



**Auditor of State
Betty Montgomery**

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

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**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENITURES
FOR THE YEAR ENDED JUNE 30, 2005**

<u>Federal Grantor/ Pass Through Grantor/ Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Receipts</u>	<u>Non-Cash Receipts</u>	<u>Expenditures</u>	<u>Non-Cash Expenditures</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed through the Ohio Department of Education:</i>						
Child Nutrition Cluster:						
Food Distribution Program		10.550		\$46,962		\$46,962
National School Lunch Program	LLP4-2004/2005	10.555	\$137,933		\$137,933	
Total U.S. Department of Agriculture - Child Nutrition Cluster			137,933	46,962	137,933	46,962
<u>U.S. INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u>						
<i>Passed through the State Library of Ohio:</i>						
Library Services and Technology Act (LSTA) Mini Grant		45.310			21,582	
Total U.S. Institute of Museum and Library Services					21,582	
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed through the Ohio Department of Education:</i>						
Title I Grants to Local Educational Agencies	C1-S1-2004 C1-S1-2005	84.010	3,415 99,275		22,248 99,275	
Subtotal - Title I Grants to Local Educational Agencies			102,690		121,523	
Special Education Cluster:						
Special Education - Grants to States (IDEA Part B)	6B-SD-2005 6B-SF-2004 6B-SF-2005	84.027	10,281 29,709 308,638		16,561 38,821 302,385	
Subtotal - Special Education - Grants to States			348,628		357,767	
Safe and Drug-Free Schools and Communities State Grants (Title IV-A)	DR-S1-2005	84.186	7,458		7,458	
Innovative Education Program Strategies (Title V)	C2-S1-2005	84.298	9,237		9,237	
Technology Literacy Quality State Grants (Title II-D)	TJS1-2005	84.318	540		779	
Advanced Placement Program	AVTF-2005	84.330	52		52	
Improving Teacher Quality State Grants (Title II-A)	TRS1-2004 TRS1-2005	84.367	13,353 62,331		14,403 62,331	
Subtotal - Improving Teacher Quality State Grants			75,684		76,734	
Total U.S. Department of Education			544,289		573,550	
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
<i>Passed Through the Ohio Department of Mental Retardation and Developmental Disabilities:</i>						
State Children's Insurance Program (SCHIP)		93.767	2,536		2,536	
Medical Assistance Program - Title XIX Community Alternative Funding System (CAFS)		93.778	117,824		117,824	
<i>Passed Through Trumbull County Education Service Center:</i>						
Medical Assistance Program - Title XIX - Community Alternative Funding System (CAFS)		93.778	26,678		26,678	
Total U.S. Department of Health and Human Services			147,038		147,038	
Totals			\$829,260	\$46,962	\$880,103	\$46,962

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

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2005**

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 – CHILD NUTRITION CLUSTER

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the United States Department of Agriculture. This nonmonetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received.

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

NOTE C – MATCHING REQUIREMENTS

Certain Federal programs require that the District contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
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 governmental activities, the major fund, and the aggregate remaining fund information of the Lakeview Local School District, Trumbull County, Ohio, (the District) as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 8, 2005, wherein we noted the District increased its capital asset threshold and restated fund balances. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

Compliance and Other Matters

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

Lakeview Local School District
Trumbull County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

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

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

Betty Montgomery
Auditor of State

December 8, 2005



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL PROGRAM 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, Ohio, (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to its major federal program for the year ended June 30, 2005. The summary of auditor's results section of the accompanying Schedule of Findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its major program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2005.

Internal Control Over Compliance

The District's management 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 directly and materially affect a major federal program 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 Receipts and Expenditures

We have audited the basic financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the District as of and for the year ended June 30, 2005, and have issued our report thereon dated December 8, 2005. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

December 8, 2005

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2005**

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):	Special Education – Grants to States 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**

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

Lakeview Local School District

Cortland, Ohio

**Comprehensive
Annual Financial Report**

For the Fiscal Year Ended June 30, 2005

Prepared by

Treasurer's Office

Milton A. Williams

Treasurer

Lakeview Local School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2005
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Lakeview Local Schools

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

Robert A. Wilson
Superintendent

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

Dr. Delores Uber
Admin. Assistant

Mr. Milt Williams
Treasurer

December 8, 2005

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, 2005. 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 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 Organizational Chart of the School District and the GFOA Certificate of Achievement.
2. The Financial Section which begins with the Independent Accountants' Report, and includes Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the School District's financial position and operating results, the Combining Statements for nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements.
3. The Statistical Section which presents social and economic data, financial trends and the fiscal capacity of the 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 that is 44 years old, one middle school that is 27 years old, Bazetta Elementary school that is 78 years old and Cortland Elementary School that is 82 years old.

The fiscal year 2005 student count was 2,224 which represented an increase of ten students from the fiscal year 2004 enrollment. The average class size for fiscal year 2005 was twenty-five students, and the average pupil/teacher ratio was 16.09 to 1. The School District has a total of 229 employees.

An increasing number of students are attending community schools and availing themselves of open enrollment opportunities where they may attend the school of their choice. The School District is required to pay the per pupil State foundation amount to the educating districts for these students. The total cost to the School District for fiscal year 2005 was \$308,546.

The School District enrollment has been decreasing at a steady pace, and that trend will likely continue because an increasing number of students are attracted to community schools and to those districts offering open enrollment. The trend of decreasing enrollment certainly impacts the School District's five year financial forecast in a negative fashion. The current five year forecast indicates the likelihood of a deficit in fiscal year 2007.

The School District passed a bond issue in 1994 yielding \$5,951,275 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, the Ohio School Boards Association Workers' Compensation Group Rating Program and the Trumbull County Schools Employee Insurance Benefits Consortium are jointly governed organizations and two public entity risk pools whose relationships to the School District are described in Notes 14 and 15 to the general purpose financial statements.

A complete discussion of the School District's reporting entity is provided in Note 1 to the basic financial statements.

ECONOMIC CONDITION AND OUTLOOK

Residential and commercial growth within the School District has been strong in recent years. Fiscal year 2005 saw an increase of approximately seven percent in total assessed value. K-Mart and Delphi Automotive Corporations contribute significant amounts of personal tangible tax revenue. K-Mart emerged from bankruptcy and has resumed tax payments, but Delphi Automotive reduced their taxable valuation significantly. The District needs to pass an additional tax levy.

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

Federal and State Grants and Title revenue help each year in the improvement of the School District's technology. During the 2004 and 2005 school year the School District purchased a great deal of technology material thanks to this grant revenue. All of the School District's classrooms are equipped with at least one computer capable of turning in attendance to the main office and many staff members are now using the grading component that ties in to the quarterly report card program that all teachers use.

All buildings are equipped with computer labs within the buildings' media centers. 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 needed for the station, as well as programmed software. Student teams of two rotate through a series of technology programs, moving from one program to another throughout the grading period.

Curriculum and Instruction

The School District's curricular study for 2004-05 school-year was social studies. It was determined new social studies textbooks needed to be purchased for all grade levels. All grade level teacher representatives analyzed the social studies' State course of study and looked for the program that best meets the needs of the Lakeview students. A need for additional classroom maps was determined to be needed for some classrooms. Maps are being purchased for these classrooms. The need for handwriting material was also addressed and purchased for grade levels Kindergarten through 4th.

Lakeview students continue to have difficulty with the State's math proficiency and achievement tests, especially at the 4th through 8th grade levels. It was determined that math had to be added to the School District's continuous improvement plan:

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

In the area of literacy, each elementary building used their last year of the OhioReads grant extension for school year 2004-2005 to provide a half day supplemental reading teacher. An OhioRead's involved volunteer program was continued at each building, providing help to at-risk students. The State "Intervention" grant was received for the Bazetta and the Cortland elementary buildings. The grant provided an additional half day tutor in each building. It has also provided needed hardware and software for each building. The use of technology continues to be promoted and many teachers are successfully integrating technology into their literacy curriculum.

The high school students' scores for the Ohio Graduation Test were very good and the scores were well above the State standard. Lakeview High School met all State standards and was for the third year named an "Excellent" high school.

The lack of funding has slowed down the progress in the area of school safety. The School District still plans to provide a system of communication to increase the safety of students and staff, as soon as possible. The local fire and police departments, local elected officials, and the School District's Crisis Management committee reviews the School District's Crisis Management Plan periodically which will 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 274 Lakeview students, ages 3 through 22 for fiscal year 2005. The School District provides services for students with speech, learning, developmental, physical, and multiple disabilities.

The School District houses two handicapped preschool classrooms, both housed at the Bazetta Building. This program improves the School District's ability to identify and serve handicapped students at an early age. It also enables the School District to offer twelve typically developing four year olds a preschool experience. This has become a very popular program and the requests for placement always exceed the places available. A random selection is utilized to select the twelve students that participate in the program. The school board established all day Kindergarten for all Kindergarten students during the 2005 – 2006 school year. There was one all day Kindergarten class for students at risk of having educational difficulties for the 2004-2005 school year. There were also six half day classes.

The Middle School was awarded an Access Grant that was implemented during the 2004 - 2005 school year. The goal of the grant is to in-service and help regular education teachers teach successfully in inclusion environments. There will also be extensive attention given to the role of the special education teachers in the inclusion format.

High School special education students have functioned successfully in the inclusion environment for several years.

Programs for Gifted Students

The gifted programs now provide regular classroom experience for third through fifth grade gifted students. A gifted resource program is provided for sixth through tenth grade. The Lakeview School District's advanced placement classes include calculus, physics, junior English and senior English in the high school curriculum. It is planned to add additional advanced placement classes in the future.

Career Based Intervention

Career Based Intervention (CBI) is in its third year in the School District. This program is a career-technical education program designed for students in grades nine and ten. 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 the School District.

No Child Left Behind

Federal legislation known as "No Child Left Behind" has brought many new mandates. Lakeview School District's report card stated that the School District again qualified as an "Effective School". The School District students' attendance and graduation rates always exceed the State standards.

Highly Qualified Teacher

The identification of the “Highly Qualified Teacher” finds very few staff members that do not meet this standard. The change from permissible placement of an elementary trained teacher in the seventh and eighth grades and the increased requirements for special education credentials have created the only areas where additional effort will be needed to assure all seventh grade, eighth grade and special education students are instructed by a “Highly Qualified Teacher”. All Title I teachers exceed this requirement.

Proficiency Testing

The School District’s students continue to be successful in State proficiency testing. However, the 4th and 6th graders missed the seventy-five percent passing rate for both mathematics and science. The School District met 18 out of 22 standards and received the title of an “Effective” school.

Summer School

The School District holds summer school classes each year. Teachers identified and notified parents of third through fifth grade students who were not reading at grade level. These classes were held at the Cortland Elementary and 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. A special summer session was also held for third graders that had not passed the third grade reading achievement test.

High School students were able to attend ninth grade Proficiency Intervention at the Trumbull County Technology Center.

In summer classes that provide High School credit, physical education, health, and speech were again offered. Students enjoy these summer courses as they provide the opportunity for students to take a wider variety of classes during the school year.

Media Centers

All four School District buildings are active participants in the INFOhio Media Network. The INFOhio network and the School District’s media centers have improved and expanded every year. School District media specialists have written and received grants to improve the capabilities for information at all grade levels. The staff and student population, thanks to INFOhio and the Educational Resources for both 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 appropriate, emerging technologies used in school, home and community. INFOhio provides electronic resources for all Ohio K-12 schools. Students have access from each classroom to the internet and to the building’s school library media center. The schools’ electronic resources are also available for home use. Parents and students are encouraged to *log-on* to access quality reference materials that students can use after school or on weekends when the traditional school library is not available.

FINANCIAL INFORMATION

Internal Accounting and Budgetary Control In developing the School District's accounting system much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

The School District utilizes a fully automated accounting system as well as an automated system of control for capital assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, 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 fund level. 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.

FINANCIAL CONDITION

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

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

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

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

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the School District. This discussion follows the Report of Independent Accountants in the financial section of the report and provides an assessment of the School District's finances for 2005.

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 \$38,937 for the year ended June 30, 2005, \$37,141 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 \$1,000,000 for each occurrence and \$3,000,000 in the aggregate. The District contracts annually for property and casualty insurance with a \$1,000 deductible and a 90 percent coinsurance. Fleet insurance is also contracted annually which provides liability coverage of \$1,000,000 for each occurrence. Collision coverage is at actual cash value less \$1,000 deductible. A competitive bidding process insures that the School District will receive the most favorable rates.

INDEPENDENT AUDIT

Federal statutes require the School District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent auditor Betty Montgomery, Auditor of State, was selected to render an opinion on the School District's financial statements as of and for the year ended June 30, 2005. The opinion appears at the beginning of the financial section of this report.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all school districts in Ohio. The School District adopted and has been in conformance with that system beginning with its financial report for the 1979 fiscal 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, 2004. 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 Betty Montgomery'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



Mr. Robert A. Wilson, Superintendent

**Lakeview Local School District
Principal Officials
June 30, 2005**

Board of Education

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

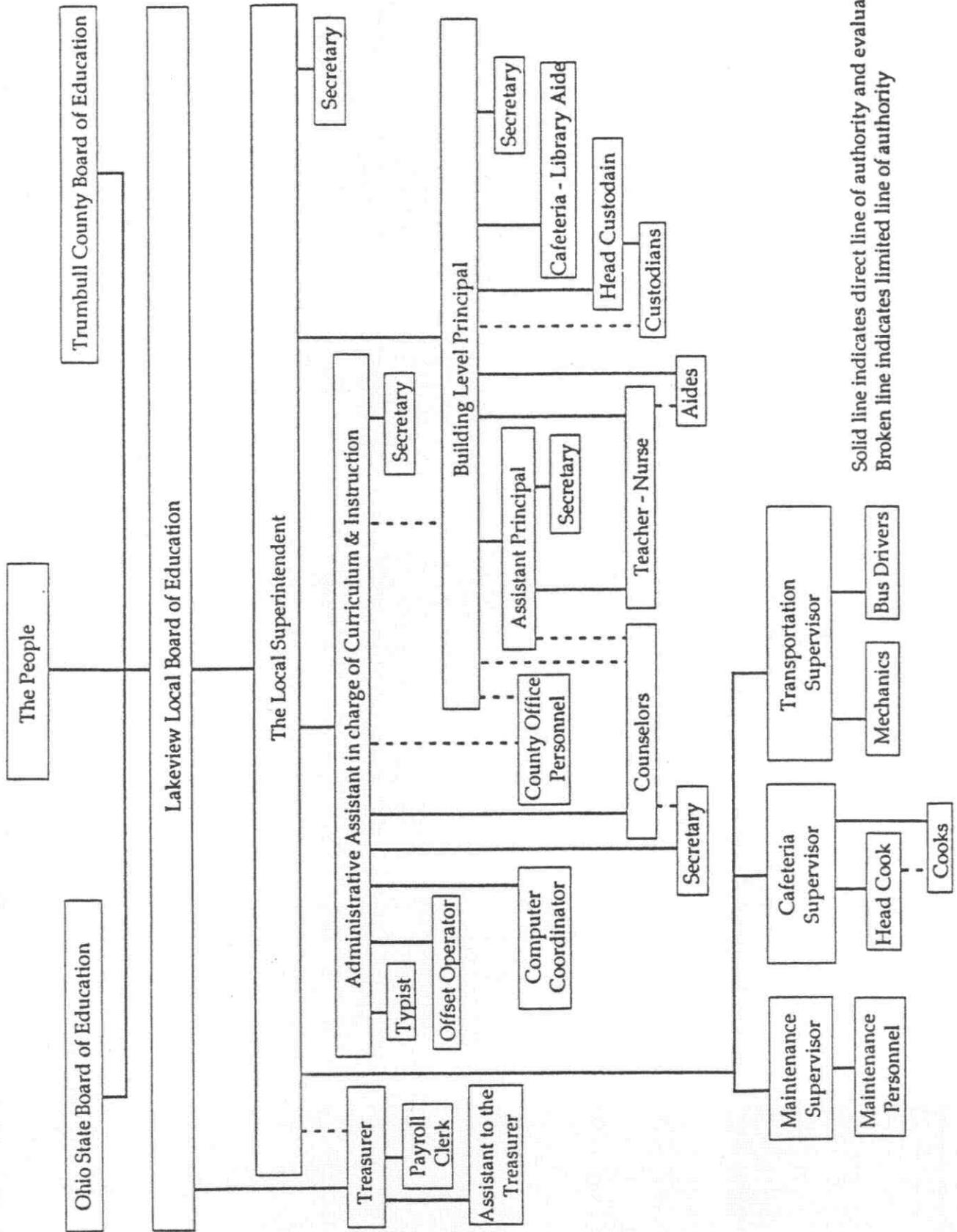
Treasurer

Mr. Milton A. Williams

Administration

Mr. Robert A. Wilson..... Superintendent
Dr. Delores A. UberAdministrative Assistant

ORGANIZATION CHART LAKEVIEW LOCAL SCHOOLS



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, 2004

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.



Nancy L. Zielke

President

Jeffrey R. Emer

Executive Director

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Lakeview Local School District, Trumbull County, Ohio, (the District) as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Lakeview Local School District, Trumbull County, Ohio, as of June 30, 2005, and the respective changes in financial position, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, the District restated net assets due to a change in its capital asset threshold and restated fund balances due to the implementation of Technical Bulletin No. 2004-2, "Recognition of Pension and Other Postemployment Benefit Expenditures/Expenses and Liabilities by Cost-Sharing Employers".

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2005, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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



Betty Montgomery
Auditor of State

December 8, 2005

Lakeview Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

It is a pleasure to present to you the financial picture of Lakeview Local School District. Included in these first few paragraphs and tables is the management's view of how our School District is currently performing and how that performance may change in the future. It is intended that this presentation be an objective and easily read analysis of the overall financial condition of our School District. Please consider our comments along with the financial statements and notes to fully understand our School District's finances.

Financial Highlights

- The School District's total net assets decreased by \$38,922 from \$1,682,948 to \$1,644,026 during this year's operations.
- Outstanding general obligation bonded debt decreased from \$4,624,472 to \$4,349,658 in 2005.
- Revenues from governmental activities totaled \$17,206,385. General revenues accounted for \$15,138,839 or 88.0 percent of the total with program revenues accounting for the remainder of \$2,067,546 or 12.0 percent.
- Program expenses totaled \$17,245,307. Instructional expenses made up 57.4 percent of this total while support services accounted for 33.1 percent. Other expenses rounded out the remaining 9.5 percent.

Using This Annual Report

This annual report consists of a series of financial statements and notes to those statements. The *Statement of Net Assets* and the *Statement of Activities* (on page 12 and 13) provide information about the activities of the School District as a whole and present a longer-term view of the School District's finances. Fund financial statements start on page 14 and provide the next level of detail. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the School District's operations in more detail than the government-wide statements by providing information about the School District's most significant funds. In the case of Lakeview Local School District, the general fund is the most significant fund. The remaining statements provide financial information about activities for which the School District acts solely as a trustee or agent for the benefit of those outside the government.

Reporting the School District as a Whole (District-Wide)

Statement of Net Assets and the Statement of Activities

The only two reports that display District-wide finances are the Statement of Net Assets and the Statement of Activities. Within these statements, we show the School District divided into two kinds of activities:

- Governmental Activities – All of the School District's instructional activities are reported here. Property Taxes, State and Federal Grants and fees finance the majority of activity in this group.

Lakeview Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

- Business-Type Activities – If the Board of Education sets a fee designed to offset the cost of operating a program, then this defines a business-type activity. The District does not have any of this type of activity.

Analysis of the School District as a whole begins on page 5. While this document contains all of the funds used by the District to provide programs and activities, the view of the District as a whole considers all financial transactions. One of the most important issues when analyzing any business enterprise is “How did we do financially during 2005 and are we better off today than we were one year ago?” The two District-wide documents try to provide and support the answer to these particular questions. These statements include all assets and liabilities using the accrual basis of accounting, similar to the accounting method used by most private-sector companies. The most important aspect of accrual accounting is that it takes into account all of the current year’s revenues and expenses regardless of when cash is received or paid out.

These statements also display the net assets of the District and note any changes that occurred during the year. Net assets are the difference between assets and liabilities and they tend to be the lead indicator of financial health. This change in net assets is important because it tells the reader whether, for the District as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Please investigate the financial factors which may include changes in property tax values, tax levies and renewals or State funding issues before reaching a final conclusion about our School District’s financial status. Non-financial factors may include the School District’s performance, demographic and socioeconomic factors and willingness of the community to support the School District. It could prove helpful in making the analysis to look at the individual fund conditions to show the composition of the changes.

Reporting the School District’s Most Significant Funds

Fund Financial Statements

Analysis of the School District’s major funds begins on page 8. The fund financial statements begin on page 14 and provide detailed information about each significant fund in contrast to the previously described District-wide reporting. Most of the funds are required to be established by State law.

Governmental Funds – Most of the School District’s funds are reported as governmental funds. These reports focus on how resources flow into and out of these funds and the balances left at year-end that are available for spending in future periods. These reports are done on a modified accrual basis. Modified accrual accounting measures cash and all other financial assets that can be readily converted into cash. The governmental fund statements provide a detailed, short-term view of the School District’s general government operations and the basic services it provides. There are differences between governmental funds (as reported in this section on a modified accrual basis) and governmental activities as reported in the *Statement of Net Assets* and the *Statement of Activities*, which are reported on a full accrual basis. These differences are reconciled in the financial statements.

Lakeview Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

The School District as a Whole

Recall that the *Statement of Net Assets* provides the perspective of the School District as a whole.

Table 1 provides a summary of net assets as of June 30, 2005, as compared to June 30, 2004.

(Table 1)
Net Assets

	Governmental Activities	
	2005	2004
Assets		
Current and Other Assets	\$10,068,520	\$8,936,751
Capital Assets, Net	8,708,576	9,117,647
<i>Total Assets</i>	18,777,096	18,054,398
Liabilities		
Current and Other Liabilities	9,858,160	8,851,156
Long Term Liabilities:		
Due Within One Year	450,701	497,405
Due in More than One Year	6,824,209	7,022,889
<i>Total Liabilities</i>	17,133,070	16,371,450
Net Assets		
Invested in Capital Assets		
Net of Related Debt	3,792,575	3,703,180
Restricted:		
Capital Projects	30,003	25,943
Debt Service	0	210,892
Set Asides	319,862	307,694
Other Purposes	109,683	133,532
Unrestricted (Deficit)	(2,608,097)	(2,698,293)
<i>Total Net Assets (Deficit)</i>	\$1,644,026	\$1,682,948

The School District's total net assets were down from a year ago decreasing \$38,922 from \$1,682,948 to \$1,644,026. A decrease of \$409,071 in governmental activities capital assets was due to depreciation expense.

Lakeview Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

Table 2 highlights the School District's revenues and expenses. These two main components are subtracted to yield the change in net assets. This table utilizes the full accrual method of accounting.

(Table 2)
Changes in Net Assets

	Governmental Activities	
	2005	2004
Revenues		
Program Revenues		
Charges for Services	\$1,094,608	\$1,223,929
Operating Grants and Contributions	972,938	781,668
<i>Total Program Revenues</i>	<u>2,067,546</u>	<u>2,005,597</u>
General Revenues:		
Property Taxes	7,300,814	6,937,866
Grants and Entitlements not Restricted to Specific Programs	7,789,690	7,370,511
Investment Earnings	38,507	11,377
Miscellaneous	9,828	54,643
Total General Revenues	<u>15,138,839</u>	<u>14,374,397</u>
<i>Total Revenues</i>	<u>17,206,385</u>	<u>16,379,994</u>
Program Expenses		
Instruction:		
Regular	7,771,424	7,205,825
Special	2,124,127	1,839,535
Vocational	1,393	6,312
Support Services:		
Pupil	795,508	749,644
Instructional Staff	744,139	642,232
Board of Education	26,969	31,254
Administration	1,530,004	1,495,026
Fiscal	405,385	400,313
Operation and Maintenance of Plant	1,453,824	1,547,286
Pupil Transportation	757,853	751,464
Operation of Food Services	678,331	556,634
Extracurricular Activities	476,136	508,167
Interest and Fiscal Charges	480,214	274,306
<i>Total Expenses</i>	<u>17,245,307</u>	<u>16,007,998</u>
<i>Change in Net Assets</i>	<u>(\$38,922)</u>	<u>\$371,996</u>

Lakeview Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

Revenue is further divided into two major components: program revenue and general revenue. Program revenue is defined as fees, restricted grants, and charges for services that are program specific. General revenue includes taxes and unrestricted grants such as State Foundation support.

Expenses shown in programs are easily identifiable to a particular function utilizing the current Uniform School Accounting System (USAS) coding structure.

Program revenues totaled \$2,067,546. Charges for services comprised 52.9 percent of the total. The School District operates an orthopedic program for the entire county for grades kindergarten through 12. The excess costs of the program are charged to each district based upon their student usage.

While program revenue increased by 3.1 percent from \$2,005,597 in 2004 to \$2,067,546 in 2005, the majority of the revenue supporting governmental activities is general revenue. General revenue increased from \$14,374,397 in 2004 to \$15,138,839 in 2005. Large increases exceeding 5 percent were experienced in both property tax and unrestricted grant revenues. Investment earnings were stronger due to increased investible funds. Property taxes comprised 42.4 percent of total revenues for governmental activities while program revenues contributed 12.0 percent of total revenue. The 45.3 percent provided by unrestricted grants and entitlements included monies received from the Ohio Department of Education State Foundation Program and property tax relief such as homestead exemption and rollbacks provided by House Bill 920 and also public utility property tax reimbursement. The community, through its willingness to provide property tax revenues, is clearly a source if critical support for the Lakeview Local School District.

Program expenses increased from \$16,007,998 in 2004 to \$17,245,307 in 2005, a 7.7 percent increase. This increase was primarily due to increased spending for a regular and special instruction as well as for pupil and instructional staff support services. There was a four percent increase in salaries plus increased expenditures for materials and textbooks.

Analysis of Overall Financial Positions and Results of Operations

In Table 3 below, the total cost of services column contains all costs related to the programs and the net cost of services column shows how much of the total amount is not covered by program revenues. The net costs are program costs that must be covered by unrestricted State aid (State Foundation) or local taxes.

Lakeview Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

(Table 3)
Governmental Activities

Programs	Total Cost of Services 2005	Net Cost of Services 2005	Total Cost of Services 2004	Net Cost of Services 2004
Instruction	\$9,896,944	\$8,699,238	\$9,051,672	\$7,809,146
Support Services:				
Pupil and Instructional Staff	1,539,647	1,422,948	1,391,876	1,316,268
Board of Education, Administration and Fiscal Services	1,962,358	1,953,097	1,926,593	1,918,532
Operation and Maintenance of Plant	1,453,824	1,448,434	1,547,286	1,546,025
Pupil Transportation	757,853	757,853	751,464	751,464
Operation Food Services	678,331	80,640	556,634	15,244
Extracurricular Activities	476,136	335,337	508,167	371,416
Interest and Fiscal Charges	480,214	480,214	274,306	274,306
Total Expenses	<u>\$17,245,307</u>	<u>\$15,177,761</u>	<u>\$16,007,998</u>	<u>\$14,002,401</u>

The difference in these two columns of \$2,067,546 would represent restricted grants, fees, and donations. The dependence upon general tax revenues for governmental activities is apparent. Over 88 percent of total expenses are supported through taxes and other general revenue.

The School District's Funds

As previously stated, governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$17,196,154 and expenditures of \$16,928,617.

General Fund Financial Activity

The most significant governmental fund is the general fund. The balance of the general fund increased by \$235,133 from (\$399,285) to (\$164,152). The major reason for revenues exceeding expenditures was a significant increase in the property tax and grants and entitlements not restricted to specific programs revenue categories.

General Fund Budgetary Highlights

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

The forecasted budget presented to the Lakeview Local Board of Education in September was amended several times throughout the year. For the general fund, original budgeted revenues were \$14,669,104. The final budgeted revenues were \$15,137,329. The increase in the estimate of \$468,225 was due to

Lakeview Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

two major factors. Personal tangible tax revenues and State foundation payments were much higher than anticipated. The final estimated revenue was within three-tenths of one percent of the actual revenues.

Original budgeted expenditures in the general fund were \$14,866,330. The final budgeted expenditures were \$15,293,654. The increase in the estimate of \$427,324 was due to increased spending made possible by higher than anticipated revenue.

Capital Assets

Table 4 shows the ending balances of capital assets in various categories as of June 30, 2005, compared to the balances as of June 30, 2004.

(Table 4)
Capital Assets at June 30, 2005
(Net of Depreciation)

	Governmental Activities	
	2005	2004
Land	\$513,900	\$513,900
Land Improvements	791,715	865,635
Buildings and Improvements	6,890,720	7,120,099
Furniture and Equipment	184,950	218,373
Vehicles	327,291	399,640
Total	\$8,708,576	\$9,117,647

The table shows a decrease of \$409,071 in net capital assets from 2004 to 2005 as a result of depreciation. See note 9 for further information on capital assets.

Debt

The School District was able to reduce its bonded debt by \$274,814, its energy conservation loan debt by \$21,466 and its capital lease debt by \$82,000.

Lakeview Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

(Table 5)
Outstanding Long-Term Obligations
at Fiscal Year End

	Governmental Activities	
	2005	2004
General Obligation Bonds:		
1994 - School Improvement	\$241,204	\$476,204
1998 - School Improvement Refunding Bonds	4,108,454	4,148,268
Total General Obligation Bonds	4,349,658	4,624,472
Energy Conservation Note	214,727	236,193
Capital Lease	1,090,000	1,172,000
Total	\$5,654,385	\$6,032,665

As of June 30, 2005, the School District's legal debt margin was \$21,744,050 with an unvoted debt margin of \$279,191. See note 12 for further information on debt.

Current Issues

Lakeview Local School District is faced with a financial condition in need of improvement. The School District has failed to pass five consecutive property tax levy requests. Fiscal year 2005 results improved because personal tangible tax receipts increased dramatically and the School District did not need to pay for two months of medical insurance premiums. This income level is not likely to recur. As a result, a strong attempt has been made to contain and reduce discretionary spending. Also, all employees will work under a wage freeze in fiscal year 2006.

The School District plans to continue efforts toward the passage of a tax levy, and it will maintain its program of austerity spending until the tax levy passage is successful.

In summary, the Lakeview Local School District has a commitment to financial and educational excellence. The School District has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting each year since 1996.

Contacting the School District's Financial Management

These financial reports and discussions are designed to provide our students, citizens, taxpayers, and creditors with a complete disclosure of the School District's finances and to demonstrate a high degree of accountability for the public dollars entrusted to us. If you have any questions about this report or need additional financial information, please write Milton A. Williams, Treasurer, Lakeview Local School District, 300 Hillman Drive, Cortland, Ohio 44410 or call (330) 638-1060 or Email milton.williams@neomin.org.

Basic Financial Statements

Lakeview Local School District

Statement of Net Assets

June 30, 2005

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$1,565,845
Cash and Cash Equivalents	
With Fiscal Agents	59,822
Accounts Receivable	8,495
Intergovernmental Receivable	94,498
Inventory Held for Resale	11,841
Materials and Supplies Inventory	58,820
Taxes Receivable	8,269,199
Nondepreciable Capital Assets	513,900
Depreciable Capital Assets, Net	<u>8,194,676</u>
<i>Total Assets</i>	<u>18,777,096</u>
Liabilities	
Accounts Payable	17,253
Accrued Wages Payable	1,119,740
Matured Compensated Absences Payable	31,196
Intergovernmental Payable	424,102
Deferred Revenue	8,024,209
Matured Interest Payable	462
Matured Bonds Payable	59,360
Accrued Interest Payable	164,338
Special Termination Benefits Payable	17,500
Long-Term Liabilities:	
Due Within One Year	450,701
Due In More Than One Year	<u>6,824,209</u>
<i>Total Liabilities</i>	<u>17,133,070</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	3,792,575
Restricted for:	
Capital Projects	30,003
Set Asides	319,862
Other Purposes	109,683
Unrestricted (Deficit)	<u>(2,608,097)</u>
<i>Total Net Assets</i>	<u><u>\$1,644,026</u></u>

See accompanying notes to the basic financial statements

Lakeview Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2005

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$7,771,424	\$213,082	\$188,104	(\$7,370,238)
Special	2,124,127	313,014	483,506	(1,327,607)
Vocational	1,393	0	0	(1,393)
Support Services:				
Pupil	795,508	0	19,458	(776,050)
Instructional Staff	744,139	0	97,241	(646,898)
Board of Education	26,969	0	0	(26,969)
Administration	1,530,004	0	2,318	(1,527,686)
Fiscal	405,385	0	6,943	(398,442)
Operation and Maintenance of Plant	1,453,824	4,816	574	(1,448,434)
Pupil Transportation	757,853	0	0	(757,853)
Operation of Food Services	678,331	422,897	174,794	(80,640)
Extracurricular Activities	476,136	140,799	0	(335,337)
Interest and Fiscal Charges	480,214	0	0	(480,214)
Totals	\$17,245,307	\$1,094,608	\$972,938	(15,177,761)
 General Revenues				
Property Taxes Levied for:				
				6,544,507
				485,765
				270,542
Grants and Entitlements not Restricted				
				7,789,690
				38,507
				9,828
				<u>15,138,839</u>
				(38,922)
				<u>1,682,948</u>
				<u>\$1,644,026</u>

See accompanying notes to the basic financial statements

Lakeview Local School District

Balance Sheet

Governmental Funds

June 30, 2005

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and			
Cash Equivalents	\$741,569	\$504,414	\$1,245,983
Cash and Cash Equivalents with			
Fiscal Agents	0	59,822	59,822
Restricted Assets:			
Equity in Pooled Cash and			
Cash Equivalents	319,862	0	319,862
Taxes Receivable	7,420,488	848,711	8,269,199
Accounts Receivable	6,500	1,995	8,495
Intergovernmental Receivable	0	94,498	94,498
Interfund Receivable	94,499	0	94,499
Inventory Held for Resale	0	11,841	11,841
Materials and Supplies Inventory	56,622	2,198	58,820
<i>Total Assets</i>	<u>\$8,639,540</u>	<u>\$1,523,479</u>	<u>\$10,163,019</u>
 Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$14,204	\$3,049	\$17,253
Matured Interest Payable	0	462	462
Accrued Wages	1,083,447	36,293	1,119,740
Interfund Payable	0	94,499	94,499
Intergovernmental Payable	401,857	22,245	424,102
Matured Compensated Absences Payable	31,196	0	31,196
Special Termination Benefits Payable	17,500	0	17,500
Deferred Revenue	7,255,488	878,506	8,133,994
Matured Bonds Payable	0	59,360	59,360
<i>Total Liabilities</i>	<u>8,803,692</u>	<u>1,094,414</u>	<u>9,898,106</u>
 Fund Balances			
Reserved for Encumbrances	254,362	124,033	378,395
Reserved for Property Taxes	165,000	10,000	175,000
Reserved for Budget Stabilization	68,316	0	68,316
Reserved for Textbooks	251,546	0	251,546
Unreserved:			
Undesignated (Deficit), Reported in:			
General Fund	(903,376)	0	(903,376)
Special Revenue Funds	0	59,557	59,557
Debt Service Fund	0	218,164	218,164
Capital Projects Funds	0	17,311	17,311
<i>Total Fund Balances</i>	<u>(164,152)</u>	<u>429,065</u>	<u>264,913</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$8,639,540</u>	<u>\$1,523,479</u>	<u>\$10,163,019</u>

See accompanying notes to the basic financial statements

Lakeview Local School District
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2005*

Total Governmental Fund Balances	\$264,913
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*Amounts reported for governmental activities in the
 statement of net assets are different because*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	8,708,576
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.

Property Taxes	69,990
Intergovernmental	<u>39,795</u>

Total	109,785
-------	---------

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental fund, an interest expenditure is reported when due.	(164,338)
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

General Obligation Bonds	(4,349,658)
Energy Conservation Notes	(214,727)
Capital Leases	(1,090,000)
Compensated Absences	<u>(1,620,525)</u>

Total	<u>(7,274,910)</u>
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<i>Net Assets of Governmental Activities</i>	<u><u>\$1,644,026</u></u>
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See accompanying notes to the basic financial statements

Lakeview Local School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2005

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Property and Other Local Taxes	\$6,528,961	\$754,304	\$7,283,265
Intergovernmental	7,703,168	974,040	8,677,208
Interest	37,141	1,366	38,507
Tuition and Fees	432,275	93,130	525,405
Extracurricular Activities	0	140,799	140,799
Contributions and Donations	52,139	40,599	92,738
Charges for Services	0	422,897	422,897
Rentals	5,507	0	5,507
Miscellaneous	9,828	0	9,828
<i>Total Revenues</i>	<u>14,769,019</u>	<u>2,427,135</u>	<u>17,196,154</u>
Expenditures			
Current:			
Instruction:			
Regular	7,055,564	227,394	7,282,958
Special	1,680,891	403,280	2,084,171
Vocational	702	0	702
Support Services:			
Pupil	761,038	25,598	786,636
Instructional Staff	632,755	94,458	727,213
Board of Education	26,969	0	26,969
Administration	1,497,288	2,550	1,499,838
Fiscal	390,361	16,880	407,241
Operation and Maintenance of Plant	1,452,005	146,863	1,598,868
Pupil Transportation	672,007	1,866	673,873
Operation of Non-Instructional Services	0	5,887	5,887
Operation of Food Services	0	664,889	664,889
Extracurricular Activities	330,902	128,644	459,546
Capital Outlay	0	4,335	4,335
Debt Service:			
Principal Retirement	21,466	477,000	498,466
Interest and Fiscal Charges	11,780	195,245	207,025
<i>Total Expenditures</i>	<u>14,533,728</u>	<u>2,394,889</u>	<u>16,928,617</u>
<i>Excess of Revenues Under Expenditures</i>	<u>235,291</u>	<u>32,246</u>	<u>267,537</u>
Other Financing Sources (Uses)			
Transfers In	0	158	158
Transfers Out	(158)	0	(158)
<i>Total Other Financing Sources (Uses)</i>	<u>(158)</u>	<u>158</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	235,133	32,404	267,537
<i>Fund Balances (Deficit) Beginning of Year - Restated (See Note 3)</i>	<u>(399,285)</u>	<u>396,661</u>	<u>(2,624)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$164,152)</u></u>	<u><u>\$429,065</u></u>	<u><u>\$264,913</u></u>

See accompanying notes to the basic financial statements

Lakeview Local School District
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2005

Net Change in Fund Balances - Total Governmental Funds	\$267,537
Amounts reported for governmental activities in the statement of activities are different because	
The cost of capital assets is allocated over their estimated useful lives as depreciation expense. This is the amount of depreciation in the current period.	(409,071)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Property Taxes	17,549
Intergovernmental	<u>(7,318)</u>
Total	10,231
Repayment of bond and note principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	498,466
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	
Accrued Interest	(153,003)
Accretion	<u>(120,186)</u>
Total	(273,189)
Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	<u>(132,896)</u>
Change in Net Assets of Governmental Activities	<u><u>(\$38,922)</u></u>

See accompanying notes to the basic financial statements

Lakeview Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Local Taxes	\$6,698,699	\$6,912,515	\$6,913,961	\$1,446
Intergovernmental	7,505,315	7,744,878	7,745,417	539
Interest	29,731	30,680	37,141	6,461
Tuition and Fees	395,689	408,319	432,275	23,956
Contributions and Donations	31,002	31,992	52,139	20,147
Miscellaneous	8,668	8,945	9,828	883
<i>Total Revenues</i>	14,669,104	15,137,329	15,190,761	53,432
Expenditures				
Current:				
Instruction:				
Regular	7,505,527	7,328,499	7,299,058	29,441
Special	1,382,559	1,776,419	1,697,559	78,860
Support Services:				
Pupil	872,964	821,036	758,776	62,260
Instructional Staff	545,786	634,536	627,703	6,833
Board of Education	33,850	34,020	26,969	7,051
Administration	1,598,928	1,568,528	1,532,918	35,610
Fiscal	394,216	431,316	428,019	3,297
Operation and Maintenance of Plant	1,493,900	1,538,900	1,455,320	83,580
Pupil Transportation	687,300	774,000	704,911	69,089
Extracurricular Activities	351,300	352,400	323,004	29,396
Debt Service:				
Principal Retirement	0	22,000	21,466	534
Interest and Fiscal Charges	0	12,000	11,780	220
<i>Total Expenditures</i>	14,866,330	15,293,654	14,887,483	406,171
<i>Excess of Revenues Over (Under) Expenditures</i>	(197,226)	(156,325)	303,278	459,603
Other Financing Uses				
Advances Out	0	(94,499)	(94,499)	0
Transfers Out	0	(158)	(158)	0
<i>Total Other Financing Uses</i>	0	(94,657)	(94,657)	0
<i>Net Change in Fund Balance</i>	(197,226)	(250,982)	208,621	459,603
<i>Fund Balance Beginning of Year</i>	584,245	584,245	584,245	0
<i>Fund Balance End of Year</i>	\$387,019	\$333,263	\$792,866	\$459,603

See accompanying notes to the basic financial statements

Lakeview Local School District

Statement of Fiduciary Net Assets

Fiduciary Funds

June 30, 2005

	Private Purpose Trust	
	Scholarship	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	\$20,643	\$64,484
Liabilities		
Due to Students	0	\$64,484
Net Assets		
Held in Trust for Scholarships	\$20,643	

See accompanying notes to the basic financial statements

Lakeview Local School District
Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Fund
For the Fiscal Year Ended June 30, 2005

	<u>Scholarship</u>
Additions	
Interest	\$430
Deductions	
Scholarships Awarded	<u>0</u>
<i>Change in Net Assets</i>	430
<i>Net Assets Beginning of Year</i>	<u>20,213</u>
<i>Net Assets End of Year</i>	<u><u>\$20,643</u></u>

See accompanying notes to the basic financial statements

Lakeview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Note 1 - Description of the School District and Reporting Entity

Lakeview Local School District (the "School District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected five-member Board form of government and provides educational services as mandated by State and federal agencies. The Board of Education controls the School District's four instructional/support facilities staffed by 90 classified employees, 130 certificated full and part-time employees, and 9 administrators who provide services to 2,224 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 the agencies and departments that provide the following services: general operations, food service and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or the levying of taxes. The School District has no component units.

The School District participates in five jointly governed organizations and two public entity pools. 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, the Ohio School Boards Association Workers' Compensation Group Rating Program and the Trumbull County Schools Employee Insurance Benefits Consortium. These organizations are presented in Notes 14 and 15 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental 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

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

Lakeview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

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

B. Fund Accounting

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

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

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

Proprietary Funds Proprietary funds reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as enterprise or internal service; the School District has no proprietary funds.

Fiduciary Funds Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not

Lakeview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

available to support the School District's own programs. The School District's only trust fund is a private purpose trust which accounts for a college scholarship program for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency fund accounts for student managed activities.

C. Measurement Focus

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

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

The private purpose trust fund is accounted for on a flow of economic resources measurement focus.

D. Basis of Accounting

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

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Lakeview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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, fees and rentals.

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

Property taxes for which there is an enforceable legal claim as of June 30, 2005, but which were levied to finance fiscal year 2006 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

E. Cash and Cash Equivalents

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

During fiscal year 2005, investments were limited to nonnegotiable certificates of deposit which are reported at cost.

The School District utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented as "Cash and Cash Equivalents with Fiscal Agents" and represent deposits or short-term investments in certificates of deposit.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2005 amounted to \$37,141, which includes \$13,250 assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions or by enabling legislation. Restricted assets in the general fund represent amounts required by State statute to be set aside to create reserves for budget stabilization and for the purchase of textbooks and other instructional material. See Note 20 for additional information regarding set asides.

Lakeview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2005, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

H. Inventory

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

I. Capital Assets

The School District's only capital assets are general capital assets. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District increased the capitalization threshold to \$5,000 from \$1,000 as of June 30, 2004. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

The School District completed an inventory evaluation in April, 2005. The net effects of this evaluation are reflected in Notes 3 and 9.

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Land Improvements	20 years
Buildings and Improvements	50 years
Furniture and Fixtures	5 - 30 years
Vehicles	8 years

J. Interfund Balances

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

Lakeview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

K. Compensated Absences

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

Sick leave benefits are accrued as a liability using the 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.

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

On the governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employee who has resigned or retired will be paid.

L. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

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

M. Interfund Activity

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

N. Fund Balance Reserves

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. 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, property taxes, budget stabilization and textbook purchase.

Lakeview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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 budget stabilization represents monies required to be set aside by State statute to protect against cyclical changes in revenues and expenditures.

O. Net Assets

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

The government-wide statement of net assets reports \$459,548 of restricted net assets, of which \$16,358 is restricted by enabling legislation.

Net assets restricted for other purposes include food service operations and extracurricular activities.

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

P. Extraordinary and Special Items

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

Q. Estimates

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

R. Budgetary Data

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

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

Lakeview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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

Note 3 - Changes in Accounting Principles and Restatement of Prior Year Net Assets/Fund Balance

A. Change in Accounting Principles

For fiscal year 2005, the School District has implemented GASB Statement No. 40, "Deposit and Investment Risk Disclosures," GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation" and GASB Technical Bulletin No. 2004-2, "Recognition of Pension and Other Postemployment Benefit Expenditures/Expense and Liabilities by Cost-Sharing Employers."

GASB Statement No. 40 establishes disclosure requirements for investment credit risk, interest rate risk, deposit custodial risk and foreign currency risk.

GASB Statement No. 46 clarifies when net assets should be considered restricted based upon enabling legislation.

GASB Technical Bulletin No. 2004-2 addresses the amount that should be recognized as expenditure/expense and as a liability each period by employers participating in a cost-sharing multiple-employer pension and other postemployment benefit (OPEB) plans.

The implementation of GASB Statement No. 46 did not affect the presentation of the financial statements of the School District.

B. Restatement of Prior Year Net Assets/Fund Balance

At June 30, 2004, net assets were restated due to the School District having a complete capital assets evaluation done in April of 2005, and change in capital assets threshold from \$1,000 to \$5,000. This adjustment had the following effects on net assets.

	<u>Activities</u>
Net Assets at June 30, 2004	\$5,960,075
Adjustment for Capital Assets	<u>(4,277,127)</u>
Restated Net Assets at June 30, 2004	<u><u>\$1,682,948</u></u>

At June 30, 2004 the implementation of GASB Technical Bulletin No. 2004-2 caused the general fund balance to decrease by \$119,179 from (\$280,106) to (\$399,285) and the non-major governmental fund balance to decrease by \$13,934 from \$410,595 to \$396,661.

Lakeview Local School District
Notes to the Basic Financial Statements
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Note 4 – Accountability

At June 30, 2005, there were deficits in the general fund and the food service special revenue fund in the amounts of \$164,152 and \$5,658, respectively.

The deficit balances resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur. Management is reducing expenditures in the general fund to eliminate the deficit.

Note 5 - Budgetary Basis of Accounting

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

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

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance	
GAAP Basis	\$235,133
Net Adjustment for Revenue Accruals	421,742
Net Adjustment for Expenditure Accruals	(85,190)
Advances Out	(94,499)
Encumbrances	<u>(268,565)</u>
Budget Basis	<u><u>\$208,621</u></u>

Lakeview Local School District
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Note 6 - Deposits and Investments

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

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

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

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

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

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

Lakeview Local School District
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8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

Deposits

Custodial Credit Risk. Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party. At fiscal year end, \$1,726,302 of the School District's bank balance of \$1,934,803 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

Note 7 - Property Taxes

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar 2005 represents collections of calendar year 2004 taxes. Real property taxes received in calendar year 2005 were levied after April 1, 2004, on the assessed value listed as of January 1, 2004, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable at June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2005 represents collections of calendar year 2004 taxes. Public utility real and tangible personal property taxes received in calendar year 2005 become a lien December 31, 2003, were levied after April 1, 2004 and are collected in 2005 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2005 (other than public utility property) represents the collection of 2005 taxes. Tangible personal property taxes received in calendar year 2005 were levied after April 1, 2004, on the value as of December 31, 2004. Tangible personal property is

Lakeview Local School District
Notes to the Basic Financial Statements
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currently assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Trumbull County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2005, are available to finance fiscal year 2005 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2005 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2005 was \$165,000 in the general fund and \$10,000 in the debt service fund. The amount available as an advance at June 30, 2004 was \$550,000 in the general fund and \$45,000 in the debt service fund.

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

The assessed values upon which the fiscal year 2005 taxes were collected are:

	2004 Second Half Collections		2005 First Half Collections	
	Amount	Percent	Amount	Percent
Residential/Agricultural and Other Real Estate	\$227,495,430	86.98 %	\$239,895,260	85.93 %
Public Utility Personal	8,158,090	3.12	8,215,900	2.94
Tangible Personal Property	25,888,648	9.90	31,079,505	11.13
Total	<u>\$261,542,168</u>	<u>100.00 %</u>	<u>\$279,190,665</u>	<u>100.00 %</u>
Tax rate per \$1,000 of assessed valuation	\$43.55		\$43.50	

Lakeview Local School District
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Note 8 - Receivables

Receivables at June 30, 2005, consisted of taxes, accounts (rent and student fees), tuition and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables are expected to be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

	Amount
Part B - IDEA	\$72,709
Special Education - Access	19,690
Title II - D	2,099
<i>Total Governmental Activities</i>	\$94,498

Note 9 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2005, was as follows:

	Balance June 30, 2004	Additions	Deletions	Balance June 30, 2005
Nondepreciable Capital Assets				
Land	\$513,900	\$0	\$0	\$513,900
Depreciable Capital Assets				
Land Improvements	1,713,905	0	0	1,713,905
Buildings and Improvements	12,071,752	0	0	12,071,752
Furniture and Fixtures	559,381	0	0	559,381
Vehicles	1,183,489	0	0	1,183,489
<i>Total at Historical Cost</i>	15,528,527	0	0	15,528,527
Less: Accumulated Depreciation				
Land Improvements	(848,270)	(73,920)	0	(922,190)
Buildings and Improvements	(4,951,653)	(229,379)	0	(5,181,032)
Furniture and Fixtures	(341,008)	(33,423)	0	(374,431)
Vehicles	(783,849)	(72,349)	0	(856,198)
<i>Total Accumulated Depreciation</i>	(6,924,780)	(409,071) *	0	(7,333,851)
<i>Depreciable Capital Assets, Net of Accumulated Depreciation</i>	8,603,747	(409,071)	0	8,194,676
<i>Governmental Activities Capital Assets, Net</i>	\$9,117,647	(\$409,071)	\$0	\$8,708,576

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* Depreciation expense was charged to governmental functions as follows:

Instruction	
Regular	\$292,196
Special	691
Support Services	
Pupil	3,858
Instructional Staff	2,729
Administration	2,676
Operation and Maintenance of Plant	2,483
Pupil Transportation	78,006
Food Service Operations	9,842
Extracurricular Activities	16,590
Total Depreciation Expense	<u>\$409,071</u>

Note 10 - Interfund Transfers and Balances

A. Interfund Transfers

The general fund transferred \$158 to the scholarship special revenue fund. This transfer was made to move unrestricted balances to support programs and projects accounted for in this fund.

B. Interfund Balances

At June 30, 2005, the School District had an interfund receivable in the general fund of \$94,499 and interfund payables in the Part B Idea and Assistive Technology special revenue funds of \$92,399 and \$2,100 respectively. The interfund transactions are due to the timing of the receipt of grant monies.

Note 11 - Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure 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, 2005.

B. Litigation

The School District is not a party to any legal proceedings.

Lakeview Local School District
Notes to the Basic Financial Statements
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Note 12 – Long-Term Obligations

Changes in long-term obligations of the School District during fiscal year 2005 were as follows:

	Principal Outstanding June 30, 2004	Additions	Deductions	Principal Outstanding June 30, 2005	Amount Due in One Year
Governmental Activities					
General Obligation Bonds					
1994 4.50 to 6.95%					
School Improvement Bonds	\$476,204	\$0	\$235,000	\$241,204	\$84,669
1998 School Improvement Bonds					
Current Interest Serial Bonds 3.80% to 4.55%	690,000	0	160,000	530,000	170,000
Capital Appreciation Bonds 4.80% to 5.10%	980,070	0	0	980,070	0
Accretion on Capital Appreciation Bonds	618,198	120,186	0	738,384	0
Current Interest Term Bonds	1,860,000	0	0	1,860,000	0
Total 1998 School Improvement Bonds	4,148,268	120,186	160,000	4,108,454	170,000
<i>Total General Obligation Bonds</i>	4,624,472	120,186	395,000	4,349,658	254,669
Energy Conservation Note 5.00%	236,193	0	21,466	214,727	22,504
Capital Lease Payable	1,172,000	0	82,000	1,090,000	88,000
Compensated Absences	1,487,629	662,715	529,819	1,620,525	85,528
<i>Total Governmental Activities</i>					
<i>Long-Term Liabilities</i>	\$7,520,294	\$782,901	\$1,028,285	\$7,274,910	\$450,701

In 1994 and 1998, the School District issued \$1,346,205 and \$4,465,070 respectively in voted general obligation bonds for the purpose of constructing an auditorium, major renovations and an addition at the Bazetta elementary school. The bonds were issued for fourteen and twenty-two year periods respectively with a final maturity at December 1, 2007 and at December 1, 2019.

The School District defeased certain general obligation bonds in 1998 by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School District's financial statements. On June 30, 2005, \$3,611,275 of bonds outstanding are considered defeased.

The 1998 general obligation bonds include capital appreciation bonds. The original issue amount was \$980,070 and the final maturity of these bonds is \$4,457,778. This year the addition on these bonds was \$120,186, which represents the accretion of discounted interest in 2005 on the capital appreciation bonds.

The School District has an energy conservation note that was issued in 1998 in the amount of \$345,000. The note was issued for updating the heating and air conditioning system throughout the School District. The note is backed by the full faith and credit of the School District.

General obligation bonds will be paid from the debt service fund. The energy conservation note will be paid from the permanent improvement capital projects fund. Compensated absences will be paid from the general and food service, part B IDEA, title I, and title II-A special revenue funds. The capital lease will be paid from the permanent improvement capital projects fund.

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The overall debt margin of the School District as of June 30, 2005 was \$21,744,050 with an unvoted debt margin of \$279,191. Principal and interest requirements to retire the general obligation bonds and the energy conservation note outstanding at June 30, 2005 are as follows:

Fiscal Year Ended June 30,	1994 School Improvements Bond		1998 School Improvement Bonds			
	Principal	Interest	Term		Serial	
			Principal	Interest	Principal	Interest
2006	\$84,669	\$185,331	\$0	\$0	\$170,000	\$114,937
2007	79,038	200,962	0	0	175,000	107,215
2008	77,497	227,503	0	0	185,000	99,069
2009	0	0	0	0	0	0
2010	0	0	0	0	0	0
2011-2015	0	0	635,000	0	0	0
2016-2020	0	0	1,225,000	237,405	0	0
Total	\$241,204	\$613,796	\$1,860,000	\$237,405	\$530,000	\$321,221

Fiscal Year Ended June 30,	1998 School Improvement Bonds Capital Appreciation		
	Principal	Interest	Total
	2006	\$0	\$126,224
2007	0	132,565	694,780
2008	0	139,603	728,672
2009	189,386	420,524	609,910
2010	177,200	447,660	624,860
2011-2015	613,484	2,090,946	3,339,430
2016-2020	0	0	1,462,405
Total	\$980,070	\$3,357,522	\$8,141,218

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Fiscal Year	Energy Conservation Note		
	Ending	Principal	Interest
2006	\$22,504	\$10,742	\$33,246
2007	23,629	9,617	33,246
2008	24,789	8,457	33,246
2009	26,050	7,196	33,246
2010	27,352	5,894	33,246
2011-2013	90,403	9,272	99,677
Total	\$214,727	\$51,178	\$265,907

Note 13 – Capital Lease

In prior years, the School District entered into a capitalized lease for a construction and reproofing project and school buses. These leases meet the criteria for capital leases as defined by Statement of Financial Accounting Standards No. 13 “Accounting for Leases.” Capital assets acquired by lease have been capitalized in the amount of \$1,353,000. This amount represents the present value of the minimum lease payments at the time of acquisition. Accumulated depreciation as of June 30, 2005 was \$89,740, leaving a current book value of \$1,263,260. Principal payments in fiscal year 2005 totaled \$82,000 in governmental funds.

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, 2005.

Year	Amounts
2006	\$149,168
2007	151,037
2008	156,535
2009	157,509
2010	152,112
2011-2015	665,760
Total Minimum Lease Payments	1,432,121
Less: Amount Representing Interest	(342,121)
Present Value of Minimum Lease Payments	\$1,090,000

Note 14 - 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 providing vocational needs of the students. The Center is operated under the direction of a Board consisting of one representative from each of the fifteen participating school districts’ elected boards, which possesses its own budgeting and taxing authority. To obtain financial information write to the Trumbull County Joint Vocational School, Gary Ghizzoni, who serves as Treasurer, at 528 Educational Highway, Warren, Ohio 44483.

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North East Ohio Management Information Network (NEOMIN) NEOMIN is a jointly governed organization among thirty school districts in Trumbull and Ashtabula Counties. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the districts supports NEOMIN based upon a per pupil charge. Lakeview Local School District paid \$33,630 to NEOMIN during fiscal year 2005.

The Governing Board consists of ten members: The Trumbull and Ashtabula County superintendents (permanent members), three superintendents from Ashtabula County participating school districts, three superintendents from Trumbull County participating 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 2005. 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 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 School District. Each member pays a monthly premium based on the use of media materials.

NEOIMC is governed by the advisory committee made up 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 2005, Lakeview Local School District contributed \$3,329 which is \$1.51 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 The North East Ohio Special Education Regional Resource Center NEO/SERRC 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.

NEO/SERRC 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, 100 DeBartolo Place, Suite 105, Youngstown, Ohio 44512.

Region 12 Professional Development Center The Region 12 Professional Development Center (Center) is a jointly governed organization among the school districts located in Trumbull, Mahoning, and Columbiana Counties. The jointly governed organization was formed for the purpose of establishing an articulated, regional structure for professional development, in which school districts, the business community, higher education and other groups cooperatively plan and implement effective professional development activities that are tied directly to school improvement, and in particular, to improvements in instructional programs.

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The Center is governed by a board made up of nineteen representatives of the participating school districts, the business community, and Youngstown State University. 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 Trumbull County Educational Service Center, 347 North Park Avenue, Warren, Ohio 44481.

Note 15 – Public Entity Pools

A. Insurance Purchasing Pool

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

B. Shared Risk Pool

Trumbull County Schools Employee Insurance Benefits Consortium The School District participates in the Trumbull County Schools Employee Insurance Consortium. This 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. Consortium revenues are generated from charges for services.

Note 16 - 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 Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476 or by calling (614) 222-5853.

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2005, 10.57 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2004, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS Retirement Board. The School District's required contributions for

Lakeview Local School District
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pension obligations to SERS for the fiscal years ended June 30, 2005, 2004 and 2003 were \$241,596, \$154,308 and \$168,333 respectively; 77.44 percent has been contributed for fiscal year 2005 and 100 percent for fiscal years 2004 and 2003.

B. State Teachers Retirement System

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

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

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

For the fiscal year ended June 30, 2005, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2005, 2004, and 2003 were \$1,008,058, \$969,011 and \$950,623 respectively; 85.77 percent has been contributed for fiscal year 2005 and 100 percent for fiscal years 2004 and 2003. Contributions to the DC and Combined Plans for fiscal year 2005 were \$796 made by the School District and \$758 made by the plan members.

Lakeview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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, 2005, all members of the Board of Education have elected social security. The Board's liability is 6.2 percent of wages paid.

Note 17 - Postemployment Benefits

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System, (STRS), and to retired non-certificated employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

STRS retirees who participated in the DB or Combined Plans and their 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. All benefit recipients pay a portion of health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2005, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$77,509 for fiscal year 2005.

STRS pays health care benefits from the Health Care Stabilization Fund. At June 30, 2004, (the latest information available) the balance in the Fund was \$3.1 billion. For the fiscal year ended June 30, 2004, net health care costs paid by STRS were \$268,739,000 and STRS had 111,853 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. All retirees and beneficiaries are required to pay a portion of their premium for health care. The portion is based on years of service, Medicare eligibility and retirement status. Premiums may be reduced for retirees whose household income falls below the poverty level.

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, 2005, employer contributions to fund health care benefits were 3.43 percent of covered payroll, a decrease of 1.48 percent from fiscal year 2004. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2005, the minimum pay has been established as \$27,400. However, the surcharge is capped at 2 percent of each employers SERS salaries. For the 2005 fiscal year, the School District, paid \$78,495 to fund health care benefits, including the surcharge.

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, 2004 (the latest information available), were \$223,443,805 and the target level was \$335.2 million. At June 30, 2004, SERS had net assets available for payment of health care benefits of \$300.8 million. SERS has approximately 62,000 participants currently receiving health care benefits.

Lakeview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Note 18 - Other Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated 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 Benefits

The School District provides life insurance and accidental death and dismemberment insurance of \$50,000 to all full time employees through the Medical Life Insurance Company.

Note 19 - Risk Management

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2005, the School District contracted for the following insurance coverage:

Coverage	Amount
Coverage provided by Indiana Insurance:	
Building and Contents - replacement cost (\$10,000 deductible)	\$37,354,831
Inland Marine Coverage (\$250 deductible)	328,632
Boiler and Machinery (\$10,000 deductible)	No limit
Coverage provided by Indiana Insurance	
Automobile Liability (\$1,000 deductible on comprehensive) (\$1,000 deductible on collision)	1,000,000
Auto Medical Payments	5,000
Coverage provided by Ohio School Plan	
General Liability	
Per occurrence (\$0 deductible)	1,000,000
Total per year	3,000,000

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

Lakeview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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/prescription drug premiums of \$980.50 for family coverage and \$377.12 for single coverage per employee per month. Premiums for dental coverage are \$68.48 monthly for family coverage and \$21.79 monthly for single coverage. The plan utilizes a \$10.00 prescription deductible. If the School District were to withdraw from the consortium, there would be no liability because premium levels fund a reserve for subsequent claim payments.

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

B. Worker's Compensation

For fiscal year 2005, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 14). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP.

A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

Note 20 - 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 and carried forward to be used for the same purposes in future years. In prior years, the School District was also required to set aside money for budget stabilization. At June 30, 2005, only the unspent portion of certain workers' compensation refunds continues to be required to be set-aside.

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

Lakeview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

	Budget Stabilization Reserve	Capital Improvements Reserve	Textbooks/ Instructional Materials Reserve
Set-Aside Reserve Balance as of June 30, 2004	\$68,316	\$0	\$239,378
Current Year Set-aside Requirement	0	314,050	314,050
Current Year Offsets	0	(299,287)	0
Qualifying Disbursements	0	(20,176)	(301,882)
Total	\$68,316	(\$5,413)	\$251,546
Set-aside Balance Carried Forward to Future Fiscal Years	\$68,316	\$0	\$251,546
Set-aside Reserve Balance as of June 30, 2005	\$68,316	\$0	\$251,546

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.

Combining and Individual Fund Statements and Schedules

Combining and Individual Fund Statements and Schedules

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes. Following is a description of the School District's special revenue funds:

Public School Support Fund – To account for school site sales revenue and expenditure for field trips, assemblies and other activity costs.

District Managed Activity Fund – To account for gate receipts and other revenues from athletic events and all costs (except supplemental coaching contracts) of the School District's Athletic Program.

Educational Management Information Systems Fund – To account State monies which are used solely for costs associated with the requirements of the education management information system.

Scholarship Fund – To account for assets held by the School District for individuals and/or private organizations which benefit the student body or the local community where all expenditures are determined by the School District.

Part B IDEA Fund – To account for Federal revenues that assist states in identification of handicapped children and provide full educational opportunities to handicapped children at the preschool, elementary and secondary levels. It also accounts for Federal monies used to implement a variety of programs intended to provide instruction for early childhood education.

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

Innovative Program Title V Fund – To account for Federal revenues which support the implementation of a variety of programs (drug/alcohol abuse, computer education) to benefit children attending public and provide non-profit schools within the community.

Local Professional Development Grant Fund – To account for State monies in support of locally developed professional development programs.

OneNet Communications Fund – To account for State monies used to fund computer wide area network service provided by A-site.

Schoolnet Professional Development Fund – To account for State monies used to support technology training of teachers.

Safe Schools Helpline Fund – To account for State monies which support phone lines for students facing crisis.

4th Grade Summer School Fund – To account for State monies spent by the School District for specialized instruction to students in need of knowledge to pass proficiency tests.

Ohio Reads Grant Fund – To account for State monies used to improve reading outcomes, especially on the fourth grade reading proficiency test and for volunteer coordinators in public schools and costs associated with volunteer coordination, for background checks for volunteers, to evaluate the Ohio Reads Program, and for operating expenses associated with administering the program.

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

Title II-A Fund – To account for various monies to hire additional classroom teachers so the number of students per teacher will be reduced.

Assistive Technology Fund – To account for Federal monies used primarily for assistive mobility and learning devices for orthopedically handicapped students.

Safe and Drug Free Schools Fund – To account for Federal monies which support the implementation of programs for drug abuse education and prevention.

Food Service Fund – To account for the grants and charges for services related to the food service operations of the School District.

Uniform School Supplies Fund – To account for the purchase and sale of school supplies for use in the School District.

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Debt Service Fund

Bond Retirement Fund – The bond retirement fund accounts for property tax revenues that are used for the payment of principal and interest on general obligation debt.

Nonmajor Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. Following is a description of the nonmajor capital projects funds:

Permanent Improvement Fund – To account for all transactions related to the acquiring, construction, or improving of such permanent improvements as are authorized by Chapter 5705, Revised Code.

School Net Plus Fund - To account for State monies providing for computer hardware and wiring for buildings for kindergarten through fourth grade.

Lakeview Local School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$256,225	\$218,164	\$30,025	\$504,414
Cash and Cash Equivalents with Fiscal Agents	0	59,822	0	59,822
Taxes Receivable	0	559,689	289,022	848,711
Accounts Receivable	1,995	0	0	1,995
Intergovernmental Receivable	94,498	0	0	94,498
Inventory Held for Resale	11,841	0	0	11,841
Materials and Supplies Inventory	2,198	0	0	2,198
<i>Total Assets</i>	<u>\$366,757</u>	<u>\$837,675</u>	<u>\$319,047</u>	<u>\$1,523,479</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$523	\$0	\$2,526	\$3,049
Matured Interest Payable	0	462	0	462
Accrued Wages	36,293	0	0	36,293
Interfund Payable	94,499	0	0	94,499
Intergovernmental Payable	22,245	0	0	22,245
Deferred Revenue	39,795	549,689	289,022	878,506
Matured Bonds Payable <i>Notes Payable</i>	0	59,360	0	59,360
<i>Total Liabilities</i>	<u>193,355</u>	<u>609,511</u>	<u>291,548</u>	<u>1,094,414</u>
Fund Balances				
Reserved for Encumbrances	113,845	0	10,188	124,033
Reserved for Property Taxes	0	10,000	0	10,000
Unreserved:				
Undesignated Reported in:				
Special Revenue Funds	59,557	0	0	59,557
Debt Service Fund	0	218,164	0	218,164
Capital Projects Funds	0	0	17,311	17,311
<i>Total Fund Balances</i>	<u>173,402</u>	<u>228,164</u>	<u>27,499</u>	<u>429,065</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$366,757</u>	<u>\$837,675</u>	<u>\$319,047</u>	<u>\$1,523,479</u>

Lakeview Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property and Other Local Taxes	\$0	\$484,378	\$269,926	\$754,304
Intergovernmental	866,203	57,929	49,908	974,040
Interest	1,366	0	0	1,366
Tuition and Fees	93,130	0	0	93,130
Extracurricular Activities	140,799	0	0	140,799
Contributions and Donations	40,599	0	0	40,599
Charges for Services	422,897	0	0	422,897
<i>Total Revenues</i>	<u>1,564,994</u>	<u>542,307</u>	<u>319,834</u>	<u>2,427,135</u>
Expenditures				
Current:				
Instruction:				
Regular	210,291	0	17,103	227,394
Special	403,280	0	0	403,280
Support Services:				
Pupil	25,598	0	0	25,598
Instructional Staff	94,458	0	0	94,458
Administration	2,550	0	0	2,550
Fiscal	8,389	8,223	268	16,880
Operation and Maintenance of Plant	0	0	146,863	146,863
Pupil Transportation	1,866	0	0	1,866
Operation of Non-Instructional Services	5,887	0	0	5,887
Operation of Food Services	664,889	0	0	664,889
Extracurricular Activities	128,644	0	0	128,644
Capital Outlay	0	0	4,335	4,335
Debt Service:				
Principal Retirement	0	395,000	82,000	477,000
Interest and Fiscal Charges	0	129,424	65,821	195,245
<i>Total Expenditures</i>	<u>1,545,852</u>	<u>532,647</u>	<u>316,390</u>	<u>2,394,889</u>
<i>Excess of Revenues Over Expenditures</i>	19,142	9,660	3,444	32,246
Other Financing Sources				
Transfers In	158	0	0	158
<i>Net Change in Fund Balances</i>	19,300	9,660	3,444	32,404
<i>Fund Balances Beginning of Year</i>	<u>154,102</u>	<u>218,504</u>	<u>24,055</u>	<u>396,661</u>
<i>Fund Balances End of Year</i>	<u>\$173,402</u>	<u>\$228,164</u>	<u>\$27,499</u>	<u>\$429,065</u>

Lakeview Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2005

	Public School Support	District Managed Activity	Educational Management Information Systems
Assets			
Equity in Pooled Cash and Cash Equivalents	\$30,932	\$39,314	\$2,106
Accounts Receivable	1,386	0	0
Intergovernmental Receivable	0	0	0
Inventory Held for Resale	0	0	0
Materials and Supplies Inventory	0	0	0
<i>Total Assets</i>	<u>\$32,318</u>	<u>\$39,314</u>	<u>\$2,106</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$172	\$184	\$0
Accrued Wages	0	0	0
Interfund Payable	0	0	0
Intergovernmental Payable	0	0	0
Deferred Revenue	0	0	0
<i>Total Liabilities</i>	<u>172</u>	<u>184</u>	<u>0</u>
Fund Balances			
Reserved for Encumbrances	3,671	8,828	0
Unreserved, Undesignated (Deficit)	28,475	30,302	2,106
<i>Total Fund Balances (Deficit)</i>	<u>32,146</u>	<u>39,130</u>	<u>2,106</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$32,318</u>	<u>\$39,314</u>	<u>\$2,106</u>

Scholarship	Part B IDEA	Local Professional Development Grant	Schoolnet Professional Development
\$20,839	\$92,372	\$25	\$4,115
0	0	0	0
0	92,399	0	0
0	0	0	0
0	0	0	0
<u>\$20,839</u>	<u>\$184,771</u>	<u>\$25</u>	<u>\$4,115</u>
\$0	\$167	\$0	\$0
0	22,347	0	0
0	92,399	0	0
0	6,009	0	0
0	38,615	0	0
<u>0</u>	<u>159,537</u>	<u>0</u>	<u>0</u>
0	92,205	0	50
20,839	(66,971)	25	4,065
<u>20,839</u>	<u>25,234</u>	<u>25</u>	<u>4,115</u>
<u>\$20,839</u>	<u>\$184,771</u>	<u>\$25</u>	<u>\$4,115</u>

(continued)

Lakeview Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2005

	Student Intervention	Assistive Technology	Food Service
Assets			
Equity in Pooled Cash and Cash Equivalents	\$4,092	\$1,860	\$10,026
Accounts Receivable	0	0	459
Intergovernmental Receivable	0	2,099	0
Inventory Held for Resale	0	0	11,841
Materials and Supplies Inventory	0	0	2,198
<i>Total Assets</i>	<u>\$4,092</u>	<u>\$3,959</u>	<u>\$24,524</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$0	\$0	\$0
Accrued Wages	0	0	13,946
Interfund Payable	0	2,100	0
Intergovernmental Payable	0	0	16,236
Deferred Revenue	0	1,180	0
<i>Total Liabilities</i>	<u>0</u>	<u>3,280</u>	<u>30,182</u>
Fund Balances			
Reserved for Encumbrances	4,092	1,860	1,039
Unreserved, Undesignated (Deficit)	0	(1,181)	(6,697)
<i>Total Fund Balances (Deficit)</i>	<u>4,092</u>	<u>679</u>	<u>(5,658)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$4,092</u>	<u>\$3,959</u>	<u>\$24,524</u>

Uniform School Supplies	Total Nonmajor Special Revenue Funds
\$50,544	\$256,225
150	1,995
0	94,498
0	11,841
0	2,198
<u>\$50,694</u>	<u>\$366,757</u>
\$0	\$523
0	36,293
0	94,499
0	22,245
0	39,795
<u>0</u>	<u>193,355</u>
2,100	113,845
48,594	59,557
<u>50,694</u>	<u>173,402</u>
<u>\$50,694</u>	<u>\$366,757</u>

Lakeview Local School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2005

	Public School Support	District Managed Activity	Educational Management Information Systems
Revenues			
Intergovernmental	\$0	\$0	\$6,943
Interest	0	118	0
Tuition and Fees	42,863	0	0
Extracurricular Activities	0	140,799	0
Contributions and Donations	37,499	0	0
Charges for Services	0	0	0
<i>Total Revenues</i>	<u>80,362</u>	<u>140,917</u>	<u>6,943</u>
Expenditures			
Current:			
Instruction:			
Regular	64,962	0	0
Special	0	0	0
Support Services:			
Pupil	6,140	0	0
Instructional Staff	0	0	0
Administration	0	0	0
Fiscal	0	0	8,389
Pupil Transportation	1,866	0	0
Operation of Non-Instructional Services	5,887	0	0
Operation of Food Services	0	0	0
Extracurricular Activities	181	128,463	0
<i>Total Expenditures</i>	<u>79,036</u>	<u>128,463</u>	<u>8,389</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	1,326	12,454	(1,446)
Other Financing Sources			
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	1,326	12,454	(1,446)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>30,820</u>	<u>26,676</u>	<u>3,552</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$32,146</u></u>	<u><u>\$39,130</u></u>	<u><u>\$2,106</u></u>

Scholarship	Part B IDEA	Title I	Innovative Program Title V	Local Professional Development Grant
\$0	\$402,412	\$102,690	\$9,237	\$0
145	0	0	0	0
0	0	0	0	0
0	0	0	0	0
3,100	0	0	0	0
0	0	0	0	0
3,245	402,412	102,690	9,237	0
5,500	16,561	0	0	8
0	272,126	100,303	9,237	0
0	0	0	0	0
0	72,876	0	0	0
0	232	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
5,500	361,795	100,303	9,237	8
(2,255)	40,617	2,387	0	(8)
158	0	0	0	0
(2,097)	40,617	2,387	0	(8)
22,936	(15,383)	(2,387)	0	33
\$20,839	\$25,234	\$0	\$0	\$25

(continued)

Lakeview Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2005

	OneNet Communications	Schoolnet Professional Development	Safe Schools Helpline
Revenues			
Intergovernmental	\$12,000	\$4,140	\$2,318
Interest	0	0	0
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Contributions and Donations	0	0	0
Charges for Services	0	0	0
<i>Total Revenues</i>	<u>12,000</u>	<u>4,140</u>	<u>2,318</u>
Expenditures			
Current:			
Instruction:			
Regular	0	1,062	0
Special	0	0	0
Support Services:			
Pupil	12,000	0	0
Instructional Staff	0	0	0
Administration	0	0	2,318
Fiscal	0	0	0
Pupil Transportation	0	0	0
Operation of Non-Instructional Services	0	0	0
Operation of Food Services	0	0	0
Extracurricular Activities	0	0	0
<i>Total Expenditures</i>	<u>12,000</u>	<u>1,062</u>	<u>2,318</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	3,078	0
Other Financing Sources			
Transfers In	0	0	0
<i>Net Change in Fund Balances</i>	0	3,078	0
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>0</u>	<u>1,037</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$0</u>	<u>\$4,115</u>	<u>\$0</u>

Student Intervention	Ohio Reads Grant	Title II-A	Assistive Technology	Safe and Drug Free Schools
\$42,069	\$25,000	\$75,684	\$1,458	\$7,458
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
42,069	25,000	75,684	1,458	7,458
37,977	3,964	67,746	0	0
0	20,835	0	779	0
0	0	0	0	7,458
0	0	0	21,582	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
37,977	24,799	67,746	22,361	7,458
4,092	201	7,938	(20,903)	0
0	0	0	0	0
4,092	201	7,938	(20,903)	0
0	(201)	(7,938)	21,582	0
\$4,092	\$0	\$0	\$679	\$0

(continued)

Lakeview Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2005

	Food Service	Uniform School Supplies	Total Nonmajor Special Revenue Funds
Revenues			
Intergovernmental	\$174,794	\$0	\$866,203
Interest	1,103	0	1,366
Tuition and Fees	0	50,267	93,130
Extracurricular Activities	0	0	140,799
Contributions and Donations	0	0	40,599
Charges for Services	422,897	0	422,897
<i>Total Revenues</i>	<u>598,794</u>	<u>50,267</u>	<u>1,564,994</u>
Expenditures			
Current:			
Instruction:			
Regular	0	12,511	210,291
Special	0	0	403,280
Support Services:			
Pupil	0	0	25,598
Instructional Staff	0	0	94,458
Administration	0	0	2,550
Fiscal	0	0	8,389
Pupil Transportation	0	0	1,866
Operation of Non-Instructional Services	0	0	5,887
Operation of Food Services	664,889	0	664,889
Extracurricular Activities	0	0	128,644
<i>Total Expenditures</i>	<u>664,889</u>	<u>12,511</u>	<u>1,545,852</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(66,095)	37,756	19,142
Other Financing Sources			
Transfers In	0	0	158
<i>Net Change in Fund Balances</i>	(66,095)	37,756	19,300
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>60,437</u>	<u>12,938</u>	<u>154,102</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$5,658)</u>	<u>\$50,694</u>	<u>\$173,402</u>

Lakeview Local School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2005

	Permanent Improvement	School Net Plus	Totals
Assets			
Equity in Pooled Cash and Cash Equivalents	\$23,260	\$6,765	\$30,025
Taxes Receivable	289,022	0	289,022
<i>Total Assets</i>	<u>312,282</u>	<u>6,765</u>	<u>319,047</u>
Liabilities			
Accounts Payable	\$0	\$2,526	\$2,526
Deferred Revenue	289,022	0	289,022
<i>Total Liabilities</i>	<u>289,022</u>	<u>2,526</u>	<u>291,548</u>
Fund Balances			
Reserved for Encumbrances	5,961	4,227	10,188
Unreserved, Undesignated	17,299	12	17,311
<i>Total Fund Balances</i>	<u>23,260</u>	<u>4,239</u>	<u>27,499</u>
<i>Total Liabilities and Fund Balances</i>	<u>312,282</u>	<u>6,765</u>	<u>319,047</u>

Lakeview Local School District
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2005*

	<u>Permanent Improvement</u>	<u>School Net Plus</u>	<u>Totals</u>
Revenues			
Property and Other Local Taxes	\$269,926	\$0	\$269,926
Intergovernmental	28,593	21,315	49,908
<i>Total Revenues</i>	<u>298,519</u>	<u>21,315</u>	<u>319,834</u>
Expenditures			
Current:			
Instruction:			
Regular	0	17,103	17,103
Support Services:			
Fiscal	268	0	268
Operation and Maintenance of Plant	146,863	0	146,863
Capital Outlay	4,335	0	4,335
Debt Service:			
Principal Retirement	82,000	0	82,000
Interest and Fiscal Charges	65,821	0	65,821
<i>Total Expenditures</i>	<u>299,287</u>	<u>17,103</u>	<u>316,390</u>
<i>Net Change in Fund Balance</i>	(768)	4,212	3,444
<i>Fund Balances Beginning of Year</i>	<u>24,028</u>	<u>27</u>	<u>24,055</u>
<i>Fund Balances End of Year</i>	<u><u>\$23,260</u></u>	<u><u>\$4,239</u></u>	<u><u>\$27,499</u></u>

Agency Fund

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

Lakeview Local School District
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2005

	Beginning Balance June 30, 2004	Additions	Reductions	Ending Balance June 30, 2005
Student Activities				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$86,347	\$148,283	\$170,146	\$64,484
Liabilities				
Due to Students	\$86,347	\$148,283	\$170,146	\$64,484

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property and Other Local Taxes	\$6,698,699	\$6,912,515	\$6,913,961	\$1,446
Intergovernmental	7,505,315	7,744,878	7,745,417	539
Interest	29,731	30,680	37,141	6,461
Tuition and Fees	395,689	408,319	432,275	23,956
Contributions and Donations	31,002	31,992	52,139	20,147
Miscellaneous	8,668	8,945	9,828	883
<i>Total Revenues</i>	<u>14,669,104</u>	<u>15,137,329</u>	<u>15,190,761</u>	<u>53,432</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	5,110,000	5,189,000	5,188,665	335
Fringe Benefits	1,927,727	1,762,269	1,760,412	1,857
Purchased Services	2,000	2,000	1,738	262
Materials and Supplies	436,800	325,800	315,757	10,043
Capital Outlay - New	29,000	47,930	31,062	16,868
Capital Outlay - Replacement	0	1,500	1,424	76
Total Regular	<u>7,505,527</u>	<u>7,328,499</u>	<u>7,299,058</u>	<u>29,441</u>
Special:				
Salaries and Wages	638,000	783,271	782,976	295
Fringe Benefits	323,759	323,848	306,318	17,530
Purchased Services	416,300	642,900	586,957	55,943
Materials and Supplies	4,500	26,400	21,308	5,092
Total Special	<u>1,382,559</u>	<u>1,776,419</u>	<u>1,697,559</u>	<u>78,860</u>
Total Instruction	<u>\$8,888,086</u>	<u>\$9,104,918</u>	<u>\$8,996,617</u>	<u>\$108,301</u>

(continued)

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support Services:				
Pupil:				
Salaries and Wages	\$636,000	\$476,000	\$474,922	\$1,078
Fringe Benefits	151,514	166,514	166,037	477
Purchased Services	41,450	41,450	1,842	39,608
Materials and Supplies	44,000	137,072	115,975	21,097
Total Pupil	872,964	821,036	758,776	62,260
Instructional Staff:				
Salaries and Wages	391,000	444,400	444,355	45
Fringe Benefits	133,886	133,886	130,447	3,439
Purchased Services	11,900	13,650	13,631	19
Materials and Supplies	2,100	35,700	35,586	114
Capital Outlay - New	3,900	3,900	3,684	216
Capital Outlay - Replacement	3,000	3,000	0	3,000
Total Instructional Staff	545,786	634,536	627,703	6,833
Board of Education:				
Salaries and Wages	7,000	7,000	6,960	40
Fringe Benefits	550	610	602	8
Purchased Services	4,000	4,000	519	3,481
Materials and Supplies	0	110	110	0
Other	22,300	22,300	18,778	3,522
Total Board of Education	33,850	34,020	26,969	7,051
Administration:				
Salaries and Wages	719,000	719,000	717,522	1,478
Fringe Benefits	288,048	288,048	265,734	22,314
Purchased Services	111,980	111,980	108,124	3,856
Materials and Supplies	11,700	11,700	7,338	4,362
Capital Outlay - Replacement	0	3,600	3,519	81
Other	468,200	434,200	430,681	3,519
Total Administration	\$1,598,928	\$1,568,528	\$1,532,918	\$35,610

(continued)

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Fiscal:				
Salaries and Wages	\$130,000	\$132,000	\$131,592	\$408
Fringe Benefits	59,716	63,816	63,741	75
Purchased Services	42,000	73,000	72,245	755
Materials and Supplies	3,000	3,000	2,756	244
Other	159,500	159,500	157,685	1,815
Total Fiscal	394,216	431,316	428,019	3,297
Operation and Maintenance of Plant:				
Salaries and Wages	601,000	638,000	637,466	534
Fringe Benefits	251,400	219,400	218,892	508
Purchased Services	527,800	556,800	485,714	71,086
Materials and Supplies	102,700	113,700	113,248	452
Capital Outlay - New	11,000	11,000	0	11,000
Total Operation and Maintenance of Plant	1,493,900	1,538,900	1,455,320	83,580
Pupil Transportation:				
Salaries and Wages	395,000	470,000	409,319	60,681
Fringe Benefits	183,600	169,300	168,406	894
Purchased Services	41,700	41,700	34,441	7,259
Materials and Supplies	67,000	93,000	92,745	255
Total Pupil Transportation	687,300	774,000	704,911	69,089
Total Support Services	\$5,626,944	\$5,802,336	\$5,534,616	\$267,720

(continued)

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Extracurricular Activities:				
Sports Oriented Activities:				
Salaries and Wages	\$305,000	\$305,000	\$278,244	\$26,756
Fringe Benefits	44,600	44,600	42,968	1,632
Purchased Services	1,700	2,800	1,792	1,008
Total Extracurricular Activities	<u>351,300</u>	<u>352,400</u>	<u>323,004</u>	<u>29,396</u>
Debt Service:				
Principal Retirement	0	22,000	21,466	534
Interest and Fiscal Charges	0	12,000	11,780	220
Total Debt Service	<u>0</u>	<u>34,000</u>	<u>33,246</u>	<u>754</u>
<i>Total Expenditures</i>	<u>14,866,330</u>	<u>15,293,654</u>	<u>14,887,483</u>	<u>406,171</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(197,226)</u>	<u>(156,325)</u>	<u>303,278</u>	<u>459,603</u>
Other Financing Uses				
Advances Out	0	(94,499)	(94,499)	0
Transfers Out	0	(158)	(158)	0
<i>Total Other Financing Uses</i>	<u>0</u>	<u>(94,657)</u>	<u>(94,657)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(197,226)</u>	<u>(250,982)</u>	<u>208,621</u>	<u>459,603</u>
<i>Fund Balance Beginning of Year</i>	<u>584,245</u>	<u>584,245</u>	<u>584,245</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$387,019</u>	<u>\$333,263</u>	<u>\$792,866</u>	<u>\$459,603</u>

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Tuition and Fees	\$41,585	\$41,350	\$41,477	\$127
Contributions and Donations	37,215	37,005	37,499	494
<i>Total Revenues</i>	<u>78,800</u>	<u>78,355</u>	<u>78,976</u>	<u>621</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	40,000	40,000	35,339	4,661
Materials and Supplies	4,500	7,541	4,233	3,308
Other	18,018	29,855	29,015	840
Total Instruction	<u>62,518</u>	<u>77,396</u>	<u>68,587</u>	<u>8,809</u>
Support Services:				
Pupil:				
Materials and Supplies	3,200	3,410	3,406	4
Capital Outlay - New	0	2,655	2,655	0
Other	300	300	125	175
Total Pupil	<u>3,500</u>	<u>6,365</u>	<u>6,186</u>	<u>179</u>
Pupil Transportation:				
Purchased Services	<u>0</u>	<u>1,866</u>	<u>1,866</u>	<u>0</u>
Total Support Services	<u>3,500</u>	<u>8,231</u>	<u>8,052</u>	<u>179</u>
Food Service Operations:				
Materials and Supplies	<u>3,000</u>	<u>6,000</u>	<u>5,887</u>	<u>113</u>
Extracurricular Activities:				
School and Public Service:				
Other	0	181	181	0
Academic Oriented Activities:				
Materials and Supplies	<u>3,000</u>	<u>3,000</u>	<u>0</u>	<u>3,000</u>
Total Extracurricular Activities	<u>3,000</u>	<u>3,181</u>	<u>181</u>	<u>3,000</u>
<i>Total Expenditures</i>	<u>72,018</u>	<u>94,808</u>	<u>82,707</u>	<u>12,101</u>
<i>Net Change in Fund Balance</i>	6,782	(16,453)	(3,731)	12,722
<i>Fund Balance Beginning of Year</i>	<u>30,820</u>	<u>30,820</u>	<u>30,820</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$37,602</u>	<u>\$14,367</u>	<u>\$27,089</u>	<u>\$12,722</u>

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
District Managed Activity Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$114	\$108	\$118	\$10
Extracurricular Activities	136,886	129,573	140,799	11,226
<i>Total Revenues</i>	<u>137,000</u>	<u>129,681</u>	<u>140,917</u>	<u>11,236</u>
Expenditures				
Current:				
Extracurricular Activities:				
Sports Oriented Activities:				
Purchased Services	35,700	20,700	20,358	342
Materials and Supplies	38,600	38,600	32,023	6,577
Other	9,470	26,173	25,259	914
Total Sports Oriented Activities	<u>83,770</u>	<u>85,473</u>	<u>77,640</u>	<u>7,833</u>
Academic Oriented Activities:				
Purchased Services	39,200	43,366	42,878	488
Materials and Supplies	31,000	12,500	11,533	967
Capital Outlay - New	0	868	867	1
Capital Outlay - Replacement	0	160	160	0
Other	7,100	5,065	4,213	852
Total Academic Oriented Activities	<u>77,300</u>	<u>61,959</u>	<u>59,651</u>	<u>2,308</u>
<i>Total Expenditures</i>	<u>161,070</u>	<u>147,432</u>	<u>137,291</u>	<u>10,141</u>
<i>Net Change in Fund Balance</i>	(24,070)	(17,751)	3,626	21,377
<i>Fund Balance Beginning of Year</i>	<u>26,676</u>	<u>26,676</u>	<u>26,676</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,606</u>	<u>\$8,925</u>	<u>\$30,302</u>	<u>\$21,377</u>

Lakeview Local School District
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 Educational Management Information Systems Fund
 For the Fiscal Year Ended June 30, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$8,000	\$6,942	\$6,943	\$1
Expenditures				
Current:				
Support Services:				
Fiscal:				
Purchased Services	0	2,489	2,489	0
Materials and Supplies	0	445	385	60
Capital Outlay - New	8,000	5,600	5,515	85
<i>Total Expenditures</i>	<u>8,000</u>	<u>8,534</u>	<u>8,389</u>	<u>145</u>
<i>Net Change in Fund Balance</i>	0	(1,592)	(1,446)	146
<i>Fund Balance Beginning of Year</i>	<u>3,552</u>	<u>3,552</u>	<u>3,552</u>	<u>0</u>
	0			
<i>Fund Balance End of Year</i>	<u>\$3,552</u>	<u>\$1,960</u>	<u>\$2,106</u>	<u>\$146</u>

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Scholarship Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$0	\$145	\$145	\$0
Contributions and Donations	4,920	3,100	3,100	0
<i>Total Revenues</i>	4,920	3,245	3,245	0
Expenditures				
Current:				
Instruction:				
Regular:				
Other	12,425	12,225	5,500	6,725
<i>Excess of Revenues Under Expenditures</i>	(7,505)	(8,980)	(2,255)	6,725
Other Financing Sources				
Transfers In	0	158	158	0
<i>Net Change in Fund Balance</i>	(7,505)	(8,822)	(2,097)	6,725
<i>Fund Balance Beginning of Year</i>	22,936	22,936	22,936	0
<i>Fund Balance End of Year</i>	\$15,431	\$14,114	\$20,839	\$6,725

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Part B IDEA Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$441,027	\$348,628	\$348,628	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	11,100	2,364	2,364	0
Fringe Benefits	1,375	375	375	0
Purchased Services	6,400	2,213	2,213	0
Materials and Supplies	11,096	25,020	25,020	0
Total Regular	29,971	29,972	29,972	0
Special:				
Salaries and Wages	115,121	130,283	130,283	0
Fringe Benefits	31,574	20,792	20,792	0
Purchased Services	60,000	60,000	60,000	0
Materials and Supplies	80,352	116,109	116,109	0
Capital Outlay - New	30,000	6,965	6,965	0
Total Special	317,047	334,149	334,149	0
Total Instruction	347,018	364,121	364,121	0
Support Services:				
Instructional Staff:				
Salaries and Wages	40,467	45,896	45,896	0
Fringe Benefits	23,484	27,179	27,179	0
Materials and Supplies	0	349	349	0
Total Instructional Staff	63,951	73,424	73,424	0
Administration:				
Materials and Supplies	350	12,594	12,594	0
Total Support Services	64,301	86,018	86,018	0
<i>Total Expenditures</i>	411,319	450,139	450,139	0
Other Financing Sources				
Advances In	0	92,399	92,399	0
<i>Net Change in Fund Balance</i>	29,708	(9,112)	(9,112)	0
<i>Fund Balance Beginning of Year</i>	9,112	9,112	9,112	0
<i>Fund Balance End of Year</i>	\$38,820	\$0	\$0	\$0

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$104,373	\$102,690	\$102,690	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	73,828	95,711	95,711	0
Fringe Benefits	27,756	25,662	25,662	0
Purchased Services	378	150	150	0
<i>Total Expenditures</i>	<u>101,962</u>	<u>121,523</u>	<u>121,523</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	2,411	(18,833)	(18,833)	0
<i>Fund Balance Beginning of Year</i>	<u>18,833</u>	<u>18,833</u>	<u>18,833</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$21,244</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Innovative Program Title V Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$9,237	\$9,237	\$9,237	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Materials and Supplies	9,237	0	0	0
Capital Outlay - New	<u>0</u>	<u>9,237</u>	<u>9,237</u>	<u>0</u>
Total Instruction	<u>9,237</u>	<u>9,237</u>	<u>9,237</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Local Professional Development Grant Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	0	8	8	0
Purchased Services	<u>33</u>	<u>25</u>	<u>0</u>	<u>25</u>
<i>Total Expenditures</i>	<u>33</u>	<u>33</u>	<u>8</u>	<u>25</u>
<i>Net Change in Fund Balance</i>	(33)	(33)	(8)	25
<i>Fund Balance Beginning of Year</i>	<u>33</u>	<u>33</u>	<u>33</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$25</u></u>	<u><u>\$25</u></u>

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
OneNet Communications Fund
For the Fiscal Year Ended June 30, 2005

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

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Schoolnet Professional Development Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$4,140	\$4,140	\$4,140	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	<u>1,037</u>	<u>1,112</u>	<u>1,112</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	3,103	3,028	3,028	0
<i>Fund Balance Beginning of Year</i>	<u>1,037</u>	<u>1,037</u>	<u>1,037</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,140</u></u>	<u><u>\$4,065</u></u>	<u><u>\$4,065</u></u>	<u><u>\$0</u></u>

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Safe Schools Helpline Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$2,000	\$2,318	\$2,318	\$0
Expenditures				
Current:				
Support Services:				
Administration:				
Purchased Services	<u>0</u>	<u>2,318</u>	<u>2,318</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	2,000	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,000</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Student Intervention Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$42,069	\$42,069	\$42,069	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	15,700	16,087	16,087	0
Fringe Benefits	2,400	1,979	1,979	0
Purchased Services	0	1,500	1,500	0
Materials and Supplies	22,469	22,503	22,503	0
Total Regular	40,569	42,069	42,069	0
Special:				
Purchased Services	1,500	0	0	0
Total Expenditures	42,069	42,069	42,069	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Ohio Reads Grant Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$25,000	\$25,000	\$25,000	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	4,000	4,000	4,000	0
Special:				
Salaries and Wages	18,074	18,074	18,074	0
Fringe Benefits	2,926	2,926	2,926	0
Total Special	21,000	21,000	21,000	0
<i>Total Expenditures</i>	25,000	25,000	25,000	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title II-A Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$75,792	\$75,684	\$75,684	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	57,758	61,013	61,013	0
Fringe Benefits	4,113	15,721	15,721	0
<i>Total Expenditures</i>	<u>61,871</u>	<u>76,734</u>	<u>76,734</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	13,921	(1,050)	(1,050)	0
<i>Fund Balance Beginning of Year</i>	<u>1,050</u>	<u>1,050</u>	<u>1,050</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$14,971</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Assistive Technology Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$2,699	\$539	\$539	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Purchased Services	675	698	698	0
Materials and Supplies	2,024	1,941	1,941	0
Total Instruction	2,699	2,639	2,639	0
Support Services:				
Instructional Staff:				
Materials and Supplies	21,582	2,052	2,052	0
Capital Outlay - New	0	19,530	19,530	0
Total Support Services	21,582	21,582	21,582	0
<i>Total Expenditures</i>	24,281	24,221	24,221	0
<i>Excess of Revenues Under Expenditures</i>	(21,582)	(23,682)	(23,682)	0
Other Financing Sources				
Advances In	0	2,100	2,100	0
<i>Net Change in Fund Balance</i>	(21,582)	(21,582)	(21,582)	0
<i>Fund Balance Beginning of Year</i>	21,582	21,582	21,582	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Safe and Drug Free Schools Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$7,458	\$7,458	\$7,458	\$0
Expenditures				
Current:				
Support Services:				
Pupil:				
Purchased Services	<u>7,458</u>	<u>7,458</u>	<u>7,458</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$396,154	\$422,420	\$422,438	\$18
Interest	1,006	1,073	1,103	30
Operating Grants	132,840	141,648	141,648	0
<i>Total Revenues</i>	<u>530,000</u>	<u>565,141</u>	<u>565,189</u>	<u>48</u>
Expenditures				
Current:				
Food Service Operations:				
Salaries and Wages	253,000	237,000	236,937	63
Fringe Benefits	90,000	118,000	117,889	111
Purchased Services	11,200	11,600	11,426	174
Materials and Supplies	200,000	230,500	230,473	27
Capital Outlay - New	5,000	8,900	8,855	45
Capital Outlay - Replacement	1,500	200	152	48
<i>Total Expenditures</i>	<u>560,700</u>	<u>606,200</u>	<u>605,732</u>	<u>468</u>
<i>Net Change in Fund Balance</i>	(30,700)	(41,059)	(40,543)	516
<i>Fund Balance Beginning of Year</i>	<u>49,530</u>	<u>49,530</u>	<u>49,530</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$18,830</u></u>	<u><u>\$8,471</u></u>	<u><u>\$8,987</u></u>	<u><u>\$516</u></u>

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Tuition and Fees	\$20,000	\$29,000	\$50,117	\$21,117
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	<u>16,000</u>	<u>16,000</u>	<u>14,611</u>	<u>1,389</u>
<i>Net Change in Fund Balance</i>	4,000	13,000	35,506	22,506
<i>Fund Balance Beginning of Year</i>	<u>12,938</u>	<u>12,938</u>	<u>12,938</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$16,938</u></u>	<u><u>\$25,938</u></u>	<u><u>\$48,444</u></u>	<u><u>\$22,506</u></u>

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Bond Retirement Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Property and Other Local Taxes	\$494,218	\$512,000	\$519,378	\$7,378
Intergovernmental	<u>55,020</u>	<u>57,000</u>	<u>57,929</u>	<u>929</u>
<i>Total Revenues</i>	<u>549,238</u>	<u>569,000</u>	<u>577,307</u>	<u>8,307</u>
Expenditures				
Current:				
Support Services:				
Fiscal:				
Other	<u>8,000</u>	<u>8,700</u>	<u>8,223</u>	<u>477</u>
Debt Service:				
Principal Retirement	395,000	395,000	395,000	0
Interest and Fiscal Charges	<u>129,424</u>	<u>129,424</u>	<u>129,424</u>	<u>0</u>
Total Debt Service	<u>524,424</u>	<u>524,424</u>	<u>524,424</u>	<u>0</u>
<i>Total Expenditures</i>	<u>532,424</u>	<u>533,124</u>	<u>532,647</u>	<u>477</u>
<i>Net Change in Fund Balance</i>	16,814	35,876	44,660	8,784
<i>Fund Balance Beginning of Year</i>	<u>173,504</u>	<u>173,504</u>	<u>173,504</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$190,318</u>	<u>\$209,380</u>	<u>\$218,164</u>	<u>\$8,784</u>

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$257,497	\$267,000	\$269,926	\$2,926
Intergovernmental	27,003	28,000	28,593	593
<i>Total Revenues</i>	<u>284,500</u>	<u>295,000</u>	<u>298,519</u>	<u>3,519</u>
Expenditures				
Current:				
Support Services:				
Fiscal:				
Other	<u>0</u>	<u>268</u>	<u>268</u>	<u>0</u>
Operation and Maintenance of Plant:				
Purchased Services	30,000	16,500	16,329	171
Materials and Supplies	20,000	14,500	14,423	77
Capital Outlay - New	50,000	122,500	122,072	428
Capital Outlay - Replacement	<u>60,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Operation and Maintenance of Plant	<u>160,000</u>	<u>153,500</u>	<u>152,824</u>	<u>676</u>
Total Support Services	<u>160,000</u>	<u>153,768</u>	<u>153,092</u>	<u>676</u>
Capital Outlay:				
Other Facilities Acquisition and Construction Services:				
Other	<u>5,000</u>	<u>5,000</u>	<u>4,335</u>	<u>665</u>
Debt Service:				
Principal Retirement	109,000	83,000	82,000	1,000
Interest and Fiscal Charges	<u>0</u>	<u>65,821</u>	<u>65,821</u>	<u>0</u>
Total Debt Service	<u>109,000</u>	<u>148,821</u>	<u>147,821</u>	<u>1,000</u>
<i>Total Expenditures</i>	<u>274,000</u>	<u>307,589</u>	<u>305,248</u>	<u>2,341</u>
<i>Net Change in Fund Balance</i>	10,500	(12,589)	(6,729)	5,860
<i>Fund Balance Beginning of Year</i>	<u>24,028</u>	<u>24,028</u>	<u>24,028</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$34,528</u>	<u>\$11,439</u>	<u>\$17,299</u>	<u>\$5,860</u>

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
School Net Plus Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$21,315	\$21,315	\$21,315	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	27	50	50	0
Materials and Supplies	0	6,753	6,753	0
Capital Outlay - New	0	14,527	14,527	0
<i>Total Expenditures</i>	<u>27</u>	<u>21,330</u>	<u>21,330</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	21,288	(15)	(15)	0
<i>Fund Balance Beginning of Year</i>	<u>27</u>	<u>27</u>	<u>27</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$21,315</u>	<u>\$12</u>	<u>\$12</u>	<u>\$0</u>

Lakeview Local School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP) and Actual
Scholarship Trust Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$250	\$370	\$430	\$60
Expenses				
Current:				
Instruction:				
Regular:				
Other	<u>400</u>	<u>400</u>	<u>0</u>	<u>400</u>
<i>Net Change in Fund Balance</i>	(150)	(30)	430	460
<i>Fund Equity Beginning of Year</i>	<u>20,213</u>	<u>20,213</u>	<u>20,213</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$20,063</u></u>	<u><u>\$20,183</u></u>	<u><u>\$20,643</u></u>	<u><u>\$460</u></u>

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Lakeview Local School District
Governmental Activities
Revenues by Source and Expenses by Program (1)
Last Three Fiscal Years

	2005	2004	2003
Program Revenues			
Charges for Services	\$1,094,608	\$1,223,929	\$1,164,564
Operating Grants and Contributions	972,938	781,668	808,960
Capital Grants and Contributions	0	0	102,360
General Revenues			
Property and Other Local Taxes	7,300,814	6,937,866	7,479,638
Grants and Entitlements not Restricted to Specific Programs	7,789,690	7,328,796	6,591,942
Investment Earnings	38,507	11,377	24,712
Miscellaneous	9,828	96,358	123,265
<i>Total</i>	<u>\$17,206,385</u>	<u>\$16,379,994</u>	<u>\$16,295,441</u>
Expenses			
Current:			
Instruction:			
Regular	\$7,771,424	\$7,224,340	\$7,555,078
Special	2,124,127	1,845,951	1,853,188
Vocational	1,393	6,312	0
Support Services:			
Pupil	795,508	751,540	692,596
Instructional Staff	744,139	648,100	705,426
Board of Education	26,969	31,254	32,019
Administration	1,530,004	1,513,418	1,566,723
Fiscal	405,385	410,113	369,077
Operation and Maintenance of Plant	1,453,824	1,596,206	1,606,590
Pupil Transportation	757,853	760,836	770,013
Operation of Food Services	678,331	570,568	539,271
Extracurricular Activities	476,136	508,167	437,134
Interest and Fiscal Charges	480,214	274,306	353,821
<i>Total</i>	<u>\$17,245,307</u>	<u>\$16,141,111</u>	<u>\$16,480,936</u>

Source: School District Financial Records

(1) Information is based on full accrual basis of accounting

Lakeview Local School District
General Fund Revenues by Source and Expenditures by Function (1)
Last Ten Fiscal Years

	2005	2004	2003	2002
Revenues				
Property and Other Local Taxes	\$6,528,961	\$6,307,379	\$6,757,389	\$6,366,546
Intergovernmental	7,703,168	7,245,565	6,638,599	6,669,541
Interest	37,141	10,484	21,280	40,829
Tuition and Fees	432,275	586,242	561,844	523,771
Contributions and Donations	52,139	43,452	50,650	73,918
Charges for Services	0	0	0	0
Rentals	5,507	993	1,519	37,441
Miscellaneous	9,828	96,358	123,265	3,616
<i>Total</i>	<u>\$14,769,019</u>	<u>\$14,290,473</u>	<u>\$14,154,546</u>	<u>\$13,715,662</u>
Expenditures				
Current:				
Instruction:				
Regular	\$7,055,564	\$6,934,425	\$7,140,584	\$6,972,897
Special	1,680,891	1,468,205	1,452,334	1,437,382
Vocational	702	6,312	0	0
Support Services:				
Pupil	761,038	718,108	704,193	715,681
Instructional Staff	632,755	584,800	634,064	612,884
Board of Education	26,969	31,254	32,019	31,427
Administration	1,497,288	1,503,307	1,559,200	1,367,112
Fiscal	390,361	379,887	354,308	346,268
Operation and Maintenance of Plant	1,452,005	1,465,398	1,471,809	1,400,309
Pupil Transportation	672,007	683,854	618,338	647,694
Central	0	0	0	0
Extracurricular Activities	330,902	351,162	330,520	315,967
Capital Outlay	0	7,963	11,583	134,883
Debt Service				
Principal Retirement	21,466	0	0	0
Interest and Fiscal Charges	11,780	0	0	0
<i>Total</i>	<u>\$14,533,728</u>	<u>\$14,134,675</u>	<u>\$14,308,952</u>	<u>\$13,982,504</u>

Source: School District Financial Records

(1) Information is based on modified accrual basis of accounting

2001	2000	1999	1998	1997	1996
\$6,636,630	\$5,811,287	\$5,579,998	\$5,321,617	\$5,282,529	\$4,896,013
6,042,246	5,698,416	5,148,577	4,803,010	4,518,102	4,220,678
63,338	65,276	49,391	56,722	73,021	78,473
590,862	452,437	483,568	375,157	345,996	312,295
4,150	90,986	2,797	150	1,600	14,971
0	0	0	1,828	5,363	7,086
28,039	21,503	30,251	28,588	14,017	12,253
4,110	12,117	35	70,806	991	7,637
<u>\$13,369,375</u>	<u>\$12,152,022</u>	<u>\$11,294,617</u>	<u>\$10,657,878</u>	<u>\$10,241,619</u>	<u>\$9,549,406</u>
\$6,456,952	\$6,181,285	\$5,790,549	\$5,482,502	\$5,648,649	\$5,157,113
1,028,724	1,039,874	1,052,431	1,093,591	1,023,162	948,178
0	0	0	0	0	0
646,998	629,766	697,738	613,445	567,540	568,302
557,688	427,280	422,431	395,266	392,812	342,076
18,900	18,000	18,560	15,855	17,995	19,220
1,332,486	1,248,546	1,230,022	1,026,314	1,055,728	925,675
326,294	309,136	296,601	278,532	260,207	240,771
1,286,683	1,161,625	1,151,519	1,095,291	1,047,754	1,047,308
642,499	504,936	510,263	542,217	455,882	678,303
0	0	0	0	1,012	1,830
296,999	235,253	203,727	232,458	201,853	198,702
90,825	0	0	800	0	0
0	0	0	0	0	0
0	10,641	13,927	687	0	0
<u>\$12,685,048</u>	<u>\$11,766,342</u>	<u>\$11,387,768</u>	<u>\$10,776,958</u>	<u>\$10,672,594</u>	<u>\$10,127,478</u>

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

Year (2)	Current Levy	Delinquent Levy (3)	Total Levy	Current Collection	Percent of Current Levy Collected
2004	\$8,304,907	\$961,825	\$9,266,732	\$8,021,906	96.6%
2003	8,004,156	885,744	8,889,900	7,532,312	94.1
2002	7,934,489	363,877	8,298,366	7,355,496	92.7
2001	8,069,753	250,048	8,319,801	7,890,715	97.8
2000	7,815,341	205,397	8,020,738	7,609,842	94.9
1999	6,657,431	158,061	6,815,492	6,548,295	96.1
1998	6,563,185	164,181	6,727,366	6,461,408	96.0
1997	6,483,503	206,679	6,690,182	6,401,645	95.7
1996	6,175,115	423,395	6,598,510	6,112,249	92.6
1995	5,891,483	517,137	6,408,620	5,825,459	90.9

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. 2005 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.

<u>Delinquent Collection</u>	<u>Total Collection</u>	<u>Total Collection As a Percent of Current Levy</u>
\$171,257	\$8,193,163	98.7%
280,032	7,812,344	97.6
121,749	7,477,245	94.2
102,116	7,992,831	99.1
113,001	7,722,843	98.8
90,848	6,639,143	99.7
124,134	6,585,542	100.3
113,092	6,514,737	100.5
92,458	6,204,707	100.5
72,176	5,897,635	100.1

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

Year	Real Property		Public Utility Property	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2005	\$239,895,260	\$685,415,028	\$8,215,900	\$9,336,250
2004	227,495,430	649,986,943	8,158,090	9,270,557
2003	227,187,950	649,108,429	8,096,920	9,201,045
2002	213,934,420	611,241,200	8,519,200	9,680,909
2001	209,543,190	598,694,829	11,237,940	12,770,386
2000	205,321,850	586,633,857	11,409,290	12,965,102
1999	186,196,640	531,990,400	12,767,830	14,508,898
1998	182,010,600	520,030,286	13,065,000	14,846,591
1997	175,985,580	502,815,943	13,163,590	14,958,625
1996	155,390,210	443,972,029	13,921,950	15,820,398

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 various percentages of actual value.
 Tangible personal property is assessed at 25 percent of actual value for capital assets and 23 percent for inventory.

Tangible Personal Property		Total		
Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Ratio
\$31,079,505	\$124,318,020	\$279,190,665	\$819,069,298	34%
25,888,648	103,554,592	261,542,168	762,812,092	34
31,051,372	124,205,488	266,336,242	782,514,962	34
34,366,919	137,467,676	256,820,539	758,389,785	34
32,596,105	130,384,420	253,377,235	741,849,635	34
31,927,974	127,711,896	248,659,114	727,310,855	34
32,684,817	130,739,268	231,649,287	677,238,566	34
33,638,049	134,552,196	228,713,649	669,429,073	34
35,804,941	143,219,764	224,954,111	660,994,332	34
33,144,828	132,579,312	202,456,988	592,371,738	34

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	Total Levy	Debt Service Included in Total Levy			
						School	County	City	Total
2005	\$43.50	\$17.20	\$10.35	\$19.50	\$90.55	\$2.15	\$0.00	\$0.34	\$2.49
2004	43.55	17.20	10.35	19.50	90.60	2.10	0.00	0.34	2.44
2003	43.31	17.20	10.35	19.50	90.36	1.96	0.00	0.34	2.30
2002	43.56	17.20	10.35	19.62	90.73	1.96	0.00	0.46	2.42
2001	43.56	15.40	10.35	19.76	89.07	1.95	0.00	0.60	2.55
2000	43.64	15.40	10.35	19.76	89.15	2.00	0.00	0.60	2.60
1999	40.66	15.40	10.35	20.26	86.67	2.38	0.00	0.60	2.98
1998	40.71	13.90	9.30	20.26	84.17	2.40	0.00	0.60	3.00
1997	40.85	13.90	9.30	20.36	84.41	2.47	0.00	0.70	3.17
1996	41.42	14.10	9.30	20.56	85.38	2.72	0.00	0.90	3.62

Source: Trumbull County Auditor - Date 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
2005	\$4,121,494	\$279,190,665	13,136	1.48%	\$313.76
2004	4,405,968	261,542,168	13,136	1.68	335.41
2003	3,938,829	266,336,242	13,136	0.01	299.85
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	2.08	417.09
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

Source:

- (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, 2005

Assessed Valuation	<u><u>\$279,190,665</u></u>
Debt Limit - 9% of Assessed Value (1)	<u>\$25,127,160</u>
Outstanding Debt:	
General Obligation Bonds	2,631,204
Capital Appreciation Bonds	980,070
Energy Conservation Notes	214,727
Less: Amount Available in Debt Service Fund	<u>(228,164)</u>
Total Outstanding Debt	3,597,837
Exemptions:	
Energy Conservation Notes	<u>(214,727)</u>
Amount of Debt Subject to the Limit	<u>3,383,110</u>
Overall Debt Margin	<u><u>\$21,744,050</u></u>
Debt Limit - .10% of Assessed Value (1)	\$279,191
Amount of Debt Applicable	<u>0</u>
Unvoted Debt Margin	<u><u>\$279,191</u></u>
Additional Limit for Unvoted Energy Conservation Notes:	
Debt Limit - .9% of Assessed Value	\$2,512,716
Energy Conservation Notes	<u>(214,727)</u>
Additional Unvoted Debt Margin	<u><u>\$2,297,989</u></u>

Source: Trumbull County Auditor and School District Financial Records

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

Lakeview Local School District

Computation of Direct and Overlapping General Obligation Bonded Debt

December 31, 2004

<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	<u>\$4,349,658</u>	100.00%	<u>\$4,349,658</u>
<u>Overlapping</u>			
Trumbull County	17,969,906	7.86	1,412,435
Cortland City	80,000	91.20	72,960
Bazetta Township	621,136	99.40	617,409
Warren City	<u>11,780,266</u>	0.02	<u>2,356</u>
Total Overlapping	<u>30,451,308</u>		<u>2,105,160</u>
Total	<u><u>\$34,800,966</u></u>		<u><u>\$6,454,818</u></u>

Source: Trumbull County Auditor - Data is presented on a calendar year basis consistent with the county and city methods of presentation.

(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 2005 collection year.

Lakeview Local School District
*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	Ratio of Debt Service to Governmental Expenditures (Percentage)
2005	\$395,000	\$129,424	\$524,424	\$14,533,728	3.61%
2004	360,000	149,613	509,613	14,134,675	3.61
2003	330,000	168,210	498,210	14,308,952	3.48
2002	300,000	186,382	486,382	13,982,504	3.48
2001	270,000	203,922	473,922	12,685,048	3.74
2000	315,000	219,718	534,718	11,766,342	4.54
1999	380,000	240,898	620,898	11,387,768	5.45
1998	155,000	241,457	396,457	10,776,958	3.68
1997	140,000	403,235	543,235	10,672,594	5.09
1996	85,000	408,580	493,580	10,127,478	4.87

Source: School District Financial Records

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

Collection Year	Property Value (1) (Real Estate Only)	Financial Institution Deposits Banks (2)	Values of Building Permits Issued
2004	\$227,495,430	\$348,086	\$17,363,871
2003	227,187,950	155,492,500	16,726,540
2002	213,934,420	153,594,500	18,171,734
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

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

- (1) Represents assessed value.
- (2) Starting in 2004, Second National Bank was incorporated with Sky Bank which is based in Columbiana County. The School District is located in Trumbull County. The Federal Reserve reports bank deposits by institution in the county where their headquarters are located. The bulk of Trumbull County's bank deposits are now reported in Columbiana County's deposits with no discernible way to differentiate.

Lakeview Local School District

Demographic Statistics

Last Ten Years

<u>Year</u>	<u>Trumbull County Population (1)</u>	<u>Lakeview LSD Area Population (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2005	223,518	13,136	2,224	7.6%
2004	223,518	13,136	2,221	7.6
2003	223,518	13,136	2,229	6.4
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

Sources:

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

Lakeview Local School District

Principal Taxpayers

Real Estate Tax

December 31, 2004

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Real Property Assessed Value</u>
Lexington Warren LLC	\$7,083,030	2.95%
Delphi Automotive Corporation	5,419,440	2.26
Ohio Presbyterian	2,217,010	0.92
Wal Mart Stores Incorporated	2,170,820	0.90
Trumbull Memorial Hospital	930,620	0.39
Service Guide Incorporated	800,010	0.33
Cortland Bank	768,010	0.32
Cortland Courts	735,510	0.31
Cortview Village	719,570	0.30
Wollam Chevrolet Incorporated	562,130	0.24
Cocca Development	559,800	0.24
Dana Howard	<u>463,680</u>	<u>0.19</u>
Total	<u><u>\$22,429,630</u></u>	<u><u>9.35%</u></u>

Source: Trumbull County Auditor

(1) Assessed values are for the 2005 collection year.

Lakeview Local School District
Principal Taxpayers
Tangible Personal Property Tax
December 31, 2004

Name of Taxpayer	Assessed Value (1)	Percent of Tangible Personal Property Assessed Value
Delphi Automotive Corporation	\$10,980,810	35.33%
K Mart Corporation	8,069,790	25.96
Cole Valley Motor Company	1,724,990	5.55
Wal Mart Store Incorporated	1,642,330	5.28
Wollam Chevrolet Incorporated	1,131,950	3.64
Mark Thomas Ford	1,069,300	3.44
Compact Cars Incorporated	835,300	2.67
Warren Harley Davidson	560,390	1.80
Greenwood Auto Incorporated	550,286	1.77
Service Guide Incorporated	415,430	1.34
LNT Incorporated	351,050	1.16
Total	<u>\$27,331,626</u>	<u>87.94%</u>

Source: Trumbull County Auditor

(1) Assessed values are for the 2005 collection year.

Lakeview Local School District

Principal Taxpayers

Public Utilities Tax

December 31, 2004

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Public Utility Property Assessed Value</u>
Ohio Edison	\$3,953,770	48.12%
Sprint	1,969,160	23.97
American Transmission	<u>1,412,060</u>	<u>17.19</u>
Total	<u><u>\$7,334,990</u></u>	<u><u>89.28%</u></u>

Source: Trumbull County Auditor

(1) Assessed values are for the 2005 collection year.

Lakeview Local School District

Per Pupil Cost

Last Ten Fiscal Years

<u>Year</u>	<u>General Fund Expenditures</u>	<u>Average Daily Student Enrollment</u>	<u>Per Cost Pupil</u>
2005	\$14,533,728	2,224	\$6,535
2004	14,134,675	2,221	6,364
2003	14,308,952	2,229	6,419
2002	13,982,504	2,269	6,162
2001	12,685,048	2,287	5,547
2000	11,766,342	2,280	5,161
1999	11,387,768	2,310	4,930
1998	10,776,958	2,408	4,475
1997	10,672,594	2,392	4,462
1996	10,127,478	2,360	4,291

Source: School District Financial Records.

Lakeview Local School District

Teacher Education and Experience

June 30, 2005

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	21	16.15%
Bachelor + 15	10	7.69
Bachelor + 30	11	8.46
Master's Degree	41	31.54
Master's + 15	<u>47</u>	<u>36.16</u>
Total	<u><u>130</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	21	16.15%
6 - 10	20	15.38
11 and Over	<u>89</u>	<u>68.47</u>
Total	<u><u>130</u></u>	<u><u>100.00%</u></u>

Source: School District Personnel Records



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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
DECEMBER 30, 2005**