures recognized on a cash basis. The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur.

Note 5 - Budgetary Basis of Accounting

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

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2010

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

The following table summarizes 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	(\$832,854)
Net Adjustments for Revenue Accruals	153,999
Net Adjustments for Expenditures Accruals	(400,952)
Adjustment for Encumbrances	(34,168)
Budget Basis	<u><u>(\$1,113,975)</u></u>

Note 6 - Deposits and Investments

Monies held by the School District are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the School District treasury. Active 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 has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

Interim monies held by the School District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, 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 obligation or security 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

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2010

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;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAROhio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

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. Investments may only be made through specified dealers and institutions.

Deposits

Custodial Credit Risk Custodial credit risk is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party. At fiscal year end, \$2,652,936, of the School District's bank balance of \$3,294,588 was uninsured and uncollateralized. Although the securities were held by the pledging institution's trust department and all 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.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

As of June 30, 2010, the School District had STAROhio as the only investment with an amount of \$82,937 and an average maturity of 56 days.

Credit Risk STAROhio carries a rating of AAA by Standard & Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that addresses credit risk.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2010

Interest Rate Risk The School District has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity.

Note 7 - Property Taxes

Property taxes are levied and assessed on a calendar year basis while the School District's 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 property, public utility property and tangible personal property (used in business) located in the School District. Real property tax revenues received in calendar year 2010 represents collections of calendar year 2009 taxes. Real property taxes received in calendar year 2010 were levied after April 1, 2009, on the assessed value listed as of January 1, 2009, the lien date. Assessed values for real property are established by State law at thirty-five percent of appraised market value. Real property 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.

Public utility property tax revenues received in calendar year 2010 represents collections of calendar year 2009 taxes. Public utility real and tangible personal property taxes received in calendar year 2010 become a lien December 31, 2008, were levied after April 1, 2009 and are collected in 2010 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenues received in calendar year 2010 (other than public utility property) represent the collection of calendar year 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. 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 and Trumbull Counties. 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, 2010, are available to finance fiscal year 2010 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, 2010 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations are 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.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2010

The amount available as an advance at June 30, 2010, was \$500,170 in the general fund, \$51,052 in the bond retirement debt service fund, \$16,133 in the library bond retirement debt service fund and \$22,100 in the permanent improvement capital projects fund. The amount available as an advance June 30, 2009, was \$667,200 in the general fund, \$80,100 in the bond retirement debt service fund, \$25,200 in the library bond retirement debt service fund and \$29,600 in the permanent improvement capital projects fund. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

The assessed values upon which the fiscal year 2010 taxes were collected are:

	2009 Second Half Collections		2010 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$279,733,750	95.33 %	\$281,177,740	97.55 %
Public Utility	6,759,035	2.30	7,075,370	2.45
Tangible Personal Property	6,934,460	2.36	0	0.00
	<u>\$293,427,245</u>	<u>100.00 %</u>	<u>\$288,253,110</u>	<u>100.00 %</u>
Tax rate per \$1,000 of assessed valuation	\$55.65		\$55.14	

Note 8 - Receivables

Receivables at June 30, 2010, 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 receivables except for delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Excess Costs	\$183,800
IDEA Part B - Special Education	98,787
Shared Revenue	75,000
Title I	56,097
Title III	7,949
Title II-D Technology	5,141
Title IV	2,307
	<u>\$429,081</u>

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2010

Note 9 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

	Restated Balance 6/30/2009	Additions	Deletions	Balance 6/30/2010
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$560,094	\$0	\$0	\$560,094
<i>Capital Assets, being depreciated:</i>				
Land Improvements	2,034,882	0	0	2,034,882
Buildings and Improvements	13,524,175	966,836	(22,848)	14,468,163
Furniture and Equipment	2,271,793	52,923	(4,817)	2,319,899
Vehicles	1,199,368	268,389	(182,793)	1,284,964
<i>Total Capital Assets, being depreciated</i>	<u>19,030,218</u>	<u>1,288,148</u>	<u>(210,458)</u>	<u>20,107,908</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(987,009)	(98,442)	0	(1,085,451)
Buildings and Improvements	(5,909,789)	(379,804)	21,437	(6,268,156)
Furniture and Equipment	(1,635,430)	(48,450)	0	(1,683,880)
Vehicles	(737,913)	(118,136)	181,842	(674,207)
<i>Total Accumulated Depreciation</i>	<u>(9,270,141)</u>	<u>(644,832) *</u>	<u>203,279</u>	<u>(9,711,694)</u>
Total Capital Assets, being depreciated, net	<u>9,760,077</u>	<u>643,316</u>	<u>(7,179)</u>	<u>10,396,214</u>
Governmental Activities Capital Assets, Net	<u>\$10,320,171</u>	<u>\$643,316</u>	<u>(\$7,179)</u>	<u>\$10,956,308</u>

*Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$369,048
Special	23,848
Support Services:	
Pupil	629
Instructional Staff	25,307
Board of Education	1,759
Administration	15,676
Fiscal	1,246
Operation of Plant	78,944
Pupil Transportation	90,799
Central	988
Food Service Operations	32,452
Extracurricular Activities	4,136
	<u>\$644,832</u>

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2010

Note 10 - Risk Management

A. Property and Liability

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

Company	Type of Coverage	Coverage Amount
Indiana Insurance Company	Fleet Insurance, single limit	\$1,000,000
	Property	35,795,787
	General Liability, in aggregate	2,000,000
	General Liability, per occurrence	1,000,000
	Employee Benefits Liability, in aggregate	3,000,000
	Employee Benefits Liability, per occurrence	1,000,000
	Umbrella	3,000,000
	Boilers and Machinery	50,000,000
Harcum Hyre Agency	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 the prior year.

B. Workers' Compensation

For fiscal year 2010, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 18). 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. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley UniService provides administrative, cost control, and actuarial services to the GRP.

C. Insurance

The School District has contracted with Medical Mutual to provide employee medical, surgical prescription drug and dental benefits. The School District pays \$1,138 for family coverage and \$459 for single coverage per month for medical and \$72 for family coverage and \$24 for single coverage per month for dental. The employees pay fifteen percent of the premium through a payroll deduction.

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

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2010

Note 11 – Vacation and Sick Leave

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified and confidential employees earn ten to twenty days of vacation per year, depending upon length of service. Upon approval up to five days may be carried over into the following year. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and certified 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 with no maximum limit 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 75 days for certified and classified personnel.

Note 12 - Defined Benefit Pension Plans

A. School Employees Retirement System

Plan Description - The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Funding Policy - 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 2010, 12.74 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 by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2010, 2009 and 2008 were \$274,829, \$192,292, and \$101,917, respectively; 98.15 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

B. State Teachers Retirement System

Plan Description - The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement plan. 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 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2010

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 a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by 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 member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. 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. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. 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 of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For the fiscal year ended June 30, 2010, 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. For fiscal year 2009, the portion used to fund pension obligations was also 13 percent. 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.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2010, 2009, and 2008, were \$780,069, \$781,352, and \$740,675, respectively; 81.97 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008. Contributions to the DC and Combined Plans for fiscal year 2009 (the latest information available) were \$618 made by the School District and \$1,245 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Retirement System. As of June 30, 2010, one member of the Board of Education has elected Social Security. The contribution rate is 6.2 percent of wages.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2010

Note 13- Postemployment Benefits

A. School Employee Retirement System

Plan Description – The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2010, 0.50 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2010, this amount was \$43,144.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School District's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008, were \$53,930, \$129,033, \$115,256, respectively; 40.94 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2010, this actuarially required allocation was 0.76 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2010, 2009, and 2008, were \$16,395, \$13,825, and \$12,309, respectively; 98.15 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

B. State Teachers Retirement System

Plan Description – The School District contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2010

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2009, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008, were \$60,005, \$60,104, and \$56,975, respectively; 81.97 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

Note 14 - 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, 2010.

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 15 – Interfund Balances and Transfers

A. Interfund Transfers

The general fund transferred \$115,000 to the food service special revenue fund to move unrestricted balances to support programs and projects accounted for in other fund. The self insurance fund transferred \$14,264 to the general fund to close out the fund.

B. Interfund Balances

Interfund balances at June 30, 2010, consist of an interfund receivable/payable between the general fund and the nonmajor governmental funds in the amount of \$14,191. These loans were made to support programs and projects in various special revenue funds pending the receipt of grant money that will be used to repay the loans. These loans are expected to be repaid in one year.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2010

Note 16 - Long-Term Obligations

The original issue date, interest rate, original issue amount and date of maturity of each of the School District's bonds are:

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
2000 School Improvement Serial Bonds Serial Bonds	5.00%	\$9,170,000	December 1, 2011
2002 Middlefield Public Library Bonds Serial Bonds	5.00%	2,645,000	December 1, 2022
2006 School Improvement Refunding Bonds Current Interest Serial Bonds	5.78%	7,020,000	December 1, 2025
Capital Appreciation Bonds	5.78%	464,980	December 1, 2015
2009 Energy Conservation Bonds Qualified School Construction Bonds	1.93%	1,068,252	September 15, 2024

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

	Principal Outstanding 6/30/2009	Additions	Reductions	Principal Outstanding 6/30/2010	Amounts Due in One Year
<i>General Obligation Bonds:</i>					
2000 School Improvement Serial Bonds	\$615,000	\$0	\$300,000	\$315,000	\$315,000
2002 Middlefield Public Library Bonds Serial Bonds	2,265,000	0	135,000	2,130,000	145,000
Unamortized Premium	55,771	0	4,647	51,124	0
2006 School Improvement Refunding Bonds					
Current Interest Serial Bonds	6,810,000	0	100,000	6,710,000	100,000
Capital Appreciation Bonds	464,980	0	0	464,980	0
Accretion on Capital Appreciation Bonds	263,789	113,203	0	376,992	0
Unamortized Premium	474,704	0	29,669	445,035	0
Refunding Loss	(389,576)	0	(24,348)	(365,228)	0
<i>Total General Obligation Bonds Payable</i>	<u>10,559,668</u>	<u>113,203</u>	<u>544,968</u>	<u>10,127,903</u>	<u>560,000</u>
<i>Energy Conservation Bonds:</i>					
2009 Qualified School Construction Bonds	0	1,068,252	0	1,068,252	63,252
Compensated Absences	979,578	39,387	29,342	989,623	451,538
Total Governmental Activities Long-Term Liabilities	<u><u>\$11,539,246</u></u>	<u><u>\$1,220,842</u></u>	<u><u>\$574,310</u></u>	<u><u>\$12,185,778</u></u>	<u><u>\$1,074,790</u></u>

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2010

All general obligation bonds will be paid from property taxes reported within the bond retirement and library bond retirement debt service funds. Compensated absences will be paid from the general, food service, IDEA Part B – special education, federal stimulus, and Title I special revenue funds.

On March 16, 2000, the School District issued \$9,749,930 in voted general obligation bonds which included serial and capital appreciation 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. The final payment on the capital appreciation bonds was made in fiscal year 2009.

On May 2, 2002, the School District issued \$3,000,000 in general obligation bonds, which included serial and capital appreciation bonds, in the amount of \$2,645,000 and \$220,000 respectively. The general obligation bonds were issued 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. According to the Ohio Revised Code, the School District may issue tax related debt for the Library. The School District will manage the funds for debt service. The final payment on the capital appreciation bonds was made in fiscal year 2009.

On May 1, 2007, the School District issued \$7,484,980 in general obligation school improvement refunding bonds, which included serial and capital appreciation bonds, in the amount of \$7,020,000 and \$464,980 respectively. The proceeds of the bonds were used to advance refund \$7,485,000 of the School District's outstanding 2000 School Improvement bonds. The bonds were issued at a premium of \$563,711. The bonds were issued for a 20 year period with final maturity at December 1, 2025. As of June 30, 2010 \$7,485,980 of these bonds are considered defeased.

The capital appreciation bonds were originally sold at a discount of \$905,020, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is 2012 through 2014. The maturity amount of outstanding capital appreciation bonds at June 30, 2010 is \$1,370,000. The accretion recorded for 2010 was \$113,203, for a total reported outstanding bond liability of \$841,972.

On December 22, 2010, the School District issued \$1,068,252 in energy conservation qualified school construction bonds. The proceeds of the bonds were used to replace and or update the heating and cooling systems in all four school buildings, replace lighting with energy efficient light bulbs and install an energy control system. The bonds were issued for a 15 year period with final maturity at September 15, 2024.

The School District's overall legal debt margin was \$16,602,144 with an unvoted debt margin of \$288,253 at June 30, 2010. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2010 are as follows:

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2010

	General Obligation Bonds		Energy Conservation Bonds	
	Principal	Interest	Principal	Interest
2011	\$560,000	\$379,404	\$63,252	\$20,007
2012	590,000	346,407	65,000	18,769
2013	155,000	82,815	65,000	17,515
2014	155,000	76,228	65,000	16,260
2015	165,000	69,376	65,000	15,006
2016-2020	3,410,000	1,227,171	355,000	54,957
2021-2025	3,440,000	475,733	390,000	19,107
2026-2027	680,000	14,025	0	0
Total	<u>\$9,155,000</u>	<u>\$2,671,159</u>	<u>\$1,068,252</u>	<u>\$161,621</u>

	Capital Appreciation Bonds		Total	
	Principal	Interest	Principal	Interest
2010	\$0	\$0	\$623,252	\$399,411
2011	0	0	655,000	365,176
2012	0	0	220,000	100,330
2013	177,423	277,577	397,423	370,065
2014	153,426	301,574	383,426	385,956
2015-2019	134,131	325,869	3,899,131	1,607,997
2020-2024	0	0	3,830,000	494,840
2025-2027	0	0	680,000	14,025
Total	<u>\$464,980</u>	<u>\$905,020</u>	<u>\$10,688,232</u>	<u>\$3,737,800</u>

Note 17 - Jointly Governed Organizations

A. Auburn Career Center

The Auburn Career Center is a joint vocational school district which is a jointly governed organization among eleven school districts. Each participating school district's board of education appoints one 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 2010, the School District did not make any contributions or payments to the Auburn Career Center. Financial information can be obtained from the Auburn Career Center, 8140 Auburn Road, Painesville, Ohio 44077.

B. Lake Geauga Computer Association

The Lake Geauga Computer Association (the "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

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2010

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 2010, the School District paid \$42,663 to LGCA. Financial information can be obtained from the Lake Geauga Computer Association, 8221 Auburn Road, Painesville, Ohio 44077.

C. Ohio Schools Council Association

The Ohio Schools Council (Council) is a jointly governed organization among 126 school districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board meets monthly September to June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2010, the School District paid \$843 to the Council. Financial information can be obtained by contacting Dr. David A. Cottrell, the Executive Director at the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The School District participates in the natural gas purchase program. This program allows the School District to purchase natural gas at reduced rates. Energy USA served as the the natural gas supplier and program manager from October 1, 2008 to September 30, 2010. Compass Energy has been selected as the new supplier and program manager for the period from October 1, 2010 through March 31, 2013. There are currently 143 participants in the program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

Note 18 - Insurance Purchasing Pool

Ohio School Boards Association Workers' Compensation Group Rating Program The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (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 Director of 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 19 – Set-Asides

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

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2010

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

	Textbooks	Capital Improvements
Set Aside Reserve Balance as of June 30, 2009	\$444,691	\$118,840
Current Year Set-Aside Requirement	223,863	223,863
Qualifying Disbursements	(30,022)	(1,335,977)
Permanent Improvement Taxes Revenue	(40,000)	(212,024)
Totals	\$598,532	(\$1,205,298)
Set-Aside Balance Carried Forward to Future Fiscal Years	\$598,532	(\$1,205,298)
Set Aside Reserve Balance as of June 30, 2010	\$598,532	\$0

The total reserve balance for the set-asides at the end of the fiscal year was \$598,532.

Note 20 – Subsequent Event

On July 12, 2010, the School Board approved the sale of the Huntsburg Elementary Building to the Huntsburg Township Trustees for \$180,000, to be paid in three installments of \$60,000 each. The Trustees will take possession of the building in September, 2010 and receive title in January, 2012 once the final payment is made.

Combining and Individual Fund Statements and Schedules

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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.

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.

IDEA Part B – Special Education Fund - This fund accounts for Federal monies used to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels.

Federal Stimulus Fund - This fund accounts for Federal monies from the American Recovery and Reinvestment Act in State Fiscal Stabilization Funds (SFSF) to help stabilize state and local budgets in order to minimize and avoid reductions in education and other essential services.

(continued)

Fund Descriptions – Nonmajor Special Revenue Funds (continued)

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

Title III Fund - This fund accounts for Federal monies used for costs associated with English proficiency.

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.

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 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.

Cardinal Local School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$232,132	\$263,211	\$657,547	\$1,152,890
Accounts Receivable	250	0	0	250
Intergovernmental Receivable	170,281	0	0	170,281
Prepaid Items	41	0	0	41
Inventory Held for Resale	2,718	0	0	2,718
Materials and Supplies Inventory	10,001	0	0	10,001
Property Taxes Receivable	0	190,546	260,670	451,216
<i>Total Assets</i>	<u>\$415,423</u>	<u>\$453,757</u>	<u>\$918,217</u>	<u>\$1,787,397</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$579	\$0	\$11,650	\$12,229
Accrued Wages and Benefits	238,268	0	0	238,268
Interfund Payable	14,191	0	0	14,191
Intergovernmental Payable	67,639	0	0	67,639
Deferred Revenue	131,338	174,413	238,570	544,321
<i>Total Liabilities</i>	<u>452,015</u>	<u>174,413</u>	<u>250,220</u>	<u>876,648</u>
Fund Balances				
Reserved for Encumbrances	24,246	0	98,726	122,972
Reserved for Property Taxes	0	16,133	22,100	38,233
Unreserved, Undesignated Reported in:				
Special Revenue Funds (Deficit)	(60,838)	0	0	(60,838)
Debt Service Fund	0	263,211	0	263,211
Capital Projects Funds	0	0	547,171	547,171
<i>Total Fund Balances (Deficit)</i>	<u>(36,592)</u>	<u>279,344</u>	<u>667,997</u>	<u>910,749</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$415,423</u>	<u>\$453,757</u>	<u>\$918,217</u>	<u>\$1,787,397</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, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$0	\$188,891	\$244,524	\$433,415
Intergovernmental	2,030,518	43,228	98,491	2,172,237
Interest	59	0	0	59
Tuition and Fees	63,306	0	0	63,306
Extracurricular Activities	79,779	0	0	79,779
Contributions and Donations	2,634	0	0	2,634
Charges for Services	169,895	0	0	169,895
Miscellaneous	5,418	0	0	5,418
<i>Total Revenues</i>	<u>2,351,609</u>	<u>232,119</u>	<u>343,015</u>	<u>2,926,743</u>
Expenditures				
Current:				
Instruction:				
Regular	362,001	0	0	362,001
Special	881,874	0	0	881,874
Support Services:				
Pupil	237,442	0	0	237,442
Instructional Staff	478,839	0	0	478,839
Administration	28,519	0	0	28,519
Fiscal	6,517	3,954	0	10,471
Operation and Maintenance of Plant	31,159	0	0	31,159
Pupil Transportation	217	0	0	217
Central	14,947	0	0	14,947
Operation of Non-Instructional Services:				
Food Service Operations	495,990	0	0	495,990
Other Non-Instructional Services	7,646	0	0	7,646
Extracurricular Activities	67,198	0	0	67,198
Capital Outlay	0	0	1,244,439	1,244,439
Debt Service:				
Principal Retirement	0	135,000	0	135,000
Interest and Fiscal Charges	0	100,585	0	100,585
Bond Issuance Costs	0	0	21,665	21,665
<i>Total Expenditures</i>	<u>2,612,349</u>	<u>239,539</u>	<u>1,266,104</u>	<u>4,117,992</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(260,740)</u>	<u>(7,420)</u>	<u>(923,089)</u>	<u>(1,191,249)</u>
Other Financing Sources				
Energy Conservation Bonds Issued	0	0	1,068,252	1,068,252
Transfers In	115,000	0	0	115,000
<i>Total Other Financing Sources</i>	<u>115,000</u>	<u>0</u>	<u>1,068,252</u>	<u>1,183,252</u>
<i>Net Change in Fund Balance</i>	(145,740)	(7,420)	145,163	(7,997)
<i>Fund Balances Beginning of Year</i>	<u>109,148</u>	<u>286,764</u>	<u>522,834</u>	<u>918,746</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$36,592)</u>	<u>\$279,344</u>	<u>\$667,997</u>	<u>\$910,749</u>

Cardinal Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2010

	Food Service	Uniform School Supplies	Public School Support	Martha Holden Jennings Grant
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,133	\$64,943	\$29,219	\$272
Accounts Receivable	0	250	0	0
Intergovernmental Receivable	0	0	0	0
Prepaid Items	0	0	41	0
Inventory Held for Resale	2,718	0	0	0
Materials and Supplies Inventory	10,001	0	0	0
<i>Total Assets</i>	<u>\$13,852</u>	<u>\$65,193</u>	<u>\$29,260</u>	<u>\$272</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	42,795	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	21,002	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>63,797</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Reserved for Encumbrances	0	10,490	0	0
Unreserved, Undesignated (Deficit)	(49,945)	54,703	29,260	272
<i>Total Fund Balances (Deficit)</i>	<u>(49,945)</u>	<u>65,193</u>	<u>29,260</u>	<u>272</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$13,852</u>	<u>\$65,193</u>	<u>\$29,260</u>	<u>\$272</u>

District Managed Activities	Auxiliary Services	Management Information Systems	OneNet	IDEA Part B - Special Education	Federal Stimulus
\$34,432	\$8,718	\$4,541	\$9,145	\$26,447	\$26,568
0	0	0	0	0	0
0	0	0	0	98,787	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$34,432</u>	<u>\$8,718</u>	<u>\$4,541</u>	<u>\$9,145</u>	<u>\$125,234</u>	<u>\$26,568</u>
\$0	\$24	\$0	\$0	\$0	\$0
0	0	0	0	44,686	788
0	0	0	0	0	0
286	0	0	0	19,908	973
0	0	0	0	98,787	0
<u>286</u>	<u>24</u>	<u>0</u>	<u>0</u>	<u>163,381</u>	<u>1,761</u>
1,843	1,848	0	0	0	5,940
<u>32,303</u>	<u>6,846</u>	<u>4,541</u>	<u>9,145</u>	<u>(38,147)</u>	<u>18,867</u>
<u>34,146</u>	<u>8,694</u>	<u>4,541</u>	<u>9,145</u>	<u>(38,147)</u>	<u>24,807</u>
<u>\$34,432</u>	<u>\$8,718</u>	<u>\$4,541</u>	<u>\$9,145</u>	<u>\$125,234</u>	<u>\$26,568</u>

(continued)

Cardinal Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2010

	Technology II-D Grant	Title III	Title I	Title V
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$9,726	\$7	\$1,376
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	5,141	7,949	56,097	0
Prepaid Items	0	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$5,141</u>	<u>\$17,675</u>	<u>\$56,104</u>	<u>\$1,376</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$261	\$294	\$0	\$0
Accrued Wages and Benefits	0	0	149,999	0
Interfund Payable	339	0	13,852	0
Intergovernmental Payable	0	924	23,909	0
Deferred Revenue	0	0	30,244	0
<i>Total Liabilities</i>	<u>600</u>	<u>1,218</u>	<u>218,004</u>	<u>0</u>
Fund Balances				
Reserved for Encumbrances	0	5	0	0
Unreserved, Undesignated (Deficit)	4,541	16,452	(161,900)	1,376
<i>Total Fund Balances (Deficit)</i>	<u>4,541</u>	<u>16,457</u>	<u>(161,900)</u>	<u>1,376</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$5,141</u>	<u>\$17,675</u>	<u>\$56,104</u>	<u>\$1,376</u>

Drug Free Schools	Improving Teacher Quality	Total Nonmajor Special Revenue Funds
\$15,065	\$540	\$232,132
0	0	250
2,307	0	170,281
0	0	41
0	0	2,718
0	0	10,001
<u>\$17,372</u>	<u>\$540</u>	<u>\$415,423</u>
\$0	\$0	\$579
0	0	238,268
0	0	14,191
0	637	67,639
2,307	0	131,338
<u>2,307</u>	<u>637</u>	<u>452,015</u>
3,580	540	24,246
11,485	(637)	(60,838)
<u>15,065</u>	<u>(97)</u>	<u>(36,592)</u>
<u>\$17,372</u>	<u>\$540</u>	<u>\$415,423</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, 2010

	Food Service	Uniform School Supplies	Public School Support	Martha Holden Jennings Grant
Revenues				
Intergovernmental	\$198,391	\$0	\$0	\$0
Interest	0	0	0	0
Tuition and Fees	0	63,306	0	0
Extracurricular Activities	0	0	4,989	0
Contributions and Donations	0	0	2,413	0
Charges for Services	169,895	0	0	0
Miscellaneous	499	0	1,773	0
<i>Total Revenues</i>	<u>368,785</u>	<u>63,306</u>	<u>9,175</u>	<u>0</u>
Expenditures				
Current:				
Instruction:				
Regular	0	90,829	810	286
Special	0	0	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	9,023	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	0	1,159	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	495,990	0	0	0
Other Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	235	0
<i>Total Expenditures</i>	<u>495,990</u>	<u>91,988</u>	<u>10,068</u>	<u>286</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(127,205)	(28,682)	(893)	(286)
Other Financing Sources				
Transfers In	115,000	0	0	0
<i>Net Change in Fund Balance</i>	(12,205)	(28,682)	(893)	(286)
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>(37,740)</u>	<u>93,875</u>	<u>30,153</u>	<u>558</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$49,945)</u>	<u>\$65,193</u>	<u>\$29,260</u>	<u>\$272</u>

District Managed Activities	Auxiliary Services	Management Information Systems	OneNet	SchoolNet Professional Development	Ohio Reads Grant
\$0	\$17,689	\$5,000	\$9,145	\$0	\$0
0	59	0	0	0	0
0	0	0	0	0	0
74,790	0	0	0	0	0
221	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>75,011</u>	<u>17,748</u>	<u>5,000</u>	<u>9,145</u>	<u>0</u>	<u>0</u>
0	17,366	0	0	0	3,027
0	0	0	0	0	0
0	2,588	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	1,994	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	14,087	0	860	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>66,963</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>66,963</u>	<u>21,948</u>	<u>14,087</u>	<u>0</u>	<u>860</u>	<u>3,027</u>
8,048	(4,200)	(9,087)	9,145	(860)	(3,027)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
8,048	(4,200)	(9,087)	9,145	(860)	(3,027)
<u>26,098</u>	<u>12,894</u>	<u>13,628</u>	<u>0</u>	<u>860</u>	<u>3,027</u>
<u>\$34,146</u>	<u>\$8,694</u>	<u>\$4,541</u>	<u>\$9,145</u>	<u>\$0</u>	<u>\$0</u>

(continued)

Cardinal Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2010

	IDEA Part B - Special Education	Federal Stimulus	Technology II- D Grant	Title III
Revenues				
Intergovernmental	\$518,691	\$166,623	\$5,726	\$29,421
Interest	0	0	0	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
Charges for Services	0	0	0	0
Miscellaneous	0	0	3,146	0
Total Revenues	518,691	166,623	8,872	29,421
Expenditures				
Current:				
Instruction:				
Regular	0	107,146	1	0
Special	3,123	25,733	0	438
Support Services:				
Pupil	103,658	0	0	0
Instructional Staff	380,456	8,937	1,323	11,525
Administration	0	0	0	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	30,000	0	0	0
Pupil Transportation	217	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	0
Other Non-Instructional Services	0	0	127	2,213
Extracurricular Activities	0	0	0	0
Total Expenditures	517,454	141,816	1,451	14,176
<i>Excess of Revenues Over (Under) Expenditures</i>	1,237	24,807	7,421	15,245
Other Financing Sources				
Transfers In	0	0	0	0
Net Change in Fund Balance	1,237	24,807	7,421	15,245
<i>Fund Balance (Deficit) Beginning of Year</i>	(39,384)	0	(2,880)	1,212
Fund Balance (Deficit) End of Year	(\$38,147)	\$24,807	\$4,541	\$16,457

<u>Title I</u>	<u>Title V</u>	<u>Drug Free Schools</u>	<u>Improving Teacher Quality</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$915,167	\$0	\$16,980	\$147,685	\$2,030,518
0	0	0	0	59
0	0	0	0	63,306
0	0	0	0	79,779
0	0	0	0	2,634
0	0	0	0	169,895
0	0	0	0	5,418
<u>915,167</u>	<u>0</u>	<u>16,980</u>	<u>147,685</u>	<u>2,351,609</u>
0	0	1,019	141,517	362,001
852,580	0	0	0	881,874
131,196	0	0	0	237,442
72,847	0	3,751	0	478,839
19,496	0	0	0	28,519
4,523	0	0	0	6,517
0	0	0	0	31,159
0	0	0	0	217
0	0	0	0	14,947
0	0	0	0	495,990
0	0	752	4,554	7,646
0	0	0	0	67,198
<u>1,080,642</u>	<u>0</u>	<u>5,522</u>	<u>146,071</u>	<u>2,612,349</u>
(165,475)	0	11,458	1,614	(260,740)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>115,000</u>
(165,475)	0	11,458	1,614	(145,740)
<u>3,575</u>	<u>1,376</u>	<u>3,607</u>	<u>(1,711)</u>	<u>109,148</u>
<u>(\$161,900)</u>	<u>\$1,376</u>	<u>\$15,065</u>	<u>(\$97)</u>	<u>(\$36,592)</u>

Cardinal Local School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2010

	<u>Permanent Improvement</u>	<u>Library Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$656,399	\$1,148	\$657,547
Property Taxes Receivable	<u>260,670</u>	<u>0</u>	<u>260,670</u>
<i>Total Assets</i>	<u><u>\$917,069</u></u>	<u><u>\$1,148</u></u>	<u><u>\$918,217</u></u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$11,650	\$0	\$11,650
Deferred Revenue	<u>238,570</u>	<u>0</u>	<u>238,570</u>
<i>Total Liabilities</i>	<u>250,220</u>	<u>0</u>	<u>250,220</u>
Fund Balances			
Reserved for Encumbrances	98,726	0	98,726
Reserved for Property Taxes	22,100	0	22,100
Unreserved, Undesignated	<u>546,023</u>	<u>1,148</u>	<u>547,171</u>
<i>Total Fund Balances</i>	<u>666,849</u>	<u>1,148</u>	<u>667,997</u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$917,069</u></u>	<u><u>\$1,148</u></u>	<u><u>\$918,217</u></u>

Cardinal Local School District

*Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2010*

	Permanent Improvement	Library Construction	Total Nonmajor Capital Projects Funds
Revenues			
Property Taxes	\$244,524	\$0	\$244,524
Intergovernmental	98,491	0	98,491
<i>Total Revenues</i>	343,015	0	343,015
Expenditures			
Capital Outlay	1,244,439	0	1,244,439
Debt Service			
Bond Issuance Costs	21,665	0	21,665
<i>Total Expenditures</i>	1,266,104	0	1,266,104
<i>Excess of Revenues Under Expenditures</i>	(923,089)	0	(923,089)
Other Financing Sources			
Energy Conservation Bonds Issued	1,068,252	0	1,068,252
<i>Net Change in Fund Balance</i>	145,163	0	145,163
<i>Fund Balance Beginning of Year</i>	521,686	1,148	522,834
<i>Fund Balance End of Year</i>	\$666,849	\$1,148	\$667,997

Fund Description – Fiduciary 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:

Agency Fund

Student Managed 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
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2010

	<u>Beginning Balance June 30, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance June 30, 2010</u>
Student Managed Activities				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	<u>\$27,922</u>	<u>\$42,786</u>	<u>\$42,786</u>	<u>\$27,922</u>
<i>Liabilities</i>				
Due to Students	<u>\$27,922</u>	<u>\$42,786</u>	<u>\$42,786</u>	<u>\$27,922</u>

**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, 2010

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$5,829,967	\$6,027,937	\$6,027,935	(\$2)
Intergovernmental	5,546,709	5,712,592	5,652,653	(59,939)
Interest	45,000	20,500	19,908	(592)
Tuition and Fees	425,000	500,400	500,286	(114)
Extracurricular Activities	174,000	158,225	190,350	32,125
Contributions and Donations	0	3,980	3,758	(222)
Rentals	180,000	112,250	109,555	(2,695)
Miscellaneous	70,000	130,849	106,477	(24,372)
<i>Total Revenues</i>	<u>12,270,676</u>	<u>12,666,733</u>	<u>12,610,922</u>	<u>(55,811)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	3,877,010	3,796,075	3,795,216	859
Fringe Benefits	1,333,091	1,220,112	1,200,562	19,550
Purchased Services	570,414	603,102	595,405	7,697
Materials and Supplies	74,626	66,404	66,050	354
Capital Outlay - New	32,060	29,060	29,060	0
Capital Outlay - Replacement	12,242	14,911	14,855	56
<i>Total Regular</i>	<u>5,899,443</u>	<u>5,729,664</u>	<u>5,701,148</u>	<u>28,516</u>
Special:				
Salaries and Wages	765,990	681,706	675,999	5,707
Fringe Benefits	234,650	226,470	215,827	10,643
Purchased Services	1,295,042	1,374,824	1,360,224	14,600
Materials and Supplies	7,783	6,805	5,211	1,594
Capital Outlay - New	200	130	123	7
<i>Total Special</i>	<u>2,303,665</u>	<u>2,289,935</u>	<u>2,257,384</u>	<u>32,551</u>
<i>Total Instruction</i>	<u>8,203,108</u>	<u>8,019,599</u>	<u>7,958,532</u>	<u>61,067</u>
Support Services:				
Pupil:				
Salaries and Wages	336,650	320,209	320,190	19
Fringe Benefits	141,110	107,624	105,394	2,230
Purchased Services	112,800	134,890	133,825	1,065
Materials and Supplies	6,285	3,332	3,270	62
Capital Outlay - Replacement	500	0	0	0
<i>Total Pupil</i>	<u>\$597,345</u>	<u>\$566,055</u>	<u>\$562,679</u>	<u>\$3,376</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, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Instructional Staff:				
Salaries and Wages	\$149,750	\$146,220	\$140,724	\$5,496
Fringe Benefits	40,901	54,118	53,886	232
Purchased Services	2,380	2,285	1,896	389
Materials and Supplies	7,347	9,428	8,896	532
Capital Outlay - New	350	350	143	207
Capital Outlay - Replacement	1,500	1,500	1,478	22
Total Instructional Staff	202,228	213,901	207,023	6,878
Board of Education:				
Salaries and Wages	17,000	13,700	13,625	75
Fringe Benefits	3,850	2,695	2,687	8
Purchased Services	5,300	4,800	4,794	6
Materials and Supplies	1,300	350	313	37
Other	5,150	9,865	9,861	4
Total Board of Education	32,600	31,410	31,280	130
Administration:				
Salaries and Wages	567,980	563,914	563,884	30
Fringe Benefits	255,530	256,075	255,201	874
Purchased Services	83,057	50,763	43,040	7,723
Materials and Supplies	17,283	8,632	7,620	1,012
Capital Outlay - New	100	100	100	0
Capital Outlay - Replacement	300	170	170	0
Other	165,350	194,205	193,994	211
Total Administration	1,089,600	1,073,859	1,064,009	9,850
Fiscal:				
Salaries and Wages	181,850	179,313	179,304	9
Fringe Benefits	71,285	75,089	74,922	167
Purchased Services	26,493	19,277	16,406	2,871
Materials and Supplies	4,000	2,800	2,358	442
Capital Outlay - New	500	235	232	3
Other	176,050	154,470	153,963	507
Total Fiscal	460,178	431,184	427,185	3,999
Business:				
Salaries and Wages	39,550	39,383	39,378	5
Fringe Benefits	20,270	20,634	20,450	184
Total Business	\$59,820	\$60,017	\$59,828	\$189

(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, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Operation and Maintenance of Plant:				
Salaries and Wages	\$464,750	\$456,680	\$456,558	\$122
Fringe Benefits	211,770	226,126	226,053	73
Purchased Services	579,655	662,449	579,369	83,080
Materials and Supplies	105,037	90,852	76,462	14,390
Capital Outlay - New	28,370	30,870	30,785	85
Other	500	995	994	1
Total Operation and Maintenance of Plant	1,390,082	1,467,972	1,370,221	97,751
Pupil Transportation:				
Salaries and Wages	640,400	638,514	634,667	3,847
Fringe Benefits	350,868	424,762	424,467	295
Purchased Services	15,255	16,855	16,085	770
Materials and Supplies	223,151	211,181	211,181	0
Capital Outlay - Replacement	218,471	224,441	222,265	2,176
Total Pupil Transportation	1,448,145	1,515,753	1,508,665	7,088
Central:				
Salaries and Wages	102,600	95,940	95,933	7
Fringe Benefits	54,200	59,264	58,899	365
Purchased Services	52,828	48,352	43,975	4,377
Materials and Supplies	200	100	0	100
Total Central	209,828	203,656	198,807	4,849
Total Support Services	5,489,826	5,563,807	5,429,697	134,110
Extracurricular Activities:				
Academic and Subject Oriented:				
Salaries and Wages	22,825	31,222	31,182	40
Fringe Benefits	5,280	4,943	4,909	34
Purchased Services	2,000	2,000	1,003	997
Materials and Supplies	4,300	4,400	4,368	32
Capital Outlay - Replacement	2,500	2,500	1,419	1,081
Total Academic and Subject Oriented	36,905	45,065	42,881	2,184
Sports Oriented:				
Salaries and Wages	152,200	143,299	143,239	60
Fringe Benefits	39,329	25,292	25,234	58
Purchased Services	10,019	10,019	9,973	46
Materials and Supplies	1,000	1,150	1,138	12
Total Sports Oriented	\$202,548	\$179,760	\$179,584	\$176

(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, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
School and Public Service Co-Curricular:				
Salaries and Wages	\$10,490	\$10,011	\$9,989	\$22
Fringe Benefits	0	1,083	1,042	41
Total School and Public Service Co-Curricular	10,490	11,094	11,031	63
Total Extracurricular Activities	249,943	235,919	233,496	2,423
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries and Wages	3,000	3,535	3,534	1
Fringe Benefits	496	654	653	1
Total Operation of Non-Instructional Services	3,496	4,189	4,187	2
Debt Service:				
Interest and Fiscal Charges	0	5,000	4,748	252
<i>Total Expenditures</i>	13,946,373	13,828,514	13,630,660	197,854
<i>Excess of Revenues Under Expenditures</i>	(1,675,697)	(1,161,781)	(1,019,738)	142,043
Other Financing Sources (Uses)				
Sale of Capital Assets	0	6,500	6,500	0
Advances Out	(25,000)	0	0	0
Transfers In	0	14,265	14,263	(2)
Transfers Out	(100,000)	(115,000)	(115,000)	0
<i>Total Other Financing Sources (Uses)</i>	(125,000)	(94,235)	(94,237)	(2)
<i>Net Change in Fund Balance</i>	(1,800,697)	(1,256,016)	(1,113,975)	142,041
<i>Fund Balance Beginning of Year</i>	1,791,565	1,791,565	1,791,565	0
Prior Year Encumbrances Appropriated	375,596	375,596	375,596	0
<i>Fund Balance End of Year</i>	\$366,464	\$911,145	\$1,053,186	\$142,041

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Bond Retirement Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$627,607	\$627,607	\$0
Intergovernmental	145,600	109,126	(36,474)
<i>Total Revenues</i>	<u>773,207</u>	<u>736,733</u>	<u>(36,474)</u>
Expenditures			
Current:			
Support Services:			
Fiscal:			
Other	12,800	12,599	201
Debt Service:			
Principal Retirement	400,000	400,000	0
Interest and Fiscal Charges	297,000	296,010	990
Total Debt Service	<u>697,000</u>	<u>696,010</u>	<u>990</u>
<i>Total Expenditures</i>	<u>709,800</u>	<u>708,609</u>	<u>1,191</u>
<i>Net Change in Fund Balance</i>	63,407	28,124	(35,283)
<i>Fund Balance Beginning of Year</i>	<u>1,005,168</u>	<u>1,005,168</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,068,575</u>	<u>\$1,033,292</u>	<u>(\$35,283)</u>

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$199,510	\$198,391	(\$1,119)
Charges for Services	169,829	169,912	83
Miscellaneous	500	499	(1)
<i>Total Revenues</i>	<u>369,839</u>	<u>368,802</u>	<u>(1,037)</u>
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Food Service Operations:			
Salaries and Wages	158,658	158,656	2
Fringe Benefits	115,750	115,747	3
Purchased Services	1,318	1,318	0
Materials and Supplies	211,579	211,579	0
<i>Total Expenditures</i>	<u>487,305</u>	<u>487,300</u>	<u>5</u>
<i>Excess of Revenues Under Expenditures</i>	(117,466)	(118,498)	(1,032)
Other Financing Sources			
Transfers In	115,000	115,000	0
<i>Net Change in Fund Balance</i>	(2,466)	(3,498)	(1,032)
<i>Fund Balance Beginning of Year</i>	<u>4,631</u>	<u>4,631</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,165</u></u>	<u><u>\$1,133</u></u>	<u><u>(\$1,032)</u></u>

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Tuition and Fees	\$64,835	\$63,405	(\$1,430)
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	15,590	11,417	4,173
Materials and Supplies	97,898	89,902	7,996
Total Instruction	113,488	101,319	12,169
Support Services:			
Operation and Maintenance of Plant:			
Purchased Services	1,275	1,159	116
<i>Total Expenditures</i>	114,763	102,478	12,285
<i>Net Change in Fund Balance</i>	(49,928)	(39,073)	10,855
<i>Fund Balance Beginning of Year</i>	89,280	89,280	0
Prior Year Encumbrances Appropriated	4,243	4,243	0
<i>Fund Balance End of Year</i>	\$43,595	\$54,450	\$10,855

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$5,100	\$4,989	(\$111)
Contributions and Donations	2,650	2,413	(237)
Miscellaneous	2,000	1,890	(110)
<i>Total Revenues</i>	<u>9,750</u>	<u>9,292</u>	<u>(458)</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	310	310	0
Capital Outlay - New	500	500	0
<i>Total Instruction</i>	<u>810</u>	<u>810</u>	<u>0</u>
Support Services:			
Administration:			
Purchased Services	2,320	2,163	157
Materials and Supplies	7,670	6,679	991
Other	500	222	278
<i>Total Support Services</i>	<u>10,490</u>	<u>9,064</u>	<u>1,426</u>
Extracurricular Activities:			
School and Public Service Co-Curricular Activities:			
Materials and Supplies	245	235	10
<i>Total Expenditures</i>	<u>11,545</u>	<u>10,109</u>	<u>1,436</u>
<i>Net Change in Fund Balance</i>	(1,795)	(817)	978
<i>Fund Balance Beginning of Year</i>	<u>30,036</u>	<u>30,036</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$28,241</u></u>	<u><u>\$29,219</u></u>	<u><u>\$978</u></u>

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Martha Holden Jennings Grant Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$0	\$0	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Capital Outlay - New	2,041	1,885	156
<i>Net Change in Fund Balance</i>	(2,041)	(1,885)	156
<i>Fund Balance Beginning of Year</i>	402	402	0
Prior Year Encumbrances Appropriated	1,755	1,755	0
<i>Fund Balance End of Year</i>	\$116	\$272	\$156

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
District Managed Activities Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$75,365	\$74,846	(\$519)
Contributions and Donations	1,235	221	(1,014)
<i>Total Revenues</i>	<u>76,600</u>	<u>75,067</u>	<u>(1,533)</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	700	0	700
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Purchased Services	9,082	9,072	10
Materials and Supplies	3,235	3,157	78
Other	1,285	1,271	14
Total Academic and Subject Oriented Activities	<u>13,602</u>	<u>13,500</u>	<u>102</u>
Sports Oriented Activities:			
Purchased Services	26,534	21,576	4,958
Materials and Supplies	32,317	26,855	5,462
Capital Outlay - Replacement	8,613	6,465	2,148
Other	500	420	80
Total Sports Oriented Activities	<u>67,964</u>	<u>55,316</u>	<u>12,648</u>
Total Extracurricular Activities	<u>81,566</u>	<u>68,816</u>	<u>12,750</u>
<i>Total Expenditures</i>	<u>82,266</u>	<u>68,816</u>	<u>13,450</u>
<i>Net Change in Fund Balance</i>	(5,666)	6,251	11,917
<i>Fund Balance Beginning of Year</i>	25,634	25,634	0
Prior Year Encumbrances Appropriated	708	708	0
<i>Fund Balance End of Year</i>	<u>\$20,676</u>	<u>\$32,593</u>	<u>\$11,917</u>

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$17,690	\$17,689	(\$1)
Interest	50	59	9
<i>Total Revenues</i>	<u>17,740</u>	<u>17,748</u>	<u>8</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	23,203	19,234	3,969
Support Services:			
Pupil:			
Purchased Services	2,625	2,588	37
Fiscal:			
Purchased Services	2,175	2,119	56
Total Support Services	<u>4,800</u>	<u>4,707</u>	<u>93</u>
<i>Total Expenditures</i>	<u>28,003</u>	<u>23,941</u>	<u>4,062</u>
<i>Net Change in Fund Balance</i>	(10,263)	(6,193)	4,070
<i>Fund Balance Beginning of Year</i>	317	317	0
Prior Year Encumbrances Appropriated	<u>12,723</u>	<u>12,723</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,777</u></u>	<u><u>\$6,847</u></u>	<u><u>\$4,070</u></u>

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Management Information Systems Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$5,000	\$5,000	\$0
Expenditures			
Current:			
Support Services:			
Central:			
Purchased Services	17,628	14,087	3,541
Capital Outlay - New	1,000	0	1,000
<i>Total Expenditures</i>	18,628	14,087	4,541
<i>Net Change in Fund Balance</i>	(13,628)	(9,087)	4,541
<i>Fund Balance Beginning of Year</i>	13,628	13,628	0
<i>Fund Balance End of Year</i>	\$0	\$4,541	\$4,541

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
OneNet Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$12,000	\$9,145	(\$2,855)
Expenditures			
Current:			
Support Services:			
Central:			
Purchased Services	5,000	0	5,000
<i>Net Change in Fund Balance</i>	7,000	9,145	2,145
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$7,000	\$9,145	\$2,145

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
SchoolNet Professional Development Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$2,000	\$0	(\$2,000)
Expenditures			
Current:			
Support Services:			
Central:			
Purchased Services	2,860	860	2,000
<i>Net Change in Fund Balance</i>	(860)	(860)	0
<i>Fund Balance Beginning of Year</i>	860	860	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

Cardinal Local School District
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 Ohio Reads Grant Fund
 For the Fiscal Year Ended June 30, 2010*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	3,027	3,027	0
<i>Net Change in Fund Balance</i>	(3,027)	(3,027)	0
<i>Fund Balance Beginning of Year</i>	3,027	3,027	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
IDEA Part B - Special Education Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$618,233	\$519,446	(\$98,787)
Expenditures			
Current:			
Instruction:			
Special:			
Purchased Services	4,792	3,123	1,669
Materials and Supplies	10,000	0	10,000
Capital Outlay - New	659	0	659
Total Instruction	15,451	3,123	12,328
Support Services:			
Pupil:			
Purchased Services	165,550	103,658	61,892
Instructional Staff:			
Salaries and Wages	205,802	185,680	20,122
Fringe Benefits	131,925	122,159	9,766
Purchased Services	10,422	5,422	5,000
Materials and Supplies	11,914	5,488	6,426
Capital Outlay - New	69,841	68,304	1,537
Total Instructional Staff	429,904	387,053	42,851
Operation and Maintenance of Plant:			
Capital Outlay - New	30,000	30,000	0
Pupil Transportation:			
Salaries and Wages	500	0	500
Fringe Benefits	908	217	691
Purchased Services	3,000	0	3,000
Materials and Supplies	3,972	0	3,972
Total Pupil Transportation	8,380	217	8,163
Total Support Services	633,834	520,928	112,906
<i>Total Expenditures</i>	649,285	524,051	125,234
<i>Net Change in Fund Balance</i>	(31,052)	(4,605)	26,447
<i>Fund Balance Beginning of Year</i>	26,986	26,986	0
Prior Year Encumbrances Appropriated	4,066	4,066	0
<i>Fund Balance End of Year</i>	\$0	\$26,447	\$26,447

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Federal Stimulus Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$166,623	\$166,623	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	31,454	27,930	3,524
Materials and Supplies	13,399	9,931	3,468
Capital Outlay - New	75,225	75,225	0
Total Regular	120,078	113,086	6,992
Special:			
Fringe Benefits	25,976	25,733	243
Total Instruction	146,054	138,819	7,235
Support Services:			
Instructional Staff:			
Salaries and Wages	5,180	5,095	85
Fringe Benefits	2,086	2,081	5
Total Support Services	7,266	7,176	90
<i>Total Expenditures</i>	153,320	145,995	7,325
<i>Net Change in Fund Balance</i>	13,303	20,628	7,325
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$13,303	\$20,628	\$7,325

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Technology II-D Grant Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$5,726	\$585	(\$5,141)
Miscellaneous	3,146	3,146	0
<i>Total Revenues</i>	<u>8,872</u>	<u>3,731</u>	<u>(5,141)</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	260	1	259
Support Services:			
Instructional Staff:			
Purchased Services	4,963	1,323	3,640
Materials and Supplies	376	0	376
Total Support Services	<u>5,339</u>	<u>1,323</u>	<u>4,016</u>
Operation of Non-Instructional Services:			
Other Non-Instructional Services:			
Community Services:			
Materials and Supplies	392	127	265
<i>Total Expenditures</i>	<u>5,991</u>	<u>1,451</u>	<u>4,540</u>
<i>Net Change in Fund Balance</i>	2,881	2,280	(601)
<i>Fund Deficit Beginning of Year</i>	(3,143)	(3,143)	0
Prior Year Encumbrances Appropriated	<u>262</u>	<u>262</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$0</u></u>	<u><u>(\$601)</u></u>	<u><u>(\$601)</u></u>

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title III Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$14,000	\$21,472	\$7,472
Expenditures			
Current:			
Instruction:			
Special:			
Materials and Supplies	438	438	0
Support Services:			
Instructional Staff:			
Salaries and Wages	10,000	9,912	88
Fringe Benefits	1,640	1,622	18
Materials and Supplies	1,147	1,146	1
Total Support Services	12,787	12,680	107
Operation of Non-Instructional Services:			
Other Non-Instructional Services:			
Community Service:			
Materials and Supplies	1,295	1,294	1
<i>Total Expenditures</i>	14,520	14,412	108
<i>Net Change in Fund Balance</i>	(520)	7,060	7,580
<i>Fund Balance Beginning of Year</i>	961	961	0
Prior Year Encumbrances Appropriated	1,405	1,405	0
<i>Fund Balance End of Year</i>	\$1,846	\$9,426	\$7,580

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$945,472	\$889,375	(\$56,097)
Expenditures			
Current:			
Instruction:			
Special:			
Salaries and Wages	536,671	520,624	16,047
Fringe Benefits	145,218	145,218	0
Purchased Services	27,635	16,155	11,480
Materials and Supplies	21,040	21,039	1
Capital Outlay - New	7,931	7,255	676
Total Instruction	738,495	710,291	28,204
Support Services:			
Pupil:			
Salaries and Wages	77,609	77,565	44
Fringe Benefits	31,996	31,996	0
Materials and Supplies	3,557	3,557	0
Total Pupil	113,162	113,118	44
Instructional Staff:			
Salaries and Wages	20,630	20,048	582
Fringe Benefits	15,998	15,998	0
Purchased Services	30,624	30,201	423
Materials and Supplies	6,270	6,270	0
Total Instructional Staff	73,522	72,517	1,005
Administration:			
Salaries and Wages	20,580	13,038	7,542
Fringe Benefits	5,669	5,669	0
Purchased Services	965	965	0
Total Administration	\$27,214	\$19,672	\$7,542

(continued)

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title I Fund (continued)
For the Fiscal Year Ended June 30, 2010

	Final	Actual	Variance with Final Budget Positive (Negative)
Fiscal:			
Purchased Services	\$23	\$23	\$0
Other	4,500	4,500	0
Total Fiscal	4,523	4,523	0
Total Support Services	218,421	209,830	8,591
Operation of Non-Instructional Services:			
Other Non-Instructional Services:			
Community Services:			
Salaries and Wages	2,450	0	2,450
Purchased Services	3,000	0	3,000
Total Operation of Non-Instructional Services	5,450	0	5,450
<i>Total Expenditures</i>	962,366	920,121	42,245
<i>Net Change in Fund Balance</i>	(16,894)	(30,746)	(13,852)
<i>Fund Balance Beginning of Year</i>	16,804	16,804	0
Prior Year Encumbrances Appropriated	90	90	0
<i>Fund Balance (Deficit) End of Year</i>	\$0	(\$13,852)	(\$13,852)

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title V Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$0	\$0	\$0
Expenditures			
Current:			
<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>1,376</u>	<u>1,376</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,376</u></u>	<u><u>\$1,376</u></u>	<u><u>\$0</u></u>

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Drug Free Schools Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$19,287	\$16,980	(\$2,307)
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	2,000	600	1,400
Materials and Supplies	1,100	419	681
Total Instruction	3,100	1,019	2,081
Support Services:			
Pupil:			
Fringe Benefits	746	0	746
Materials and Supplies	739	0	739
Total Pupil	1,485	0	1,485
Instructional Staff:			
Purchased Services	13,649	3,431	10,218
Capital Outlay - New	3,858	3,858	0
Total Instructional Staff	17,507	7,289	10,218
Total Support Services	18,992	7,289	11,703
Operation of Non-Instructional Services:			
Other Non-Instructional Services:			
Community Services:			
Purchased Services	270	270	0
Materials and Supplies	574	565	9
Total Operation of Non-Instructional Services	844	835	9
<i>Total Expenditures</i>	22,936	9,143	13,793
<i>Net Change in Fund Balance</i>	(3,649)	7,837	11,486
<i>Fund Deficit Beginning of Year</i>	(1,737)	(1,737)	0
Prior Year Encumbrances Appropriated	5,388	5,388	0
<i>Fund Balance End of Year</i>	\$2	\$11,488	\$11,486

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Improving Teacher Quality Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$149,867	\$149,866	(\$1)
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	110,930	110,930	0
Fringe Benefits	30,187	30,569	(382)
Purchased Services	18	18	0
Total Instruction	141,135	141,517	(382)
Operation of Non-Instructional Services:			
Other Non-Instructional Services:			
Community Services:			
Purchased Services	6,100	6,100	0
Materials and Supplies	451	447	4
Total Operation of Non-Instructional Services	6,551	6,547	4
<i>Total Expenditures</i>	147,686	148,064	(378)
<i>Net Change in Fund Balance</i>	2,181	1,802	(379)
<i>Fund Deficit Beginning of Year</i>	(1,802)	(1,802)	0
<i>Fund Balance End of Year</i>	\$379	\$0	(\$379)

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Library Bond Retirement Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$197,959	\$197,958	(\$1)
Intergovernmental	46,051	43,228	(2,823)
<i>Total Revenues</i>	<u>244,010</u>	<u>241,186</u>	<u>(2,824)</u>
Expenditures			
Current:			
Support Services:			
Fiscal:			
Other	4,000	3,954	46
Debt Service:			
Principal Retirement	135,000	135,000	0
Interest and Fiscal Charges	101,000	100,585	415
Total Debt Service	<u>236,000</u>	<u>235,585</u>	<u>415</u>
<i>Total Expenditures</i>	<u>240,000</u>	<u>239,539</u>	<u>461</u>
<i>Net Change in Fund Balance</i>	4,010	1,647	(2,363)
<i>Fund Balance Beginning of Year</i>	<u>261,564</u>	<u>261,564</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$265,574</u>	<u>\$263,211</u>	<u>(\$2,363)</u>

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$252,025	\$252,024	(\$1)
Intergovernmental	118,869	98,491	(20,378)
<i>Total Revenues</i>	<u>370,894</u>	<u>350,515</u>	<u>(20,379)</u>
Expenditures			
Current:			
Instruction:			
Regular			
Materials and Supplies	30,152	14,993	15,159
Capital Outlay - New	18,000	15,701	2,299
Capital Outlay	25,000	17,896	7,104
Total Instruction	<u>73,152</u>	<u>48,590</u>	<u>24,562</u>
Support Services:			
Fiscal:			
Other	5,100	5,071	29
Business:			
Capital Outlay	13,220	13,184	36
Operation and Maintenance of Plant:			
Purchased Services	145,000	124,507	20,493
Capital Outlay - Replacement	28,500	27,274	1,226
Total Operation and Maintenance of Plant	<u>173,500</u>	<u>151,781</u>	<u>21,719</u>
Total Support Services	<u>\$191,820</u>	<u>\$170,036</u>	<u>\$21,784</u>

(continued)

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Permanent Improvement Fund (continued)
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Capital Outlay:			
Site Improvement Services:			
Capital Outlay - New	\$9,130	\$0	\$9,130
Capital Outlay - Replacement	1,138,145	1,124,539	13,606
Total Capital Outlay	1,147,275	1,124,539	22,736
Debt Service:			
Bond Issuance Costs	21,666	21,665	1
<i>Total Expenditures</i>	1,433,913	1,364,830	69,083
<i>Excess of Revenues Under Expenditures</i>	(1,063,019)	(1,014,315)	48,704
Other Financing Sources			
General Obligation Bonds Issued	1,068,255	1,068,252	(3)
<i>Net Change in Fund Balance</i>	5,236	53,937	48,701
<i>Fund Balance Beginning of Year</i>	433,370	433,370	0
Prior Year Encumbrances Appropriated	58,718	58,718	0
<i>Fund Balance End of Year</i>	\$497,324	\$546,025	\$48,701

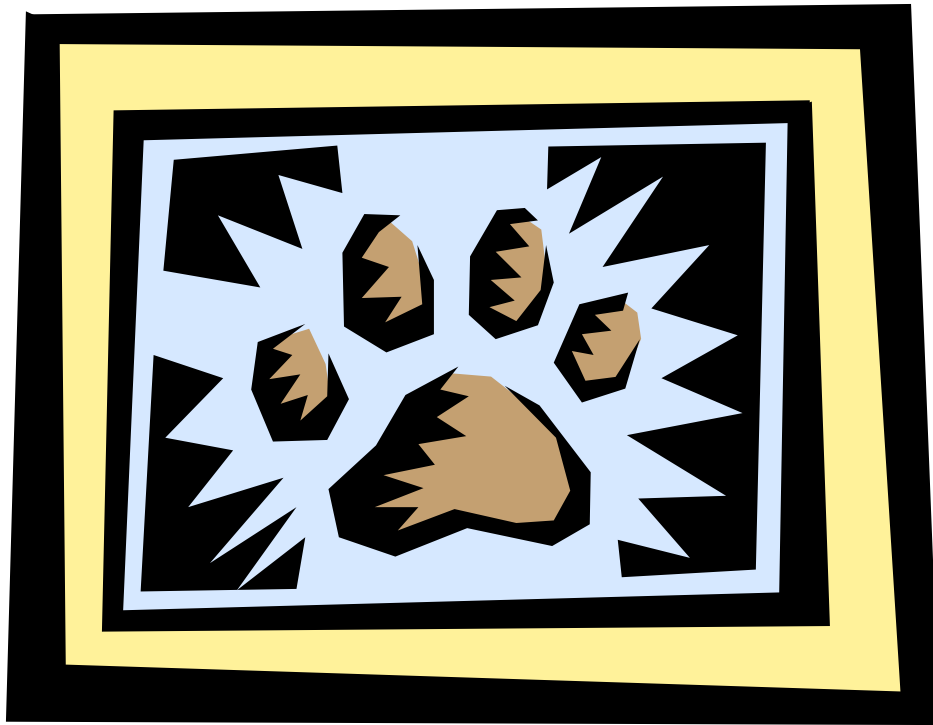
Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Library Construction Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Other Non-Instructional Services:			
Capital Outlay - New	1,000	0	1,000
<i>Net Change in Fund Balance</i>	(1,000)	0	1,000
<i>Fund Balance Beginning of Year</i>	1,148	1,148	0
<i>Fund Balance End of Year</i>	\$148	\$1,148	\$1,000

Cardinal Local School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP) and Actual
Self Insurance Fund
For the Fiscal Year Ended June 30, 2010

	Final	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenses	0	0	0
<i>Excess of Revenues Under Expenditures</i>	0	0	0
Other Financing Sources			
Transfers Out	(14,263)	(14,263)	0
<i>Net Change in Fund Equity</i>	(14,263)	(14,263)	0
<i>Fund Equity Beginning of Year</i>	14,263	14,263	0
<i>Fund Equity End of Year</i>	\$0	\$0	\$0

Welcome to
Huskie Country



Statistical Section

Statistical Section

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.

Contents	Pages(s)
<i>Financial Trends</i>	<i>S2 – S11</i>
These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	<i>S12 – S21</i>
These schedules contain information to help the reader assess the School District's most significant local revenue, the property tax.	
<i>Debt Capacity</i>	<i>S22 – S27</i>
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.	
<i>Economic and Demographic Information</i>	<i>S28 – S30</i>
These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	
<i>Operating Information</i>	<i>S31 – S48</i>
These schedules contain service and infrastructure 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.	

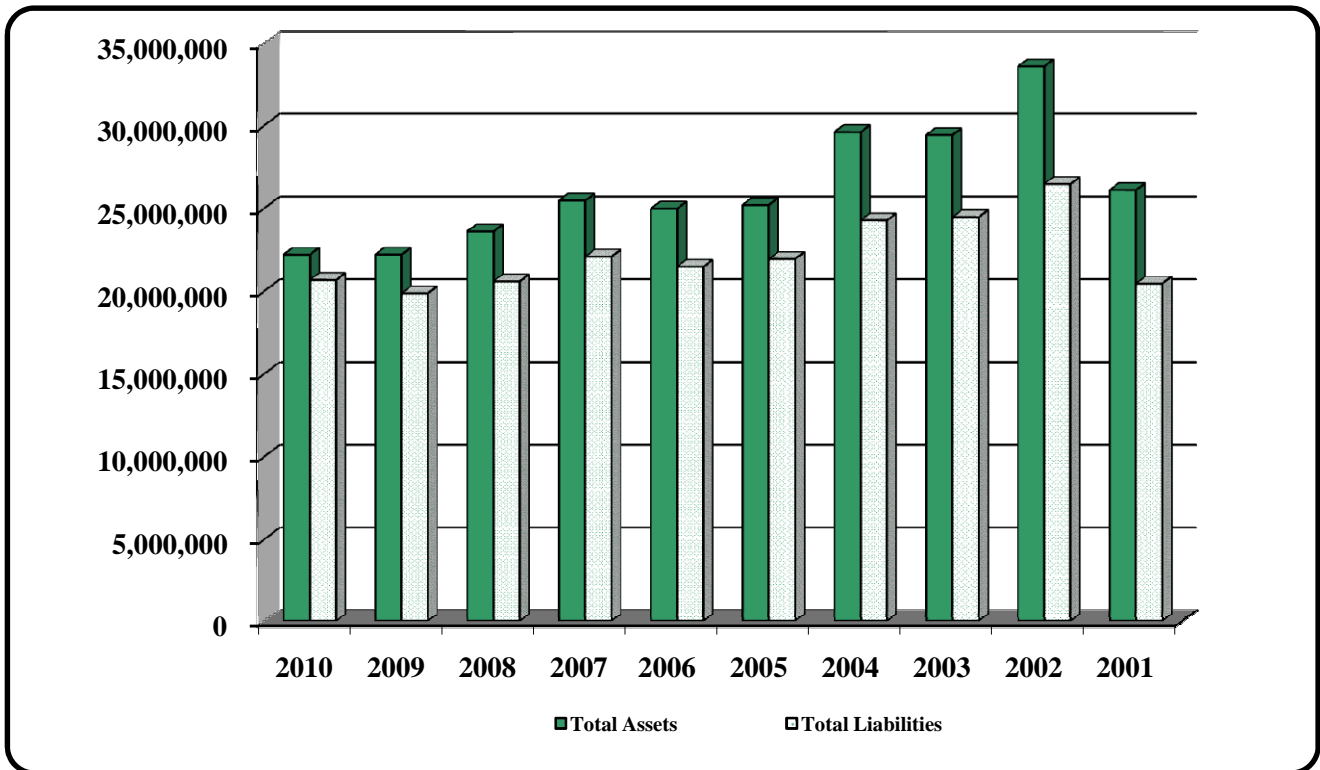
Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The School District implemented GASB Statement No. 34 in fiscal year 2000; schedules presenting government-wide information include information beginning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

This Page is Intentionally Left Blank.

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

	2010	2009	2008	2007
Invested in Capital Assets, Net of Related Debt	\$2,557,403	\$2,577,943	\$3,316,228	\$3,535,522
Restricted for:				
Capital Projects	679,513	532,929	192,656	312,152
Debt Service	1,310,622	1,323,186	1,147,078	957,534
Set Asides	598,532	563,531	520,102	317,152
Other Purposes	264,498	187,289	217,919	258,226
Unrestricted (Deficit)	(3,877,897)	(2,846,190)	(2,377,947)	(1,990,169)
Total Net Assets	\$1,532,671	\$2,338,688	\$3,016,036	\$3,390,417

Source: School District Financial Records



2006	2005	2004	2003	2002	2001
\$4,984,845	\$4,319,013	\$4,784,768	\$3,752,448	\$3,067,888	\$2,267,393
282,111	1,039,422	196,021	468,713	4,288,067	1,737,661
674,950	281,224	338,873	568,868	0	743,013
180,345	127,341	127,341	127,341	127,341	127,341
283,934	209,748	178,024	460,640	466,526	120,935
(2,899,784)	(2,714,419)	(287,562)	(416,612)	(855,516)	655,453
<u>\$3,506,401</u>	<u>\$3,262,329</u>	<u>\$5,337,465</u>	<u>\$4,961,398</u>	<u>\$7,094,306</u>	<u>\$5,651,796</u>

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

	2010	2009	2008	2007
Expenses				
Regular Instruction	\$6,596,261	\$6,634,479	\$6,316,892	\$6,254,345
Special Instruction	2,827,318	2,853,744	2,092,346	2,075,869
Vocational Instruction	0	0	0	8,506
Pupil Support	780,729	783,787	953,872	1,052,881
Instructional Staff Support	724,610	566,807	590,956	599,006
Board of Education	20,637	40,087	25,129	26,443
Administration	1,108,119	1,107,478	1,051,643	884,982
Fiscal	454,235	463,448	441,607	483,025
Business	59,629	58,308	49,905	46,461
Operation and Maintenance of Plant	1,478,693	1,561,540	1,443,113	1,365,837
Pupil Transportation	1,356,684	1,292,680	1,322,595	934,687
Central	205,963	217,524	248,745	264,476
Food Service Operations	517,464	595,611	414,956	453,847
Other Non-Instructional Services	7,646	20,508	39,871	0
Extracurricular Activities	291,918	339,322	322,416	291,325
Interest and Fiscal Charges	525,687	550,480	567,916	532,501
<i>Total Expenses</i>	<u>16,955,593</u>	<u>17,085,803</u>	<u>15,881,962</u>	<u>15,274,191</u>
Program Revenues				
Charges for Services				
Regular Instruction	563,592	693,250	665,315	795,747
Special Instruction	0	242,861	161,632	170,584
Vocational Instruction	0	0	0	0
Pupil Support	0	0	0	0
Instructional Staff Support	0	0	0	0
Administration	0	9,977	9,496	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Food Service Operations	169,895	186,938	198,871	211,046
Other Non-Instructional Services	109,555	0	0	0
Extracurricular Activities	270,129	54,747	49,637	60,929
Operating Grants, Contributions and Interest				
Regular Instruction	335,755	240,779	144,869	182,276
Special Instruction	964,990	714,845	563,099	600,265
Vocational Instruction	0	0	0	0
Pupil Support	0	10,636	169,185	173,018
Instructional Staff Support	671,912	354,556	285,438	373,524
Administration	2,413	4,501	17,584	19,335
Fiscal	0	0	179,815	13,501
Operation and Maintenance of Plant	0	0	7,121	0
Pupil Transportation	535,347	0	0	0
Central	14,145	19,430	40,215	17,900
Food Service Operations	198,391	173,162	144,439	137,444
Other Non-Instructional Services	0	0	4,495	0
Extracurricular Activities	221	2,410	2,709	8,344
Capital Grants and Contributions				
Regular Instruction	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
<i>Total Program Revenues</i>	<u>3,836,345</u>	<u>2,708,092</u>	<u>2,643,920</u>	<u>2,763,913</u>
Net Expense	<u>(\$13,119,248)</u>	<u>(\$14,377,711)</u>	<u>(\$13,238,042)</u>	<u>(\$12,510,278)</u>

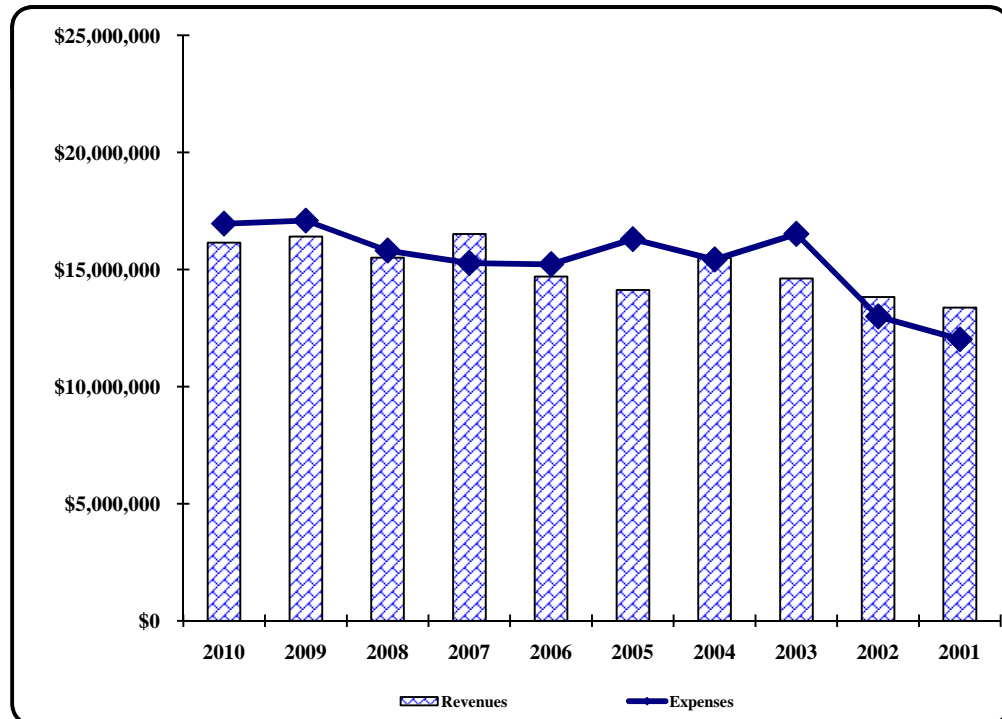
2006	2005	2004	2003	2002	2001
\$6,082,539	\$6,607,043	\$6,700,477	\$6,884,667	\$5,339,683	\$5,460,249
1,984,328	1,910,585	1,677,655	1,957,339	1,341,464	1,233,556
72,440	89,119	145,519	201,001	118,448	104,018
1,009,656	1,067,213	733,067	871,685	798,170	582,454
721,532	832,477	712,066	814,915	692,911	475,239
49,092	48,665	27,021	34,831	47,125	16,313
860,962	954,634	910,070	844,084	756,284	782,822
419,616	486,221	453,006	477,098	375,315	359,270
47,146	47,694	45,553	50,711	45,080	48,487
1,453,072	1,428,796	1,184,735	1,387,312	1,128,307	1,056,124
998,390	958,004	955,971	1,097,773	811,498	664,822
362,057	275,932	270,224	241,170	206,313	184,936
509,206	488,984	457,508	367,376	451,803	0
28,319	0	35,499	215,053	0	81,410
289,219	411,279	421,052	408,672	353,431	327,796
532,862	686,596	697,067	661,232	531,713	640,668
15,420,436	16,293,242	15,426,490	16,514,919	12,997,545	12,018,164
855,864	709,403	714,938	588,410	628,178	627,262
187,717	22,920	125,186	148,953	48,979	25,149
0	15,690	0	0	0	0
0	0	0	0	130,407	15,559
0	0	0	1,561	186	1,280
6,132	19,231	15,593	11,729	10,682	19,544
0	75,796	76,680	29,431	3,841	3,390
0	31,902	0	62,662	76,394	95,642
234,374	239,464	231,498	243,331	243,899	0
0	0	0	0	0	0
239,732	155,172	119,047	89,820	104,233	1,564
297,037	244,039	185,511	198,173	139,620	92,948
770,482	664,857	554,311	737,143	492,446	473,902
0	0	0	3,999	0	0
17,168	249,532	127,547	126,310	98,381	62,133
375,714	255,916	179,508	102,074	110,392	74,935
0	24,698	20,987	25,635	20,196	16,827
0	0	23,457	0	714	0
0	0	0	80	0	0
0	0	0	0	0	0
29,000	23,000	0	13,799	5,373	5,708
157,794	128,383	132,317	112,233	53,880	0
0	0	0	0	0	0
0	0	0	20,215	19,336	0
0	9,135	0	29,750	0	18,000
0	0	14,816	23,171	26,140	84,292
0	0	0	20,220	13,500	0
3,171,014	2,869,138	2,521,396	2,588,699	2,226,777	1,618,135
(\$12,249,422)	(\$13,424,104)	(\$12,905,094)	(\$13,926,220)	(\$10,770,768)	(\$10,400,029)

(continued)

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

	2010	2009	2008	2007
<i>General Revenues</i>				
Property Taxes Levied for:				
General Purposes	\$5,871,652	\$6,674,361	\$6,835,134	\$8,079,344
Debt Service	784,281	937,402	952,637	1,017,033
Capital Projects	245,945	214,003	34,916	52,263
Grants and Entitlements not				
Restricted to Specific Programs	5,286,815	5,799,670	4,792,066	4,342,549
Investment Earnings	14,715	45,404	158,857	151,132
Miscellaneous	109,823	29,523	90,051	109,074
Gain on the Sale of Capital Assets	0	0	0	0
Unrestricted Contributions and				
Donations	0	0	0	0
Special Item	0	0	0	0
<i>Total General Revenues</i>	<u>12,313,231</u>	<u>13,700,363</u>	<u>12,863,661</u>	<u>13,751,395</u>
<i>Restatements</i>	0	0	0	(1,357,101)
<i>Change in Net Assets</i>	<u>(\$806,017)</u>	<u>(\$677,348)</u>	<u>(\$374,381)</u>	<u>(\$115,984)</u>

Source: School District Financial Records

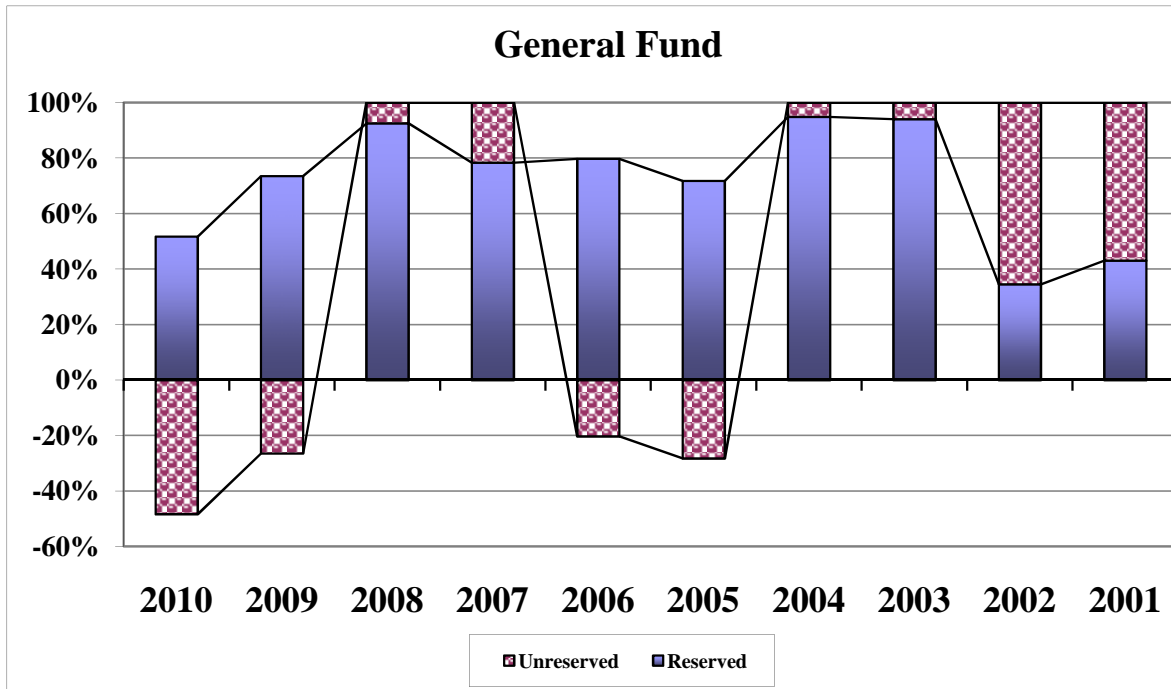


2006	2005	2004	2003	2002	2001
\$6,857,970	\$8,839,149	\$7,498,414	\$6,939,254	\$6,493,262	\$6,531,095
849,743	1,294,355	1,016,126	1,054,117	711,361	817,554
0	187,199	355,602	297,287	462,238	212,820
4,292,200	3,411,745	3,695,629	3,553,129	3,305,179	3,221,848
145,582	60,819	102,886	179,892	949,742	960,443
149,600	150,096	298,351	2,001	291,496	11,870
0	0	0	0	0	3,548
0	0	0	2,500	0	0
0	(2,681,955)	0	0	0	0
12,295,095	11,261,408	12,967,008	12,028,180	12,213,278	11,759,178
198,399	87,560	314,153	(234,868)	0	2,989
\$244,072	(\$2,075,136)	\$376,067	(\$2,132,908)	\$1,442,510	\$1,362,138

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

	2010	2009	2008	2007
General Fund				
Reserved	\$1,114,176	\$1,415,222	\$1,467,691	\$1,662,031
Unreserved (Deficit)	(1,041,321)	(509,513)	118,665	458,787
<i>Total General Fund</i>	<u>72,855</u>	<u>905,709</u>	<u>1,586,356</u>	<u>2,120,818</u>
All Other Governmental Funds				
Reserved	212,257	221,482	192,091	199,692
Unreserved, Undesignated, Reported in:				
Special Revenue Funds (Deficit)	(60,838)	81,283	5,748	47,684
Debt Service Funds	1,296,501	1,266,730	1,090,840	904,058
Capital Projects Funds (Deficit)	547,171	434,517	167,975	254,787
<i>Total All Other Governmental Funds</i>	<u>1,995,091</u>	<u>2,004,012</u>	<u>1,456,654</u>	<u>1,406,221</u>
<i>Total Governmental Funds</i>	<u><u>\$2,067,946</u></u>	<u><u>\$2,909,721</u></u>	<u><u>\$3,043,010</u></u>	<u><u>\$3,527,039</u></u>

Source: School District Financial Records



2006	2005	2004	2003	2002	2001
\$1,055,786	\$2,218,943	\$1,065,445	\$1,016,489	\$781,665	\$961,529
(268,787)	(873,598)	57,890	64,557	1,483,293	1,272,527
786,999	1,345,345	1,123,335	1,081,046	2,264,958	2,234,056
176,156	410,848	1,168,803	2,395,902	1,741,221	6,025,426
168,783	46,739	217,186	252,447	485,367	192,384
645,087	605,824	518,478	463,379	3,489,732	582,520
250,972	275,459	(72,449)	907,869	83,092	1,318,241
1,240,998	1,338,870	1,832,018	4,019,597	5,799,412	8,118,571
\$2,027,997	\$2,684,215	\$2,955,353	\$5,100,643	\$8,064,370	\$10,352,627

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

	2010	2009	2008	2007
Revenues				
Property Taxes	\$6,892,879	\$7,846,326	\$7,754,387	\$9,131,248
Intergovernmental	7,954,371	7,191,687	6,413,866	5,738,730
Interest	14,715	45,404	158,857	151,132
Tuition and Fees	563,592	567,422	574,581	745,992
Extracurricular Activities	270,129	283,085	220,608	209,197
Contributions and Donations	6,392	17,916	14,227	13,842
Charges for Services	169,895	186,938	198,871	211,046
Rentals	109,555	150,328	90,891	128,714
Miscellaneous	109,823	98,174	21,400	109,074
<i>Total Revenues</i>	<u>16,091,351</u>	<u>16,387,280</u>	<u>15,447,688</u>	<u>16,438,975</u>
Expenditures				
Current:				
Instruction:				
Regular	6,049,545	6,121,285	5,948,204	5,834,149
Special	2,806,578	2,804,284	2,042,660	2,033,524
Vocational	0	0	0	1,720
Support Services:				
Pupil	790,497	800,224	965,777	1,041,743
Instructional Staff	699,387	536,193	601,530	586,270
Board of Education	18,878	38,328	23,370	23,994
Administration	1,091,935	1,075,093	1,079,738	862,194
Fiscal	447,273	453,080	438,147	476,008
Business	58,167	58,217	49,142	46,135
Operation and Maintenance of Plant	1,338,574	1,388,324	1,347,643	1,245,068
Pupil Transportation	1,514,082	1,247,837	1,353,666	880,538
Central	209,262	216,145	250,504	269,693
Operation of Non-Instructional Services:				
Food Service Operations	500,089	546,940	370,504	388,977
Other Non-Instructional Services	7,646	14,031	39,724	20,024
Extracurricular Activities	287,782	332,992	315,250	285,334
Capital Outlay	1,244,439	172,785	171,373	78,269
Debt Service:				
Principal Retirement	535,000	284,368	299,922	455,000
Interest and Fiscal Charges	401,343	410,785	414,485	411,293
Capital Appreciation Bonds Interest	0	240,632	220,078	0
Bond Issuance Costs	21,665	0	0	0
<i>Total Expenditures</i>	<u>18,022,142</u>	<u>16,741,543</u>	<u>15,931,717</u>	<u>14,939,933</u>
<i>Excess of Revenue Over (Under) Expenditures</i>	<u>(1,930,791)</u>	<u>(354,263)</u>	<u>(484,029)</u>	<u>1,499,042</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	6,500	220,974	0	0
Refunding Bonds Issued	0	0	0	0
General Obligation Bonds Issued	1,068,252	0	0	0
Premium on Bonds	0	0	0	0
Premium Refunding Bonds Issued	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	129,264	99,165	399,525	271,056
Transfers Out	(115,000)	(99,165)	(399,525)	(271,056)
<i>Total Other Financing Sources (Uses)</i>	<u>1,089,016</u>	<u>220,974</u>	<u>0</u>	<u>0</u>
<i>Restatements</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(\$841,775)</u>	<u>(\$133,289)</u>	<u>(\$484,029)</u>	<u>\$1,499,042</u>
<i>Debt Service as a Percentage of</i>				
<i>Noncapital Expenditures</i>	5.60%	5.65%	5.93%	5.83%

Source: School District Financial Records

2006	2005	2004	2003	2002	2001
\$7,745,269	\$10,265,300	\$8,875,592	\$8,272,725	\$7,610,341	\$7,522,004
5,321,539	4,986,485	5,157,158	4,550,158	4,265,296	4,119,351
145,582	60,819	102,886	179,892	950,156	960,443
875,204	849,539	777,582	777,872	815,067	663,084
221,712	122,864	115,302	105,257	117,980	108,594
43,830	59,041	19,816	54,799	19,447	14,727
234,374	239,168	231,794	243,467	310,398	0
110,403	75,796	75,448	49,301	3,354	2,985
130,800	147,048	298,351	2,001	264,906	11,870
<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>	<u>13,403,068</u>
5,829,048	6,194,939	6,118,373	5,996,850	5,524,317	5,059,446
1,932,031	1,862,917	1,646,952	1,728,565	1,348,861	1,246,973
63,597	78,996	152,655	116,549	119,058	119,824
1,013,128	1,062,714	727,765	819,596	794,276	587,965
682,442	792,960	670,677	630,426	698,042	460,253
46,579	49,611	26,075	34,831	47,125	16,313
866,658	946,350	905,596	789,716	787,357	747,858
417,435	503,396	470,403	432,916	370,556	348,564
47,200	48,971	42,203	51,034	45,769	49,226
1,361,416	1,557,113	1,380,779	1,258,452	1,052,605	983,080
942,728	906,463	916,987	915,585	796,926	829,342
362,566	280,482	273,729	231,586	189,252	187,016
478,005	480,088	421,174	374,679	464,370	0
0	172,964	39,245	297,467	0	79,763
317,907	401,182	403,310	277,857	369,125	333,703
25,868	792,958	2,551,860	2,074,561	6,162,464	3,800,658
302,937	485,000	460,000	515,000	365,000	110,000
690,386	570,717	591,436	654,365	538,252	672,501
0	0	0	0	0	0
206,071	0	0	0	86,737	0
<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>	<u>15,632,485</u>
<u>(757,289)</u>	<u>(381,761)</u>	<u>(2,145,290)</u>	<u>(2,964,563)</u>	<u>(5,403,147)</u>	<u>(2,229,417)</u>
0	23,063	0	6,400	26,590	3,548
7,484,980	0	0	0	0	0
0	0	0	0	3,000,000	0
0	0	0	0	88,300	0
563,711	0	0	0	0	0
(7,947,620)	0	0	0	0	0
53,621	484,958	8,553	196,331	35,000	0
<u>(53,621)</u>	<u>(484,958)</u>	<u>(8,553)</u>	<u>(196,331)</u>	<u>(35,000)</u>	<u>0</u>
<u>101,071</u>	<u>23,063</u>	<u>0</u>	<u>6,400</u>	<u>3,114,890</u>	<u>3,548</u>
0	87,560	0	(5,564)	0	61,648
<u>(\$656,218)</u>	<u>(\$271,138)</u>	<u>(\$2,145,290)</u>	<u>(\$2,963,727)</u>	<u>(\$2,288,257)</u>	<u>(\$2,164,221)</u>
7.71%	6.44%	6.90%	7.73%	7.28%	6.61%

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

Collection Year	Real Property			Estimated Actual Value	Tangible Personal Property	
	Assessed Value				General Business	
	Residential/ Agricultural	Commercial/ Industrial/PU	Total		Assessed Value	Estimated Actual Value
2010	\$223,114,750	\$58,062,990	\$281,177,740	\$803,364,971	\$0	\$0
2009	220,856,600	58,877,150	279,733,750	799,239,286	6,934,460	110,951,360
2008	217,294,690	57,461,480	274,756,170	785,017,629	14,483,260	231,732,160
2007	211,613,330	56,482,960	268,096,290	765,989,400	20,383,070	163,064,560
2006	203,113,160	52,705,150	255,818,310	730,909,457	41,144,210	219,435,787
2005	170,294,930	42,839,190	213,134,120	608,954,629	55,800,660	223,202,640
2004	164,273,170	45,402,720	209,675,890	599,073,971	53,316,420	213,265,680
2003	159,191,090	44,391,720	203,582,810	581,665,171	50,313,160	180,625,238
2002	138,911,890	42,084,690	180,996,580	517,133,086	49,792,500	199,170,000
2001	133,763,420	38,189,330	171,952,750	491,293,571	48,597,230	194,388,920

Source: Ohio Department of Taxation

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.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of a true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 12.5 for 2007, 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax is 2010)

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed that year. For the real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed. Beginning in 2006 collection year, the 10 percent rollback for commercial/industrial property has been eliminated.

Tangible Personal Property					
Public Utility		Total			Weighted Average Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	
\$7,075,370	\$8,040,193	\$288,253,110	\$811,405,165	35.53 %	\$27.80
6,759,035	7,680,722	293,427,245	917,871,367	31.97	28.73
6,320,970	7,182,920	295,560,400	1,023,932,709	28.87	29.43
7,560,060	8,590,977	296,039,420	937,644,937	31.57	26.57
6,869,190	7,805,898	303,831,710	958,151,141	31.71	28.69
7,309,910	8,306,716	276,244,690	840,463,984	32.87	33.48
6,943,780	7,890,659	269,936,090	820,230,311	32.91	33.36
6,943,510	7,890,352	260,839,480	770,180,762	33.87	33.25
7,392,290	8,400,330	238,181,370	724,703,415	32.87	35.92
8,702,780	9,889,523	229,252,760	695,572,014	32.96	35.19

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

	2010	2009	2008	2007
Unvoted Millage				
Operating	\$3.500000	\$3.500000	\$3.500000	\$4.000000
Debt Service	0.000000	0.000000	0.000000	0.000000
Permanent Improvement	1.000000	1.000000	1.000000	0.500000
Total Unvoted Millage	4.500000	4.500000	4.500000	4.500000
Voted Millage - by levy				
1976 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	3.952251	3.946615	3.956614	3.961341
Commercial/Industrial	7.381362	6.926458	6.903855	6.902097
Tangible/Public Utility Personal	20.200000	20.200000	20.200000	20.200000
1977 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	1.115239	1.113648	1.116470	1.117804
Commercial/Industrial	2.082859	1.954495	1.948117	1.947621
Tangible/Public Utility Personal	5.700000	5.700000	5.700000	5.700000
1981 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	1.817212	1.814625	1.819230	1.821405
Commercial/Industrial	3.327427	3.122362	3.112177	3.111390
Tangible/Public Utility Personal	7.500000	7.500000	7.500000	7.500000
1985 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	1.622353	1.620045	1.624153	1.626097
Commercial/Industrial	2.390359	2.243043	2.235726	2.235159
Tangible/Public Utility Personal	4.500000	4.500000	4.500000	4.500000
1997 Operating - 5 years				
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 Operating - 5 years				
Effective Millage Rates				
Residential/Agricultural	0.000000	0.000000	0.000000	7.301636
Commercial/Industrial	0.000000	0.000000	0.000000	8.195617
Tangible/Public Utility Personal	0.000000	0.000000	0.000000	9.700000
2007 Operating - 5 years				
Effective Millage Rates				
Residential/Agricultural	9.677622	9.663857	9.688379	0.000000
Commercial/Industrial	9.700000	9.700000	9.700000	0.000000
Tangible/Public Utility Personal	9.700000	9.700000	9.700000	0.000000
1999 Bond (\$10,000,000)	2.310000	2.700000	2.700000	2.700000
2001 Library Bond (\$3,000,000)	0.730000	0.850000	0.850000	0.850000
Total Effective Voted Millage by Type of Property				
Residential/Agricultural	21.224677	21.708790	21.754846	19.378283
Commercial/Industrial	27.922007	27.496358	27.449875	17.746267
Tangible/Public Utility Personal	\$50.640000	\$51.150000	\$51.150000	\$51.150000

2006	2005	2004	2003	2002	2001
\$4.500000	\$3.000000	\$3.000000	\$3.000000	\$3.000000	\$3.000000
0.000000	0.000000	0.000000	0.000000	0.500000	0.500000
0.000000	1.500000	1.500000	1.500000	1.000000	1.000000
4.500000	4.500000	4.500000	4.500000	4.500000	4.500000
3.986712	4.626850	4.651110	4.669270	5.262483	5.285956
6.914217	8.020228	8.019278	7.979181	8.169001	8.180757
20.200000	20.200000	20.200000	20.200000	20.200000	20.200000
1.124963	1.305596	1.312442	1.317566	1.484958	1.491581
1.951041	2.263133	2.262865	2.251551	2.305114	2.308431
5.700000	5.700000	5.700000	5.700000	5.700000	5.700000
1.833067	2.127405	2.138557	2.146912	2.419665	2.430465
3.116850	3.615420	3.614992	3.596925	3.682500	3.687802
7.500000	7.500000	7.500000	7.500000	7.500000	7.500000
1.636510	1.899288	1.909246	1.916703	2.160211	2.169850
2.239083	2.597251	2.596945	2.583963	2.645437	2.649244
4.500000	4.500000	4.500000	4.500000	4.500000	4.500000
0.000000	0.000000	0.000000	0.000000	7.621406	7.655424
0.000000	0.000000	0.000000	0.000000	8.313511	8.325480
0.000000	0.000000	0.000000	0.000000	9.700000	9.700000
7.348399	8.528356	8.573073	8.606567	0.000000	0.000000
8.210012	9.523295	9.522179	9.474581	0.000000	0.000000
9.700000	9.700000	9.700000	9.700000	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
2.700000	3.150000	3.150000	3.150000	3.500000	3.500000
0.850000	1.000000	1.000000	1.000000	1.000000	0.000000
19.479651	22.637495	22.734428	22.807018	23.448723	22.533276
17.771191	20.646032	20.644080	20.561620	29.615563	28.651714
\$51.150000	\$51.750000	\$51.750000	\$51.750000	\$52.100000	\$51.100000

(continued)

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

	2010	2009	2008	2007
Total Millage by Type of Property				
Residential/Agricultural	\$25.724677	\$26.208790	\$26.254846	\$23.878283
Commercial/Industrial	32.422007	31.996358	31.949875	22.246267
Tangible/Public Utility Personal	55.140000	55.650000	55.650000	55.650000
Overlapping Rates by Taxing District				
Huntsburg Township				
Effective Millage Rates				
Residential/Agricultural	\$8.539277	\$8.528871	\$8.532457	\$5.541900
Commercial/Industrial	8.703187	8.702941	8.704085	5.704100
Tangible/Public Utility Personal	9.000000	9.000000	9.000000	6.000000
Middlefield Township				
Effective Millage Rates				
Residential/Agricultural	4.900980	4.896889	5.096994	5.095800
Commercial/Industrial	5.403477	5.403771	5.619793	5.615200
Tangible/Public Utility Personal	6.300000	6.300000	6.620000	6.620000
Middlefield Village				
Effective Millage Rates				
Residential/Agricultural	3.753090	3.753050	3.964562	3.967700
Commercial/Industrial	4.536816	4.411336	4.658617	4.659200
Tangible/Public Utility Personal	6.500000	6.500000	6.850000	6.850000
Parkman Township				
Effective Millage Rates				
Residential/Agricultural	6.959332	6.957182	5.496050	5.469700
Commercial/Industrial	7.931128	7.622876	6.127881	6.121100
Tangible/Public Utility Personal	8.800000	8.800000	7.300000	7.300000
Auburn Joint Vocational School District				
Effective Millage Rates				
Residential/Agricultural	1.500000	1.500000	1.500000	1.500000
Commercial/Industrial	1.500000	1.500000	1.500000	1.500000
Tangible/Public Utility Personal	1.500000	1.500000	1.500000	1.500000
Geauga County Voted Millage				
Effective Millage Rates				
Residential/Agricultural	11.206413	10.901148	10.858353	10.875139
Commercial/Industrial	12.094831	11.589255	11.491120	11.503553
Tangible/Public Utility Personal	15.100000	15.100000	15.100000	15.100000
Geauga County Library District Voted Millage				
Effective Millage Rates				
Residential/Agricultural	0.998740	0.996428	0.997974	0.806111
Commercial/Industrial	1.000000	1.000000	0.998452	0.835383
Tangible/Public Utility Personal	1.000000	1.000000	1.000000	1.000000

Source: Ohio Department of Taxation

(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 billed in that year.

Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

Real property tax rates for voted continuing and operating levies are reduced so that inflationary increases in value do not generate additional revenue.

Overlapping rates are those of local and county governments that apply to property owners with the School District.

Note: Debt Service levies are designed to raise a fixed amount of revenue each year. A rate is set each year so that when it is applied to the total assessed value, that fixed amount is generated.

2006	2005	2004	2003	2002	2001
\$23.979651	\$27.137495	\$27.234428	\$27.307018	\$27.948723	\$27.033276
22.271191	25.146032	25.144080	25.061620	34.115563	33.151714
55.650000	56.250000	56.250000	56.250000	56.600000	55.600000
5.551300	7.931000	7.490700	7.509000	8.122400	8.147000
5.704100	8.742600	8.464200	8.461700	8.725900	8.725900
6.000000	10.000000	10.000000	10.000000	10.000000	10.000000
5.098600	5.455100	5.459100	5.465000	6.154900	6.169600
5.608400	5.978200	5.982400	5.986000	6.429600	6.429600
6.620000	6.620000	6.620000	6.620000	7.100000	7.100000
3.986600	4.113500	4.125400	4.130000	5.106200	5.111100
4.665300	4.966600	4.964100	4.948300	5.948000	5.954600
6.850000	6.850000	6.850000	6.850000	7.950000	7.950000
5.484300	5.864600	5.886700	6.327500	6.774100	6.794800
6.121100	6.290800	6.290800	7.007900	7.110600	7.110600
7.300000	7.300000	7.300000	9.100000	9.100000	9.100000
1.500000	1.500000	1.500000	1.500000	1.500000	1.500000
1.500000	1.500000	1.500000	1.500000	1.500000	1.500000
1.500000	1.500000	1.500000	1.500000	1.500000	1.500000
10.891352	11.876713	10.858588	10.387579	10.991590	10.020950
11.414258	12.603699	11.755403	11.298447	11.582869	10.595040
15.100000	15.100000	15.100000	14.600000	14.400000	13.400000
0.807751	0.902201	0.901314	0.907913	0.992066	0.638504
0.827379	0.938667	0.942192	0.946233	0.996923	0.728022
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
2009	\$7,798,502	\$7,526,211	96.51 %	\$340,673	\$7,866,884	100.88 %
2008	8,830,794	8,333,017	94.36	310,792	8,643,295	97.88
2007	9,419,029	8,374,514	88.91	310,792	8,685,306	92.21
2006	9,731,305	8,911,497	91.58	213,966	9,125,463	93.77
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

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 2010 information cannot be presented because all collections have not been made by June 30, 2010.
- (3) The County does not maintain delinquency collections information by tax year.

Cardinal Local School District

Principal Taxpayers

Real Estate Tax

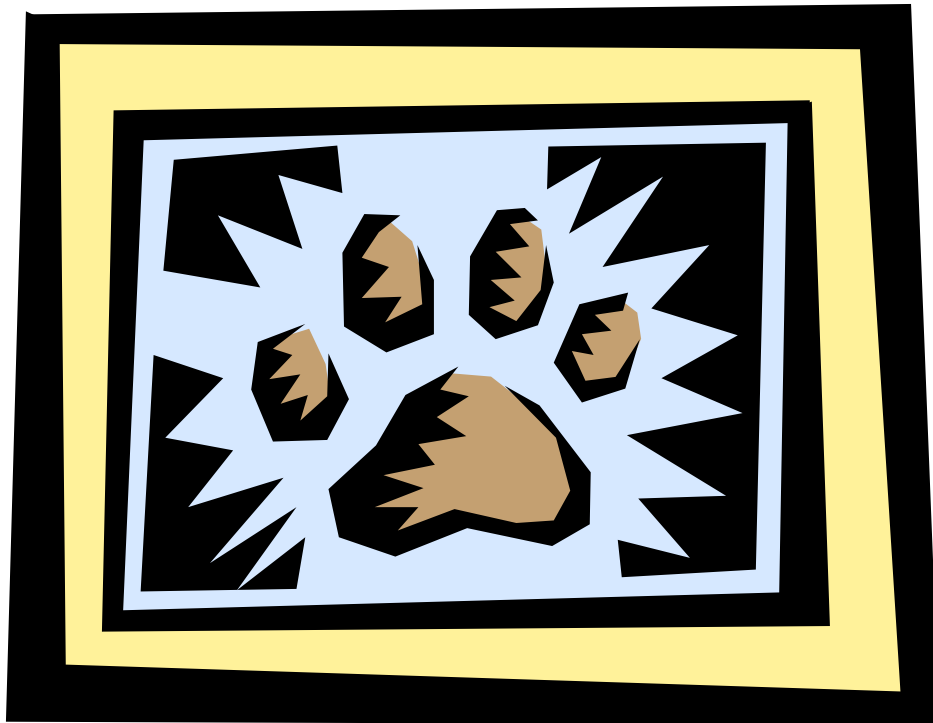
2010 and 2001

2010		
Name of Taxpayer	Assessed Valuation	Percent of Real Assessed Value
Kraftmaid Cabinetry, Incorporated	\$4,931,960	1.75 %
WalMart Real Estate	2,953,340	1.05
Bonner Madison Road Properties	2,681,600	0.95
Bonner Ohio Properties	2,643,080	0.94
Johnsonite Inc	2,550,310	0.91
Gold Key Processing	2,155,870	0.77
Dillen Properties	1,830,510	0.65
Burdkidz LLC.	1,734,320	0.62
Marjoan Associates	1,703,180	0.61
Luxenburg Properties MV, LLC	1,329,380	0.47
Total	\$24,513,550	8.72 %
Total Real Estate Valuation	\$281,177,740	

2001		
Name of Taxpayer	Assessed Valuation	Percent of Real Assessed Value
Kraftmaid Cabinetry	\$9,368,130	5.45 %
Richard Bonner	4,403,030	2.56
Johnson Rubber	1,789,140	1.04
Dillon Properties, Limited	1,682,850	0.98
Burdkidz, Limited	1,323,080	0.77
Sajar Products, Incorporation	1,195,920	0.70
Harrington Square	1,108,700	0.64
Middlefield Banking Company	1,066,790	0.62
Middlefield Square	1,038,720	0.60
Middlefield Village Apartments	1,029,500	0.60
Total	\$24,005,860	13.96 %
Total Real Estate Valuation	\$171,952,750	

Source: Office of the Auditor, Geauga County, Ohio

Welcome to
Huskie Country



Cardinal Local School District

Principal Taxpayers

Public Utilities Tax

2010 and 2001

2010		
Name of Taxpayer	Assessed Valuation	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$5,037,810	71.20 %
Ohio Edison/First Energy	963,860	13.62
American Transmission Systems	546,760	7.73
East Ohio Gas Company	320,540	4.53
Total	\$6,868,970	97.08 %
Total Public Utility Valuation	\$7,075,370	

2001		
Name of Taxpayer	Assessed Valuation	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$4,334,340	49.80 %
Western Reserve Telephone Company	1,077,080	12.38
Ohio Edison	755,940	8.69
East Ohio Gas Company	275,500	3.16
Total	\$6,442,860	74.03 %
Total Public Utility Valuation	\$8,702,780	

Source: Office of the Auditor, Geauga County, Ohio

Cardinal Local School District
*Ratio of Bonded Debt to Estimated Actual Value,
 Personal Income and Population
 Last Ten Fiscal Years*

Fiscal Year	General Obligation Bonded Debt		
	General Obligation Bonded Debt	Ratio of Bonded Debt to Estimated Actual Value	Bonded Debt per Capita (2)
2010	\$10,127,903	1.25 %	\$653
2009	10,559,668	1.15	681
2008	10,958,335	1.07	707
2007	11,327,211	1.21	731
2006	10,860,447	1.13	701
2005	11,294,930	1.34	729
2004	11,709,930	1.43	755
2003	12,104,930	1.57	877
2002	12,554,930	1.73	930
2001	9,859,930	1.42	731

Source: School District Financial Records

(1) The Estimated Actual Value can be found on S12 - S13

(2) The population can be found on S28

(3) The personal income can be found on S28

General Debt			Ratio of General Debt to Percentage of Personal Income (3)	General Debt Per Capita (2)
Bond Anticipation Notes	Energy Conservation Bonds	Total Debt		
\$0	\$1,068,252	\$11,196,155	4.71%	\$722
0	0	10,559,668	4.44	681
0	0	10,958,335	4.61	707
0	0	11,327,211	4.76	731
0	0	10,860,447	4.57	701
0	0	11,294,930	4.75	729
0	70,000	11,779,930	4.95	853
0	135,000	12,239,930	5.78	887
3,000,000	200,000	15,754,930	7.61	1,168
0	260,000	10,119,930	4.89	750

Cardinal Local School District
Computation of Legal Debt Margin
Last Ten Fiscal Years

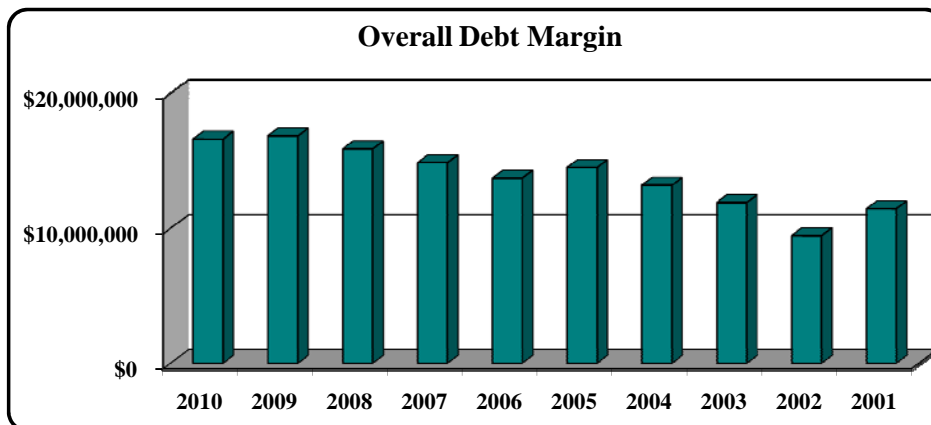
	2010	2009	2008	2007
Total Assessed Valuation	\$288,253,110	\$293,427,245	\$295,560,400	\$296,039,420
Less Railroad and Telephone Property Valuation	0	(670,390)	(894,320)	(1,337,300)
Less General Business Tangible Personal Property Valuation	0	(6,934,460)	(14,483,260)	(20,383,070)
Total Assessed Valuation used to Calculate Legal Debt Margin (1)	288,253,110	285,822,395	280,182,820	274,319,050
Debt Limit - 9% of Assessed Value (2)	\$25,942,780	\$25,724,016	\$25,216,454	\$24,688,715
Amount of Debt Outstanding				
General Obligation Bonds	7,489,980	7,889,980	8,108,520	8,335,374
Energy Conservation Bonds	1,068,252	0	0	0
Middlefield Public Library Bonds	2,130,000	2,265,000	2,330,828	2,403,896
Middlefield Public Library Notes	0	0	0	0
Less: Amount Available in Debt Service	(279,344)	(1,266,730)	(1,090,840)	(904,058)
Total	10,408,888	8,888,250	9,348,508	9,835,212
Exemptions:				
Energy Conservation Bonds	(1,068,252)	0	0	0
Middlefield Public Library Notes	0	0	0	0
Amount of Debt Subject to Limit	9,340,636	8,888,250	9,348,508	9,835,212
Overall Debt Margin	<u>\$16,602,144</u>	<u>\$16,835,766</u>	<u>\$15,867,946</u>	<u>\$14,853,503</u>
Legal Debt Margin as a Percentage of Debt Limit	64.00%	65.45%	62.93%	60.16%
Unvoted Legal Debt Limit - .10% of Assessed Value (2)	\$288,253	\$293,427	\$295,560	\$296,039
Amount of Debt Subject to Limit	0	0	0	0
Unvoted Debt Margin	<u>\$288,253</u>	<u>\$293,427</u>	<u>\$295,560</u>	<u>\$296,039</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%	100.00%

Source: Geauga County Auditor and School District Financial Records

(1) For fiscal year 2006, HB530 changed the assessed valuation utilized in the legal debt margin calculation to exclude tangible personal property as well as railroad and telephone tangible property.

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

2006	2005	2004	2003	2002	2001
\$303,831,710	\$276,244,690	\$269,936,090	\$260,839,480	\$238,181,370	\$229,252,760
0	0	0	0	0	0
(41,144,210)	0	0	0	0	0
262,687,500	276,244,690	269,936,090	260,839,480	238,181,370	229,252,760
\$23,641,875	\$24,862,022	\$24,294,248	\$23,475,553	\$21,436,323	\$20,632,748
8,099,980	8,679,930	8,964,930	9,239,930	9,554,930	9,859,930
0	0	70,000	135,000	200,000	260,000
2,479,999	2,615,000	2,745,000	2,865,000	3,000,000	0
0	0	0	0	3,000,000	0
(645,087)	(922,975)	(602,092)	(538,744)	(558,610)	(655,686)
9,934,892	10,371,955	11,177,838	11,701,186	15,196,320	9,464,244
0	0	(70,000)	(135,000)	(200,000)	(260,000)
0	0	0	0	(3,000,000)	0
9,934,892	10,371,955	11,107,838	11,566,186	11,996,320	9,204,244
<u>\$13,706,983</u>	<u>\$14,490,067</u>	<u>\$13,186,410</u>	<u>\$11,909,367</u>	<u>\$9,440,003</u>	<u>\$11,428,504</u>
57.98%	58.28%	54.28%	50.73%	44.04%	55.39%
\$303,832	\$276,245	\$269,936	\$260,839	\$238,181	\$229,253
0	0	0	0	0	0
<u>\$303,832</u>	<u>\$276,245</u>	<u>\$269,936</u>	<u>\$260,839</u>	<u>\$238,181</u>	<u>\$229,253</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%



Cardinal Local School District
Computation of Direct and Overlapping
Governmental Activities Debt
June 30, 2010

	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount of Direct and Overlapping Debt</u>
Direct:			
Cardinal Local School District			
General Obligation Bonds	\$10,127,903	100.00 %	\$10,127,903
Energy Conservation Bonds	1,068,252	100.00 %	\$1,068,252
Overlapping:			
Geauga County			
General Obligation Bonds	650,000	9.93	64,545
Special Assessment Bonds	2,291,402	9.93	227,536
OPWC Loan	15,000	9.93	1,490
General Obligation Notes	3,380,000	9.93	335,634
Capital Lease Obligation	22,253	9.93	2,210
Total Overlapping	<u>6,358,655</u>		<u>631,414</u>
Total	<u><u>\$16,486,558</u></u>		<u><u>\$10,759,317</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 2010 collection year.

Cardinal Local School District
Principal Employers
 December 31, 2009 and December 31, 2000

December 31, 2009

Employer	Location	Nature of Business or Activity	Number of Employees
Kraftmaid, Incorporated	Middlefield	Manufacturer - Cabinetry	1,798
Dillen Products	Middlefield	Manufacturer - Garden Products	410
Duramax, Incorporated	Middlefield	Manufacturer - Rubber Products	295
Wal-Mart, Incorporated	Middlefield	Retail	285
Mercury Plastics	Middlefield	Manufacturer - Plastics	200
Gold Key Processing, Incorporated	Middlefield	Manufacturer - Rubber Compound	150
Cardinal Local School District	Middlefield	School District	167
Middlefield Plastics, Incorporated	Middlefield	Manufacturer - Plastic Extrusion	130
Briar Hill Health Care Residence	Middlefield	Rehabilitation and Long-Term Nursing Facility	80
Middlefield Banking Company	Middlefield	Banking	75
Universal Polymer & Rubber, Ltd.	Middlefield	Manufacturer - Rubber and Plastics	52
Total			<u>3,642</u>
Total Employment within the School District			<u>n/a</u>

December 31, 2000

Employer	Location	Nature of Business or Activity	Number of Employees
Kraftmaid, Incorporated	Middlefield	Manufacturer - Cabinetry	2,150
Dillen Products	Middlefield	Manufacturer - Garden Products	470
Carlisle Engineered Products	Middlefield	Manufacturer - Rubber Products	380
Duramax, Incorporated	Middlefield	Manufacturer - Rubber Products	315
Mercury Plastics	Middlefield	Manufacturer - Plastics	225
Cardinal Local School District	Middlefield	School District	173
Universal Polymer & Rubber, Ltd.	Middlefield	Manufacturer - Rubber and Plastics	150
Briar Hill Health Care Residence	Middlefield	Rehabilitation and Long-Term Nursing Facility	105
Middlefield Banking Company	Middlefield	Banking	58
Middlefield Plastics, Incorporated	Middlefield	Manufacturer - Plastic Extrusion	201
Total			<u>4,227</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
Demographic and Economic Statistics
Last Ten Years (1)

Year	Estimated Population	Total Personal Income	Personal Income Per Capita	Median Household Income
2010	15,500	\$237,894,000	\$15,348	\$44,253
2009	15,500	237,894,000	15,348	44,253
2008	15,500	237,894,000	15,348	44,253
2007	15,500	237,894,000	15,348	44,253
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

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

<u>Median Age</u>	<u>Median Value of Residential Property</u>	<u>Geauga County Unemployment Rate</u>	<u>Total Assessed Property Value</u>
28.28	\$152,267	7.3 %	\$288,253,110
28.28	152,267	5.4	293,427,245
28.28	152,267	4.9	295,560,400
28.28	152,267	4.4	296,039,420
28.28	152,267	4.7	303,831,710
28.28	152,267	4.7	276,244,690
28.28	152,267	4.9	269,936,090
28.28	152,267	4.1	260,839,480
28.28	152,267	3.4	238,181,370
28.28	152,267	3.1	229,252,760

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

	2010	2009	2008	2007 (2)	2006
Jordak Elementary School					
Constructed in 1951					
Additions in 1956, 1974					
Total Building Square Footage	48,758	48,758	48,758	48,758	48,758
Enrollment Grades K - 3 (2)	398	421	444	503	0
Enrollment Grades K - 5	0	0	0	0	422
Student Capacity	525	525	525	525	525
Regular Instruction Classrooms	23	23	23	23	23
Regular Instruction Teachers	22	22	22	21	19
Special Instruction Classrooms	9	9	9	9	9
Special Instruction Teachers	11	11	11	11	10
Cardinal Intermediate School					
Constructed in 1920					
Addition in 1938					
Total Building Square Footage	28,819	28,819	28,819	28,819	28,819
Enrollment Grades 4 - 5	193	204	213	241	0
Student Capacity	265	265	265	265	0
Regular Instruction Classrooms	8	8	8	8	0
Regular Instruction Teachers	7	7	7	7	0
Special Instruction Classrooms	3	3	3	3	0
Special Instruction Teachers	5	5	5	5	0
Huntsburg Elementary School					
Constructed in 1951					
Addition in 1974					
Total Building Square Footage	21,918	21,918	21,918	21,918	21,918
Enrollment Grades K - 5	0	0	0	0	158
Student Capacity	0	0	0	0	250
Regular Instruction Classrooms	0	0	0	0	9
Regular Instruction Teachers	0	0	0	0	6
Special Instruction Classrooms	0	0	0	0	3
Special Instruction Teachers	0	0	0	0	3
Parkman Elementary School					
Constructed in 1951					
Addition in 1974					
Total Building Square Footage	26,304	26,304	26,304	26,304	26,304
Enrollment Grades K - 5	0	0	0	0	179
Student Capacity	0	0	0	0	250
Regular Instruction Classrooms	0	0	0	0	15
Regular Instruction Teachers	0	0	0	0	6
Special Instruction Classrooms	0	0	0	0	5
Special Instruction Teachers	0	0	0	0	3

2005	2004	2003 (1)	2002
48,758	48,758	48,758	48,758
0	0	0	0
438	428	417	452
525	525	525	525
23	23	23	23
20	21	22	23
9	9	9	9
10	10	11	9
28,819	28,819	28,819	28,819
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
21,918	21,918	21,918	21,918
156	140	129	143
250	250	250	250
9	9	9	9
7	7	7	7
2	3	3	3
3	3	3	3
26,304	26,304	26,304	26,304
146	158	146	175
250	250	250	250
15	15	15	15
6	6	6	7
5	5	5	5
3	3	3	3

(continued)

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

	2010	2009	2008	2007	2006
Cardinal Middle School					
Constructed in 2002					
Total Building Square Footage	72,000	72,000	72,000	72,000	72,000
Enrollment Grades 6 - 8	315	320	328	300	306
Student Capacity	450	450	450	450	450
Regular Instruction Classrooms	20	20	20	20	20
Regular Instruction Teachers	17	17	17	17	16
Special Instruction Classrooms	4	4	4	4	4
Special Instruction Teachers	6	6	6	6	6
Cardinal High School					
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	379	392	386	373	402
Student Capacity	525	525	525	525	525
Regular Instruction Classrooms	20	20	20	20	20
Regular Instruction Teachers	19	19	19	19	19
Special Instruction Classrooms	3	3	3	3	3
Special Instruction Teachers	6	6	6	6	6
Vocational Instruction Classrooms	2	2	2	2	2
Vocational Instruction Teachers	0	0	0	0	1

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
- (2) The following are changes made in the 2006-07 school year:
 Jordak Elementary grade change from K-5 to K-3
 Cardinal Intermediate School opened to house grades 4-5
 Huntsburg and Parkman Elementary Schools were closed.

2005	2004	2003 (1)	2002
72,000	72,000	72,000	72,000
302	308	258	214
450	450	450	450
20	20	20	20
15	14	10	10
4	4	4	4
7	7	7	7
85,678	85,678	85,678	85,678
405	412	440	442
525	525	525	525
20	20	20	20
19	19	18	20
3	3	3	3
7	7	7	7
2	2	2	2
2	2	2	2

Cardinal Local School District

Per Pupil Cost

Last Ten Fiscal Years

Fiscal Year	Student Enrollment		General Governmental		Students Receiving Free or Reduced Lunch	Percentage of Enrollment
	Average Enrollment	Percentage of Change	Total Expenditures (1)	Per Pupil Cost		
2010	1,285	(4.05) %	\$17,064,134	\$13,279	444	34.55 %
2009	1,337	(2.54)	15,805,758	11,822	441	32.98
2008	1,371	(3.36)	14,997,232	10,939	460	33.55
2007	1,417	(3.53)	14,073,640	9,932	406	28.65
2006	1,467	1.36	15,586,002	10,624	363	24.74
2005	1,447	0.07	17,187,821	11,878	333	23.01
2004	1,446	3.87	17,799,219	12,309	364	25.17
2003	1,390	(2.59)	17,200,035	12,374	319	22.95
2002	1,426	(3.79)	19,760,092	13,857	296	20.76
2001	1,480	100.00	15,991,707	10,805	276	18.65

Source: School District Financial Records

(1) Debt Service totals have been excluded.

Cardinal Local School District
Attendance and Graduation Rates
Last Ten Fiscal Years

Fiscal Year	Cardinal Attendance Rate	State Average	Cardinal Graduation Rate	State Average
2010	94.90 %	93.90 %	90.80 %	81.20 %
2009	94.90	94.30	90.80	84.60
2008	94.80	94.20	92.30	86.90
2007	95.10	94.10	98.10	86.10
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

Source: Ohio Department of Education Local Report Cards

Cardinal Local School District
School District Employees by Function/Program (1)
Last Ten Fiscal Years

Function/Program	2010	2009	2008	2007	2006
Regular Instruction					
Elementary Classroom Teachers	28	28	28	27	34
Middle School Classroom Teachers	19	19	19	19	18
High School Classroom Teachers	22	22	22	22	23
Special Instruction					
Elementary Classroom Teachers	5	5	5	4	4
Gifted Education Teachers	1	1	1	1	1
Middle School Classroom Teachers	2	2	2	2	2
High School Classroom Teachers	3	3	3	3	3
Vocational Instruction					
High School Classroom Teachers	0	0	0	0	1
Pupil Support Services					
Guidance Counselors	2	2	2	3.6	3.6
Librarians	2	2	2	2	3
Speech & Language Pathologists	2	2	2	1.5	3
Nurse	1	1	1	1	3
Classroom Aides	10.5	10.5	10.5	10.5	11.45
Administration					
Elementary	4	4	4	4.8	7.8
Middle School	3.5	3.5	3.5	3	3
High School	3	3	3	3	3
Districtwide	9.5	9.5	9.5	10	10
Operation of Plant					
Custodians	9.5	9.5	9.5	10.5	10
Maintenance	1	1	1	1	1
Pupil Transportation					
Bus Drivers	14	16	15	12	14
Van Drivers	5	5	5	3	2
Bus Aides	4	4	2	1	1
Mechanics	2	2	2	2	2
Food Service Program					
Elementary Cooks and Monitors	3	3	3	4	5
Middle School Cooks and Monitors	3	3	3	3	3
High School Cooks and Monitors	2	2	2	2	2

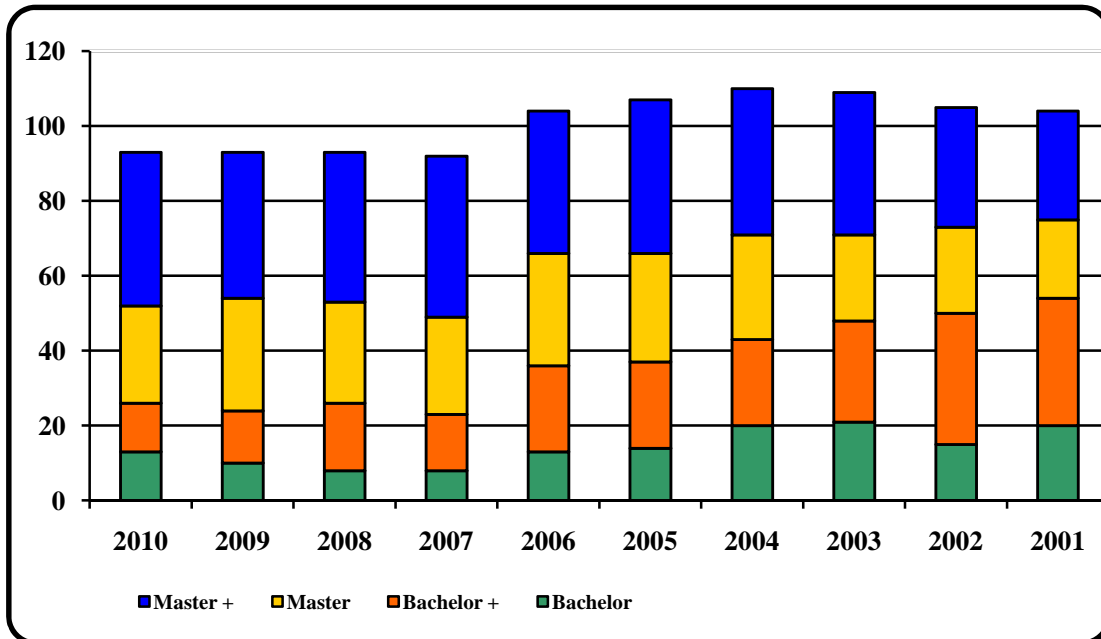
Method: Using full-time equivalents at fiscal year end.

2005	2004	2003	2002	2001
37	38	39	41	41
17	16	12	12	12
24	24	23.11	24	23
4	4	4	4.5	3.5
1	1	1	1	1
2	2	2	2	2
3	3	3	3	2
2	2	2	2	2
3.6	3.6	3.6	3	3
5	5.5	5.5	5.5	5
3	2	1	1.75	1.75
3	3	3	2	2
12.5	12.5	12.5	12.5	10.75
7.8	7.8	7.8	7.8	7.8
3	3	3	3	3
3	3	3	3	3
10	10	10	10	9.75
12.5	12.5	12.5	11	11
3	3	2	2	2
17	17	16	15	15
4	4	4	2	2
3	3	2	2	2
2	2	2	2	2
6.5	6.5	5	4	4
3	3	3	2	2
2	2	2	2	2

Cardinal Local School District
Full-Time Equivalent Certificated School District Employees by Education
Last Ten Fiscal Years

Degree	2010	2009	2008	2007
Bachelor	13	10	8	8
Bachelor +15	4	4	5	7
Bachelor +30	9	10	13	8
Master	26	30	27	26
Master +15	15	14	17	18
Master +30	19	18	17	25
Master +45	7	7	6	0
Total	93	93	93	92

Source: School District Records



<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
13	14	20	21	15	20
11	11	8	10	12	9
12	12	15	17	23	25
30	29	28	23	23	21
13	16	18	17	12	11
25	25	21	21	20	18
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>104</u>	<u>107</u>	<u>110</u>	<u>109</u>	<u>105</u>	<u>104</u>

Cardinal Local School District

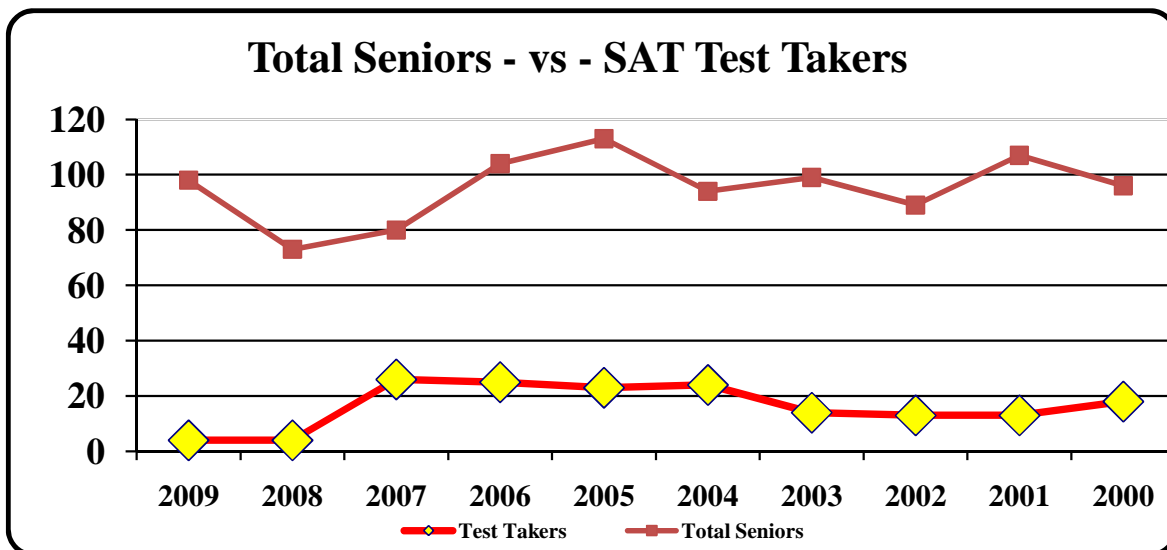
SAT Composite Scores

Last Ten School Years (1)

School Year	Number of Test Takers	Number of Seniors	Percent of Students	Cardinal Verbal	Ohio Verbal	National Verbal
2009	26	98	26.53 %	550	560	502
2008	4	73	5.48	635	534	502
2007	26	80	32.50	528	536	502
2006	25	104	24.04	544	535	503
2005	23	113	20.35	535	539	508
2004	24	94	25.53	525	538	508
2003	14	99	14.14	512	536	507
2002	13	89	14.61	591	533	504
2001	13	107	12.15	608	534	506
2000	18	96	18.75	558	533	505

Source: High School Guidance Office,
Cardinal Local School District

(1) Information for 2010 not available due to timing of report.



<u>Cardinal Math</u>	<u>Ohio Math</u>	<u>National Math</u>
530	566	515
548	544	515
562	542	515
655	544	518
567	543	520
538	542	518
542	541	519
561	540	516
591	539	514
577	539	514

Cardinal Local School District

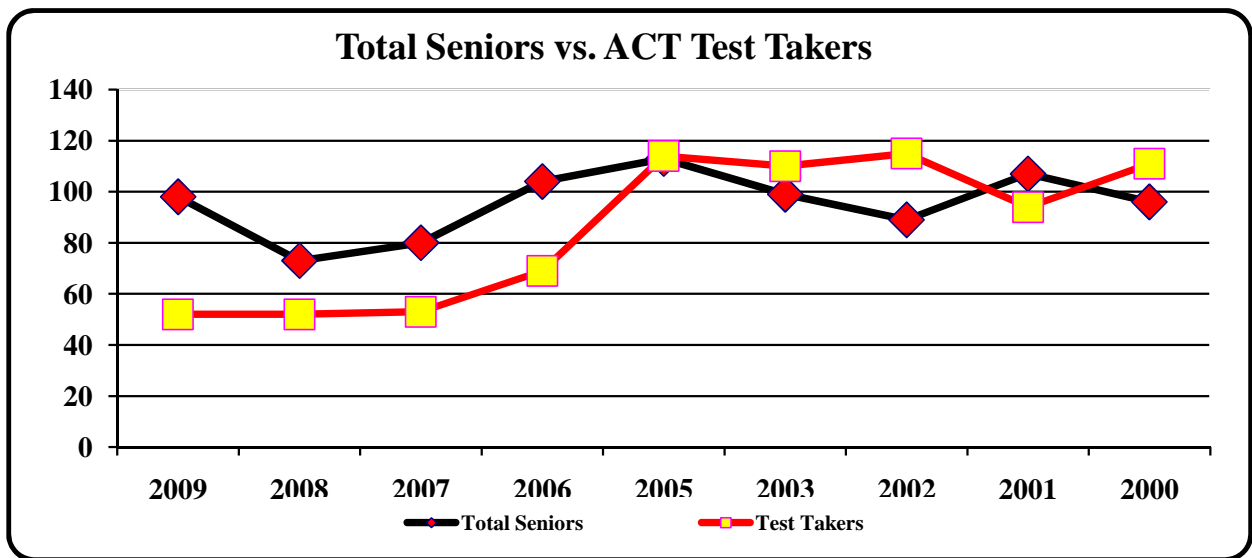
ACT Composite Scores

Last Ten School Years (1)

School Year	Number of Test Takers	Number of Seniors	Percent of Students	Cardinal Composite	Ohio Composite	National Composite
2009	78	98	79.59 %	22.0	21.7	21.1
2008	52	73	71.23	21.8	21.7	21.1
2007	53	80	66.25	21.8	21.6	21.2
2006	69	104	66.35	22.1	21.5	21.1
2005	114	113	100.88	22.0	21.4	20.9
2004	108	94	114.89	21.4	21.4	20.9
2003	110	99	111.11	21.3	21.4	20.8
2002	115	89	129.21	22.3	21.4	20.8
2001	94	107	87.85	22.5	21.4	21.0
2000	111	96	115.63	21.7	21.4	21.0

Source: High School Guidance Office,
Cardinal Local School District

(1) Information for 2010 not available due to timing of report.

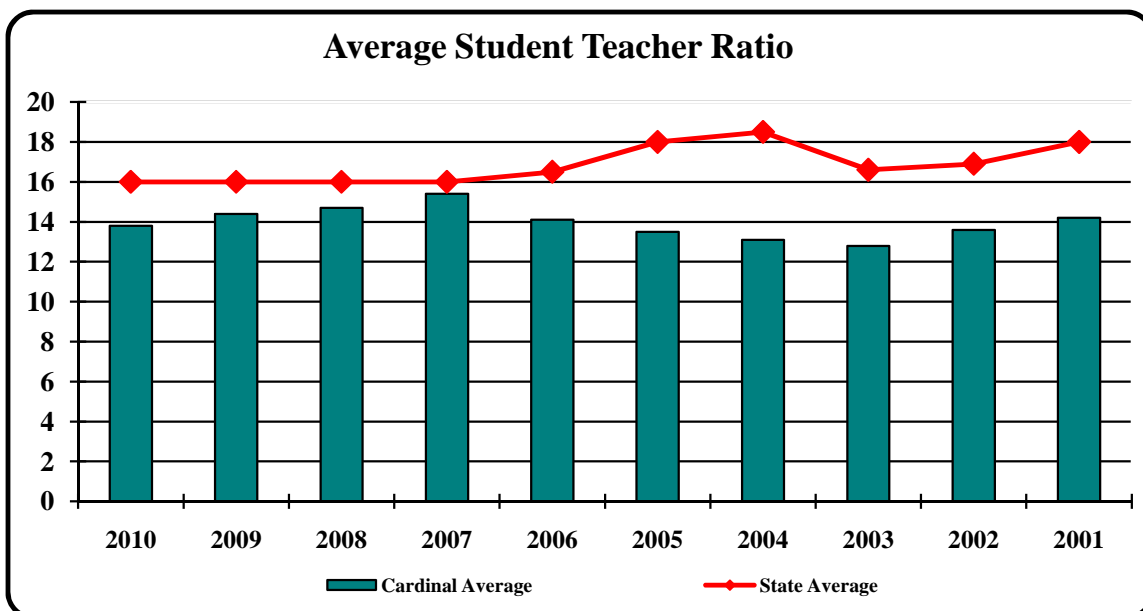


Cardinal Local School District
Average Number of Students per Teacher
Last Ten School Years

School Year	Cardinal Average	State Average
2010	13.81	n/a
2009	14.4	19.4
2008	14.7	18.6
2007	15.4	19.6
2006	14.1	18.6
2005	13.5	18.5
2004	13.1	18.5
2003	12.8	16.5
2002	13.6	16.9
2001	14.2	18.0

Source: Ohio Department of Education, EMIS Reports

Note: State Average for 2010 was unavailable at the time of publication



Cardinal Local School District
Certified Teacher Education and Experience
 June 30, 2010

Degree	Number of Teachers	Percentage of Total
Bachelor	13	13.98 %
Bachelor + 15	4	4.30
Bachelor + 30	9	9.68
Master	26	27.96
Master + 15	15	16.13
Master + 30	19	20.43
Master + 45	7	7.52
Total	93	100.00 %

Years of Experience	Number of Teachers	Percentage of Total
0 - 5	18	19.35 %
6 - 10	23	24.75
11 and Over	52	55.90
	93	100.00%

Cardinal Local School District

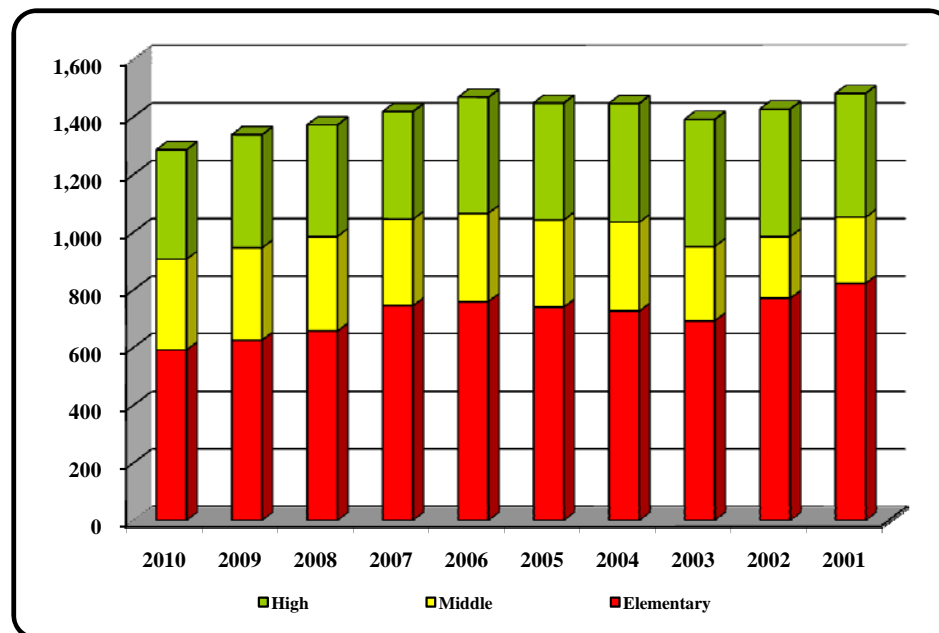
Enrollment Statistics

Last Ten Fiscal Years

Fiscal Year	Elementary Schools	Middle School	High School	Total
2010	591	315	379	1,285
2009	625	320	392	1,337
2008	657	328	386	1,371
2007	744	300	373	1,417
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

Source: School District Records

- (1) The following changes are 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.



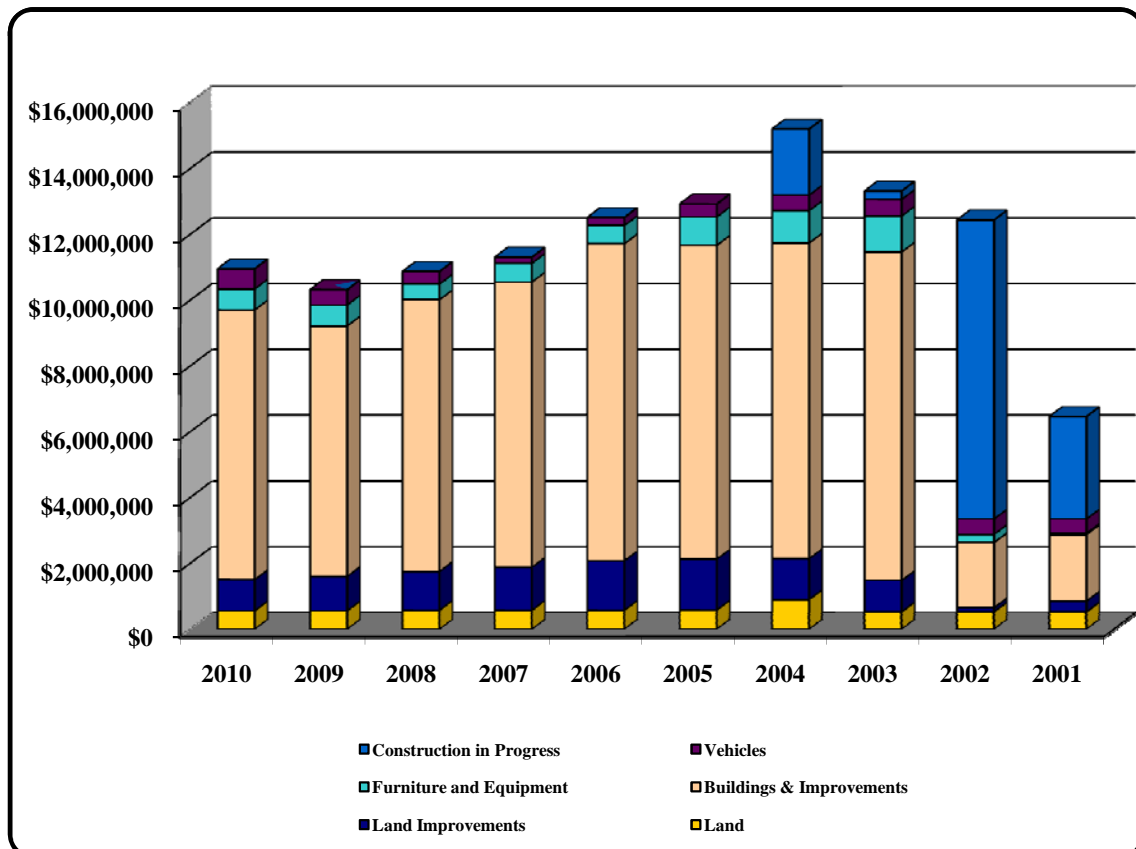
Cardinal Local School District

Capital Assets Last Ten Fiscal Years

	2010	2009	2008	2007
Capital Assets:				
Land	\$560,094	\$560,094	\$578,884	\$578,884
Land Improvements	949,431	1,047,873	1,179,669	1,306,386
Buildings and Improvements	8,200,007	7,614,386	8,261,720	8,674,377
Furniture and Equipment	636,019	636,363	477,834	568,051
Vehicles	610,757	461,455	377,900	184,367
Construction in Progress	0	0	0	0
Total Capital Assets	\$10,956,308	\$10,320,171	\$10,876,007	\$11,312,065

Source: School District Financial Records

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



<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001 (1)</u>
\$578,884	\$584,819	\$904,478	\$529,319	\$529,319	\$529,319
1,501,953	1,547,573	1,245,578	956,874	125,946	327,167
9,639,322	9,540,317	9,594,778	9,983,116	1,982,865	2,027,209
554,093	866,301	983,947	1,095,344	248,902	34,567
245,307	387,260	473,252	505,627	467,724	437,198
<u>0</u>	<u>0</u>	<u>2,006,502</u>	<u>232,589</u>	<u>9,087,625</u>	<u>3,109,726</u>
<u>\$12,519,559</u>	<u>\$12,926,270</u>	<u>\$15,208,535</u>	<u>\$13,302,869</u>	<u>\$12,442,381</u>	<u>\$6,465,186</u>

(This Page Intentionally Left Blank)



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
SEPTEMBER 28, 2010**