

**Mary Taylor, CPA**  
Auditor of State



**CARDINAL LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY**

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**CARDINAL LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2008**

Federal Grantor Pass Through Grantor Program Title	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b><u>U.S. Department of Agriculture</u></b>					
<i>Passed Through Ohio Department of Education</i>					
<i>Nutrition Cluster:</i>					
School Breakfast Program	10.553	\$2,535	\$0	\$2,535	\$0
National School Lunch Program	10.555	170,048	19,629	170,048	19,629
<b>Total Nutrition Cluster</b>		<u>172,583</u>	<u>19,629</u>	<u>172,583</u>	<u>19,629</u>
<b>Total U.S. Department of Agriculture</b>		<u>172,583</u>	<u>19,629</u>	<u>172,583</u>	<u>19,629</u>
<b><u>U.S. Department of Education</u></b>					
<i>Passed Through Ohio Department of Education</i>					
<i>Special Education Cluster:</i>					
Special Education Grants to States	84.027	249,212	0	308,197	0
Total Special Education Cluster		<u>249,212</u>	<u>0</u>	<u>308,197</u>	<u>0</u>
Title I Grants to Local Educational Agencies	84.010	617,605	0	735,588	0
Safe and Drug-Free Schools and Communities State Grants	84.186	2,708	0	5,962	0
State Grants for Innovative Programs	84.298	1,844	0	1,937	0
Education Technology State Grants	84.318	749	0	4,578	0
Improving Teacher Quality State Grants	84.367	122,250	0	150,217	0
Title III LEP Grant	84.365	1,504	0	1,504	0
Total U.S. Department of Education		<u>995,872</u>	<u>0</u>	<u>1,207,983</u>	<u>0</u>
<b>Total Federal Assistance</b>		<u><u>\$1,168,455</u></u>	<u><u>\$19,629</u></u>	<u><u>\$1,380,566</u></u>	<u><u>\$19,629</u></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  
FISCAL YEAR ENDED JUNE 30, 2008**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

**NOTE B - CHILD NUTRITION CLUSTER**

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

**NOTE C – FOOD DONATION PROGRAM**

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair value of the commodities received.



# 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, 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 22, 2008, wherein we noted the District restated their July 1, 2007 net assets in Governmental Activities for capital assets, serial bonds and capital appreciation bonds liabilities. 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.

We noted certain matters that we reported to the District's management in a separate letter dated December 22, 2008.

### **Compliance and Other Matters**

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note a certain noncompliance or another matter that we reported to the District's management in a separate letter dated December 22, 2008.

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



**Mary Taylor, CPA**  
Auditor of State

December 22, 2008





# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO ITS MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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 its major federal program for the year ended June 30, 2008. 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 its major federal program for the year ended June 30, 2008.

#### 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.

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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, 2008, and have issued our report thereon dated December 22, 2008. 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 22, 2008

**CARDINAL LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2008**

**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 Programs (list):	Title 1 #84.010
<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 FOR FEDERAL AWARDS**

None



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

**Comprehensive Annual Financial Report**  
*For the Fiscal Year Ended June 30, 2008*

Prepared by

Treasurer's Office  
Merry Lou Tramont  
Treasurer



# INTRODUCTORY SECTION

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**Cardinal Local School District**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2008*  
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# *Cardinal Local School District*

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

**PHONE: 440-632-0261  
FAX: 440-632-5886**

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December 22, 2008

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, 2008. 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, 2008. 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 67 non-certificated employees, 93 certificated full time teaching personnel and 7 administrative employees to provide services to 1,371 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 386 students from grades 9 through 12.
- Cardinal Middle School built in 2002, houses 328 students from grades 6 through 8.
- Cardinal Intermediate School built in 1925, houses 213 students from grades 4 and 5.
- Jordak Elementary built in 1951, with additions in 1956 and 1974, houses 444 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 2008, Johnson Rubber closed its doors due to the auto industry sending more rubberized work to overseas factories. KraftMaid Industries has seen a tremendous downward slide in sales as the housing industry is slumping. They laid off over 500 employees in their company, affecting nearly 200 jobs in the Middlefield Plant.

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 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.

The limited new construction in the Windsong and Glen Valley housing sites as well as other developments within the School District will add taxable values for the 2008 and 2009 collection years. The Briar Hill Nursing Home facility completed construction on an assisted living facility next door to the nursing home to provide assistance to over 100 residents unable to live on their own. They held their grand opening in June 2008 to showcase the new facility. The Village of Middlefield constructed a nearly \$1 million water park project which was open in the spring to the enjoyment of many children in the area. It provides a family friendly limited water park with picnic areas and a playground.

Two new businesses opened in some of the many empty storefront buildings in the Village. El Patron Mexican Restaurant opened in the old pizza restaurant building, adding a welcome new dining experience to the area. Radio Shack electronics store opened in the location of the former Radioactive store. Roadhouse Music store expanded its location into the space next door, doubling its size and offerings, including multiple lesson rooms.

## **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 and increased costs in health care, bus fuel and utilities, the School District will be forced to return to the ballot for additional operating revenues.

During fiscal year 2008, the Metzenbaum Center began its transition to integrate school-age special needs students back into their home district public school. This movement has increased the costs of special education instruction, services and transportation to the School District. While Metzenbaum did contribute \$115,883 in State passthrough grant funding, the total costs were over \$585,000 for the School District.

The School District participates in the Ohio Schools Council's electric purchase program and the natural gas program to receive a group-wide discount on costs. The Illuminating Company has petitioned the PUCO to increase the cost of services thus increasing the costs to the various school districts by 20 to 40 percent for years following 2008. Natural gas companies have already petitioned to get the delivery costs of natural gas increased and are now petitioning to increase the service costs. A 30 to 40 percent increase is expected for these costs by the end of 2008.

During fiscal year 2008, 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 Board of Education is required to adopt a final budget by no later than the close of the fiscal year. 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.

Through prudent fiscal management, the Treasurer and Superintendent have been able to bring back high school busing as of January 2008. After school let out, 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 1 mill of inside millage to the Permanent Improvement fund to set aside funds to cover building improvement projects as needed.

Current projects to be considered as the funds become available are an elevator at the Jordak Elementary building, a separate nurse's room with a restroom as required by the Jarod's law inspection, a bus garage and the reconfiguration of the elementary/intermediate parking lot. In July 2008, the School District auctioned off the Parkman elementary building which was closed in 2006. The funds received from the building and the auction of miscellaneous unused equipment has been earmarked for a new bus garage to be located near the Middle School.

Other items are on hold and will be reviewed at a later date once the overall effects of the cost increases mentioned above are known. This will greatly affect any reserves for unforeseen items/events.

## **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. 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 an area to be addressed in the near future, especially with the changes to the Core Curriculum required for graduation.

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

The Ohio Report Card is issued in February of each school year. The report uses data from the previous school year to inform the public of School District success or failure in 30 indicators. On the 2008 report card the School District met or exceeded the Ohio standard in 24 of 30 indicators. The School District maintained a rating in the category titled "Effective" while Jordak Elementary 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.

### ***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.

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

The School District has accepted open enrollment students since the programs inception in 1993. The School District receives the full Ohio Basic Aid amount for each of these students. With over 60 open enrollment students from other school districts, the School District receives over \$474,400 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. In fiscal year 2008, open enrollment was limited due to the consolidation of the elementary buildings, creating over a 10 percent decrease in revenue from fiscal year 2007. Although fiscal year 2008 also saw a 10 percent decrease in School District students open enrolling in another county school district, costs for the year for the School District were over \$171,000.

As mentioned earlier, with the changes in the Core Requirements for graduating classes beginning with the freshman class in 2009, 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, whether to allow athletic team participation and band participation to be counted as physical education credits 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. This type of education may see an increase as the offerings change over the next few years.

## **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, 2007. This is the tenth 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.

## Dedication

The Cardinal Local School District lost a huge supporter of the School District on June 18, 2008. Mr. Richard A. Moss passed away at age 91. Appointed in May 1957, Mr. Moss served as a board member for 51 years, serving as board president for 50 of those years. He was considered the longest-serving board member in the State of Ohio. His involvement in the School District began as a parent, but he was a founding member of the athletic association, mowed grass, built the press box and announced the games for many years. When the Cardinal Community Scholarship Fund members lost energy and interest, Mr. Moss took over and provided each Cardinal senior who graduated with a 3.0 grade point average and planned to attend college a \$200 book scholarship. One of the many honors bestowed upon Mr. Moss over the years was in 1993 when OSBA named him to the All-Ohio School Board, the association's most prestigious honor. This CAFR is dedicated to Mr. Richard A Moss for all his years of service and dedication to the Cardinal Local School District and all of the many things he did for the students behind the scenes. He will be deeply missed by all.

## 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 Tramont  
Treasurer



Paul Yocum  
Superintendent

**Cardinal Local School District**

*Principal Officials*  
*June 30, 2008*

***Board of Education***

- \* Mr. Richard A. Moss ..... President
- Mr. Kenneth J. Klima .....Vice-President
- Mrs. Wendy Anderson.....Member
- Mrs. Bonnie Makowski.....Member
- Mr. Thomas Petronio.....Member

***Treasurer***

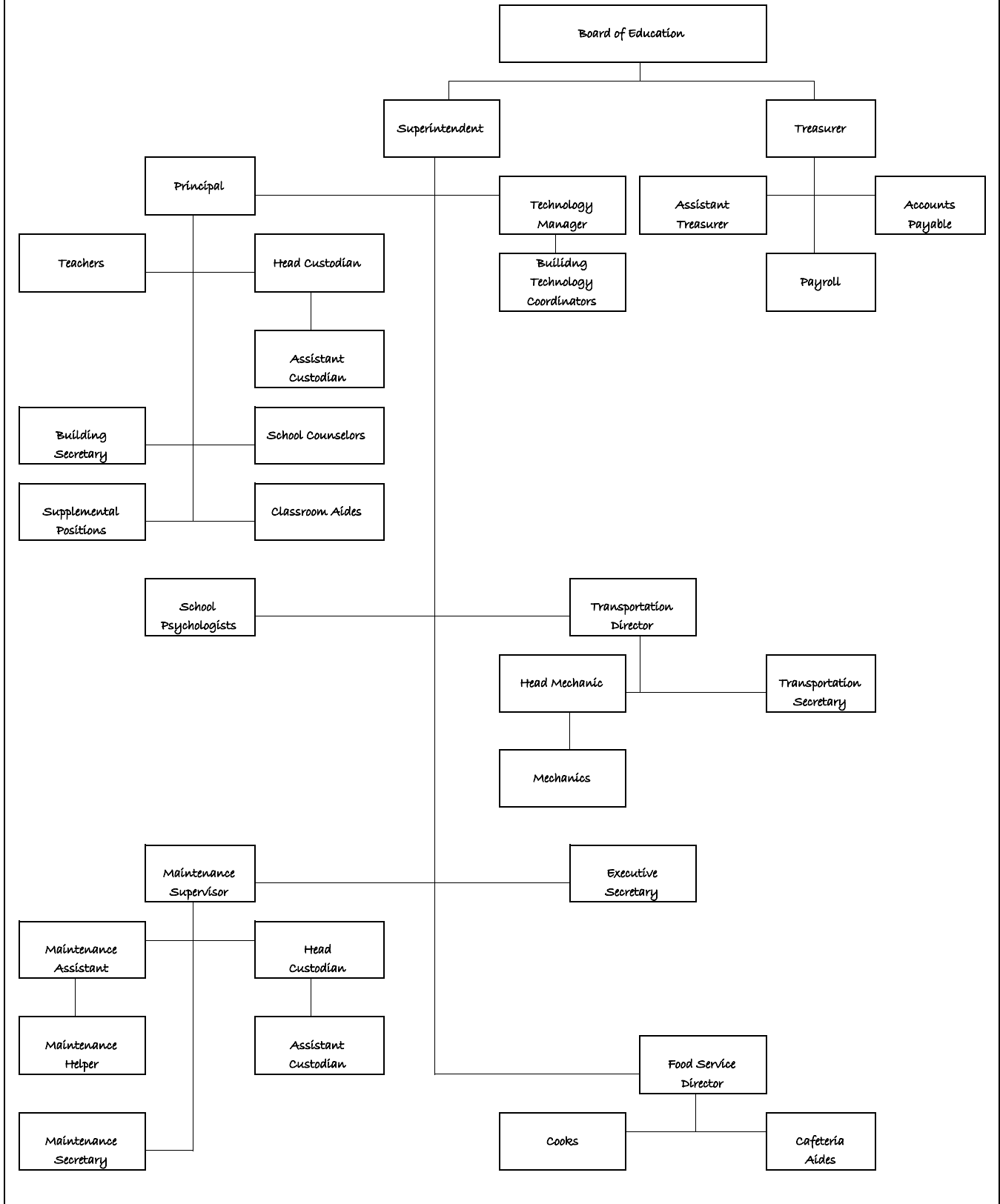
Mrs. Merry Lou Tramont

***Superintendent***

Mr. Paul D. Yocum

\* Mr. Richard A. Moss passed away on June 18, 2008 and Mr. Ken Klima moved to President. July 14, 2008, Mrs. Bonnie Makowski was elected Vice-President and Mr. Jon Hunter was appointed to the Board.

# 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, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

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# FINANCIAL SECTION

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# 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, 2008, 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, 2008, 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.

As discussed in Note 3, the District restated July 1, 2007 net assets of governmental activities for their capital assets, serial bonds and capital appreciation bonds liabilities.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2008, 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 cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

December 22, 2008

**Cardinal Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2008*  
*Unaudited*

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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, 2008. 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 2008 are as follows:

- Total net assets of governmental activities decreased \$374,381 which represents a 12.48 percent decrease from fiscal year 2007.
- Total revenues of \$15,507,581 were comprised of general revenues in the amount of \$12,863,661 or 82.95 percent and program specific revenues from charges for services, grants and contributions in the amount of \$2,643,920 or 17.05 percent.
- Total assets of governmental activities decreased by \$1,868,412 which includes a decrease in property taxes receivable of \$1,917,046 offset by an increase of \$392,468 in cash and cash equivalents.
- The School District had \$15,881,962 in expenses related to governmental activities; only \$2,643,920 of these expenses were offset by program specific charges for services and grants and contributions. General revenues (primarily taxes and school foundation) of \$12,863,661 helped to provide for these programs.
- The general fund balance was \$1,586,356 at fiscal year end, down from \$2,120,818 at June 30, 2007.

**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, 2008*  
*Unaudited*

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**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 2008?" 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 9. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, the fund financial statements focus on the School District's most significant funds. 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, 2008*  
*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 2008 compared to 2007:

Table (1)  
 Net Assets  
 Governmental Activities

	<u>2008</u>	<u>2007</u>	<u>Change</u>
<b>Assets</b>			
Current and Other Assets	\$12,337,091	\$13,769,445	(\$1,432,354)
Capital Assets	<u>10,876,007</u>	<u>11,312,065</u>	<u>(436,058)</u>
<i>Total Assets</i>	<u>23,213,098</u>	<u>25,081,510</u>	<u>(1,868,412)</u>
<b>Liabilities</b>			
Current Liabilities	8,649,716	9,656,047	(1,006,331)
Long-Term Liabilities			
Due within One Year	835,370	930,859	(95,489)
Due in More than One Year	<u>11,102,875</u>	<u>11,495,086</u>	<u>(392,211)</u>
<i>Total Liabilities</i>	<u>20,587,961</u>	<u>22,081,992</u>	<u>(1,494,031)</u>
<b>Net Assets</b>			
Invested in Capital Assets			
Net of Related Debt	2,925,329	3,144,623	(219,294)
Restricted for:			
Capital Projects	192,656	312,152	(119,496)
Debt Service	1,147,078	957,534	189,544
Set Asides	520,102	317,152	202,950
Other Purposes	217,919	258,226	(40,307)
Unrestricted (Deficit)	<u>(2,377,947)</u>	<u>(1,990,169)</u>	<u>(387,778)</u>
<i>Total Net Assets</i>	<u>\$2,625,137</u>	<u>\$2,999,518</u>	<u>(\$374,381)</u>

Total net assets decreased \$374,381. This decrease was due mainly to reduced tax revenue certification by the County Auditor for fiscal year 2008 as compared to fiscal year 2007. This factor and the smaller amount of tax money available for advance are the main components of the calculation of property taxes receivable. The effect was a \$1,917,046 reduction to taxes receivable from one fiscal year to the next and a \$1,537,133 reduction to deferred revenues. With careful expenditure controls the School District was able the end the year with a slightly larger cash balance than the previous year.

**Cardinal Local School District**  
*Management's Discussion and Analysis*  
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Total liabilities decreased \$1,494,031. Payment of current year long-term debt requirements and the reductions of deferred revenue related to the taxes receivable were the biggest reasons for the decrease in liabilities. The increase in accrued wages and benefits is mostly attributed to the step increases per negotiated agreements and the extra pay in fiscal year 2008 compared to 2007. This increase and those in accounts payables and intergovernmental payables helped to offset the decreases.

Table 2 shows the changes in net assets for fiscal year 2008 compared to 2007.

Table (2)  
Change in Net Assets  
Governmental Activities

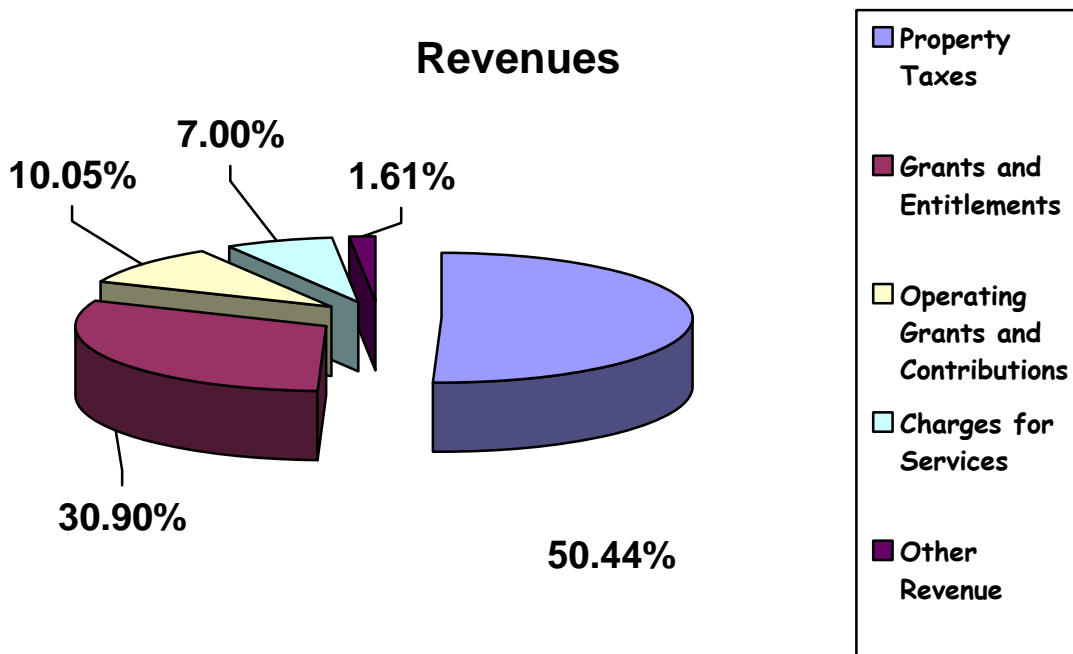
	2008	2007	Change
<b>Revenues</b>			
<i><b>Program Revenues</b></i>			
Charges for Services	\$1,084,951	\$1,238,306	(\$153,355)
Operating Grants and Contributions	1,558,969	1,525,607	33,362
<i>Total Program Revenues</i>	<u>2,643,920</u>	<u>2,763,913</u>	<u>(119,993)</u>
<i><b>General Revenues</b></i>			
Property Taxes	7,822,687	9,148,640	(1,325,953)
Grants and Entitlements	4,792,066	4,342,549	449,517
Investment Earnings	158,857	151,132	7,725
Miscellaneous	90,051	109,074	(19,023)
<i>Total General Revenues</i>	<u>12,863,661</u>	<u>13,751,395</u>	<u>(887,734)</u>
<i>Total Revenues</i>	<u>15,507,581</u>	<u>16,515,308</u>	<u>(1,007,727)</u>
<i><b>Program Expenses</b></i>			
Current:			
Instruction	8,409,238	9,190,121	(780,883)
Support Services:			
Pupil and Instructional Staff	1,544,828	1,763,317	(218,489)
Board of Education, Administration, Fiscal and Business	1,568,284	1,552,889	15,395
Operation and Maintenance of Plant	1,443,113	1,543,140	(100,027)
Pupil Transportation	1,322,595	1,055,150	267,445
Central	248,745	280,731	(31,986)
Operation of Non-Instructional Services:			
Food Services Operations	414,956	512,445	(97,489)
Other Non-Instructional Services	39,871	0	39,871
Extracurricular Activities	322,416	315,842	6,574
Interest and Fiscal Charges	567,916	417,657	150,259
<i>Total Program Expenses</i>	<u>15,881,962</u>	<u>16,631,292</u>	<u>(749,330)</u>
<i>Decrease in Net Assets</i>	(374,381)	(115,984)	(258,397)
Net Assets Beginning of Year	<u>2,999,518</u>	<u>3,115,502</u>	<u>(115,984)</u>
<i>Net Assets End of Year</i>	<u>\$2,625,137</u>	<u>\$2,999,518</u>	<u>(\$374,381)</u>

**Cardinal Local School District**  
*Management's Discussion and Analysis*  
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*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 \$5,565 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 decreased \$153,355 or 12.38 percent while operating grants and contributions increased \$33,362 or 2.19 percent. The decrease in charges for services is attributable to less tuition and school fees collected during the year along with reduction in rental and miscellaneous collections.

Property taxes made up 50.44 percent of total revenues for governmental activities for the School District in fiscal year 2008. Program revenues provided 17.05 percent of total revenues. The general revenues account 82.95 percent of all governmental activities which are supported through property taxes, grants and entitlements, and other revenues. The 30.90 percent provided by the grants and entitlements portion of the general revenues includes monies received from the Ohio Department of Education, State Foundation Program and property tax relief such as homestead exemptions and rollbacks provided by HB 920. The community, through its willingness to provide property tax revenues, is by far the primary support for the Cardinal Local School District students.

(Graph 1)  
 Revenue Distribution – Governmental Activities



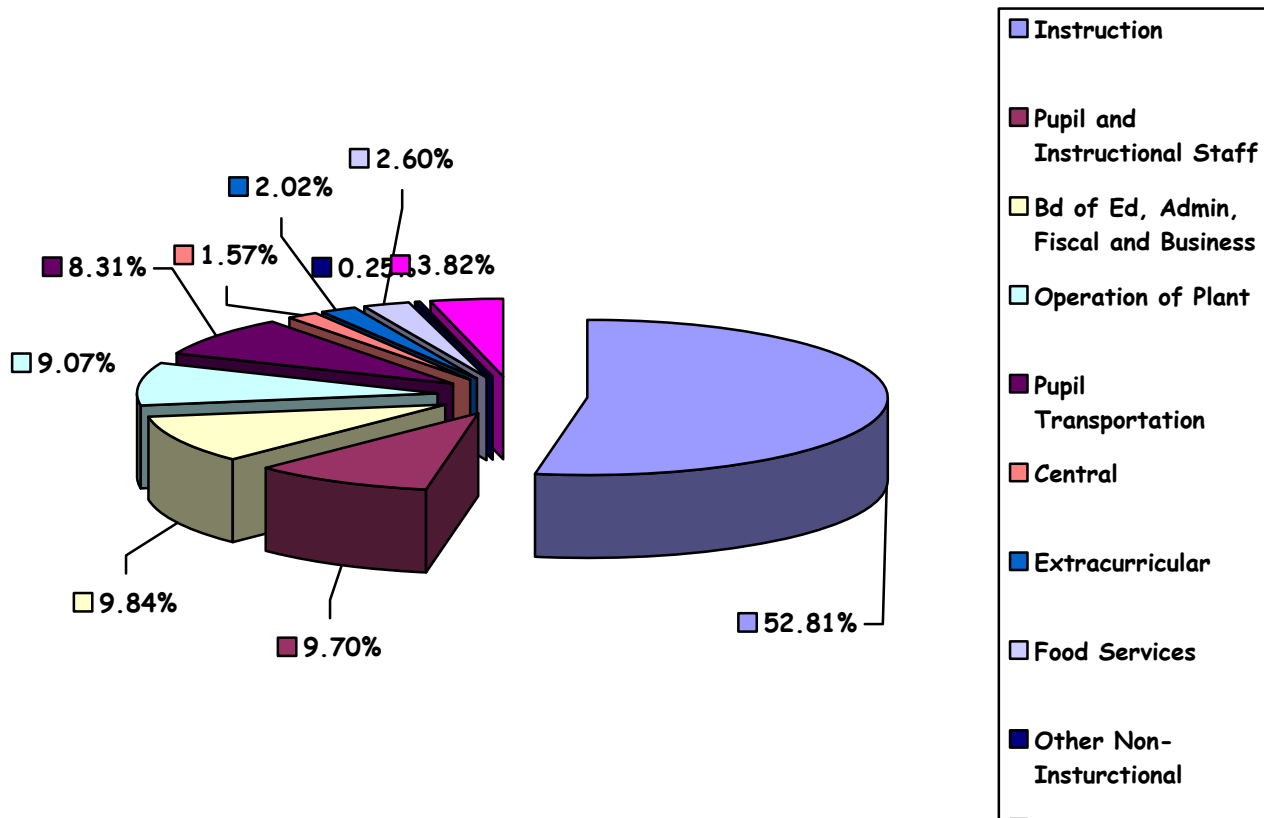
Instruction comprised of 52.95 percent of governmental program expenses or an 8.50 percent decrease from fiscal year 2007. Uniform school supplies expense is reflected in instruction. Support services in the area of pupil and instructional staff account for 9.73 percent of total expenses, decreased by 12.39 percent. Decreases to these expenses are mainly related to retirements in fiscal year 2007 being replaced by lower salary staff members and the effects of the capital asset restatement.

The expenses for food service operations in fiscal year 2008 decreased by \$97,489 or 19.02 percent. The School District contracted with Nutrition Group to help monitor the food service program and cut costs. In fiscal year 2008, pupil transportation expense increased by \$267,445 primarily due to the integration of

**Cardinal Local School District**  
*Management's Discussion and Analysis*  
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special needs students into the School District which required two handicapped buses, three vans and drivers and aides to staff the vehicles. The School District has been closely monitoring costs and also saw decreases in of 11.39 percent in central expenses and 6.48 percent in operation of plant and maintenance.

(Graph 2)  
 Expense Distribution – Governmental Activities



**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 brought a 9.7 mill replacement operating levy before the voters in November 2006, which was defeated. However, the levy passed in February 2007. Ohio mandates the use of a five-year forecast that includes three years of history and five years of projected operating revenues and expenditures. The School District's long-range financial plans showed the School District would be able to operate at the current levels with some room for inflation and other unknown factors with this additional levy income.

However, many new factors have come into play since fiscal year 2007. The School District participates in the electric and natural gas consortium through the Ohio Schools Council and both utilities have petitioned for increases in delivery and service charges. The Ohio Schools Council is projecting between 30 to 40



**Cardinal Local School District**  
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*Unaudited*

percent rate increases as of January, 2009. The School District has already seen a 15 percent increase in the merchant function charges for natural gas as of August 2008. Due to the slumping economy and rising fuel costs, additional costs have been added to the School District's budget and will continue in the next few years.

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 2008 compared to 2007. The (\$13,238,042) *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

	2008		2007	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$8,409,238	(\$6,874,323)	\$9,190,121	(\$7,441,249)
Support Services:				
Pupil and Instructional Staff	1,544,828	(1,090,205)	1,763,317	(1,216,775)
Board of Education, Administration, Fiscal and Business	1,568,284	(1,361,389)	1,552,889	(1,520,053)
Operation and Maintenance of Plant	1,443,113	(1,435,992)	1,543,140	(1,543,140)
Pupil Transportation	1,322,595	(1,322,595)	1,055,150	(1,055,150)
Central	248,745	(208,530)	280,731	(262,831)
Operation of Non-Instructional Services:				
Food Service Operations	414,956	(71,646)	512,445	(163,955)
Other Non-Instructional Services	39,871	(35,376)	0	0
Extracurricular Activities	322,416	(270,070)	315,842	(246,569)
Interest and Fiscal Charges	567,916	(567,916)	417,657	(417,657)
<b>Total</b>	<b>\$15,881,962</b>	<b>(\$13,238,042)</b>	<b>\$16,631,292</b>	<b>(\$13,867,379)</b>

**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 \$15,447,688 and expenditures of \$15,931,717. In fiscal year 2008, the net change in fund balance for the fiscal year was most significant in the General Fund, a decrease of \$534,462 due to an increase in transportation costs and special education instructional and professional services required with the integration of the students into their home school districts. Additionally, total revenues experienced a decrease of \$991,287 with a large portion, \$1,376,861, coming from taxes, which was offset by a \$675,136 increase from intergovernmental revenue. The increase in intergovernmental revenue is from additional homestead and foundation revenues.

During fiscal year 2008, the Board voted to move an additional .5 mill of inside millage from the General Fund to the Permanent Improvement Fund, bringing the total inside millage for the General Fund down to 3.5 mills. The movement of the inside millage to the Permanent Improvement Fund provided less taxes revenues to be certified and less property tax collections were available as an advance to the General Fund from the County.

**Cardinal Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2008*  
*Unaudited*

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With the aging buildings within the School District and the historical difficulty to pass new operating levies, the Board of Education voted to move 1 mill of inside millage over a two year period to the Permanent Improvement Fund. This money will be used for maintenance and upkeep of School District property. During fiscal year 2008, the School District made roof and heating repairs, patched parking lots, and repaired restrooms and other items as needed.

The Metzenbaum Center, which traditionally housed and educated the County's special needs students and adults, experienced increased costs of doing business and decided it was necessary to integrate school age children back into their home districts. With this move, each district was given at least one handicapped bus and an agreement was made between the Center, the Geauga County Educational Service Center and the District Superintendents on who would provide the various services (occupational therapy, physical therapy, speech and hearing services, etc.) required for these students. The Center agreed to provide a stipend to each district based on the reimbursement amount, the number of students and the costs associated with this move from the taxes received from their levy and the State monies received. Unfortunately for the districts, the costs involved in this move were more than the stipend provided.

***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 2008, the School District amended its General Fund budget numerous times. Many of the amendments are due to changes in expenditure priorities for transportation and maintenance and repairs needs. For the general fund, the final budget basis revenue estimate was \$12,900,779 representing a \$68,787 increase from the original budget estimates of \$12,831,992. Most of this difference was due to conservative estimates in the area of intergovernmental revenues. A good portion of this increase was for the additional electric deregulation funds received and not expected. The School District's general fund unencumbered balance at the end of the fiscal year was \$2,038,174, reflecting additional funds budgeted but not expended or encumbered.

The School District revises its budget throughout the fiscal year. During fiscal year 2008, modifications to the original budget included increases in the instruction, special instruction, pupil services, operation and maintenance of plant, and pupil transportation line item to cover the needed expenditures. The excess amount budgeted for administration was moved out to cover those needs. As previously mentioned, special education instruction and transportation costs increases, along with increased maintenance costs accounted for the majority of the changes in expenditures and budgets. Final expenditures plus outstanding encumbrances fell below the final appropriations amounts by \$480,691. There were no individually significant events that caused this variance. The School District ended the fiscal year \$591,892 higher than budgeted showing the conservative approach to spending was working. The School District had adopted a fund/major object level of budgeting for the General Fund and a fund level budgeting for all other funds.

The School District uses a site-based budgeting system designed to tightly control total site budgets but provide flexibility for site management. Building principals are given a per pupil allocation for textbook, instructional materials and equipment. HB412 requires the School District to set aside general fund revenues in each of two areas, one for the purchase of textbooks and materials related to instruction and the other for capital outlay. For fiscal year 2008, this amounted to \$188,305 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, 2008*  
*Unaudited*

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal year 2008 the School District had \$10,876,007 invested in land, land improvements, buildings and improvements, furniture and equipment, and vehicles in governmental activities. Table 4 shows fiscal year 2008 balances compared to fiscal year 2007:

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

	2008	Restated 2007
Land	\$578,884	\$578,884
Land Improvements	1,179,669	1,306,386
Buildings and Improvements	8,261,720	8,674,377
Furniture and Equipment	477,834	568,051
Vehicles	377,900	184,367
Total	\$10,876,007	\$11,312,065

During 2008, a calculation error was discovered which created a major valuation adjustment. Beginning balances for fiscal year 2008 were restated to reflect these changes. See Note 9 to the Basic Financial Statements for additional capital asset information.

***Debt***

At June 30, 2008 the School District had \$10,958,335 in bonds outstanding, \$525,000 due within one year. Table 5 summarizes general obligation bonds outstanding for governmental activities.

(Table 5)  
 Outstanding Debt at Fiscal Year End

	2008	2007
Various School Improvement Serial Bonds	\$615,000	\$615,000
Various School Improvement Capital Appreciation Bonds	273,426	520,532
Middlefield Public Library Serial Bonds	2,325,418	2,330,065
Middlefield Public Library Capital Appreciation Bonds	118,166	224,624
Current Interest Serial Bonds	6,995,449	7,090,770
Capital Appreciation Bonds	630,876	546,220
Total Debt	\$10,958,335	\$11,327,211

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

**Cardinal Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2008*  
*Unaudited*

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**Challenges and Opportunities for the Future**

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

Increases in utility costs, fuel costs, and special education instruction and transportation costs are causing the comfort level to decrease. The uncertainty of the economy is also adding to the decrease in projected revenues and the increase in projected expenditures for the next financial forecast period. The State has yet to determine the allocation formula for the CAT revenues to be received for the school districts as the tangible personal property tax revenues are being phased out by fiscal year 2011. The tangible personal property tax loss make-up revenues are being phased out between fiscal years 2012 and 2018.

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 10 years, but by adopting the master plan now, the new middle school will qualify for 17 percent reimbursement when the State reaches schools in 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. The number of unsold homes on the market is at the lowest point since the 1980's. The Geauga County Auditor with the approval of the State Tax Commission has kept the taxable values at the current amounts despite that this is a triennial update year for the County. Normally the values would increase 2 to 5 percent; however, the County Auditor feels it would be an error in judgment to inflate the values at this time. At the Tax Budget 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 \$296.1 million in 2007 to \$295.6 million in 2008, a decrease of .16 percent. General fund operations receive 47 percent of its revenue from real estate taxes on residential, commercial, and industrial properties. Another 7 percent is received from tangible personal property taxpayers and 38 percent being received from various forms of State aid including homestead and rollback exclusions on property taxes. During 2008, the qualifications to apply for the homestead exemption changed from a set income level to all property owners aged 65 years or older. This brought a decrease in the taxes revenues for the School District and an increase in the homestead exemption revenues reported as intergovernmental revenue on the financial statements.

**Cardinal Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2008*  
*Unaudited*

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The tangible personal property tax is being phased out – the assessment percentage for all property, including inventory for 2008 is 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 2008, two businesses have closed their doors after twenty-five plus years in Middlefield. KraftMaid and Sajar Plastics have had huge lay-offs affecting over 500 people employed in the School District.

In June of 2005 the State of Ohio biennium budget, HB66, created sweeping changes in State taxation including a complete elimination of tangible personal property taxes including the tangible personal property tax loss make-up by year 2018. The loss of this revenue source is reflected in the current five-year forecast.

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 Tramont, Treasurer at Cardinal Local School District, 15982 East High Street, P.O. Box 188, Middlefield, Ohio 44062 or email at [ca\\_tramont@lgca.org](mailto:ca_tramont@lgca.org).

**Cardinal Local School District**

*Statement of Net Assets*

*June 30, 2008*

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	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$3,854,132
Accrued Interest Receivable	12,554
Accounts Receivable	723
Intergovernmental Receivable	339,953
Prepaid Items	2,487
Inventory Held for Resale	2,347
Materials and Supplies Inventory	38,614
Property Taxes Receivable	7,837,990
Deferred Charges	248,291
Nondepreciable Capital Assets	578,884
Depreciable Capital Assets, Net	<u>10,297,123</u>
<i>Total Assets</i>	<u>23,213,098</u>
<b>Liabilities</b>	
Accounts Payable	33,269
Accrued Wages and Benefits	1,517,764
Intergovernmental Payable	322,461
Accrued Interest Payable	34,390
Matured Compensated Absences Payable	49,712
Accrued Vacation Leave Payable	23,253
Deferred Revenue	6,668,867
Long-Term Liabilities:	
Due Within One Year	835,370
Due In More Than One Year	<u>11,102,875</u>
<i>Total Liabilities</i>	<u>20,587,961</u>
<b>Net Assets</b>	
Invested in Capital Assets, Net of Related Debt	2,925,329
Restricted for:	
Capital Projects	192,656
Debt Service	1,147,078
Set Asides	520,102
Other Purposes	217,919
Unrestricted (Deficit)	<u>(2,377,947)</u>
<i>Total Net Assets</i>	<u><u>\$2,625,137</u></u>

See accompanying notes to the basic financial statements

**Cardinal Local School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2008

	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
Instruction:				
Regular	\$6,316,892	\$665,315	\$144,869	(\$5,506,708)
Special	2,092,346	161,632	563,099	(1,367,615)
Support Services:				
Pupil	953,872	0	169,185	(784,687)
Instructional Staff	590,956	0	285,438	(305,518)
Board of Education	25,129	0	0	(25,129)
Administration	1,051,643	9,496	17,584	(1,024,563)
Fiscal	441,607	0	179,815	(261,792)
Business	49,905	0	0	(49,905)
Operation and Maintenance of Plant	1,443,113	0	7,121	(1,435,992)
Pupil Transportation	1,322,595	0	0	(1,322,595)
Central	248,745	0	40,215	(208,530)
Operation of Non-Instructional Services				
Food Service Operations	414,956	198,871	144,439	(71,646)
Other Non-Instructional Services	39,871	0	4,495	(35,376)
Extracurricular Activities	322,416	49,637	2,709	(270,070)
Interest and Fiscal Charges	567,916	0	0	(567,916)
<b>Totals</b>	<b>\$15,881,962</b>	<b>\$1,084,951</b>	<b>\$1,558,969</b>	<b>(13,238,042)</b>
<b>General Revenues</b>				
Property Taxes Levied for:				
				6,835,134
				952,637
				34,916
Grants and Entitlements not Restricted				
				4,792,066
				158,857
				90,051
				<b>12,863,661</b>
				(374,381)
				2,999,518
				<b>\$2,625,137</b>

See accompanying notes to the basic financial statements

**Cardinal Local School District**

*Balance Sheet*

*Governmental Funds*

*June 30, 2008*

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,753,980	\$862,430	\$703,356	\$3,319,766
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	520,102	0	0	520,102
Accrued Interest Receivable	12,554	0	0	12,554
Accounts Receivable	110	0	613	723
Intergovernmental Receivable	68,651	0	271,302	339,953
Prepaid Items	2,487	0	0	2,487
Inventory Held for Resale	0	0	2,347	2,347
Materials and Supplies Inventory	23,393	0	15,221	38,614
Property Taxes Receivable	6,704,171	720,936	412,883	7,837,990
Interfund Receivable	164,764	0	0	164,764
<i>Total Assets</i>	<u>\$9,250,212</u>	<u>\$1,583,366</u>	<u>\$1,405,722</u>	<u>\$12,239,300</u>
 <b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$4,816	\$0	\$28,453	\$33,269
Accrued Wages and Benefits	1,269,665	0	248,099	1,517,764
Interfund Payable	0	0	164,764	164,764
Intergovernmental Payable	286,864	0	35,597	322,461
Matured Compensated Absences Payable	49,712	0	0	49,712
Deferred Revenue	6,052,799	637,586	417,935	7,108,320
<i>Total Liabilities</i>	<u>7,663,856</u>	<u>637,586</u>	<u>894,848</u>	<u>9,196,290</u>
 <b>Fund Balances</b>				
Reserved for Encumbrances	227,566	0	67,067	294,633
Reserved for Property Taxes	720,023	83,350	41,674	845,047
Reserved for Textbooks and Materials	284,735	0	0	284,735
Reserved for Capital Improvements	235,367	0	0	235,367
Unreserved:				
Undesignated, Reported in:				
General Fund	118,665	0	0	118,665
Special Revenue Funds	0	0	5,748	5,748
Debt Service Funds	0	862,430	228,410	1,090,840
Capital Projects Funds	0	0	167,975	167,975
<i>Total Fund Balances</i>	<u>1,586,356</u>	<u>945,780</u>	<u>510,874</u>	<u>3,043,010</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$9,250,212</u>	<u>\$1,583,366</u>	<u>\$1,405,722</u>	<u>\$12,239,300</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, 2008*

<b>Total Governmental Fund Balances</b>	<b>\$3,043,010</b>
 <i>Amounts reported for governmental activities in the statement of    net assets are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	10,876,007
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Property Taxes	324,076
Intergovernmental	46,726
Miscellaneous	<u>68,651</u>
Total	439,453
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.	248,291
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	(10,958,335)
Compensated Absences Payable	<u>(979,910)</u>
Total	(11,938,245)
Accrued interest payable is not due and payable in the current period and therefore not reported in the funds.	(34,390)
Vacation Benefits payable is not expected to be paid with expendable available financial resources and therefore is not reported in the funds.	<u>(23,253)</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$2,625,137</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, 2008*

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property Taxes	\$6,776,748	\$680,897	\$296,742	\$7,754,387
Intergovernmental	4,792,066	151,745	1,470,055	6,413,866
Interest	158,857	0	0	158,857
Tuition and Fees	500,649	0	73,932	574,581
Extracurricular Activities	161,475	0	59,133	220,608
Contributions and Donations	4,000	0	10,227	14,227
Charges for Services	0	0	198,871	198,871
Rentals	90,891	0	0	90,891
Miscellaneous	21,376	0	24	21,400
<i>Total Revenues</i>	<u>12,506,062</u>	<u>832,642</u>	<u>2,108,984</u>	<u>15,447,688</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	5,421,762	0	526,442	5,948,204
Special	1,464,411	0	578,249	2,042,660
Support Services:				
Pupil	778,361	0	187,416	965,777
Instructional Staff	256,456	0	345,074	601,530
Board of Education	23,370	0	0	23,370
Administration	1,045,217	0	34,521	1,079,738
Fiscal	412,532	15,513	10,102	438,147
Business	49,142	0	0	49,142
Operation and Maintenance of Plant	1,342,841	0	4,802	1,347,643
Pupil Transportation	1,353,666	0	0	1,353,666
Central	239,434	0	11,070	250,504
Operation of Non-Instructional Services:				
Food Service Operations	7,208	0	363,296	370,504
Other Non-Instructional Services	0	0	39,724	39,724
Extracurricular Activities	246,599	0	68,651	315,250
Capital Outlay	0	0	171,373	171,373
Debt Service:				
Principal Retirement	0	226,854	73,068	299,922
Interest and Fiscal Charges	0	311,335	103,150	414,485
Capital Appreciation Bonds Interest	0	163,146	56,932	220,078
<i>Total Expenditures</i>	<u>12,640,999</u>	<u>716,848</u>	<u>2,573,870</u>	<u>15,931,717</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(134,937)</u>	<u>115,794</u>	<u>(464,886)</u>	<u>(484,029)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	399,525	399,525
Transfers Out	(399,525)	0	0	(399,525)
<i>Total Other Financing Sources (Uses)</i>	<u>(399,525)</u>	<u>0</u>	<u>399,525</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(534,462)	115,794	(65,361)	(484,029)
<i>Fund Balances Beginning of Year</i>	<u>2,120,818</u>	<u>829,986</u>	<u>576,235</u>	<u>3,527,039</u>
<i>Fund Balances End of Year</i>	<u><u>\$1,586,356</u></u>	<u><u>\$945,780</u></u>	<u><u>\$510,874</u></u>	<u><u>\$3,043,010</u></u>

**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, 2008*

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**Net Change in Fund Balances - Total Governmental Funds** (484,029)

*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	320,910
Depreciation	<u>(756,968)</u>

Total (436,058)

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

Property Taxes	68,300
Intergovernmental	(77,058)
Miscellaneous	<u>68,651</u>

Total 59,893

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

Accrued Interest	13,104
Accretion on Capital Appreciation Bonds	(161,092)
Amortization of Bond Issuance Costs	(15,411)
Amortization of Loss on Refunding	(24,348)
Amortization of Bond Premium	<u>34,316</u>

Total (153,431)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 520,000

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	118,824
Accrued Vacation Leave Payable	<u>420</u>

Total 119,244

*Change in Net Assets of Governmental Activities* (\$374,381)

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, 2008*

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$6,977,325	\$6,980,627	\$7,167,675	\$187,048
Intergovernmental	4,705,118	4,805,740	4,792,066	(13,674)
Interest	150,000	147,500	146,303	(1,197)
Tuition and Fees	615,000	601,054	594,721	(6,333)
Extracurricular Activities	149,500	149,417	152,789	3,372
Contributions and Donations	2,500	6,710	4,000	(2,710)
Rentals	141,000	92,000	90,891	(1,109)
Miscellaneous	91,549	117,731	27,736	(89,995)
<i>Total Revenues</i>	<u>12,831,992</u>	<u>12,900,779</u>	<u>12,976,181</u>	<u>75,402</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	3,915,789	5,342,587	5,274,507	68,080
Special	1,251,202	1,534,930	1,475,070	59,860
Vocational	7,890	0	0	0
Support Services:				
Pupil	776,632	809,071	781,901	27,170
Instructional Staff	319,060	243,632	233,320	10,312
Board of Education	19,435	24,956	20,395	4,561
Administration	3,281,000	1,055,124	1,017,946	37,178
Fiscal	373,695	419,581	401,706	17,875
Business	52,725	47,246	46,086	1,160
Operation and Maintenance of Plant	1,330,825	1,552,785	1,405,211	147,574
Pupil Transportation	1,053,080	1,406,103	1,323,010	83,093
Central	235,060	241,549	230,298	11,251
Extracurricular Activities	226,270	234,899	224,049	10,850
Operation of Non-Instructional Services	6,155	7,112	7,100	12
Capital Outlay	15	1,715	0	1,715
<i>Total Expenditures</i>	<u>12,848,833</u>	<u>12,921,290</u>	<u>12,440,599</u>	<u>480,691</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(16,841)</u>	<u>(20,511)</u>	<u>535,582</u>	<u>556,093</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	20,500	45,000	11,449	(33,551)
Advances Out	(10,000)	(210,000)	(164,764)	45,236
Transfers In	173,950	5,143	0	(5,143)
Transfers Out	(310,000)	(400,000)	(370,743)	29,257
<i>Total Other Financing Sources (Uses)</i>	<u>(125,550)</u>	<u>(559,857)</u>	<u>(524,058)</u>	<u>35,799</u>
<i>Net Change in Fund Balance</i>	(142,391)	(580,368)	11,524	591,892
<i>Fund Balance Beginning of Year</i>	1,781,717	1,781,717	1,781,717	0
Prior Year Encumbrances Appropriated	244,933	244,933	244,933	0
<i>Fund Balance End of Year</i>	<u>\$1,884,259</u>	<u>\$1,446,282</u>	<u>\$2,038,174</u>	<u>\$591,892</u>

See accompanying notes to the basic financial statements

**Cardinal Local School District**

*Statement of Fund Net Assets*

*Internal Service Fund*

*June 30, 2008*

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	<u>Insurance</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$14,264
<b>Liabilities</b>	
	<u>0</u>
<b>Net Assets</b>	
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, 2008*

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	<u>Insurance</u>
<b>Operating Revenues</b>	\$0
<b>Operating Expenses</b>	<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, 2008*

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	<u>Insurance</u>
<i><b>Increase (Decrease) in Cash and Cash Equivalents</b></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, 2008*

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**Assets**

Equity in Pooled Cash and Cash Equivalents	<u><u>\$23,065</u></u>
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**Liabilities**

Due to Students	<u><u>\$23,065</u></u>
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See accompanying notes to the basic financial statements



**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ending June 30, 2008*

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

Cardinal Local School District (the "School District") operates under a locally-elected Board form of government and provides educational services as authorized by state and federal agencies. This Board controls the School District's 5 instructional/support facilities staffed by 67 non-certificated employees, 93 certificated full time teaching personnel and 7 administrative employees to provide services to 1,371 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, 2008*

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Statements and Interpretations issued on or before November 30, 1989, to its governmental activities and to its internal service fund unless those pronouncements conflict with or contradict GASB pronouncements. 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, 2008*

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

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

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

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

**Internal Service Fund** The Internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District, or to other governments, on a cost reimbursement basis. The only internal service fund of the School District accounts for a self-insurance program that accounts for prescription drug and dental claims of School District employees. The School District is no longer self-insured, 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 report resources that belong to the student bodies of the various schools.

**C. Measurement Focus**

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

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

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ending June 30, 2008*

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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, 2008, but which were levied to finance fiscal year 2009 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, 2008*

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***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 2008, 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, 2008.

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 2008 amounted to \$158,857, which includes \$65,683 assigned from other School District funds.

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ending June 30, 2008*

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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, 2008, 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.

***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, 2008*

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***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, 2008*

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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.

***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



**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ending June 30, 2008*

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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 and Restatement of Net Assets**

***A. Change in Accounting Principles***

For fiscal year 2008, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", GASB Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues", and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees' years of service and providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. An OPEB liability at transition was determined in accordance with this Statement for both the SERS and STRS post-employment healthcare plans in the amount of \$6,779 and \$19,171, respectively, which are the same as the previously reported liabilities.

GASB Statement No. 48 addresses how to account for the exchange of an interest in expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments. The statement established criteria used to determine whether the transaction should be recorded as revenue or as a liability (a sale or a collateralized borrowing). The implementation of this statement did not result in any change to the financial statements.

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ending June 30, 2008*

GASB Statement No. 50 requires employers contributing to defined benefit pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements. The implementation of this statement did not result in any change to the financial statements.

**B. Restatement of Net Assets**

During fiscal year 2008, it was determined that the capital assets were overstated and the serial bonds and capital appreciation bonds liabilities were understated.

These restatements had the following effect on net assets at June 30, 2007:

	Governmental Activities
Net Assets, June 30, 2007	\$4,356,619
Capital Assets	(531,569)
General Obligation Bonds	(825,532)
Restated Net Assets, June 30, 2007	\$2,999,518

**Note 4 – Fund Deficits**

The following funds had deficit fund balances as of June 30, 2008:

<i>Special Revenue Funds</i>	
IDEA Part B - Special Education	\$42,558
Title I	79,192
Improving Teacher Quality	38,023

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:

1. Revenues are recorded when received in cash (Budget) as opposed to when susceptible to accrual (GAAP).

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ending June 30, 2008*

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

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

Net Change in Fund Balance

GAAP Basis	(\$534,462)
Net Adjustments for Revenue Accruals	470,119
Advances In	11,449
Net Adjustments for Expenditures Accruals	436,314
Advances Out	(164,764)
Transfers Out	28,782
Adjustment for Encumbrances	(235,914)
Budget Basis	\$11,524

**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, 2008*

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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 training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

### **Deposits**

***Custodial Credit Risk*** Custodial credit risk is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party. At fiscal year end, \$3,577,197, of the School District's bank balance of \$3,877,197 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, 2008, the School District had STAROhio as the only investment with an amount of \$81,797 and an average maturity of 53.8 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, 2008*

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**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 fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2008 represents collections of calendar year 2007 taxes. Real property taxes received in calendar year 2008 were levied after April 1, 2007, on the assessed value listed as of January 1, 2007, the lien date. Assessed values for real property are established by State law at thirty-five percent of appraised market value. Real property are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2008 represents collections of calendar year 2007 taxes. Public utility real and tangible personal property taxes received in calendar year 2008 become a lien December 31, 2005, were levied after April 1, 2007 and are collected in 2008 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2008 (other than public utility property) represents the collection of 2008 taxes. Tangible personal property taxes received in calendar year 2008 were levied after April 1, 2007, on the value as of December 31, 2007. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2008 is 6.25 percent. This will be reduced to zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Geauga County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2008, are available to finance fiscal year 2008 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2008 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations are reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

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The amount available as an advance at 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. The amount available as an advance June 30, 2007, was \$1,110,950 in the general fund, \$138,390 in the bond retirement debt service fund and \$43,560 in the library bond retirement debt service fund. In 2008, the Board moved .5 mills of inside millage from the general fund to the permanent improvement fund.

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

The assessed values upon which the fiscal year 2008 taxes were collected are:

	2007 Second Half Collections		2008 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$268,096,290	90.56 %	\$274,756,170	92.96 %
Public Utility	7,560,060	2.55	6,320,970	2.14
Tangible Personal Property	20,383,070	6.89	14,483,260	4.90
	<u>\$296,039,420</u>	<u>100.00 %</u>	<u>\$295,560,400</u>	<u>100.00 %</u>
Tax rate per \$1,000 of assessed valuation	\$55.65		\$55.65	

**Note 8 - Receivables**

Receivables at June 30, 2008, consisted of taxes, accounts, interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables except for delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Title I	\$138,136
Special Education	108,729
Shared Revenue	68,651
Improving Teacher Quality	21,454
Drug Free Schools	2,127
Technology II-D	856
	<u>\$339,953</u>

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**Note 9 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2008, was as follows:

	Balance 6/30/2007	Additions	Deletions	Balance 6/30/2008
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$578,884	\$0	\$0	\$578,884
<i>Capital Assets, being depreciated:</i>				
Land Improvements	2,025,013	0	0	2,025,013
Buildings and Improvements	14,408,186	48,566	0	14,456,752
Furniture and Equipment	2,243,325	12,440	0	2,255,765
Vehicles	986,490	259,904	(131,769)	1,114,625
<i>Total Capital Assets, being depreciated</i>	<u>19,663,014</u>	<u>320,910</u>	<u>(131,769)</u>	<u>19,852,155</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(718,627)	(126,717)	0	(845,344)
Buildings and Improvements	(5,733,809)	(461,223)	0	(6,195,032)
Furniture and Equipment	(1,675,274)	(102,657)	0	(1,777,931)
Vehicles	(802,123)	(66,371)	131,769	(736,725)
<i>Total Accumulated Depreciation</i>	<u>(8,929,833)</u>	<u>(756,968)*</u>	<u>131,769</u>	<u>(9,555,032)</u>
<b>Total Capital Assets, being depreciated, net</b>	<u>10,733,181</u>	<u>(436,058)</u>	<u>0</u>	<u>10,297,123</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$11,312,065</u>	<u>(\$436,058)</u>	<u>\$0</u>	<u>\$10,876,007</u>

\*Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$447,380
Special	29,700
Support Services:	
Pupil	1,328
Instructional Staff	22,266
Board of Education	1,759
Administration	19,221
Fiscal	1,344
Operation and Maintenance of Plant	126,292
Pupil Transportation	55,889
Central	1,396
Food Service Operations	6,720
Extracurricular Activities	43,673
<b>Total Depreciation Expense</b>	<u><u>\$756,968</u></u>

**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
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**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
	Fleet Insurance, uninsured	100,000
	Property	36,433,471
	Earthquake	1,000,000
	Flood Insurance	1,000,000
	Inland Marine	1,338,825
	Crime	110,000
	General Liability, in aggregate	2,000,000
	General Liability, per occurrence	1,000,000
	Medical Expense, any one person	10,000
	Employee Benefits Liability, in aggregate	3,000,000
	Employee Benefits Liability, per occurrence	1,000,000
	Educational Legal Liability, in aggregate	3,000,000
	Educational Legal Liability, per occurrence	1,000,000
	Employer's Liability, in aggregate	2,000,000
	Employer's Liability, per occurrence	1,000,000
	Errors and Omissions, in aggregate	1,000,000
	Errors and Omissions, per occurrence	1,000,000
	Errors and Omissions, relief defense limit	100,000
	Sexual Conduct, in aggregate	1,000,000
	Sexual Conduct, per occurrence	1,000,000
	Sexual Conduct, innocent party defense	300,000
	Umbrella	3,000,000
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.



**Cardinal Local School District**  
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***B. Workers' Compensation***

For fiscal year 2008, 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 \$1,057 for family coverage and \$426 for single coverage per month for medical and \$77 for family coverage and \$26 for single coverage per month for dental. The employees pay fifteen percent of the premium through a payroll deduction.

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Anthem Life 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.

**Cardinal Local School District**  
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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 2008, 9.16 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, 2008, 2007 and 2006 were \$101,917, \$179,970, and \$201,809, respectively; 40.34 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

***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](http://www.strsoh.org).

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on 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, 2008, 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 2007, 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.

**Cardinal Local School District**  
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The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2008, 2007, and 2006 were \$740,675, \$779,298 and \$779,580 respectively; 91.36 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. Contributions to the DC and Combined Plans for fiscal year 2008 were \$792 made by the School District and \$1,459 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, 2008, 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 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 2008, 4.18 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 2008, this amount was \$37,300.

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, 2008, 2007, and 2006 were \$115,256, \$97,544, and \$137,538 respectively; 40.34 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2008, this actuarially required allocation was 0.66 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006 were \$12,309, \$12,238, and \$14,575 respectively; 40.34 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

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**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](http://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 2008, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District’s contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$56,975, \$59,946, and \$59,968 respectively; 91.36 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

**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, 2008.

**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
Nonmajor Governmental Funds:	
Food Service	\$93,782
Termination Benefits	305,743
Total	\$399,525

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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, 2008, consist of the following individual fund receivables and payables:

Interfund Payable	Interfund Receivable
	General Fund
<i>Nonmajor governmental funds:</i>	
IDEA Part B - Special Education	\$60,962
Title I	64,507
Title V	93
Drug Free Schools	1,924
Improving Teacher Quality	24,582
Technology II-D Grant	12,696
Totals	\$164,764

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.

**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			
Capital Appreciation Bonds	10.51%	\$9,170,000	December 1, 2009
Serial Bonds	5.00%	\$579,930	December 1, 2011
2002 Middlefield Public Library Bonds			
Capital Appreciation Bonds	10.71%	2,645,000	December 1, 2009
Serial Bonds	5.00%	220,000	December 1, 2022
2006 School Improvement Refunding Bonds			
Capital Appreciation Bonds	5.78%	7,020,000	December 1, 2025
Current Interest Serial Bonds	5.78%	464,980	December 1, 2025

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

	Principal Outstanding 6/30/2007	Additions	Reductions	Principal Outstanding 6/30/2008	Amounts Due in One Year
<i>General Obligation Bonds:</i>					
2000 \$9,749,930 School Improvement					
Serial Bonds	\$615,000	\$0	\$0	\$615,000	\$0
Capital Appreciation Bonds 10.51%	260,394	0	136,854	123,540	123,540
Accretion on Capital Appreciation Bonds	260,138	52,894	163,146	149,886	176,460
2002 Middlefield Public Library Bonds					
Serial Bonds 5%	2,265,000	0	0	2,265,000	0
Capital Appreciation Bonds 10.71%	138,896	0	73,068	65,828	65,828
Accretion on Capital Appreciation Bonds	85,728	23,542	56,932	52,338	64,172
Unamortized Premium	65,065	0	4,647	60,418	0
2006 \$7,484,980 School Improvement					
Refunding Bonds (5.78%)					
Current Interest Serial Bonds	6,995,000	0	90,000	6,905,000	95,000
Capital Appreciation Bonds	464,980	0	0	464,980	0
Accretion on Capital Appreciation Bonds	81,240	84,656	0	165,896	0
Unamortized Premium	534,042	0	29,669	504,373	0
Refunding Loss	(438,272)	0	(24,348)	(413,924)	0
<i>Total General Obligation Bonds Payable</i>	<u>11,327,211</u>	<u>161,092</u>	<u>529,968</u>	<u>10,958,335</u>	<u>525,000</u>
Compensated Absences	<u>1,098,734</u>	<u>15,700</u>	<u>134,524</u>	<u>979,910</u>	<u>310,370</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$12,425,945</u>	<u>\$176,792</u>	<u>\$664,492</u>	<u>\$11,938,245</u>	<u>\$835,370</u>

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 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 capital appreciation bonds were originally sold at a discount of \$320,070, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is 2007 through 2009.

The maturity amount of outstanding capital appreciation bonds at June 30, 2008 is \$300,000. The accretion recorded for 2008 was \$52,894, for a total reported outstanding bond liability of \$273,426.

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 \$2,645,000 and \$220,000 respectively. The general obligation bonds were issued to fund the construction of the new Middlefield Public Library. The bonds were issued for a twenty-year period with final maturity at December 1, 2022. The bonds were issued at a premium of \$88,300. According to the Ohio Revised Code, the School District may issue tax related debt for the Library. The School District will manage the funds for debt service.

**Cardinal Local School District**  
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The capital appreciation bonds were originally sold at a discount of \$170,000 which is being accreted annually until the point of maturity of the capital appreciation bonds, which is 2007 through 2009.

The maturity amount of outstanding capital appreciation bonds at June 30, 2008 is \$130,000. The accretion recorded for 2008 was \$23,542, for a total reported outstanding bond liability of \$118,166.

In May 1, 2006, 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, 2008 \$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, 2008 is \$1,370,000. The accretion recorded for 2008 was \$84,656, for a total reported outstanding bond liability of \$630,876.

The School District's overall legal debt margin was \$15,867,946 with an unvoted debt margin of \$280,183 at June 30, 2008. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2008 are as follows:

	General Obligation Bonds		Capital Appreciation Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$95,000	\$275,962	\$189,368	\$240,632	\$284,368	\$516,594
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
2014-2018	2,270,000	968,971	287,557	627,443	2,557,557	1,596,414
2019-2023	3,630,000	770,818	0	0	3,630,000	770,818
2023-2026	1,950,000	122,744	0	0	1,950,000	122,744
Total	<u>\$9,785,000</u>	<u>\$3,335,218</u>	<u>\$654,348</u>	<u>\$1,145,652</u>	<u>\$10,439,348</u>	<u>\$4,480,870</u>

**Note 17 - Jointly Governed Organizations**

**A. Auburn Career Center**

The Auburn Career Center is a joint vocational school district which is a jointly governed organization among eleven school districts. Each participating school district's board of education appoints one of its members to the Auburn Career Center's Board of Education. The students of each participating school district may attend classes offered at the vocational facility. Each participant's control over the operation of the Auburn Career Center is limited to its representation on the Board. Continued existence of the Auburn Career Center is not dependent on the School District's continued participation. During fiscal year 2008, the School District did not make any contributions or payments to the Auburn Career Center.

**Cardinal Local School District**  
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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 2008, the School District paid \$44,027 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 is the policy making authority of the Council. 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 2008, 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.

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, 2008. 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.



**Cardinal Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ending June 30, 2008*

**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.

	Textbooks	Capital Improvements
Set Aside Reserve Balance as of June 30, 2007	\$142,319	\$174,833
Current Year Set-Aside Requirement	188,305	188,305
Qualifying Disbursements	(20,889)	(78,711)
Permanent Improvement Taxes Revenue	(25,000)	(49,060)
Totals	\$284,735	\$235,367
Set-Aside Balance Carried Forward to Future Fiscal Years	\$284,735	\$235,367
Set Aside Reserve Balance as of June 30, 2008	\$284,735	\$235,367

The total reserve balance for the set-asides at the end of the fiscal year was \$520,102.

**Note 20 – Subsequent Event**

In July 2008, the School District auctioned off the Parkman elementary building which was closed in 2006. The funds received from the building have been earmarked for a new bus garage.

# Combining and Individual Fund Statements and Schedules

## *Fund Descriptions – Nonmajor Governmental Funds*

### *Nonmajor Special Revenue Funds*

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

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

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

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

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

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

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

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

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

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

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

*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.

(continued)

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

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

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

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

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

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

*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 to for the accumulation of resources and the payment of general obligation notes payable, as required by Ohio Law.

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

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

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

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

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

*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, 2008*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$298,530	\$228,410	\$176,416	\$703,356
Accounts Receivable	613	0	0	613
Intergovernmental Receivable	271,302	0	0	271,302
Inventory Held for Resale	2,347	0	0	2,347
Materials and Supplies Inventory	15,221	0	0	15,221
Property Taxes Receivable	0	226,961	185,922	412,883
<i>Total Assets</i>	<u>\$588,013</u>	<u>\$455,371</u>	<u>\$362,338</u>	<u>\$1,405,722</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$24,453	\$0	\$4,000	\$28,453
Accrued Wages and Benefits	248,099	0	0	248,099
Interfund Payable	164,764	0	0	164,764
Intergovernmental Payable	35,597	0	0	35,597
Deferred Revenue	46,726	200,722	170,487	417,935
<i>Total Liabilities</i>	<u>519,639</u>	<u>200,722</u>	<u>174,487</u>	<u>894,848</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	62,626	0	4,441	67,067
Reserved for Property Taxes	0	26,239	15,435	41,674
Unreserved, Undesignated Reported in:				
Special Revenue Funds	5,748	0	0	5,748
Debt Service Fund	0	228,410	0	228,410
Capital Projects Funds	0	0	167,975	167,975
<i>Total Fund Balances</i>	<u>68,374</u>	<u>254,649</u>	<u>187,851</u>	<u>510,874</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$588,013</u>	<u>\$455,371</u>	<u>\$362,338</u>	<u>\$1,405,722</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, 2008*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property Taxes	\$0	\$257,928	\$38,814	\$296,742
Intergovernmental	1,430,790	22,304	16,961	1,470,055
Tuition and Fees	73,932	0	0	73,932
Extracurricular Activities	59,133	0	0	59,133
Contributions and Donations	10,227	0	0	10,227
Charges for Services	198,871	0	0	198,871
Miscellaneous	24	0	0	24
<i>Total Revenues</i>	<u>1,772,977</u>	<u>280,232</u>	<u>55,775</u>	<u>2,108,984</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	526,442	0	0	526,442
Special	578,249	0	0	578,249
Support Services:				
Pupil	187,416	0	0	187,416
Instructional Staff	345,074	0	0	345,074
Administration	34,521	0	0	34,521
Fiscal	5,207	4,895	0	10,102
Operation and Maintenance of Plant	4,802	0	0	4,802
Central	11,070	0	0	11,070
Operation of Non-Instructional Services:				
Food Service Operations	363,296	0	0	363,296
Other Non-Instructional Services	39,724	0	0	39,724
Extracurricular Activities	68,651	0	0	68,651
Capital Outlay	0	0	171,373	171,373
Debt Service:				
Principal Retirement	0	73,068	0	73,068
Interest and Fiscal Charges	0	103,150	0	103,150
Capital Appreciation Bonds Interest	0	56,932	0	56,932
<i>Total Expenditures</i>	<u>2,164,452</u>	<u>238,045</u>	<u>171,373</u>	<u>2,573,870</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(391,475)	42,187	(115,598)	(464,886)
<b>Other Financing Sources</b>				
Transfers In	399,525	0	0	399,525
<i>Net Change in Fund Balance</i>	8,050	42,187	(115,598)	(65,361)
<i>Fund Balance Beginning of Year</i>	<u>60,324</u>	<u>212,462</u>	<u>303,449</u>	<u>576,235</u>
<i>Fund Balance End of Year</i>	<u>\$68,374</u>	<u>\$254,649</u>	<u>\$187,851</u>	<u>\$510,874</u>

**Cardinal Local School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2008*

	Food Service	Uniform School Supplies	Public School Support	Martha Holden Jennings Grant
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$46,243	\$81,751	\$24,959	\$13,871
Accounts Receivable	74	0	539	0
Intergovernmental Receivable	0	0	0	0
Inventory Held for Resale	2,347	0	0	0
Materials and Supplies Inventory	15,221	0	0	0
<i>Total Assets</i>	<u>\$63,885</u>	<u>\$81,751</u>	<u>\$25,498</u>	<u>\$13,871</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	32,552	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	12,863	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>45,415</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	25,203	97	2,394	13,618
Unreserved, Undesignated (Deficit)	(6,733)	81,654	23,104	253
<i>Total Fund Balances (Deficit)</i>	<u>18,470</u>	<u>81,751</u>	<u>25,498</u>	<u>13,871</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$63,885</u>	<u>\$81,751</u>	<u>\$25,498</u>	<u>\$13,871</u>

District Managed Activities	Auxiliary Services	Management Information Systems	OneNet	SchoolNet Professional Development	Ohio Reads Grant
\$38,489	\$13,368	\$8,648	\$12,000	\$903	\$3,854
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$38,489</u>	<u>\$13,368</u>	<u>\$8,648</u>	<u>\$12,000</u>	<u>\$903</u>	<u>\$3,854</u>
\$1,100	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
123	0	0	0	0	0
0	0	0	0	0	0
<u>1,223</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
2,610	378	0	0	473	0
<u>34,656</u>	<u>12,990</u>	<u>8,648</u>	<u>12,000</u>	<u>430</u>	<u>3,854</u>
<u>37,266</u>	<u>13,368</u>	<u>8,648</u>	<u>12,000</u>	<u>903</u>	<u>3,854</u>
<u>\$38,489</u>	<u>\$13,368</u>	<u>\$8,648</u>	<u>\$12,000</u>	<u>\$903</u>	<u>\$3,854</u>

(continued)

**Cardinal Local School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*June 30, 2008*

	IDEA Part B - Special Education	Title III	Title I	Title V
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$26,031	\$6,031	\$3,295	\$1,469
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	108,729	0	138,136	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$134,760</u>	<u>\$6,031</u>	<u>\$141,431</u>	<u>\$1,469</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$23,353	\$0	\$0	\$0
Accrued Wages and Benefits	46,913	0	135,305	0
Interfund Payable	60,962	0	64,507	93
Intergovernmental Payable	12,878	84	7,849	0
Deferred Revenue	33,212	0	12,962	0
<i>Total Liabilities</i>	<u>177,318</u>	<u>84</u>	<u>220,623</u>	<u>93</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	541	0	3,288	0
Unreserved, Undesignated (Deficit)	(43,099)	5,947	(82,480)	1,376
<i>Total Fund Balances (Deficit)</i>	<u>(42,558)</u>	<u>5,947</u>	<u>(79,192)</u>	<u>1,376</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$134,760</u>	<u>\$6,031</u>	<u>\$141,431</u>	<u>\$1,469</u>



<u>Drug Free Schools</u>	<u>Improving Teacher Quality</u>	<u>Technology II-D Grant</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$452	\$234	\$16,932	\$298,530
0	0	0	613
2,127	21,454	856	271,302
0	0	0	2,347
0	0	0	15,221
<u>\$2,579</u>	<u>\$21,688</u>	<u>\$17,788</u>	<u>\$588,013</u>

\$0	\$0	\$0	\$24,453
0	33,329	0	248,099
1,924	24,582	12,696	164,764
0	1,800	0	35,597
552	0	0	46,726

<u>2,476</u>	<u>59,711</u>	<u>12,696</u>	<u>519,639</u>
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454	230	13,340	62,626
<u>(351)</u>	<u>(38,253)</u>	<u>(8,248)</u>	<u>5,748</u>

<u>103</u>	<u>(38,023)</u>	<u>5,092</u>	<u>68,374</u>
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<u>\$2,579</u>	<u>\$21,688</u>	<u>\$17,788</u>	<u>\$588,013</u>
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**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, 2008*

	Food Service	Uniform School Supplies	Public School Support	Martha Holden Jennings Grant	Termination Benefits	District Managed Activities
<b>Revenues</b>						
Intergovernmental	\$144,439	\$0	\$0	\$21,785	\$0	\$0
Tuition and Fees	0	73,932	0	0	0	0
Extracurricular Activities	0	0	9,496	0	0	49,637
Contributions and Donations	0	0	7,518	0	0	2,709
Charges for Services	198,871	0	0	0	0	0
Miscellaneous	0	0	24	0	0	0
<i>Total Revenues</i>	<u>343,310</u>	<u>73,932</u>	<u>17,038</u>	<u>21,785</u>	<u>0</u>	<u>52,346</u>
<b>Expenditures</b>						
Current:						
Instruction:						
Regular	0	58,143	215	0	305,743	648
Special	0	0	0	0	0	0
Support Services:						
Pupil	0	0	0	0	0	0
Instructional Staff	0	0	0	0	0	0
Administration	0	0	21,306	0	0	0
Fiscal	0	0	0	0	0	0
Operation and Maintenance of Plant	2,167	2,635	0	0	0	0
Central	0	0	0	8,164	0	0
Operation of Non-Instructional Services:						
Food Service Operations	363,296	0	0	0	0	0
Other Non-Instructional Services	0	0	0	0	0	0
Extracurricular Activities	0	0	3,033	0	0	65,618
<i>Total Expenditures</i>	<u>365,463</u>	<u>60,778</u>	<u>24,554</u>	<u>8,164</u>	<u>305,743</u>	<u>66,266</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(22,153)	13,154	(7,516)	13,621	(305,743)	(13,920)
<b>Other Financing Sources</b>						
Transfers In	93,782	0	0	0	305,743	0
<i>Net Change in Fund Balance</i>	71,629	13,154	(7,516)	13,621	0	(13,920)
<i>Fund Balance (Deficit) Beginning of Year</i>	(53,159)	68,597	33,014	250	0	51,186
<i>Fund Balance (Deficit) End of Year</i>	<u>\$18,470</u>	<u>\$81,751</u>	<u>\$25,498</u>	<u>\$13,871</u>	<u>\$0</u>	<u>\$37,266</u>

Auxiliary Services	Management Information Systems	OneNet	SchoolNet Professional Development	Ohio Reads Grant	IDEA Part B - Special Education	Title III
\$24,688	\$5,000	\$12,000	\$2,430	\$0	\$324,730	\$1,504
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>24,688</u>	<u>5,000</u>	<u>12,000</u>	<u>2,430</u>	<u>0</u>	<u>324,730</u>	<u>1,504</u>
6,595	0	0	0	35	0	0
0	0	0	0	0	0	0
8,579	0	0	0	0	45,000	0
0	0	0	0	0	301,130	4,803
0	0	0	0	0	0	0
1,207	0	0	0	0	0	0
0	0	0	0	0	0	0
0	1,379	0	1,527	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>16,381</u>	<u>1,379</u>	<u>0</u>	<u>1,527</u>	<u>35</u>	<u>346,130</u>	<u>4,803</u>
8,307	3,621	12,000	903	(35)	(21,400)	(3,299)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
8,307	3,621	12,000	903	(35)	(21,400)	(3,299)
<u>5,061</u>	<u>5,027</u>	<u>0</u>	<u>0</u>	<u>3,889</u>	<u>(21,158)</u>	<u>9,246</u>
<u>\$13,368</u>	<u>\$8,648</u>	<u>\$12,000</u>	<u>\$903</u>	<u>\$3,854</u>	<u>(\$42,558)</u>	<u>\$5,947</u>

(continued)

**Cardinal Local School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds (continued)*  
*For the Fiscal Year Ended June 30, 2008*

	Title I	Title V	Drug Free Schools	Improving Teacher Quality	Technology II- D Grant	Total Nonmajor Special Revenue Funds
<b>Revenues</b>						
Intergovernmental	\$742,779	\$1,843	\$4,283	\$143,704	\$1,605	\$1,430,790
Tuition and Fees	0	0	0	0	0	73,932
Extracurricular Activities	0	0	0	0	0	59,133
Contributions and Donations	0	0	0	0	0	10,227
Charges for Services	0	0	0	0	0	198,871
Miscellaneous	0	0	0	0	0	24
<b>Total Revenues</b>	<b>742,779</b>	<b>1,843</b>	<b>4,283</b>	<b>143,704</b>	<b>1,605</b>	<b>1,772,977</b>
<b>Expenditures</b>						
Current:						
Instruction:						
Regular	0	1,937	3,772	144,854	4,500	526,442
Special	578,249	0	0	0	0	578,249
Support Services:						
Pupil	133,397	0	440	0	0	187,416
Instructional Staff	39,084	0	57	0	0	345,074
Administration	13,215	0	0	0	0	34,521
Fiscal	4,000	0	0	0	0	5,207
Operation and Maintenance of Plant	0	0	0	0	0	4,802
Central	0	0	0	0	0	11,070
Operation of Non-Instructional Services:						
Food Service Operations	0	0	0	0	0	363,296
Other Non-Instructional Services	310	0	1,694	37,615	105	39,724
Extracurricular Activities	0	0	0	0	0	68,651
<b>Total Expenditures</b>	<b>768,255</b>	<b>1,937</b>	<b>5,963</b>	<b>182,469</b>	<b>4,605</b>	<b>2,164,452</b>
<i>Excess of Revenues Over (Under) Expenditures</i>	(25,476)	(94)	(1,680)	(38,765)	(3,000)	(391,475)
<b>Other Financing Sources</b>						
Transfers In	0	0	0	0	0	399,525
<b>Net Change in Fund Balance</b>	<b>(25,476)</b>	<b>(94)</b>	<b>(1,680)</b>	<b>(38,765)</b>	<b>(3,000)</b>	<b>8,050</b>
<i>Fund Balance (Deficit) Beginning of Year</i>	(53,716)	1,470	1,783	742	8,092	60,324
<b>Fund Balance (Deficit) End of Year</b>	<b>(\$79,192)</b>	<b>\$1,376</b>	<b>\$103</b>	<b>(\$38,023)</b>	<b>\$5,092</b>	<b>\$68,374</b>

**Cardinal Local School District**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*June 30, 2008*

	Permanent Improvement	Library Construction	SchoolNet	Total Nonmajor Capital Projects Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$168,778	\$7,625	\$13	\$176,416
Property Taxes Receivable	185,922	0	0	185,922
<i>Total Assets</i>	<u>\$354,700</u>	<u>\$7,625</u>	<u>\$13</u>	<u>\$362,338</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$4,000	\$0	\$0	\$4,000
Deferred Revenue	170,487	0	0	170,487
<i>Total Liabilities</i>	<u>174,487</u>	<u>0</u>	<u>0</u>	<u>174,487</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	4,441	0	0	4,441
Reserved for Property Taxes	15,435	0	0	15,435
Unreserved, Undesignated	160,337	7,625	13	167,975
<i>Total Fund Balances</i>	<u>180,213</u>	<u>7,625</u>	<u>13</u>	<u>187,851</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$354,700</u>	<u>\$7,625</u>	<u>\$13</u>	<u>\$362,338</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, 2008*

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	<u>Permanent Improvement</u>	<u>Library Construction</u>	<u>SchoolNet</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Revenues</b>				
Property Taxes	\$38,814	\$0	\$0	\$38,814
Intergovernmental	7,121	0	9,840	16,961
<i>Total Revenues</i>	45,935	0	9,840	55,775
<b>Expenditures</b>				
Capital Outlay	161,386	147	9,840	171,373
<i>Net Change in Fund Balance</i>	(115,451)	(147)	0	(115,598)
<i>Fund Balance Beginning of Year</i>	295,664	7,772	13	303,449
<i>Fund Balance End of Year</i>	<u>\$180,213</u>	<u>\$7,625</u>	<u>\$13</u>	<u>\$187,851</u>

## **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, 2008*

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	<u>Beginning Balance June 30, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance June 30, 2008</u>
<b>Student Managed Activities</b>				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	<u>\$17,693</u>	<u>\$53,135</u>	<u>\$47,763</u>	<u>\$23,065</u>
<i>Liabilities</i>				
Due to Students	<u>\$17,693</u>	<u>\$53,135</u>	<u>\$47,763</u>	<u>\$23,065</u>



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

**Cardinal Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$6,977,325	\$6,980,627	\$7,167,675	\$187,048
Intergovernmental	4,705,118	4,805,740	4,792,066	(13,674)
Interest	150,000	147,500	146,303	(1,197)
Tuition and Fees	615,000	601,054	594,721	(6,333)
Extracurricular Activities	149,500	149,417	152,789	3,372
Contributions and Donations	2,500	6,710	4,000	(2,710)
Rentals	141,000	92,000	90,891	(1,109)
Miscellaneous	91,549	117,731	27,736	(89,995)
<i>Total Revenues</i>	<u>12,831,992</u>	<u>12,900,779</u>	<u>12,976,181</u>	<u>75,402</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	2,457,286	3,660,354	3,629,868	30,486
Fringe Benefits	1,000,008	1,140,790	1,138,445	2,345
Purchased Services	383,785	464,518	441,299	23,219
Materials and Supplies	56,160	64,175	60,637	3,538
Capital Outlay - New	14,650	7,850	721	7,129
Capital Outlay - Replacement	3,900	4,900	3,537	1,363
Total Regular	<u>3,915,789</u>	<u>5,342,587</u>	<u>5,274,507</u>	<u>68,080</u>
Special:				
Salaries and Wages	627,100	596,005	584,024	11,981
Fringe Benefits	224,924	210,268	207,262	3,006
Purchased Services	396,778	725,267	681,238	44,029
Materials and Supplies	2,400	3,390	2,546	844
Total Special	<u>1,251,202</u>	<u>1,534,930</u>	<u>1,475,070</u>	<u>59,860</u>
Vocational:				
Salaries and Wages	5,000	0	0	0
Fringe Benefits	2,890	0	0	0
Total Vocational	<u>7,890</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>5,174,881</u>	<u>6,877,517</u>	<u>6,749,577</u>	<u>127,940</u>
Support Services:				
Pupil:				
Salaries and Wages	393,880	387,170	374,992	12,178
Fringe Benefits	171,127	168,388	165,153	3,235
Purchased Services	201,950	240,585	230,385	10,200
Materials and Supplies	9,370	12,623	11,316	1,307
Capital Outlay - New	305	305	55	250
Total Pupil	<u>\$776,632</u>	<u>\$809,071</u>	<u>\$781,901</u>	<u>\$27,170</u>

(continued)

**Cardinal Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Instructional Staff:</b>				
Salaries and Wages	\$216,945	\$170,220	\$164,376	\$5,844
Fringe Benefits	92,345	63,189	60,327	2,862
Purchased Services	1,195	3,265	2,581	684
Materials and Supplies	4,425	2,958	2,585	373
Capital Outlay - New	4,000	4,000	3,451	549
Capital Outlay - Replacement	150	0	0	0
<b>Total Instructional Staff</b>	<u>319,060</u>	<u>243,632</u>	<u>233,320</u>	<u>10,312</u>
<b>Board of Education:</b>				
Salaries and Wages	12,500	12,500	10,500	2,000
Fringe Benefits	1,835	1,021	606	415
Purchased Services	700	2,445	2,182	263
Materials and Supplies	300	4,390	3,949	441
Other	4,100	4,600	3,158	1,442
<b>Total Board of Education</b>	<u>19,435</u>	<u>24,956</u>	<u>20,395</u>	<u>4,561</u>
<b>Administration:</b>				
Salaries and Wages	2,712,065	547,262	530,682	16,580
Fringe Benefits	215,200	217,509	213,658	3,851
Purchased Services	285,800	113,035	102,262	10,773
Materials and Supplies	10,525	12,910	11,326	1,584
Capital Outlay - New	60	1,650	1,459	191
Capital Outlay - Replacement	1,350	1,058	1,007	51
Other	56,000	161,700	157,552	4,148
<b>Total Administration</b>	<u>3,281,000</u>	<u>1,055,124</u>	<u>1,017,946</u>	<u>37,178</u>
<b>Fiscal:</b>				
Salaries and Wages	156,175	149,165	141,945	7,220
Fringe Benefits	72,720	49,956	48,168	1,788
Purchased Services	17,400	30,905	28,602	2,303
Materials and Supplies	2,200	3,425	2,909	516
Capital Outlay - New	0	1,850	1,650	200
Capital Outlay - Replacement	100	100	0	100
Other	125,100	184,180	178,432	5,748
<b>Total Fiscal</b>	<u>373,695</u>	<u>419,581</u>	<u>401,706</u>	<u>17,875</u>
<b>Business:</b>				
Salaries and Wages	34,285	32,075	31,197	878
Fringe Benefits	18,440	15,171	14,889	282
<b>Total Business</b>	<u>\$52,725</u>	<u>\$47,246</u>	<u>\$46,086</u>	<u>\$1,160</u>

(continued)

**Cardinal Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Operation and Maintenance of Plant:</b>				
Salaries and Wages	\$468,070	\$441,010	\$414,932	\$26,078
Fringe Benefits	221,670	190,867	187,524	3,343
Purchased Services	582,185	777,034	680,986	96,048
Materials and Supplies	52,000	137,274	117,531	19,743
Capital Outlay - New	200	0	0	0
Capital Outlay - Replacement	5,200	5,100	3,454	1,646
Other	1,500	1,500	784	716
<b>Total Operation and Maintenance of Plant</b>	<u>1,330,825</u>	<u>1,552,785</u>	<u>1,405,211</u>	<u>147,574</u>
<b>Pupil Transportation:</b>				
Salaries and Wages	565,770	525,073	509,796	15,277
Fringe Benefits	276,340	289,394	286,332	3,062
Purchased Services	21,200	18,508	16,999	1,509
Materials and Supplies	118,500	277,620	263,948	13,672
Capital Outlay - Replacement	71,270	295,508	245,935	49,573
<b>Total Pupil Transportation</b>	<u>1,053,080</u>	<u>1,406,103</u>	<u>1,323,010</u>	<u>83,093</u>
<b>Central:</b>				
Salaries and Wages	132,405	119,798	114,239	5,559
Fringe Benefits	83,505	64,663	61,562	3,101
Purchased Services	19,150	56,788	54,348	2,440
Materials and Supplies	0	300	149	151
<b>Total Central</b>	<u>235,060</u>	<u>241,549</u>	<u>230,298</u>	<u>11,251</u>
<b>Total Support Services</b>	<u>7,441,512</u>	<u>5,800,047</u>	<u>5,459,873</u>	<u>340,174</u>
<b>Extracurricular Activities:</b>				
<b>Academic and Subject Oriented:</b>				
Salaries and Wages	29,480	30,863	29,728	1,135
Fringe Benefits	4,920	6,224	5,483	741
Capital Outlay - Replacement	1,000	1,200	810	390
<b>Total Academic and Subject Oriented</b>	<u>35,400</u>	<u>38,287</u>	<u>36,021</u>	<u>2,266</u>
<b>Sports Oriented:</b>				
Salaries and Wages	149,415	139,963	136,182	3,781
Fringe Benefits	23,370	34,608	31,526	3,082
Purchased Services	7,100	7,900	7,880	20
Materials and Supplies	400	456	71	385
<b>Total Sports Oriented</b>	<u>\$180,285</u>	<u>\$182,927</u>	<u>\$175,659</u>	<u>\$7,268</u>

(continued)

**Cardinal Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
School and Public Service Co-Curricular:				
Salaries and Wages	\$9,065	\$10,865	\$10,094	\$771
Fringe Benefits	1,520	2,820	2,275	545
Total School and Public Service Co-Curricular	<u>10,585</u>	<u>13,685</u>	<u>12,369</u>	<u>1,316</u>
Total Extracurricular Activities	<u>226,270</u>	<u>234,899</u>	<u>224,049</u>	<u>10,850</u>
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries and Wages	2,750	5,955	5,953	2
Fringe Benefits	3,405	1,157	1,147	10
Total Operation of Non-Instructional Services	<u>6,155</u>	<u>7,112</u>	<u>7,100</u>	<u>12</u>
Capital Outlay:				
Building Improvement Services:				
Capital Outlay - Replacement	15	1,715	0	1,715
<i>Total Expenditures</i>	<u>12,848,833</u>	<u>12,921,290</u>	<u>12,440,599</u>	<u>480,691</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(16,841)</u>	<u>(20,511)</u>	<u>535,582</u>	<u>556,093</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	20,500	45,000	11,449	(33,551)
Advances Out	(10,000)	(210,000)	(164,764)	45,236
Transfers In	173,950	5,143	0	(5,143)
Transfers Out	(310,000)	(400,000)	(370,743)	29,257
<i>Total Other Financing Sources (Uses)</i>	<u>(125,550)</u>	<u>(559,857)</u>	<u>(524,058)</u>	<u>35,799</u>
<i>Net Change in Fund Balance</i>	<u>(142,391)</u>	<u>(580,368)</u>	<u>11,524</u>	<u>591,892</u>
<i>Fund Balance Beginning of Year</i>	<u>1,781,717</u>	<u>1,781,717</u>	<u>1,781,717</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>244,933</u>	<u>244,933</u>	<u>244,933</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,884,259</u></u>	<u><u>\$1,446,282</u></u>	<u><u>\$2,038,174</u></u>	<u><u>\$591,892</u></u>

**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, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$714,595	\$735,937	\$21,342
Intergovernmental	145,579	151,745	6,166
<i>Total Revenues</i>	<u>860,174</u>	<u>887,682</u>	<u>27,508</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Fiscal:			
Other	15,600	15,513	87
Debt Service:			
Principal Retirement	395,000	390,000	5,000
Interest and Fiscal Charges	312,090	311,335	755
Total Debt Service	<u>707,090</u>	<u>701,335</u>	<u>5,755</u>
<i>Total Expenditures</i>	<u>722,690</u>	<u>716,848</u>	<u>5,842</u>
<i>Net Change in Fund Balance</i>	137,484	170,834	33,350
<i>Fund Balance Beginning of Year</i>	<u>691,598</u>	<u>691,598</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$829,082</u></u>	<u><u>\$862,432</u></u>	<u><u>\$33,350</u></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, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$180,500	\$176,412	(\$4,088)
Charges for Services	200,140	199,092	(1,048)
<i>Total Revenues</i>	<u>380,640</u>	<u>375,504</u>	<u>(5,136)</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Purchased Services	2,167	2,167	0
Operation of Non-Instructional Services:			
Food Service Operations:			
Salaries and Wages	125,332	124,537	795
Fringe Benefits	80,777	79,837	940
Purchased Services	1,625	1,617	8
Materials and Supplies	205,315	186,039	19,276
Total Operation of Non-Insturctional Services	<u>413,049</u>	<u>392,030</u>	<u>21,019</u>
<i>Total Expenditures</i>	<u>415,216</u>	<u>394,197</u>	<u>21,019</u>
<i>Excess of Revenues Under Expenditures</i>	(34,576)	(18,693)	15,883
<b>Other Financing Sources</b>			
Transfers In	65,000	65,000	0
<i>Net Change in Fund Balance</i>	30,424	46,307	15,883
<i>Fund Deficit Beginning of Year</i>	<u>(25,268)</u>	<u>(25,268)</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$5,156</u>	<u>\$21,039</u>	<u>\$15,883</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, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Tuition and Fees	\$70,545	\$73,932	\$3,387
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Purchased Services	5,100	4,609	491
Materials and Supplies	59,401	53,631	5,770
Total Instruction	64,501	58,240	6,261
Support Services:			
Operation and Maintenance of Plant:			
Purchased Services	1,610	1,554	56
<i>Total Expenditures</i>	66,111	59,794	6,317
<i>Net Change in Fund Balance</i>	4,434	14,138	9,704
<i>Fund Balance Beginning of Year</i>	64,874	64,874	0
Prior Year Encumbrances Appropriated	2,639	2,639	0
<i>Fund Balance End of Year</i>	\$71,947	\$81,651	\$9,704



**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, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Extracurricular Activities	\$9,441	\$9,459	\$18
Contributions and Donations	7,125	7,518	393
Miscellaneous	25	24	(1)
<i>Total Revenues</i>	<u>16,591</u>	<u>17,001</u>	<u>410</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	216	215	1
Support Services:			
Administration:			
Materials and Supplies	23,386	23,384	2
Extracurricular Activities:			
School and Public Service Co-Curricular Activities:			
Materials and Supplies	3,349	3,349	0
<i>Total Expenditures</i>	<u>26,951</u>	<u>26,948</u>	<u>3</u>
<i>Net Change in Fund Balance</i>	(10,360)	(9,947)	413
<i>Fund Balance Beginning of Year</i>	32,151	32,151	0
Prior Year Encumbrances Appropriated	<u>359</u>	<u>359</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$22,150</u></u>	<u><u>\$22,563</u></u>	<u><u>\$413</u></u>

**Cardinal Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Martha Holden Jennings Grant Fund*  
*For the Fiscal Year Ended June 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$21,782	\$21,785	\$3
<b>Expenditures</b>			
Current:			
Support Services:			
Central:			
Capital Outlay	21,782	21,782	0
<i>Net Change in Fund Balance</i>	0	3	3
<i>Fund Balance Beginning of Year</i>	250	250	0
<i>Fund Balance End of Year</i>	\$250	\$253	\$3

**Cardinal Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Termination Benefits Fund*  
*For the Fiscal Year Ended June 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries	305,743	305,743	0
<i>Excess of Revenues Under Expenditures</i>	(305,743)	(305,743)	0
<b>Other Financing Sources</b>			
Transfers In	305,743	305,743	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	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*  
*District Managed Activities Fund*  
*For the Fiscal Year Ended June 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Tuition and Fees	\$500	\$0	(\$500)
Extracurricular Activities	53,175	49,591	(3,584)
Contributions and Donations	7,350	2,709	(4,641)
<i>Total Revenues</i>	<u>61,025</u>	<u>52,300</u>	<u>(8,725)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	650	648	2
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Purchased Services	8,700	7,777	923
Materials and Supplies	3,600	1,702	1,898
Capital Outlay - Replacement	250	0	250
Other	2,050	1,785	265
Total Academic and Subject Oriented Activities	<u>14,600</u>	<u>11,264</u>	<u>3,336</u>
Sports Oriented Activities:			
Purchased Services	22,270	18,219	4,051
Materials and Supplies	36,458	33,057	3,401
Capital Outlay - Replacement	1,200	995	205
Other	4,975	4,570	405
Total Sports Oriented Activities	<u>64,903</u>	<u>56,841</u>	<u>8,062</u>
Total Extracurricular Activities	<u>79,503</u>	<u>68,105</u>	<u>11,398</u>
<i>Total Expenditures</i>	<u>80,153</u>	<u>68,753</u>	<u>11,400</u>
<i>Net Change in Fund Balance</i>	(19,128)	(16,453)	2,675
<i>Fund Balance Beginning of Year</i>	49,841	49,841	0
Prior Year Encumbrances Appropriated	<u>1,395</u>	<u>1,395</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$32,108</u>	<u>\$34,783</u>	<u>\$2,675</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, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$24,658	\$24,688	\$30
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	10,794	6,973	3,821
Support Services:			
Pupil:			
Purchased Services	11,293	8,579	2,714
Fiscal:			
Purchased Services	1,207	1,207	0
Total Support Services	12,500	9,786	2,714
<i>Total Expenditures</i>	23,294	16,759	6,535
<i>Net Change in Fund Balance</i>	1,364	7,929	6,565
<i>Fund Balance Beginning of Year</i>	3,426	3,426	0
Prior Year Encumbrances Appropriated	1,636	1,636	0
<i>Fund Balance End of Year</i>	\$6,426	\$12,991	\$6,565

**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, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$3,264	\$5,000	\$1,736
<b>Expenditures</b>			
Current:			
Support Services:			
Central:			
Purchased Services	3,000	1,379	1,621
<i>Net Change in Fund Balance</i>	264	3,621	3,357
<i>Fund Balance Beginning of Year</i>	5,026	5,026	0
<i>Fund Balance End of Year</i>	\$5,290	\$8,647	\$3,357

**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, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$12,000	\$12,000	\$0
<b>Expenditures</b>			
Current:			
Support Services:			
Central:			
Purchased Services	10,000	0	10,000
<i>Net Change in Fund Balance</i>	2,000	12,000	10,000
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$2,000	\$12,000	\$10,000

**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, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$3,000	\$2,430	(\$570)
<b>Expenditures</b>			
Current:			
Support Services:			
Central:			
Purchased Services	2,000	2,000	0
<i>Net Change in Fund Balance</i>	1,000	430	(570)
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$1,000	\$430	(\$570)



**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, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$200	\$0	(\$200)
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	500	146	354
<i>Net Change in Fund Balance</i>	(300)	(146)	154
<i>Fund Balance Beginning of Year</i>	4,000	4,000	0
<i>Fund Balance End of Year</i>	\$3,700	\$3,854	\$154

**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, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$367,455	\$249,213	(\$118,242)
<b>Expenditures</b>			
Support Services:			
Pupil:			
Purchased Services	68,761	68,353	408
Instructional Staff:			
Salaries and Wages	252,086	159,045	93,041
Fringe Benefits	113,933	103,892	10,041
Purchased Services	500	260	240
Materials and Supplies	6,092	541	5,551
Total Instructional Staff	372,611	263,738	108,873
<i>Total Expenditures</i>	441,372	332,091	109,281
<i>Excess of Revenues Under Expenditures</i>	(73,917)	(82,878)	(8,961)
<b>Other Financing Sources (Uses)</b>			
Advances In	60,962	60,962	0
Advances Out	(22,200)	(11,100)	11,100
<i>Total Other Financing Sources (Uses)</i>	38,762	49,862	11,100
<i>Net Change in Fund Balance</i>	(35,155)	(33,016)	2,139
<i>Fund Balance Beginning of Year</i>	35,155	35,155	0
<i>Fund Balance End of Year</i>	\$0	\$2,139	\$2,139

**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, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$1,504	\$1,504	\$0
<b>Expenditures</b>			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	3,000	2,316	684
Fringe Benefits	1,050	358	692
Purchased Services	6,100	2,045	4,055
Materials and Supplies	600	0	600
<i>Total Expenditures</i>	10,750	4,719	6,031
<i>Net Change in Fund Balance</i>	(9,246)	(3,215)	6,031
<i>Fund Balance Beginning of Year</i>	8,846	8,846	0
Prior Year Encumbrances Appropriated	400	400	0
<i>Fund Balance End of Year</i>	\$0	\$6,031	\$6,031

**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, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$669,192	\$617,605	(\$51,587)
<b>Expenditures</b>			
Current:			
Instruction:			
Special:			
Salaries and Wages	420,569	401,574	18,995
Fringe Benefits	122,287	113,949	8,338
Purchased Services	51,512	47,876	3,636
Materials and Supplies	13,970	7,873	6,097
Capital Outlay - New	1,750	0	1,750
Total Instruction	610,088	571,272	38,816
Support Services:			
Pupil:			
Salaries and Wages	78,310	78,237	73
Fringe Benefits	37,477	33,769	3,708
Purchased Services	100	0	100
Materials and Supplies	3,175	3,175	0
Total Pupil	119,062	115,181	3,881
Instructional Staff:			
Salaries and Wages	18,123	18,100	23
Fringe Benefits	19,325	15,611	3,714
Purchased Services	2,230	2,004	226
Total Instructional Staff	39,678	35,715	3,963
Administration:			
Salaries and Wages	7,250	7,104	146
Fringe Benefits	3,426	3,097	329
Total Administration	\$10,676	\$10,201	\$475

(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, 2008*

	Final	Actual	Variance with Final Budget Positive (Negative)
Fiscal:			
Purchased Services	\$1,500	\$1,500	\$0
Other	2,500	2,500	0
Total Fiscal	4,000	4,000	0
Total Support Services	173,416	165,097	8,319
Operation of Non-Instructional Services:			
Other Non-Instructional Services:			
Community Services:			
Purchased Services	3,240	0	3,240
Materials and Supplies	3,718	2,506	1,212
Total Operation of Non-Instructional Services	6,958	2,506	4,452
<i>Total Expenditures</i>	790,462	738,875	51,587
<i>Excess of Revenues Under Expenditures</i>	(121,270)	(121,270)	0
<b>Other Financing Sources</b>			
Advances In	64,507	64,507	0
<i>Net Change in Fund Balance</i>	(56,763)	(56,763)	0
<i>Fund Balance Beginning of Year</i>	54,669	54,669	0
Prior Year Encumbrances Appropriated	2,094	2,094	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*  
*Title V Fund*  
*For the Fiscal Year Ended June 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$4,748	\$1,843	(\$2,905)
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Purchased Services	1,937	1,935	2
Support Services:			
Instructional Staff:			
Purchased Services	4,374	0	4,374
<i>Total Expenditures</i>	6,311	1,935	4,376
<i>Excess of Revenues Under Expenditures</i>	(1,563)	(92)	1,471
<b>Other Financing Sources</b>			
Advances In	93	93	0
<i>Net Change in Fund Balance</i>	(1,470)	1	1,471
<i>Fund Balance Beginning of Year</i>	1,470	1,470	0
<i>Fund Balance End of Year</i>	\$0	\$1,471	\$1,471

**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, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$11,262	\$2,708	(\$8,554)
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Purchased Services	5,000	3,772	1,228
Support Services:			
Pupil:			
Purchased Services	150	0	150
Materials and Supplies	440	440	0
Total Pupil	590	440	150
Instructional Staff:			
Purchased Services	7,233	57	7,176
Total Support Services	7,823	497	7,326
Operation of Non-Instructional Services:			
Other Non-Instructional Services:			
Community Services:			
Purchased Services	1,694	1,694	0
Materials and Supplies	454	454	0
Total Operation of Non-Instructional Services	2,148	2,148	0
<i>Total Expenditures</i>	14,971	6,417	8,554
<i>Excess of Revenues Under Expenditures</i>	(3,709)	(3,709)	0
<b>Other Financing Sources (Uses)</b>			
Advances In	1,924	1,924	0
Advances Out	(349)	(349)	0
<i>Total Other Financing Sources (Uses)</i>	1,575	1,575	0
<i>Net Change in Fund Balance</i>	(2,134)	(2,134)	0
<i>Fund Balance Beginning of Year</i>	363	363	0
Prior Year Encumbrances Appropriated	1,771	1,771	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*  
*Improving Teacher Quality Fund*  
*For the Fiscal Year Ended June 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$140,954	\$122,250	(\$18,704)
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	119,245	106,858	12,387
Fringe Benefits	38,904	37,497	1,407
Purchased Services	5,333	499	4,834
Total Instruction	163,482	144,854	18,628
Operation of Non-Instructional Services:			
Other Non-Instructional Services:			
Community Services:			
Purchased Services	3,674	3,674	0
Materials and Supplies	1,994	1,918	76
Total Operation of Non-Instructional Services	5,668	5,592	76
<i>Total Expenditures</i>	169,150	150,446	18,704
<i>Excess of Revenues Under Expenditures</i>	(28,196)	(28,196)	0
<b>Other Financing Sources</b>			
Advances In	24,582	24,582	0
<i>Net Change in Fund Balance</i>	(3,614)	(3,614)	0
<i>Fund Balance Beginning of Year</i>	39	39	0
Prior Year Encumbrances Appropriated	3,575	3,575	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*  
*Technology II-D Grant Fund*  
*For the Fiscal Year Ended June 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$2,389	\$749	(\$1,640)
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	2,700	0	2,700
Purchased Services	11,300	0	11,300
Capital Outlay - New	8,840	17,840	(9,000)
Total Instruction	22,840	17,840	5,000
Support Services:			
Instructional Staff:			
Materials and Supplies	137	0	137
Operation of Non-Instructional Services:			
Other Non-Instructional Services:			
Community Services:			
Materials and Supplies	202	105	97
<i>Total Expenditures</i>	23,179	17,945	5,234
<i>Excess of Revenues Under Expenditures</i>	(20,790)	(17,196)	3,594
<b>Other Financing Sources</b>			
Advances In	12,696	12,696	0
<i>Net Change in Fund Balance</i>	(8,094)	(4,500)	3,594
<i>Fund Balance Beginning of Year</i>	8,094	8,094	0
<i>Fund Balance End of Year</i>	\$0	\$3,594	\$3,594

**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, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$224,965	\$231,689	\$6,724
Intergovernmental	45,996	22,304	(23,692)
<i>Total Revenues</i>	<u>270,961</u>	<u>253,993</u>	<u>(16,968)</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Fiscal:			
Other	4,900	4,895	5
Debt Service:			
Principal Retirement	130,000	130,000	0
Interest and Fiscal Charges	114,790	103,150	11,640
Total Debt Service	<u>244,790</u>	<u>233,150</u>	<u>11,640</u>
<i>Total Expenditures</i>	<u>249,690</u>	<u>238,045</u>	<u>11,645</u>
<i>Net Change in Fund Balance</i>	21,271	15,948	(5,323)
<i>Fund Balance Beginning of Year</i>	<u>212,463</u>	<u>212,463</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$233,734</u></u>	<u><u>\$228,411</u></u>	<u><u>(\$5,323)</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, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$56,055	\$66,939	\$10,884
Intergovernmental	57,292	7,121	(50,171)
<i>Total Revenues</i>	<u>113,347</u>	<u>74,060</u>	<u>(39,287)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular			
Materials and Supplies	11,750	10,983	767
Support Services:			
Fiscal:			
Other	1,450	1,423	27
Operation and Maintenance of Plant:			
Purchased Services	119,922	92,304	27,618
Capital Outlay - Replacement	61,296	46,994	14,302
Total Operation and Maintenance of Plant	<u>181,218</u>	<u>139,298</u>	<u>41,920</u>
Total Support Services	<u>182,668</u>	<u>140,721</u>	<u>41,947</u>
Extracurricular:			
Sport Oriented Activities:			
Capital Outlay - Replacement	750	446	304
Capital Outlay:			
Site Improvement Services:			
Capital Outlay - Replacement	18,140	13,677	4,463
<i>Total Expenditures</i>	<u>213,308</u>	<u>165,827</u>	<u>47,481</u>
<i>Net Change in Fund Balance</i>	(99,961)	(91,767)	8,194
<i>Fund Balance Beginning of Year</i>	247,542	247,542	0
Prior Year Encumbrances Appropriated	<u>4,563</u>	<u>4,563</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$152,144</u></u>	<u><u>\$160,338</u></u>	<u><u>\$8,194</u></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, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>			
Current:			
Operation of Non-Instructional Services:			
Other Non-Instructional Services:			
Capital Outlay - New	7,772	147	7,625
<i>Net Change in Fund Balance</i>	(7,772)	(147)	7,625
<i>Fund Balance Beginning of Year</i>	7,232	7,232	0
Prior Year Encumbrances Appropriated	540	540	0
<i>Fund Balance End of Year</i>	\$0	\$7,625	\$7,625

**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, 2008*

	Final	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$9,840	\$9,840	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Capital Outlay - New	9,840	9,840	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	13	13	0
<i>Fund Balance End of Year</i>	\$13	\$13	\$0

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# STATISTICAL SECTION

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## 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.

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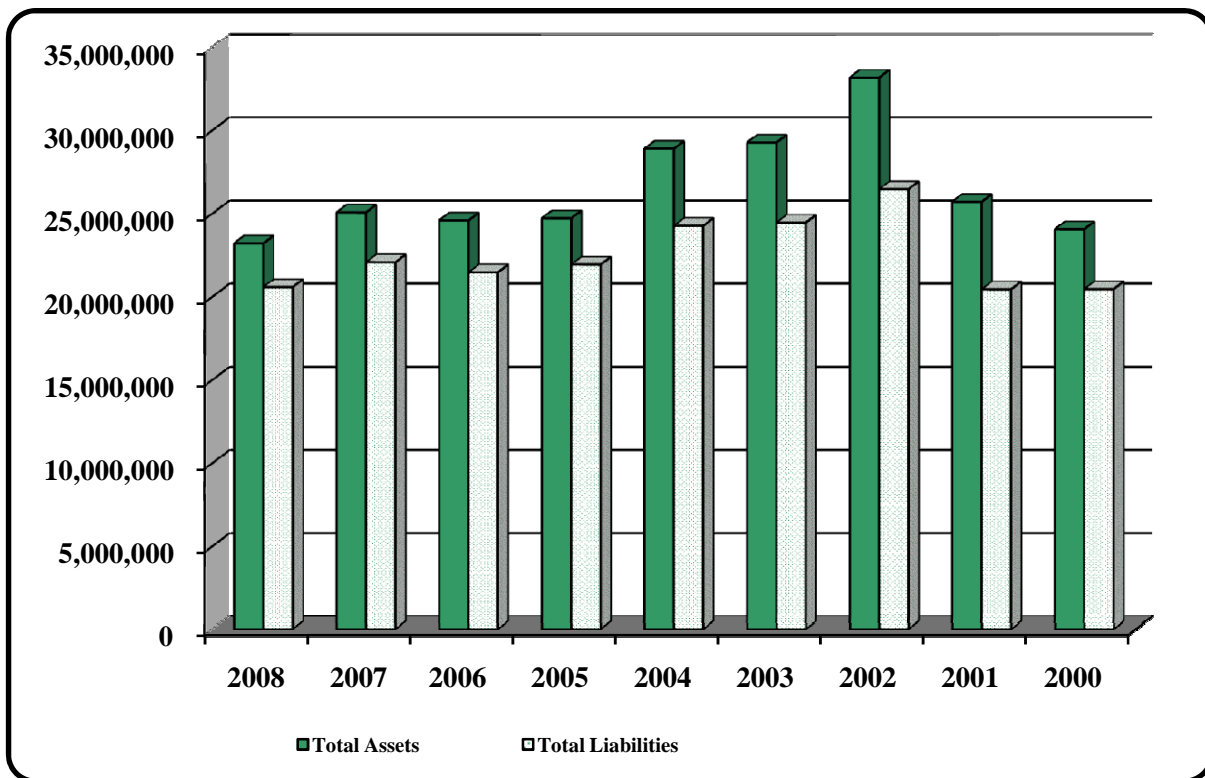
<b>Contents</b>	<b>Pages(s)</b>
<b><i>Financial Trends</i></b> .....	<b><i>S2 – S13</i></b>
These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	
<b><i>Revenue Capacity</i></b> .....	<b><i>S14 – S23</i></b>
These schedules contain information to help the reader assess the School District's most significant local revenue, the property tax.	
<b><i>Debt Capacity</i></b> .....	<b><i>S24 – S28</i></b>
These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	
<b><i>Economic and Demographic Information</i></b> .....	<b><i>S29 – S31</i></b>
These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	
<b><i>Operating Information</i></b> .....	<b><i>S32 – S48</i></b>
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 Nine Fiscal Years*  
*(accrual basis of accounting)*

	2008	2007	2006	2005
Invested in Capital Assets, Net of Related Debt	\$2,925,329	\$3,144,623	\$4,593,946	\$3,928,114
Restricted for:				
Capital Projects	192,656	312,152	282,111	1,039,422
Debt Service	1,147,078	957,534	674,950	281,224
Set Asides	520,102	317,152	180,345	127,341
Other Purposes	217,919	258,226	283,934	209,748
Unrestricted (Deficit)	(2,377,947)	(1,990,169)	(2,899,784)	(2,714,419)
<b>Total Net Assets</b>	<b>\$2,625,137</b>	<b>\$2,999,518</b>	<b>\$3,115,502</b>	<b>\$2,871,430</b>

Source: School District Financial Records



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

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

	2008	2007	2006	2005
<b>Expenses</b>				
Regular Instruction	\$6,316,892	\$6,254,345	\$6,082,539	\$6,607,043
Special Instruction	2,092,346	2,075,869	1,984,328	1,910,585
Vocational Instruction	0	8,506	72,440	89,119
Pupil Support	953,872	1,052,881	1,009,656	1,067,213
Instructional Staff Support	590,956	599,006	721,532	832,477
Board of Education	25,129	26,443	49,092	48,665
Administration	1,051,643	884,982	860,962	954,634
Fiscal	441,607	483,025	419,616	486,221
Business	49,905	46,461	47,146	47,694
Operation and Maintenance of Plant	1,443,113	1,365,837	1,453,072	1,428,796
Pupil Transportation	1,322,595	934,687	998,390	958,004
Central	248,745	264,476	362,057	275,932
Food Service Operations	414,956	453,847	509,206	488,984
Other Non-Instructional Services	39,871	0	28,319	0
Extracurricular Activities	322,416	291,325	289,219	411,279
Interest and Fiscal Charges	567,916	532,501	532,862	686,596
<i>Total Expenses</i>	<u>15,881,962</u>	<u>15,274,191</u>	<u>15,420,436</u>	<u>16,293,242</u>
<b>Program Revenues</b>				
Charges for Services				
Regular Instruction	665,315	795,747	855,864	709,403
Special Instruction	161,632	170,584	187,717	22,920
Vocational Instruction	0	0	0	15,690
Pupil Support	0	0	0	0
Instructional Staff Support	0	0	0	0
Administration	9,496	0	6,132	19,231
Operation and Maintenance of Plant	0	0	0	75,796
Pupil Transportation	0	0	0	31,902
Food Service Operations	198,871	211,046	234,374	239,464
Extracurricular Activities	49,637	60,929	239,732	155,172
Operating Grants, Contributions and Interest				
Regular Instruction	144,869	182,276	297,037	244,039
Special Instruction	563,099	600,265	770,482	664,857
Vocational Instruction	0	0	0	0
Pupil Support	169,185	173,018	17,168	249,532
Instructional Staff Support	285,438	373,524	375,714	255,916
Administration	17,584	19,335	0	24,698
Fiscal	179,815	13,501	0	0
Operation and Maintenance of Plant	7,121	0	0	0
Central	40,215	17,900	29,000	23,000
Food Service Operations	144,439	137,444	157,794	128,383
Other Non-Instructional Services	4,495	0	0	0
Extracurricular Activities	2,709	8,344	0	0
Capital Grants and Contributions				
Regular Instruction	0	0	0	9,135
Pupil Transportation	0	0	0	0
Central	0	0	0	0
<i>Total Program Revenues</i>	<u>2,643,920</u>	<u>2,763,913</u>	<u>3,171,014</u>	<u>2,869,138</u>
Net Expense	<u>(\$13,238,042)</u>	<u>(\$12,510,278)</u>	<u>(\$12,249,422)</u>	<u>(\$13,424,104)</u>

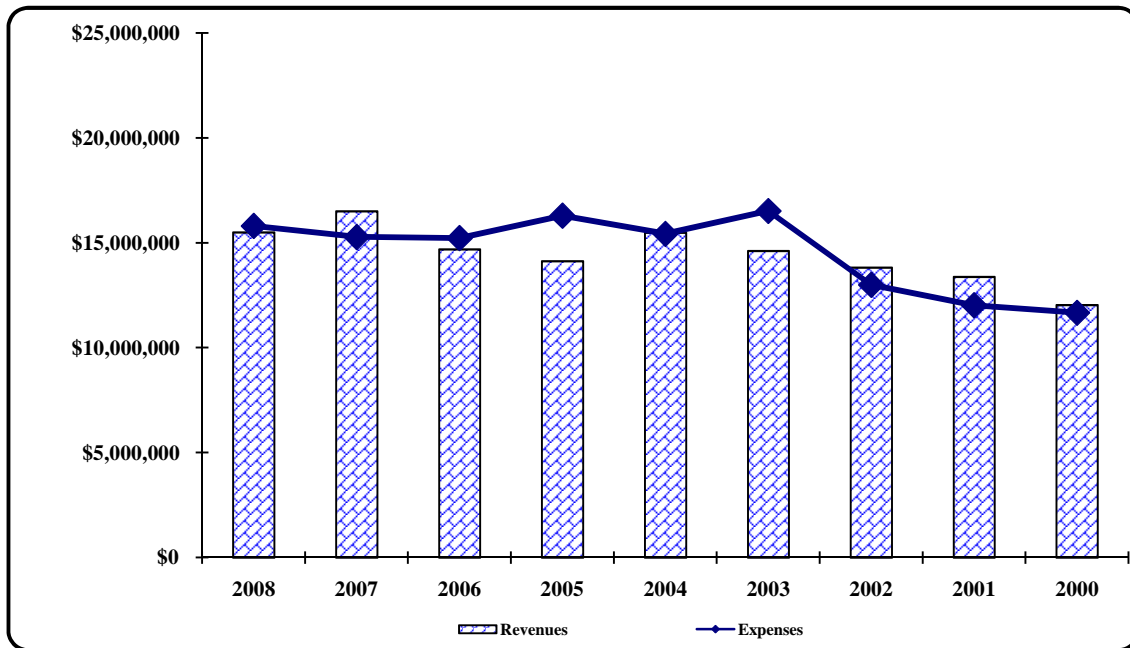
2004	2003	2002	2001	2000
\$6,700,477	\$6,885,667	\$5,339,683	\$5,460,249	\$5,141,226
1,677,655	1,957,339	1,341,464	1,233,556	1,318,006
145,519	201,001	118,448	104,018	168,832
733,067	871,685	798,170	582,454	507,626
712,066	814,915	692,911	475,239	401,176
27,021	34,831	47,125	16,313	23,328
910,070	844,084	756,284	782,822	683,203
453,006	477,098	375,315	359,270	321,406
45,553	50,711	45,080	48,487	59,220
1,184,735	1,387,312	1,128,307	1,056,124	897,041
955,971	1,097,773	811,498	664,822	688,411
270,224	241,170	206,313	184,936	172,079
457,508	367,376	451,803	0	0
35,499	215,053	0	81,410	67,521
421,052	408,672	353,431	327,796	331,264
697,067	661,232	531,713	640,668	886,000
<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>
714,938	588,410	628,178	627,262	500,870
125,186	148,953	48,979	25,149	26,191
0	0	0	0	0
0	0	130,407	15,559	0
0	1,561	186	1,280	0
15,593	11,729	10,682	19,544	0
76,680	29,431	3,841	3,390	4,127
0	62,662	76,394	95,642	128,112
231,498	243,331	243,899	0	0
119,047	89,820	104,233	1,564	169,813
185,511	198,173	139,620	92,948	79,128
554,311	737,143	492,446	473,902	467,438
0	3,999	0	0	0
127,547	126,310	98,381	62,133	59,833
179,508	102,074	110,392	74,935	36,398
20,987	25,635	20,196	16,827	15,398
23,457	0	714	0	0
0	80	0	0	0
0	13,799	5,373	5,708	8,240
132,317	112,233	53,880	0	0
0	0	0	0	0
0	20,215	19,336	0	0
0	29,750	0	18,000	21,569
14,816	23,171	26,140	84,292	0
0	20,220	13,500	0	0
<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>(\$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 Nine Fiscal Years*  
*(accrual basis of accounting)*

	2008	2007	2006	2005	2004
<i>General Revenues</i>					
Property Taxes Levied for:					
General Purposes	\$6,835,134	\$8,079,344	\$6,857,970	\$8,839,149	\$7,498,414
Debt Service	952,637	1,017,033	849,743	1,294,355	1,016,126
Capital Projects	34,916	52,263	0	187,199	355,602
Grants and Entitlements not					
Restricted to Specific Programs	4,792,066	4,342,549	3,526,655	3,411,745	3,695,629
Investment Earnings	158,857	151,132	145,582	60,819	102,886
Miscellaneous	90,051	109,074	149,600	150,096	298,351
Gain on the Sale of Capital Assets	0	0	0	0	0
Unrestricted Contributions and					
Donations	0	0	0	0	0
Special Item	0	0	0	(2,681,955)	0
<i>Total General Revenues</i>	<u>12,863,661</u>	<u>13,751,395</u>	<u>11,529,550</u>	<u>11,261,408</u>	<u>12,967,008</u>
<i>Restatements</i>	0	(1,357,101)	198,399	87,560	314,153
<i>Change in Net Assets</i>	<u>(\$374,381)</u>	<u>(\$115,984)</u>	<u>(\$521,473)</u>	<u>(\$2,075,136)</u>	<u>\$376,067</u>

**Source:** School District Financial Records

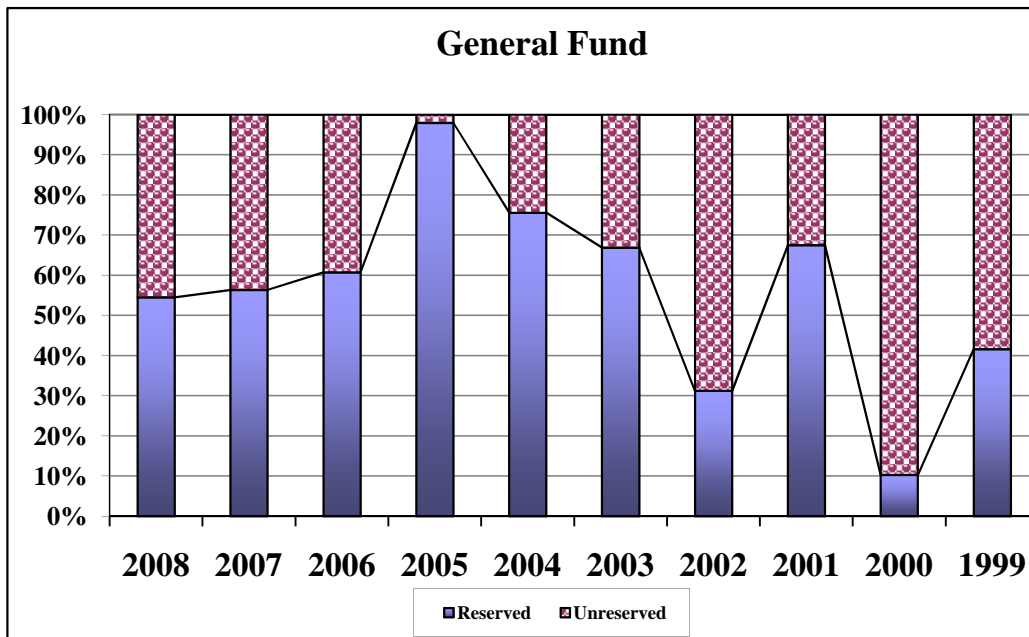


2003	2002	2001	2000
\$6,939,254	\$6,493,262	\$6,531,095	\$6,014,746
1,054,117	711,361	817,554	228,840
297,287	462,238	212,820	188,182
3,553,129	3,305,179	3,221,848	3,368,610
179,892	949,742	960,443	700,727
2,001	291,496	11,870	28,591
0	0	3,548	0
2,500	0	0	0
0	0	0	0
12,028,180	12,213,278	11,759,178	10,529,696
(234,868)	0	2,989	297,726
<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)*

	2008	2007	2006	2005
<b>General Fund</b>				
Reserved	\$1,467,691	\$1,662,031	\$1,055,786	\$2,218,943
Unreserved (Deficit)	118,665	458,787	(268,787)	(873,598)
<i>Total General Fund</i>	<u>1,586,356</u>	<u>2,120,818</u>	<u>786,999</u>	<u>1,345,345</u>
<b>All Other Governmental Funds</b>				
Reserved	192,091	199,692	176,156	410,848
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	5,748	47,684	168,783	46,739
Debt Service Funds	1,090,840	904,058	645,087	605,824
Capital Projects Funds (Deficit)	167,975	254,787	250,972	275,459
<i>Total All Other Governmental Funds</i>	<u>1,456,654</u>	<u>1,406,221</u>	<u>1,240,998</u>	<u>1,338,870</u>
<i>Total Governmental Funds</i>	<u><u>\$3,043,010</u></u>	<u><u>\$3,527,039</u></u>	<u><u>\$2,027,997</u></u>	<u><u>\$2,684,215</u></u>

**Source:** School District Financial Records





2004	2003	2002	2001	2000	1999
\$1,065,445	\$1,016,489	\$781,665	\$961,529	\$989,271	\$826,616
57,890	64,557	1,483,293	1,272,527	974,227	824,262
1,123,335	1,081,046	2,264,958	2,234,056	1,963,498	1,650,878
1,168,803	2,395,902	1,741,221	6,025,426	303,550	76,426
217,186	252,447	485,367	192,384	102,295	108,291
518,478	463,379	3,489,732	582,520	452,412	306,646
(72,449)	907,869	83,092	1,318,241	9,695,103	27,294
1,832,018	4,019,597	5,799,412	8,118,571	10,553,360	518,657
\$2,955,353	\$5,100,643	\$8,064,370	\$10,352,627	\$12,516,858	\$2,169,535

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

	2008	2007	2006	2005
<b>Revenues</b>				
Property Taxes	\$7,754,387	\$9,131,248	\$7,745,269	\$10,265,300
Intergovernmental	6,413,866	5,738,730	5,321,539	4,986,485
Interest	158,857	151,132	145,582	60,819
Tuition and Fees	574,581	745,992	875,204	849,539
Extracurricular Activities	220,608	209,197	221,712	122,864
Contributions and Donations	14,227	13,842	43,830	59,041
Charges for Services	198,871	211,046	234,374	239,168
Rentals	90,891	128,714	110,403	75,796
Miscellaneous	21,400	109,074	130,800	147,048
<b>Total Revenues</b>	<b>15,447,688</b>	<b>16,438,975</b>	<b>14,828,713</b>	<b>16,806,060</b>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	5,948,204	5,834,149	5,829,048	6,194,939
Special	2,042,660	2,033,524	1,932,031	1,862,917
Vocational	0	1,720	63,597	78,996
Support Services:				
Pupil	965,777	1,041,743	1,013,128	1,062,714
Instructional Staff	601,530	586,270	682,442	792,960
Board of Education	23,370	23,994	46,579	49,611
Administration	1,079,738	862,194	866,658	946,350
Fiscal	438,147	476,008	417,435	503,396
Business	49,142	46,135	47,200	48,971
Operation and Maintenance of Plant	1,347,643	1,245,068	1,361,416	1,557,113
Pupil Transportation	1,353,666	880,538	942,728	906,463
Central	250,504	269,693	362,566	280,482
Operation of Non-Instructional Services:				
Food Service Operations	370,504	388,977	478,005	480,088
Other Non-Instructional Services	39,724	20,024	0	172,964
Extracurricular Activities	315,250	285,334	317,907	401,182
Capital Outlay	171,373	78,269	25,868	792,958
Debt Service:				
Principal Retirement	299,922	455,000	302,937	485,000
Interest and Fiscal Charges	414,485	411,293	690,386	570,717
Capital Appreciation Bonds Interest	220,078	411,293	690,386	570,717
Bond Issuance Costs	0	0	206,071	0
<b>Total Expenditures</b>	<b>15,931,717</b>	<b>15,351,226</b>	<b>16,276,388</b>	<b>17,758,538</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>(484,029)</b>	<b>1,087,749</b>	<b>(1,447,675)</b>	<b>(952,478)</b>
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	0	23,063
Refunding Bonds Issued	0	0	7,484,980	0
General Obligation Bonds Issued	0	0	0	0
Premium on Bonds	0	0	0	0
Premium Refunding Bonds Issued	0	0	563,711	0
Payment to Refunded Bond Escrow Agent	0	0	(7,947,620)	0
Transfers In	399,525	271,056	53,621	484,958
Transfers Out	(399,525)	(271,056)	(53,621)	(484,958)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>101,071</b>	<b>23,063</b>
<b>Restatements</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>87,560</b>
<b>Net Change in Fund Balances</b>	<b>(\$484,029)</b>	<b>\$1,087,749</b>	<b>(\$1,346,604)</b>	<b>(\$841,855)</b>
<b>Debt Service as a Percentage of</b>				
<b>Noncapital Expenditures</b>	5.99%	5.82%	7.38%	6.22%

Source: School District Financial Records

2004	2003	2002	2001	2000	1999
\$8,875,592	\$8,272,725	\$7,610,341	\$7,522,004	\$6,319,700	\$6,232,617
5,157,158	4,550,158	4,265,296	4,119,351	3,987,745	4,026,990
102,886	179,892	950,156	960,443	700,727	154,775
777,582	777,872	815,067	663,084	658,363	155,185
115,302	105,257	117,980	108,594	147,257	127,895
19,816	54,799	19,447	14,727	17,093	20,506
231,794	243,467	310,398	0	0	0
75,448	49,301	3,354	2,985	4,127	2,758
298,351	2,001	264,906	11,870	36,257	8,405
15,653,929	14,235,472	14,356,945	13,403,068	11,871,269	10,729,131
6,118,373	5,996,850	5,524,317	5,059,446	4,805,898	4,264,170
1,646,952	1,728,565	1,348,861	1,246,973	1,251,265	1,229,559
152,655	116,549	119,058	119,824	171,121	170,192
727,765	819,596	794,276	587,965	506,212	503,902
670,677	630,426	698,042	460,253	367,173	316,602
26,075	34,831	47,125	16,313	24,446	19,497
905,596	789,716	787,357	747,858	708,065	704,028
470,403	432,916	370,556	348,564	315,797	281,867
42,203	51,034	45,769	49,226	57,881	56,105
1,380,779	1,258,452	1,052,605	983,080	885,844	925,611
916,987	915,585	796,926	829,342	684,116	722,151
273,729	231,586	189,252	187,016	173,986	199,908
421,174	374,679	464,370	0	0	0
39,245	297,467	0	79,763	62,682	64,518
403,310	277,857	369,125	333,703	350,066	303,607
2,551,860	2,074,561	6,162,464	3,800,658	562,637	50,964
460,000	515,000	365,000	110,000	110,000	105,000
591,436	654,365	538,252	672,501	421,956	42,455
591,436	654,365	538,252	672,501	421,956	42,455
0	0	86,737	0	68,739	0
18,390,655	17,854,400	20,298,344	16,304,986	11,949,840	10,002,591
(2,736,726)	(3,618,928)	(5,941,399)	(2,901,918)	(78,571)	726,540
0	6,400	26,590	3,548	6,300	8,680
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	0
8,553	196,331	35,000	0	0	0
(8,553)	(196,331)	(35,000)	0	0	0
0	6,400	3,114,890	3,548	10,022,315	8,680
0	(5,564)	0	61,648	(18,377)	162,391
(\$2,736,726)	(\$3,618,092)	(\$2,826,509)	(\$2,836,722)	\$9,925,367	\$897,611
6.64%	7.41%	7.00%	6.26%	5.28%	1.48%

**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
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
1999	101,777,540	31,224,050	133,001,590	380,004,543	43,299,674	173,198,696

**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	
\$6,320,970	\$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	840,463,983	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
9,585,480	10,892,591	185,886,744	564,095,830	32.95	31.49

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

	2008	2007	2006	2005	2004
<b>Unvoted Millage</b>					
Operating	\$3.500000	\$4.000000	\$4.500000	\$3.000000	\$3.000000
Debt Service	0.000000	0.000000	0.000000	0.000000	0.000000
Permanent Improvement	1.000000	0.500000	0.000000	1.500000	1.500000
	<u>4.500000</u>	<u>4.500000</u>	<u>4.500000</u>	<u>4.500000</u>	<u>4.500000</u>
<b>Voted Millage - by levy</b>					
1976 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	3.956614	3.961341	3.986712	4.626850	4.651110
Commercial/Industrial	6.903855	6.902097	6.914217	8.020228	8.019278
Tangible/Public Utility Personal	20.200000	20.200000	20.200000	20.200000	20.200000
1977 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	1.116470	1.117804	1.124963	1.305596	1.312442
Commercial/Industrial	1.948117	1.947621	1.951041	2.263133	2.262865
Tangible/Public Utility Personal	5.700000	5.700000	5.700000	5.700000	5.700000
1981 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	1.819230	1.821405	1.833067	2.127405	2.138557
Commercial/Industrial	3.112177	3.111390	3.116850	3.615420	3.614992
Tangible/Public Utility Personal	7.500000	7.500000	7.500000	7.500000	7.500000
1985 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	1.624153	1.626097	1.636510	1.899288	1.909246
Commercial/Industrial	2.235726	2.235159	2.239083	2.597251	2.596945
Tangible/Public Utility Personal	4.500000	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	0.000000
Commercial/Industrial	0.000000	0.000000	0.000000	0.000000	0.000000
Tangible/Public Utility Personal	0.000000	0.000000	0.000000	0.000000	0.000000
2002 Operating - 5 years					
Effective Millage Rates					
Residential/Agricultural	0.000000	7.301636	7.348399	8.528356	8.573073
Commercial/Industrial	0.000000	8.195617	8.210012	9.523295	9.522179
Tangible/Public Utility Personal	0.000000	9.700000	9.700000	9.700000	9.700000
2007 Operating - 5 years					
Effective Millage Rates					
Residential/Agricultural	9.688379	0.000000	0.000000	0.000000	0.000000
Commercial/Industrial	9.700000	0.000000	0.000000	0.000000	0.000000
Tangible/Public Utility Personal	9.700000	0.000000	0.000000	0.000000	0.000000
1999 Bond (\$10,000,000)	2.700000	2.700000	2.700000	3.150000	3.150000
2001 Library Bond (\$3,000,000)	<u>0.850000</u>	<u>0.850000</u>	<u>0.850000</u>	<u>1.000000</u>	<u>1.000000</u>
<b>Total Effective Voted Millage by Type of Property</b>					
Residential/Agricultural	21.754846	19.378283	19.479651	22.637495	22.734428
Commercial/Industrial	27.449875	17.746267	17.771191	20.646032	20.644080
Tangible/Public Utility Personal	<u>\$51.150000</u>	<u>\$51.150000</u>	<u>\$51.150000</u>	<u>\$51.750000</u>	<u>\$51.750000</u>

<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$3.000000	\$3.000000	\$3.000000	\$3.000000	\$3.000000
0.000000	0.500000	0.500000	0.500000	0.500000
<u>1.500000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>
<u>4.500000</u>	<u>4.500000</u>	<u>4.500000</u>	<u>4.500000</u>	<u>4.500000</u>
4.669270	5.262483	5.285956	5.332901	6.612207
7.979181	8.169001	8.180757	8.213501	9.500787
20.200000	20.200000	20.200000	20.200000	20.200000
1.317566	1.484958	1.491581	1.504828	1.865820
2.251551	2.305114	2.308431	2.317671	2.680915
5.700000	5.700000	5.700000	5.700000	5.700000
2.146912	2.419665	2.430465	2.452050	3.040275
3.596925	3.682500	3.687802	3.702562	4.282852
7.500000	7.500000	7.500000	7.500000	7.500000
1.916703	2.160211	2.169850	2.189119	2.714269
2.583963	2.645437	2.649244	2.659851	3.076722
4.500000	4.500000	4.500000	4.500000	4.500000
0.000000	7.621406	7.655424	7.723421	9.576218
0.000000	8.313511	8.325480	8.358810	9.668872
0.000000	9.700000	9.700000	9.700000	9.700000
8.606567	0.000000	0.000000	0.000000	0.000000
9.474581	0.000000	0.000000	0.000000	0.000000
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
3.150000	3.500000	3.500000	0.000000	0.000000
<u>1.000000</u>	<u>1.000000</u>	<u>0.000000</u>	<u>0.000000</u>	<u>0.000000</u>
22.807018	23.448723	22.533276	19.202319	23.808789
20.561620	29.615563	28.651714	25.252395	29.210148
<u>\$51.750000</u>	<u>\$52.100000</u>	<u>\$51.100000</u>	<u>\$47.600000</u>	<u>\$47.600000</u>

(continued)

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

	2008	2007	2006	2005	2004
<b>Total Millage by type of property</b>					
Residential/Agricultural	\$21.754846	\$19.378283	\$19.479651	\$22.637495	\$22.734428
Commercial/Industrial	27.449875	17.746267	17.771191	20.646032	20.644080
Tangible/Public Utility Personal	<u>55.650000</u>	<u>55.650000</u>	<u>55.650000</u>	<u>56.250000</u>	<u>56.250000</u>
<b>Overlapping Rates by Taxing District</b>					
Huntsburg Township					
Effective Millage Rates					
Residential/Agricultural	\$8.532457	\$5.541900	\$5.551300	\$7.931000	\$7.490700
Commercial/Industrial	8.704085	5.704100	5.704100	8.742600	8.464200
Tangible/Public Utility Personal	9.000000	6.000000	6.000000	10.000000	10.000000
Middlefield Township					
Effective Millage Rates					
Residential/Agricultural	5.096994	5.095800	5.098600	5.455100	5.459100
Commercial/Industrial	5.619793	5.615200	5.608400	5.978200	5.982400
Tangible/Public Utility Personal	6.620000	6.620000	6.620000	6.620000	6.620000
Middlefield Village					
Effective Millage Rates					
Residential/Agricultural	3.964562	3.967700	3.986600	4.113500	4.125400
Commercial/Industrial	4.658617	4.659200	4.665300	4.966600	4.964100
Tangible/Public Utility Personal	6.850000	6.850000	6.850000	6.850000	6.850000
Parkman Township					
Effective Millage Rates					
Residential/Agricultural	5.496050	5.469700	5.484300	5.864600	5.886700
Commercial/Industrial	6.127881	6.121100	6.121100	6.290800	6.290800
Tangible/Public Utility Personal	7.300000	7.300000	7.300000	7.300000	7.300000
Auburn Joint Vocational School District					
Effective Millage Rates					
Residential/Agricultural	1.500000	1.500000	1.500000	1.500000	1.500000
Commercial/Industrial	1.500000	1.500000	1.500000	1.500000	1.500000
Tangible/Public Utility Personal	1.500000	1.500000	1.500000	1.500000	1.500000
Geauga County Voted Millage					
Effective Millage Rates					
Residential/Agricultural	10.858353	10.875139	10.891352	11.876713	10.858588
Commercial/Industrial	11.491120	11.503553	11.414258	12.603699	11.755403
Tangible/Public Utility Personal	15.100000	15.100000	15.100000	15.100000	15.100000
Geauga County Library District Voted Millage					
Effective Millage Rates					
Residential/Agricultural	0.997974	0.806111	0.807751	0.902201	0.901314
Commercial/Industrial	0.998452	0.835383	0.827379	0.938667	0.942192
Tangible/Public Utility Personal	1.000000	1.000000	1.000000	1.000000	1.000000

**Source:** Ohio Department of Taxation

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

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

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

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



2003	2002	2001	2000	1999
\$22.807018	\$23.448723	\$22.533276	\$19.202319	\$23.808789
20.561620	29.615563	28.651714	25.252395	29.210148
56.250000	56.600000	55.600000	52.100000	52.100000
\$7.509000	\$8.122400	\$8.147000	\$8.168800	\$9.266700
8.461700	8.725900	8.725900	8.729700	10.000000
10.000000	10.000000	10.000000	10.000000	10.000000
5.465000	6.154900	6.169600	6.180800	6.870300
5.986000	6.429600	6.429600	6.437000	7.086700
6.620000	7.100000	7.100000	7.100000	7.100000
4.130000	5.106200	5.111100	5.185700	5.663400
4.948300	5.948000	5.954600	5.970100	6.396300
6.850000	7.950000	7.950000	7.950000	7.950000
6.327500	6.774100	6.794800	5.750900	6.476700
7.007900	7.110600	7.110600	6.403900	6.814400
9.100000	9.100000	9.100000	8.600000	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
10.387579	10.991590	10.020950	9.122794	9.188474
11.298447	11.582869	10.595040	9.700071	10.336281
14.600000	14.400000	13.400000	12.650000	12.450000
0.907913	0.992066	0.638504	0.641360	0.749500
0.946233	0.996923	0.728022	0.727255	0.861509
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
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
1998	6,518,460	6,402,632	98.22	213,730	6,616,362	101.50

**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 2008 information cannot be presented because all collections have not been made by June 30, 2008.
- (3) The County does not maintain delinquency collections information by tax year.

**Cardinal Local School District**

*Principal Taxpayers*

*Real Estate Tax*

*2008 and 1999*

Name of Taxpayer	2008	
	Assessed Valuation	Percent of Real Assessed Value
Kraftmaid Cabinetry, Incorporated	\$5,137,340	1.87 %
WalMart Real Estate	2,948,400	1.07
Johnson Rubber	1,874,090	0.68
Burdkidz, Limited	1,721,720	0.63
Sajar Plastics	1,662,500	0.60
Luxemburg Properties	1,362,000	0.50
Dillon Properties, Limited	1,323,010	0.48
Don Hofstetter	1,306,210	0.47
Marjoan Associates	1,277,310	0.47
Consolidation East Limited	1,270,400	0.46
<b>Total</b>	<b>\$19,882,980</b>	<b>7.23 %</b>
<b>Total Real Estate Valuation</b>	<b>\$274,756,170</b>	

Name of Taxpayer	1999	
	Assessed Valuation	Percent of Real Assessed Value
Dillen Products	\$3,337,180	2.51 %
Johnson Rubber	1,784,480	1.34
Anna M Rothenbuhler	1,388,850	1.04
Burdkidz, Limited	1,260,000	0.95
Sajar Products, Incorporation	1,193,340	0.90
Harrington Square	1,028,480	0.77
Middlefield Banking Company	1,015,630	0.76
Middlefield Village Apartments	978,600	0.74
Geauga Industries	878,160	0.66
Marjoan Associates	833,010	0.63
<b>Total</b>	<b>\$13,697,730</b>	<b>10.30 %</b>
<b>Total Real Estate Valuation</b>	<b>\$133,001,590</b>	

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

**Cardinal Local School District**

*Principal Taxpayers*

*Tangible Personal Property Tax*

*2008 and 1999*

2008		
Name of Taxpayer	Assessed Valuation	Percent of Tangible Assessed Value
Kraftmaid Cabinetry, Incorporated	\$7,831,470	54.07 %
Myers Industries, Incorporated	2,973,580	20.53
Total	<u>\$10,805,050</u>	<u>74.60 %</u>
Total Tangible Assessed Valuation	<u>\$14,483,260</u>	

1999		
Name of Taxpayer	Assessed Valuation	Percent of Tangible Assessed Value
Kraftmaid Cabinetry, Incorporated	\$13,332,430	30.79 %
Duramax, Incorporated	4,285,880	9.90
Hans Rothenbuhler & Sons	3,141,070	7.25
Dillion Products	1,882,670	4.35
Carlisle Geauga Company	1,448,670	3.35
Neff Perkins Company	1,420,760	3.28
Mercury Plastics, Incorporated	1,362,800	3.15
Middlefield Mix, Incorporated	1,180,690	2.73
Universal Polymer & Rubber Company	1,174,240	2.71
Sajar Plastics	1,159,560	2.67
Total	<u>\$30,388,770</u>	<u>70.18 %</u>
Total Tangible Assessed Valuation	<u>\$43,299,674</u>	

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

**Cardinal Local School District**

*Principal Taxpayers*

*Public Utilities Tax*

*2008 and 1999*

2008		
Name of Taxpayer	Assessed Valuation	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$4,412,940	69.81 %
Ohio Edison	833,070	13.18
Western Reserve Telephone Company	715,800	11.32
East Ohio Gas Company	323,730	5.13
Total	<u>\$6,285,540</u>	<u>99.44 %</u>
Total Public Utility Valuation	<u>\$6,320,970</u>	

1999		
Name of Taxpayer	Assessed Valuation	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$5,890,810	61.46 %
Western Reserve Telephone Company	1,468,390	15.32
Ohio Edison	1,132,790	11.82
East Ohio Gas Company	828,750	8.64
Total	<u>\$9,320,740</u>	<u>97.24 %</u>
Total Public Utility Valuation	<u>\$9,585,480</u>	

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

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

Fiscal Year	General Obligation Bonded Debt		
	General Obligation Bonded Debt	Ratio of Bonded Debt to Estimated Actual Value	Bonded Debt per Capita (2)
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
1999	220,000	0.04	16

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)
Pension Obligation	Bond Anticipation Notes	Energy Conservation Bonds	Total Debt		
\$0	\$0	\$0	\$10,958,335	4.61%	\$707
0	0	0	11,327,211	4.76	731
0	0	0	10,860,447	4.57	701
0	0	0	11,294,930	4.75	729
0	0	70,000	11,779,930	4.95	760
0	0	135,000	12,239,930	5.78	887
0	3,000,000	200,000	15,754,930	7.61	1,168
0	0	260,000	10,119,930	4.89	750
0	0	315,000	10,229,930	4.62	708
69,993	0	370,000	659,993	N/A	47

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

	2008	2007	2006	2005
Assessed Valuation (1)	<u>\$280,182,820</u>	<u>\$274,319,050</u>	<u>\$262,687,500</u>	<u>\$276,244,690</u>
Debt Limit - 9% of Assessed Value (2)	\$25,216,454	\$24,688,715	\$23,641,875	\$24,862,022
Amount of Debt Outstanding				
General Obligation Bonds	8,108,520	8,335,374	8,099,980	8,679,930
Energy Conservation Bonds	0	0	0	0
Middlefield Public Library Bonds	2,330,828	2,403,896	2,479,999	2,615,000
Middlefield Public Library Notes	0	0	0	0
Less: Amount Available in Debt Service	<u>(1,090,840)</u>	<u>(904,058)</u>	<u>(645,087)</u>	<u>(922,975)</u>
Total	9,348,508	9,835,212	9,934,892	10,371,955
Exemptions:				
Energy Conservation Bonds	0	0	0	0
Middlefield Public Library Notes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Amount of Debt Subject to Limit	<u>9,348,508</u>	<u>9,835,212</u>	<u>9,934,892</u>	<u>10,371,955</u>
Overall Debt Margin	<u>\$15,867,946</u>	<u>\$14,853,503</u>	<u>\$13,706,983</u>	<u>\$14,490,067</u>
Legal Debt Margin as a Percentage of Debt Limit	62.93%	60.16%	57.98%	58.28%
Unvoted Legal Debt Limit - .10% of Assessed Value (2)	\$280,183	\$274,319	\$262,688	\$276,245
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Debt Margin	<u>\$280,183</u>	<u>\$274,319</u>	<u>\$262,688</u>	<u>\$276,245</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%	100.00%

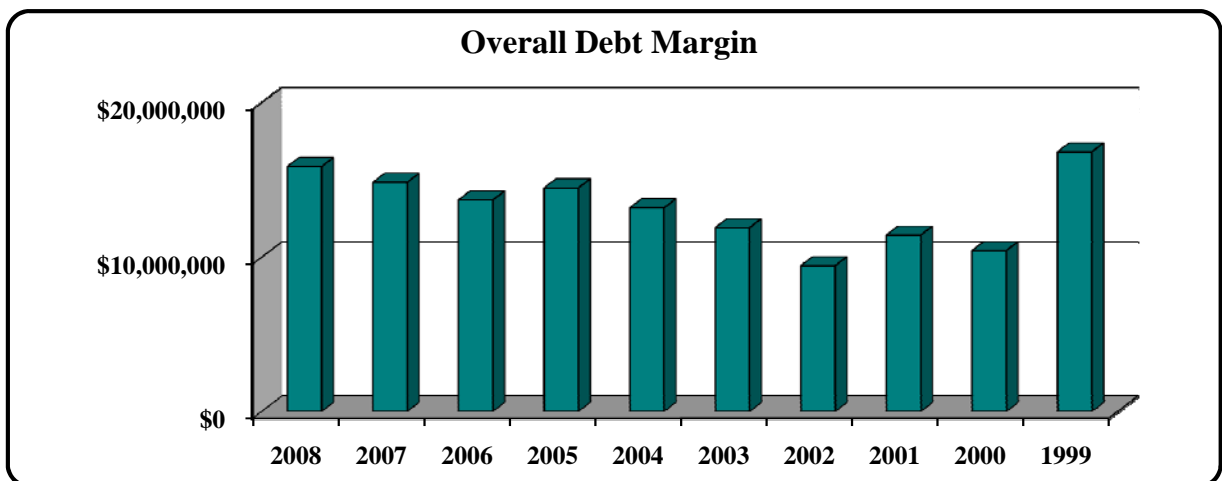
**Source:** Geauga County Auditor and School District Financial Records

(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.



2004	2003	2002	2001	2000	1999
<u>\$269,936,090</u>	<u>\$260,840,480</u>	<u>\$238,181,370</u>	<u>\$229,252,760</u>	<u>\$220,382,295</u>	<u>\$185,886,744</u>
\$24,294,248	\$23,475,643	\$21,436,323	\$20,632,748	\$19,834,407	\$16,729,807
8,964,930	9,239,930	9,554,930	9,859,930	9,914,930	220,000
70,000	135,000	200,000	260,000	315,000	370,000
2,745,000	2,865,000	3,000,000	0	0	0
0	0	3,000,000	0	0	0
<u>(602,092)</u>	<u>(538,744)</u>	<u>(558,610)</u>	<u>(655,686)</u>	<u>(501,112)</u>	<u>(311,146)</u>
11,177,838	11,701,186	15,196,320	9,464,244	9,728,818	278,854
(70,000)	(135,000)	(200,000)	(260,000)	(315,000)	(370,000)
<u>0</u>	<u>0</u>	<u>(3,000,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>11,107,838</u>	<u>11,566,186</u>	<u>11,996,320</u>	<u>9,204,244</u>	<u>9,413,818</u>	<u>(91,146)</u>
<u>\$13,186,410</u>	<u>\$11,909,457</u>	<u>\$9,440,003</u>	<u>\$11,428,504</u>	<u>\$10,420,589</u>	<u>\$16,820,953</u>
54.28%	50.73%	44.04%	55.39%	52.54%	100.54%
\$269,936	\$260,840	\$238,181	\$229,253	\$220,382	\$185,887
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$269,936</u>	<u>\$260,840</u>	<u>\$238,181</u>	<u>\$229,253</u>	<u>\$220,382</u>	<u>\$185,887</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%



**Cardinal Local School District**  
*Computation of Direct and Overlapping*  
*Governmental Activities Debt*  
*June 30, 2008*

	General Obligation Bonded Debt Outstanding	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Direct:			
Cardinal Local School District General Obligation Bonds	\$10,958,335	100.00 %	\$10,958,335
Overlapping:			
Geauga County			
Capital Lease Obligation	16,172	9.99	1,616
Notes Payable	290,000	9.99	28,971
Total Overlapping	306,172		30,587
Total	\$11,264,507		\$10,988,922

**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 2008 collection year.

**Cardinal Local School District**  
*Principal Employers*  
*December 31, 2007 and December 31, 1998*

December 31, 2007

Employer	Location	Nature of Business or Activity	Number of Employees
Kraftmaid, Incorporated	Middlefield	Manufacturer - Cabinetry	2,851
Dillen Products	Middlefield	Manufacturer - Garden Products	444
Johnson Rubber	Middlefield	Manufacturer - Rubber Products	397
Wal-Mart, Incorporated	Middlefield	Retail	285
Mercury Plastics	Middlefield	Manufacturer - Plastics	210
Gold Key Processing, Incorporated	Middlefield	Manufacturer - Rubber Compound	168
Cardinal Local School District	Middlefield	School District	167
Briar Hill Health Care Residence	Middlefield	Rehabilitation and Long-Term Nursing Facility	75
Middlefield Banking Company	Middlefield	Banking	72
Universal Polymer & Rubber, Ltd.	Middlefield	Manufacturer - Rubber and Plastics	52
Total			<u>4,721</u>
Total Employment within the School District			<u>n/a</u>

December 31, 1998

Employer	Location	Nature of Business or Activity	Number of Employees
Kraftmaid, Incorporated	Middlefield	Manufacturer - Cabinetry	3,185
Dillen Products	Middlefield	Manufacturer - Garden Products	511
Duramax, Incorporated	Middlefield	Manufacturer - Rubber Products	317
Mercury Plastics	Middlefield	Manufacturer - Plastics	225
Cardinal Local School District	Middlefield	School District	166
Universal Polymer & Rubber, Ltd.	Middlefield	Manufacturer - Rubber and Plastics	150
Briar Hill Health Care Residence	Middlefield	Rehabilitation and Long-Term Nursing Facility	75
Middlefield Banking Company	Middlefield	Banking	56
Middlefield Plastics, Incorporated	Middlefield	Manufacturer - Plastic Extrusion	47
Giant Eagle	Middlefield	Grocery Store	41
Total			<u>4,773</u>
Total Employment within the School District			<u>n/a</u>

Source: Geauga County Records and Individual Employers

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

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Year	Estimated Population	Total Personal Income	Personal Income Per Capita	Median Household Income
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

(1) Information prior to 2000 not available

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<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	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**  
*Building Statistics by Function/Program*  
*Last Seven Fiscal Years*

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

(continued)

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

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

*Per Pupil Cost*

*Last Ten Fiscal Years*

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Fiscal Year	Student Enrollment		General Governmental		Students Receiving Free or Reduced Lunch (2)	Percentage of Enrollment
	Average Enrollment	Percentage of Change	Total Expenditures (1)	Per Pupil Cost		
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	(3.68)	9,566,879	6,513	264	17.97
1999	1,523	(3.55)	8,925,157	5,860	N/A	N/A

**Source:** School District Financial Records

(1) Debt Service totals have been excluded.

(2) Information prior to 2000 was not available.



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

Fiscal Year	Cardinal Attendance Rate	State Average	Cardinal Graduation Rate	State Average
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
1999	94.40	93.50	89.10	81.40

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

<b>Function/Program</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Regular Instruction</b>				
Elementary Classroom Teachers	28	27	34	37
Middle School Classroom Teachers	19	19	18	17
High School Classroom Teachers	22	22	23	24
<b>Special Instruction</b>				
Elementary Classroom Teachers	5	4	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
<b>Vocational Instruction</b>				
High School Classroom Teachers	0	0	1	2
<b>Pupil Support Services</b>				
Guidance Counselors	2	3.6	3.6	3.6
Librarians	2	2	3	5
Speech & Language Pathologists	2	1.5	3	3
Nurse	1	1	3	3
Classroom Aides	10.5	10.5	11.45	12.5
<b>Administration</b>				
Elementary	4	4.8	7.8	7.8
Middle School	3.5	3	3	3
High School	3	3	3	3
Districtwide	9.5	10	10	10
<b>Operation of Plant</b>				
Custodians	9.5	10.5	10	12.5
Maintenance	1	1	1	3
<b>Pupil Transportation</b>				
Bus Drivers	15	12	14	17
Van Drivers	5	3	2	4
Bus Aides	2	1	1	3
Mechanics	2	2	2	2
<b>Food Service Program</b>				
Elementary Cooks and Monitors	3	4	5	6.5
Middle School Cooks and Monitors	3	3	3	3
High School Cooks and Monitors	2	2	2	2

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

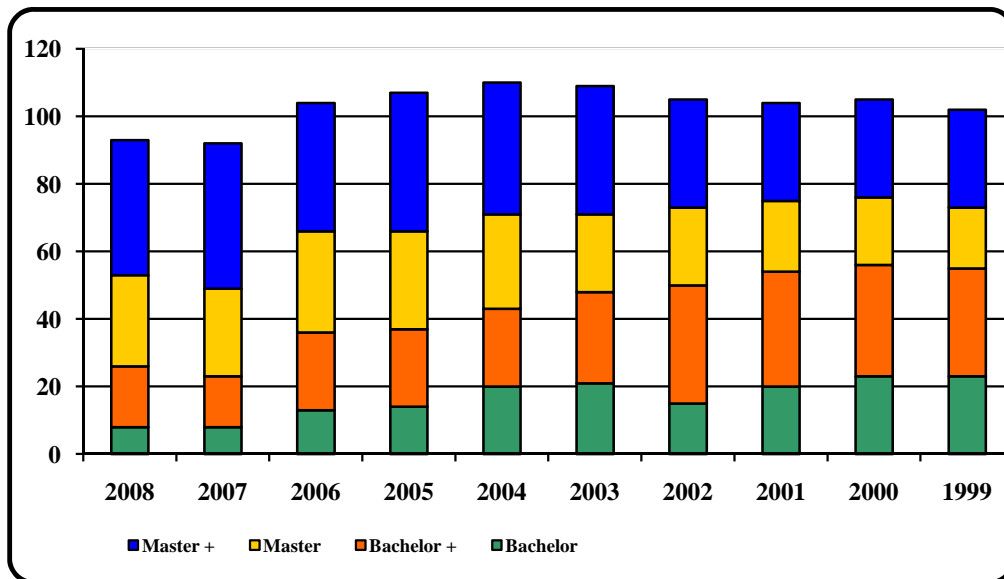
(1) Information prior to 2001 not available

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

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

Degree	2008	2007	2006	2005
Bachelor	8	8	13	14
Bachelor +15	5	7	11	11
Bachelor +30	13	8	12	12
Master	27	26	30	29
Master +15	17	18	13	16
Master +30	17	25	25	25
Master +45	6	0	0	0
<b>Total</b>	<b>93</b>	<b>92</b>	<b>104</b>	<b>107</b>

**Source:** School District Records



2004	2003	2002	2001	2000	1999
20	21	15	20	23	23
8	10	12	9	10	12
15	17	23	25	23	20
28	23	23	21	20	18
18	17	12	11	11	11
21	21	20	18	18	18
0	0	0	0	0	0
<u>110</u>	<u>109</u>	<u>105</u>	<u>104</u>	<u>105</u>	<u>102</u>

**Cardinal Local School District**

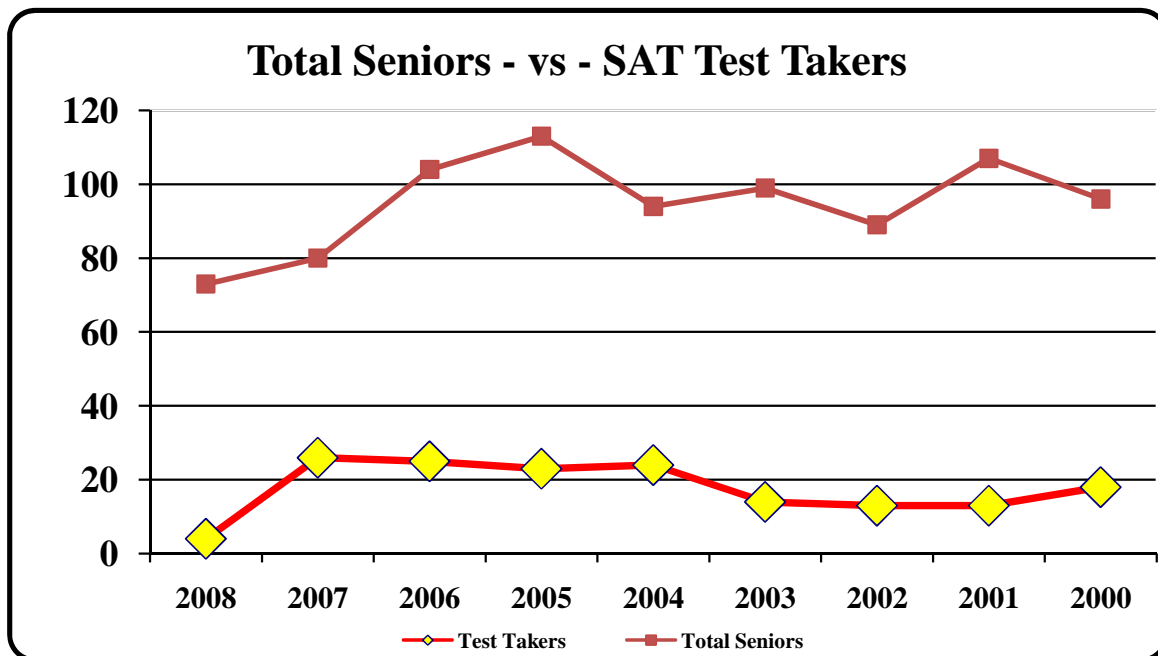
*SAT Composite Scores*

*Last Nine School Years (1)*

School Year	Number of Test Takers	Number of Seniors	Percent of Students	Cardinal Verbal	Ohio Verbal	National Verbal
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

(1) Information prior to 2000 not available



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<u>Cardinal Math</u>	<u>Ohio Math</u>	<u>National Math</u>
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**

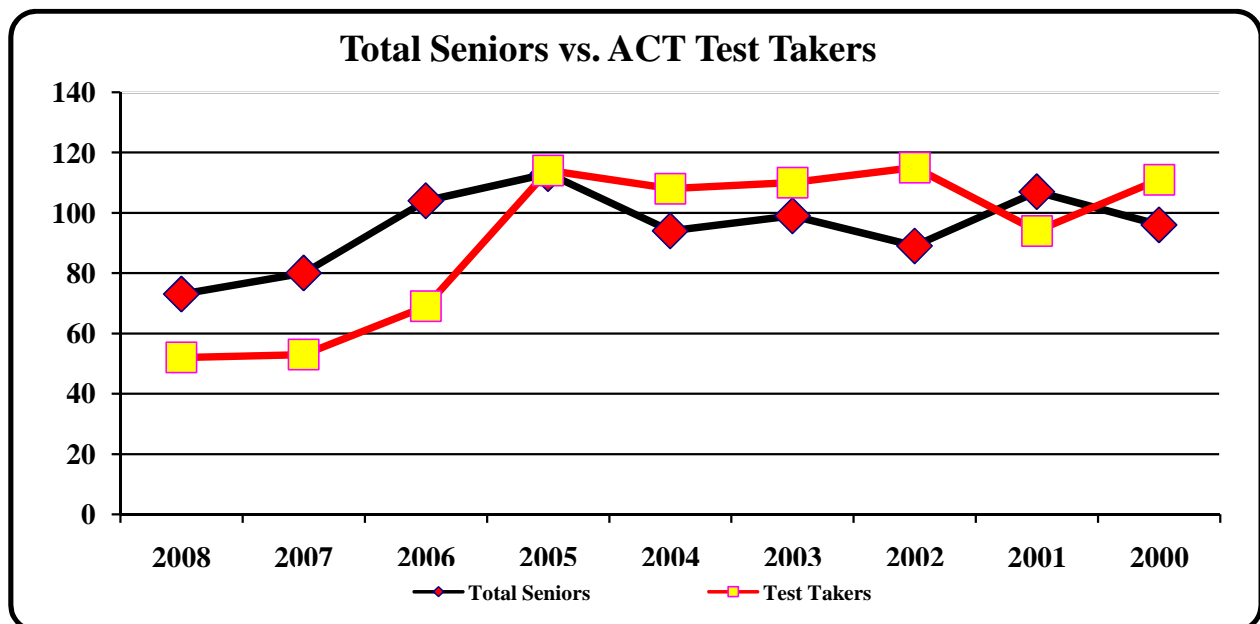
*ACT Composite Scores*

*Last Nine School Years (1)*

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

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

(1) Information prior to 2000 not available

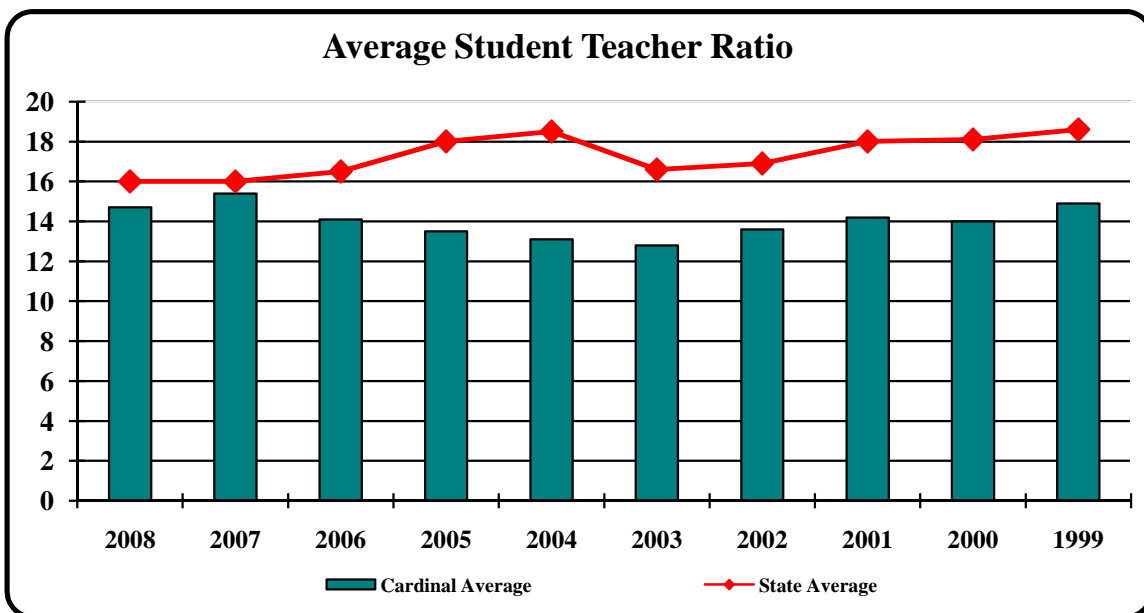




**Cardinal Local School District**  
*Average Number of Students per Teacher*  
*Last Ten School Years*

School Year	Cardinal Average	State Average
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
1999	14.9	18.6

**Source:** Ohio Department of Education, EMIS Reports



**Cardinal Local School District**  
*Certified Teacher Education and Experience*  
 June 30, 2008

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Degree	Number of Teachers	Percentage of Total
Bachelor	8	8.60 %
Bachelor + 15	5	5.38
Bachelor + 30	13	13.98
Master	27	29.03
Master + 15	17	18.28
Master + 30	17	18.28
Master + 45	6	6.45
Total	93	100.00 %

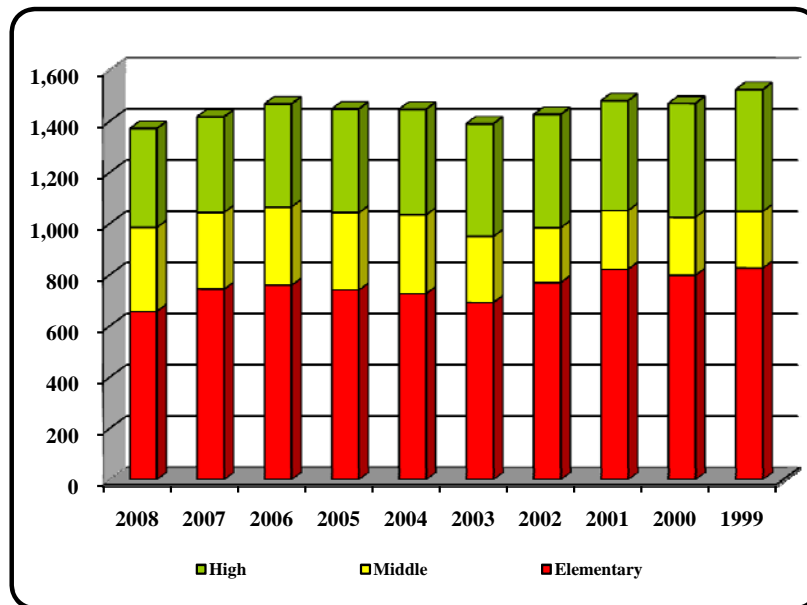
Years of Experience	Number of Teachers	Percentage of Total
0 - 5	18	19.35%
6 - 10	23	24.73
11 and Over	52	55.92
	93	100.00%

## Cardinal Local School District

### *Enrollment Statistics*

### *Last Ten Fiscal Years*

Fiscal Year	Elementary Schools	Middle School	High School	Total
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
1999	826	221	476	1,523



**Source:** School District Records

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

**Cardinal Local School District**

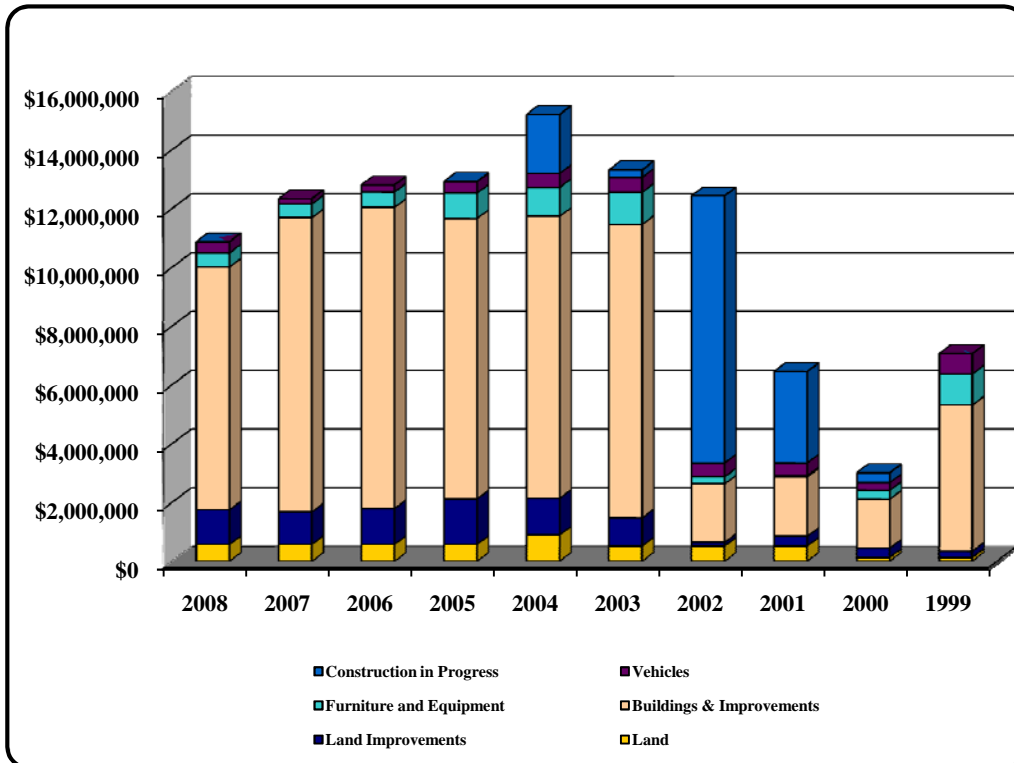
*Capital Assets*

*Last Ten Fiscal Years*

	2008	2007	2006	2005
Capital Assets:				
Land	\$578,884	\$578,884	\$578,884	\$584,819
Land Improvements	1,179,669	1,306,386	1,501,953	1,547,573
Buildings and Improvements	8,261,720	8,674,377	9,639,322	9,540,317
Furniture and Equipment	477,834	568,051	554,093	866,301
Vehicles	377,900	184,367	245,307	387,260
Construction in Progress	0	0	0	0
<b>Total Capital Assets</b>	<u>\$10,876,007</u>	<u>\$11,312,065</u>	<u>\$12,519,559</u>	<u>\$12,926,270</u>

**Source:** School District Financial Records

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



<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001 (1)</u>	<u>2000</u>	<u>1999</u>
\$904,478	\$529,319	\$529,319	\$529,319	\$132,039	\$132,039
1,245,578	956,874	125,946	327,167	323,893	218,875
9,594,778	9,983,116	1,982,865	2,027,209	1,666,841	4,972,635
983,947	1,095,344	248,902	34,567	300,508	1,056,573
473,252	505,627	467,724	437,198	258,366	691,390
<u>2,006,502</u>	<u>232,589</u>	<u>9,087,625</u>	<u>3,109,726</u>	<u>336,348</u>	<u>0</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>	<u>\$7,071,512</u>

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**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 8, 2009**