

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
Independent Accountants' Report on Agreed Upon Procedures	7
Schedule of Findings	9

This page intentionally left blank.

**CARDINAL LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2009**

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	\$9,948	\$0	\$9,948	\$0
National School Lunch Program	10.555	158,786	2,403	158,786	2,403
Total Nutrition Cluster		<u>168,734</u>	<u>2,403</u>	<u>168,734</u>	<u>2,403</u>
Total U.S. Department of Agriculture		<u>168,734</u>	<u>2,403</u>	<u>168,734</u>	<u>2,403</u>
<u>U.S. Department of Education</u>					
<i>Passed Through Ohio Department of Education</i>					
<i>Special Education Cluster:</i>					
Special Education Grants to States	84.027	456,635	0	451,614	0
Total Special Education Cluster		<u>456,635</u>	<u>0</u>	<u>451,614</u>	<u>0</u>
Title I Grants to Local Educational Agencies	84.010	852,920	0	774,807	0
Safe and Drug-Free Schools and Communities State Grants	84.186	12,762	0	9,567	0
State Grants for Innovative Programs	84.298	3,905	0	3,905	0
Education Technology State Grants	84.318	15,068	0	34,881	0
Improving Teacher Quality State Grants	84.367	183,361	0	185,389	0
Title III LEP Grant	84.365	1,177	0	1,177	0
Total U.S. Department of Education		<u>1,525,828</u>	<u>0</u>	<u>1,461,340</u>	<u>0</u>
Total Federal Assistance		<u>\$1,694,562</u>	<u>\$2,403</u>	<u>\$1,630,074</u>	<u>\$2,403</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, 2009**

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, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 18, 2009. 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 expressing our opinions on the financial statements, but not to opine 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 control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more than inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be 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 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 black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

December 18, 2009



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, 2009. 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, 2009.

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 expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

Lausche Building / 615 Superior Ave., NW / Twelfth Floor / Cleveland, OH 44113-1801
Telephone: (216) 787-3665 (800) 626-2297 Fax: (216) 787-3361
www.auditor.state.oh.us

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that the entity's internal control will not prevent or detect more than inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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 that might be 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, 2009, and have issued our report thereon dated December 18, 2009. 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

December 18, 2009



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

To the Board of Education:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school.

Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether the Cardinal Local City School District, Geauga County, Ohio, (the District) has adopted an anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board adopted an anti-harassment policy at its meeting on April 30, 2009.
2. We read the policy, noting it included the following requirements from Ohio Rev. Code Section 3313.666(B):
 - (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
 - (2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.666;
 - (3) A procedure for reporting prohibited incidents;
 - (4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
 - (5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;

- (6) A procedure for documenting any prohibited incident that is reported;
- (7) A procedure for responding to and investigating any reported incident;
- (8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
- (9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;
- (10) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Audit Committee, the Board and management and is not intended to be and should not be used by anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

December 18, 2009

**CARDINAL LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2009**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Program(list):	CFDA # 10.553 & # 10.555 – School Breakfast Program National School Lunch Nutrition Cluster CFDA # 84.010 – Title 1
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	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

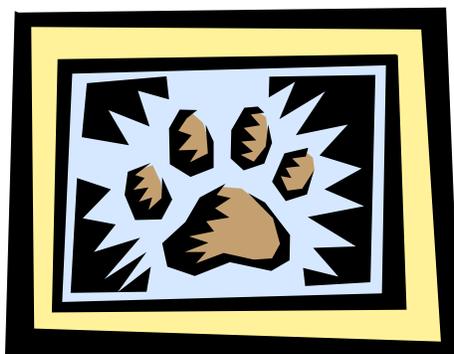
None

CARDINAL

LOCAL SCHOOL DISTRICT
MIDDLEFIELD, OHIO



Welcome to HUSKIE Country!



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Cardinal Local School District
Middlefield, Ohio

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2009

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, 2009
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 Fund Net Assets - Internal Service Fund	21
--	----

Statement of Revenues, Expenses and Changes in Fund Net Assets - Internal Service Fund	22
---	----

Statement of Cash Flows - Internal Service Fund	23
---	----

Statement of Fiduciary Assets and Liabilities - Agency Fund	24
---	----

Notes to the Basic Financial Statements	25
---	----

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
Title III Fund	83
Title I Fund.....	84
Title V Fund.....	86
Drug Free Schools Fund.....	87
Improving Teacher Quality Fund	88
Technology II-D Grant Fund.....	89
Library Bond Retirement Fund.....	90
Permanent Improvement Fund	91
Library Construction Fund	92
SchoolNet Fund	93

III. Statistical Section

Statistical Section Table of 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 – 2009 and 2000	S19
Public Utilities Tax – 2009 and 2000	S20
Computation of Direct and Overlapping Governmental Activities Debt	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
Demographic and Economic Statistics Last Ten Years	S26
Principal Employers – 2008 and 1999	S28
Per Pupil Cost - Last Ten Fiscal Years	S29
Building Statistics by Function/Program – Last Eight Fiscal Years	S30
School District Employees by Function/Program – Last Nine Fiscal Years	S32
Full-Time Equivalent Certificated School District Employees by Education – Last Ten Fiscal Years	S34
SAT Composite Scores– Last Ten School Years	S36
ACT Composite Scores– Last Ten School Years	S38
Attendance and Graduation Rates - Last Ten Fiscal Years	S39

Average Number of Students per Teacher – Last Ten School Years.....	S40
Certified Teacher Education and Experience.....	S41
Capital Assets - Last Ten Fiscal Years.....	S42
Enrollment Statistics – Last Ten Fiscal Years	S44

Cardinal Local School District

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

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

December 18, 2009

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, 2009. 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, 2009. The Independent Accountant’s Report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s 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 1,337 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.

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 392 students from grades 9 through 12.
- Cardinal Middle School built in 2002, houses 320 students from grades 6 through 8.
- Cardinal Intermediate School built in 1925, houses 204 students from grades 4 and 5.
- Jordak Elementary built in 1951, with additions in 1956 and 1974, houses 421 students from grades K through 3.

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 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). Four 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 2009, KraftMaid Industries has continued with a tremendous downward slide in sales as the housing industry is slumping. They laid off over 300 employees in their company, affecting nearly 100 jobs in the Middlefield Plant. The Second Chance Antique store closed in May 2009 and Paul's Do-it-Center hardware store closed its doors as of July 2009. 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 run out and their values will be put back on the tax rolls of the County to the benefit of the School District. 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 a fund to expand and maintain the newly constructed sewer treatment plant as needed.

Very few new housing sites were built in the housing developments within the School District, but those that were built will add taxable values for the 2009 and 2010 collection years. The Village of Middlefield completed several upgrades to the sewer lines and had many 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 is currently reviewing the various levy options and the best strategy to ensure the financial stability of the School District.

During fiscal year 2009, the School District maintained a restrictive budget and closely monitored costs. The Superintendent and the Treasurer review all 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 the summer break, the School District repaired parking lots, roofs, and air conditioning units, replaced carpeting, 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 one 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 need 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 a bus garage and the reconfiguration of the elementary/intermediate school parking lot. At this time the bus garage project has been put on hold until the timing is better.

The Board 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 in our School District while maintaining and enhancing fiscal stability. The School District is considering placing a levy on the ballot in May of 2010 and November of 2010 before going 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 is showing positive ending cash balances for fiscal years 2010 and 2011 and projected deficit cash balances for the remaining years of the forecast. 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 completes an annual continuous improvement plan. This is a form of strategic planning guiding the School District in all phases of operation. The involvement of the general public and employees has broadened support for School District improvement initiatives. The positive effects of the plan can be observed in the academic achievement of students and tangible long-term improvements to programming and school facilities. A 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 Huntsburg and Parkman Elementary buildings were closed at the end of June, 2006 due to lack of support for the proposed school levy, cuts in tangible personal property taxes and State funding uncertainty, along with rising utilities costs. The Huntsburg facility is being rented by the ELI program and a Head-Start program. The Parkman facility has been auctioned off to a group of medical providers.

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 regard to the changes to the Core Curriculum required for graduation for the freshman class of 2010. The mandatory all-day every-day kindergarten is going to bring another challenge to the School District in finding the space to provide this mandate and adding new teachers as needed in the next fiscal year.

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's 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 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 task force has been set up through the State to help in this process and another local committee is helping to implement the new Everyday Math program.

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 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 program’s inception in 1993. The School District receives the full Ohio Basic Aid amount for each of these students. With over 65 open enrollment students from other school districts, the School District receives over \$485,500 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 expecting several of our students attending tuition-based schools to return to our District for the upcoming fiscal year. 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 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.

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 offered for the first time an emergency technician course preparing the students for the field as EMT’s. This new program was well received and after completing a one-two year course upon graduation and passing the State tests, they will be on their way to a new career. The Center is also working on and offering various on-line courses in a variety of areas. Their enrollment has the highest in many years. This type of “outside” education may see an increase as the offerings change over the next few years.

In July 2009, the School District was able to complete the elevator at Jordak Elementary and the relocation of the nurse’s room complete with a separate student restroom in the Cardinal Intermediate School (CIS) due to the approval of ARRA funding. Other items are being considered to spend the ARRA Title I and ARRA Title VI-B funds received by the School District to best enhance the education of our students. The technology director is looking into portable computer labs for the Jordak and the CIS buildings. The principal at the CIS building spearheaded the movement to a new math program for grades K through 5 and used some stimulus monies to purchase the Everyday Math program for fiscal year 2010.

The School District went through an energy audit with Brewer-Garrett. They came in to review the buildings and their heating and cooling systems, gave us a list of suggestions to save on heating costs and ways to finance such a large undertaking. The School District was approved for a zero percent HB 264 Energy Conservation loan to finance the project. The boilers at the high school and Jordak elementary will be replaced with energy efficient boilers and should be installed before the Thanksgiving break.

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, 2008. This is the eleventh 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.

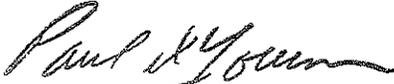
Special appreciation is expressed to State Auditor Taylor's office Local Government Services Section for assistance in the planning, designing and reviewing of this financial report.

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 D. Yocum
Superintendent

Cardinal Local School District

Principal Officials
June 30, 2009

Board of Education

Mr. Kenneth J. KlimaPresident
Mrs. Bonnie MakowskiVice-President
Mrs. Wendy AndersonMember
Mr. Jon Hunter.....Member
Mr. Thomas Petronio.....Member

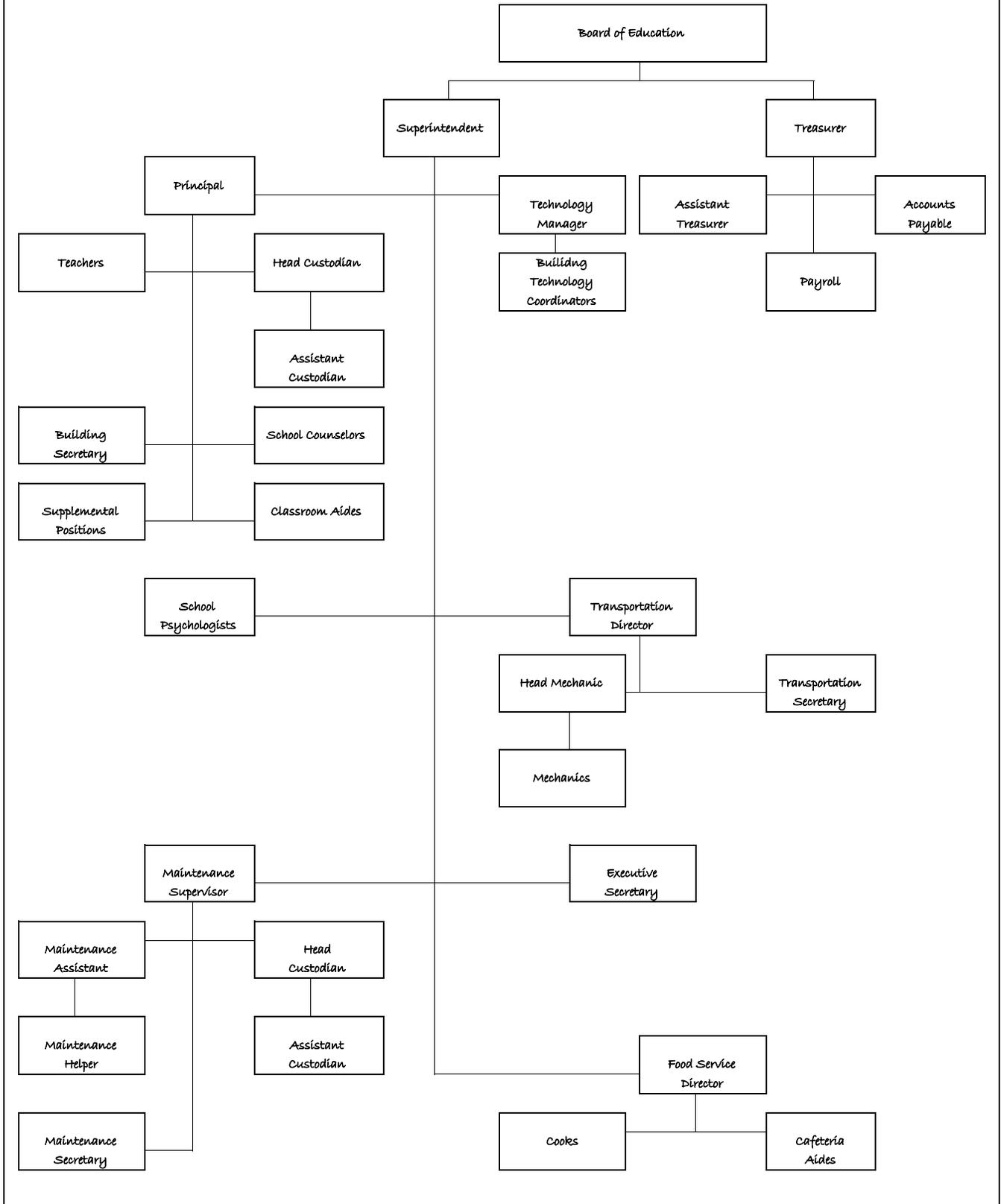
Treasurer

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, 2008

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.



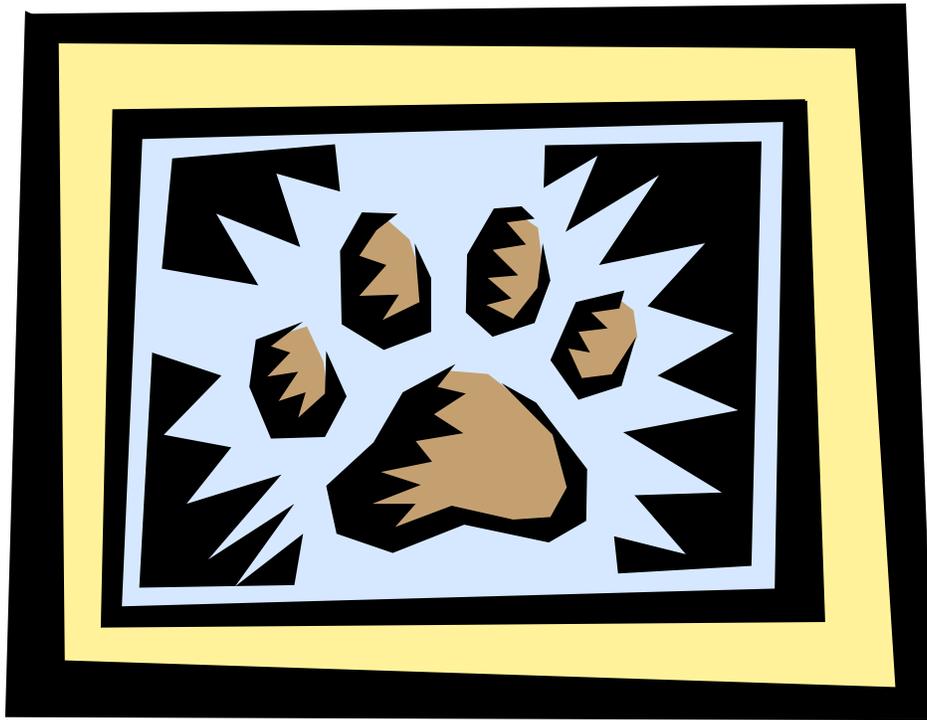
A handwritten signature in black ink, appearing to read "M. L. Post".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emery".

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, 2009, 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, 2009, 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 December 18, 2009, 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

December 18, 2009

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
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, 2009. 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 2009 are as follows:

- Total net assets of governmental activities decreased \$677,348 which represents a 25.80 percent decrease from fiscal year 2008.
- Total revenues of \$16,408,455 were comprised of general revenues in the amount of \$13,700,363 or 83.50 percent and program specific revenues from charges for services, grants and contributions in the amount of \$2,708,092 or 16.50 percent.
- Total assets of governmental activities decreased by \$1,391,828 which includes a decrease in depreciable capital assets of \$927,945 and in property taxes receivable of \$577,779 offset by an increase of \$325,158 in cash and cash equivalents.
- The School District had \$17,085,803 in expenses related to governmental activities; only \$2,708,092 of these expenses were offset by program specific charges for services and grants and contributions. General revenues (primarily taxes and school foundation) of \$13,700,363 helped to provide for these programs.
- The general fund balance was \$905,709 at fiscal year end, down from \$1,586,356 at June 30, 2008.

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, 2009
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 2009?" 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, but still has a balance in the self-insurance internal service fund.

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
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 2009 compared to 2008:

Table (1)
 Net Assets
 Governmental Activities

	<u>2009</u>	<u>2008</u>	<u>Change</u>
Assets			
Current and Other Assets	\$11,891,998	\$12,337,091	(\$445,093)
Capital Assets	9,929,272	10,876,007	(946,735)
<i>Total Assets</i>	<u>21,821,270</u>	<u>23,213,098</u>	<u>(1,391,828)</u>
Liabilities			
Current Liabilities	8,334,235	8,649,716	(315,481)
Long-Term Liabilities			
Due within One Year	858,447	835,370	23,077
Due in More than One Year	10,680,799	11,102,875	(422,076)
<i>Total Liabilities</i>	<u>19,873,481</u>	<u>20,587,961</u>	<u>(714,480)</u>
Net Assets			
Invested in Capital Assets			
Net of Related Debt	2,187,044	2,925,329	(738,285)
Restricted for:			
Capital Projects	532,929	192,656	340,273
Debt Service	1,323,186	1,147,078	176,108
Set Asides	485,449	520,102	(34,653)
Other Purposes	187,289	217,919	(30,630)
Unrestricted (Deficit)	<u>(2,768,108)</u>	<u>(2,377,947)</u>	<u>(390,161)</u>
<i>Total Net Assets</i>	<u>\$1,947,789</u>	<u>\$2,625,137</u>	<u>(\$677,348)</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. Normally the School District would see a five to seven percent increase in tax revenues with an update. With slumping sales, foreclosures and delinquent tax payments less tax revenues were available to the School District. This decrease in revenues also affected the deferred revenue component of current liabilities and accounts for the majority of the

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

decrease shown above. In July, 2008, the Parkman Elementary building was auctioned off and this is reflected by the large decrease in capital assets. By the end of fiscal year 2009, the School District had three teachers retire which contributed to the decrease in compensated absences in the long-term liabilities. With careful expenditure controls the School District was able to end fiscal year 2009 with a slightly larger cash balance than the previous fiscal year.

Table 2 shows the changes in net assets for fiscal year 2009 compared to 2008.

Table (2)
Change in Net Assets
Governmental Activities

	2009	2008	Change
Revenues			
<i>Program Revenues</i>			
Charges for Services	\$1,187,773	\$1,084,951	\$102,822
Operating Grants and Contributions	1,520,319	1,558,969	(38,650)
<i>Total Program Revenues</i>	<u>2,708,092</u>	<u>2,643,920</u>	<u>64,172</u>
<i>General Revenues</i>			
Property Taxes	7,825,766	7,822,687	3,079
Grants and Entitlements	5,799,670	4,792,066	1,007,604
Investment Earnings	45,404	158,857	(113,453)
Miscellaneous	29,523	90,051	(60,528)
<i>Total General Revenues</i>	<u>13,700,363</u>	<u>12,863,661</u>	<u>836,702</u>
<i>Total Revenues</i>	<u>16,408,455</u>	<u>15,507,581</u>	<u>900,874</u>
<i>Program Expenses</i>			
Current:			
Instruction	9,488,223	8,409,238	1,078,985
Support Services:			
Pupil and Instructional Staff	1,350,594	1,544,828	(194,234)
Board of Education, Administration, Fiscal and Business	1,669,321	1,568,284	101,037
Operation and Maintenance of Plant	1,561,540	1,443,113	118,427
Pupil Transportation	1,292,680	1,322,595	(29,915)
Central	245,720	248,745	(3,025)
Operation of Non-Instructional Services:			
Food Services Operations	567,415	414,956	152,459
Other Non-Instructional Services	20,508	39,871	(19,363)
Extracurricular Activities	339,322	322,416	16,906
Interest and Fiscal Charges	550,480	567,916	(17,436)
<i>Total Program Expenses</i>	<u>17,085,803</u>	<u>15,881,962</u>	<u>1,203,841</u>
<i>Decrease in Net Assets</i>	(677,348)	(374,381)	(302,967)
Net Assets Beginning of Year	<u>2,625,137</u>	<u>2,999,518</u>	<u>(374,381)</u>
<i>Net Assets End of Year</i>	<u>\$1,947,789</u>	<u>\$2,625,137</u>	<u>(\$677,348)</u>

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
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. The 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 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 two percent base increase for fiscal year 2009. This and additional costs associated with services for our special education students helped to increase the instruction expenses over fiscal year 2008. Support services saw increases and decreases in many areas, the most significant being in operation and maintenance of plant which includes maintenance and repairs to various buildings during the year. Operations of Non-Instructional Services saw an increase in Food Services Operations due to the rising cost of food supplies and increases in salaries and benefits. 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.

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

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 2009 compared to 2008. The (\$14,377,711) *Net Cost of Services* tells the reader that these services are not self-supporting, but are supported by tax revenues and unrestricted State entitlements.

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

	2009		2008	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$9,488,223	(\$7,596,488)	\$8,409,238	(\$6,874,323)
Support Services:				
Pupil and Instructional Staff	1,350,594	(985,402)	1,544,828	(1,090,205)
Board of Education, Administration, Fiscal and Business	1,669,321	(1,654,843)	1,568,284	(1,361,389)
Operation and Maintenance of Plant	1,561,540	(1,561,540)	1,443,113	(1,435,992)
Pupil Transportation	1,292,680	(1,292,680)	1,322,595	(1,322,595)
Central	245,720	(226,290)	248,745	(208,530)
Operation of Non-Instructional Services:				
Food Service Operations	567,415	(207,315)	414,956	(71,646)
Other Non-Instructional Services	20,508	(20,508)	39,871	(35,376)
Extracurricular Activities	339,322	(282,165)	322,416	(270,070)
Interest and Fiscal Charges	550,480	(550,480)	567,916	(567,916)
Total	\$17,085,803	(\$14,377,711)	\$15,881,962	(\$13,238,042)

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 \$16,387,280 and expenditures of \$16,741,543. In fiscal year 2009, the net change in fund balance for the fiscal year was most significant in the General Fund due to an increase in special education instructional and professional services required with the integration of the students into their home school districts. An increase in regular instruction reflects the contracted base increase, severance payments, and additional professional development costs. The increases in expenditures were offset partially by an increase in intergovernmental revenue from additional homestead and foundation revenues.

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.

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

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

District property. The movement of the inside millage to the Permanent Improvement Fund provided less tax revenues to be certified and less property tax collections were available as an advance to the General Fund from the County. The Permanent Improvement Fund received a full year's collection of tax revenues this fiscal year. During fiscal year 2009, the School District made roof repairs, patched parking lots, and repaired other items as needed.

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 2009, 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 \$13,109,848 representing an increase from the original budget estimates of \$12,830,895. 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 extracurricular activities and rentals. The School District's General Fund unencumbered balance at the end of the fiscal year was \$1,791,565, reflecting additional funds budgeted but not expended or encumbered.

The School District revises its budget throughout the fiscal year. During fiscal year 2009, modifications to the original budget of \$13,272,765 included increases to most of the line items to cover the needed expenditures. These changes included the base increases per the certified and classified negotiated agreements and the corresponding increases in payroll related taxes. The School District had several employees elect medical coverage this fiscal year that previously did not have coverage and thus causing an increase in benefits. 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. Since we were unable to find a speech therapist we had to contract with the Geauga County Educational Service Center for services at a higher cost than the one previously on staff. Additional physical and occupational therapy services were needed for students this year and we saw an increase in the number of special education students needing services. There were no individually significant events that caused this variance. The School District ended the fiscal year \$307,129 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 of 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. HB 412 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 2009, this amounted to \$225,215 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, 2009
Unaudited

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2009 the School District had \$9,929,272 invested in land, land improvements, buildings and improvements, furniture and equipment, and vehicles in governmental activities. Table 4 shows fiscal year 2009 balances compared to fiscal year 2008:

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

	2009	2008
Land	\$560,094	\$578,884
Land Improvements	1,047,873	1,179,669
Buildings and Improvements	7,614,386	8,261,720
Furniture and Equipment	636,363	733,521
Vehicles	70,556	122,213
Total	\$9,929,272	\$10,876,007

During 2009, the District purchased one new bus and a two new special education vans and retired three corresponding vehicles. The Parkman Elementary building was sold at an auction and the removal of this asset accounts for the majority of the decrease in capital assets. See Note 9 to the Basic Financial Statements for additional capital asset information.

Debt

At June 30, 2009 the School District had \$10,559,668 in bonds outstanding, \$535,000 due within one year. Table 5 summarizes general obligation bonds outstanding for governmental activities.

(Table 5)
 Outstanding Debt at Fiscal Year End

	2009	2008
Various School Improvement Serial Bonds	\$615,000	\$615,000
Various School Improvement Capital Appreciation Bonds	0	273,426
Middlefield Public Library Serial Bonds	2,320,771	2,325,418
Middlefield Public Library Capital Appreciation Bonds	0	118,166
Current Interest Serial Bonds	6,895,128	6,995,449
Capital Appreciation Bonds	728,769	630,876
Total Debt	\$10,559,668	\$10,958,335

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

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

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 from the State of Ohio 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 will not be collected beyond 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.

With the Governor's Education Policy, he is mandating all-day, everyday kindergarten for all school districts. This mandate will create a hardship for the School District as space is not available to add two more classrooms as needed for kindergarten. We would also have the additional costs of the salaries and benefits for two new teachers. The Board will need to review their options and decide the best way to handle this new cost to the School District if we are not granted the waiver. With the CORE class requirements being in effect for the freshman of 2010, the School District is currently reviewing our teaching needs and will be making movements and adjustments as necessary. We already know that we will have to hire one new math teacher and possibly one more teacher to begin the next school year.

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 2010.

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

Cardinal Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

Hearing for fiscal year 2009, the County Auditor 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 three fiscal years when the effects of the sexennial reappraisal is expected to show a three percent increase.

The duplicate total assessed value went from \$295.6 million in 2008 to \$293.4 million in 2009, a decrease of .74 percent. General fund operations receive 51.20 percent of its revenue from real estate taxes on residential, commercial, and industrial properties. Another 41.10 percent is received from various forms of State aid including homestead and rollback exclusions on property taxes. The remaining 7.70 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 is being phased out – the assessment percentage for all property, including inventory for 2008 was 6.25 percent and will be reduced to zero for 2009. 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 2009, Paul's Do-It Center hardware store closed its doors after ten plus years in Middlefield. 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, 2009

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$4,179,290
Accrued Interest Receivable	14,950
Accounts Receivable	8,595
Intergovernmental Receivable	160,126
Prepaid Items	2,982
Inventory Held for Resale	2,367
Materials and Supplies Inventory	30,597
Property Taxes Receivable	7,260,211
Deferred Charges	232,880
Nondepreciable Capital Assets	560,094
Depreciable Capital Assets, Net	<u>9,369,178</u>
<i>Total Assets</i>	<u>21,821,270</u>
Liabilities	
Accounts Payable	56,935
Accrued Wages and Benefits	1,533,518
Intergovernmental Payable	502,507
Accrued Interest Payable	32,341
Matured Compensated Absences Payable	26,950
Accrued Vacation Leave Payable	27,389
Deferred Revenue	6,154,595
Long-Term Liabilities:	
Due Within One Year	858,447
Due In More Than One Year	<u>10,680,799</u>
<i>Total Liabilities</i>	<u>19,873,481</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	2,187,044
Restricted for:	
Capital Projects	532,929
Debt Service	1,323,186
Set Asides	563,531
Other Purposes	187,289
Unrestricted (Deficit)	<u>(2,846,190)</u>
<i>Total Net Assets</i>	<u><u>\$1,947,789</u></u>

See accompanying notes to the basic financial statements

Cardinal Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2009

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction:				
Regular	\$6,634,479	\$693,250	\$240,779	(\$5,700,450)
Special	2,853,744	242,861	714,845	(1,896,038)
Support Services:				
Pupil	783,787	0	10,636	(773,151)
Instructional Staff	566,807	0	354,556	(212,251)
Board of Education	40,087	0	0	(40,087)
Administration	1,107,478	9,977	4,501	(1,093,000)
Fiscal	463,448	0	0	(463,448)
Business	58,308	0	0	(58,308)
Operation and Maintenance of Plant	1,561,540	0	0	(1,561,540)
Pupil Transportation	1,292,680	0	0	(1,292,680)
Central	245,720	0	19,430	(226,290)
Operation of Non-Instructional Services				
Food Service Operations	567,415	186,938	173,162	(207,315)
Other Non-Instructional Services	20,508	0	0	(20,508)
Extracurricular Activities	339,322	54,747	2,410	(282,165)
Interest and Fiscal Charges	550,480	0	0	(550,480)
Totals	\$17,085,803	\$1,187,773	\$1,520,319	(14,377,711)
General Revenues				
Property Taxes Levied for:				
				6,674,361
				937,402
				214,003
Grants and Entitlements not Restricted				
				5,799,670
				45,404
				29,523
				13,700,363
				(677,348)
				2,625,137
				\$1,947,789

See accompanying notes to the basic financial statements

Cardinal Local School District

*Balance Sheet
Governmental Funds
June 30, 2009*

	<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	\$1,598,945	\$1,005,166	\$997,384	\$3,601,495
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	563,531	0	0	563,531
Accrued Interest Receivable	14,950	0	0	14,950
Accounts Receivable	8,073	0	522	8,595
Intergovernmental Receivable	157,112	0	3,014	160,126
Prepaid Items	2,982	0	0	2,982
Inventory Held for Resale	0	0	2,367	2,367
Materials and Supplies Inventory	18,622	0	11,975	30,597
Property Taxes Receivable	6,084,120	698,475	477,616	7,260,211
Interfund Receivable	4,678	0	0	4,678
<i>Total Assets</i>	<u>\$8,453,013</u>	<u>\$1,703,641</u>	<u>\$1,492,878</u>	<u>\$11,649,532</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$54,155	\$0	\$2,780	\$56,935
Accrued Wages and Benefits	1,439,436	0	94,082	1,533,518
Interfund Payable	0	0	4,678	4,678
Intergovernmental Payable	452,731	0	49,776	502,507
Matured Compensated Absences Payable	26,950	0	0	26,950
Deferred Revenue	5,574,032	618,375	422,816	6,615,223
<i>Total Liabilities</i>	<u>7,547,304</u>	<u>618,375</u>	<u>574,132</u>	<u>8,739,811</u>
 Fund Balances				
Reserved for Encumbrances	262,573	0	86,582	349,155
Reserved for Property Taxes	667,200	80,100	54,800	802,100
Reserved for Textbooks and Materials	444,691	0	0	444,691
Reserved for Capital Improvements	118,840	0	0	118,840
Unreserved:				
Undesignated, Reported in:				
General Fund (Deficit)	(587,595)	0	0	(587,595)
Special Revenue Funds	0	0	81,283	81,283
Debt Service Funds	0	1,005,166	261,564	1,266,730
Capital Projects Funds	0	0	434,517	434,517
<i>Total Fund Balances</i>	<u>905,709</u>	<u>1,085,266</u>	<u>918,746</u>	<u>2,909,721</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$8,453,013</u>	<u>\$1,703,641</u>	<u>\$1,492,878</u>	<u>\$11,649,532</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, 2009*

Total Governmental Fund Balances	\$2,909,721
 <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.	9,929,272
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Property Taxes	303,516
Intergovernmental	<u>157,112</u>
Total	460,628
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.	232,880
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	14,264
Long-term liabilities payable are not due and payable in the current period and therefore are not reported in the funds.	
General Obligation Bonds	(10,559,668)
Compensated Absences Payable	<u>(979,578)</u>
Total	(11,539,246)
Accrued interest payable is not due and payable in the current period and therefore not reported in the funds.	(32,341)
Vacation Benefits payable is not expected to be paid with expendable available financial resources and therefore is not reported in the funds.	<u>(27,389)</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$1,947,789</u></u>

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, 2009

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$6,698,022	\$714,635	\$433,669	\$7,846,326
Intergovernmental	5,376,972	142,477	1,672,238	7,191,687
Interest	45,404	0	0	45,404
Tuition and Fees	485,515	0	81,907	567,422
Extracurricular Activities	218,361	0	64,724	283,085
Contributions and Donations	11,005	0	6,911	17,916
Charges for Services	0	0	186,938	186,938
Rentals	150,328	0	0	150,328
Miscellaneous	97,259	0	915	98,174
<i>Total Revenues</i>	<u>13,082,866</u>	<u>857,112</u>	<u>2,447,302</u>	<u>16,387,280</u>
Expenditures				
Current:				
Instruction:				
Regular	5,866,276	0	255,009	6,121,285
Special	2,320,153	0	484,131	2,804,284
Support Services:				
Pupil	600,092	0	200,132	800,224
Instructional Staff	196,155	0	340,038	536,193
Board of Education	38,328	0	0	38,328
Administration	1,046,922	0	28,171	1,075,093
Fiscal	432,830	14,991	5,259	453,080
Business	58,217	0	0	58,217
Operation and Maintenance of Plant	1,384,898	0	3,426	1,388,324
Pupil Transportation	1,247,837	0	0	1,247,837
Central	202,628	0	41,713	244,341
Operation of Non-Instructional Services:				
Food Service Operations	7,863	0	510,881	518,744
Other Non-Instructional Services	0	0	14,031	14,031
Extracurricular Activities	262,149	0	70,843	332,992
Capital Outlay	0	0	172,785	172,785
Debt Service:				
Principal Retirement	0	218,540	65,828	284,368
Interest and Fiscal Charges	0	307,635	103,150	410,785
Capital Appreciation Bonds Interest	0	176,460	64,172	240,632
<i>Total Expenditures</i>	<u>13,664,348</u>	<u>717,626</u>	<u>2,359,569</u>	<u>16,741,543</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(581,482)</u>	<u>139,486</u>	<u>87,733</u>	<u>(354,263)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	220,974	220,974
Transfers In	0	0	99,165	99,165
Transfers Out	(99,165)	0	0	(99,165)
<i>Total Other Financing Sources (Uses)</i>	<u>(99,165)</u>	<u>0</u>	<u>320,139</u>	<u>220,974</u>
<i>Net Change in Fund Balances</i>	(680,647)	139,486	407,872	(133,289)
<i>Fund Balances Beginning of Year</i>	<u>1,586,356</u>	<u>945,780</u>	<u>510,874</u>	<u>3,043,010</u>
<i>Fund Balances End of Year</i>	<u>\$905,709</u>	<u>\$1,085,266</u>	<u>\$918,746</u>	<u>\$2,909,721</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, 2009*

Net Change in Fund Balances - Total Governmental Funds (\$133,289)

*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	295,402
Depreciation	<u>(1,000,475)</u>

Total (705,073)

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. (241,662)

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

Property Taxes	(20,560)
Intergovernmental	110,386
Miscellaneous	<u>(68,651)</u>

Total 21,175

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

Accrued Interest	2,049
Accretion on Capital Appreciation Bonds	(136,301)
Amortization of Bond Issuance Costs	(15,411)
Amortization of Loss on Refunding	(24,348)
Amortization of Bond Premium	<u>34,316</u>

Total (139,695)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 525,000

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	332
Accrued Vacation Leave Payable	<u>(4,136)</u>

Total (3,804)

Change in Net Assets of Governmental Activities (\$677,348)

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, 2009

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$6,426,357	\$6,740,889	\$6,750,845	\$9,956
Intergovernmental	5,345,488	5,360,144	5,376,972	16,828
Interest	130,000	45,000	43,008	(1,992)
Tuition and Fees	549,000	490,550	485,515	(5,035)
Extracurricular Activities	155,550	205,555	218,361	12,806
Contributions and Donations	4,500	12,000	11,005	(995)
Rentals	123,500	154,500	150,328	(4,172)
Miscellaneous	96,500	101,210	89,296	(11,914)
<i>Total Revenues</i>	12,830,895	13,109,848	13,125,330	15,482
Expenditures				
Current:				
Instruction:				
Regular	5,406,065	5,827,173	5,821,242	5,931
Special	1,679,600	2,286,823	2,202,537	84,286
Support Services:				
Pupil	693,150	626,039	622,053	3,986
Instructional Staff	234,875	216,063	213,754	2,309
Board of Education	24,750	30,434	30,116	318
Administration	976,260	1,057,683	1,047,743	9,940
Fiscal	444,840	448,574	445,762	2,812
Business	54,350	56,642	56,516	126
Operation and Maintenance of Plant	1,772,455	1,500,519	1,450,902	49,617
Pupil Transportation	1,432,220	1,336,165	1,296,577	39,588
Central	232,625	214,135	212,602	1,533
Operation of Non-Instructional Services	17,000	7,887	7,875	12
Extracurricular Activities	304,575	267,363	265,773	1,590
<i>Total Expenditures</i>	13,272,765	13,875,500	13,673,452	202,048
<i>Excess of Revenues Under Expenditures</i>	(441,870)	(765,652)	(548,122)	217,530
Other Financing Sources (Uses)				
Sale of Capital Assets	15,000	1,000	0	(1,000)
Advances In	165,000	165,000	164,764	(236)
Advances Out	(150,000)	(65,000)	0	65,000
Transfers Out	(75,000)	(125,000)	(99,165)	25,835
<i>Total Other Financing Sources (Uses)</i>	(45,000)	(24,000)	65,599	89,599
<i>Net Change in Fund Balance</i>	(486,870)	(789,652)	(482,523)	307,129
<i>Fund Balance Beginning of Year</i>	2,038,174	2,038,174	2,038,174	0
Prior Year Encumbrances Appropriated	235,914	235,914	235,914	0
<i>Fund Balance End of Year</i>	\$1,787,218	\$1,484,436	\$1,791,565	\$307,129

See accompanying notes to the basic financial statements

Cardinal Local School District

Statement of Fund Net Assets

Internal Service Fund

June 30, 2009

	<u>Insurance</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$14,264
Liabilities	
	<u>0</u>
Net Assets	
Unrestricted	<u><u>\$14,264</u></u>

See accompanying notes to the basic financial statements

Cardinal Local School District
*Statement of Revenues,
Expenses and Changes in Fund Net Assets
Internal Service Fund
For the Fiscal Year Ended June 30, 2009*

	<u>Insurance</u>
Operating Revenues	\$0
Operating Expenses	<u>0</u>
<i>Change in Net Assets</i>	0
<i>Net Assets Beginning of Year</i>	<u>14,264</u>
<i>Net Assets End of Year</i>	<u><u>\$14,264</u></u>

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, 2009

	<u>Insurance</u>
<i>Increase (Decrease) in Cash and Cash Equivalents</i>	
<i>Net Increase in Cash and Cash Equivalents</i>	\$0
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>14,264</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$14,264</u></u>

See accompanying notes to the basic financial statements

Cardinal Local School District
Statement of Fiduciary Assets and Liabilities
Agency Fund
June 30, 2009

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, 2009

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 70 non-certificated employees, 92 certificated full time teaching personnel, 1 certificated full time nurse, 7 confidential employees, and 7 administrative employees to provide services to 1,337 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, 2009

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, 2009

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 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 for prescription drug and dental claims of School District employees. The School District is no longer self-insured, but the fund still maintains a cash balance.

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 reports 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, 2009

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, 2009, but which were levied to finance fiscal year 2010 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, 2009

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 2009, 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, 2009.

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 2009 amounted to \$45,404, which includes \$22,067 assigned from other School District funds.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2009

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, 2009, 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 and for capital improvements. 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, 2009

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, 2009

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, 2009

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, textbooks and materials, and capital improvements.

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

For fiscal year 2009, the School District has implemented Governmental Accounting Standard Board (GASB) Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations," Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments", Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments," and Statement No. 56, "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards."

GASB Statement No. 49 addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effect of existing pollution by participating in pollution remediation activities such as site assessments and cleanup. The implementation of this statement did not result in any change to the School District's financial statements.

GASB Statement No. 52 establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments are also required to report the changes in fair value as

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2009

investment income and to disclose the methods and significant assumptions employed to determine fair value. The implementation of this statement did not result in any change in the School District's financial statements.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB authoritative literature. The GAAP hierarchy consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles. The implementation of this statement did not result in any change in the School District's financial statements.

GASB Statement No. 56 incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants' and auditing literature into the GASB's accounting and financial reporting literature for state and local governments. The statement's guidance addresses related party transactions, going concern considerations, and subsequent events from the AICPA literature. The implementation of this statement did not result in any change in the School District's financial statements.

Note 4 - Accountability

The following funds had deficit fund balances as of June 30, 2009:

Special Revenue Funds

Food Service	\$37,740
IDEA Part B - Special Education	39,384
Improving Teacher Quality	1,711
Technology II-D Grant	2,880

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, 2009

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

The following 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	(\$680,647)
Net Adjustments for Revenue Accruals	42,464
Advances In	164,764
Net Adjustments for Expenditures Accruals	366,485
Adjustment for Encumbrances	(375,589)
Budget Basis	<u><u>(\$482,523)</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;

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2009

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 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 trading 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, \$3,457,216, of the School District's bank balance of \$4,207,216 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, 2009, the School District had STAROhio as the only investment with an amount of \$82,840 and an average maturity of 58.1 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, 2009

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 distributions are received by the School District in the second half of the fiscal year. Second-half tax distributions are received in the first half of the following fiscal year.

Property taxes include amounts levied against all real property, public utility property, and tangible personal (used in business) property located in the School District. Real property tax revenues received in calendar year 2009 represent the collection of calendar year 2008 taxes. Real property taxes received in calendar year 2009 were levied after April 1, 2008, on the assessed values as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 2009 represent the collection of calendar year 2008 taxes. Public utility real and tangible personal property taxes received in calendar year 2009 became a lien on December 31, 2007, were levied after April 1, 2008, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax revenues received in calendar year 2009 (other than public utility property) represent the collection of calendar year 2009 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2009 were levied after October 1, 2008, on the value as of December 31, 2008. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, 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 Counties by June 30, 2009, are available to finance fiscal year 2009 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents real property, public utility property, and tangible personal property taxes which were measurable as of June 30, 2009, and for which there was 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 and are reflected 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, 2009

The amount available as an advance at 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. The amount available as an advance June 30, 2008, was \$720,023 in the general fund, \$83,350 in the bond retirement debt service fund, \$26,239 in the library bond retirement debt service fund and \$15,435 in the permanent improvement capital projects fund.

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

The assessed values upon which the fiscal year 2009 taxes were collected are:

	2008 Second Half Collections		2009 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$274,756,170	92.96 %	\$279,733,750	95.34 %
Public Utility	6,320,970	2.14	6,759,035	2.30
Tangible Personal Property	14,483,260	4.90	6,934,460	2.36
	\$295,560,400	100.00 %	\$293,427,245	100.00 %
Tax rate per \$1,000 of assessed valuation	\$55.65		\$55.65	

Note 8 - Receivables

Receivables at June 30, 2009, 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:

	Amount
Shared Revenue	\$78,302
Excess Costs	78,810
Breakfast Aid	17
IDEA Part B - Special Education	755
Title I	61
Improving Teacher Quality	2,181
	\$160,126

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2009

Note 9 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2009, was as follows:

	Balance 6/30/2008	Additions	Deletions	Balance 6/30/2009
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$578,884	\$0	(\$18,790)	\$560,094
<i>Capital Assets, being depreciated:</i>				
Land Improvements	2,025,013	28,384	(18,515)	2,034,882
Buildings and Improvements	14,456,752	11,943	(944,520)	13,524,175
Furniture and Equipment	2,255,765	38,296	(22,268)	2,271,793
Vehicles	1,114,625	216,779	(132,036)	1,199,368
<i>Total Capital Assets, being depreciated</i>	<u>19,852,155</u>	<u>295,402</u>	<u>(1,117,339)</u>	<u>19,030,218</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(845,344)	(153,466)	11,801	(987,009)
Buildings and Improvements	(6,195,032)	(451,693)	736,936	(5,909,789)
Furniture and Equipment	(1,522,244)	(130,453)	17,267	(1,635,430)
Vehicles	(992,412)	(264,863)	128,463	(1,128,812)
<i>Total Accumulated Depreciation</i>	<u>(9,555,032)</u>	<u>(1,000,475) *</u>	<u>894,467</u>	<u>(9,661,040)</u>
Total Capital Assets, being depreciated, net	<u>10,297,123</u>	<u>(705,073)</u>	<u>(222,872)</u>	<u>9,369,178</u>
Governmental Activities Capital Assets, Net	<u>\$10,876,007</u>	<u>(\$705,073)</u>	<u>(\$241,662)</u>	<u>\$9,929,272</u>

*Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$461,239
Special	27,029
Support Services:	
Pupil	811
Instructional Staff	29,421
Board of Education	1,759
Administration	17,520
Fiscal	1,246
Operation of Plant	158,870
Pupil Transportation	247,596
Central	1,396
Food Service Operations	47,258
Extracurricular Activities	6,330
	<u>\$1,000,475</u>

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2009

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

Company	Type of Coverage	Coverage Amount
Indiana Insurance Company	Fleet Insurance, single limit	\$1,000,000
	Property	37,528,329
	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	30,000,000
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 2009, 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 \$1,210 for family coverage and \$483 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.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2009

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.

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 up to a maximum of 275 days for all certified and classified personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 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 2009, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended 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, 2009, 2008 and 2007 were \$192,292, \$101,917, and \$179,970, respectively; 40.32 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

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, 2009

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, 2009, 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 2008, 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, 2009, 2008, and 2007 were \$781,352, \$740,675, and \$779,298, respectively; 84.64 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007. Contributions to the DC and Combined Plans for fiscal year 2009 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, 2009, one member of the Board of Education has elected Social Security. The contribution rate is 6.2 percent of wages.

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

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2009

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 2009, 4.16 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 2009, this amount was \$35,800. During fiscal year 2009, the School District paid \$31,606 in surcharge.

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, 2009, 2008, and 2007 were \$129,033, \$115,256, and \$97,544, respectively; 40.32 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2009, this actuarially required allocation was 0.75 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2009, 2008, and 2007 were \$13,825, \$12,309, and \$12,238, respectively; 40.32 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

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.

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 one 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, 2009, 2008, and 2007 were \$60,104, \$56,975, and \$59,946, respectively; 84.64 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2009

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, 2009.

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

Transfers To	Transfer From
	General
<i>Nonmajor Governmental Funds:</i>	
Food Service	\$97,000
District Managed Activities	2,165
Total	\$99,165

The transfers were made to move unrestricted balances to support programs and projects accounted for in other funds.

B. Interfund Balances

Interfund balances at June 30, 2009, consist of the following individual fund receivables and payables:

Interfund Payable	Interfund Receivable
	General Fund
<i>Nonmajor governmental funds:</i>	
Improving Teacher Quality	\$1,798
Technology II-D Grant	2,880
Totals	\$4,678

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, 2009

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
Capital Appreciation Bonds	10.51%	\$579,930	December 1, 2008
2002 Middlefield Public Library Bonds			
Serial Bonds	5.00%	2,780,000	December 1, 2022
Capital Appreciation Bonds	10.71%	220,000	December 1, 2008
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, 2014

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

	Principal Outstanding 6/30/2008	Additions	Reductions	Principal Outstanding 6/30/2009	Amounts Due in One Year
<i>General Obligation Bonds:</i>					
2000 School Improvement					
Serial Bonds	\$615,000	\$0	\$0	\$615,000	\$300,000
Capital Appreciation Bonds	123,540	0	123,540	0	0
Accretion on Capital Appreciation Bonds	149,886	26,574	176,460	0	0
2002 Middlefield Public Library Bonds					
Serial Bonds	2,265,000	0	0	2,265,000	135,000
Capital Appreciation Bonds	65,828	0	65,828	0	0
Accretion on Capital Appreciation Bonds	52,338	11,834	64,172	0	0
Unamortized Premium	60,418	0	4,647	55,771	0
2006 School Improvement Refunding Bonds					
Serial Bonds	6,905,000	0	95,000	6,810,000	100,000
Capital Appreciation Bonds	464,980	0	0	464,980	0
Accretion on Capital Appreciation Bonds	165,896	97,893	0	263,789	0
Unamortized Premium	504,373	0	29,669	474,704	0
Refunding Loss	(413,924)	0	(24,348)	(389,576)	0
Total General Obligation Bonds Payable	10,958,335	136,301	534,968	10,559,668	535,000
Compensated Absences	979,910	72,633	72,965	979,578	323,447
Total Governmental Activities Long-Term Liabilities	\$11,938,245	\$208,934	\$607,933	\$11,539,246	\$858,447

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2009

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 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 general obligation bonds, which included serial and capital appreciation bonds, in the amount of \$2,780,000 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.

In May 1, 2007, the School District issued \$7,484,980 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, 2009 \$7,485,000 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, 2009 is \$1,370,000. The accretion recorded for 2009 was \$97,893, for a total reported outstanding bond liability of \$728,769.

The School District's overall legal debt margin was \$16,835,766 with an unvoted debt margin of \$285,822 at June 30, 2009. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2009 are as follows:

	General Obligation Bonds		Capital Appreciation Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$535,000	\$388,097	\$0	\$0	\$535,000	\$388,097
2011	560,000	379,404	0	0	560,000	379,404
2012	590,000	346,407	0	0	590,000	346,407
2013	155,000	82,815	177,423	277,577	332,423	360,392
2014	155,000	76,228	153,426	301,574	308,426	377,802
2015-2019	2,840,000	1,110,134	134,131	325,869	2,974,131	1,436,003
2020-2024	3,525,000	620,690	0	0	3,525,000	620,690
2025-2027	1,330,000	55,481	0	0	1,330,000	55,481
Total	\$9,690,000	\$3,059,256	\$464,980	\$905,020	\$10,154,980	\$3,964,276

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2009

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 2009, 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 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 2009, the School District paid \$44,258 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 Association (Council) is a jointly governed organization among 121 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 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 meets monthly September through 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 2009, the School District paid \$800 to the Council. Financial information can be obtained by contacting Dr. David A. Cottrell, the Executive Director of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The School District participates in the Council's prepaid natural gas program. The Council provides participating school districts the ability to purchase natural gas at reduced rates, if the school districts will commit to participating for a twelve year period. There are currently 137 districts 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 beginning 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.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2009

The School District also participates in the Council's electric purchase program. The Council provides 238 school districts and 11 MR/DD boards in the First Energy territory (Cleveland Electric Illuminating, Ohio Edison, Toledo Edison) the ability to purchase electricity at reduced rates if the school district committed to participating in either a thirty-six month (Cleveland Electric Illuminating Company) or a forty-four month (Ohio Edison and Toledo Edison) program beginning either May 1, 2005 or January 1, 2006 and ending December 31, 2009. Each month, the Council invoices participants based on estimated usage that was determined when the program was established. Each September, these estimated payments are compared to their actual usage for the year (July to June). Refund checks are issued to districts that consumed less than their projected usage of electrical energy and districts that over-consumed are invoiced.

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.

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.

	<u>Textbooks</u>	<u>Capital Improvements</u>
Set Aside Reserve Balance as of June 30, 2008	\$284,735	\$235,367
Current Year Set-Aside Requirement	225,215	225,215
Qualifying Disbursements	(35,259)	(177,194)
Permanent Improvement Tax Revenue	<u>(30,000)</u>	<u>(164,548)</u>
Totals	<u>\$444,691</u>	<u>\$118,840</u>
Set-Aside Balance Carried Forward to Future Fiscal Years	<u>\$444,691</u>	<u>\$118,840</u>
Set Aside Reserve Balance as of June 30, 2009	<u>\$444,691</u>	<u>\$118,840</u>

The total reserve balance for the set-asides at the end of the fiscal year was \$563,531.

Cardinal Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ending June 30, 2009

Note 20 – Subsequent Event

Prior to the end of fiscal year 2009, the School District participated in a free energy audit. The Brewer-Garrett Company came to the School District and inspected the buildings and their heating and cooling systems. Through HB 264 - Energy Conservation Projects, the School District will be upgrading and/or replacing the boilers in the high school, intermediate school and the elementary school. The middle school will also be retrofitted so all buildings will have computer control access. The cost of this project will be approximately \$1.1 million and zero percent interest Energy Conservation Bonds will be issued for the School District and repaid with the energy cost savings.

Combining Statements and Individual Fund 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 - Grants to assist states in providing an appropriate public education to all children with disabilities.

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

(continued)

Fund Descriptions – Nonmajor Special Revenue Funds (continued)

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

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

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

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

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

Nonmajor 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 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.

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

Cardinal Local School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$242,586	\$261,564	\$493,234	\$997,384
Accounts Receivable	522	0	0	522
Intergovernmental Receivable	3,014	0	0	3,014
Inventory Held for Resale	2,367	0	0	2,367
Materials and Supplies Inventory	11,975	0	0	11,975
Property Taxes Receivable	0	219,889	257,727	477,616
<i>Total Assets</i>	<u>\$260,464</u>	<u>\$481,453</u>	<u>\$750,961</u>	<u>\$1,492,878</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$2,780	\$0	\$0	\$2,780
Accrued Wages and Benefits	94,082	0	0	94,082
Interfund Payable	4,678	0	0	4,678
Intergovernmental Payable	49,776	0	0	49,776
Deferred Revenue	0	194,689	228,127	422,816
<i>Total Liabilities</i>	<u>151,316</u>	<u>194,689</u>	<u>228,127</u>	<u>574,132</u>
Fund Balances				
Reserved for Encumbrances	27,865	0	58,717	86,582
Reserved for Property Taxes	0	25,200	29,600	54,800
Unreserved, Undesignated Reported in:				
Special Revenue Funds	81,283	0	0	81,283
Debt Service Fund	0	261,564	0	261,564
Capital Projects Funds	0	0	434,517	434,517
<i>Total Fund Balances</i>	<u>109,148</u>	<u>286,764</u>	<u>522,834</u>	<u>918,746</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$260,464</u>	<u>\$481,453</u>	<u>\$750,961</u>	<u>\$1,492,878</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, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$0	\$224,956	\$208,713	\$433,669
Intergovernmental	1,549,129	45,028	78,081	1,672,238
Tuition and Fees	81,907	0	0	81,907
Extracurricular Activities	64,724	0	0	64,724
Contributions and Donations	6,911	0	0	6,911
Charges for Services	186,938	0	0	186,938
Miscellaneous	915	0	0	915
<i>Total Revenues</i>	<u>1,890,524</u>	<u>269,984</u>	<u>286,794</u>	<u>2,447,302</u>
Expenditures				
Current:				
Instruction:				
Regular	255,009	0	0	255,009
Special	484,131	0	0	484,131
Support Services:				
Pupil	200,132	0	0	200,132
Instructional Staff	340,038	0	0	340,038
Administration	28,171	0	0	28,171
Fiscal	540	4,719	0	5,259
Operation and Maintenance of Plant	3,426	0	0	3,426
Central	41,713	0	0	41,713
Operation of Non-Instructional Services:				
Food Service Operations	510,881	0	0	510,881
Other Non-Instructional Services	14,031	0	0	14,031
Extracurricular Activities	70,843	0	0	70,843
Capital Outlay	0	0	172,785	172,785
Debt Service:				
Principal Retirement	0	65,828	0	65,828
Interest and Fiscal Charges	0	103,150	0	103,150
Capital Appreciation Bonds Interest	0	64,172	0	64,172
<i>Total Expenditures</i>	<u>1,948,915</u>	<u>237,869</u>	<u>172,785</u>	<u>2,359,569</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(58,391)</u>	<u>32,115</u>	<u>114,009</u>	<u>87,733</u>
Other Financing Sources				
Sale of Capital Assets	0	0	220,974	220,974
Transfers In	99,165	0	0	99,165
<i>Total Other Financing Sources</i>	<u>99,165</u>	<u>0</u>	<u>220,974</u>	<u>320,139</u>
<i>Net Change in Fund Balance</i>	40,774	32,115	334,983	407,872
<i>Fund Balance Beginning of Year</i>	<u>68,374</u>	<u>254,649</u>	<u>187,851</u>	<u>510,874</u>
<i>Fund Balance End of Year</i>	<u>\$109,148</u>	<u>\$286,764</u>	<u>\$522,834</u>	<u>\$918,746</u>

Cardinal Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2009

	Food Service	Uniform School Supplies	Public School Support	Martha Holden Jennings Grant
Assets				
Equity in Pooled Cash and Cash Equivalents	\$4,631	\$93,526	\$30,036	\$2,157
Accounts Receivable	0	349	117	0
Intergovernmental Receivable	17	0	0	0
Inventory Held for Resale	2,367	0	0	0
Materials and Supplies Inventory	11,975	0	0	0
<i>Total Assets</i>	<u>\$18,990</u>	<u>\$93,875</u>	<u>\$30,153</u>	<u>\$2,157</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$1,599
Accrued Wages and Benefits	37,431	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	19,299	0	0	0
<i>Total Liabilities</i>	<u>56,730</u>	<u>0</u>	<u>0</u>	<u>1,599</u>
Fund Balances				
Reserved for Encumbrances	0	4,243	0	156
Unreserved, Undesignated (Deficit)	(37,740)	89,632	30,153	402
<i>Total Fund Balances (Deficit)</i>	<u>(37,740)</u>	<u>93,875</u>	<u>30,153</u>	<u>558</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$18,990</u>	<u>\$93,875</u>	<u>\$30,153</u>	<u>\$2,157</u>

District Managed Activities	Auxiliary Services	Management Information Systems	SchoolNet Professional Development	Ohio Reads Grant	IDEA Part B - Special Education
\$26,338	\$13,039	\$13,628	\$860	\$3,027	\$31,052
56	0	0	0	0	0
0	0	0	0	0	755
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$26,394</u>	<u>\$13,039</u>	<u>\$13,628</u>	<u>\$860</u>	<u>\$3,027</u>	<u>\$31,807</u>
\$0	\$145	\$0	\$0	\$0	\$0
0	0	0	0	0	49,702
0	0	0	0	0	0
296	0	0	0	0	21,489
<u>296</u>	<u>145</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>71,191</u>
709	12,577	0	0	0	4,067
25,389	317	13,628	860	3,027	(43,451)
<u>26,098</u>	<u>12,894</u>	<u>13,628</u>	<u>860</u>	<u>3,027</u>	<u>(39,384)</u>
<u>\$26,394</u>	<u>\$13,039</u>	<u>\$13,628</u>	<u>\$860</u>	<u>\$3,027</u>	<u>\$31,807</u>

(continued)

Cardinal Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2009

	Title III	Title I	Title V	Drug Free Schools
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,367	\$16,901	\$1,376	\$3,648
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	61	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$2,367</u>	<u>\$16,962</u>	<u>\$1,376</u>	<u>\$3,648</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$995	\$0	\$0	\$41
Accrued Wages and Benefits	0	6,949	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	160	6,438	0	0
<i>Total Liabilities</i>	<u>1,155</u>	<u>13,387</u>	<u>0</u>	<u>41</u>
Fund Balances				
Reserved for Encumbrances	411	91	0	5,346
Unreserved, Undesignated (Deficit)	801	3,484	1,376	(1,739)
<i>Total Fund Balances (Deficit)</i>	<u>1,212</u>	<u>3,575</u>	<u>1,376</u>	<u>3,607</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,367</u>	<u>\$16,962</u>	<u>\$1,376</u>	<u>\$3,648</u>

Improving Teacher Quality	Technology II-D Grant	Total Nonmajor Special Revenue Funds
\$0	\$0	\$242,586
0	0	522
2,181	0	3,014
0	0	2,367
0	0	11,975
<u>\$2,181</u>	<u>\$0</u>	<u>\$260,464</u>

\$0	\$0	\$2,780
0	0	94,082
1,798	2,880	4,678
2,094	0	49,776
<u>3,892</u>	<u>2,880</u>	<u>151,316</u>

0	265	27,865
(1,711)	(3,145)	81,283
<u>(1,711)</u>	<u>(2,880)</u>	<u>109,148</u>
<u>\$2,181</u>	<u>\$0</u>	<u>\$260,464</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, 2009

	Food Service	Uniform School Supplies	Public School Support	Martha Holden Jennings Grant
Revenues				
Intergovernmental	\$173,162	\$0	\$0	\$28,000
Tuition and Fees	0	81,907	0	0
Extracurricular Activities	0	0	9,977	0
Contributions and Donations	0	0	4,501	0
Charges for Services	186,938	0	0	0
Miscellaneous	6	0	909	0
<i>Total Revenues</i>	<u>360,106</u>	<u>81,907</u>	<u>15,387</u>	<u>28,000</u>
Expenditures				
Current:				
Instruction:				
Regular	0	68,792	74	26,093
Special	0	0	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	10,305	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	2,435	991	0	0
Central	0	0	0	15,220
Operation of Non-Instructional Services:				
Food Service Operations	510,881	0	0	0
Other Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	353	0
<i>Total Expenditures</i>	<u>513,316</u>	<u>69,783</u>	<u>10,732</u>	<u>41,313</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(153,210)	12,124	4,655	(13,313)
Other Financing Sources				
Transfers In	97,000	0	0	0
<i>Net Change in Fund Balance</i>	(56,210)	12,124	4,655	(13,313)
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>18,470</u>	<u>81,751</u>	<u>25,498</u>	<u>13,871</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$37,740)</u></u>	<u><u>\$93,875</u></u>	<u><u>\$30,153</u></u>	<u><u>\$558</u></u>

District Managed Activities	Auxiliary Services	Management Information Systems	OneNet	SchoolNet Professional Development	Ohio Reads Grant
\$0	\$19,571	\$5,000	\$12,000	\$2,430	\$0
0	0	0	0	0	0
54,747	0	0	0	0	0
2,410	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
57,157	19,571	5,000	12,000	2,430	0
0	13,664	0	0	0	827
0	0	0	0	0	0
0	5,841	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	540	0	0	0	0
0	0	0	0	0	0
0	0	20	24,000	2,473	0
0	0	0	0	0	0
0	0	0	0	0	0
70,490	0	0	0	0	0
70,490	20,045	20	24,000	2,473	827
(13,333)	(474)	4,980	(12,000)	(43)	(827)
2,165	0	0	0	0	0
(11,168)	(474)	4,980	(12,000)	(43)	(827)
37,266	13,368	8,648	12,000	903	3,854
\$26,098	\$12,894	\$13,628	\$0	\$860	\$3,027

(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, 2009

	IDEA Part B - Special Education	Title III	Title I	Title V
Revenues				
Intergovernmental	\$381,872	\$5,896	\$727,807	\$3,905
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	0	0
Total Revenues	381,872	5,896	727,807	3,905
Expenditures				
Current:				
Instruction:				
Regular	0	0	0	3,542
Special	0	98	484,033	0
Support Services:				
Pupil	86,451	477	101,266	0
Instructional Staff	292,247	10,056	32,894	309
Administration	0	0	17,866	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	0	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	8,981	54
Extracurricular Activities	0	0	0	0
Total Expenditures	378,698	10,631	645,040	3,905
<i>Excess of Revenues Over (Under) Expenditures</i>	3,174	(4,735)	82,767	0
Other Financing Sources				
Transfers In	0	0	0	0
Net Change in Fund Balance	3,174	(4,735)	82,767	0
<i>Fund Balance (Deficit) Beginning of Year</i>	(42,558)	5,947	(79,192)	1,376
Fund Balance (Deficit) End of Year	(\$39,384)	\$1,212	\$3,575	\$1,376

<u>Drug Free Schools</u>	<u>Improving Teacher Quality</u>	<u>Technology II- D Grant</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$11,188	\$164,086	\$14,212	\$1,549,129
0	0	0	81,907
0	0	0	64,724
0	0	0	6,911
0	0	0	186,938
<u>0</u>	<u>0</u>	<u>0</u>	<u>915</u>
<u>11,188</u>	<u>164,086</u>	<u>14,212</u>	<u>1,890,524</u>
643	123,165	18,209	255,009
0	0	0	484,131
6,097	0	0	200,132
557	0	3,975	340,038
0	0	0	28,171
0	0	0	540
0	0	0	3,426
0	0	0	41,713
0	0	0	510,881
387	4,609	0	14,031
<u>0</u>	<u>0</u>	<u>0</u>	<u>70,843</u>
<u>7,684</u>	<u>127,774</u>	<u>22,184</u>	<u>1,948,915</u>
3,504	36,312	(7,972)	(58,391)
<u>0</u>	<u>0</u>	<u>0</u>	<u>99,165</u>
3,504	36,312	(7,972)	40,774
<u>103</u>	<u>(38,023)</u>	<u>5,092</u>	<u>68,374</u>
<u>\$3,607</u>	<u>(\$1,711)</u>	<u>(\$2,880)</u>	<u>\$109,148</u>

Cardinal Local School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2009

	<u>Permanent Improvement</u>	<u>Library Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$492,086	\$1,148	\$493,234
Property Taxes Receivable	<u>257,727</u>	<u>0</u>	<u>257,727</u>
<i>Total Assets</i>	<u><u>\$749,813</u></u>	<u><u>\$1,148</u></u>	<u><u>\$750,961</u></u>
Liabilities and Fund Balances			
Liabilities			
Deferred Revenue	<u>\$228,127</u>	<u>\$0</u>	<u>\$228,127</u>
Fund Balances			
Reserved for Encumbrances	58,717	0	58,717
Reserved for Property Taxes	29,600	0	29,600
Unreserved, Undesignated	<u>433,369</u>	<u>1,148</u>	<u>434,517</u>
<i>Total Fund Balances</i>	<u>521,686</u>	<u>1,148</u>	<u>522,834</u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$749,813</u></u>	<u><u>\$1,148</u></u>	<u><u>\$750,961</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, 2009

	Permanent Improvement	Library Construction	SchoolNet	Total Nonmajor Capital Projects Funds
Revenues				
Property Taxes	\$208,713	\$0	\$0	\$208,713
Intergovernmental	78,081	0	0	78,081
<i>Total Revenues</i>	286,794	0	0	286,794
Expenditures				
Capital Outlay	166,295	6,477	13	172,785
<i>Excess of Revenues Over (Under) Expenditures</i>	120,499	(6,477)	(13)	114,009
Other Financing Sources:				
Proceeds from the Sale of Capital Assets	220,974	0	0	220,974
<i>Net Change in Fund Balance</i>	341,473	(6,477)	(13)	334,983
<i>Fund Balance Beginning of Year</i>	180,213	7,625	13	187,851
<i>Fund Balance End of Year</i>	\$521,686	\$1,148	\$0	\$522,834

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, 2009

	<u>Beginning Balance June 30, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance June 30, 2009</u>
Student Managed Activities				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	<u>\$23,065</u>	<u>\$42,786</u>	<u>\$37,929</u>	<u>\$27,922</u>
<i>Liabilities</i>				
Due to Students	<u>\$23,065</u>	<u>\$42,786</u>	<u>\$37,929</u>	<u>\$27,922</u>

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

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$6,426,357	\$6,740,889	\$6,750,845	\$9,956
Intergovernmental	5,345,488	5,360,144	5,376,972	16,828
Interest	130,000	45,000	43,008	(1,992)
Tuition and Fees	549,000	490,550	485,515	(5,035)
Extracurricular Activities	155,550	205,555	218,361	12,806
Contributions and Donations	4,500	12,000	11,005	(995)
Rentals	123,500	154,500	150,328	(4,172)
Miscellaneous	96,500	101,210	89,296	(11,914)
<i>Total Revenues</i>	12,830,895	13,109,848	13,125,330	15,482
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	3,682,798	3,867,110	3,865,438	1,672
Fringe Benefits	1,168,677	1,247,684	1,247,344	340
Purchased Services	447,235	611,318	609,001	2,317
Materials and Supplies	61,455	60,946	60,034	912
Capital Outlay - New	6,700	6,915	6,464	451
Capital Outlay - Replacement	39,200	33,200	32,961	239
Total Regular	5,406,065	5,827,173	5,821,242	5,931
Special:				
Salaries and Wages	604,750	702,430	702,011	419
Fringe Benefits	218,300	223,559	222,881	678
Purchased Services	851,550	1,352,470	1,269,491	82,979
Materials and Supplies	5,000	5,505	5,295	210
Capital Outlay - New	0	2,859	2,859	0
Total Special	1,679,600	2,286,823	2,202,537	84,286
Total Instruction	7,085,665	8,113,996	8,023,779	90,217
Support Services:				
Pupil:				
Salaries and Wages	334,050	370,534	370,284	250
Fringe Benefits	145,250	143,181	141,792	1,389
Purchased Services	207,050	105,356	103,345	2,011
Materials and Supplies	6,650	6,350	6,014	336
Capital Outlay - Replacement	150	618	618	0
Total Pupil	\$693,150	\$626,039	\$622,053	\$3,986

(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, 2009

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Instructional Staff:				
Salaries and Wages	\$165,320	\$161,673	\$161,551	\$122
Fringe Benefits	56,905	42,855	42,557	298
Purchased Services	2,445	3,209	2,488	721
Materials and Supplies	6,355	6,376	5,451	925
Capital Outlay - New	3,500	1,600	1,377	223
Capital Outlay - Replacement	350	350	330	20
Total Instructional Staff	234,875	216,063	213,754	2,309
Board of Education:				
Salaries and Wages	12,000	15,500	15,490	10
Fringe Benefits	1,300	3,211	3,172	39
Purchased Services	2,650	5,015	4,813	202
Materials and Supplies	3,500	1,400	1,333	67
Other	5,300	5,308	5,308	0
Total Board of Education	24,750	30,434	30,116	318
Administration:				
Salaries and Wages	553,100	545,881	545,610	271
Fringe Benefits	197,805	243,833	243,142	691
Purchased Services	76,750	83,133	75,466	7,667
Materials and Supplies	11,000	15,189	13,936	1,253
Capital Outlay - New	1,115	50	0	50
Capital Outlay - Replacement	1,290	219	211	8
Other	135,200	169,378	169,378	0
Total Administration	976,260	1,057,683	1,047,743	9,940
Fiscal:				
Salaries and Wages	175,350	173,040	172,826	214
Fringe Benefits	77,740	70,107	69,930	177
Purchased Services	24,250	27,024	25,372	1,652
Materials and Supplies	2,000	4,563	4,125	438
Capital Outlay - New	2,000	1,250	924	326
Other	163,500	172,590	172,585	5
Total Fiscal	444,840	448,574	445,762	2,812
Business:				
Salaries and Wages	37,800	37,425	37,359	66
Fringe Benefits	16,550	19,217	19,157	60
Total Business	\$54,350	\$56,642	\$56,516	\$126

(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, 2009

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Operation and Maintenance of Plant:				
Salaries and Wages	\$425,415	\$438,310	\$437,970	\$340
Fringe Benefits	201,685	199,349	198,972	377
Purchased Services	908,855	665,223	642,163	23,060
Materials and Supplies	181,000	156,973	131,166	25,807
Capital Outlay - New	55,000	39,850	39,817	33
Other	500	814	814	0
Total Operation and Maintenance of Plant	1,772,455	1,500,519	1,450,902	49,617
Pupil Transportation:				
Salaries and Wages	596,065	591,955	574,788	17,167
Fringe Benefits	333,390	337,041	336,367	674
Purchased Services	18,765	18,820	17,489	1,331
Materials and Supplies	310,000	237,403	217,018	20,385
Capital Outlay - Replacement	174,000	150,946	150,915	31
Total Pupil Transportation	1,432,220	1,336,165	1,296,577	39,588
Central:				
Salaries and Wages	118,760	101,265	101,176	89
Fringe Benefits	60,540	60,267	60,048	219
Purchased Services	53,000	52,353	51,185	1,168
Materials and Supplies	325	250	193	57
Total Central	232,625	214,135	212,602	1,533
Total Support Services	5,865,525	5,486,254	5,376,025	110,229
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries and Wages	6,000	6,621	6,621	0
Fringe Benefits	11,000	1,266	1,254	12
Total Operation of Non-Instructional Services	17,000	7,887	7,875	12
Extracurricular Activities:				
Academic and Subject Oriented:				
Salaries and Wages	16,660	31,672	31,621	51
Fringe Benefits	7,010	5,038	4,921	117
Purchased Services	5,000	4,500	4,052	448
Materials and Supplies	13,000	7,510	7,437	73
Capital Outlay - Replacement	12,000	16,750	16,704	46
Total Academic and Subject Oriented	\$53,670	\$65,470	\$64,735	\$735

(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, 2009

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Sports Oriented:				
Salaries and Wages	\$164,560	\$141,943	\$141,837	\$106
Fringe Benefits	58,545	38,867	38,626	241
Purchased Services	15,100	9,050	8,629	421
Total Sports Oriented	238,205	189,860	189,092	768
School and Public Service Co-Curricular:				
Salaries and Wages	10,400	10,550	10,522	28
Fringe Benefits	2,300	1,483	1,424	59
Total School and Public Service Co-Curricular	12,700	12,033	11,946	87
Total Extracurricular Activities	304,575	267,363	265,773	1,590
Total Expenditures	13,272,765	13,875,500	13,673,452	202,048
Excess of Revenues Under Expenditures	(441,870)	(765,652)	(548,122)	217,530
Other Financing Sources (Uses)				
Sale of Capital Assets	15,000	1,000	0	(1,000)
Advances In	165,000	165,000	164,764	(236)
Advances Out	(150,000)	(65,000)	0	65,000
Transfers Out	(75,000)	(125,000)	(99,165)	25,835
Total Other Financing Sources (Uses)	(45,000)	(24,000)	65,599	89,599
Net Change in Fund Balance	(486,870)	(789,652)	(482,523)	307,129
Fund Balance Beginning of Year	2,038,174	2,038,174	2,038,174	0
Prior Year Encumbrances Appropriated	235,914	235,914	235,914	0
Fund Balance End of Year	\$1,787,218	\$1,484,436	\$1,791,565	\$307,129

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$717,359	\$717,883	\$524
Intergovernmental	147,285	142,477	(4,808)
<i>Total Revenues</i>	<u>864,644</u>	<u>860,360</u>	<u>(4,284)</u>
Expenditures			
Current:			
Support Services:			
Fiscal:			
Other	15,000	14,991	9
Debt Service:			
Principal Retirement	400,000	395,000	5,000
Interest and Fiscal Charges	310,000	307,635	2,365
Total Debt Service	<u>710,000</u>	<u>702,635</u>	<u>7,365</u>
<i>Total Expenditures</i>	<u>725,000</u>	<u>717,626</u>	<u>7,374</u>
<i>Net Change in Fund Balance</i>	139,644	142,734	3,090
<i>Fund Balance Beginning of Year</i>	<u>862,432</u>	<u>862,432</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,002,076</u>	<u>\$1,005,166</u>	<u>\$3,090</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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$180,500	\$173,162	(\$7,338)
Charges for Services	206,725	186,995	(19,730)
Miscellaneous	10	6	(4)
<i>Total Revenues</i>	<u>387,235</u>	<u>360,163</u>	<u>(27,072)</u>
Expenditures			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Purchased Services	3,711	2,435	1,276
Operation of Non-Instructional Services:			
Food Service Operations:			
Salaries and Wages	133,410	133,405	5
Fringe Benefits	100,100	100,090	10
Purchased Services	762	762	0
Materials and Supplies	261,313	261,313	0
Capital Outlay - New	929	0	929
Capital Outlay - Replacement	770	770	0
<i>Total Operation of Non-Insturctional Services</i>	<u>497,284</u>	<u>496,340</u>	<u>944</u>
<i>Total Expenditures</i>	<u>500,995</u>	<u>498,775</u>	<u>2,220</u>
<i>Excess of Revenues Under Expenditures</i>	(113,760)	(138,612)	(24,852)
Other Financing Sources			
Transfers In	97,000	97,000	0
<i>Net Change in Fund Balance</i>	(16,760)	(41,612)	(24,852)
<i>Fund Balance Beginning of Year</i>	21,039	21,039	0
Prior Year Encumbrances Appropriated	25,204	25,204	0
<i>Fund Balance End of Year</i>	<u>\$29,483</u>	<u>\$4,631</u>	<u>(\$24,852)</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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Tuition and Fees	\$78,044	\$81,558	\$3,514
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	12,460	12,217	243
Materials and Supplies	62,263	60,818	1,445
Total Instruction	74,723	73,035	1,688
Support Services:			
Operation and Maintenance of Plant:			
Purchased Services	991	991	0
<i>Total Expenditures</i>	75,714	74,026	1,688
<i>Net Change in Fund Balance</i>	2,330	7,532	5,202
<i>Fund Balance Beginning of Year</i>	81,651	81,651	0
Prior Year Encumbrances Appropriated	97	97	0
<i>Fund Balance End of Year</i>	\$84,078	\$89,280	\$5,202

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$11,050	\$10,516	(\$534)
Contributions and Donations	4,770	4,501	(269)
Miscellaneous	1,050	792	(258)
<i>Total Revenues</i>	<u>16,870</u>	<u>15,809</u>	<u>(1,061)</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	74	74	0
Support Services:			
Administration:			
Purchased Services	250	238	12
Materials and Supplies	10,708	10,067	641
<i>Total Support Services</i>	<u>10,958</u>	<u>10,305</u>	<u>653</u>
Extracurricular Activities:			
School and Public Service Co-Curricular Activities:			
Materials and Supplies	363	353	10
<i>Total Expenditures</i>	<u>11,395</u>	<u>10,732</u>	<u>663</u>
<i>Net Change in Fund Balance</i>	5,475	5,077	(398)
<i>Fund Balance Beginning of Year</i>	22,563	22,563	0
Prior Year Encumbrances Appropriated	2,396	2,396	0
<i>Fund Balance End of Year</i>	<u>\$30,434</u>	<u>\$30,036</u>	<u>(\$398)</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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$28,000	\$28,000	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Capital Outlay - New	28,000	27,848	152
Support Services:			
Central:			
Capital Outlay - New	13,621	13,621	0
<i>Total Expenditures</i>	41,621	41,469	152
<i>Net Change in Fund Balance</i>	(13,621)	(13,469)	152
<i>Fund Balance Beginning of Year</i>	253	253	0
Prior Year Encumbrances Appropriated	13,618	13,618	0
<i>Fund Balance End of Year</i>	\$250	\$402	\$152

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$51,950	\$54,691	\$2,741
Contributions and Donations	2,600	2,410	(190)
<i>Total Revenues</i>	<u>54,550</u>	<u>57,101</u>	<u>2,551</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	500	0	500
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Purchased Services	12,265	9,630	2,635
Materials and Supplies	1,680	1,654	26
Other	1,805	1,748	57
Total Academic and Subject Oriented Activities	<u>15,750</u>	<u>13,032</u>	<u>2,718</u>
Sports Oriented Activities:			
Purchased Services	23,391	22,872	519
Materials and Supplies	31,671	30,796	875
Other	5,800	5,426	374
Total Sports Oriented Activities	<u>60,862</u>	<u>59,094</u>	<u>1,768</u>
Total Extracurricular Activities	<u>76,612</u>	<u>72,126</u>	<u>4,486</u>
<i>Total Expenditures</i>	<u>77,112</u>	<u>72,126</u>	<u>4,986</u>
<i>Excess of Revenues Under Expenditures</i>	(22,562)	(15,025)	7,537
Other Financing Sources			
Transfers In	0	2,165	2,165
<i>Net Change in Fund Balance</i>	(22,562)	(12,860)	9,702
<i>Fund Balance Beginning of Year</i>	34,783	34,783	0
Prior Year Encumbrances Appropriated	<u>3,711</u>	<u>3,711</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$15,932</u>	<u>\$25,634</u>	<u>\$9,702</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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$19,575	\$19,571	(\$4)
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	25,491	25,491	0
Support Services:			
Pupil:			
Purchased Services	5,841	5,841	0
Fiscal:			
Purchased Services	1,290	1,290	0
Total Support Services	7,131	7,131	0
<i>Total Expenditures</i>	32,622	32,622	0
<i>Net Change in Fund Balance</i>	(13,047)	(13,051)	(4)
<i>Fund Balance Beginning of Year</i>	12,991	12,991	0
Prior Year Encumbrances Appropriated	377	377	0
<i>Fund Balance End of Year</i>	\$321	\$317	(\$4)

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$3,500	\$5,000	\$1,500
Expenditures			
Current:			
Support Services:			
Central:			
Purchased Services	2,000	20	1,980
<i>Net Change in Fund Balance</i>	1,500	4,980	3,480
<i>Fund Balance Beginning of Year</i>	8,647	8,647	0
<i>Fund Balance End of Year</i>	\$10,147	\$13,627	\$3,480

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$12,000	\$12,000	\$0
Expenditures			
Current:			
Support Services:			
Central:			
Purchased Services	24,000	24,000	0
<i>Net Change in Fund Balance</i>	(12,000)	(12,000)	0
<i>Fund Balance Beginning of Year</i>	12,000	12,000	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
SchoolNet Professional Development Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$2,500	\$2,430	(\$70)
Expenditures			
Current:			
Support Services:			
Central:			
Purchased Services	2,473	2,473	0
<i>Net Change in Fund Balance</i>	27	(43)	(70)
<i>Fund Balance Beginning of Year</i>	430	430	0
Prior Year Encumbrances Appropriated	473	473	0
<i>Fund Balance End of Year</i>	\$930	\$860	(\$70)

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	1,300	827	473
<i>Net Change in Fund Balance</i>	(1,300)	(827)	473
<i>Fund Balance Beginning of Year</i>	3,854	3,854	0
<i>Fund Balance End of Year</i>	\$2,554	\$3,027	\$473

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$457,395	\$456,634	(\$761)
Expenditures			
Support Services:			
Pupil:			
Purchased Services	86,451	86,451	0
Instructional Staff:			
Salaries and Wages	207,481	179,741	27,740
Fringe Benefits	122,114	122,109	5
Purchased Services	902	902	0
Materials and Supplies	5,516	5,516	0
Total Instructional Staff	336,013	308,268	27,745
<i>Total Expenditures</i>	422,464	394,719	27,745
<i>Excess of Revenues Over Expenditures</i>	34,931	61,915	26,984
Other Financing Uses			
Advances Out	(60,962)	(60,962)	0
<i>Net Change in Fund Balance</i>	(26,031)	953	26,984
<i>Fund Balance Beginning of Year</i>	2,139	2,139	0
Prior Year Encumbrances Appropriated	23,894	23,894	0
<i>Fund Balance End of Year</i>	\$2	\$26,986	\$26,984

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$11,773	\$5,896	(\$5,877)
Expenditures			
Current:			
Instruction:			
Special:			
Materials and Supplies	440	438	2
Capital Outlay - New	404	98	306
Total Instruction	844	536	308
Support Services:			
Pupil:			
Purchased Services	500	477	23
Instructional Staff:			
Salaries and Wages	6,650	6,576	74
Fringe Benefits	991	976	15
Purchased Services	1,560	1,177	383
Materials and Supplies	260	256	4
Total Instructional Staff	9,461	8,985	476
Total Support Services	9,961	9,462	499
Operation of Non-Instructional Services:			
Other Non-Instructional Services:			
Community Service:			
Materials and Supplies	968	968	0
<i>Total Expenditures</i>	11,773	10,966	807
<i>Net Change in Fund Balance</i>	0	(5,070)	(6,684)
<i>Fund Balance Beginning of Year</i>	6,031	6,031	0
<i>Fund Balance End of Year</i>	\$6,031	\$961	(\$6,684)

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$856,527	\$852,920	(\$3,607)
Expenditures			
Current:			
Instruction:			
Special:			
Salaries and Wages	434,683	432,172	2,511
Fringe Benefits	131,362	120,208	11,154
Purchased Services	40,358	40,358	0
Materials and Supplies	2,026	2,026	0
Total Instruction	608,429	594,764	13,665
Support Services:			
Pupil:			
Salaries and Wages	82,988	79,724	3,264
Fringe Benefits	37,589	37,133	456
Materials and Supplies	3,261	3,261	0
Total Pupil	123,838	120,118	3,720
Instructional Staff:			
Salaries and Wages	16,142	16,142	0
Fringe Benefits	15,656	15,633	23
Purchased Services	479	479	0
Total Instructional Staff	32,277	32,254	23
Administration:			
Salaries and Wages	11,981	11,981	0
Fringe Benefits	6,882	6,800	82
Total Administration	18,863	18,781	82
Total Support Services	\$174,978	\$171,153	\$3,825

(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, 2009

	Final	Actual	Variance with Final Budget Positive (Negative)
Operation of Non-Instructional Services:			
Other Non-Instructional Services:			
Community Services:			
Purchased Services	\$4,112	\$4,112	\$0
Materials and Supplies	5,198	4,869	329
Total Operation of Non-Instructional Services	9,310	8,981	329
<i>Total Expenditures</i>	792,717	774,898	17,819
<i>Excess of Revenues Over Expenditures</i>	63,810	78,022	14,212
Other Financing Uses			
Advances Out	(64,507)	(64,507)	0
<i>Net Change in Fund Balance</i>	(697)	13,515	14,212
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	3,289	3,289	0
<i>Fund Balance End of Year</i>	\$2,592	\$16,804	\$14,212

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$4,053	\$3,905	(\$148)
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	2,749	2,749	0
Materials and Supplies	793	793	0
Total Instruction	3,542	3,542	0
Support Services:			
Instructional Staff:			
Materials and Supplies	309	309	0
Operation of Non-Instructional Services:			
Other Non-Instructional Services:			
Community Services			
Purchased Services	54	54	0
<i>Total Expenditures</i>	3,905	3,905	0
<i>Excess of Revenues Over Expenditures</i>	148	0	(148)
Other Financing Uses			
Advances Out	(93)	(93)	0
<i>Net Change in Fund Balance</i>	55	(93)	(148)
<i>Fund Balance Beginning of Year</i>	1,471	1,471	0
<i>Fund Balance End of Year</i>	\$1,526	\$1,378	(\$148)

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$24,747	\$12,763	(\$11,984)
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	1,522	643	879
Support Services:			
Pupil:			
Salaries and Wages	4,200	0	4,200
Fringe Benefits	1,400	0	1,400
Purchased Services	4,297	4,297	0
Materials and Supplies	2,541	2,541	0
Total Pupil	12,438	6,838	5,600
Instructional Staff:			
Purchased Services	4,821	4,100	721
Materials and Supplies	457	457	0
Capital Outlay - New	3,044	0	3,044
Total Instructional Staff	8,322	4,557	3,765
Total Support Services	20,760	11,395	9,365
Operation of Non-Instructional Services:			
Other Non-Instructional Services:			
Community Services:			
Purchased Services	270	270	0
Materials and Supplies	724	722	2
Total Operation of Non-Instructional Services	994	992	2
<i>Total Expenditures</i>	23,276	13,030	10,246
<i>Excess of Revenues Over (Under) Expenditures</i>	1,471	(267)	(1,738)
Other Financing Uses			
Advances Out	(1,924)	(1,924)	0
<i>Net Change in Fund Balance</i>	(453)	(2,191)	(1,738)
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	454	454	0
<i>Fund Balance (Deficit) End of Year</i>	\$1	(\$1,737)	(\$1,738)

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$188,969	\$183,359	(\$5,610)
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	119,496	119,494	2
Fringe Benefits	30,620	26,922	3,698
Purchased Services	10,933	10,933	0
Capital Outlay - New	945	945	0
Total Instruction	161,994	158,294	3,700
Operation of Non-Instructional Services:			
Other Non-Instructional Services:			
Community Services:			
Purchased Services	2,515	2,515	0
<i>Total Expenditures</i>	164,509	160,809	3,700
<i>Excess of Revenues Over Expenditures</i>	24,460	22,550	(1,910)
Other Financing Uses			
Advances Out	(21,454)	(24,582)	(3,128)
<i>Net Change in Fund Balance</i>	3,006	(2,032)	(5,038)
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	230	230	0
<i>Fund Balance (Deficit) End of Year</i>	\$3,236	(\$1,802)	(\$5,038)

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$15,093	\$15,068	(\$25)
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	845	845	0
Fringe Benefits	124	124	0
Materials and Supplies	586	188	398
Capital Outlay - New	17,052	17,052	0
Total Instruction	18,607	18,209	398
Support Services:			
Instructional Staff:			
Purchased Services	7,213	3,975	3,238
Materials and Supplies	1,836	0	1,836
Total Support Services	9,049	3,975	5,074
Operation of Non-Instructional Services:			
Other Non-Instructional Services:			
Community Services:			
Materials and Supplies	265	265	0
Total Expenditures	27,921	22,449	5,472
Excess of Revenues Under Expenditures	(12,828)	(7,381)	5,447
Other Financing Uses			
Advances Out	(12,696)	(12,696)	0
Net Change in Fund Balance	(25,524)	(20,077)	5,447
Fund Balance Beginning of Year	3,594	3,594	0
Prior Year Encumbrances Appropriated	13,340	13,340	0
Fund Balance (Deficit) End of Year	(\$8,590)	(\$3,143)	\$5,447

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$225,829	\$225,994	\$165
Intergovernmental	46,534	45,028	(1,506)
<i>Total Revenues</i>	<u>272,363</u>	<u>271,022</u>	<u>(1,341)</u>
Expenditures			
Current:			
Support Services:			
Fiscal:			
Other	5,000	4,719	281
Debt Service:			
Principal Retirement	135,000	130,000	5,000
Interest and Fiscal Charges	110,000	103,150	6,850
Total Debt Service	<u>245,000</u>	<u>233,150</u>	<u>11,850</u>
<i>Total Expenditures</i>	<u>250,000</u>	<u>237,869</u>	<u>12,131</u>
<i>Net Change in Fund Balance</i>	22,363	33,153	10,790
<i>Fund Balance Beginning of Year</i>	<u>228,411</u>	<u>228,411</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$250,774</u></u>	<u><u>\$261,564</u></u>	<u><u>\$10,790</u></u>

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$194,294	\$194,548	\$254
Intergovernmental	79,533	78,081	(1,452)
<i>Total Revenues</i>	<u>273,827</u>	<u>272,629</u>	<u>(1,198)</u>
Expenditures			
Current:			
Instruction:			
Regular			
Materials and Supplies	54,500	39,736	14,764
Capital Outlay	13,000	12,964	36
Total Instruction	<u>67,500</u>	<u>52,700</u>	<u>14,800</u>
Support Services:			
Fiscal:			
Other	4,020	4,010	10
Operation and Maintenance of Plant:			
Purchased Services	61,960	48,942	13,018
Capital Outlay - Replacement	26,961	25,886	1,075
Total Operation and Maintenance of Plant	<u>88,921</u>	<u>74,828</u>	<u>14,093</u>
Total Support Services	<u>92,941</u>	<u>78,838</u>	<u>14,103</u>
Operation of Non-Instructional Services:			
Food Service Operation			
Capital Outlay - Replacement	4,400	4,208	192
Capital Outlay:			
Site Improvement Services:			
Capital Outlay - New	67,000	36,596	30,404
Capital Outlay - Replacement	66,000	56,670	9,330
Total Capital Outlay	<u>133,000</u>	<u>93,266</u>	<u>39,734</u>
<i>Total Expenditures</i>	<u>297,841</u>	<u>229,012</u>	<u>68,829</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(24,014)	43,617	67,631
Other Financing Sources			
Proceeds from Sale of Capital Assets	220,974	220,974	0
<i>Net Change in Fund Balance</i>	196,960	264,591	67,631
<i>Fund Balance Beginning of Year</i>	160,338	160,338	0
Prior Year Encumbrances Appropriated	8,441	8,441	0
<i>Fund Balance End of Year</i>	<u>\$365,739</u>	<u>\$433,370</u>	<u>\$67,631</u>

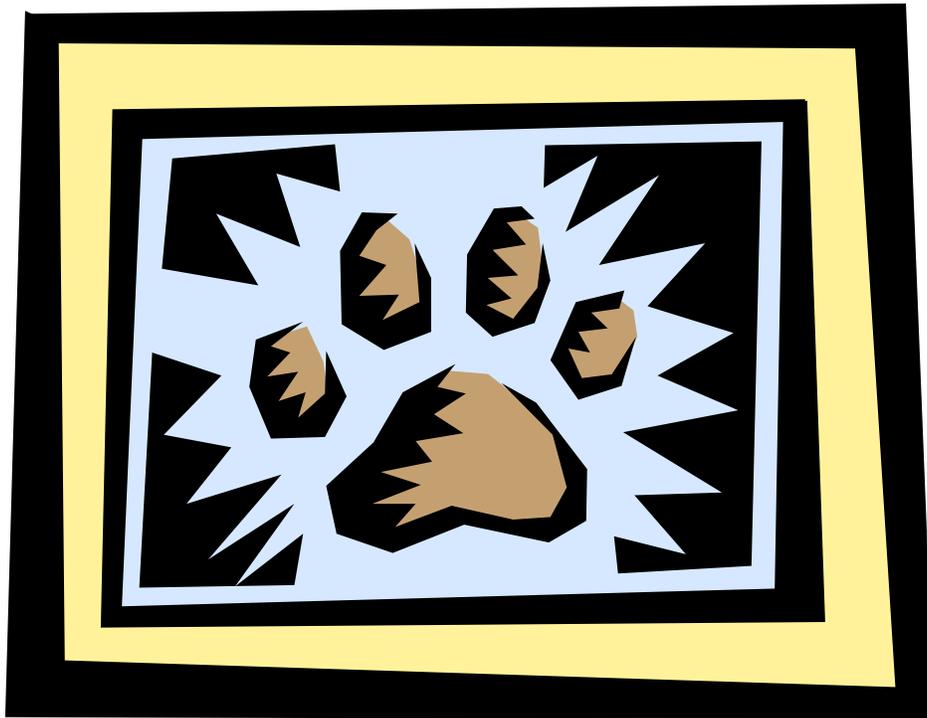
Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Library Construction Fund
For the Fiscal Year Ended June 30, 2009

	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	7,625	6,477	1,148
<i>Net Change in Fund Balance</i>	(7,625)	(6,477)	1,148
<i>Fund Balance Beginning of Year</i>	7,625	7,625	0
<i>Fund Balance End of Year</i>	\$0	\$1,148	\$1,148

Cardinal Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
SchoolNet Fund
For the Fiscal Year Ended June 30, 2009

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

Welcome to
Huskie Country



Statistical Section

This Page is Intentionally Left Blank.

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.

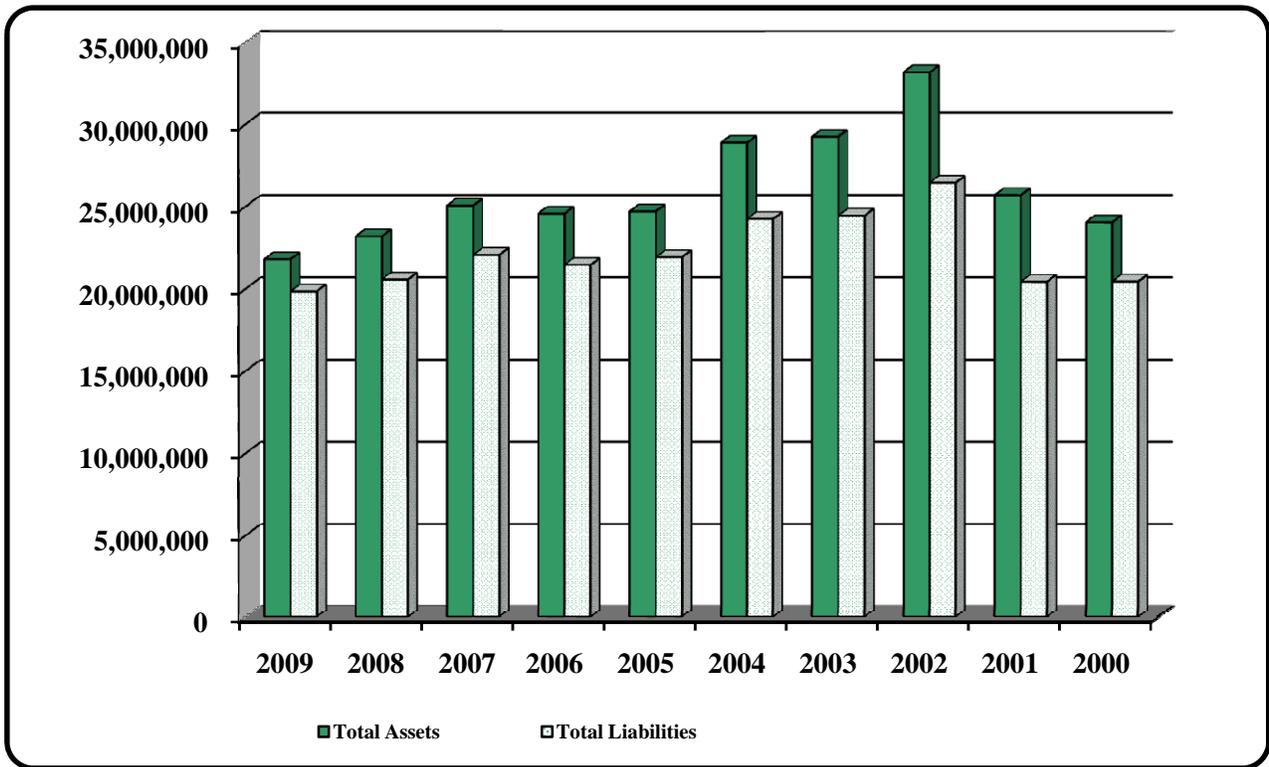
Contents	Pages(s)
<i>Financial Trends</i>	<i>S2 – S11</i>
These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	<i>S12 – S20</i>
These schedules contain information to help the reader assess the School District's most significant local revenue, the property tax.	
<i>Debt Capacity</i>	<i>S21 – S25</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>S26 – S28</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>S29 – S44</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.

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

	2009	2008	2007	2006
Invested in Capital Assets, Net of Related Debt	\$2,187,044	\$2,925,329	\$3,144,623	\$4,593,946
Restricted for:				
Capital Projects	532,929	192,656	312,152	282,111
Debt Service	1,323,186	1,147,078	957,534	674,950
Set Asides	563,531	520,102	317,152	180,345
Other Purposes	187,289	217,919	258,226	283,934
Unrestricted (Deficit)	(2,846,190)	(2,377,947)	(1,990,169)	(2,899,784)
Total Net Assets	\$1,947,789	\$2,625,137	\$2,999,518	\$3,115,502

Source: School District Financial Records



2005	2004	2003	2002	2001	2000
\$3,928,114	\$4,393,869	\$3,361,549	\$2,676,989	\$1,876,494	\$2,519,373
1,039,422	196,021	468,713	4,288,067	1,737,661	540,252
281,224	338,873	568,868	0	743,013	583,346
127,341	127,341	127,341	127,341	127,341	282,652
209,748	178,024	460,640	466,526	120,935	100,034
(2,714,419)	(287,562)	(416,612)	(855,516)	655,453	(126,898)
<u>\$2,871,430</u>	<u>\$4,946,566</u>	<u>\$4,570,499</u>	<u>\$6,703,407</u>	<u>\$5,260,897</u>	<u>\$3,898,759</u>

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

	2009	2008	2007	2006
Expenses				
Regular Instruction	\$6,634,479	\$6,316,892	\$6,254,345	\$6,082,539
Special Instruction	2,853,744	2,092,346	2,075,869	1,984,328
Vocational Instruction	0	0	8,506	72,440
Pupil Support	783,787	953,872	1,052,881	1,009,656
Instructional Staff Support	566,807	590,956	599,006	721,532
Board of Education	40,087	25,129	26,443	49,092
Administration	1,107,478	1,051,643	884,982	860,962
Fiscal	463,448	441,607	483,025	419,616
Business	58,308	49,905	46,461	47,146
Operation and Maintenance of Plant	1,561,540	1,443,113	1,365,837	1,453,072
Pupil Transportation	1,292,680	1,322,595	934,687	998,390
Central	245,720	248,745	264,476	362,057
Food Service Operations	567,415	414,956	453,847	509,206
Other Non-Instructional Services	20,508	39,871	0	28,319
Extracurricular Activities	339,322	322,416	291,325	289,219
Interest and Fiscal Charges	550,480	567,916	532,501	532,862
<i>Total Expenses</i>	<u>17,085,803</u>	<u>15,881,962</u>	<u>15,274,191</u>	<u>15,420,436</u>
Program Revenues				
Charges for Services				
Regular Instruction	693,250	665,315	795,747	855,864
Special Instruction	242,861	161,632	170,584	187,717
Vocational Instruction	0	0	0	0
Pupil Support	0	0	0	0
Instructional Staff Support	0	0	0	0
Administration	9,977	9,496	0	6,132
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Food Service Operations	186,938	198,871	211,046	234,374
Extracurricular Activities	54,747	49,637	60,929	239,732
Operating Grants and Contributions				
Regular Instruction	240,779	144,869	182,276	297,037
Special Instruction	714,845	563,099	600,265	770,482
Vocational Instruction	0	0	0	0
Pupil Support	10,636	169,185	173,018	17,168
Instructional Staff Support	354,556	285,438	373,524	375,714
Administration	4,501	17,584	19,335	0
Fiscal	0	179,815	13,501	0
Operation and Maintenance of Plant	0	7,121	0	0
Central	19,430	40,215	17,900	29,000
Food Service Operations	173,162	144,439	137,444	157,794
Other Non-Instructional Services	0	4,495	0	0
Extracurricular Activities	2,410	2,709	8,344	0
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>2,708,092</u>	<u>2,643,920</u>	<u>2,763,913</u>	<u>3,171,014</u>
Net Expense	<u>(\$14,377,711)</u>	<u>(\$13,238,042)</u>	<u>(\$12,510,278)</u>	<u>(\$12,249,422)</u>

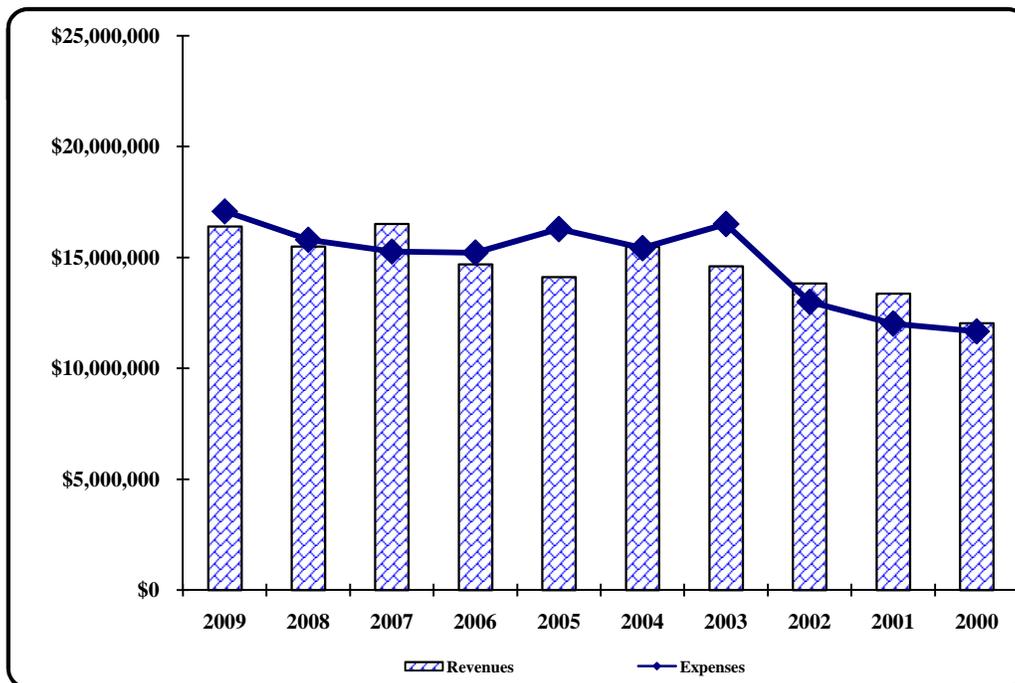
2005	2004	2003	2002	2001	2000
\$6,607,043	\$6,700,477	\$6,885,667	\$5,339,683	\$5,460,249	\$5,141,226
1,910,585	1,677,655	1,957,339	1,341,464	1,233,556	1,318,006
89,119	145,519	201,001	118,448	104,018	168,832
1,067,213	733,067	871,685	798,170	582,454	507,626
832,477	712,066	814,915	692,911	475,239	401,176
48,665	27,021	34,831	47,125	16,313	23,328
954,634	910,070	844,084	756,284	782,822	683,203
486,221	453,006	477,098	375,315	359,270	321,406
47,694	45,553	50,711	45,080	48,487	59,220
1,428,796	1,184,735	1,387,312	1,128,307	1,056,124	897,041
958,004	955,971	1,097,773	811,498	664,822	688,411
275,932	270,224	241,170	206,313	184,936	172,079
488,984	457,508	367,376	451,803	0	0
0	35,499	215,053	0	81,410	67,521
411,279	421,052	408,672	353,431	327,796	331,264
686,596	697,067	661,232	531,713	640,668	886,000
<u>16,293,242</u>	<u>15,426,490</u>	<u>16,515,919</u>	<u>12,997,545</u>	<u>12,018,164</u>	<u>11,666,339</u>
709,403	714,938	588,410	628,178	627,262	500,870
22,920	125,186	148,953	48,979	25,149	26,191
15,690	0	0	0	0	0
0	0	0	130,407	15,559	0
0	0	1,561	186	1,280	0
19,231	15,593	11,729	10,682	19,544	0
75,796	76,680	29,431	3,841	3,390	4,127
31,902	0	62,662	76,394	95,642	128,112
239,464	231,498	243,331	243,899	0	0
155,172	119,047	89,820	104,233	1,564	169,813
244,039	185,511	198,173	139,620	92,948	79,128
664,857	554,311	737,143	492,446	473,902	467,438
0	0	3,999	0	0	0
249,532	127,547	126,310	98,381	62,133	59,833
255,916	179,508	102,074	110,392	74,935	36,398
24,698	20,987	25,635	20,196	16,827	15,398
0	23,457	0	714	0	0
0	0	80	0	0	0
23,000	0	13,799	5,373	5,708	8,240
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	21,569
0	14,816	23,171	26,140	84,292	0
0	0	20,220	13,500	0	0
<u>2,869,138</u>	<u>2,521,396</u>	<u>2,588,699</u>	<u>2,226,777</u>	<u>1,618,135</u>	<u>1,517,117</u>
<u>(\$13,424,104)</u>	<u>(\$12,905,094)</u>	<u>(\$13,927,220)</u>	<u>(\$10,770,768)</u>	<u>(\$10,400,029)</u>	<u>(\$10,149,222)</u>

(continued)

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

	2009	2008	2007	2006
<i>General Revenues</i>				
Property Taxes Levied for:				
General Purposes	\$6,674,361	\$6,835,134	\$8,079,344	\$6,857,970
Debt Service	937,402	952,637	1,017,033	849,743
Capital Projects	214,003	34,916	52,263	0
Grants and Entitlements not				
Restricted to Specific Programs	5,799,670	4,792,066	4,342,549	3,526,655
Investment Earnings	45,404	158,857	151,132	145,582
Miscellaneous	29,523	90,051	109,074	149,600
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
Total General Revenues	13,700,363	12,863,661	13,751,395	11,529,550
<i>Restatements</i>	0	0	(1,357,101)	198,399
Change in Net Assets	(\$677,348)	(\$374,381)	(\$115,984)	(\$521,473)

Source: School District Financial Records

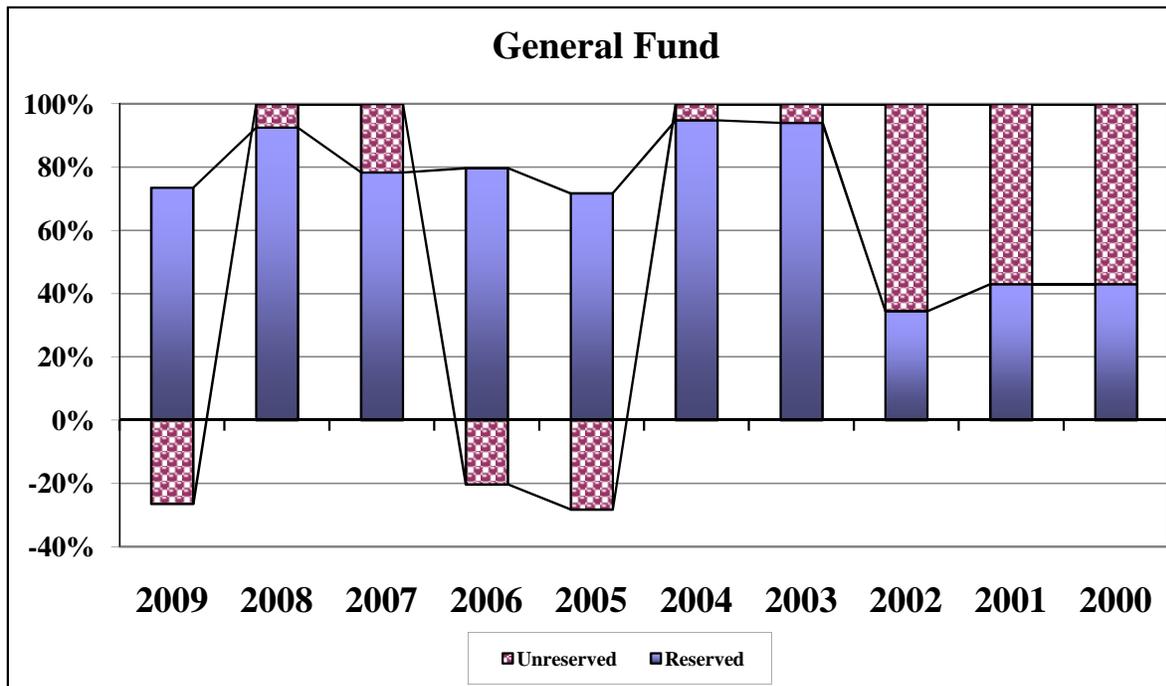


2005	2004	2003	2002	2001	2000
\$8,839,149	\$7,498,414	\$6,939,254	\$6,493,262	\$6,531,095	\$6,014,746
1,294,355	1,016,126	1,054,117	711,361	817,554	228,840
187,199	355,602	297,287	462,238	212,820	188,182
3,411,745	3,695,629	3,553,129	3,305,179	3,221,848	3,368,610
60,819	102,886	179,892	949,742	960,443	700,727
150,096	298,351	2,001	291,496	11,870	28,591
0	0	0	0	3,548	0
0	0	2,500	0	0	0
(2,681,955)	0	0	0	0	0
<u>11,261,408</u>	<u>12,967,008</u>	<u>12,028,180</u>	<u>12,213,278</u>	<u>11,759,178</u>	<u>10,529,696</u>
87,560	314,153	(234,868)	0	2,989	297,726
<u>(\$2,075,136)</u>	<u>\$376,067</u>	<u>(\$2,133,908)</u>	<u>\$1,442,510</u>	<u>\$1,362,138</u>	<u>\$678,200</u>

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

	2009	2008	2007	2006
General Fund				
Reserved	\$1,415,222	\$1,467,691	\$1,662,031	\$1,055,786
Unreserved (Deficit)	(509,513)	118,665	458,787	(268,787)
Total General Fund	905,709	1,586,356	2,120,818	786,999
All Other Governmental Funds				
Reserved	221,482	192,091	199,692	176,156
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	81,283	5,748	47,684	168,783
Debt Service Funds	1,266,730	1,090,840	904,058	645,087
Capital Projects Funds (Deficit)	434,517	167,975	254,787	250,972
Total All Other Governmental Funds	2,004,012	1,456,654	1,406,221	1,240,998
Total Governmental Funds	\$2,909,721	\$3,043,010	\$3,527,039	\$2,027,997

Source: School District Financial Records



2005	2004	2003	2002	2001	2000
\$2,218,943	\$1,065,445	\$1,016,489	\$781,665	\$961,529	\$989,271
(873,598)	57,890	64,557	1,483,293	1,272,527	974,227
1,345,345	1,123,335	1,081,046	2,264,958	2,234,056	1,963,498
410,848	1,168,803	2,395,902	1,741,221	6,025,426	303,550
46,739	217,186	252,447	485,367	192,384	102,295
605,824	518,478	463,379	3,489,732	582,520	452,412
275,459	(72,449)	907,869	83,092	1,318,241	9,695,103
1,338,870	1,832,018	4,019,597	5,799,412	8,118,571	10,553,360
\$2,684,215	\$2,955,353	\$5,100,643	\$8,064,370	\$10,352,627	\$12,516,858

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

	2009	2008	2007	2006
Revenues				
Property Taxes	\$7,846,326	\$7,754,387	\$9,131,248	\$7,745,269
Intergovernmental	7,191,687	6,413,866	5,738,730	5,321,539
Interest	45,404	158,857	151,132	145,582
Tuition and Fees	567,422	574,581	745,992	875,204
Extracurricular Activities	283,085	220,608	209,197	221,712
Contributions and Donations	17,916	14,227	13,842	43,830
Charges for Services	186,938	198,871	211,046	234,374
Rentals	150,328	90,891	128,714	110,403
Miscellaneous	98,174	21,400	109,074	130,800
<i>Total Revenues</i>	<u>16,387,280</u>	<u>15,447,688</u>	<u>16,438,975</u>	<u>14,828,713</u>
Expenditures				
Current:				
Instruction:				
Regular	6,121,285	5,948,204	5,834,149	5,829,048
Special	2,804,284	2,042,660	2,033,524	1,932,031
Vocational	0	0	1,720	63,597
Support Services:				
Pupil	800,224	965,777	1,041,743	1,013,128
Instructional Staff	536,193	601,530	586,270	682,442
Board of Education	38,328	23,370	23,994	46,579
Administration	1,075,093	1,079,738	862,194	866,658
Fiscal	453,080	438,147	476,008	417,435
Business	58,217	49,142	46,135	47,200
Operation and Maintenance of Plant	1,388,324	1,347,643	1,245,068	1,361,416
Pupil Transportation	1,247,837	1,353,666	880,538	942,728
Central	244,341	250,504	269,693	362,566
Operation of Non-Instructional Services:				
Food Service Operations	518,744	370,504	388,977	478,005
Other Non-Instructional Services	14,031	39,724	20,024	0
Extracurricular Activities	332,992	315,250	285,334	317,907
Capital Outlay	172,785	171,373	78,269	25,868
Debt Service:				
Principal Retirement	284,368	299,922	455,000	302,937
Interest and Fiscal Charges	410,785	414,485	411,293	690,386
Capital Appreciation Bonds Interest	240,632	220,078	411,293	690,386
Bond Issuance Costs	0	0	0	206,071
<i>Total Expenditures</i>	<u>16,741,543</u>	<u>15,931,717</u>	<u>15,351,226</u>	<u>16,276,388</u>
<i>Excess of Revenue Over (Under) Expenditures</i>	<u>(354,263)</u>	<u>(484,029)</u>	<u>1,087,749</u>	<u>(1,447,675)</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	220,974	0	0	0
Refunding Bonds Issued	0	0	0	7,484,980
General Obligation Bonds Issued	0	0	0	0
Premium on Bonds	0	0	0	0
Premium Refunding Bonds Issued	0	0	0	563,711
Payment to Refunded Bond Escrow Agent	0	0	0	(7,947,620)
Transfers In	99,165	399,525	271,056	53,621
Transfers Out	(99,165)	(399,525)	(271,056)	(53,621)
<i>Total Other Financing Sources (Uses)</i>	<u>220,974</u>	<u>0</u>	<u>0</u>	<u>101,071</u>
<i>Restatements</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(\$133,289)</u>	<u>(\$484,029)</u>	<u>\$1,087,749</u>	<u>(\$1,346,604)</u>
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	5.65%	5.99%	5.82%	7.38%

Source: School District Financial Records

2005	2004	2003	2002	2001	2000
\$10,265,300	\$8,875,592	\$8,272,725	\$7,610,341	\$7,522,004	\$6,319,700
4,986,485	5,157,158	4,550,158	4,265,296	4,119,351	3,987,745
60,819	102,886	179,892	950,156	960,443	700,727
849,539	777,582	777,872	815,067	663,084	658,363
122,864	115,302	105,257	117,980	108,594	147,257
59,041	19,816	54,799	19,447	14,727	17,093
239,168	231,794	243,467	310,398	0	0
75,796	75,448	49,301	3,354	2,985	4,127
147,048	298,351	2,001	264,906	11,870	36,257
16,806,060	15,653,929	14,235,472	14,356,945	13,403,068	11,871,269
6,194,939	6,118,373	5,996,850	5,524,317	5,059,446	4,805,898
1,862,917	1,646,952	1,728,565	1,348,861	1,246,973	1,251,265
78,996	152,655	116,549	119,058	119,824	171,121
1,062,714	727,765	819,596	794,276	587,965	506,212
792,960	670,677	630,426	698,042	460,253	367,173
49,611	26,075	34,831	47,125	16,313	24,446
946,350	905,596	789,716	787,357	747,858	708,065
503,396	470,403	432,916	370,556	348,564	315,797
48,971	42,203	51,034	45,769	49,226	57,881
1,557,113	1,380,779	1,258,452	1,052,605	983,080	885,844
906,463	916,987	915,585	796,926	829,342	684,116
280,482	273,729	231,586	189,252	187,016	173,986
480,088	421,174	374,679	464,370	0	0
172,964	39,245	297,467	0	79,763	62,682
401,182	403,310	277,857	369,125	333,703	350,066
792,958	2,551,860	2,074,561	6,162,464	3,800,658	562,637
485,000	460,000	515,000	365,000	110,000	110,000
570,717	591,436	654,365	538,252	672,501	421,956
570,717	591,436	654,365	538,252	672,501	421,956
0	0	0	86,737	0	68,739
17,758,538	18,390,655	17,854,400	20,298,344	16,304,986	11,949,840
(952,478)	(2,736,726)	(3,618,928)	(5,941,399)	(2,901,918)	(78,571)
23,063	0	6,400	26,590	3,548	6,300
0	0	0	0	0	0
0	0	0	3,000,000	0	9,992,057
0	0	0	88,300	0	23,958
0	0	0	0	0	0
0	0	0	0	0	0
484,958	8,553	196,331	35,000	0	0
(484,958)	(8,553)	(196,331)	(35,000)	0	0
23,063	0	6,400	3,114,890	3,548	10,022,315
87,560	0	(5,564)	0	61,648	(18,377)
(\$841,855)	(\$2,736,726)	(\$3,618,092)	(\$2,826,509)	(\$2,836,722)	\$9,925,367
6.22%	6.64%	7.41%	7.00%	6.26%	5.28%

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
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
2000	129,271,420	37,257,230	166,528,650	475,796,143	44,936,615	179,746,460

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.

Assessed valuation for real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. 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 started to be phased out in 2006. The listing percentage is 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

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	
\$6,759,035	\$7,680,722	\$293,427,245	\$917,871,367	31.97	\$24.09
6,320,970	7,182,920	295,560,400	1,023,932,709	28.87	24.93
7,560,060	8,590,977	296,039,420	937,644,937	31.57	23.63
6,869,190	7,805,898	303,831,710	958,151,142	31.71	25.61
7,309,910	8,306,716	276,244,690	840,463,984	32.87	30.45
6,943,780	7,890,659	269,936,090	820,230,311	32.91	30.46
6,943,510	7,890,352	260,839,480	770,180,762	33.87	30.39
7,392,290	8,400,330	238,181,370	724,703,415	32.87	31.42
8,702,780	9,889,523	229,252,760	695,572,014	32.96	30.90
8,917,030	10,132,989	220,382,295	665,675,591	33.11	27.16

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

	2009	2008	2007	2006
Unvoted Millage				
Operating	\$3.500000	\$3.500000	\$4.000000	\$4.500000
Debt Service	0.000000	0.000000	0.000000	0.000000
Permanent Improvement	1.000000	1.000000	0.500000	0.000000
	<u>4.500000</u>	<u>4.500000</u>	<u>4.500000</u>	<u>4.500000</u>
Voted Millage - by levy				
1976 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	3.946615	3.956614	3.961341	3.986712
Commercial/Industrial	6.926458	6.903855	6.902097	6.914217
Tangible/Public Utility Personal	20.200000	20.200000	20.200000	20.200000
1977 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	1.113648	1.116470	1.117804	1.124963
Commercial/Industrial	1.954495	1.948117	1.947621	1.951041
Tangible/Public Utility Personal	5.700000	5.700000	5.700000	5.700000
1981 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	1.814625	1.819230	1.821405	1.833067
Commercial/Industrial	3.122362	3.112177	3.111390	3.116850
Tangible/Public Utility Personal	7.500000	7.500000	7.500000	7.500000
1985 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	1.620045	1.624153	1.626097	1.636510
Commercial/Industrial	2.243043	2.235726	2.235159	2.239083
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	7.301636	7.348399
Commercial/Industrial	0.000000	0.000000	8.195617	8.210012
Tangible/Public Utility Personal	0.000000	0.000000	9.700000	9.700000
2007 Operating - 5 years				
Effective Millage Rates				
Residential/Agricultural	9.663857	9.688379	0.000000	0.000000
Commercial/Industrial	9.700000	9.700000	0.000000	0.000000
Tangible/Public Utility Personal	9.700000	9.700000	0.000000	0.000000
1999 Bond (\$10,000,000)				
	2.700000	2.700000	2.700000	2.700000
2001 Library Bond (\$3,000,000)				
	0.850000	0.850000	0.850000	0.850000
Total Effective Voted Millage by Type of Property				
Residential/Agricultural	21.708790	21.754846	19.378283	19.479651
Commercial/Industrial	27.496358	27.449875	17.746267	17.771191
Tangible/Public Utility Personal	<u>\$51.150000</u>	<u>\$51.150000</u>	<u>\$51.150000</u>	<u>\$51.150000</u>

2005	2004	2003	2002	2001	2000
\$3.000000	\$3.000000	\$3.000000	\$3.000000	\$3.000000	\$3.000000
0.000000	0.000000	0.000000	0.500000	0.500000	0.500000
1.500000	1.500000	1.500000	1.000000	1.000000	1.000000
4.500000	4.500000	4.500000	4.500000	4.500000	4.500000
4.626850	4.651110	4.669270	5.262483	5.285956	5.332901
8.020228	8.019278	7.979181	8.169001	8.180757	8.213501
20.200000	20.200000	20.200000	20.200000	20.200000	20.200000
1.305596	1.312442	1.317566	1.484958	1.491581	1.504828
2.263133	2.262865	2.251551	2.305114	2.308431	2.317671
5.700000	5.700000	5.700000	5.700000	5.700000	5.700000
2.127405	2.138557	2.146912	2.419665	2.430465	2.452050
3.615420	3.614992	3.596925	3.682500	3.687802	3.702562
7.500000	7.500000	7.500000	7.500000	7.500000	7.500000
1.899288	1.909246	1.916703	2.160211	2.169850	2.189119
2.597251	2.596945	2.583963	2.645437	2.649244	2.659851
4.500000	4.500000	4.500000	4.500000	4.500000	4.500000
0.000000	0.000000	0.000000	7.621406	7.655424	7.723421
0.000000	0.000000	0.000000	8.313511	8.325480	8.358810
0.000000	0.000000	0.000000	9.700000	9.700000	9.700000
8.528356	8.573073	8.606567	0.000000	0.000000	0.000000
9.523295	9.522179	9.474581	0.000000	0.000000	0.000000
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	0.000000
3.150000	3.150000	3.150000	3.500000	3.500000	0.000000
1.000000	1.000000	1.000000	1.000000	0.000000	0.000000
22.637495	22.734428	22.807018	23.448723	22.533276	19.202319
20.646032	20.644080	20.561620	29.615563	28.651714	25.252395
\$51.750000	\$51.750000	\$51.750000	\$52.100000	\$51.100000	\$47.600000

(continued)

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

	2009	2008	2007	2006
Total Millage by Type of Property				
Residential/Agricultural	\$26.208790	\$26.254846	\$23.878283	\$23.979651
Commercial/Industrial	31.996358	31.949875	22.246267	22.271191
Tangible/Public Utility Personal	<u>55.650000</u>	<u>55.650000</u>	<u>55.650000</u>	<u>55.650000</u>
Overlapping Rates by Taxing District				
Huntsburg Township				
Effective Millage Rates				
Residential/Agricultural	\$8.528871	\$8.532457	\$5.541900	\$5.551300
Commercial/Industrial	8.702941	8.704085	5.704100	5.704100
Tangible/Public Utility Personal	9.000000	9.000000	6.000000	6.000000
Middlefield Township				
Effective Millage Rates				
Residential/Agricultural	4.896889	5.096994	5.095800	5.098600
Commercial/Industrial	5.403771	5.619793	5.615200	5.608400
Tangible/Public Utility Personal	6.300000	6.620000	6.620000	6.620000
Middlefield Village				
Effective Millage Rates				
Residential/Agricultural	3.753050	3.964562	3.967700	3.986600
Commercial/Industrial	4.411336	4.658617	4.659200	4.665300
Tangible/Public Utility Personal	6.500000	6.850000	6.850000	6.850000
Parkman Township				
Effective Millage Rates				
Residential/Agricultural	6.957182	5.496050	5.469700	5.484300
Commercial/Industrial	7.622876	6.127881	6.121100	6.121100
Tangible/Public Utility Personal	8.800000	7.300000	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	10.901148	10.858353	10.875139	10.891352
Commercial/Industrial	11.589255	11.491120	11.503553	11.414258
Tangible/Public Utility Personal	15.100000	15.100000	15.100000	15.100000
Geauga County Library District Voted Millage				
Effective Millage Rates				
Residential/Agricultural	0.996428	0.997974	0.806111	0.807751
Commercial/Industrial	1.000000	0.998452	0.835383	0.827379
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 S12 and S13 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.

2005	2004	2003	2002	2001	2000
\$27.137495	\$27.234428	\$27.307018	\$27.948723	\$27.033276	\$23.702319
25.146032	25.144080	25.061620	34.115563	33.151714	29.752395
56.250000	56.250000	56.250000	56.600000	55.600000	52.100000
7.931000	7.490700	7.509000	8.122400	8.147000	8.168800
8.742600	8.464200	8.461700	8.725900	8.725900	8.729700
10.000000	10.000000	10.000000	10.000000	10.000000	10.000000
5.455100	5.459100	5.465000	6.154900	6.169600	6.180800
5.978200	5.982400	5.986000	6.429600	6.429600	6.437000
6.620000	6.620000	6.620000	7.100000	7.100000	7.100000
4.113500	4.125400	4.130000	5.106200	5.111100	5.185700
4.966600	4.964100	4.948300	5.948000	5.954600	5.970100
6.850000	6.850000	6.850000	7.950000	7.950000	7.950000
5.864600	5.886700	6.327500	6.774100	6.794800	5.750900
6.290800	6.290800	7.007900	7.110600	7.110600	6.403900
7.300000	7.300000	9.100000	9.100000	9.100000	8.600000
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
11.876713	10.858588	10.387579	10.991590	10.020950	9.122794
12.603699	11.755403	11.298447	11.582869	10.595040	9.700071
15.100000	15.100000	14.600000	14.400000	13.400000	12.650000
0.902201	0.901314	0.907913	0.992066	0.638504	0.641360
0.938667	0.942192	0.946233	0.996923	0.728022	0.727255
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
2008	\$8,830,794	\$8,333,017	94.36 %	\$310,278	\$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
1999	7,061,165	6,594,575	93.39	144,881	6,739,456	95.44

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 2009 information cannot be presented because all collections have not been made by June 30, 2009.
- (3) The County does not maintain delinquency collections information by tax year.

Cardinal Local School District

Principal Taxpayers

Real Estate Tax

2009 and 2000

Name of Taxpayer	2009	
	Assessed Valuation	Percent of Real Assessed Value
Kraftmaid Cabinetry, Incorporated	\$4,815,170	1.72 %
WalMart Real Estate	2,979,490	1.07
Bonner Madison Road Properties	2,681,600	0.96
Bonner Ohio Properties	2,643,080	0.95
Johnsonite, Incorporated	2,550,310	0.91
Gold Key Processing	2,155,870	0.77
Sajor Plastics LLC	1,662,500	0.59
Marjoan Associates	1,606,710	0.57
Johnson Rubber	1,473,650	0.53
Consolidation East Limited	127,040	0.04
Total	\$22,695,420	8.11 %

Total Real Estate Valuation \$279,733,750

Name of Taxpayer	2000	
	Assessed Valuation	Percent of Real Assessed Value
Kraftmaid Cabinetry	\$9,368,130	5.63 %
Richard Bonner	3,018,460	1.81
Johnson Rubber	1,784,480	1.07
Dillon Properties, Limited	1,682,850	1.01
Burdkidz, Limited	1,260,000	0.76
Sajar Products, Incorporated	1,195,920	0.72
Harrington Square	1,055,650	0.63
Don R. Hofstetter	1,055,430	0.63
Middlefield Banking Company	1,015,630	0.61
Middlefield Square	988,560	0.59
Total	\$22,425,110	13.46 %

Total Real Estate Valuation \$166,528,650

Source: Office of the Auditor, Geauga County, Ohio

Cardinal Local School District

Principal Taxpayers

Public Utilities Tax

2009 and 2000

2009		
Name of Taxpayer	Assessed Valuation	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$4,700,460	69.54 %
Ohio Edison/First Energy	905,560	13.40
American Transmission Systems	538,550	7.97
East Ohio Gas Company	310,610	4.59
Columbia Gas	104,510	1.55
Brainard Gas Corp	39,420	0.58
Orwell Natural Gas	23,980	0.36
Total	\$6,623,090	97.99 %
Total Public Utility Valuation	\$6,759,035	

2000		
Name of Taxpayer	Assessed Valuation	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$5,396,220	60.52 %
Western Reserve Telephone Company	1,057,050	11.85
Ohio Edison	1,049,440	11.77
East Ohio Gas Company	984,090	11.04
Total	\$8,486,800	95.18 %
Total Public Utility Valuation	\$8,917,030	

Source: Office of the Auditor, Geauga County, Ohio

Cardinal Local School District
Computation of Direct and Overlapping
Governmental Activities Debt
June 30, 2009

	<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	\$10,559,668	100.00 %	\$10,559,668
Overlapping:			
Geauga County			
Capital Lease Obligation	5,152,553	9.93	511,649
Geauga Trumbull Solid Waste	<u>550,000</u>	4.57	<u>25,135</u>
Total Overlapping	<u>5,702,553</u>		<u>536,784</u>
Total	<u><u>\$16,262,221</u></u>		<u><u>\$11,096,452</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 2009 collection year.

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)
2009	\$10,559,668	1.31 %	\$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
2000	9,914,930	1.49	687

Source: School District Financial Records

(1) The Estimated Actual Value can be found on 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	\$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	760
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
0	315,000	10,229,930	4.62	708

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

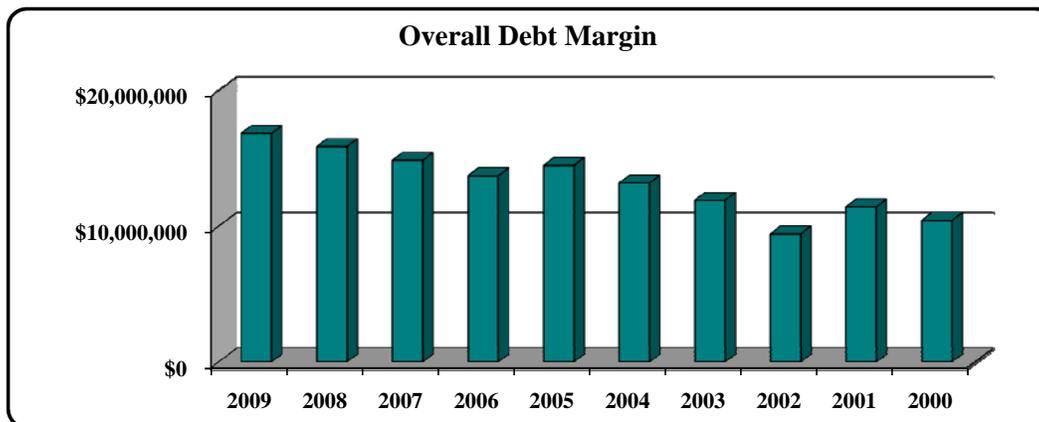
	2009	2008	2007	2006
Total Assessed Valuation	\$293,427,245	\$295,560,400	\$296,039,420	\$303,831,710
Less Railroad and Telephone Property Valuation	(670,390)	(894,320)	(1,337,300)	0
Less General Business Tangible Personal Property Valuation	(6,934,460)	(14,483,260)	(20,383,070)	(41,144,210)
Total Assessed Valuation used to Calculate Legal Debt Margin (1)	285,822,395	280,182,820	274,319,050	262,687,500
Debt Limit - 9% of Assessed Value (2)	\$25,724,016	\$25,216,454	\$24,688,715	\$23,641,875
Amount of Debt Outstanding				
General Obligation Bonds	7,889,980	8,108,520	8,335,374	8,099,980
Energy Conservation Bonds	0	0	0	0
Middlefield Public Library Bonds	2,265,000	2,330,828	2,403,896	2,479,999
Middlefield Public Library Notes	0	0	0	0
Less: Amount Available in Debt Service	(1,266,730)	(1,090,840)	(904,058)	(645,087)
Total	8,888,250	9,348,508	9,835,212	9,934,892
Exemptions:				
Energy Conservation Bonds	0	0	0	0
Middlefield Public Library Notes	0	0	0	0
Amount of Debt Subject to Limit	8,888,250	9,348,508	9,835,212	9,934,892
Overall Debt Margin	<u>\$16,835,766</u>	<u>\$15,867,946</u>	<u>\$14,853,503</u>	<u>\$13,706,983</u>
Legal Debt Margin as a Percentage of Debt Limit	65.45%	62.93%	60.16%	57.98%
Unvoted Legal Debt Limit - .10% of Assessed Value (2)	\$285,822	\$280,183	\$274,319	\$262,688
Amount of Debt Subject to Limit	0	0	0	0
Unvoted Debt Margin	<u>\$285,822</u>	<u>\$280,183</u>	<u>\$274,319</u>	<u>\$262,688</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.

2005	2004	2003	2002	2001	2000
\$276,244,690	\$269,936,090	\$260,839,480	\$238,181,370	\$229,252,760	\$220,382,295
0	0	0	0	0	0
0	0	0	0	0	0
276,244,690	269,936,090	260,839,480	238,181,370	229,252,760	220,382,295
\$24,862,022	\$24,294,248	\$23,475,553	\$21,436,323	\$20,632,748	\$19,834,407
8,679,930	8,964,930	9,239,930	9,554,930	9,859,930	9,914,930
0	70,000	135,000	200,000	260,000	315,000
2,615,000	2,745,000	2,865,000	3,000,000	0	0
0	0	0	3,000,000	0	0
(922,975)	(602,092)	(538,744)	(558,610)	(655,686)	(501,112)
10,371,955	11,177,838	11,701,186	15,196,320	9,464,244	9,728,818
0	(70,000)	(135,000)	(200,000)	(260,000)	(315,000)
0	0	0	(3,000,000)	0	0
10,371,955	11,107,838	11,566,186	11,996,320	9,204,244	9,413,818
<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>	<u>\$10,420,589</u>
58.28%	54.28%	50.73%	44.04%	55.39%	52.54%
\$276,245	\$269,936	\$260,839	\$238,181	\$229,253	\$220,382
0	0	0	0	0	0
<u>\$276,245</u>	<u>\$269,936</u>	<u>\$260,839</u>	<u>\$238,181</u>	<u>\$229,253</u>	<u>\$220,382</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%



Cardinal Local School District
Demographic and Economic Statistics
Last Ten Years

Year	Estimated Population	Total Personal Income	Personal Income Per Capita	Median Household Income
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
2000	14,439	221,609,772	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	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
28.28	152,267	3.0	220,382,295

Cardinal Local School District
Principal Employers
December 31, 2008 and December 31, 1999

December 31, 2008			
Employer	Location	Nature of Business or Activity	Number of Employees
Kraftmaid, Incorporated	Middlefield	Manufacturer - Cabinetry	1,798
Dillen Products	Middlefield	Manufacturer - Garden Products	478
Duramax, Incorporated	Middlefield	Manufacturer - Rubber Products	295
Wal-Mart, Incorporated	Middlefield	Retail	285
Mercury Plastics	Middlefield	Manufacturer - Plastics	196
Cardinal Local School District	Middlefield	School District	167
Gold Key Processing, Incorporated	Middlefield	Manufacturer - Rubber Compound	162
Briar Hill Health Care Residence	Middlefield	Rehabilitation and Long-Term Nursing Facility	125
Middlefield Banking Company	Middlefield	Banking	75
Universal Polymer & Rubber, Ltd.	Middlefield	Manufacturer - Rubber and Plastics	52
Total			<u>3,633</u>
Total Employment within the School District			<u>n/a</u>

December 31, 1999			
Employer	Location	Nature of Business or Activity	Number of Employees
Kraftmaid, Incorporated	Middlefield	Manufacturer - Cabinetry	2,150
Dillen Products	Middlefield	Manufacturer - Garden Products	408
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	50
Total			<u>4,014</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

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		
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	0.74	15,991,707	10,805	276	18.65
2000	1,469	100.00	9,566,879	6,513	264	17.97

Source: School District Financial Records

(1) Debt Service totals have been excluded.

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

	2009	2008	2007 (2)	2006	2005	2004	2003 (1)	2002
Jordak Elementary School								
Constructed in 1951								
Additions in 1956, 1974								
Total Building Square Footage	48,758	48,758	48,758	48,758	48,758	48,758	48,758	48,758
Enrollment Grades K - 3 (2)	421	444	503	0	0	0	0	0
Enrollment Grades K - 5	0	0	0	422	438	428	417	452
Student Capacity	525	525	525	525	525	525	525	525
Regular Instruction Classrooms	23	23	23	23	23	23	23	23
Regular Instruction Teachers	22	22	21	19	20	21	22	23
Special Instruction Classrooms	9	9	9	9	9	9	9	9
Special Instruction Teachers	11	11	11	10	10	10	11	9
Cardinal Intermediate School								
Constructed in 1920								
Addition in 1938								
Total Building Square Footage	28,819	28,819	28,819	28,819	28,819	28,819	28,819	28,819
Enrollment Grades 4 - 5	204	213	241	0	0	0	0	0
Student Capacity	265	265	265	0	0	0	0	0
Regular Instruction Classrooms	8	8	8	0	0	0	0	0
Regular Instruction Teachers	7	7	7	0	0	0	0	0
Special Instruction Classrooms	3	3	3	0	0	0	0	0
Special Instruction Teachers	5	5	5	0	0	0	0	0
Huntsburg Elementary School								
Constructed in 1951								
Addition in 1974								
Total Building Square Footage	21,918	21,918	21,918	21,918	21,918	21,918	21,918	21,918
Enrollment Grades K - 5	0	0	0	158	156	140	129	143
Student Capacity	0	0	0	250	250	250	250	250
Regular Instruction Classrooms	0	0	0	9	9	9	9	9
Regular Instruction Teachers	0	0	0	6	7	7	7	7
Special Instruction Classrooms	0	0	0	3	2	3	3	3
Special Instruction Teachers	0	0	0	3	3	3	3	3
Parkman Elementary School								
Constructed in 1951								
Addition in 1974								
Total Building Square Footage	26,304	26,304	26,304	26,304	26,304	26,304	26,304	26,304
Enrollment Grades K - 5	0	0	0	179	146	158	146	175
Student Capacity	0	0	0	250	250	250	250	250
Regular Instruction Classrooms	0	0	0	15	15	15	15	15
Regular Instruction Teachers	0	0	0	6	6	6	6	7
Special Instruction Classrooms	0	0	0	5	5	5	5	5
Special Instruction Teachers	0	0	0	3	3	3	3	3

(continued)

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

	2009	2008	2007	2006	2005	2004	2003 (1)	2002
Cardinal Middle School								
Constructed in 2002								
Total Building Square Footage	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000
Enrollment Grades 6 - 8	320	328	300	306	302	308	258	214
Student Capacity	450	450	450	450	450	450	450	450
Regular Instruction Classrooms	20	20	20	20	20	20	20	20
Regular Instruction Teachers	17	17	17	16	15	14	10	10
Special Instruction Classrooms	4	4	4	4	4	4	4	4
Special Instruction Teachers	6	6	6	6	7	7	7	7
Cardinal High School								
Constructed in 1961								
Additions in 1967, 1980								
Total Building Square Footage	85,678	85,678	85,678	85,678	85,678	85,678	85,678	85,678
Enrollment - Grades 9 - 12	392	386	373	402	405	412	440	442
Student Capacity	525	525	525	525	525	525	525	525
Regular Instruction Classrooms	20	20	20	20	20	20	20	20
Regular Instruction Teachers	19	19	19	19	19	19	18	20
Special Instruction Classrooms	3	3	3	3	3	3	3	3
Special Instruction Teachers	6	6	6	6	7	7	7	7
Vocational Instruction Classrooms	2	2	2	2	2	2	2	2
Vocational Instruction Teachers	0	0	0	1	2	2	2	2

Source: School District Records

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

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

Function/Program	2009	2008	2007	2006
Regular Instruction				
Elementary Classroom Teachers	28	28	27	34
Middle School Classroom Teachers	19	19	19	18
High School Classroom Teachers	22	22	22	23
Special Instruction				
Elementary Classroom Teachers	5	5	4	4
Gifted Education Teachers	1	1	1	1
Middle School Classroom Teachers	2	2	2	2
High School Classroom Teachers	3	3	3	3
Vocational Instruction				
High School Classroom Teachers	0	0	0	1
Pupil Support Services				
Guidance Counselors	2	2	3.6	3.6
Librarians	2	2	2	3
Speech & Language Pathologists	2	2	1.5	3
Nurse	1	1	1	3
Classroom Aides	10.5	10.5	10.5	11.45
Administration				
Elementary	4	4	4.8	7.8
Middle School	3.5	3.5	3	3
High School	3	3	3	3
Districtwide	9.5	9.5	10	10
Operation of Plant				
Custodians	9.5	9.5	10.5	10
Maintenance	1	1	1	1
Pupil Transportation				
Bus Drivers	16	15	12	14
Van Drivers	5	5	3	2
Bus Aides	4	2	1	1
Mechanics	2	2	2	2
Food Service Program				
Elementary Cooks and Monitors	3	3	4	5
Middle School Cooks and Monitors	3	3	3	3
High School Cooks and Monitors	2	2	2	2
Totals	163.00	160.00	155.90	173.85

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

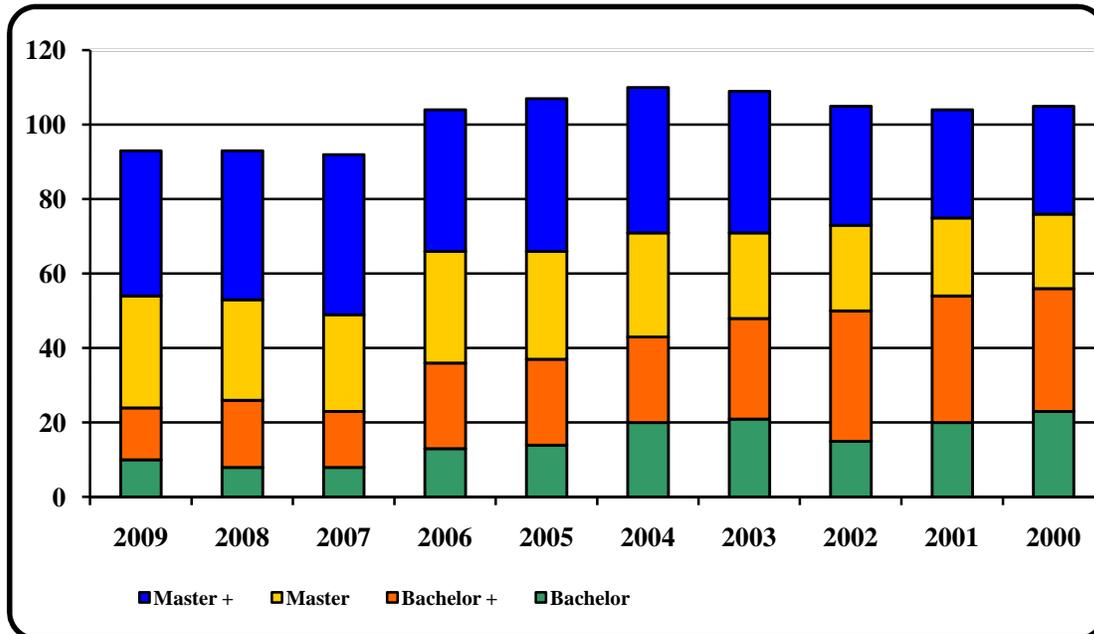
(1) Information prior to 2001 not available

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
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
<u>193.90</u>	<u>193.40</u>	<u>184.01</u>	<u>180.05</u>	<u>174.55</u>

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

Degree	2009	2008	2007	2006
Bachelor	10	8	8	13
Bachelor +15	4	5	7	11
Bachelor +30	10	13	8	12
Master	30	27	26	30
Master +15	14	17	18	13
Master +30	18	17	25	25
Master +45	7	6	0	0
Total	93	93	92	104

Source: School District Records



<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
14	20	21	15	20	23
11	8	10	12	9	10
12	15	17	23	25	23
29	28	23	23	21	20
16	18	17	12	11	11
25	21	21	20	18	18
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>107</u>	<u>110</u>	<u>109</u>	<u>105</u>	<u>104</u>	<u>105</u>

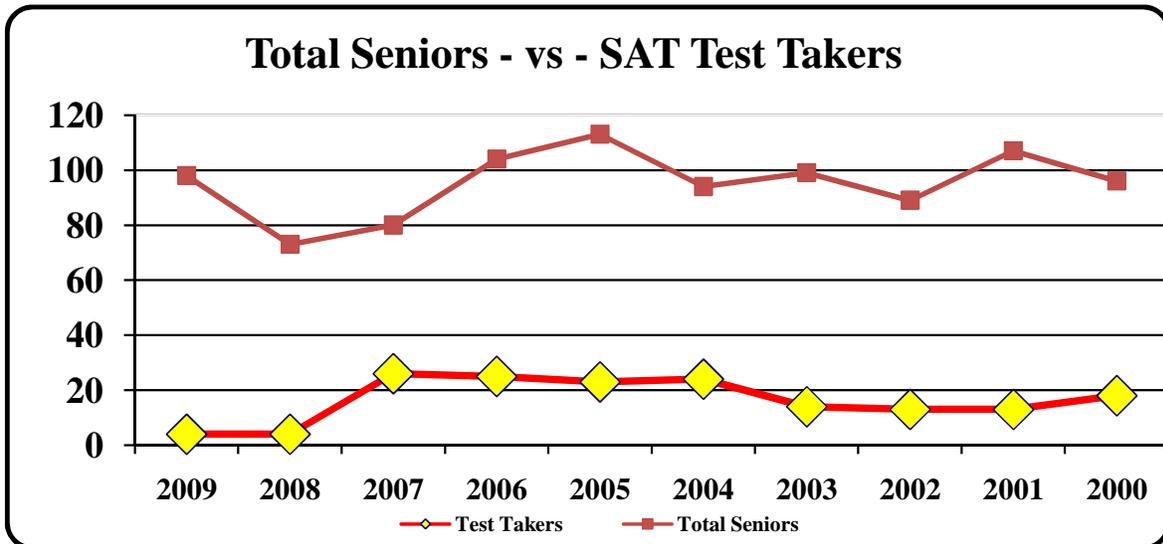
Cardinal Local School District

SAT Composite Scores

Last Ten School Years

School Year	Number of Test Takers	Number of Seniors	Percent of Students	Cardinal Verbal	Ohio Verbal	National Verbal
2009	26	98	26.53 %	550	537	501
2008	4	73	5.48	635	536	505
2007	26	80	32.50	528	535	502
2006	25	104	24.04	544	535	505
2005	23	113	20.35	535	535	505
2004	24	94	25.53	525	536	505
2003	14	99	14.14	512	534	505
2002	13	89	14.61	591	533	505
2001	13	107	12.15	608	534	506
2000	18	96	18.75	558	553	504

Source: High School Guidance Office,
Cardinal Local School District



<u>Cardinal Math</u>	<u>Ohio Math</u>	<u>National Math</u>
530	546	515
548	540	514
562	542	515
655	544	511
567	536	511
538	540	512
542	538	511
561	539	514
591	539	514
577	540	516

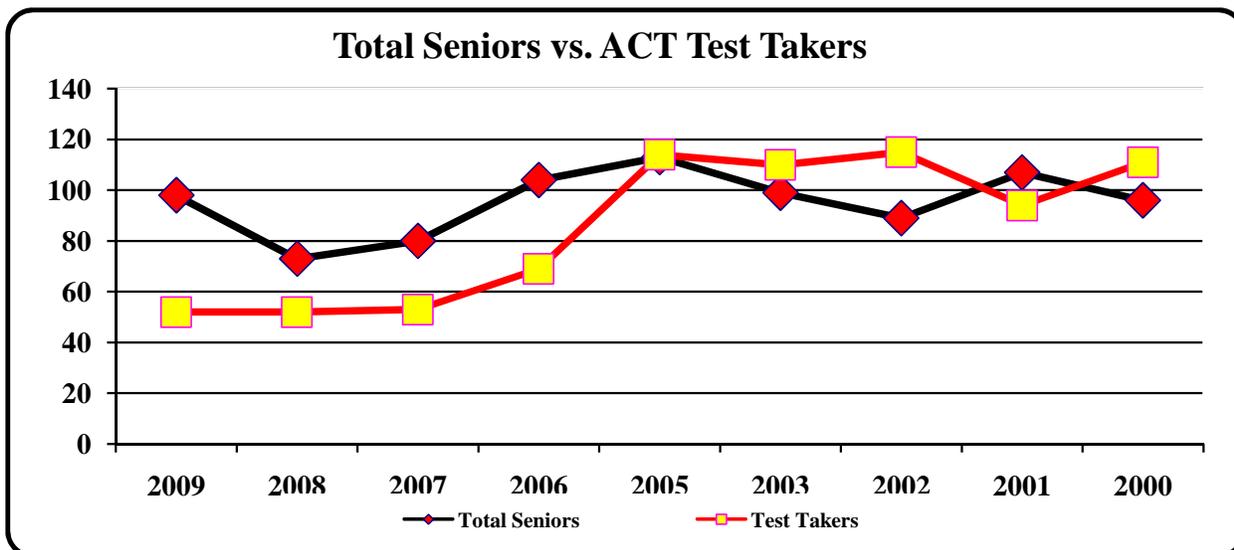
Cardinal Local School District

ACT Composite Scores

Last Ten School Years

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



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

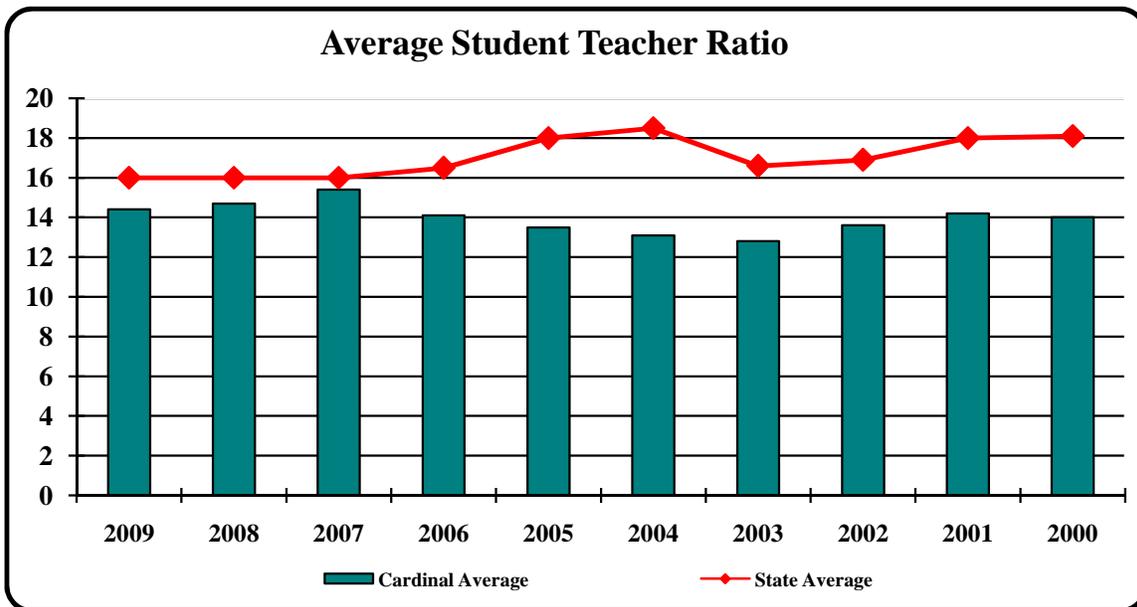
Fiscal Year	Cardinal Attendance Rate	State Average	Cardinal Graduation Rate	State Average
2009	94.90 %	94.30 %	90.80 %	84.60 %
2008	94.80	94.20	92.30	86.90
2007	95.10	94.10	98.10	86.10
2006	95.60	94.10	93.10	86.20
2005	95.40	94.30	91.90	85.90
2004	95.60	94.50	91.90	84.30
2003	95.50	94.50	91.50	83.90
2002	95.50	94.30	90.20	82.80
2001	96.40	93.90	86.00	81.20
2000	94.80	93.60	86.60	80.70

Source: Ohio Department of Education Local Report Cards

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

School Year	Cardinal Average	State Average
2009	14.4	16.0
2008	14.7	16.0
2007	15.4	16.0
2006	14.1	16.5
2005	13.5	18.0
2004	13.1	18.5
2003	12.8	16.6
2002	13.6	16.9
2001	14.2	18.0
2000	14.0	18.1

Source: Ohio Department of Education, EMIS Reports



Cardinal Local School District
Certified Teacher Education and Experience
 June 30, 2009

Degree	Number of Teachers	Percentage of Total
Bachelor	10	10.75 %
Bachelor + 15	4	4.30
Bachelor + 30	10	10.75
Master	30	32.27
Master + 15	14	15.05
Master + 30	18	19.35
Master + 45	7	7.53
Total	93	100.00 %

Years of Experience	Number of Teachers	Percentage of Total
0 - 5	20	21.51 %
6 - 10	20	21.51
11 and Over	53	56.98
	93	100.00%

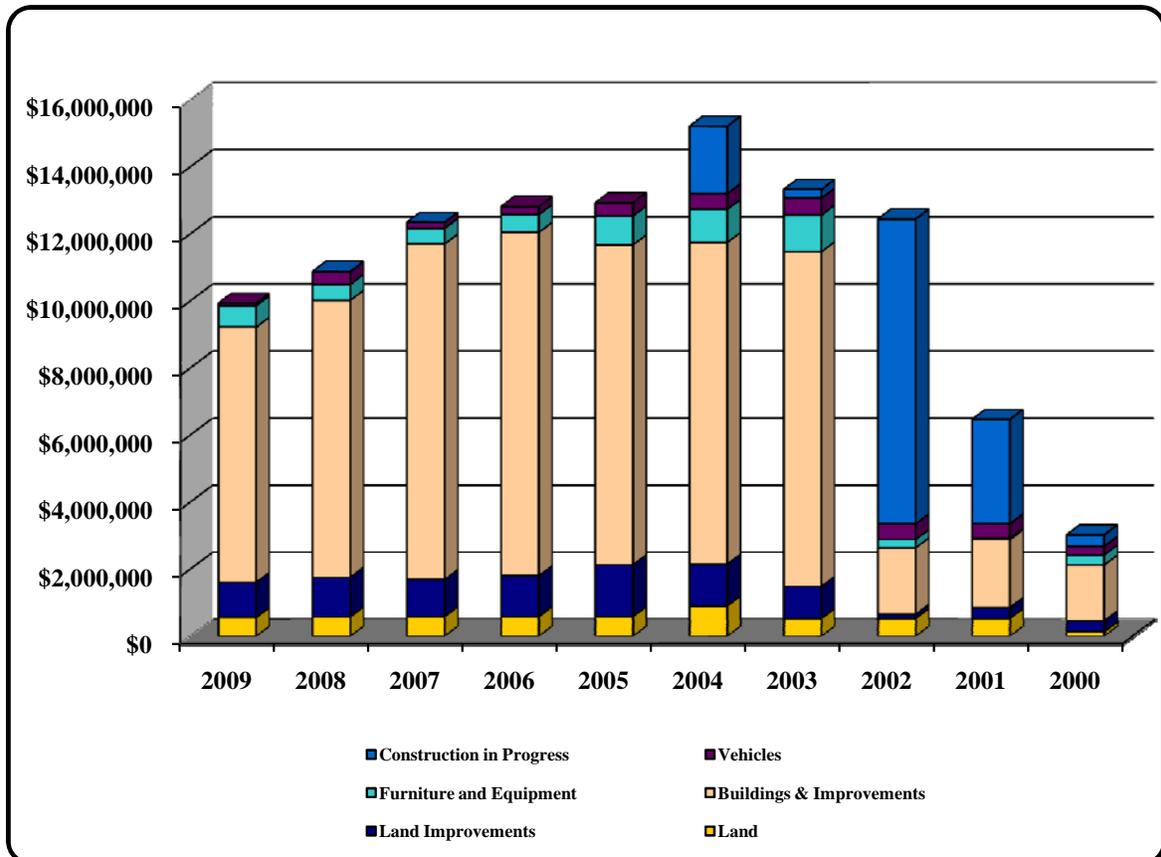
Cardinal Local School District

Capital Assets Last Ten Fiscal Years

	2009	2008	2007	2006
Capital Assets:				
Land	\$560,094	\$578,884	\$578,884	\$578,884
Land Improvements	1,047,873	1,179,669	1,306,386	1,501,953
Buildings and Improvements	7,614,386	8,261,720	8,674,377	9,639,322
Furniture and Equipment	636,363	477,834	568,051	554,093
Vehicles	70,556	377,900	184,367	245,307
Construction in Progress	0	0	0	0
Total Capital Assets	<u>\$9,929,272</u>	<u>\$10,876,007</u>	<u>\$11,312,065</u>	<u>\$12,519,559</u>

Source: School District Financial Records

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



<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001 (1)</u>	<u>2000</u>
\$584,819	\$904,478	\$529,319	\$529,319	\$529,319	\$132,039
1,547,573	1,245,578	956,874	125,946	327,167	323,893
9,540,317	9,594,778	9,983,116	1,982,865	2,027,209	1,666,841
866,301	983,947	1,095,344	248,902	34,567	300,508
387,260	473,252	505,627	467,724	437,198	258,366
<u>0</u>	<u>2,006,502</u>	<u>232,589</u>	<u>9,087,625</u>	<u>3,109,726</u>	<u>336,348</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>	<u>\$3,017,995</u>

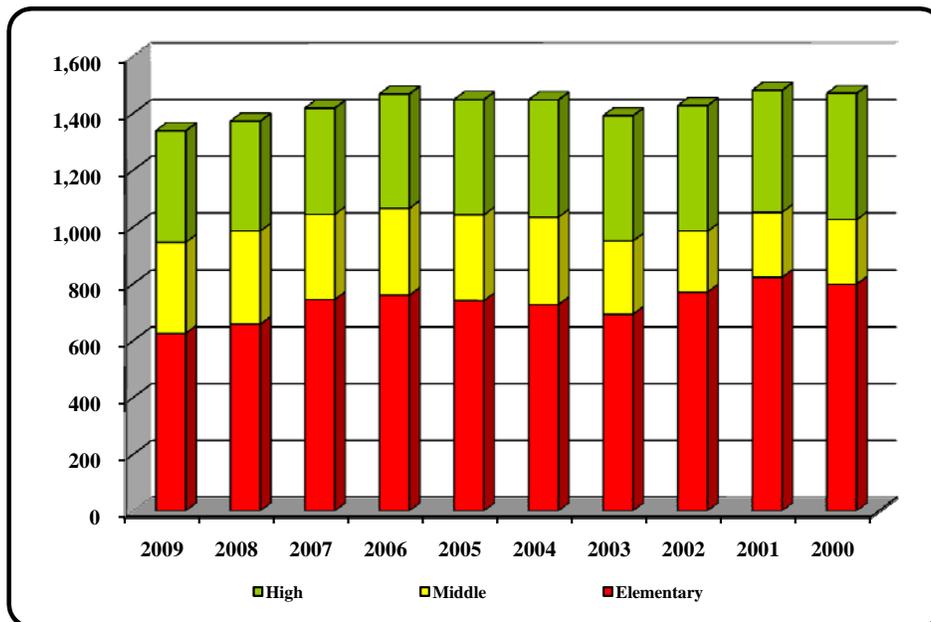
Cardinal Local School District

*Enrollment Statistics
Last Ten Fiscal Years*

Fiscal Year	Elementary Schools	Middle School	High School	Total
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
2000	798	227	444	1,469

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.





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
JANUARY 5, 2010**