



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

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**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
JUNE 30, 2002**

<u>FEDERAL GRANTOR</u> <i>Pass-Through Grantor</i> Program Title	Pass-Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster:						
Food Distribution Program	Unknown	10.550		\$28,546		\$28,546
National School Lunch Program	Unknown	10.555	\$90,760		\$90,760	
Total U.S. Department of Agriculture - Child Nutrition Cluster			90,760	28,546	90,760	28,546
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Title I Grants to Local Educational Agencies	050187 C1-S1 01	84.010			2,160	
	050187 C1-S1 02		100,829		73,102	
Total Title I Grants to Local Educational Agencies			100,829	0	75,262	0
Special Education Cluster:						
Title VI-B Special Education - Grants to States	050187-6B-SF-01	84.027	0		18,908	
	050187-6B-SF-02		141,893		141,892	
Total Title VI-B Special Education - Grants to States - Special Education Cluster			141,893	0	160,800	0
Safe and Drug Free Schools	050187 DR-S1 02	84.186	8,846		8,846	
Eisenhower Professional Development State Grant	050187 MS-S1 02	84.281	8,324		5,839	
Innovative Education Program Strategies Title VI	050187 C2-S1 02	84.298	9,958		8,933	
Class Size Reduction Subsidy	050187 CR-S1 02	84.340	38,113		35,220	
	050187 CR-S1 00				3,467	
Total Class Size Reduction Subsidy			38,113	0	38,687	0
School Renovation I & T	050187 AT-S1 02	84.352A	4,434		3,368	
Total U.S. Department of Education			312,397	0	301,735	0
Total Passed Through the Ohio Department of Education			403,157	28,546	392,495	28,546
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities</i>						
Medicaid Cluster:						
Title XIX - Medical Assistance Program - Community Alternative Funding System (CAFS)	Unknown	93.778	96,268		96,268	
Total U.S. Department of Health and Human Services Medicaid Cluster			96,268	0	96,268	0
TOTAL FEDERAL FINANCIAL ASSISTANCE PROGRAMS			\$499,425	\$28,546	\$488,763	\$28,546

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

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
JUNE 30, 2002**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – FOOD DISTRIBUTION

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2002, the District had no significant food commodities in inventory.



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Lakeview Local School District
Trumbull County
300 Hillman Drive
Cortland, Ohio 44410

To the Board of Education:

We have audited the financial statements of the Lakeview Local School District, Trumbull County, (the District) as of and for the year ended June 30, 2002, and have issued our report thereon dated November 7, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated November 7, 2002.

Lakeview Local School District
Trumbull County
Report of Independent Accountants on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

Jim Petro
Auditor of State

November 7, 2002



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Lakeview Local School District
Trumbull County
300 Hillman Drive
Cortland, Ohio 44410

To the Board of Education:

Compliance

We have audited the compliance of the Lakeview Local School District, Trumbull County (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2002. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with 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 obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

Internal Control Over Compliance

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

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

Schedule of Federal Awards Expenditures

We have audited the general-purpose financial statements of Lakeview Local School District, Trumbull County, as of and for the year ended June 30, 2002, and have issued our report thereon dated November 7, 2002. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

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



Jim Petro
Auditor of State

November 7, 2002

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2002**

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 weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions 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 – Educationally Deprived Children, CFDA No. 84.010 Title 6B – Special Education CFDA No. 84.027
<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**

Finding Number	N/A – No finding is reported
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3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Finding Number	N/A – No finding is reported
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Lakeview
Local School District

Cortland, Ohio

Comprehensive
Annual Financial Report

For the Fiscal Year Ended June 30, 2002

**Lakeview Local School District
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended June 30, 2002
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Lakeview Local Schools

"A Past to Cherish...A Future to Fulfill"

Dr. Matthew Chojnacki
Superintendent

Dr. Delores Uber
Admin. Assistant

Mr. Milt Williams
Treasurer

300 Hillman Drive • Cortland • OH • 44410 • (330) 637-4921 • Fax (330) 638-1060

November 7, 2002

Board of Education Members Lakeview Local School District

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Lakeview Local School District for the fiscal year ended June 30, 2002. This CAFR includes an opinion from the State Auditor and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the School District. This report will provide the taxpayers of the Lakeview Local School District with comprehensive financial data in a format which will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the Trumbull County Public Library, major taxpayers, financial rating services and other interested parties.

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

1. The Introductory Section, which contains a Table of Contents, Letter of Transmittal, List of Principal Officials, an Organization Chart of the School District and a GFOA Certificate of Achievement.
2. The Financial Section begins with the Report of Independent Accountants and includes the General Purpose Financial Statements and Notes that provide an overview of the School District's financial position and operating results, the Combining Statements by Fund Type, and other schedules that provide detailed information relative to the General Purpose Financial Statements.
3. The Statistical Section presents social and economic data, financial trends and the fiscal capacity of the Lakeview Local School District.

THE SCHOOL DISTRICT

The Lakeview Local School District is located in Trumbull County. The School District's territory includes all or parts of five political subdivisions - the cities of Cortland and Warren, and Bazetta, Mecca and Warren Townships.

The School District came into being as a result of a consolidation of Bazetta Township and Cortland City schools in 1956. Subsequent to the consolidation, strong growth developed and with it the need for new facilities. In 1961, the Lakeview High School was built on thirty acres of land. A continuing increase in student population led to the construction of Lakeview Middle School in 1978. There are now four schools in the School District; one high school, one middle school and two elementary schools.

The fiscal year 2002 student count was 2,269 which represented a decrease of eighteen students from the fiscal year 2001 enrollment. The average class size for fiscal year 2002 was twenty-five students, and the average pupil/teacher ratio was 16.09 to 1. The School District has a total of 228 employees.

The School District passed a bond issue in 1994 yielding \$5,956,205 which was partially advance refunded in May of 1998. Proceeds from the bond issue were used to finance additions and renovations to the elementary and middle schools as well as a new media center and auditorium at the high school.

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

THE REPORTING ENTITY AND SERVICES PROVIDED

Lakeview Local School District has reviewed its reporting entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments and organizations making up the Lakeview Local School District (the primary government) and its potential component units.

The Trumbull County Career and Technical Center, the North East Ohio Management Information Network, the North East Ohio Instructional Media Center, the North East Ohio Special Education Regional Resource Center, the Region 12 Professional Development Center and the Trumbull County Schools Employee Insurance Benefits Consortium are jointly governed organizations and a shared risk pool whose relationships to the School District are described in

Automotive Corporations contribute fifty-four percent of the total personal tangible tax revenue. Wal Mart recently opened a large store within the School District boundaries. Residential and commercial/industrial development is projected to continue.

The funding structure of public education in Ohio as structured by the State legislature is such that school districts receive very little revenue growth as a result of inflationary increases in their tax base. As a result, districts throughout Ohio must seek local funds by placing funding issues on the ballot to receive significant revenue growth.

MAJOR INITIATIVES

Technology/Internet

Each office, media center, and classroom in the School District has the capability of reaching out via the internet to enrich instruction in the School District. Although more computer stations are purchased yearly, it is a never ending endeavor to keep the technology capabilities of the classrooms current. There are two additional computer labs at the middle school and three additional labs at the high school.

Modular Technology Labs, one lab at the middle school and one at the high school, introduce students to a new level of industrial technology, science, and mathematics instruction that better prepare them for a technological world. A Modular Technology Lab is a computerized educational system that divides a classroom into multiple learning stations. Each station is equipped with a computer, the additional hardware as needed for the station, and programmed software. Student teams of two rotate through a series of technology programs, moving from one program to another throughout the grading period.

Technology training is a very important component of successful utilization of technology and internet usage. The School District is committed to continuous teacher inservice and training.

InfOhio

All four School District buildings are active participants of the InfOhio Media Network. The InfOhio network and the School District media centers have improved and expanded every year. Most recently the elementary media centers received a state grant to improve printing capabilities for information needed at the elementary level. The staff and student population, thanks to InfOhio and the Educational Resources for Students and Teachers (*EBSCOhost*), have the opportunity to access thousands of online, full-text periodicals supporting all levels of K-12 instruction. The use of this network has helped the media centers become very modern information resource centers. InfOhio, a partner in Ohio's library network, ensures the free delivery, quality format, and equity of information for learners and educators by embracing

Curriculum and Instruction

The School District's kindergarten through seventh grade staff conducted a very extensive mathematics curriculum study last year. New textbooks and materials were purchased for grade levels kindergarten through seventh. At the high school the curriculum studies included foreign languages, health, home economics, and business. New books and materials were purchased for all of these departments.

Lakeview continues to work to achieve two major goals established for the School District in the three year *Continuous Improvement Plan*:

1. To improve students' literacy development.
2. To provide students with a safe, inviting, and undisturbed place to study and learn.

In the area of literacy, each elementary building used their OhioReads grant extension for school year 2001-2002 to provide a half day supplemental reading teacher. An OhioReads' involved volunteer program continued at each building, providing help to at-risk students. Attention is focused at all grade levels to help students gain critical thinking and problem-solving skills and to develop the skills needed to successfully respond to proficiency test questions that require short answers and extended responses. The use of technology continues to be promoted and many teachers are successfully integrating it into their literacy curriculum.

Progress is also being made in the area of school safety. With the help and cooperation of local fire and police departments and local elected officials, a "Crisis Management Plan" has been developed to be used in the event of a crisis situation. Safety activities and prevention instruction are conducted throughout the year. A "No Bullying Program" is being established at all buildings. Guidance counselors and staff are hopeful that this curriculum will help students identify and deal with the problem of bullying and its effects.

Special Education

Special Education services were provided for 262 Lakeview students, ages three through twenty-two last year. The District provides services for students with speech, learning, developmental, physical and multiple disabilities. The District also houses the County Orthopedic program. The program, Mobility Opportunities via Education, or M.O.V.E., is used to encourage children who are severely physically challenged. The belief is that once a child is able to have some independence in movement, he/she will improve cognitively. This program is working very successfully at all three Lakeview buildings that house students that are orthopedically handicapped.

Lakeview special education with the help of the County Office Personnel wrote over \$100,000

The School District has also established two all day kindergarten classes, one at each elementary building, for students at risk of having educational difficulties.

New Programs

The Lakeview District added Advanced Placement Classes in mathematics and English to the high school curriculum. Additional Advanced Placement Classes will be added in the future.

Another addition to the high school curriculum is a Career Based Intervention (CBI). This program is a career-technical education program designed for students, ages 12 through 21, in grades 7 through 12. The program's goal is to help students improve academically, develop employability skills, implement a career plan, and participate in a combination of educational and work-based learning opportunities. The program has been very successful in schools throughout the state.

Proficiency Testing

The district's students continue to be successful in state proficiency testing. In the 2002 proficiency testing, 4th and 6th graders had some difficulty with the mathematics tests. All other standards were again met in the 2002 testing. Every effort is being made for better preparation in mathematics. At the high school, staff and students are working to become familiar with the demands of the Ohio Graduation Test (OGT).

Summer School

The Lakeview School District again held summer school classes. Teachers identified and notified parents of first through sixth grade students who were not reading at grade level. There were two classes held for middle school students and six classes for elementary students. These classes ran for three weeks. Emphasis was placed on reading improvement and the development of basic skills. The programs were intended to provide additional preparation for the proficiency testing for students that needed it. High school students were able to attend ninth grade Proficiency Intervention at the Trumbull County Technology Center. The high school also offered physical education, health, and speech as summer courses to provide the opportunity for students to take more classes during the school year. In total there were one hundred forty Lakeview students that attended summer school.

FINANCIAL INFORMATION

Internal Accounting and Budgetary Control. The School District's accounting system is organized on a "fund" basis. Each fund (and account group) is a distinct self-balancing accounting entity. Reports for general governmental operations are presented on the modified

benefits expected to be derived from their implementation.

The School District utilizes a fully automated accounting system as well as an automated system of control for fixed assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensures that the financial information generated is both accurate and reliable.

At the beginning of each fiscal year, the Board of Education adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation measure is first adopted, the permanent appropriation measure must be adopted upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates, which is usually within the three months of the fiscal year.

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the Board of Education's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the object account level within a function and fund. All purchase order requests must be approved by either the Superintendent or the Assistant Superintendent and certified by the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests which exceed the available appropriation are rejected until additional appropriations are secured.

The accounting system used by the School District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date.

Each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible. In addition, an on line inquiry system is available at each cost center site. As an additional safeguard, all employees are covered by a blanket bond, and certain individuals in policy-making roles are covered by a separate, higher limit bond.

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

General Governmental Functions. The governmental funds encompass the general, special revenue, debt service, and capital projects funds of the School District. The following schedule presents a summary of governmental funds' revenue for fiscal years ended June 30, 2002 and 2001, and the amount and percentage of increases and decreases in relation to the prior year's revenues.

	2002 Amount	2001 Amount	Percent of Total	Change	Percent Change
<u>Revenues</u>					
Taxes	\$7,052,618	\$7,308,272	46.89%	(\$255,654)	(3.50%)
Intergovernmental	7,116,286	6,568,011	47.31	548,275	8.35
Interest	41,498	65,068	.28	(23,570)	(36.22)
Tuition and Fees	538,311	599,932	3.58	(61,621)	(10.27)
Extracurricular Activities	145,281	175,043	.96	(29,762)	(17.00)
Contributions and Donations	106,791	41,169	.71	65,622	159.40
Rentals and Royalties	37,441	28,039	.25	9,402	33.53
Miscellaneous	3,616	4,110	.02	(494)	(12.02)
Total Revenues	<u>\$15,041,842</u>	<u>\$14,789,644</u>	<u>100.00</u>	<u>\$252,198</u>	<u>1.71</u>

Taxes revenue decreased by \$255,654 because of decreases in personal, tangible and real estate taxes.

Intergovernmental revenue increased by \$548,275 due to an increase in State foundation revenues.

Interest revenue decreased by \$23,570 because of the sharp decline in yields.

Tuition and fees income decreased by \$61,621 due to a reduction in orthopedic tuition revenues.

Extracurricular activities income decreased by \$29,762 because the junior class put less emphasis on fund raising and revenues from athletic teams decreased.

Contributions and donations increased by \$65,622 due to a major donation from a soft drink company.

Rentals and royalties increased by \$9,402 because of increased usage of the School District's auditorium by community groups.

The following schedule presents a summary of governmental funds' expenditures for fiscal years ended June 30, 2002 and 2001, and the amount and percentage of increases and decreases in relation to the prior year's expenditures.

	2002 Amount	2001 Amount	Percent of Total	Change	Percent Change
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	\$7,115,565	\$6,540,930	46.29	\$574,635	8.79%
Special	1,727,619	1,246,687	11.24	480,932	38.58
Support Services:					
Pupils	730,082	656,915	4.75	73,167	11.14
Instructional Staff	622,129	622,917	4.05	(788)	(1.25)
Board of Education	31,427	18,900	.20	12,527	66.28
Administration	1,371,358	1,332,853	8.92	38,505	2.89
Fiscal	361,857	327,589	2.35	34,268	10.46
Operation and Maintenance of Plant	1,400,309	1,291,462	9.11	108,847	8.43
Pupil Transportation	652,462	649,499	4.25	2,963	.46
Operation of Non-Instructional Services					
	4,544	3,575	.03	969	27.10
Extracurricular Activities	481,540	458,795	3.13	22,745	4.96
Capital Outlay	272,252	1,316,700	1.77	(1,044,448)	(79.32)
Debt Service:					
Principal Retirement	330,000	280,000	2.15	50,000	17.86
Interest and Fiscal Charges	269,823	270,883	1.76	(1,060)	(.39)
Total Expenditures	<u>\$15,370,967</u>	<u>\$15,017,705</u>	<u>100%</u>	<u>\$353,262</u>	<u>2.35%</u>

Regular and special instruction expenditures increased by \$574,635 and \$480,932 respectively because the hospitalization insurance premium increased by forty percent and there was a general wage increase of four percent.

Board of Education expenditures increased by \$12,527 due to higher premiums for liability insurance.

Operation and maintenance of plant expenditures increased by \$108,847 because of several costly repair projects.

Capital outlays decreased by \$1,044,448 due to the School District returning to a normal level of spending. The previous fiscal year amount included new capital leases of over one million dollars.

General Fund Balance. The general fund concluded fiscal year 2002 with a deficit fund balance of \$350,038 which is up from a deficit of \$82,974 at the end of last fiscal year. The deficit resulted from the conversion to generally accepted accounting principles and adjustments for accrued liabilities. The School District is aware of this and is evaluating how to eliminate the deficit.

Debt Administration. At June 30, 2002 general obligation bonds outstanding totaled \$4,389,552 and capital leases outstanding totaled \$1,313,000. During fiscal year 2002, \$300,000 of general obligation bonds and \$30,000 in capital leases were retired. As of June 30, 2002, the overall legal debt margin was \$18,920,464 and the unvoted debt margin was \$256,820. The existing bond obligations are backed by the full faith and credit of the School District and will be retired fully by fiscal year 2020.

Cash Management. The Board has an aggressive cash management program which consists of expediting the receipt of revenues and prudently depositing cash which is insured by the Federal Deposit Insurance Corporation as well as investing available cash in instruments issued by the United States Government or the State of Ohio. The total amount of interest earned was \$44,143 for the year ended June 30, 2002, \$40,829 being credited directly to the general fund.

Protection of the School District's deposits is provided by the federal deposit insurance corporation as well as by qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. The market value of the pooled collateral must equal at least 105 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Risk Management. The School District participates in a shared risk pool for hospital/medical benefits for its employees. The Trumbull County Regional Council (TCRC) "pool" is comprised of sixteen Trumbull County school districts. All risk is transferred to TCRC and claims are paid through a common fund controlled by TCRC. Stop-loss coverage is purchased by TCRC.

The School District provides no deductible liability coverage for all employees in the amounts of \$2,000,000 for each occurrence and \$5,000,000 in the aggregate. The District contracts annually for property and casualty insurance with a \$500 deductible and a 90 percent coinsurance. Fleet insurance is also contracted annually which provides liability coverage of \$500,000 each person and a \$1,000,000 each occurrence. Collision coverage is at actual cash value less \$250 deductible. A competitive bidding process insures that the School District will receive the most favorable rates.

Pension Plans. All School District employees are covered by the state-wide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS). The School District's employer contributions to both systems are based on a percentage of employees' salaries. State law requires the School District to pay the employer share as determined by each retirement system. See note 12 to the general purpose financial statements for complete details.

General Fixed Assets. The general fixed assets of the Lakeview Local School District are used to carry on the main education and support function of the system and are not financial resources available for expenditure. The total general fixed assets at June 30, 2002 were \$18,887,307.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all governments in Ohio. The School District adopted and has been in conformance with that system beginning with its financial report for the 1979 year.

AWARDS

GFOA Certificate of Achievement. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Lakeview Local School District for its comprehensive Annual Financial Report for the fiscal year ended June 30, 2001. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

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

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

ACKNOWLEDGMENTS

The publication of this report is a significant step toward professionalizing the Lakeview Local School District's financial reporting. It enhances the School District's accountability to the residents of the Lakeview Local School District.

The preparation of this report would not have been possible without the assistance and support of the staff of the Treasurer's office, various administrators and staff members of the School District. Assistance from the County Auditor's staff and outside agencies made possible the fair presentation of statistical data.

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

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

Respectfully submitted,



Mr. Milton A. Williams, Treasurer



Dr. Matthew J. Chojnacki, Superintendent

Lakeview Local School District
Principal Officials
June 30, 2002

Board of Education

Ms. Donna Zuga President
Mr. Larry Swiger Vice-President
Mrs. Beverly Hoagland Member
Mr. Donald Moore Member
Mr. Michael Ranttila Member

Treasurer

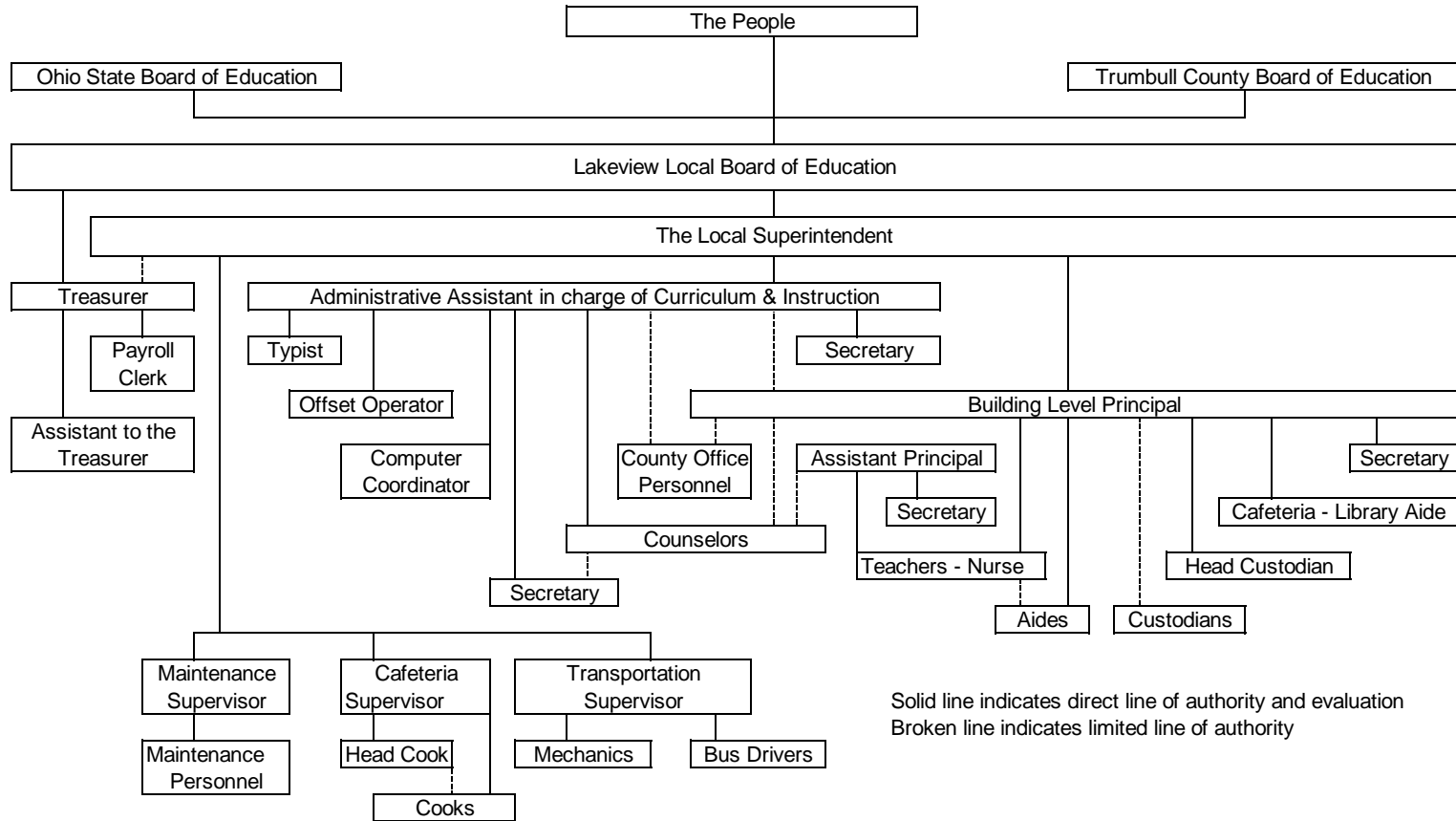
Mr. Milton A. Williams

Administration

Dr. Matthew J. Chojnacki Superintendent
Dr. Delores A. Uber Administrative Assistant

ORGANIZATION CHART - LAKEVIEW LOCAL SCHOOLS

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Solid line indicates direct line of authority and evaluation
 Broken line indicates limited line of authority

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lakeview Local School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2001

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.



Thomas A. Quave
President

Jeffrey L. Esser
Executive Director

Financial Section



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Voinovich Government Center
242 Federal Plaza West
Suite 302
Youngstown, Ohio 44503
Telephone 330-797-9900
800-443-9271
Facsimile 330-797-9949
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Lakeview Local School District
Trumbull County
300 Hillman Drive
Cortland, Ohio 44410

To the Board of Education:

We have audited the accompanying general-purpose financial statements of the Lakeview Local School District, Trumbull County, (the District) as of and for the year ended June 30, 2002, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Lakeview Local School District, Trumbull County, as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2002 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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



Jim Petro
Auditor of State

November 7, 2002

GENERAL PURPOSE FINANCIAL STATEMENTS

**Lakeview Local School District
 Combined Balance Sheet
 All Fund Types and Account Groups
 June 30, 2002**

Governmental Fund Types

	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and Other Debits:</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$552,324	175,967	176,168	124,023
Cash and Cash Equivalents With Fiscal Agents	0	0	462	300,472
Receivables:				
Taxes	6,784,500	0	466,397	269,032
Accounts	726	0	0	0
Intergovernmental	13,878	8,040	0	0
Accrued Interest	1,130	0	0	0
Interfund Receivable	12	0	0	0
Inventory Held for Resale	0	0	0	0
Restricted Asset:				
Equity in Pooled Cash and Cash Equivalents	213,253	0	0	0
Materials and Supplies Inventory	51,465	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
<u>Other Debits:</u>				
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
Total Assets and Other Debits	\$7,617,288	184,007	643,027	693,527

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
77,794	106,959	0	0	1,213,235
0	0	0	0	300,934
0	0	0	0	7,519,929
0	0	0	0	726
0	0	0	0	21,918
0	0	0	0	1,130
0	0	0	0	12
7,194	0	0	0	7,194
0	0	0	0	213,253
2,281	0	0	0	53,746
155,413	0	18,887,307	0	19,042,720
0	0	0	196,168	196,168
0	0	0	7,098,265	7,098,265
242,682	106,959	18,887,307	7,294,433	35,669,230

(continued)

**Lakeview Local School District
Combined Balance Sheet
All Fund Types and Account Groups (continued)
June 30, 2002**

Governmental Fund Types

	General	Special Revenue	Debt Service	Capital Projects
<u>Liabilities, Fund Equity and Other Credits</u>				
<u>Liabilities:</u>				
Accounts Payable	\$44,302	11,934	0	0
Accrued Wages	1,163,563	40,400	0	0
Compensated Absences Payable	8,380	0	0	0
Interfund Payable	0	12	0	0
Intergovernmental Payable	256,581	2,722	0	0
Deferred Revenue	6,494,500	8,040	446,397	259,032
Due to Students	0	0	0	0
Accrued Interest Payable	0	0	0	2,533
Notes Payable	0	0	0	276,045
Matured Interest Payable	0	0	462	0
Capital Lease Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Total Liabilities	7,967,326	63,108	446,859	537,610
<u>Fund Equity and Other Credits:</u>				
Investment in General Fixed Assets	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	273,256	39,239	0	101,525
Reserved for Inventory	51,465	0	0	0
Reserved for Contributions	0	0	0	0
Reserved for Taxes	290,000	0	20,000	10,000
Reserved for Budget Stabilization	68,316	0	0	0
Reserved for Textbooks	144,937	0	0	0
Unreserved:				
Undesignated (Deficit)	(1,178,012)	81,660	176,168	44,392
Total Fund Equity (Deficit) and Other Credits	(350,038)	120,899	196,168	155,917
Total Liabilities, Fund Equity and Other Credits	\$7,617,288	184,007	643,027	693,527
	=====			

See accompanying notes to the general purpose financial statements

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
0	0	0	0	56,236
7,433	0	0	0	1,211,396
24,968	0	0	1,486,395	1,519,743
0	0	0	0	12
13,119	0	0	105,486	377,908
0	0	0	0	7,207,969
0	85,980	0	0	85,980
0	0	0	0	2,533
0	0	0	0	276,045
0	0	0	0	462
0	0	0	1,313,000	1,313,000
0	0	0	4,389,552	4,389,552
45,520	85,980	0	7,294,433	16,440,836
0	0	18,887,307	0	18,887,307
197,162	0	0	0	197,162
0	0	0	0	414,020
0	0	0	0	51,465
0	20,000	0	0	20,000
0	0	0	0	320,000
0	0	0	0	68,316
0	0	0	0	144,937
0	979	0	0	(874,813)
197,162	20,979	18,887,307	0	19,228,394
242,682	106,959	18,887,307	7,294,433	35,669,230
=====	=====	=====	=====	=====

Lakeview Local School District
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Fund Types
For the Fiscal Year Ended June 30, 2002

	Governmental	
	General	Special Revenue
<u>Revenues:</u>		
Taxes	\$6,366,546	0
Intergovernmental	6,669,541	370,664
Interest	40,829	669
Tuition and Fees	523,771	14,540
Extracurricular Activities	0	145,281
Contributions and Donations	73,918	32,873
Rentals and Royalties	37,441	0
Miscellaneous	3,616	0
Total Revenues	13,715,662	564,027
<u>Expenditures:</u>		
Current:		
Instruction:		
Regular	6,972,897	96,876
Special	1,437,382	290,237
Support Services:		
Pupils	715,681	14,401
Instructional Staff	612,884	9,245
Board of Education	31,427	0
Administration	1,367,112	4,246
Fiscal	346,268	8,871
Operation and Maintenance of Plant	1,400,309	0
Pupil Transportation	647,694	4,768
Operation of Non-Instructional Services	0	4,544
Extracurricular Activities	315,967	165,573
Capital Outlay	134,883	0
Debt Service:		
Principal Retirement	0	0
Interest and Fiscal Charges	0	0
Total Expenditures	13,982,504	598,761
Excess of Revenues		
Under Expenditures	(266,842)	(34,734)
<u>Other Financing Sources (Uses):</u>		
Proceeds from Capital Lease	0	0
Operating Transfers In	0	5,417
Operating Transfers Out	(5,417)	0
Total Other Financing Sources (Uses)	(5,417)	5,417
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(272,259)	(29,317)
Fund Balances (Deficit) at Beginning of Year	(82,974)	150,216
Increase in Reserve for Inventory	5,195	0
Fund Balances (Deficit) at End of Year	(\$350,038)	120,899

See accompanying notes to the general purpose financial statements

Fund Types		Totals
Debt Service	Capital Projects	(Memorandum Only)
433,713	252,359	7,052,618
49,027	27,054	7,116,286
0	0	41,498
0	0	538,311
0	0	145,281
0	0	106,791
0	0	37,441
0	0	3,616
482,740	279,413	15,041,842
0	45,792	7,115,565
0	0	1,727,619
0	0	730,082
0	0	622,129
0	0	31,427
0	0	1,371,358
6,718	0	361,857
0	0	1,400,309
0	0	652,462
0	0	4,544
0	0	481,540
0	137,369	272,252
300,000	30,000	330,000
186,382	83,441	269,823
493,100	296,602	15,370,967
(10,360)	(17,189)	(329,125)
0	308,000	308,000
0	0	5,417
0	0	(5,417)
0	308,000	308,000
(10,360)	290,811	(21,125)
206,528	(134,894)	138,876
0	0	5,195
196,168	155,917	122,946

**Lakeview Local School District
 Combined Statement of Revenues, Expenditures and
 Changes in Fund Balances - Budget (Non - GAAP Basis) and Actual
 All Governmental Fund Types
 For the Fiscal Year Ended June 30, 2002**

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$6,526,546	6,526,546	0
Intergovernmental	6,677,255	6,679,990	2,735
Interest	36,239	39,699	3,460
Tuition and Fees	517,553	524,066	6,513
Extracurricular Activities	0	0	0
Contributions and Donations	73,894	73,918	24
Rentals and Royalties	36,629	37,744	1,115
Miscellaneous	700	3,616	2,916
Total Revenues	13,868,816	13,885,579	16,763
Expenditures:			
Current:			
Instruction:			
Regular	6,943,598	6,855,398	88,200
Special	1,484,943	1,439,678	45,265
Support Services:			
Pupils	771,675	738,150	33,525
Instructional Staff	622,979	617,122	5,857
Board of Education	32,511	31,427	1,084
Administration	1,435,878	1,402,107	33,771
Fiscal	362,675	350,278	12,397
Operation and Maintenance of Plant	1,604,851	1,592,032	12,819
Pupil Transportation	683,807	676,772	7,035
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	335,582	333,754	1,828
Capital Outlay	136,400	135,683	717
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	14,414,899	14,172,401	242,498
Excess of Revenues Under Expenditures	(546,083)	(286,822)	259,261
Other Financing Sources (Uses):			
Operating Transfers In	0	0	0
Operating Transfers Out	(6,500)	(5,417)	1,083
Total Other Financing Sources (Uses)	(6,500)	(5,417)	1,083
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(552,583)	(292,239)	260,344
Fund Balances at Beginning of Year	429,706	429,706	0
Prior Year Encumbrances Appropriated	305,551	305,551	0
Fund Balances at End of Year	\$182,674	443,018	260,344

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
0	0	0	443,713	443,713	0
367,213	370,664	3,451	49,027	49,027	0
643	669	26	0	0	0
14,383	14,540	157	0	0	0
140,608	145,281	4,673	0	0	0
31,419	32,873	1,454	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
554,266	564,027	9,761	492,740	492,740	0
112,736	103,927	8,809	0	0	0
316,368	294,421	21,947	0	0	0
16,958	16,943	15	0	0	0
9,576	9,576	0	0	0	0
0	0	0	0	0	0
4,415	4,415	0	0	0	0
9,000	8,871	129	7,000	6,718	282
0	0	0	0	0	0
7,100	4,768	2,332	0	0	0
4,995	4,948	47	0	0	0
196,668	181,793	14,875	0	0	0
0	0	0	0	0	0
0	0	0	300,000	300,000	0
0	0	0	200,000	186,382	13,618
677,816	629,662	48,154	507,000	493,100	13,900
(123,550)	(65,635)	57,915	(14,260)	(360)	13,900
5,417	5,417	0	0	0	0
0	0	0	0	0	0
5,417	5,417	0	0	0	0
(118,133)	(60,218)	57,915	(14,260)	(360)	13,900
130,099	130,099	0	176,528	176,528	0
54,914	54,914	0	0	0	0
66,880	124,795	57,915	162,268	176,168	13,900

(continued)

**Lakeview Local School District
 Combined Statement of Revenues, Expenditures and
 Changes in Fund Balances - Budget (Non - GAAP Basis) and Actual
 All Governmental Fund Types (continued)
 For the Fiscal Year Ended June 30, 2002**

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$257,359	257,359	0
Intergovernmental	27,054	27,054	0
Interest	0	0	0
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Contributions and Donations	0	0	0
Rentals and Royalties	0	0	0
Miscellaneous	0	0	0
Total Revenues	284,413	284,413	0
Expenditures:			
Current:			
Instruction:			
Regular	46,268	45,792	476
Special	0	0	0
Support Services:			
Pupils	0	0	0
Instructional Staff	0	0	0
Board of Education	0	0	0
Administration	0	0	0
Fiscal	0	0	0
Operation and Maintenance of Plant	249,377	240,897	8,480
Pupil Transportation	0	0	0
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	0	0	0
Capital Outlay	3,902	3,901	1
Debt Service:			
Principal Retirement	48,518	48,518	0
Interest and Fiscal Charges	76,890	76,889	1
Total Expenditures	424,955	415,997	8,958
Excess of Revenues Under Expenditures	(140,542)	(131,584)	8,958
Other Financing Sources (Uses):			
Operating Transfers In	0	0	0
Operating Transfers Out	0	0	0
Total Other Financing Sources (Uses)	0	0	0
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(140,542)	(131,584)	8,958
Fund Balances at Beginning of Year	120,930	120,930	0
Prior Year Encumbrances Appropriated	33,152	33,152	0
Fund Balances at End of Year	\$13,540	22,498	8,958

See accompanying notes to the general purpose financial statements

Totals
(Memorandum Only)

<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
7,227,618	7,227,618	0
7,120,549	7,126,735	6,186
36,882	40,368	3,486
531,936	538,606	6,670
140,608	145,281	4,673
105,313	106,791	1,478
36,629	37,744	1,115
700	3,616	2,916
<u>15,200,235</u>	<u>15,226,759</u>	<u>26,524</u>
7,102,602	7,005,117	97,485
1,801,311	1,734,099	67,212
788,633	755,093	33,540
632,555	626,698	5,857
32,511	31,427	1,084
1,440,293	1,406,522	33,771
378,675	365,867	12,808
1,854,228	1,832,929	21,299
690,907	681,540	9,367
4,995	4,948	47
532,250	515,547	16,703
140,302	139,584	718
348,518	348,518	0
276,890	263,271	13,619
<u>16,024,670</u>	<u>15,711,160</u>	<u>313,510</u>
<u>(824,435)</u>	<u>(484,401)</u>	<u>340,034</u>
5,417	5,417	0
(6,500)	(5,417)	1,083
<u>(1,083)</u>	<u>0</u>	<u>1,083</u>
(825,518)	(484,401)	341,117
857,263	857,263	0
393,617	393,617	0
<u>425,362</u>	<u>766,479</u>	<u>341,117</u>
=====	=====	=====

**Lakeview Local School District
 Combined Statement of Revenues,
 Expenses and Changes in Retained Earnings/Fund Balance
 Proprietary Fund Type and Similar Trust Fund
 For the Fiscal Year Ended June 30, 2002**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	
	<u>Enterprise</u>	<u>Nonexpendable Trust</u>	<u>Totals (Memorandum Only)</u>
<u>Operating Revenues:</u>			
Sales	\$431,605	0	431,605
Interest	0	811	811
Total Operating Revenues	<u>431,605</u>	<u>811</u>	<u>432,416</u>
<u>Operating Expenses:</u>			
Salaries	219,329	0	219,329
Fringe Benefits	75,370	0	75,370
Purchased Services	10,952	0	10,952
Materials and Supplies	8,304	0	8,304
Cost of Sales	220,785	0	220,785
Other Operating Expenses	0	1,000	1,000
Depreciation	14,870	0	14,870
Total Operating Expenses	<u>549,610</u>	<u>1,000</u>	<u>550,610</u>
Operating Loss	<u>(118,005)</u>	<u>(189)</u>	<u>(118,194)</u>
<u>Non-Operating Revenues</u>			
Federal Donated Commodities	33,733	0	33,733
Operating Grant	93,223	0	93,223
Interest	1,834	0	1,834
Total Non-Operating Revenues	<u>128,790</u>	<u>0</u>	<u>128,790</u>
Net Income (Loss)	10,785	(189)	10,596
Retained Earnings/Fund Balance at Beginning of Year - Restated (See Note 3)	<u>186,377</u>	<u>21,168</u>	<u>207,545</u>
Retained Earnings/Fund Balance at End of Year	<u>\$197,162</u>	<u>20,979</u>	<u>218,141</u>

See accompanying notes to the general purpose financial statements

**Lakeview Local School District
 Combined Statement of Cash Flows
 Proprietary Fund Type and Similar Trust Fund
 For the Fiscal Year Ended June 30, 2002**

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Nonexpendable Trust	(Memorandum Only)
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>			
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$431,605	0	431,605
Cash Payments to Employees for Services	(220,589)	0	(220,589)
Cash Payments for Employee Benefits	(83,901)	0	(83,901)
Cash Payments to Suppliers for Goods and Services	(210,935)	0	(210,935)
Cash Payments for Other Operating Expenses	0	(1,000)	(1,000)
	(83,820)	(1,000)	(84,820)
<u>Cash Flows from Noncapital Financing Activities:</u>			
Operating Grants Received	93,223	0	93,223
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Payments for Capital Acquisitions	(17,179)	0	(17,179)
<u>Cash Flows from Investing Activities:</u>			
Interest on Investments	1,834	811	2,645
	(5,942)	(189)	(6,131)
Net Decrease in Cash and Cash Equivalents			
Cash and Cash Equivalents at Beginning of Year	83,736	21,168	104,904
	\$77,794	20,979	98,773
	\$77,794	20,979	98,773
<u>Reconciliation of Operating Loss to Net Cash Used for Operating Activities:</u>			
Operating Loss	(\$118,005)	(189)	(118,194)
<u>Adjustments:</u>			
Depreciation	14,870	0	14,870
Donated Commodities Used During Year	28,546	0	28,546
Interest	0	(811)	(811)
<u>(Increase) Decrease in Assets:</u>			
Materials and Supplies Inventory	(50)	0	(50)
Inventory held for Resale	838	0	838
<u>Increase (Decrease) in Liabilities:</u>			
Accrued Wages	900	0	900
Compensated Absences Payable	1,554	0	1,554
Intergovernmental Payable	(12,245)	0	(12,245)
Accounts Payable	(228)	0	(228)
	34,185	(811)	33,374
Total Adjustments			
Net Cash Used for Operating Activities	(\$83,820)	(1,000)	(84,820)
	(\$83,820)	(1,000)	(84,820)
<u>Reconciliation of Cash and Cash Equivalents of Nonexpendable Trust Fund to Balance Sheet:</u>			
Cash and Cash Equivalents - All Fiduciary Funds	\$106,959		
Cash and Cash Equivalents - Agency Funds	(85,980)		
	\$20,979		
	\$20,979		

Non Cash Non Capital Activity:

Federal donated commodities in the amount of \$33,733 were recorded as revenue when received in the food service enterprise fund.

See accompanying notes to the general purpose financial statements

**Lakeview Local School District
 Combined Statement of Revenues, Expenses and
 Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual
 Proprietary Fund Type and Similar Trust Fund
 For the Fiscal Year Ended June 30, 2002.**

	Enterprise Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Sales	\$428,225	431,605	3,380
Interest	1,626	1,834	208
Operating Grants	92,911	93,223	312
Total Revenues	522,762	526,662	3,900
Expenses:			
Salaries	220,990	220,589	401
Fringe Benefits	84,000	83,901	99
Purchased Services	19,878	14,185	5,693
Materials and Supplies	259,531	207,723	51,808
Capital Outlay	17,674	17,179	495
Other	0	0	0
Total Expenses	602,073	543,577	58,496
 Excess of Revenues Under Expenses	 (79,311)	 (16,915)	 62,396
 Fund Equity at Beginning of Year	 43,453	 43,453	 0
 Prior Year Encumbrances Appropriated	 40,283	 40,283	 0
Fund Equity at End of Year	\$4,425	66,821	62,396

See accompanying notes to the general purpose financial statements

Nonexpendable Trust Fund			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
0	0	0	428,225	431,605	3,380
773	811	38	2,399	2,645	246
0	0	0	92,911	93,223	312
<u>773</u>	<u>811</u>	<u>38</u>	<u>523,535</u>	<u>527,473</u>	<u>3,938</u>
0	0	0	220,990	220,589	401
0	0	0	84,000	83,901	99
0	0	0	19,878	14,185	5,693
0	0	0	259,531	207,723	51,808
0	0	0	17,674	17,179	495
1,000	1,000	0	1,000	1,000	0
<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>603,073</u>	<u>544,577</u>	<u>58,496</u>
(227)	(189)	38	(79,538)	(17,104)	62,434
21,168	21,168	0	64,621	64,621	0
0	0	0	40,283	40,283	0
<u>20,941</u>	<u>20,979</u>	<u>38</u>	<u>25,366</u>	<u>87,800</u>	<u>62,434</u>
=====	=====	=====	=====	=====	=====

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Lakeview Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

Lakeview Local School District (School District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District operates under a locally-elected five-member Board form of government. Each member is elected to a four year term. The School District provides educational services as authorized by its charter and further mandated by state and federal agencies. The Board of Education controls the School District's four instructional/support facilities staffed by ninety classified employees, one hundred forty-one certificated full-time teaching personnel and eight administrators who provide services to 2,269 students and other community members.

Reporting Entity

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

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

The School District participates in several organizations of which five are defined as jointly governed organizations and one as a shared risk pool. These organizations are the Trumbull County Career and Technical Center, the North East Ohio Management Information Network, the North East Ohio Instructional Media Center, the North East Ohio Special Education Regional Resource Center, the Region 12 Professional Development Center and the Trumbull County Schools

Lakeview Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

A. Basis Of Presentation - Fund Accounting

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

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

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

Governmental Fund Types:

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

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

Special Revenue Funds - Special revenue funds are used to account for the proceeds of

Lakeview Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

Proprietary Fund Types:

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

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

Fiduciary Fund Types:

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The School District's fiduciary funds include nonexpendable trust and agency funds. Nonexpendable trust funds are accounted for in essentially the same manner as proprietary funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups:

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

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

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

Lakeview Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

with the operation of these funds are included on the balance sheet. Fund equity (e.g., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund types and nonexpendable trust fund operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

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

The modified accrual basis of accounting is followed for the governmental and agency funds. The full accrual basis of accounting is followed for the proprietary and nonexpendable trust funds.

Revenue Recognition:

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 sixty days of year-end.

Non-exchange 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 fiscal 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 non-exchange 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 fiscal year-end: property taxes available as an advance, interest, tuition, grants, student fees and rentals.

Lakeview Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

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.

C. Budgetary Process

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

Tax Budget:

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

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

Estimated Resources:

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined

Lakeview Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

Appropriations:

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

Encumbrances:

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

Lapsing of Appropriations:

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

Lakeview Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

During fiscal year 2002, the School District invested in non-negotiable certificates of deposit, reported at cost.

Under existing Ohio Statutes, the Board of Education may, by resolution, specify the funds to receive an allocation of interest earnings. During fiscal year 2002, all investment earnings were credited to the general fund except those specifically related to certain special revenue funds, the permanent improvement capital projects fund, the food service enterprise fund and the nonexpendable trust fund. Interest income earned credited to the general fund during fiscal 2002 amounted to \$40,829 which includes \$19,564 assigned from other School District funds.

The School District utilizes a financial institution to service bonded debt as principal and interest payments come due and also to maintain an account while the School District is waiting for a delivery of school buses. The balance in these accounts are presented on the combined balance sheet as “Cash and Cash Equivalents with Fiscal Agents” and represent deposits or short-term investments in certificates of deposit.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, funds included within the Treasurer’s cash management pool and investments with original maturities of three months or less are considered to be cash and cash equivalents.

E. Inventory

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

F. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the

Lakeview Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment in the proprietary fund types is computed using the straight-line method over an estimated useful life that ranges from five to twenty years. Improvements to fund fixed assets are depreciated over the remaining useful lives of the related fixed assets.

G. Interfund Assets/Liabilities

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as “due from other funds” or “due to other funds” on the balance sheet. Short-term interfund loans are classified as “interfund receivables/payables”.

H. Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees’ wage rates at fiscal year end, taking into consideration any limits specified in the School District’s termination policy.

For governmental funds, the School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. The School District records a liability for accumulated unused sick leave after ten years of current service with the School District. The current portion of unpaid compensated absences is the amount expected to be paid using available expendable resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

I. Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and

Lakeview Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

J. Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

K. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include money required by statute to be set-aside by the School District for the purchase of textbooks and other instructional material and the unspent workers' compensation refund monies required to be maintained for budget stabilization. See Note 8 for additional information regarding set-asides.

L. Estimates

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

M. Fund Balance Reserves and Designations

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

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State Statute. The reserve for contributions signifies the legal restrictions on the use of principal in the nonexpendable trust fund.

Lakeview Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 3 - RESTATEMENT OF RETAINED EARNINGS

Due to an understatement in fixed assets, the enterprise fund retained earnings were restated by \$47,631 from \$234,008 to \$186,377 as of June 30, 2001.

NOTE 4 - ACCOUNTABILITY

The general fund concluded fiscal year 2002 with a deficit fund balance of \$350,038. The deficit resulted from the conversion to generally accepted accounting principles and adjustments for accrued liabilities. The School District is analyzing its general fund operations to determine how to eliminate the deficit.

The Title VI-B and Title VI-R special revenue funds concluded fiscal year 2002 with deficit fund balances of \$18,629 and \$5,105, respectively, which were created by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than 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/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual-All Governmental Fund Types and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual - Proprietary Fund Type and Similar Trust Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when

Lakeview Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

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

Net Income (Loss) Excess of Revenues Under Expenses
Proprietary Fund Type and Similar Trust Fund

	Enterprise	Nonexpendable Trust
GAAP Basis	\$10,785	(189)
Revenue Accrual	(28,546)	0
Expense Accrual	19,315	0
Donated Commodities	(5,187)	0
Capital Outlay	(17,179)	0
Depreciation Expense	14,870	0
Encumbrances	(10,973)	0
Budget Basis	(\$16,915)	(189)

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

	General	Special Revenue	Debt Service	Capital Projects
GAAP Basis	(\$272,259)	(29,317)	(10,360)	290,811
Revenue Accruals	169,917	0	10,000	(295,472)
Expenditure Accruals	132,662	20,271	0	(6,880)
Debt Service:				
Principal	0	0	0	(18,518)
Encumbrances	(322,559)	(51,172)	0	(101,525)
Budget Basis	(\$292,239)	(60,218)	(360)	(131,584)

NOTE 6 - DEPOSITS AND INVESTMENTS

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

Lakeview Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

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.

Protection of School District deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. Interim monies may be deposited or invested in the following securities:

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

Lakeview Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held until maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits With Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements."

A. Deposits

At fiscal year end, the carrying amount of the School District's deposits was \$1,727,422 and the bank balance was \$1,730,900. Of the bank balance, \$300,000 was covered by federal depository insurance and \$1,430,900 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institution's trust department in the School District's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

B. Investments

The School District's investments are required to be categorized at year-end to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. During fiscal year 2002, the School District invested in nonnegotiable certificates of deposit. For the purpose of classification under GASB Statement No.3, the School District did not have any investments at year end.

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payments received during calendar year 2002 for tangible personal property (other than public utility property) are for calendar year 2002 taxes.

2002 real property tax are levied after April 1, 2002, on the assessed value listed as of January 1, 2002, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value: public utility real is assessed at thirty-five percent of true value. 2002 public utility taxes became a lien December 31, 2001, are levied after April 1, 2002, and are collected in 2003 with real property taxes.

2002 tangible personal property taxes are levied after April 1, 2001, on the values as of December 31, 2001. Collections are made in 2002. Tangible personal property assessments are twenty-five percent of true value.

The assessed values upon which fiscal year 2002 taxes were collected are:

	2001 Second- Half Collections		2002 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$209,543,190	82.70%	\$213,934,420	83.30%
Public Utility	11,237,940	4.44	8,519,200	3.32
Tangible Personal Property	<u>32,596,105</u>	<u>12.86</u>	<u>34,366,919</u>	<u>13.38</u>
Total Assessed Value	<u>\$253,377,235</u>	<u>100.00%</u>	<u>\$256,820,539</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$43.56		\$43.56	

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

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single

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30, 2002 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current fiscal year operations. The amount available as an advance at June 30, 2002, was \$320,000 and is recognized as revenue. \$290,000 was available to the general fund, \$20,000 was available to the debt service fund and \$10,000 was available to the capital projects fund.

NOTE 8 - 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 the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year-end. These amounts must be carried forward to be used for the same purposes in future years. In prior years, the School District was also required to set-aside money for budget stabilization. At June 30, 2002, only the unspent portion of certain workers' compensation refunds continues to be set aside.

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

	Textbooks	Capital Improvements	Budget Stabilization
Set-Aside Reserve Balance as of 6/30/01	\$150,028	\$0	\$68,316
Current Year Set-Aside Requirement	274,912	274,912	0
Current Year Offsets	0	(268,680)	0
Qualifying Disbursements	(280,003)	(215,017)	0
Set-Aside Reserve Balance as of 6/30/02	<u>\$144,937</u>	<u>\$0</u>	<u>\$68,316</u>

Although the School District had qualifying disbursements during the fiscal year that reduced the set-aside amount to below zero for the capital acquisition set-aside, this amount may not be used to reduce the set-aside requirement of future years. This negative balance is therefore not presented as being carried forward to future years. The total reserve balance for the three set-asides at the end of the fiscal year was \$213,253.

Lakeview Local School District
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For the Fiscal Year Ended June 30, 2002

Medicare	\$13,878
Special Revenue:	
Title VI-B	5,416
Title VI	1,699
Eisenhower Professional Development	925
Total Special Revenue	8,040
Total Intergovernmental Receivables	\$21,918

NOTE 10 - FIXED ASSETS

A summary of the enterprise funds' fixed assets at June 30, 2002 follows:

Furniture and Equipment	\$376,102
Less Accumulated Depreciation	(220,689)
Net Fixed Assets	\$155,413

A summary of the changes in general fixed assets during fiscal year 2002 follows:

Asset Category	Balance at 6/30/01	Additions	Deletions	Balance at 6/30/02
Land and Improvements	\$2,113,769	0	0	2,113,769
Buildings	11,999,943	0	0	11,999,943
Furniture, Equipment and Vehicles	4,670,757	232,289	(129,451)	4,773,595
Totals	\$18,784,469	232,289	(129,451)	18,887,307

NOTE 11 - RISK MANAGEMENT

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Boiler and Machinery (\$500 deductible)	No limit
The Hartford Group:	
Automobile Liability (\$250 deductible)	1,000,000
Uninsured Motorists	300,000
General Liability	
Per occurrence	2,000,000
Total per year	5,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years and there has not been a significant reduction in coverage from the prior year.

The School District has contracted with the Trumbull County Schools Employee Insurance Benefits Consortium to provide employee medical/surgical, dental, and prescription drug benefits. The Trumbull County Schools Employee Insurance Benefits Consortium is a shared risk pool comprised of sixteen Trumbull County school districts. Rates are set through an annual calculation process. The Lakeview Local School District pays a monthly contribution which is placed in a common fund from which claim payments are made for all participating school districts. Claims are paid for all participants regardless of claims flow. The board of directors has the right to return monies to an exiting district subsequent to the settlement of all expenses and claims. The School District pays medical/surgical premiums of \$853.01 for family coverage and \$327.74 for single coverage per employee per month. Premiums for dental coverage are \$67.94 monthly for family coverage and \$21.62 monthly for single coverage. Premiums for prescription drug insurance are \$165.51 for family coverage and \$64.47 for single coverage. The plan utilizes a \$5.00 prescription deductible.

The School District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

NOTE 12- DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

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

Lakeview Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

pension obligations to SERS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$264,394, \$252,532 and \$250,960 respectively; 50.07 percent has been contributed for fiscal year 2002 and 100 percent for the fiscal years 2001 and 2000. \$132,391 representing the unpaid contribution for fiscal year 2002, is recorded as a liability within the respective funds and the general long-term obligations account group.

B. State Teachers Retirement System

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

For fiscal year ended June 30, 2002, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$979,212, \$930,766 and \$887,808, respectively; 83.4 percent has been contributed for fiscal year 2002 and 100 percent for the fiscal years 2001 and 2000. \$110,287 representing the unpaid contribution for fiscal year 2002, is recorded as a liability within the respective funds.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2002, all members of the Board of Education have elected social security. The Board's liability is 6.2 percent of wages paid.

NOTE 13 - POST EMPLOYMENT BENEFITS

Lakeview Local School District
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All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2002, the STRS Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$314,747 for fiscal year 2002.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2001, (the latest information available) the balance in the Fund was \$3.256 billion. For the fiscal year ended June 30, 2001, net health care costs paid by STRS were \$300,772,000 and STRS had 102,132 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2002, employer contributions to fund health care benefits were 8.54 percent of covered payroll, a decrease of 1.26 percent from fiscal year 2001. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2002, the minimum pay was established at \$12,400. For the School District, the amount contributed to fund health care benefits, including surcharge, during the 2002 fiscal year equaled \$161,280.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2001 (the latest information available), were \$161,439,934 and the target level was \$242.2 million. At June 30, 2001, SERS had net assets available for payment of health care benefits of \$315.7 million. SERS has approximately 50,000 participants currently receiving health care benefits.

Lakeview Local School District
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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 320 days for all personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 80 days for classified employees, teachers and administrators. Employees are given three days of personal leave at the beginning of the fiscal year. Upon retirement all unused personal leave is converted to sick leave.

B. Life Insurance

The School District provides life insurance and accidental death and dismemberment of \$50,000 to all full time employees through the Trumbull County Schools Employee Insurance Benefits Consortium.

NOTE 15 - LONG-TERM OBLIGATIONS

Changes in long-term obligations of the School District during fiscal year 2002 were as follows:

	<u>Balance 6/30/01</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance 6/30/02</u>
<i>General Obligation Bonds:</i>				
1994 - 4.50 to 6.95% School Improvement	\$1,024,971	0	155,000	869,971
1998 - 3.80 to 5.10% School Improvement Refunding Bonds	<u>3,560,844</u>	<u>103,737</u>	<u>145,000</u>	<u>3,519,581</u>
<i>Total General Obligation Bonds</i>	<u>4,585,815</u>	<u>103,737</u>	<u>300,000</u>	<u>4,389,552</u>
Compensated Absences	1,284,088	202,307	0	1,486,395
Intergovernmental Payable	99,849	105,486	99,849	105,486
Capital Lease Payable	<u>1,035,000</u>	<u>308,000</u>	<u>30,000</u>	<u>1,313,000</u>
Total Other Long-Term Obligations	<u>2,418,937</u>	<u>615,793</u>	<u>129,849</u>	<u>2,904,881</u>
Total All Long-Term Obligations	<u><u>\$7,004,752</u></u>	<u><u>719,530</u></u>	<u><u>429,849</u></u>	<u><u>7,294,433</u></u>

Lakeview Local School District
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For the Fiscal Year Ended June 30, 2002

General obligation bonds will be paid from the debt service fund. Compensated absences will be paid from the fund from which the employee is paid. The intergovernmental payable represents a contractually required pension contribution and will be paid from the fund from which the employees are paid. The capital leases will be paid from the permanent improvement capital projects fund.

The overall debt margin of the School District as of June 30, 2002 was \$18,920,464 and the unvoted debt limit was \$256,820. The principal and interest requirements to retire the general obligation bonds and loans payable outstanding at June 30, 2002, are as follows:

Year	General Obligation Bonds
2003	\$505,925
2004	519,095
2005	535,130
2006	558,717
2007	566,153
2008 - 2012	3,137,716
2013 - 2017	2,712,545
2018 - 2020	827,010
Total	<u><u>\$9,362,291</u></u>

NOTE 16 - NOTE DEBT

The School District has an energy conservation note which matures in 2013 and will be paid from the permanent improvement capital projects fund. The note is reflected in the permanent improvement capital projects fund, the fund which received the proceeds. This note is backed by the full faith and credit of the School District. The School District's note activity, including the amount outstanding and interest rate follow:

	Balance 6/30/01	Additions	Deletions	Balance 6/30/02
Capital Projects Funds:				
Energy Conservation 5.00%	<u>\$294,563</u>	<u>0</u>	<u>18,518</u>	<u>276,045</u>

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2007	33,246
2008 - 2012	166,232
2013	33,246
Total	\$365,708

NOTE 17 - CAPITAL LEASE

A new capital lease obligation recorded in the general long-term obligations account group relates to the purchase of school buses. At the time the School District entered into this lease, the buses had not yet been received. As part of the agreement, National City Bank, as lessor, deposited \$300,472 with a fiscal agent for the purchase of the school buses. The entire amount is to be paid to the vendor at the direction of the School District when the buses arrive. At year-end, no general fixed assets have been capitalized in the general fixed assets account group. \$300,472 is still held by the fiscal agent. No lease payments have been made as of June 30, 2002. The principal amount owed on the lease at year-end is \$308,000.

In prior years, the School District entered into a capitalized lease for a construction and reroofing project. This lease meets the criteria for capital leases as defined by Statement of Financial Accounting Standards No.13 "Accounting for Leases." General fixed assets being constructed by this lease have been capitalized in the general fixed assets account group in the amount of \$1,045,000.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2002.

Year	Amounts
2003	\$139,369
2004	146,614
2005	147,383
2006	148,678
2007	150,601
2008 - 2012	777,881
2013 - 2015	349,939
Total Minimum Lease Payments	\$1,860,465
Less: Amount representing interest	(547,465)

Lakeview Local School District
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For the Fiscal Year Ended June 30, 2002

Title VI Special Revenue	0	12
Total All Funds	\$12	12

NOTE 19 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The School District maintains two enterprise funds to account for the operations of food service and uniform school supplies. The table below reflects in a summarized format the more significant financial data relating to the enterprise funds of the Lakeview Local School District as of and for the fiscal year ended June 30, 2002.

	Food Service	Uniform School Supplies	Total Enterprise Funds
Operating Revenues	\$411,974	19,631	431,605
Depreciation Expense	14,870	0	14,870
Operating Income (Loss)	(129,332)	11,327	(118,005)
Donated Commodities	33,733	0	33,733
Net Income (Loss)	(542)	11,327	10,785
Fixed Assets Additions	17,179	0	17,179
Net Working Capital	23,478	18,271	41,749
Total Assets	224,411	18,271	242,682
Total Equity	178,891	18,271	197,162
Encumbrances Outstanding at June 30, 2002	9,328	1,645	10,973

NOTE 20 - JOINTLY GOVERNED ORGANIZATIONS

Trumbull County Career and Technical Center - The Trumbull County Career and Technical Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the twelve participating school districts' elected boards, which possesses its own budgeting and taxing authority. To obtain financial information

Lakeview Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

Superintendents of the participating school districts are eligible to be voting members of the Governing Board which consists of ten members: the Trumbull and Ashtabula County superintendents (permanent members), three superintendents from Ashtabula County school districts, three superintendents from Trumbull County school districts, and a principal and treasurer (non-voting members who must be employed by a participating school district, the fiscal agent or NEOMIN). The Lakeview Local School District was not represented on the Governing Board during fiscal year 2002.

The degree of control exercised by any participating school district is limited to its representation on the Governing Board. To obtain a copy of NEOMIN's financial statements, write to the Trumbull County Educational Service Center, 347 North Park Avenue, Warren, Ohio, 44481.

North East Ohio Instructional Media Center (NEOIMC) - The North East Ohio Instructional Media Center (NEOIMC) is a jointly governed organization among forty-five school districts. The jointly governed organization was formed for the purpose of providing quality films and/or other media to support the educational curricula of the District. Each member pays a monthly premium based on actual use of the media materials or on a per pupil charge.

NEOIMC is governed by an advisory committee made up of a member from a parochial school, a joint vocational school, one County Superintendent from each participating county, one City Superintendent and two local superintendents rotating every two years. The degree of control exercised by any participating school district is limited to its representation on the Board. In fiscal year 2002, Lakeview Local School District contributed \$1.40 per student. Financial information can be obtained by contacting the Treasurer at the Trumbull County Educational Service Center, 347 North Park Avenue, Warren, Ohio, 44481.

North East Ohio Special Education Regional Resource Center (NEOSERRC) - NEOSERRC is a special education service center which selects its own board, adopts its own budget and receives direct Federal and State grants for its operation. The jointly governed organization was formed for the purpose of initiating, expanding and improving special education programs and services for children with disabilities and their parents.

NEOSERRC is governed by a governing board of 39 members made up of representatives from 35 superintendents of the participating districts, one non-public school, one county board of mental retardation and two parents whose term rotates every year. The degree of control exercised by any participating school district is limited to its representation on the Board. Financial information can be obtained by contacting the Treasurer at the Mahoning County Educational Service Center, 2801 Market Street, Youngstown, Ohio, 44507.

Region 12 Professional Development Center (Center) - The Center is a jointly governed organization among the school districts located in Trumbull, Mahoning and Columbiana counties.

Lakeview Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 21 - SHARED RISK POOL

The Trumbull County Schools Employee Insurance Benefits Consortium is a shared risk pool comprised of sixteen Trumbull County School Districts. The Consortium is governed by an assembly which consists of one representative from each participating school district (usually the superintendent or designee). The assembly elects officers for one year terms to serve as the Board of Directors. The assembly exercises control over the operation of the Consortium. All Consortium revenues are generated from charges for services.

NOTE 22 - 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 is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2002.

B. Litigation

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

NOTE 23 - SUBSEQUENT EVENT

School Funding

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

1. A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
2. Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year

Lakeview Local School District
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For the Fiscal Year Ended June 30, 2002

The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

General Fund

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

Lakeview 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, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$6,526,546	6,526,546	0
Intergovernmental	6,677,255	6,679,990	2,735
Interest	36,239	39,699	3,460
Tuition and Fees	517,553	524,066	6,513
Contributions and Donations	73,894	73,918	24
Rentals and Royalties	36,629	37,744	1,115
Miscellaneous	700	3,616	2,916
Total Revenues	13,868,816	13,885,579	16,763
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	4,800,015	4,745,420	54,595
Fringe Benefits	1,745,333	1,744,742	591
Purchased Services	4,031	3,296	735
Materials and Supplies	271,662	260,679	10,983
Capital Outlay - New	42,557	29,681	12,876
Other	80,000	71,580	8,420
Total Regular	6,943,598	6,855,398	88,200
Special:			
Salaries and Wages	784,895	770,440	14,455
Fringe Benefits	335,075	334,996	79
Purchased Services	305,415	298,988	6,427
Materials and Supplies	44,304	29,318	14,986
Capital Outlay - New	15,254	5,936	9,318
Total Special	1,484,943	1,439,678	45,265
Total Instruction	8,428,541	8,295,076	133,465
Support Services:			
Pupils:			
Salaries and Wages	449,596	433,756	15,840
Fringe Benefits	151,205	151,202	3
Purchased Services	108,439	106,691	1,748
Materials and Supplies	62,435	46,501	15,934
Total Pupils	771,675	738,150	33,525
Instructional Staff:			
Salaries and Wages	447,683	447,665	18
Fringe Benefits	130,660	130,656	4
Purchased Services	7,915	7,751	164
Materials and Supplies	36,101	30,457	5,644
Capital Outlay - Replacement	620	593	27
Total Instructional Staff	622,979	617,122	5,857
Board of Education:			
Salaries and Wages	6,640	6,640	0
Fringe Benefits	590	590	0
Purchased Services	4,800	3,997	803
Other	20,481	20,200	281
Total Board of Education	32,511	31,427	1,084
Administration:			
Salaries and Wages	689,625	684,722	4,903
Fringe Benefits	291,955	273,383	18,572
Purchased Services	78,010	78,010	0
Materials and Supplies	11,570	11,570	0
Capital Outlay - New	4,401	2,406	1,995
Capital Outlay - Replacement	918	918	0
Other	359,399	351,098	8,301
Total Administration	\$1,435,878	1,402,107	33,771

(continued)

Lakeview 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, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Fiscal:			
Salaries and Wages	\$120,100	115,843	4,257
Fringe Benefits	57,055	52,205	4,850
Purchased Services	41,983	41,798	185
Materials and Supplies	3,210	3,186	24
Other	140,327	137,246	3,081
Total Fiscal	362,675	350,278	12,397
Operation and Maintenance of Plant:			
Salaries and Wages	590,454	584,963	5,491
Fringe Benefits	266,600	266,417	183
Purchased Services	636,118	635,838	280
Materials and Supplies	109,085	103,263	5,822
Capital Outlay - New	1,594	1,551	43
Capital Outlay - Replacement	1,000	0	1,000
Total Operation and Maintenance of Plant	1,604,851	1,592,032	12,819
Pupil Transportation:			
Salaries and Wages	350,886	350,614	272
Fringe Benefits	162,700	162,604	96
Purchased Services	29,081	28,295	786
Materials and Supplies	87,220	86,273	947
Capital Outlay - New	4,934	0	4,934
Capital Outlay - Replacement	48,986	48,986	0
Total Pupil Transportation	683,807	676,772	7,035
Total Support Services	5,514,376	5,407,888	106,488
Extracurricular Activities:			
Sports Oriented Activities:			
Salaries and Wages	279,400	279,367	33
Fringe Benefits	51,650	51,437	213
Purchased Services	4,532	2,950	1,582
Total Extracurricular Activities	335,582	333,754	1,828
Capital Outlay:			
Architecture and Engineering Services:			
Purchased Services	20,000	19,298	702
Other Facilities Acquisition and Construction Services:			
Capital Outlay - New	116,400	116,385	15
Total Capital Outlay	136,400	135,683	717
Total Expenditures	14,414,899	14,172,401	242,498
Excess of Revenues Under Expenditures	(546,083)	(286,822)	259,261
Other Financing Uses:			
Operating Transfers Out	(6,500)	(5,417)	1,083
Excess of Revenues Under Expenditures and Other Financing Uses	(552,583)	(292,239)	260,344
Fund Balance at Beginning of Year	429,706	429,706	0
Prior Year Encumbrances Appropriated	305,551	305,551	0
Fund Balance at End of Year	\$182,674	443,018	260,344

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

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

District Managed Activity - This fund accounts for gate receipts and other revenues from athletic events and all costs (except supplemental coaching contracts) of the School District's athletic program and transportation of the band to and from athletic events.

Educational Management Information Systems (EMIS) - This fund accounts for State monies which support the development of hardware and software or other costs associated with the requirements of the management information system.

Scholarship - This fund accounts for contributions used to provide scholarships to deserving students.

Title VI-B - This fund accounts for federal monies used to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

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

Title VI - This fund accounts for federal revenues which support the implementation of a variety of programs such as computer education, gifted and talented programs, in-service and staff development.

Local Professional Development Grant - This fund accounts for State monies received to assist the school district efforts to encourage professional development of the staff.

SchoolNet Professional Development - This fund accounts for State monies received to support the professional development of the technology coordinator and his staff.

Safe Schools Helpline - This fund accounts for State monies received by the School District for the safe school help telephone line which is used to report threats to the safety of students and school personnel and property.

Telecom Act Grant - This fund will be used to account for a federal grant which is paid directly to the telecommunication service provider. The School District has a matching requirement which will be met by paying the portion of the invoice from the service provider not paid by the federal government.

Fourth Grade Summer School - This fund accounts for monies spent by the School District for specialized instruction to students in need of knowledge to pass proficiency tests.

Special Revenue Funds (Continued)

Eisenhower Professional Development - This fund accounts for federal monies used to strengthen instruction in science, mathematics, modern foreign languages, English, the arts and computer learning.

Safe and Drug Free Schools - This fund accounts for federal monies used to establish, operate and improve local programs of drug abuse prevention and to engage in development, training and technical assistance.

**Lakeview Local School District
Combining Balance Sheet
All Special Revenue Funds
June 30, 2002**

	<u>Public School Support</u>	<u>District Managed Activity</u>	<u>EMIS</u>	<u>Scholarship</u>	<u>Title VI-B</u>
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$30,941	41,168	8,924	34,326	0
Intergovernmental Receivable	0	0	0	0	5,416
Total Assets	<u>\$30,941</u>	<u>41,168</u>	<u>8,924</u>	<u>34,326</u>	<u>5,416</u>
<u>Liabilities:</u>					
Accounts Payable	\$5,011	6,923	0	0	0
Accrued Wages	0	0	0	0	16,871
Interfund Payable	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	1,758
Deferred Revenue	0	0	0	0	5,416
Total Liabilities	<u>5,011</u>	<u>6,923</u>	<u>0</u>	<u>0</u>	<u>24,045</u>
<u>Fund Equity</u>					
Fund Balance:					
Reserved for Encumbrances	6,002	16,136	0	2,802	0
Unreserved, Undesignated (Deficit)	19,928	18,109	8,924	31,524	(18,629)
Total Fund Equity (Deficit)	<u>25,930</u>	<u>34,245</u>	<u>8,924</u>	<u>34,326</u>	<u>(18,629)</u>
Total Liabilities and Fund Equity	<u>\$30,941</u>	<u>41,168</u>	<u>8,924</u>	<u>34,326</u>	<u>5,416</u>

<u>Title I</u>	<u>Title VI</u>	<u>Local Professional Development Grant</u>	<u>SchoolNet Professional Development</u>	<u>Fourth Grade Summer School</u>
27,727	1,025	1,140	5,967	2,665
0	1,699	0	0	0
<u>27,727</u>	<u>2,724</u>	<u>1,140</u>	<u>5,967</u>	<u>2,665</u>
=====	=====	=====	=====	=====
0	0	0	0	0
15,768	0	0	0	0
0	12	0	0	0
618	0	0	0	0
0	1,699	0	0	0
<u>16,386</u>	<u>1,711</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	470	50	26
11,341	1,013	670	5,917	2,639
<u>11,341</u>	<u>1,013</u>	<u>1,140</u>	<u>5,967</u>	<u>2,665</u>
27,727	2,724	1,140	5,967	2,665
=====	=====	=====	=====	=====

(continued)

**Lakeview Local School District
Combining Balance Sheet
All Special Revenue Funds (continued)
June 30, 2002**

	Ohio Reads Grant	Title VI-R	School Renovation I&T	Eisenhower Professional Development	Totals
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$15,422	2,892	1,066	2,704	175,967
Intergovernmental Receivable	0	0	0	925	8,040
Total Assets	\$15,422	2,892	1,066	3,629	184,007
<u>Liabilities:</u>					
Accounts Payable	\$0	0	0	0	11,934
Accrued Wages	0	7,761	0	0	40,400
Interfund Payable	0	0	0	0	12
Intergovernmental Payable	110	236	0	0	2,722
Deferred Revenue	0	0	0	925	8,040
Total Liabilities	110	7,997	0	925	63,108
<u>Fund Equity</u>					
Fund Balance:					
Reserved for Encumbrances	11,422	0	0	2,331	39,239
Unreserved, Undesignated (Deficit)	3,890	(5,105)	1,066	373	81,660
Total Fund Equity (Deficit)	15,312	(5,105)	1,066	2,704	120,899
Total Liabilities and Fund Equity	\$15,422	2,892	1,066	3,629	184,007

Lakeview Local School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds
For the Fiscal Year Ended June 30, 2002

	Public School Support	District Managed Activity	Educational Management Information Systems	Scholarship
<u>Revenues:</u>				
Intergovernmental	\$0	0	8,301	0
Interest	0	338	0	331
Tuition and Fees	14,540	0	0	0
Extracurricular Activities	0	145,281	0	0
Contributions and Donations	26,090	0	0	6,783
Total Revenues	40,630	145,619	8,301	7,114
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	32,370	0	0	6,966
Special	0	0	0	0
Support Services:				
Pupils	1,221	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Fiscal	0	0	8,871	0
Pupil Transportation	4,768	0	0	0
Operation of Non-Instructional Services	4,544	0	0	0
Extracurricular Activities	451	165,122	0	0
Total Expenditures	43,354	165,122	8,871	6,966
Excess of Revenues Over (Under) Expenditures	(2,724)	(19,503)	(570)	148
Other Financing Sources:				
Operating Transfers In	0	5,000	0	417
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(2,724)	(14,503)	(570)	565
Fund Balances (Deficit) at Beginning of Year	28,654	48,748	9,494	33,761
Fund Balances (Deficit) at End of Year	\$25,930	34,245	8,924	34,326

(continued)

Lakeview Local School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2002

	Title VI-B	Title I	Title VI	Local Professional Development Grant
<u>Revenues:</u>				
Intergovernmental	\$141,892	100,829	9,958	0
Interest	0	0	0	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
Total Revenues	<u>141,892</u>	<u>100,829</u>	<u>9,958</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	0	0	0	2,184
Special	163,495	73,614	8,933	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	3,646	0	0	50
Administration	1,971	0	0	0
Fiscal	0	0	0	0
Pupil Transportation	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Total Expenditures	<u>169,112</u>	<u>73,614</u>	<u>8,933</u>	<u>2,234</u>
Excess of Revenues Over (Under) Expenditures	(27,220)	27,215	1,025	(2,234)
Other Financing Sources:				
Operating Transfers In	0	0	0	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(27,220)	27,215	1,025	(2,234)
Fund Balances (Deficit) at Beginning of Year	8,591	(15,874)	(12)	3,374
Fund Balances (Deficit) at End of Year	<u>=====</u> (\$18,629)	<u>=====</u> 11,341	<u>=====</u> 1,013	<u>=====</u> 1,140

SchoolNet Professional Development	Safe Schools Helpline	Telecom Act Grant	Fourth Grade Summer School	Ohio Reads Grant	Title VI-R
11,592	2,275	0	2,100	34,000	38,113
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
11,592	2,275	0	2,100	34,000	38,113
5,625	0	0	9,173	0	40,558
0	0	0	0	40,827	0
0	0	4,044	0	0	0
0	0	0	0	0	0
0	2,275	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
5,625	2,275	4,044	9,173	40,827	40,558
5,967	0	(4,044)	(7,073)	(6,827)	(2,445)
0	0	0	0	0	0
5,967	0	(4,044)	(7,073)	(6,827)	(2,445)
0	0	4,044	9,738	22,139	(2,660)
5,967	0	0	2,665	15,312	(5,105)

(continued)

Lakeview Local School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2002

	School Renovation I&T	Eisenhower Professional Development	Safe and Drug Free Schools	Totals
Revenues:				
Intergovernmental	\$4,434	8,324	8,846	370,664
Interest	0	0	0	669
Tuition and Fees	0	0	0	14,540
Extracurricular Activities	0	0	0	145,281
Contributions and Donations	0	0	0	32,873
Total Revenues	4,434	8,324	8,846	564,027
Expenditures:				
Current:				
Instruction:				
Regular	0	0	0	96,876
Special	3,368	0	0	290,237
Support Services:				
Pupils	0	290	8,846	14,401
Instructional Staff	0	5,549	0	9,245
Administration	0	0	0	4,246
Fiscal	0	0	0	8,871
Pupil Transportation	0	0	0	4,768
Operation of Non-Instructional Services	0	0	0	4,544
Extracurricular Activities	0	0	0	165,573
Total Expenditures	3,368	5,839	8,846	598,761
Excess of Revenues Over (Under) Expenditures	1,066	2,485	0	(34,734)
Other Financing Sources:				
Operating Transfers In	0	0	0	5,417
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	1,066	2,485	0	(29,317)
Fund Balances (Deficit) at Beginning of Year	0	219	0	150,216
Fund Balances (Deficit) at End of Year	\$1,066	2,704	0	120,899

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Tuition and Fees	\$14,383	14,540	157
Contributions and Donations	24,636	26,090	1,454
Total Revenues	39,019	40,630	1,611
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased Services	10,295	8,244	2,051
Materials and Supplies	5,352	4,840	512
Capital Outlay - New	176	0	176
Other	25,505	24,788	717
Total Instruction	41,328	37,872	3,456
Support Services:			
Pupils:			
Materials and Supplies	1,322	1,307	15
Other	125	125	0
Total Pupils	1,447	1,432	15
Pupil Transportation:			
Purchased Services	7,100	4,768	2,332
Total Support Services	8,547	6,200	2,347
Operation of Non-Instructional Services:			
Food Service Operations:			
Materials and Supplies	4,995	4,948	47
Extracurricular Activities:			
Academic and Subject Oriented			
Activities:			
Materials and Supplies	1,130	0	1,130
School and Public Service			
Co-Curricular Activities:			
Other	690	336	354
Total Extracurricular Activities	1,820	336	1,484
Total Expenditures	56,690	49,356	7,334
Excess of Revenues Under Expenditures	(17,671)	(8,726)	8,945
Fund Balance at Beginning of Year	23,827	23,827	0
Prior Year Encumbrances Appropriated	4,827	4,827	0
Fund Balance at End of Year	\$10,983	19,928	8,945
	=====	=====	=====

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
District Managed Activity
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Interest	\$338	338	0
Extracurricular Activities	140,608	145,281	4,673
Total Revenues	<u>140,946</u>	<u>145,619</u>	<u>4,673</u>
<u>Expenditures:</u>			
Current:			
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Purchased Services			
Purchased Services	21,464	19,632	1,832
Materials and Supplies	21,898	20,544	1,354
Capital Outlay - New	1,500	0	1,500
Other	5,132	3,656	1,476
Total Academic and Subject Oriented Activities	<u>49,994</u>	<u>43,832</u>	<u>6,162</u>
Sports Oriented Activities:			
Purchased Services	34,375	32,685	1,690
Materials and Supplies	92,964	90,776	2,188
Other	17,515	14,164	3,351
Total Sports Oriented Activities	<u>144,854</u>	<u>137,625</u>	<u>7,229</u>
Total Expenditures	<u>194,848</u>	<u>181,457</u>	<u>13,391</u>
Excess of Revenues Under Expenditures	(53,902)	(35,838)	18,064
Other Financing Sources:			
Operating Transfers In	5,000	5,000	0
Excess of Revenues and Other Financing Sources Under Expenditures	(48,902)	(30,838)	18,064
Fund Balance at Beginning of Year	34,280	34,280	0
Prior Year Encumbrances Appropriated	14,668	14,668	0
Fund Balance at End of Year	<u>\$46</u>	<u>18,110</u>	<u>18,064</u>
	=====	=====	=====

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Educational Management Information Systems
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$8,300	8,301	1
Expenditures:			
Current:			
Support Services:			
Fiscal:			
Materials and Supplies	3,900	3,831	69
Capital Outlay - New	5,100	5,040	60
Total Expenditures	9,000	8,871	129
Excess of Revenues Under Expenditures	(700)	(570)	130
Fund Balance at Beginning of Year	9,494	9,494	0
Fund Balance at End of Year	\$8,794	8,924	130

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Scholarship
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest	\$305	331	26
Contributions and Donations	6,783	6,783	0
Total Revenues	7,088	7,114	26
Expenditures:			
Current:			
Instruction:			
Regular:			
Materials and Supplies	4,983	4,768	215
Other	7,125	5,000	2,125
Total Expenditures	12,108	9,768	2,340
Excess of Revenues Under Expenditures	(5,020)	(2,654)	2,366
Other Financing Sources:			
Operating Transfers In	417	417	0
Excess of Revenues and Other Financing Sources Under Expenditures	(4,603)	(2,237)	2,366
Fund Balance at Beginning of Year	32,261	32,261	0
Prior Year Encumbrances Appropriated	1,500	1,500	0
Fund Balance at End of Year	\$29,158	31,524	2,366
	=====	=====	=====

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$141,892	141,892	0
Expenditures:			
Current:			
Instruction:			
Special:			
Salaries and Wages	108,735	108,735	0
Fringe Benefits	26,846	26,846	0
Purchased Services	9,626	9,626	0
Materials and Supplies	2,681	2,681	0
Capital Outlay - New	6,795	6,795	0
Total Instruction	154,683	154,683	0
Support Services:			
Instructional Staff:			
Salaries and Wages	435	435	0
Fringe Benefits	2,160	2,160	0
Capital Outlay - New	1,382	1,382	0
Total Instructional Staff	3,977	3,977	0
Administration:			
Materials and Supplies	795	795	0
Capital Outlay - New	1,345	1,345	0
Total Administration	2,140	2,140	0
Total Support Services	6,117	6,117	0
Total Expenditures	160,800	160,800	0
Excess of Revenues Under Expenditures	(18,908)	(18,908)	0
Fund Balance at Beginning of Year	16,304	16,304	0
Prior Year Encumbrances Appropriated	2,604	2,604	0
Fund Balance at End of Year	\$0	0	0
	=====	=====	=====

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$100,829	100,829	0
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Salaries and Wages	92,160	73,112	19,048
Fringe Benefits	5,000	2,150	2,850
Total Expenditures	97,160	75,262	21,898
Excess of Revenues Over Expenditures	3,669	25,567	21,898
Fund Balance at Beginning of Year	2,160	2,160	0
Fund Balance at End of Year	\$5,829	27,727	21,898
	=====	=====	=====

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$9,958	9,958	0
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Capital Outlay - New	8,933	8,933	0
Excess of Revenues Over Expenditures	1,025	1,025	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	0	0	0
Fund Balance at End of Year	\$1,025	1,025	0

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Professional Development Grant
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Total Revenues	\$0	0	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased Services	2,725	2,725	0
Support Services:			
Instructional Staff:			
Purchased Services	50	50	0
Total Expenditures	2,775	2,775	0
Excess of Revenues Under Expenditures	(2,775)	(2,775)	0
Fund Balance at Beginning of Year	2,775	2,775	0
Prior Year Encumbrances Appropriated	670	670	0
Fund Balance at End of Year	\$670	670	0

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
SchoolNet Professional Development
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$8,142	11,592	3,450
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Purchased Services	5,790	5,675	115
Excess of Revenues Over Expenditures	2,352	5,917	3,565
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$2,352	5,917	3,565

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Safe Schools Helpline
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$2,275	2,275	0
Expenditures:			
Current:			
Support Services:			
Administration:			
Purchased Services	2,275	2,275	0
Excess of Revenues Over Expenditures	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	0	0
	=====	=====	=====

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Telecom Act Grant
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Total Revenues	\$0	0	0
Expenditures:			
Support Services:			
Pupils:			
Materials and Supplies	4,044	4,044	0
Excess of Revenues Under Expenditures	(4,044)	(4,044)	0
Fund Balance at Beginning of Year	4,044	4,044	0
Fund Balance at End of Year	\$0	\$0	0

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Fourth Grade Summer School
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$2,100	2,100	0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	943	937	6
Capital Outlay - New	8,262	8,262	0
Total Expenditures	9,205	9,199	6
Excess of Revenues Under Expenditures	(7,105)	(7,099)	6
Fund Balance at Beginning of Year	1,268	1,268	0
Prior Year Encumbrances Appropriated	8,470	8,470	0
Fund Balance at End of Year	\$2,633	\$2,639	\$6
	=====	=====	=====

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Ohio Reads Grant
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$34,000	34,000	0
Expenditures:			
Current:			
Instruction:			
Special:			
Salaries and Wages	15,454	15,454	0
Materials and Supplies	36,721	36,721	0
Total Expenditures	52,175	52,175	0
Excess of Revenues Under Expenditures	(18,175)	(18,175)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	22,175	22,175	0
Fund Balance at End of Year	\$4,000	4,000	0

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-R
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$38,113	38,113	0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	38,468	38,393	75
Fringe Benefits	3,112	295	2,817
Total Expenditures	41,580	38,688	2,892
Excess of Revenues Under Expenditures	(3,467)	(575)	2,892
Fund Balance at Beginning of Year	3,467	3,467	0
Fund Balance at End of Year	\$0	2,892	2,892
	=====	=====	=====

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
School Renovation I&T
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$4,434	4,434	0
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Materials and Supplies	2,033	1,984	49
Capital Outlay - New	1,384	1,384	0
Total Expenditures	3,417	3,368	49
Excess of Revenues Over Expenditures	1,017	1,066	49
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$1,017	1,066	49
	=====	=====	=====

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Eisenhower Professional Development
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$8,324	8,324	0
Expenditures:			
Current:			
Support Services:			
Pupils:			
Materials and Supplies	2,621	2,621	0
Instructional Staff:			
Purchased Services	5,549	5,549	0
Total Expenditures	8,170	8,170	0
Excess of Revenues Over Expenditures	154	154	0
Fund Balance at Beginning of Year	219	219	0
Fund Balance at End of Year	\$373	373	0
	=====	=====	=====

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Safe and Drug Free Schools
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$8,846	8,846	0
<u>Expenditures:</u>			
Current:			
Support Services:			
Pupils:			
Purchased Services	8,846	8,846	0
Excess of Revenues Over Expenditures	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	0	0

Debt Service Fund

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

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

Capital Projects Funds

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

Permanent Improvement - This fund accounts for property taxes used for various capital improvements within the School District.

School Net - This fund accounts for State monies used to provide wiring to all classrooms that supports the transmission of voice, video and data, and to provide a computer workstation and related technology for every classroom.

**Lakeview Local School District
Combining Balance Sheet
All Capital Projects Funds
June 30, 2002**

	Permanent Improvement	School Net	Totals
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$123,547	476	124,023
Cash and Cash Equivalents With Fiscal Agents	300,472	0	300,472
Receivables: Taxes	269,032	0	269,032
Total Assets	\$693,051	476	693,527
<u>Liabilities:</u>			
Deferred Revenue	\$259,032	0	259,032
Accrued Interest Payable	2,533	0	2,533
Notes Payable	276,045	0	276,045
Total Liabilities	537,610	0	537,610
<u>Fund Equity:</u>			
Fund Balance:			
Reserved for Encumbrances	101,525	0	101,525
Reserved for Taxes	10,000	0	10,000
Unreserved, Undesignated	43,916	476	44,392
Total Fund Equity	155,441	476	155,917
Total Liabilities and Fund Equity	\$693,051	476	693,527

**Lakeview Local School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Capital Projects Funds
For the Fiscal Year Ended June 30, 2002**

	Permanent Improvement	School Net	Totals
<u>Revenues:</u>			
Taxes	\$252,359	0	252,359
Intergovernmental	27,054	0	27,054
Total Revenues	279,413	0	279,413
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:	0	45,792	45,792
Capital Outlay	137,369	0	137,369
Debt Service:			
Principal Retirement	30,000	0	30,000
Interest and Fiscal Charges	83,441	0	83,441
Total Expenditures	250,810	45,792	296,602
Excess of Revenues Over (Under) Expenditures	28,603	(45,792)	(17,189)
Other Financing Sources:			
Proceeds from Capital Lease	308,000	0	308,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	336,603	(45,792)	290,811
Fund Balances (Deficit) at Beginning of Year	(181,162)	46,268	(134,894)
Fund Balances at End of Year	\$155,441	476	155,917

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$257,359	257,359	0
Intergovernmental	27,054	27,054	0
Total Revenues	284,413	284,413	0
Expenditures:			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Purchased Services	94,952	94,872	80
Materials and Supplies	10,000	1,934	8,066
Capital Outlay - New	70,425	70,115	310
Capital Outlay - Replacement	74,000	73,976	24
Total Support Services	249,377	240,897	8,480
Capital Outlay:			
Other Facilities Acquisition and Construction Services:			
Other	3,902	3,901	1
Debt Service:			
Principal Retirement	48,518	48,518	0
Interest and Fiscal Charges	76,890	76,889	1
Total Debt Service	125,408	125,407	1
Total Expenditures	378,687	370,205	8,482
Excess of Revenues Under Expenditures	(94,274)	(85,792)	8,482
Fund Balance at Beginning of Year	86,862	86,862	0
Prior Year Encumbrances Appropriated	20,952	20,952	0
Fund Balance at End of Year	\$13,540	22,022	8,482

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
School Net
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Total Revenues	\$0	0	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased Services	354	89	265
Materials and Supplies	29,464	29,455	9
Capital Outlay - New	16,450	16,248	202
Total Expenditures	46,268	45,792	476
Excess of Revenues Under Expenditures	(46,268)	(45,792)	476
Fund Balance at Beginning of Year	34,068	34,068	0
Prior Year Encumbrances Appropriated	12,200	12,200	0
Fund Balance at End of Year	\$0	476	476

Enterprise Funds

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

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

Uniform School Supplies - 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.

**Lakeview Local School District
Combining Balance Sheet
All Enterprise Funds
June 30, 2002**

	Food Service	Uniform School Supplies	Totals
<u>Assets:</u>			
<u>Current Assets:</u>			
Equity in Pooled Cash and			
Cash Equivalents	\$59,523	18,271	77,794
Inventory Held For Resale	7,194	0	7,194
Materials and Supplies Inventory	2,281	0	2,281
Total Current Assets	68,998	18,271	87,269
<u>Non-Current Assets:</u>			
Fixed Assets (Net of Accumulated Depreciation)	155,413	0	155,413
Total Assets	\$224,411	18,271	242,682
<u>Liabilities:</u>			
<u>Current Liabilities:</u>			
Accrued Wages	\$7,433	0	7,433
Compensated Absences Payable	24,968	0	24,968
Intergovernmental Payable	13,119	0	13,119
Total Current Liabilities	45,520	0	45,520
<u>Fund Equity:</u>			
Retained Earnings:			
Unreserved	178,891	18,271	197,162
Total Liabilities and Fund Equity	\$224,411	18,271	242,682

**Lakeview Local School District
Combining Statement of Revenues,
Expenses and Changes in Retained Earnings
All Enterprise Funds
For the Fiscal Year Ended June 30, 2002**

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Totals</u>
<u>Operating Revenues:</u>			
Sales	\$411,974	19,631	431,605
<u>Operating Expenses:</u>			
Salaries	219,329	0	219,329
Fringe Benefits	75,370	0	75,370
Purchased Services	10,952	0	10,952
Materials and Supplies	0	8,304	8,304
Cost of Sales	220,785	0	220,785
Depreciation	14,870	0	14,870
Total Operating Expenses	541,306	8,304	549,610
Operating Income (Loss)	(129,332)	11,327	(118,005)
<u>Non-Operating Revenues:</u>			
Federal Donated Commodities	33,733	0	33,733
Operating Grant	93,223	0	93,223
Interest	1,834	0	1,834
Total Non-Operating Revenues	128,790	0	128,790
Net Income (Loss)	(542)	11,327	10,785
Retained Earnings at Beginning of Year	179,433	6,944	186,377
Retained Earnings at End of Year	\$178,891	18,271	197,162

Lakeview Local School District
Combining Statement of Cash Flows
All Enterprise Funds
For the Fiscal Year Ended June 30, 2002

	Food Service	Uniform School Supplies	Totals
Increase (Decrease) in Cash and Cash Equivalents:			
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$411,974	19,631	431,605
Cash Payments to Employees for Services	(220,589)	0	(220,589)
Cash Payments for Employee Benefits	(83,901)	0	(83,901)
Cash Payments to Suppliers for Goods and Services	(202,631)	(8,304)	(210,935)
Net Cash Provided by (Used for) Operating Activities	(95,147)	11,327	(83,820)
<u>Cash Flows from Noncapital Financing Activities:</u>			
Operating Grants Received	93,223	0	93,223
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Payments for Capital Acquisitions	(17,179)	0	(17,179)
<u>Cash Flows from Investing Activities:</u>			
Interest on Investments	1,834	0	1,834
Net Increase (Decrease) in Cash and Cash Equivalents	(17,269)	11,327	(5,942)
Cash and Cash Equivalents at Beginning of Year	76,792	6,944	83,736
Cash and Cash Equivalents at End of Year	\$59,523	18,271	77,794
Reconciliation of Operating Income (Loss) to Net			
Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	(\$129,332)	11,327	(118,005)
Adjustments:			
Depreciation	14,870	0	14,870
Donated Commodities Used During Year	28,546	0	28,546
(Increase) Decrease in Assets:			
Materials and Supplies in Inventory	(50)	0	(50)
Inventory Held for Resale	838	0	838
Increase (Decrease) in Liabilities:			
Accrued Wages	900	0	900
Compensated Absences Payable	1,554	0	1,554
Intergovernmental Payable	(12,245)	0	(12,245)
Accounts Payable	(228)	0	(228)
Total Adjustments	34,185	0	34,185
Net Cash Provided by (Used for) Operating Activities	(\$95,147)	11,327	(83,820)

**Lakeview Local School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Food Service
For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$409,462	411,974	2,512
Interest	1,626	1,834	208
Operating Grants	92,911	93,223	312
Total Revenues	503,999	507,031	3,032
<u>Expenses:</u>			
Salaries:			
Food Service Operations	220,990	220,589	401
Fringe Benefits:			
Food Service Operations	84,000	83,901	99
Purchased Services:			
Food Service Operations	19,878	14,185	5,693
Materials and Supplies:			
Food Service Operations	238,181	197,774	40,407
Capital Outlay - New:			
Food Service Operations	1,449	1,448	1
Capital Outlay - Replacement:			
Food Service Operations	16,225	15,731	494
Total Expenses	580,723	533,628	47,095
Excess of Revenues Under Expenses	(76,724)	(26,597)	50,127
Fund Equity at Beginning of Year	40,259	40,259	0
Prior Year Encumbrances Appropriated	36,533	36,533	0
Fund Equity at End of Year	\$68	50,195	50,127

**Lakeview Local School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Uniform School Supplies
For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$18,763	19,631	868
<u>Expenses:</u>			
Materials and Supplies	21,350	9,949	11,401
Excess of Revenues Over (Under) Expenses	(2,587)	9,682	12,269
Fund Equity at Beginning of Year	3,194	3,194	0
Prior Year Encumbrances Appropriated	3,750	3,750	0
Fund Equity at End of Year	\$4,357	16,626	12,269
	=====	=====	=====

Fiduciary Funds

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

Nonexpendable Trust Fund

Scholarship Trust - This fund accounts for monies which have been set aside as an investment. The interest from this investment is used for scholarships. The investment principal cannot be withdrawn.

Agency Fund

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

Lakeview Local School District
Combining Balance Sheet
All Trust and Agency Funds
June 30, 2002

	Scholarship Nonexpendable Trust Fund	Student Activities Agency Fund	Totals
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$20,979	85,980	106,959
	=====	=====	=====
<u>Liabilities:</u>			
Due to Students	\$0	85,980	85,980
	-----	-----	-----
<u>Fund Equity</u>			
Fund Balance:			
Reserved for Contributions	20,000	0	20,000
Unreserved, Undesignated	979	0	979
	-----	-----	-----
Total Fund Equity	20,979	0	20,979
	-----	-----	-----
Total Liabilities and Fund Equity	\$20,979	85,980	106,959
	=====	=====	=====

**Lakeview Local School District
Statement of Changes in Assets and Liabilities
Student Activities Agency Fund
For the Fiscal Year Ended June 30, 2002**

	Beginning Balance June 30, 2001	Additions	Deductions	Ending Balance June 30, 2002
<u>Student Activities</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$65,647	188,343	168,010	85,980
Total Assets	<u>\$65,647</u>	<u>188,343</u>	<u>168,010</u>	<u>85,980</u>
<u>Liabilities:</u>				
Due to Students	\$65,647	188,343	168,010	85,980
Total Liabilities	<u>\$65,647</u>	<u>188,343</u>	<u>168,010</u>	<u>85,980</u>

General Fixed Assets Account Group

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

Lakeview Local School District
Schedule of Changes in General Fixed Assets
By Function
For the Fiscal Year Ended June 30, 2002

Function	General Fixed Assets June 30, 2001	Additions	Deletions	General Fixed Assets June 30, 2002
Instruction	\$17,172,625	80,650	(60,640)	17,192,635
Support Services:				
Administration	147,138	3,687	0	150,825
Operation and Maintenance of Plant	340,300	24,990	(10,000)	355,290
Pupil Transportation	962,322	122,962	(58,811)	1,026,473
Extracurricular Activities	162,084	0	0	162,084
Total General Fixed Assets	<u>\$18,784,469</u>	<u>232,289</u>	<u>(129,451)</u>	<u>18,887,307</u>

**Lakeview Local School District
Schedule of General Fixed Assets
By Function and Type
June 30, 2002**

	<u>Total</u>	<u>Land and Improvements</u>	<u>Buildings</u>	<u>Furniture Equipment and Vehicles</u>
Instruction	\$17,192,635	2,012,539	11,970,307	3,209,789
Support Services:				
Administration	150,825	0	0	150,825
Operation and Maintenance of Plant	355,290	0	0	355,290
Pupil Transportation	1,026,473	0	0	1,026,473
Extracurricular Activities	<u>162,084</u>	<u>101,230</u>	<u>29,636</u>	<u>31,218</u>
Total General Fixed Assets	<u>\$18,887,307</u> =====	<u>2,113,769</u> =====	<u>11,999,943</u> =====	<u>4,773,595</u> =====

**Lakeview Local School District
Schedule of General Fixed Assets
By Source
June 30, 2002**

General Fixed Assets:

Land and Improvements	\$2,113,769
Buildings	11,999,943
Furniture, Equipment and Vehicles	<u>4,773,595</u>
Total General Fixed Assets	<u>\$18,887,307</u> =====

Investments in General Fixed Assets From:

Acquisitions since July 1, 1997	
General Fund and Capital Projects Funds	\$1,745,464
Acquisitions prior to June 30, 1997	<u>17,141,843</u>
Total Investment in General Fixed Assets	<u>\$18,887,307</u> =====

Statistical Section

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

	<u>2002 (1)</u>	<u>2001 (1)</u>	<u>2000 (1)</u>	<u>1999 (1)</u>	<u>1998 (1)</u>	<u>1997 (1)</u>	<u>1996 (1)</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>
Taxes	\$6,366,546	\$6,636,630	\$5,811,287	\$5,579,998	\$5,321,617	\$5,282,529	\$4,896,013	\$4,775,473	\$4,771,046	\$4,665,075
Intergovernmental	6,669,541	6,042,246	5,698,416	5,148,577	4,803,010	4,518,102	4,220,678	4,099,049	3,913,347	3,981,468
Interest	40,829	63,338	65,276	49,391	56,722	73,021	78,473	89,879	84,378	76,725
Tuition and Fees	523,771	590,862	452,437	483,568	375,157	345,996	312,295	258,502	359,297	277,581
Contributions and Donations	73,918	4,150	90,986	2,797	150	1,600	14,971	0	0	0
Charges for Services	0	0	0	0	1,828	5,363	7,086	0	0	0
Rentals and Royalties	37,441	28,039	21,503	30,251	28,588	14,017	12,253	0	0	0
Miscellaneous	3,616	4,110	12,117	35	70,806	991	7,637	13,584	5,515	8,740
Other Financing Sources	<u>0</u>	<u>0</u>	<u>10,000</u>	<u>0</u>	<u>40,000</u>	<u>0</u>	<u>0</u>	<u>3,408</u>	<u>49,513</u>	<u>8,550</u>
Total	<u>\$13,715,662</u>	<u>\$13,369,375</u>	<u>\$12,162,022</u>	<u>\$11,294,617</u>	<u>\$10,697,878</u>	<u>\$10,241,619</u>	<u>\$9,549,406</u>	<u>\$9,239,895</u>	<u>\$9,183,096</u>	<u>\$9,018,139</u>

Source: School District Financial Records

(1) 1996 through 2002 reported on a GAAP Basis; All others on Cash Basis.

**Lakeview Local School District
Property Tax Levies and Collections
Real and Tangible Personal Property (1)
Last Ten Years**

<u>Year (2)</u>	<u>Current Levy</u>	<u>Delinquent Levy (3)</u>	<u>Total Levy</u>	<u>Current Collection</u>	<u>Percent of Current Levy Collected</u>	<u>Delinquent Collection</u>	<u>Total Collection</u>	<u>Total Collection As A Percent of Current Levy</u>
2001	\$8,069,753	\$250,048	\$8,319,801	\$7,890,715	97.8%	\$102,116	\$7,992,831	99.1%
2000	7,815,341	205,397	8,020,738	7,609,842	94.9	113,001	7,722,843	98.8
1999	6,657,431	158,061	6,815,492	6,548,295	96.1	90,848	6,639,143	99.7
1998	6,563,185	164,181	6,727,366	6,461,408	96.0	124,134	6,585,542	100.3
1997	6,483,503	206,679	6,690,182	6,401,645	95.7	113,092	6,514,737	100.5
1996	6,175,115	423,395	6,598,510	6,112,249	92.6	92,458	6,204,707	100.5
1995	5,891,483	517,137	6,408,620	5,825,459	90.9	72,176	5,897,635	100.1
1994	5,373,399	498,225	5,871,624	5,285,696	90.0	69,876	5,355,572	99.7
1993	5,300,657	713,833	6,014,490	5,232,848	87.0	277,828	5,510,676	104.0
1992	5,118,374	747,981	5,866,355	5,059,934	86.3	105,137	5,165,071	100.9

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

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) Represents collection year. 2002 information cannot be presented because all collections have not been made by June 30.
- (3) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

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

Year	<u>Real Property</u>		<u>Public Utility Property</u>		<u>Tangible Personal Property</u>		<u>Total</u>		Ratio
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	
2002	\$213,934,420	\$611,241,200	\$8,519,200	\$9,680,909	\$34,366,919	\$137,467,676	\$256,820,539	\$758,389,785	34%
2001	209,543,190	598,694,828	11,237,940	12,770,386	32,596,105	130,384,420	253,377,235	741,849,634	34
2000	205,321,850	586,633,857	11,409,290	12,965,102	31,927,974	127,711,896	248,659,114	727,310,855	34
1999	186,196,640	531,990,400	12,767,830	14,508,898	32,684,817	130,739,268	231,649,287	677,238,566	34
1998	182,010,600	520,030,286	13,065,000	14,846,591	33,638,049	134,552,196	228,713,649	669,429,073	34
1997	175,985,580	502,815,942	13,163,590	14,958,625	35,804,941	143,219,764	224,954,111	660,994,331	34
1996	155,390,210	443,972,028	13,921,950	15,820,397	33,144,828	132,579,312	202,456,988	592,371,737	34
1995	146,557,050	418,734,428	14,449,650	16,420,056	32,855,423	131,421,692	193,862,123	566,576,176	34
1994	141,795,000	405,128,571	14,440,450	16,409,602	36,877,082	147,508,328	193,112,532	569,046,501	34
1993	117,362,780	335,322,228	13,497,940	15,338,568	33,507,250	134,029,000	164,367,970	484,689,796	34

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

- (1) This amount is calculated based on the following percentages:
Real estate is assessed at 35 percent of actual value.
Public utility personal is assessed at 88 percent of actual value.
Tangible personal property is assessed at 25 percent of actual value.

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

Year	School Levy	Township Levy	County Levy	City Levy	Debt Service Included in Total Levy			
					School	County	City	Total
2002	\$43.56	\$17.20	\$10.35	\$19.62	\$1.96	\$0.00	\$0.46	\$2.42
2001	43.56	15.40	10.35	19.76	1.95	0.00	0.60	2.55
2000	43.64	15.40	10.35	19.76	2.00	0.00	0.60	2.60
1999	40.66	15.40	10.35	20.26	2.38	0.00	0.60	2.98
1998	40.71	13.90	9.30	20.26	2.40	0.00	0.60	3.00
1997	40.85	13.90	9.30	20.36	2.47	0.00	0.70	3.17
1996	41.42	14.10	9.30	20.56	2.72	0.00	0.90	3.62
1995	41.52	13.10	9.30	21.26	2.72	0.00	1.00	3.72
1994	39.45	13.60	9.30	13.80	0.60	0.00	1.07	1.67
1993	40.32	13.60	9.30	14.00	1.00	0.00	1.13	2.13

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

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

Year	Net General Obligation Bonded Debt (1)	Assessed Value (2)	Population (3)	Ratio of Net Debt to Assessed Value	Net Debt Per Capita
2002	\$4,193,384	\$256,820,539	13,136	1.63%	\$319.23
2001	4,379,287	253,377,235	13,136	1.73	333.38
2000	4,595,542	248,659,114	13,136	1.85	349.84
1999	4,822,342	231,649,287	11,562	2.09	417.08
1998	5,747,628	228,713,649	11,562	2.51	497.11
1997	6,050,368	224,954,111	11,562	2.69	523.30
1996	6,214,881	202,456,988	11,562	3.07	537.53
1995	6,346,205	193,862,123	11,562	3.27	548.88
1994	470,000	193,112,532	11,562	0.24	40.65
1993	600,000	164,367,970	11,562	0.37	51.89

Sources:

- (1) School District Financial Records
- (2) Trumbull County Auditor
- (3) U.S. Census of Population, 2000 Federal Census

**Lakeview Local School District
Computation of Legal Debt Margin
June 30, 2002**

Assessed Valuation	\$256,820,539
	<hr style="border-top: 3px double black;"/>
Overall Debt Limit - 9% of Assessed Value (1)	\$23,113,848
	<hr style="border-top: 1px solid black;"/>
Outstanding Debt:	
General Obligation Bonds	4,389,552
Energy Conservation Notes	276,045
Less: Amount Available in Debt Service Fund	(196,168)
	<hr style="border-top: 1px solid black;"/>
Total Outstanding Debt	4,469,429
Less Exemptions:	
Energy Conservation Notes	(276,045)
	<hr style="border-top: 1px solid black;"/>
Amount of Debt Applicable to Debt Limit	4,193,384
	<hr style="border-top: 1px solid black;"/>
Overall Debt Margin	\$18,920,464
	<hr style="border-top: 3px double black;"/>
Unvoted Debt Limit - .10% of Assessed Value (1)	\$256,820
Amount of Debt Applicable	0
	<hr style="border-top: 1px solid black;"/>
Unvoted Debt Margin	\$256,820
	<hr style="border-top: 3px double black;"/>

Source: Trumbull County Auditor and School District Financial Records

- (1) Ohio Bond Law sets an overall limit of 9% for all debt and 1/10 of 1% for unvoted debt.

**Lakeview Local School District
 Computation of Direct and Overlapping General Obligation Bonded Debt
 December 31, 2001**

<u>Jurisdiction</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Applicable to School District</u>
<u>Direct:</u>			
Lakeview Local School District	\$4,389,552	100.00 %	\$4,389,552
<u>Overlapping:</u>			
Trumbull County	22,095,498	8.04	1,776,478
Cortland City	240,000	95.40	228,960
Bazetta Township	322,126	99.60	320,837
Warren City	15,860,865	.05	7,930
Total Overlapping	38,518,489		2,334,205
Total	\$42,908,041		\$6,723,757

Source: Trumbull County Auditor-Data is presented on a calendar year basis (including School District) because that is the manner in which information is maintained by the County Auditor.

- (1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2002 collection year.

**Lakeview Local Schools
Ratio of Annual Debt Service Expenditures For
General Obligation Bonded Debt to General Fund Expenditures
Last Ten Fiscal Years**

Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures (1)	Ratio of Debt Service to General Fund Expenditures Percentages
2002	\$300,000	\$186,382	\$493,100	\$13,987,921	3.53%
2001	270,000	203,922	473,922	12,691,399	3.73
2000	315,000	219,718	534,718	11,772,449	4.54
1999	380,000	240,898	620,898	11,393,663	5.55
1998	155,000	241,457	396,457	10,783,935	3.67
1997	140,000	403,235	543,235	10,678,623	5.09
1996	85,000	408,580	493,580	10,132,478	4.87
1995	80,000	246,562	326,562	9,386,952	3.48
1994	130,000	31,075	161,075	9,267,619	1.74
1993	130,000	39,175	169,175	8,666,070	1.95

Source: School District Financial Records

(1) Includes Other Financing Uses. 1996 through 2002 on a modified accrual basis.
All other years on a cash basis.

**Lakeview Local School District
Demographic Statistics
Last Ten Years**

Year	Trumbull County Population (1)	Lakeview School District Population (2)	School Enrollment (3)	Unemployment Rate (4)
2002	223,982	13,136	2,269	5.3%
2001	225,116	13,136	2,287	5.1
2000	225,338	13,136	2,280	5.2
1999	229,805	11,562	2,310	5.5
1998	229,805	11,562	2,408	5.9
1997	229,805	11,562	2,392	5.4
1996	229,805	11,562	2,360	6.1
1995	229,805	11,562	2,336	7.2
1994	229,805	11,562	2,296	8.2
1993	229,805	11,562	2,262	9.8

Sources:

- (1) Trumbull County Auditor
- (2) U.S. Census of Population, 2000 Federal Census
- (3) School District Records
- (4) Employment Services, Division of Labor Force Research and Statistics

**Lakeview Local School District
Property Value, Financial
Institution Deposits and Building Permits
Last Ten Years**

Year	Property Value (1) (Real Estate Only)	Financial Institution Deposits Banks	Value of Building Permits Issued
2001	\$209,543,190	\$146,781,300	\$19,487,620
2000	205,321,850	136,630,100	20,644,623
1999	186,196,640	156,658,200	19,676,930
1998	182,010,600	157,324,600	14,994,274
1997	175,985,580	154,597,700	11,763,115
1996	155,390,210	111,942,800	14,589,428
1995	146,557,050	149,499,000	16,483,384
1994	141,795,000	125,417,000	16,891,905
1993	117,362,780	111,817,000	14,971,485
1992	115,823,690	99,003,000	9,327,069

Source: Trumbull County Auditor, Federal Reserve Bank of Cleveland and City of Cortland and Township of Bazetta Building Department reports

(1) Represents assessed value.

**Lakeview Local School District
Principal Taxpayers
Real Estate Tax
December 31, 2001**

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Lexington Warren LLC	\$7,083,030	3.31%
Delphi Automotive Corporation	5,428,540	2.54
Trumbull Memorial Hospital	2,912,320	1.36
Wal Mart Stores Incorporated	2,139,250	1.00
Trumbull Hospital	844,630	0.40
Ohio Presbyterian	807,120	0.38
Service Guide Incorporated	779,420	0.36
Cortland Bank	768,010	0.36
Cortland Courts	735,510	0.34
Cortview Village	719,570	0.34
Wollam Chevrolet Incorporated	557,670	0.26
Eat N Park Restaurant	<u>523,290</u>	<u>0.24</u>
Total	<u><u>\$23,298,360</u></u>	<u><u>10.89%</u></u>

Source: Trumbull County Auditor

(1) Assessed values are for the 2002 collection year.

**Lakeview Local School District
Principal Taxpayers
Tangible Personal Property Tax
December 31, 2001**

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Delphi Automotive Corporation	\$10,519,480	30.61%
K Mart Corporation	8,113,050	23.61
Cole Valley Motor Company	1,575,250	4.58
Wal Mart Stores Incorporated	1,508,940	4.39
Wollam Chevrolet Incorporated	1,078,540	3.14
Mark Thomas Ford	751,760	2.19
Service Guide Incorporated	495,790	1.44
Greenwood Auto Incorporated	429,530	1.25
Compact Cars Incorporated	357,210	1.04
Burnett Pools Incorporated	254,940	.74
Total	<u><u>\$25,084,490</u></u>	<u><u>72.99%</u></u>

Source: Trumbull County Auditor

(1) Assessed values are for the 2002 collection year.

**Lakeview Local School District
Principal Taxpayers
Public Utilities Tax
December 31, 2001**

Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Ohio Edison Company	\$3,966,130	46.56%
Sprint	2,199,240	25.82
East Ohio Gas Company	253,700	2.97
Total	\$6,419,070	75.35%

Source: Trumbull County Auditor

(1) Assessed values are for the 2002 collection year.

**Lakeview Local Schools
Per Pupil Cost
Last Ten Fiscal Years**

<u>Year</u>	<u>General Fund Expenditures (1)</u>	<u>Average Daily Student Enrollment</u>	<u>Per Cost Pupil</u>
2002 (2)	\$13,987,921	2,269	\$6,165
2001 (2)	12,691,399	2,287	5,549
2000 (2)	11,772,449	2,280	5,161
1999 (2)	11,393,663	2,310	4,932
1998 (2)	10,783,935	2,408	4,478
1997 (2)	10,678,623	2,392	4,464
1996 (2)	10,132,478	2,360	4,293
1995	9,386,952	2,336	4,018
1994	9,267,619	2,296	4,036
1993	8,666,070	2,262	3,831

Source: School District Financial Records

(1) Includes Other Financing Uses.

(2) 1996 through 2002 on Modified Accrual Basis. All other years on a cash basis.

**Lakeview Local Schools
Teacher Education and Experience
June 30, 2002**

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	22	15.60%
Bachelor + 15	10	7.09
Bachelor + 30	14	9.93
Master's Degree	45	31.92
Master + 15	<u>50</u>	<u>35.46</u>
Total:	<u><u>141</u></u>	<u><u>100.00%</u></u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0-5	20	14.18%
6 - 10	26	18.44
11 and over	<u>95</u>	<u>67.38</u>
Total	<u><u>141</u></u>	<u><u>100.00%</u></u>

Source: School District Personnel Records.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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LAKEVIEW LOCAL SCHOOL DISTRICT

TRUMBULL 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 2, 2003**