

**LAKWOOD LOCAL
SCHOOL DISTRICT
LICKING COUNTY, OHIO**

*SUPPLEMENTAL REPORTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2006*

GLENN A PLAISTED, TREASURER/CFO

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Mary Taylor, CPA
Auditor of State

Board of Education
Lakewood Local School District
525 E Main St.
P.O. Box 70
Hebron, Ohio 43025

We have reviewed the *Independent Auditor's Report* of the Lakewood Local School District, Licking County, prepared by Julian and Grube, Inc., for the audit period July 1, 2005 through June 30, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Lakewood Local School District is responsible for compliance with these laws and regulations.

Mary Taylor

MARY TAYLOR, CPA
Auditor of State

January 9, 2007

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**LAKWOOD LOCAL SCHOOL DISTRICT
LICKING COUNTY, OHIO**

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Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report on Supplementary Schedule of Receipts and Expenditures of Federal Awards

Board of Education
Lakewood Local School District
525 East Main Street, P.O. Box 70
Hebron, Ohio 43025

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Lakewood Local School District (the "District") as of and for the fiscal year ended June 30, 2006, and have issued our report thereon dated October 26, 2006. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Lakewood Local School District's basic financial statements. The accompanying Schedule of Receipts and Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as whole.

Julian & Grube, Inc.
October 26, 2006

LAKEWOOD LOCAL SCHOOL DISTRICT
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	(D) CASH FEDERAL RECEIPTS	OTHER FEDERAL RECEIPTS	(D) CASH FEDERAL DISBURSEMENTS	OTHER FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF AGRICULTURE						
PASSED THROUGH THE						
OHIO DEPARTMENT OF EDUCATION:						
Nutrition Cluster:						
(A), (B) Food Donation	10.550	N/A	\$ -	\$ 79,246	\$ -	\$ 79,246
(A), (C) School Breakfast Program	10.553	047993-05-PU-2005	4,242	-	4,242	-
(A), (C) School Breakfast Program	10.553	047993-05-PU-2006	24,664	-	24,664	-
(A), (C) National School Lunch Program	10.555	047993-LL-P4-2005	33,477	-	33,477	-
(A), (C) National School Lunch Program	10.555	047993-LL-P4-2006	219,536	-	219,536	-
Total U.S. Department of Agriculture and Nutrition Cluster			<u>281,919</u>	<u>79,246</u>	<u>281,919</u>	<u>79,246</u>
U.S. DEPARTMENT OF EDUCATION						
PASSED THROUGH THE						
OHIO DEPARTMENT OF EDUCATION:						
(E) Title I - Grants to Local Educational Agencies	84.010	047993-C1-S1-2005	29,641		37,817	
Title I - Grants to Local Educational Agencies	84.010	047993-C1-S1-2006	287,228		273,268	
Total Title I - Grants to Local Educational Agencies			<u>316,869</u>		<u>311,085</u>	
Special Education - Grants to States	84.027	047993-6B-SF-2005	31,481		40,928	
Special Education - Grants to States	84.027	047993-6B-SF-2006	398,394		398,347	
Total Special Education - Grants to States			<u>429,875</u>		<u>439,275</u>	
(F) Safe and Drug-Free Schools and Communities - State Grants	84.186	047993-DR-S1-2005	(1,171)		2,827	
Safe and Drug-Free Schools and Communities - State Grants	84.186	047993-DR-S1-2006	11,151		8,753	
Total Safe and Drug-Free Schools and Communities - State Grants			<u>9,980</u>		<u>11,580</u>	
State Grants for Innovative Programs	84.298	047993-C2-S1-2005	975		1,214	
State Grants for Innovative Programs	84.298	047993-C2-S1-2006	6,009		5,701	
Total State Grants for Innovative Programs			<u>6,984</u>		<u>6,915</u>	
(G) Education Technology State Grants	84.318	047993-TJ-S1-2005	(164)		164	
Education Technology State Grants	84.318	047993-TJ-S1-2006	4,928		4,734	
Total Education Technology State Grants			<u>4,764</u>		<u>4,898</u>	
Improving Teacher Quality State Grants	84.367	047993-TR-S1-2005	9,701		12,841	
Improving Teacher Quality State Grants	84.367	047993-TR-S1 2006	101,095		98,501	
Total Improving Teacher Quality State Grants			<u>110,796</u>		<u>111,342</u>	
Total U.S. Department of Education			<u>879,268</u>		<u>885,095</u>	
U.S. DEPARTMENT OF HUMAN SERVICES						
PASSED THROUGH THE						
OHIO DEPARTMENT OF MENTAL RETARDATION AND						
DEVELOPMENTAL DISABILITIES:						
Student Children's Health Insurance Program	93.767	N/A	3,480		3,480	
Medical Assistance Program	93.778	N/A	25,240		25,240	
Total U.S. Department of Human Services			<u>28,720</u>		<u>28,720</u>	
Total Federal Financial Assistance			<u>\$ 1,189,907</u>	<u>\$ 79,246</u>	<u>\$ 1,195,734</u>	<u>\$ 79,246</u>

- (A) Included as part of "Nutrition Grant Cluster" in determining major programs.
(B) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are valued at fair market prices.
(C) Commingled with state and local revenue from sales of lunches; assumed expenditures were made on a first-in, first-out basis.
(D) This schedule was prepared on the cash basis of accounting.
(E) Amount of \$1,694 transferred to fiscal year 2006 grant based on Ohio Department of Education administrative action.
(F) Amount of \$1,171 transferred to fiscal year 2006 grant based on Ohio Department of Education administrative action.
(G) Amount of \$559 transferred to fiscal year 2006 grant based on Ohio Department of Education administrative action.



Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Education
Lakewood Local School District
525 East Main Street, P.O. Box 70
Hebron, Ohio 43025

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lakewood Local School District as of and for the fiscal year ended June 30, 2006, which collectively comprise the Lakewood Local School District's basic financial statements and have issued our report thereon dated October 26, 2006. As disclosed in Note 2 to the basic financial statements, net assets has been restated at July 1, 2005 to account for the accreted interest on the capital appreciation bonds. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

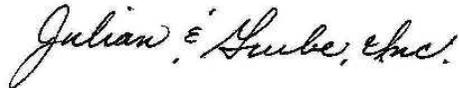
In planning and performing our audit, we considered Lakewood Local School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over 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 that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Board of Education
Lakewood Local School District

Compliance and Other Matters

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

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

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
October 26, 2006



Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Report on Compliance with Requirements Applicable to Its Major Federal Programs and on Internal Control Over Compliance in Accordance With *OMB Circular A-133*

Board of Education
Lakewood Local School District
525 East Main Street, P.O. Box 70
Hebron, Ohio 43025

Compliance

We have audited the compliance of Lakewood Local School District, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each major federal program for the fiscal year ended June 30, 2006. Lakewood Local School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each major federal program is the responsibility of Lakewood Local School District's management. Our responsibility is to express an opinion on Lakewood Local School 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, Audit of States, Local Governments, and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lakewood Local School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Lakewood Local School District's compliance with those requirements.

Board of Education
Lakewood Local School District

In our opinion, Lakewood Local School District complied, in all material respects, with the requirements referred to above that are applicable to each major federal program for the fiscal year ended June 30, 2006.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a 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 noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud 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.

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



Julian & Grube, Inc.
October 26, 2006

**LAKEWOOD LOCAL SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2006**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unqualified
<i>(d)(1)(ii)</i>	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported non-compliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any other reportable internal control weakness conditions reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under § .510?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs:</i>	Title I - Grants to Local Education Agencies CFDA #84.010 and Improving Teacher Quality State Grants CFDA #84.367
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	Yes

**LAKEWOOD LOCAL SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2006**

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

LAKWOOD LOCAL SCHOOL DISTRICT



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
June 30, 2006**

LAKWOOD LOCAL SCHOOL DISTRICT

HEBRON, OHIO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
June 30, 2006**

Prepared by:

**Ms. Glenna Plaisted
Treasurer**

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LAKWOOD LOCAL SCHOOL DISTRICT

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LAKWOOD LOCAL SCHOOL DISTRICT

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LAKWOOD LOCAL SCHOOL DISTRICT

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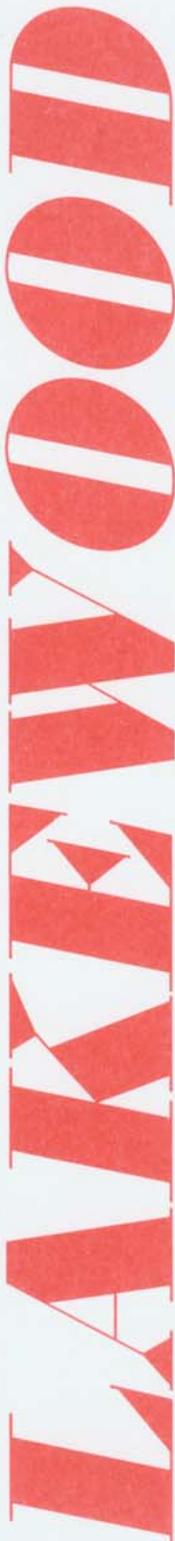
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LAKWOOD LOCAL SCHOOL DISTRICT





Lakewood Local Schools • 525 East Main Street • P.O. Box 70 • Hebron, Ohio 43025 • 740-928-5878 • Fax 740-928-3152

October 26, 2006

To the Citizens and Board of Education of the Lakewood Local School District:

The Comprehensive Annual Financial Report (CAFR) of the Lakewood Local School District (District) for the fiscal year ended June 30, 2006 is hereby submitted. This report was prepared by the Treasurer's Office and includes the unqualified opinion of our auditors.

The CAFR is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

Generally Accepted Accounting Principals (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Lakewood Local School District's MD&A can be found immediately following the independent auditor's report.

The CAFR is presented in three sections as follows:

The Introductory Section includes this transmittal letter, the District's organizational chart, a list of principal officers, and the GFOA Certificate of Achievement.

The Financial Section includes the Independent Auditor's Report, Management's Discussion and Analysis, basic financial statements and notes that provide an overview of the 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.

The Statistical Section includes selected financial and demographic information generally presented on a multi-year basis.

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2006

The District offers a full range of educational programs and services. These include elementary and secondary general studies, advanced placement courses, gifted education, college preparatory, vocational courses, a broad range of co-curricular and extracurricular activities, and special education services.

THE DISTRICT AND ITS FACILITIES

The Lakewood Local School District is located in southern Licking County approximately 25 miles from Columbus, the state capital. The District encompasses approximately 115 square miles. The principle communities are the Village of Hebron, the Village of Buckeye Lake, Jacksontown and the surrounding farming townships. The District has a diversified industrial base as well as residential and agricultural communities. Interstate 70 and State Routes 79, 40 and 13 serve as the major transportation arteries. The District serves approximately 2,157 students.

The District's facilities include 2 elementary schools (grades K-3), 1 intermediate school (grades 4-5), 1 middle school (grades 6-8), 1 high school (grades 9-12), a bus garage, the administrative building and an athletic complex. The high school is the District's newest facility built in 2000, Jackson Elementary built in 1972, Intermediate School built in 1967, Middle School built in 1959 and Hebron Elementary built in 1914.

The Board of Education of the Lakewood Local School District (the Board) is a five member body politic and corporate, as defined by Section 3313.02, Ohio Revised Code. The Board serves as the taxing authority, contracting body, policy maker, and ensures that all other general laws of the State of Ohio are followed in the expenditure of the District's tax dollars and approves the annual operating budget and approves all expenditures of the District.

Good schools are important to the quality of life in the Villages of Hebron, Buckeye Lake and the Jacksontown area and help maintain the property values in the District. But beyond these considerations, the educational program itself is of primary importance. The Lakewood Local School District continuously strives toward providing students with a quality education. It is therefore appropriate to review the foundation on which the District's programs are built.

CURRICULUM DEVELOPMENT

The Lakewood Local School District provides a comprehensive K-12 program: instruction, assessment, intervention and special needs programming. The curriculum supports the Ohio Achievement and Diagnostic Tests (K-8), as well as the Ohio Graduation Tests at the high school level (OGT). The curriculum is on a five year revision cycle that involves K-12 staff and community members.

INSTRUCTION MATERIALS

The administration, staff, board members, and community have identified that keeping current with today's educational methodology and utilizing updated student textbooks and materials are critical components necessary to provide students with a quality education.

LAKEWOOD LOCAL SCHOOL DISTRICT

***Letter of Transmittal
For the Fiscal Year Ended June 30, 2006***

STAFF DEVELOPMENT

Locally provided staff development is an extremely important part of professional growth. The Curriculum Coordinator and Superintendent, with the input from staff and building administrators, assess staff needs and plan after school sessions, in-service days, and summer sessions for certified staff consistent with the District goals. The emphasis on these professional development activities is to provide professional staff with the knowledge base required for implementation of effective teaching strategies and personal curriculum delivery. In addition to locally provided staff development, the Lakewood Local School District supports staff members who attend conferences outside of the District and continually encourages staff to examine, understand, and implement best practices used in educational settings.

INTERVENTION AND SPECIAL PROGRAMS

Lakewood Local School District recognizes its responsibility to offer academic instruction that is appropriate for every child. Student abilities and performance levels are measured and used to determine appropriate instruction. For those students requiring supplemental help or varied instructional methods, plans are developed and monitored by intervention assistance teams that include teachers, administrators and intervention specialists. Parental involvement is critical in the process of student needs and intervention plans.

GIFTED AND TALENTED PROGRAMMING AND ADVANCED PLACEMENT COURSES

Opportunities for more challenging work are available through the Gifted and Talented Program. This program serves identified students in grades four through eight. The curriculum includes enrichment activities, independent research and project based learning with an emphasis on higher level thinking skills.

Additionally, advanced placement courses in English and American History are offered at the high school level.

SPECIAL EDUCATION

Currently there are approximately 350 students on Individualized Educational Programs representing approximately 15% of the total student population. These students are served in the following programs: speech/language, multi handicapped, cognitively disabled handicapped, severe emotionally disturbed, specific learning disabled, other health impaired and hearing impaired.

Program options and related services for students on Individualized Educational Plans are structured to provide a continuum of services based on individual needs. These options insure that all students are educated in the least restrictive environment possible. The Lakewood Local School District is committed to providing educational excellence for all students with disabilities, expanding their skills and aptitudes to be successful in the educational setting, in the community, and as adult contributors in society.

LAKWOOD LOCAL SCHOOL DISTRICT

***Letter of Transmittal
For the Fiscal Year Ended June 30, 2006***

CONTINUOUS IMPROVEMENT PLANNING

The District's Continuous Improvement Plan includes these goals:

Goal #1

Improve student achievement in all areas of the State Report Card by:

- A) Focusing on literacy across the curriculum.
- B) Improving collaboration amongst staff.
- C) Using Quality Tools, technology, and research based practices.

Goal #2

Improve the quality of family and community involvement in student achievement by:

- A) Improving collaboration amongst staff, families and community.
- B) Using Quality Tools, technology, and research based practices.

STATE REPORT CARD PERFORMANCE

The District received an Effective rating on the State of Ohio Report Card for the 2005-2006 school year. The individual buildings received the following ratings:

High School	Effective
Middle School	Effective
Intermediate	Effective
Jackson	Excellent
Hebron	Effective

ECONOMIC CONDITION AND OUTLOOK

The District is located approximately 25 miles from the metropolitan city of Columbus providing a wealth of opportunity for cultural, social and economic resources for its residents. Central Ohio Technical College and The Ohio State University of Newark share facilities and are located in the nearby City of Newark. Denison University is located in the adjoining Village of Granville. These colleges provide excellent educational opportunities for the Lakewood community.

The Villages of Hebron and Buckeye Lake offer excellent opportunities for business growth and expansion. The District has an Industrial Park which stimulates the economy through a diverse group of employers, from the small family operated business to major commercial/industrial and service corporations. The five largest employers in the District in terms of numbers of employees are: THK, Bear Creek, Ecolab, AFG Fabrication and Sunfield.

The District passed a five year emergency levy on May 6, 2003. The total amount of additional revenue from this emergency operating levy is \$2,058,646 per year. The current revenue, along with the District's cash balance, will provide the District with necessary funds to meet its operating expenses in fiscal years 2007 and 2008. Beyond 2008, the District will face some decisions on obtaining additional funding sources or reducing expenses it currently has in maintaining its educational programs.

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2006

RECENT SIGNIFICANT ACCOMPLISHMENTS

Financial

The District received the Certificate of Excellence in Financial Reporting from the Government Finance Officers Association for the third consecutive year.

Community

During the 2004-2005 school year, the Lakewood Service Initiative (LSI) was created. A group of staff members, administrators, school board members, and parents came together to develop a vision for Lakewood that was built on creating a culture of excellence. ***“Lakewood Community-Wide Learning, Service and Pride”*** became their theme. Building on this theme, 18 service standards were crafted. The goal of the LSI is to create a culture in the school and community that daily meets the needs of our stakeholders. This ongoing initiative is striving to create the culture that, ***“great customer service is smart business”***.

MAJOR INITIATIVES FOR THE FUTURE

Financial

To receive the Certificate of Excellence in Financial Reporting from the Government Finance Officers Association for the District’s 2006 CAFR.

With the help of the Citizens Advisory Committee, the establishment of a District Community Authority for new residential development projects within the District.

Instruction

The District continues to seek improvement in the areas measured by the Local Report Card. An “Excellent” rating (30 out of 30 state indicators) on the Report Card is the goal.

FINANCIAL INFORMATION

ACCOUNTING SYSTEM – The District’s accounting system is organized on a fund basis. Each fund is a separate self-balancing accounting entity. The basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

INTERNAL CONTROLS – The Treasurer of the District is responsible for establishing an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The Management Team is responsible for assisting with implementation of the established internal controls. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of cost and benefit requires estimates and judgments by management. Management believes the internal controls adequately meet the above objective.

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2006

SINGLE AUDIT – As a recipient of federal and state financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation and audit by the Treasurer, Management Team and staff of the District.

As part of the District's single audit, tests are made to determine the adequacy of the internal control structure, including that portion relating to federal financial assistance programs, as well as to verify that the District has complied with applicable laws and regulations. The results of the District's single audit for the fiscal year ended June 30, 2006, as of this writing, revealed no instances of material weaknesses in internal control structure or significant violations of applicable laws and regulations.

BUDGETARY CONTROLS – The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the certificate of estimated resources and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control required by Ohio Revised Code is at the fund level. The level of budgetary control imposed by the District (the level at which expenditures cannot legally exceed the appropriated amount) is established at the broad object level (first level) for the general fund and at the fund level for all other funds. Any budgetary modifications at these levels may only be made by resolution of the Board of Education. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts at year-end are carried forward to succeeding years and are not re-appropriated.

CASH MANAGEMENT – It is the policy of the Lakewood Local School District, that with due regard to the safety and risk of investments, all available funds shall be invested in conformance with existing legal requirement and Board-adopted policy guidelines, to the maximum extent possible, at the highest rates obtainable at the time of investment. Effective cash management is recognized as essential to good fiscal management. An investment policy has been formulated to take advantage of investment interest as a viable and material source of revenue to all funds involved. The District's investments are designed and managed in a manner responsive to public trust and consistent with state and local laws.

Investments are made with the primary objectives:

- Preservation of capital and protection of principal.
- Maintenance of liquidity to meet cash flow requirements.
- Diversification of assets to avoid undue credit and liquidity risks.
- Optimization of portfolio returns within objectives outlined above.
- Use of good judgment and care to provide safety to the District's assets.

Administrative guidelines and investment policies apply to all financial assets of the District contained in the Comprehensive Annual Financial Report (CAFR). The investment portfolio shall consist of investment securities, permissible by law, recognizing that all participants involved in the process shall act responsibly as custodians of the public trust. Investment officials shall avoid any transaction that might impair public confidence in the District's ability to govern effectively.

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2006

RISK MANAGEMENT – The District is adequately insured in all areas including buildings, contents, vehicles, equipment and general liability. The District is also covered under the State Workers' Compensation Fund. The District makes every effort to monitor insurance costs and related risk of accident to ensure proper fiscal management in this area. Detailed information regarding the risk management activities of the District can be found in the Notes to Financial Statements section of this report.

INDEPENDENT AUDIT – This report includes an unqualified audit report regarding the District's financial statements. The audit was conducted by Julian & Grube, Inc. The Independent Auditor's Report on the basic financial statements is included in the financial section of this report.

AWARDS – The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the Lakewood Local School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005. This was the third year that the District has applied for and achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. The 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 that our current comprehensive annual financial report continues to meet the program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

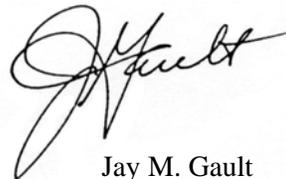
ACKNOWLEDGMENTS – The preparation of the Comprehensive Annual Financial Report was made possible with the support and efforts of the staff in the Treasurer's Office and many other dedicated employees of the District. We also would like to recognize Donald J. Schonhardt & Associates, Inc. for their assistance in preparing this report.

In closing, without the continued support of the Board of Education, who values quality financial information, the preparation of this report would not have been possible.

Respectfully submitted,



Glenna J. Plaisted, CPA
Treasurer/CFO



Jay M. Gault
Superintendent

LAKEWOOD LOCAL SCHOOL DISTRICT

Members of the Board of Education and Administration For the Fiscal Year Ended June 30, 2006

Members of the Board of Education

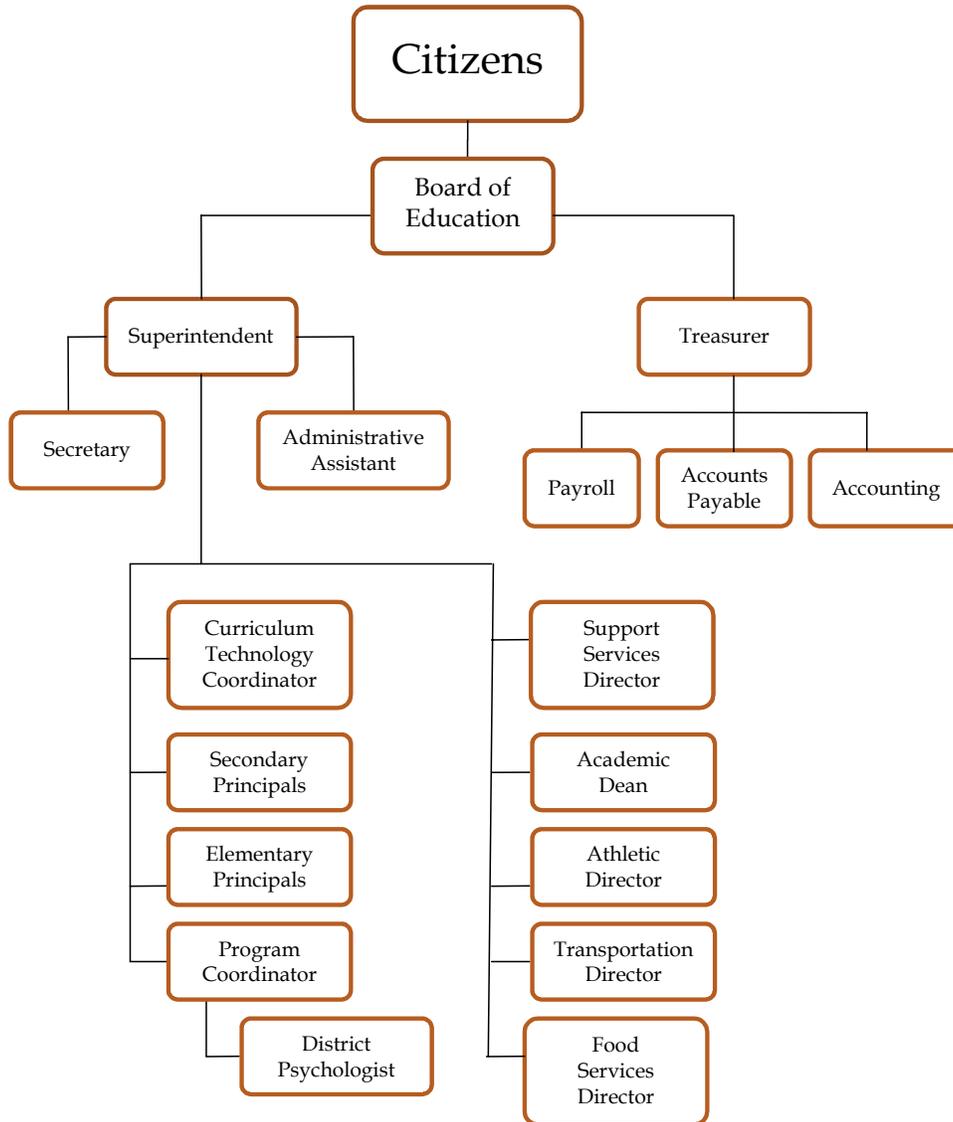
	<u>Began Service as A Board Member</u>	<u>Present Term Expires</u>
Tim Spitzer, President	January 1, 2004	December 31, 2007
Connie Fought, Vice President	January 1, 2006	December 31, 2009
Joe Bowman	January 1, 2006	December 31, 2009
Forrest Cooperrider	January 1, 2004	December 31, 2007
Judy White	January 1, 2006	December 31, 2009

Administration

	<u>Position</u>	<u>Date of Hire</u>
Jay M. Gault	Superintendent	August 1, 2005
Glenna J. Plaisted	Treasurer	May 15, 2000

LAKEWOOD LOCAL SCHOOL DISTRICT

Organizational Chart For the Fiscal Year Ended June 30, 2006



LAKWOOD LOCAL SCHOOL DISTRICT

*Government Finance Officers Association of the United States and Canada
Certificate of Achievement for Excellence in Financial Reporting*

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Lakewood Local School
District, Ohio**

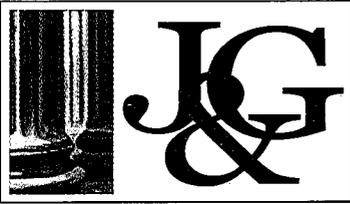
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

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



President

Executive Director



Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

Board of Education
Lakewood Local School District
525 East Main Street, P.O. Box 70
Hebron, Ohio 43025

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Lakewood Local School District, Licking County (the "District") as of and for the fiscal year ended June 30, 2006, which collectively comprise the District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Lakewood Local School 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Lakewood Local School District, Licking County, as of June 30, 2006, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

As disclosed in Note 2 to the basic financial statements, net assets has been restated at July 1, 2005 to account for the accreted interest on the capital appreciation bonds.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2006, on our consideration of the Lakewood Local School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Board of Education
Lakewood Local School District

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lakewood Local School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements of Lakewood Local School District. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly we express no opinion on them.



Julian & Grube, Inc.
October 26, 2006

LAKEWOOD LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2006

Unaudited

The management's discussion and analysis of Lakewood Local School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2006. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2006 are as follows:

- ❑ In total, net assets increased \$820,284. Net assets of governmental activities increased \$823,684, which represents a 14.2% increase from 2005. Net assets of business-type activities decreased \$3,400 or 3.6% from 2005.
- ❑ General revenues accounted for \$18,663,752 in revenue or 88.1% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$2,514,115 or 11.9% of total revenues of \$21,177,867.
- ❑ The District had \$19,541,887 in expenses related to governmental activities; only \$1,731,819 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$18,663,752 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$17,965,058 in revenues and \$17,012,600 in expenditures. During fiscal year 2006, the general fund's fund balance increased from \$2,772,536 to \$3,801,631.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis and the basic financial statements and an optional section that presents combining statements for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the District:

These statements are as follows:

1. The Government-Wide Financial Statements – These statements provide both long-term and short-term information about the District's overall financial status.
2. The Fund Financial Statements – These statements focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

LAKEWOOD LOCAL SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006***

Unaudited

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net assets and how they have changed. Net-assets (the difference between the District's assets and liabilities) is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional nonfinancial factors such as the property tax base, current property tax laws, student enrollment growth and facility conditions.

The government-wide financial statements of the District are divided into two categories:

- **Governmental Activities** – Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.
- **Business-Type Activities** – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The District's food service and uniform school supplies are reported as business activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

Governmental Funds – Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

LAKWOOD LOCAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006**

Unaudited

Proprietary Funds – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

Fiduciary Funds – The District is the trustee, or fiduciary, for various student-managed activity programs, various scholarship programs and other items listed as agency and private purpose. It is also responsible for other assets that, due to a trust arrangement can only be used for the trust beneficiaries. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. We exclude these activities from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The Statement of Net Assets provides a perspective of the District as a whole. The following table provides a summary of the District's net assets for 2006 compared to 2005:

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$18,290,372	\$15,939,352	\$80,177	\$80,575	\$18,370,549	\$16,019,927
Capital assets, Net	16,432,532	17,102,333	100,086	114,905	16,532,618	17,217,238
Total assets	<u>34,722,904</u>	<u>33,041,685</u>	<u>180,263</u>	<u>195,480</u>	<u>34,903,167</u>	<u>33,237,165</u>
Long-term debt outstanding	15,017,755	15,338,699	9,232	17,731	15,026,987	15,356,430
Other liabilities	13,083,868	11,905,389	78,965	82,283	13,162,833	11,987,672
Total liabilities	<u>28,101,623</u>	<u>27,244,088</u>	<u>88,197</u>	<u>100,014</u>	<u>28,189,820</u>	<u>27,344,102</u>
Net assets						
Invested in capital assets, net of related debt	3,351,649	3,487,282	100,086	114,905	3,451,735	3,602,187
Restricted	545,280	476,170	0	0	545,280	476,170
Unrestricted	<u>2,724,352</u>	<u>1,834,145</u>	<u>(8,020)</u>	<u>(19,439)</u>	<u>2,716,332</u>	<u>1,814,706</u>
Total net assets	<u>\$6,621,281</u>	<u>\$5,797,597</u>	<u>\$92,066</u>	<u>\$95,466</u>	<u>\$6,713,347</u>	<u>\$5,893,063</u>

At year-end for governmental activities, capital assets represented 47% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture, fixtures and equipment and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2006 was \$3,351,649. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net assets, \$545,280, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets of \$2,724,352 may be used to meet the District's ongoing obligations to the students and creditors.

LAKWOOD LOCAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006**

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for fiscal years 2006 and 2005:

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues						
Program Revenues:						
Charges for Services	\$601,754	\$608,448	\$408,569	\$418,478	\$1,010,323	\$1,026,926
Operating Grants	1,130,065	1,070,194	372,586	328,272	1,502,651	1,398,466
Capital Grants	0	17,745	1,141	19,317	1,141	37,062
Total Program Revenues	<u>1,731,819</u>	<u>1,696,387</u>	<u>782,296</u>	<u>766,067</u>	<u>2,514,115</u>	<u>2,462,454</u>
General Revenues:						
Property Taxes	12,140,470	11,269,729	0	0	12,140,470	11,269,729
Grants and Entitlements	6,050,575	5,866,148	0	0	6,050,575	5,866,148
Other	472,707	335,504	0	0	472,707	335,504
Total General Revenues	<u>18,663,752</u>	<u>17,471,381</u>	<u>0</u>	<u>0</u>	<u>18,663,752</u>	<u>17,471,381</u>
Total Revenues	<u>20,395,571</u>	<u>19,167,768</u>	<u>782,296</u>	<u>766,067</u>	<u>21,177,867</u>	<u>19,933,835</u>
Program Expenses						
Instruction	11,550,480	11,243,238	0	0	11,550,480	11,243,238
Support Services:						
Pupils	1,101,372	1,138,402	0	0	1,101,372	1,138,402
Instructional Staff	515,859	410,227	0	0	515,859	410,227
Board of Education	35,171	64,994	0	0	35,171	64,994
Administration	1,576,704	1,465,620	0	0	1,576,704	1,465,620
Fiscal Services	551,205	540,356	0	0	551,205	540,356
Business	15,040	17,511	0	0	15,040	17,511
Operation and Maintenance of Plant	1,491,143	1,442,262	0	0	1,491,143	1,442,262
Pupil Transportation	1,347,349	1,257,226	0	0	1,347,349	1,257,226
Central	192,719	174,827	0	0	192,719	174,827
Operation of Non-Instructional Services	41,860	81,381	0	0	41,860	81,381
Extracurricular Activities	550,597	512,166	0	0	550,597	512,166
Interest and Fiscal Charges	572,388	790,327	0	0	572,388	790,327
Food Service	0	0	807,895	817,695	807,895	817,695
Uniform School Supplies	0	0	7,801	3,230	7,801	3,230
Total Expenses	<u>19,541,887</u>	<u>19,138,537</u>	<u>815,696</u>	<u>820,925</u>	<u>20,357,583</u>	<u>19,959,462</u>
Change in Net Assets before transfers	853,684	29,231	(33,400)	(54,858)	820,284	(25,627)
Transfers	(30,000)	0	30,000	0	0	0
Total Change in Net Assets	823,684	29,231	(3,400)	(54,858)	820,284	(25,627)
Beginning Net Assets	5,797,597	5,768,366	95,466	150,324	5,893,063	5,918,690
Ending Net Assets	<u>\$6,621,281</u>	<u>\$5,797,597</u>	<u>\$92,066</u>	<u>\$95,466</u>	<u>\$6,713,347</u>	<u>\$5,893,063</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006**

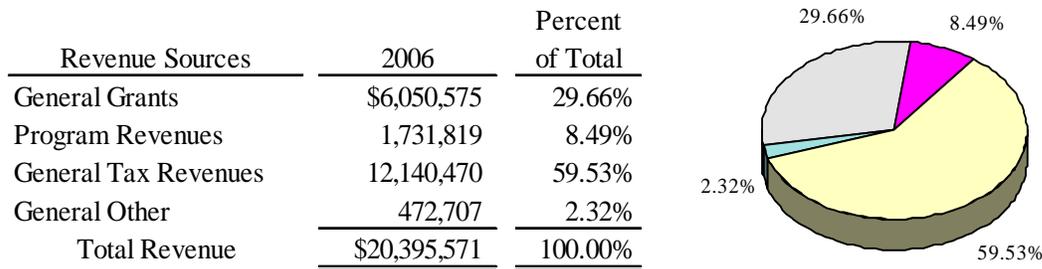
Unaudited

Governmental Activities

Net assets of the District's governmental activities increased by \$823,684. Total governmental expenses of \$19,541,887 were offset by program revenues of \$1,731,819 and general revenues of \$18,663,752. Program revenues supported 8.9% of the total governmental expenses.

The primary sources of revenues for governmental activities are derived from property taxes and grants and entitlements. The primary sources of general revenue sources total \$18,191,045 and represent 97% of total general governmental revenue. The District is operating at the 20 mill floor which is the state minimum required property tax funding for a school district's operations. Due to this, the District is able to receive full advantage of property tax valuation increases.

Voters approved a five year emergency operating levy on May 6, 2003. The collection of these taxes started in 2004. Fiscal year 2006 includes property tax revenues of \$2,023,425 from this levy. Property taxes made up 60% of revenues for governmental activities for Lakewood Local Schools in fiscal year 2006. The District's reliance upon tax revenues is demonstrated by the following graph:



Business-Type Activities

Net assets of the business-type activities decreased by \$3,400. These programs had revenues of \$782,296 and expenses of \$815,696 for fiscal year 2006. The District had no significant changes in revenues or expenses. Business activities receive no support from tax revenues; however, they have received support from governmental activities.

LAKEWOOD LOCAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006**

Unaudited

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of \$4,549,364, which is above last year's total of \$3,468,334. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2006 and 2005.

	Fund Balance June 30, 2006	Fund Balance June 30, 2005	Increase (Decrease)
General	\$3,801,631	\$2,772,536	\$1,029,095
Debt Service	562,515	489,491	73,024
Other Governmental	185,218	206,307	(21,089)
Total	\$4,549,364	\$3,468,334	\$1,081,030

General Fund – The District's General Fund balance increase is due to several factors. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2006 Revenues	2005 Revenues	Increase (Decrease)
Taxes	\$11,176,725	\$10,763,965	\$412,760
Tuition	303,508	342,930	(39,422)
Investment Earnings	224,462	142,437	82,025
Class Materials and Fees	55,809	33,780	22,029
Intergovernmental - State	5,949,010	5,745,713	203,297
All Other Revenue	255,544	236,527	19,017
Total	\$17,965,058	\$17,265,352	\$699,706

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LAKWOOD LOCAL SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006***

Unaudited

General Fund revenues in 2006 increased approximately 4.0% compared to revenues in fiscal year 2005. The primary factors contributing to the increase in revenues included taxes and intergovernmental-state. The District increase in taxes includes the 2005 Licking County reappraisal which impacted fiscal year 2006 collections and includes a 9.4% reappraisal increase in agricultural/residential property valuations and a 14.54% increase in commercial/industrial values. The District increase in intergovernmental-state includes a \$215,790 personal property reimbursement from the Ohio Department of Taxation.

	2006 Expenditures	2005 Expenditures	Increase (Decrease)
Instruction	\$10,243,017	\$9,897,484	\$345,533
Supporting Services:			
Pupils	1,032,152	1,029,595	2,557
Instructional Staff	466,237	381,269	84,968
Board of Education	35,171	65,222	(30,051)
Administration	1,377,979	1,333,178	44,801
Fiscal Services	542,168	530,967	11,201
Business	15,040	19,133	(4,093)
Operation & Maintenance of Plant	1,478,350	1,435,137	43,213
Pupil Transportation	1,327,560	1,335,151	(7,591)
Central	153,255	148,057	5,198
Operation of Non-Instructional Services	7,824	29,686	(21,862)
Extracurricular Activities	198,985	197,480	1,505
Debt Service:			
Principal Retirement	100,425	89,120	11,305
Interest and Fiscal Charges	34,437	41,001	(6,564)
Total	\$17,012,600	\$16,532,480	\$480,120

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LAKEWOOD LOCAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006**

Unaudited

The expenditures increased by \$480,120 or 2.9% compared to the prior year. The District's budget is 80% personnel related. With the District's health insurance increasing 4.9% last year and a wage and salary adjustment averaging 3%, the increase can be primarily attributed to personnel costs.

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal year 2006 the District amended its General Fund budget several times, none significant.

For the General Fund, the budget basis revenue of \$18.2 million increased \$1.5 million over the original budget estimates of \$16.7 million. The increase was due to underestimated real estate revenue collections.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2006 the District had \$16,532,618 net of accumulated depreciation invested in land, buildings, equipment and vehicles. Of this total, \$16,432,532 was related to governmental activities and \$100,086 to the business-type activities. The following table shows fiscal year 2006 and 2005 balances:

	Governmental Activities		Increase (Decrease)
	2006	2005	
Land	\$275,555	\$275,555	\$0
Land Improvements	810,337	810,337	0
Buildings and Improvements	20,729,778	20,729,778	0
Furniture, Fixtures and Equipment	3,544,369	3,697,594	(153,225)
Vehicles	1,798,059	1,731,059	67,000
Construction in Progress	13,214	0	13,214
Less: Accumulated Depreciation	(10,738,780)	(10,141,990)	(596,790)
Totals	\$16,432,532	\$17,102,333	(\$669,801)

	Business-Type Activities		Increase (Decrease)
	2006	2005	
Furniture and Equipment	\$315,798	\$316,549	(\$751)
Less: Accumulated Depreciation	(215,712)	(201,644)	(14,068)
Totals	\$100,086	\$114,905	(\$14,819)

LAKEWOOD LOCAL SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006***

Unaudited

The decrease in furniture and equipment is primarily due to assets junked due to age and to seven capital lease copiers traded in on six new capital lease copiers.

Additional information on the District's capital assets can be found in Note 9.

Debt

At June 30, 2006, the District had \$15.0 million in bonds, notes, loans, and other long-term obligations outstanding, \$678,231 due within one year. The following table summarizes the District's debt outstanding as of June 30, 2006:

	<u>2006</u>	<u>2005</u>
Governmental Activities:		
General Obligation Bonds:		
School Improvement	\$13,525,751	\$13,426,870
Long-Term Notes Payable	508,655	581,320
EPA Loan Payable	3,758	11,272
Capital Leases Payable	203,918	188,181
Compensated Absences	<u>775,673</u>	<u>754,310</u>
Total Governmental Activities	15,017,755	14,961,953
Business-Type Activities:		
Compensated Absences	<u>9,232</u>	<u>17,731</u>
Totals	<u>\$15,026,987</u>	<u>\$14,979,684</u>

Under current state statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on 9% of the total assessed value of real and personal property. At June 30, 2006, the District's outstanding debt was below the legal limit. Additional information on the District's long-term debt can be found in Note 11.

ECONOMIC FACTORS

HB66 phases out the tax on tangible personal property of general business, telephone and railroads. The tax on general business and railroad property will be eliminated by 2009 and the tax on telephone by 2011. The tax is phased out by reducing the assessment rate on the property each year. The loss and replacement of the tangible personal property revenues has been calculated by the Ohio Department of Taxation using 2004 as the base year. The base year amount is the amount of property tax revenue lost when the tax has been fully phased out. School districts are being "held harmless" and fully reimbursed for lost revenue in the first five years; in the following seven years, the reimbursements are phased out. Even with the direct reimbursement, a District will see no growth from tangible personal property revenues since the payment is calculated on a 2004 base year.

LAKEWOOD LOCAL SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006***

Unaudited

As the preceding information shows, the District relies heavily upon property taxes and grants and entitlements to provide the funds necessary to maintain its educational programs. The District passed a five year emergency operating levy on May 6, 2003. The total amount of additional revenue from this emergency operating levy is \$2,058,646 per year. The current revenue, along with the District's cash balance, will provide the District with the necessary funds to meet its operating expenses in fiscal year 2007 through 2008. Beyond 2008 the District will face some decisions on obtaining additional funding sources or reducing expenses it currently has in maintaining its educational programs.

In conclusion, the Lakewood Local School District has committed itself to financial excellence for many years.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Glenna Plaisted, Treasurer of Lakewood Local School District.

LAKWOOD LOCAL SCHOOL DISTRICT

Statement of Net Assets ***June 30, 2006***

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Digital Academy
Assets:				
Cash and Cash Equivalents	\$ 3,319,430	\$ 45,734	\$ 3,365,164	\$ 30,128
Investments	1,341,517	0	1,341,517	0
Receivables:				
Taxes	12,825,619	0	12,825,619	0
Accounts	18,797	37	18,834	0
Intergovernmental	227,353	0	227,353	77,921
Interest	15,295	0	15,295	0
Inventory	47,750	22,774	70,524	0
Prepaid Items	147,339	11,632	158,971	0
Restricted Assets:				
Cash and Cash Equivalents	204,164	0	204,164	0
Deferred Charges	143,108	0	143,108	0
Capital Assets, Net	16,432,532	100,086	16,532,618	84,786
Total Assets	34,722,904	180,263	34,903,167	192,835
Liabilities:				
Accounts Payable	66,553	0	66,553	100,650
Accrued Wages and Benefits	1,434,022	50,738	1,484,760	0
Intergovernmental Payable	469,186	28,227	497,413	13,376
Unearned Revenue - Taxes	11,060,409	0	11,060,409	0
Accrued Interest Payable	53,698	0	53,698	0
Long Term Liabilities:				
Due Within One Year	678,231	0	678,231	0
Due in More Than One Year	14,339,524	9,232	14,348,756	0
Total Liabilities	28,101,623	88,197	28,189,820	114,026
Net Assets:				
Invested in Capital Assets, Net of Related Debt	3,351,649	100,086	3,451,735	84,786
Restricted For:				
Debt Service	545,280	0	545,280	0
Federally Funded Programs	0	0	0	13,189
Unrestricted (Deficit)	2,724,352	(8,020)	2,716,332	(19,166)
Total Net Assets	\$ 6,621,281	\$ 92,066	\$ 6,713,347	\$ 78,809

See accompanying notes to the basic financial statements

LAKWOOD LOCAL SCHOOL DISTRICT

Statement of Activities For the Fiscal Year Ended June 30, 2006

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Instruction	\$ 11,550,480	\$ 374,347	\$ 818,650	\$ 0
Support Services:				
Pupils	1,101,372	0	114,599	0
Instructional Staff	515,859	0	30,045	0
Board of Education	35,171	0	0	0
Administration	1,576,704	0	100,934	0
Fiscal Services	551,205	0	246	0
Business	15,040	0	0	0
Operation and Maintenance of Plant	1,491,143	0	0	0
Pupil Transportation	1,347,349	0	10,288	0
Central	192,719	0	26,830	0
Operation of Non-Instructional Services	41,860	3,130	5,896	0
Extracurricular Activities	550,597	224,277	22,577	0
Interest and Fiscal Charges	572,388	0	0	0
Total Governmental Activities	19,541,887	601,754	1,130,065	0
Business-Type Activities:				
Food Service	807,895	407,322	372,586	1,141
Uniform School Supplies	7,801	1,247	0	0
Total Business-Type Activities	815,696	408,569	372,586	1,141
Totals	\$ 20,357,583	\$ 1,010,323	\$ 1,502,651	\$ 1,141
Component Unit:				
Digital Academy	\$ 143,135	\$ 0	\$ 117,194	\$ 0

General Revenues:

Property Taxes Levied for:

 General Purposes

 Debt Service

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year, Restated

Net Assets End of Year

See accompanying notes to the basic financial statements

LAKWOOD LOCAL SCHOOL DISTRICT

Net (Expense) Revenue and Changes in Net Assets			Component Unit
Primary Government			
Governmental Activities	Business-Type Activities	Total	Digital Academy
\$ (10,357,483)	\$ 0	\$ (10,357,483)	
(986,773)	0	(986,773)	
(485,814)	0	(485,814)	
(35,171)	0	(35,171)	
(1,475,770)	0	(1,475,770)	
(550,959)	0	(550,959)	
(15,040)	0	(15,040)	
(1,491,143)	0	(1,491,143)	
(1,337,061)	0	(1,337,061)	
(165,889)	0	(165,889)	
(32,834)	0	(32,834)	
(303,743)	0	(303,743)	
(572,388)	0	(572,388)	
(17,810,068)	0	(17,810,068)	
0	(26,846)	(26,846)	
0	(6,554)	(6,554)	
0	(33,400)	(33,400)	
(17,810,068)	(33,400)	(17,843,468)	
			\$ (25,941)
11,133,684	0	11,133,684	0
1,006,786	0	1,006,786	0
6,050,575	0	6,050,575	108,121
230,977	0	230,977	131
241,730	0	241,730	0
(30,000)	30,000	0	0
18,633,752	30,000	18,663,752	108,252
823,684	(3,400)	820,284	82,311
5,797,597	95,466	5,893,063	(3,502)
\$ 6,621,281	\$ 92,066	\$ 6,713,347	\$ 78,809

LAKEWOOD LOCAL SCHOOL DISTRICT

***Balance Sheet
Governmental Funds
June 30, 2006***

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 2,634,221	\$ 490,515	\$ 194,694	\$ 3,319,430
Investments	1,341,517	0	0	1,341,517
Receivables:				
Taxes	11,846,110	979,509	0	12,825,619
Accounts	13,438	0	5,359	18,797
Intergovernmental	120,476	0	106,877	227,353
Interest	15,295	0	0	15,295
Inventory	47,750	0	0	47,750
Prepaid Items	143,260	0	4,079	147,339
Restricted Assets:				
Cash and Cash Equivalents	204,164	0	0	204,164
Total Assets	\$ 16,366,231	\$ 1,470,024	\$ 311,009	\$ 18,147,264
Liabilities:				
Accounts Payable	\$ 53,603	\$ 0	\$ 12,950	\$ 66,553
Accrued Wages and Benefits	1,343,000	0	91,022	1,434,022
Intergovernmental Payable	459,565	0	9,621	469,186
Deferred Revenue - Taxes	10,693,110	907,509	0	11,600,619
Deferred Revenue	14,154	0	12,198	26,352
Compensated Absences Payable	1,168	0	0	1,168
Total Liabilities	12,564,600	907,509	125,791	13,597,900
Fund Balances:				
Reserved for Encumbrances	148,682	0	12,736	161,418
Reserved for Prepaid Items	143,260	0	4,079	147,339
Reserved for Supplies Inventory	47,750	0	0	47,750
Reserved for Debt Service	0	529,315	0	529,315
Reserved for Property Taxes	381,800	33,200	0	415,000
Unreserved, Designated for Maintenance and Renovation	204,164	0	0	204,164
Unreserved, Undesignated in:				
General Fund	2,875,975	0	0	2,875,975
Special Revenue Funds	0	0	168,403	168,403
Total Fund Balances	3,801,631	562,515	185,218	4,549,364
Total Liabilities and Fund Balances	\$ 16,366,231	\$ 1,470,024	\$ 311,009	\$ 18,147,264

See accompanying notes to the basic financial statements

LAKWOOD LOCAL SCHOOL DISTRICT

Reconciliation Of Total Governmental Fund Balances To Net Assets Of Governmental Activities June 30, 2006

Total Governmental Fund Balances	\$ 4,549,364
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	16,432,532
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.	566,562
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Long-Term Notes Payable	(508,655)
EPA Loan Payable	(3,758)
General Obligation Bonds Payable	(12,876,861)
Deferred loss on refunding (to be amortized as interest expense)	492,471
Issuance Premium (to be amortized against interest expense)	(635,683)
Interest Accretion (to be amortized as interest expense)	(505,678)
Deferred Charge for Issuance Costs	143,108
Capital Leases Payable	(203,918)
Compensated Absences Payable	(774,505)
Accrued Interest Payable	(53,698)
	<hr/>
	(14,927,177)
<i>Net Assets of Governmental Activities</i>	<u><u>\$ 6,621,281</u></u>

See accompanying notes to the basic financial statements

LAKEWOOD LOCAL SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Fiscal Year Ended June 30, 2006

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Local Sources:				
Taxes	\$ 11,176,725	\$ 1,006,786	\$ 0	\$ 12,183,511
Tuition	303,508	0	0	303,508
Investment Earnings	224,462	0	0	224,462
Extracurricular Activities	0	0	224,277	224,277
Class Materials and Fees	55,809	0	0	55,809
Intermediate Sources	0	0	23,556	23,556
Intergovernmental - State	5,949,010	129,848	127,709	6,206,567
Intergovernmental - Federal	0	0	914,215	914,215
All Other Revenue	255,544	4,346	24,104	283,994
Total Revenue	17,965,058	1,140,980	1,313,861	20,419,899
Expenditures:				
Current:				
Instruction	10,243,017	0	852,995	11,096,012
Supporting Services:				
Pupils	1,032,152	0	67,250	1,099,402
Instructional Staff	466,237	0	23,026	489,263
Board of Education	35,171	0	0	35,171
Administration	1,377,979	0	101,978	1,479,957
Fiscal Services	542,168	17,253	246	559,667
Business	15,040	0	0	15,040
Operation and Maintenance of Plant	1,478,350	0	6,440	1,484,790
Pupil Transportation	1,327,560	0	0	1,327,560
Central	153,255	0	39,464	192,719
Operation of Non-Instructional Services	7,824	0	5,896	13,720
Extracurricular Activities	198,985	0	237,655	436,640
Debt Service:				
Principal Retirement	100,425	630,179	0	730,604
Interest and Fiscal Charges	34,437	570,787	0	605,224
Total Expenditures	17,012,600	1,218,219	1,334,950	19,565,769
Excess (Deficiency) of Revenues Over Expenditures	952,458	(77,239)	(21,089)	854,130
Other Financing Sources (Uses):				
Refunding General Obligation Bonds Issued	0	9,999,991	0	9,999,991
Premium on Refunding General Obligation Bonds	0	667,467	0	667,467
Other Financing Sources - Capital Leases	116,162	0	0	116,162
Payment to Refunded Bond Escrow Agent	0	(10,517,195)	0	(10,517,195)
Transfers Out	(30,000)	0	0	(30,000)
Total Other Financing Sources (Uses)	86,162	150,263	0	236,425
Net Change in Fund Balance	1,038,620	73,024	(21,089)	1,090,555
Fund Balances at Beginning of Year	2,772,536	489,491	206,307	3,468,334
Decrease in Inventory Reserve	(9,525)	0	0	(9,525)
Fund Balances End of Year	\$ 3,801,631	\$ 562,515	\$ 185,218	\$ 4,549,364

See accompanying notes to the basic financial statements

LAKEWOOD 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, 2006***

Net Change in Fund Balances - Total Governmental Funds	\$ 1,090,555
<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(598,083)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales) is to decrease net assets.	(71,718)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(24,328)
The issuance of long-term debt (e.g. notes, leases) provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.	614,442
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditure is reported when due.	(117,332)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	
Compensated Absences	(60,232)
Amortization of Deferred Loss on Refunding	(24,724)
Amortization of Deferred Charge for Bond Issuance Costs	(7,155)
Amortization of Premium on Bond Issuance	31,784
Change in Inventory	(9,525)
	<u>(69,852)</u>
<i>Change in Net Assets of Governmental Activities</i>	<u><u>\$ 823,684</u></u>

See accompanying notes to the basic financial statements

LAKEWOOD LOCAL SCHOOL DISTRICT

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2006**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Taxes	\$ 10,408,063	\$ 11,423,025	\$ 11,423,025	\$ 0
Tuition	303,500	314,758	314,759	1
Investment Earnings	100,000	208,978	226,507	17,529
Class Material and Fees	49,450	54,118	55,809	1,691
Intergovernmental - State	5,599,561	5,951,743	5,949,010	(2,733)
All Other Revenues	207,550	251,554	252,972	1,418
Total Revenues	<u>16,668,124</u>	<u>18,204,176</u>	<u>18,222,082</u>	<u>17,906</u>
Expenditures:				
Current:				
Instructional Services	9,949,633	10,383,241	10,276,569	106,672
Support Services:				
Pupils	1,063,415	1,081,043	1,059,910	21,133
Instructional Staff	545,006	498,468	476,986	21,482
Board of Education	47,060	48,365	41,173	7,192
Administration	1,420,371	1,401,146	1,387,797	13,349
Fiscal Services	574,568	546,414	542,418	3,996
Business	19,928	16,207	15,430	777
Operation and Maintenance of Plant	1,516,929	1,561,677	1,498,665	63,012
Pupil Transportation	1,391,562	1,457,042	1,419,985	37,057
Central	172,034	157,317	153,255	4,062
Operation of Non-Instructional Services	11,100	11,940	10,390	1,550
Extracurricular Activities	269,443	208,850	200,281	8,569
Total Expenditures	<u>16,981,049</u>	<u>17,371,710</u>	<u>17,082,859</u>	<u>288,851</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(312,925)	832,466	1,139,223	306,757
Other Financing Sources (Uses):				
Advances In	30,000	0	0	0
Transfers Out	(30,000)	(30,000)	(30,000)	0
Total Other Financing Sources (Uses):	<u>0</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>0</u>
Net Change in Fund Balance	(312,925)	802,466	1,109,223	306,757
Fund Balance at Beginning of Year	2,777,142	2,777,142	2,777,142	0
Prior Year Encumbrances	121,558	121,558	121,558	0
Fund Balance at End of Year	<u>\$ 2,585,775</u>	<u>\$ 3,701,166</u>	<u>\$ 4,007,923</u>	<u>\$ 306,757</u>

See accompanying notes to the basic financial statements

LAKEWOOD LOCAL SCHOOL DISTRICT

Statement of Net Assets
Proprietary Funds
June 30, 2006

	Business-Type Activities		
	Enterprise Funds		
	Major	Nonmajor	
	Food Service	Uniform School Supplies	Total
Assets:			
<i>Current Assets:</i>			
Cash and Cash Equivalents	\$ 44,004	\$ 1,730	\$ 45,734
Receivables:			
Accounts	37	0	37
Inventory Held for Resale	22,774	0	22,774
Prepaid Items	11,632	0	11,632
<i>Total Current Assets</i>	<u>78,447</u>	<u>1,730</u>	<u>80,177</u>
<i>Non Current Assets:</i>			
Capital Assets, Net	100,086	0	100,086
Total Assets	<u>178,533</u>	<u>1,730</u>	<u>180,263</u>
Liabilities:			
<i>Current Liabilities:</i>			
Accrued Wages and Benefits	50,738	0	50,738
Intergovernmental Payable	28,227	0	28,227
<i>Total Current Liabilities</i>	<u>78,965</u>	<u>0</u>	<u>78,965</u>
<i>Long Term Liabilities:</i>			
Compensated Absences Payable	9,232	0	9,232
Total Liabilities	<u>88,197</u>	<u>0</u>	<u>88,197</u>
Net Assets:			
Invested in Capital Assets	100,086	0	100,086
Unrestricted	(9,750)	1,730	(8,020)
Total Net Assets	<u>\$ 90,336</u>	<u>\$ 1,730</u>	<u>\$ 92,066</u>

See accompanying notes to the basic financial statements

LAKEWOOD LOCAL SCHOOL DISTRICT

*Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2006*

	Business-Type Activities		
	Enterprise Funds		
	Major	Nonmajor	
	Food Service	Uniform School Supplies	Total
Operating Revenues:			
Sales	\$ 406,921	\$ 0	\$ 406,921
Tuition and Fees	0	1,247	1,247
Total Operating Revenues	406,921	1,247	408,168
Operating Expenses:			
Salaries and Wages	250,216	0	250,216
Fringe Benefits	182,012	0	182,012
Contractual Services	1,155	0	1,155
Supplies and Materials	357,913	7,801	365,714
Depreciation	15,144	0	15,144
Other Operating Expense	639	0	639
Total Operating Expenses	807,079	7,801	814,880
Operating Loss	(400,158)	(6,554)	(406,712)
Nonoperating Revenue (Expenses):			
Intergovernmental Grants	372,586	0	372,586
Investment Earnings	401	0	401
Loss on Disposal of Capital Assets	(816)	0	(816)
Total Nonoperating Revenues (Expenses)	372,171	0	372,171
Net Loss before			
Contributions and Transfers	(27,987)	(6,554)	(34,541)
Capital Contributions	1,141	0	1,141
Transfers In	30,000	0	30,000
Change in Net Assets	3,154	(6,554)	(3,400)
Net Assets Beginning of Year	87,182	8,284	95,466
Net Assets End of Year	\$ 90,336	\$ 1,730	\$ 92,066

See accompanying notes to the basic financial statements

LAKEWOOD LOCAL SCHOOL DISTRICT

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2006

	Business-Type Activities		
	Enterprise Funds		
	Major	Nonmajor	Total
Food Service	Uniform School Supply		
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$407,084	\$1,247	\$408,331
Cash Payments for Goods and Services	(279,713)	(7,801)	(287,514)
Cash Payments to Employees for Services and Benefits	(443,465)	0	(443,465)
Net Cash Used by Operating Activities	(316,094)	(6,554)	(322,648)
<u>Cash Flows from Noncapital Financing Activities:</u>			
Intergovernmental Grants Received	293,340	0	293,340
Transfer from General Fund	30,000	0	30,000
Net Cash Provided by Noncapital Financing Activities	323,340	0	323,340
<u>Cash Flows from Investing Activities:</u>			
Receipt of Interest	401	0	401
Net Cash Provided by Investing Activities	401	0	401
Net Increase (Decrease) in Cash and Cash Equivalents	7,647	(6,554)	1,093
Cash and Cash Equivalents at Beginning of Year	36,357	8,284	44,641
Cash and Cash Equivalents at End of Year	\$44,004	\$1,730	\$45,734
<u>Reconciliation of Operating Loss to Net Cash</u>			
<u>Used by Operating Activities:</u>			
Operating Loss	(\$400,158)	(\$6,554)	(\$406,712)
Adjustments to Reconcile Operating Loss to			
Net Cash Used by Operating Activities:			
Depreciation Expense	15,144	0	15,144
Donated Commodities Used During the Year	79,246	0	79,246
Changes in Assets and Liabilities:			
Decrease in Accounts Receivable	163	0	163
Decrease in Inventory	748	0	748
Decrease in Prepaid Items	580	0	580
Decrease in Accrued Wages and Benefits	(2,630)	0	(2,630)
Decrease in Intergovernmental Payables	(688)	0	(688)
Decrease in Compensated Absences	(8,499)	0	(8,499)
Total Adjustments	84,064	0	84,064
Net Cash Used by Operating Activities	(\$316,094)	(\$6,554)	(\$322,648)

Schedule of Noncash Investing, Capital and Financing Activities:

During fiscal year 2006, the Food Service Fund received \$79,246 in donated commodities from the federal government.

During fiscal year 2006, the Food Service Fund received \$1,141 in capital assets from the General Fund.

See accompanying notes to the basic financial statements

LAKWOOD LOCAL SCHOOL DISTRICT

Statement of Net Assets
Fiduciary Funds
June 30, 2006

	Private Purpose Trust	
	Special Trust Fund	Agency
Assets:		
Cash and Cash Equivalents	\$ 750	\$ 8,687
Total Assets	<u>750</u>	<u>8,687</u>
Liabilities:		
Due to Students	0	8,687
Total Liabilities	<u>0</u>	<u>8,687</u>
Net Assets:		
Unrestricted	750	0
Total Net Assets	<u>\$ 750</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

LAKEWOOD LOCAL SCHOOL DISTRICT

***Statement of Changes in Net Assets
Fiduciary Fund
For the Fiscal Year Ended June 30, 2006***

	<u>Private Purpose Trust</u>	<u>Special Trust Fund</u>
Additions:		
Total Additions	\$ 0	
Deductions:		
Total Deductions		0
Change in Net Assets		0
Net Assets at Beginning of Year		<u>750</u>
Net Assets End of Year	\$	<u>750</u>

See accompanying notes to the basic financial statements

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

The District is governed by a locally elected five member Board of Education (the Board) which provides educational services. The Board controls the District's instructional support facilities staffed by approximately 110 non-certified and approximately 181 certified teaching personnel and administrative employees providing education to 2,217 students.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*," as amended by GASB Statement No. 39 "*Determining Whether Certain Organizations Are Component Units*", in that the financial statements include all organizations, activities, functions and component units for which the District (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either the District's ability to impose its will over the organization or the possibility that the organization will provide a financial benefit to, or impose a financial burden on, the District. Based on the foregoing, the District has one component unit, the Lakewood Digital Academy (the "Academy"). The reporting entity of the District includes the following services: instructional (regular, special education), student guidance, extracurricular activities, food service, pupil transportation and care and upkeep of grounds and buildings.

Lakewood Local School District participates in three jointly governed organizations and two insurance purchasing pools. These organizations are the Licking Area Computer Association (LACA), Metropolitan Educational Council, Central Ohio Special Education Regional Resource Center and the Ohio Association of School Business Officials Workers' Compensation Group Rating Program. Information regarding these organizations is presented in Notes 13 and 14.

Discreetly Presented Component Unit - The component unit column on the Financial Statements includes the financial data of the District's component unit. It is reported in a separate column to emphasize that it is legally separate from the District.

The Lakewood Digital Academy (the "Academy") is a legally separate not-for-profit served by an appointed five-member Board of Directors. The Academy, under a contractual agreement with the Lakewood Local School District, provides comprehensive educational programs of high quality, tied to state and national standards, which can be delivered to students in the K-12 population entirely through distance learning technologies. It is operated in cooperation with the District to provide an innovative and cost-effective solution to the special problems of disabled students, students removed from school for disciplinary reasons, students needing advanced or specialized courses, and others, including home-schooled students. The Board of Directors consists of the Lakewood Local School District superintendent, the High School Academic Dean,

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

the Curriculum Coordinator, a District guidance counselor and one member who is neither an officer nor employee of the District, but who is a public educator or other public official. The Treasurer of Lakewood Local School District is the Chief Financial Officer. The Academy operates on a fiscal year ending June 30. Separately issued financial statements can be obtained from Lakewood Digital Academy, 525 East Main Street, Hebron, Ohio, 43025.

The accounting policies and financial reporting practices of the District, including the Academy conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of its significant accounting policies.

B. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses.

The following fund types are used by the District:

Governmental Funds - These are funds through which most governmental functions typically are financed. The acquisition, use and balances of the District's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is based upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the District's major governmental funds:

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

Debt Service Fund - This fund is used for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

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

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Proprietary Funds – The proprietary funds are accounted for on an “economic resources” measurement focus. This measurement focus provides that all assets and all liabilities associated with the operation of the proprietary funds are included on the balance sheet. The proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises in which the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The District’s major enterprise fund is:

Food Services Fund – This fund accounts for the financial transactions related to the food service operations of the District.

The District has one other enterprise fund, the Uniform School Supplies Fund which is a nonmajor fund. This fund accounts for the purchase and sale of school supplies for use in the District. Profits derived from such sales are used for school purposes or activities connected with the school.

Fiduciary Funds – Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary 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 District under a trust agreement for individuals, private organizations or other governments and therefore not available to support the District’s own programs. The District’s only trust fund is a private purpose trust that accounts for scholarship programs for students. The District’s agency fund accounts for various student-managed activity programs. The agency fund is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operation.

C. Basis of Presentation and Measurement Focus – Financial Statements

Government-wide Financial Statements – The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation and Measurement Focus – Financial Statements (Continued)

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund 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 government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function or program of the 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 and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements – Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

Private purpose trust funds are reported using the economic resources measurement focus.

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the District is considered to be 60 days after fiscal year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Under the modified accrual basis, the following revenue sources are considered susceptible to accrual at year end: property taxes, tuition, grants and entitlements, student fees, and interest on investments.

Current property taxes measurable at June 30, 2006, and which are not intended to finance fiscal 2006 operations, have been recorded as deferred revenues. Delinquent property taxes measurable and available (received within 60 days) and amounts available as an advance on future tax settlements are recognized as revenue at year end. Taxes available for advance and recognized as revenue but not received by the District prior to June 30, 2006 are reflected as a reservation of fund balance for future appropriations. The District is prohibited by law from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to the fiscal year end.

The accrual basis of accounting is utilized for reporting purposes by the government-wide financial statements, proprietary funds and fiduciary funds. Revenues are recognized when they are earned and expenses are recognized when incurred.

Pursuant to GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting," the District follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. The District has elected not to apply FASB statements and interpretations issued after November 30, 1989 to its business-type activities and enterprise funds.

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.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Nonexchange transactions, in which the 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. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as deferred revenue.

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

E. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the certificate of estimated resources and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year.

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The primary level of budgetary control is at the fund level for all funds except the General Fund for which it is at the object level. Budgetary modifications may only be made by resolution of the Board of Education.

1. Estimated Resources

Prior to March 15, the Board accepts by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during fiscal year 2006.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

2. Appropriations

A temporary appropriation measure to control expenditures may be passed on or about July 1 of each year for the period July 1 through September 30. An annual appropriation resolution must be passed by October 1 of each year for the period July 1 through June 30. The appropriation resolution establishes spending controls at the fund level except for the General Fund which is at the object level. The appropriation resolution may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. During the year, several supplemental appropriations were necessary to budget the use of contingency funds. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual-General Fund" are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

3. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

4. Component Unit

The contract between the Academy and the District requires a detailed school budget for each year of the contract; however, the budget does not have to follow the provisions of Ohio Revised Code Section 5705.

5. Budgetary Basis of Accounting

The District's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting. Encumbrances are recorded as the equivalent of expenditures (budgetary basis) as opposed to reservations of fund balance (GAAP basis).

LAKEWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

5. Budgetary Basis of Accounting (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund:

<u>Net Change in Fund Balance</u>	
	<u>General Fund</u>
GAAP Basis (as reported)	\$1,038,620
Increase (Decrease):	
Accrued Revenues at June 30, 2006, received during FY 2007	(1,288,055)
Accrued Revenues at June 30, 2005, received during FY 2006	1,539,724
Accrued Expenditures at June 30, 2006, paid during FY 2007	1,857,336
Accrued Expenditures at June 30, 2005, paid during FY 2006	(1,849,997)
FY 2005 Prepays for FY 2006	138,499
FY 2006 Prepays for FY 2007	(143,260)
Adjustment to Fair Value 2006	10,449
Adjustment to Fair Value 2005	(12,665)
Encumbrances Outstanding	<u>(181,428)</u>
Budget Basis	<u><u>\$1,109,223</u></u>

F. Cash and Cash Equivalents

During fiscal year 2006, cash and cash equivalents included amounts in demand deposits and the State Treasury Asset Reserve (STAR Ohio). STAR Ohio is a very liquid investment and is reported as a cash equivalent in the basic financial statements.

The District pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 5, "Cash and Cash Equivalents."

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the District records all its investments at fair value except for nonparticipating investment contracts (repurchase agreements) which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statements. Fair value is determined by quoted market prices. See Note 5, "Cash and Cash Equivalents."

The District has invested funds in the State Treasury Asset Reserve of Ohio during 2006. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2006.

H. Inventory

Inventory is stated at cost (first-in, first-out) in the governmental funds and at the lower of cost or market in the proprietary funds. The costs of inventory items are recorded as expenditures in the governmental funds when purchased and as expenses in the proprietary funds when used.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2006, 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.

J. Capital Assets and Depreciation

Capital assets are defined by the District as assets with an initial, individual cost of more than \$600.

1. Property, Plant and Equipment - Governmental Activities

Governmental activities capital assets are those not directly related to the business-type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Assets, but they are not reported in the Fund Financial Statements.

LAKEWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation (Continued)

1. Property, Plant and Equipment - Governmental Activities (Continued)

Contributed capital assets are recorded at fair market value at the date received. The District does not possess any infrastructure. Estimated historical costs for governmental activities capital asset values were initially determined by identifying historical costs where such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

2. Property, Plant and Equipment – Business-Type Activities

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost). Contributed capital assets are recorded at fair market value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Assets and in the respective funds.

3. Depreciation

All capital assets are depreciated excluding land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

Description	Estimated Lives (in years)
Land Improvements	10 - 15
Buildings and Improvements	15 - 30
Furniture, Fixtures and Equipment	5 - 15
Vehicles	5 - 10

K. Long-Term Obligations

Long-term liabilities are being repaid from the following funds:

Obligation	Fund
General Obligation Bonds Payable	Debt Service Fund
Long-Term Notes Payable	Debt Service Fund
EPA Loan Payable	Debt Service Fund
Compensated Absences	General Fund, Food Services Fund
Capital Leases	General Fund

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences

In accordance with GASB Statement No. 16, “*Accounting for Compensated Absences*,” vacation benefits are accrued as a liability when an employee’s right to receive compensation is attributable to services already rendered, and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Administrators and classified staff who work twelve month contracts are granted vacation leave based on length of service and position. Sick leave benefits are accrued as a liability using the vesting method. Employees may earn 15 days of sick leave per year up to a maximum of 220 days. Upon retirement, employees will receive one-fourth of the accumulated sick leave up to a maximum of 55 days.

Compensated absences accumulated by governmental fund type and proprietary fund type employees are reported as an expense when earned in the government-wide financial statements. For 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 fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not recorded. For proprietary funds, the entire compensated absences amount is reported as a fund liability.

M. 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 District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

N. Pensions

The provision for pension costs is recorded when the related payroll is accrued and the obligation is incurred. Pension liabilities expected to be paid from current available financial resources are recorded as a fund liability.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Interfund Activity

The District has no exchange transactions between 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 and after nonoperating revenues/expenses in proprietary funds. There were no interfund transfers in 2006. Short-term interfund loans between governmental and business-type activities have not been eliminated on the government-wide statements of net assets and are presented as internal balances.

P. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents set aside for maintenance and renovation. A fund balance designation has also been established for this amount.

Q. Reservations of Fund Balance

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for debt service, prepaid items, supplies inventory, property taxes, and encumbered amounts which have not been accrued at year end. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles, but not available for appropriation under State statute.

R. Estimates

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

S. Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are sales for food service and tuition and fees for uniform school supplies. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006**

NOTE 2 – PRIOR PERIOD ADJUSTMENTS AND RESTATEMENT OF NET ASSETS

During the fiscal year ended June 30, 2006, the District corrected the calculation of accreted interest for capital appreciation bonds in the Statement of Net Assets for Governmental Activities. The correction resulted in the restatement of net assets at June 30, 2005 of the Governmental Activities as follows:

	Governmental Activities
Net Assets Balance at June 30, 2005 as reported	\$6,174,343
Correction of long-term debt	(376,746)
Net Assets Balance at June 30, 2005 as restated	\$5,797,597

NOTE 3 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government – wide statement of activities. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

Amount by which depreciation exceeded capital outlays in the current period:

Capital Outlay	\$309,445
Depreciation Expense	(907,528)
	(\$598,083)

Governmental revenues not reported in the funds:

Increase in Investment Earnings	\$6,515
Increase in Grants Revenue	12,198
Decrease in Delinquent Tax Revenue	(43,041)
	(\$24,328)

Net amount of long-term debt issuance and bond and lease principal payments:

Bond Principal Payment	\$550,000
Long-term Note Principal Payment	72,665
EPA Loan Principal Payment	7,514
Capital Lease Payment	100,425
Inception of Capital Lease	(116,162)
Payment to Escrow Agent for Refunding	10,517,195
Refunding Bonds Issued	(9,999,991)
Premium on Refunding Bonds Issued	(667,467)
Deferred Bond Issuance Costs	150,263
	\$614,442

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 4 - COMPLIANCE AND ACCOUNTABILITY

Fund Deficits - The fund deficit at June 30, 2006 of \$6,263 in the Poverty Aid Fund (special revenue fund), arose from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary basis. The General Fund provides transfers when cash is required not when accruals occur.

NOTE 5 - CASH AND CASH EQUIVALENTS

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments. The District has adopted an Investment Policy that follows Ohio Revised Code Chapter 135 and applies the prudent person standard. The prudent person standard requires the Treasurer to exercise the care, skill and experience that a prudent person would use to manage his/her personal financial affairs and to seek investments that will preserve principal while maximizing income.

Statutes require the classification of funds held by the District into three categories. Category 1 consists of "active" funds - those funds required to be kept in a "cash" or "near cash" status for immediate use by the District. Such funds must be maintained either as cash in the District Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of "inactive" funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of "interim" funds - those funds which are not needed for immediate use but, which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- 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;
- 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;
- Interim deposits in eligible institutions applying for interim funds;

LAKEWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006***

NOTE 5 - CASH AND CASH EQUIVALENTS (Continued)

- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets 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, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned. Protection of District cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. The District has no policy on custodial credit risk and is governed by Ohio Revised Code. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the District places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year end the carrying amount of the District's deposits was \$945,145 and the bank balance was \$1,441,593. Federal depository insurance covered \$100,000 of the bank balance and \$1,341,593 was uninsured. Of the remaining uninsured bank balance, the District was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the District's name	<u>\$1,341,593</u>
Total Balance	<u><u>\$1,341,593</u></u>

Investment earnings of \$32,100 earned by other funds was credited to the General Fund as required by state statute.

LAKEWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006**

NOTE 5 - CASH AND CASH EQUIVALENTS (Continued)

B. Investments (Continued)

The District's investments at June 30, 2006 were as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years)</u>
			<u>less than 1</u>
Repurchase Agreements	\$471,647	N/A	\$471,647
STAR Ohio	3,161,973	AAAm ¹	3,161,973
FNMA	243,048	AAA ^{1,2}	243,048
FMCA	98,469	AAA ^{1,2}	98,469 ^a
Total Investments	<u>\$3,975,137</u>		<u>\$3,975,137</u>

¹ Standard & Poor's

² Moody's Investor Service

^a Call Options – July 26, 2006, and January 26, 2007.

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date.

Investment Credit Risk – The District has no investment policy that limits its investment choices other than the limitation of State statute for “interim” funds described previously.

Concentration of Credit Risk – The District places no limit on the amount the District may invest in one issuer. Of the District's total investments, 6.11% are FNMA, and 2.5% are FMCA.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Of the District's investment in repurchase agreements, the entire balance is collateralized by underlying securities pledged by the investment's counterparty, not in the name of the District. The District has no policy on custodial credit risk and is governed by Ohio Revised Code as described under Deposits.

LAKEWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006***

NOTE 5 - CASH AND CASH EQUIVALENTS (Continued)

C. Reconciliation of Cash, Cash Equivalents and Investments

The classification of cash, cash equivalents and investments on the financial statements is based on criteria set forth in GASB Statement No. 9. Certificates of deposit with an original maturity of three months or less are treated as cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3.

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Financial Statements	\$3,578,765	\$1,341,517
Certificates of Deposit (with maturities of more than 3 months)	1,000,000	(1,000,000)
Repurchase Agreements	(471,647)	471,647
STAR Ohio	<u>(3,161,973)</u>	<u>3,161,973</u>
Per GASB Statement No. 3	<u>\$945,145</u>	<u>\$3,975,137</u>

D. Component Unit

At year end the carrying amount of the Academy's deposits was \$30,128 and the bank balance was \$30,134. Federal depository insurance covered the entire bank balance. There are no significant statutory restrictions regarding the deposit and investment of funds by the Academy.

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LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the District. Real property taxes (other than public utility) collected during 2006 were levied after October 1, 2005 on assessed values as of January 1, 2005, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made the third year following reappraisal. The last revaluation was completed in 2005. Real property taxes are payable annually or semi-annually. The first payment is due December 31, with the remainder payable by June 20.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 18.75 percent of its true value. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semi-annually, the first payment is due April 30; with the remainder payable by September 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100 percent of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including Lakewood Local School District. The County Auditor periodically remits to the District its portion of the taxes collected. The assessed values upon which the fiscal year 2006 receipts were based are:

	2005 Second Half	2006 First Half
	<u>Collections</u>	<u>Collections</u>
Agricultural/Residential and Other Real Estate	\$284,580,780	\$325,385,530
Public Utility Personal	15,215,760	15,701,530
Tangible Personal Property	<u>69,156,940</u>	<u>77,470,570</u>
Total Assessed Value	<u>\$368,953,480</u>	<u>\$418,557,630</u>
Tax rate per \$1,000 of assessed valuation	\$47.40	\$45.92

NOTE 7 - RECEIVABLES

Receivables at June 30, 2006 consisted of taxes, accounts, interest receivable and intergovernmental receivables.

LAKEWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006**

NOTE 8 - TRANSFERS

Following is a summary of transfers for all funds at June 30, 2006:

Fund	Transfers In	Transfers Out
General Fund	\$0	\$30,000
Enterprise Fund:		
Food Service Fund	30,000	0
Totals	\$30,000	\$30,000

The transfer is to provide additional resources for current operations.

NOTE 9 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at June 30, 2006:

<i>Historical Cost:</i>				
Class	June 30, 2005	Additions	Deletions	June 30, 2006
Capital Assets not being depreciated:				
Land	\$275,555	\$0	\$0	\$275,555
Construction In Progress	0	13,214	0	13,214
Subtotal	275,555	13,214	0	288,769
Capital Assets being depreciated:				
Land Improvements	810,337	0	0	810,337
Buildings and Improvements	20,729,778	0	0	20,729,778
Furniture, Fixtures and Equipment	3,697,594	229,231	(382,456)	3,544,369
Vehicles	1,731,059	67,000	0	1,798,059
Subtotal	26,968,768	296,231	(382,456)	26,882,543
Total Cost	\$27,244,323	\$309,445	(\$382,456)	\$27,171,312
Accumulated Depreciation:				
Class	June 30, 2005	Additions	Deletions	June 30, 2006
Land Improvements	(\$474,717)	(\$42,152)	\$0	(\$516,869)
Buildings and Improvements	(6,182,107)	(513,463)	0	(6,695,570)
Furniture, Fixtures and Equipment	(2,092,024)	(269,666)	310,738	(2,050,952)
Vehicles	(1,393,142)	(82,247)	0	(1,475,389)
Total Depreciation	(\$10,141,990)	(\$907,528) *	\$310,738	(\$10,738,780)
Net Value:	\$17,102,333			\$16,432,532

LAKEWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006**

NOTE 9 - CAPITAL ASSETS (Continued)

A. Governmental Activities Capital Assets (Continued)

* Depreciation expenses were charged to governmental functions as follows:

Instruction	\$522,263
Support Services:	
Instructional Staff	31,161
Administration	48,753
Operations and Maintenance of Plant	48,037
Pupil Transportation	81,522
Extracurricular Activities	132,112
Other Noninstructional Services	43,680
Total Depreciation Expense	\$907,528

B. Business-Type Activities Capital Assets

Summary by Category at June 30, 2006:

Class	June 30, 2005	Additions	Deletions	June 30, 2006
Furniture and Equipment	\$316,549	\$1,141	(\$1,892)	\$315,798
Accumulated Depreciation	(201,644)	(15,144)	1,076	(215,712)
Net Value:	\$114,905	(\$14,003)	(\$816)	\$100,086

C. Component Unit Capital Assets

Summary by Category at June 30, 2006:

Class	June 30, 2005	Additions	Deletions	June 30, 2006
Furniture and Equipment	\$6,655	\$90,510	\$0	\$97,165
Accumulated Depreciation	(\$1,997)	(\$10,382)	\$0	(\$12,379)
Net Value:	\$4,658	\$80,128	\$0	\$84,786

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 10 - DEFINED BENEFIT PENSION PLANS

All of the District's full-time employees participate in one of two separate retirement systems which are cost-sharing, multiple-employer defined benefit pension plans.

A. School Employees Retirement System of Ohio (SERS of Ohio)

All non-certified employees of the District, with minor exceptions, performing duties that do not require a certificate issued by the Ohio Department of Education are eligible to participate in the School Employees Retirement System of Ohio, a cost-sharing, multiple-employer public employee retirement system.

The SERS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. The SERS of Ohio issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for the SERS of Ohio. Interested parties may obtain a copy by making a written request to SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (800) 878-5853. It is also posted on SERS' website, www.ohsers.org, under Forms and Publications.

The Ohio Revised Code provides statutory authority for District and employee contributions of 14% and 10% respectively. The contribution rates are determined actuarially, and are established and may be amended, up to statutory amounts, by the School Employees Retirement Board (Retirement Board) within the rates allowed by State statute. The required employer contribution rate is allocated to basic retirement benefits and health care by the Retirement Board. At June 30, 2006, 10.58% was allocated to fund the pension benefit and 3.42% to fund health care. The District's contributions to the SERS of Ohio for the years ending June 30, 2006, 2005, and 2004 were \$349,092, \$322,272, and \$297,456, respectively, which were equal to the required contributions for each year.

The Ohio Revised Code gives SERS the discretionary authority to provide postretirement health care to retirees and their dependents. Coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Effective January 1, 2004, all retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility, and retirement status. The portion of the 2006 employer contribution rate that was used to fund health care for the year 2006 was 3.42%. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between minimum pay and the member's pay, prorated for partial service credit. For fiscal year 2006, the minimum pay has been established as \$35,800. The surcharge, added to the unallocated portion of the 14% employer contribution rate, provides for maintenance of the asset target level for the health care fund. The amount contributed to fund health care benefits, including the surcharge amounted to \$129,572.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 10- DEFINED BENEFIT PENSION PLANS (Continued)

A. School Employees Retirement System of Ohio (SERS of Ohio) (Continued)

Health care benefits are financed on a pay-as-you-go basis. Net health care costs for the year ended June 30, 2005 were \$178,221,113. The target level for the health care reserve is 150% of the projected claims less premium contributions for the next fiscal year. As of June 30, 2005, the value of the health care fund was \$267.5 million, which is about 168% of next year's projected net health care costs of \$158,776,151. On the basis of actuarial projections, the allocated contributions will be insufficient, in the long term, to provide for a health care reserve equal to at least 150% of estimated annual net claim costs. The number of participants eligible to receive benefits is 58,123.

B. State Teachers Retirement System of Ohio (STRS of Ohio)

All certified employees of the District are eligible to participate in the State Teachers Retirement System of Ohio, a cost-sharing, multiple-employer public employee retirement system.

The STRS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and survivor benefits based on eligible service credit to plan members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. The STRS of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the STRS of Ohio. Interested parties may obtain a copy by making a written request to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3371, or by calling (614) 227-4090 or by visiting the STRS Ohio Web site at www.strsoh.org.

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

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 10- DEFINED BENEFIT PENSION PLANS (Continued)

B. State Teachers Retirement System of Ohio (STRS of Ohio) (Continued)

The Ohio Revised Code provides statutory authority for District and employee contributions of 14% and 10%, respectively. The contribution requirements of plan members and the District are established and may be amended by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. At June 30, 2005, (latest information available) 13% was allocated to fund the pension benefit and 1% to fund health care. The District's contributions to the STRS of Ohio for the years ending June 30, 2006, 2005, and 2004 were \$1,330,116, \$1,239,204, and \$1,224,936, respectively, which were equal to the required contributions for each year.

STRS provides postemployment health care benefits to retirees who participated in the DB or Combined Plans and their dependents. Coverage includes hospitalization, physician fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Revised Code, the State Teachers Retirement Board has discretionary authority over how much, if any, of the health care cost will be absorbed by STRS. All benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, health care benefits are not guaranteed.

Benefits are funded on a pay-as-you-go basis through an allocation of employer contributions to the Health Care Stabilization Fund. For the fiscal year ended June 30, 2005, (latest information available) the board allocated employer contributions are equal to 1% of covered payroll to the Health Care Stabilization Fund, which amounted to \$95,008 for the District. The balance of the Health Care Stabilization Fund was \$3.3 billion at June 30, 2005. For the fiscal year ended June 30, 2005, the net health care costs paid by STRS were \$254,780,000. There were 115,395 eligible benefit recipients.

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LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 11 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

Details of the changes in long-term debt and other long-term obligations of the District for the year ended June 30, 2006 are as follows:

		Balance June 30, 2005	Issued	(Retired)	Balance June 30, 2006	Due Within One Year
Governmental Activities:						
(Long-Term Notes Payable)						
Energy Conservation Project	5.50%	\$581,320	\$0	(\$72,665)	\$508,655	\$72,665
Total Long-Term Notes Payable		581,320	0	(72,665)	508,655	72,665
(EPA Loan Payable)						
Asbestos Federal EPA Loan	0.00%	11,272	0	(7,514)	3,758	3,758
(General Obligation Bonds Payable)						
School Improvement Bonds 1999a	3.0-5.0%	4,817,000	0	(3,865,000)	952,000	46,863
School Improvement Bonds 1999b	3.15-5.0%	8,609,870	0	(6,550,000)	2,059,870	106,257
School Improvement						
Refunding Bonds	2.75-4.1%	0	9,999,991	(135,000)	9,864,991	60,000
		13,426,870	9,999,991	(10,550,000)	12,876,861	213,120
Premium on Refunding Bonds		0	667,467	(31,784)	635,683	0
Deferred Loss on Refunding		0	(517,195)	24,724	(492,471)	0
Interest Accretion		376,746	128,932	0	505,678	281,880
Total General Obligation Bonds Payable		13,803,616	10,279,195	(10,557,060)	13,525,751	495,000
Capital Leases Payable		188,181	116,162	(100,425)	203,918	61,420
Compensated Absences		754,310	314,442	(293,079)	775,673	45,388
Total Governmental Activities		15,338,699	10,709,799	(11,030,743)	15,017,755	678,231
Business-Type Activities:						
Compensated Absences		17,731	3,779	(12,278)	9,232	0
Total Long Term Liabilities		\$15,356,430	\$10,713,578	(\$11,043,021)	\$15,026,987	\$678,231

The original amount of the Long-Term Notes Payable \$726,650 were used to finance the cost of acquiring and installing energy conservation measures. The original amount of the Asbestos Loan was \$135,259. The original amounts of the General Obligation Bonds Payable of \$952,000, \$2,059,870 and \$9,999,991 were used to finance the cost of building a new high school facility.

LAKEWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006**

NOTE 11- LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

A. Principal and Interest Requirements

A summary of the District's future long-term debt funding requirements, including principal and interest payments as of June 30, 2006, follows:

Years	<u>Long-Term Notes Payable</u>		<u>EPA Loan Payable</u>		<u>General Obligation Bonds Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2007	\$72,665	\$26,322	\$3,758	\$0	\$213,120	\$787,435
2008	72,665	22,270	0	0	198,750	805,008
2009	72,665	18,273	0	0	505,000	492,629
2010	72,665	14,166	0	0	520,000	471,728
2011	72,665	10,113	0	0	545,000	449,550
2012-2016	145,330	8,081	0	0	2,606,278	2,343,521
2017-2021	0	0	0	0	3,043,713	1,906,850
2022-2026	0	0	0	0	4,280,000	645,599
2027	0	0	0	0	965,000	20,024
Totals	<u>\$508,655</u>	<u>\$99,225</u>	<u>\$3,758</u>	<u>\$0</u>	<u>\$12,876,861</u>	<u>\$7,922,344</u>

B. Defeased Debt

In September 2005, the District refunded \$3,715,000 and \$6,285,000 of General Obligation Bonds for School Improvement Series 1999A and 1999B, dated March 11, 1999, and April 8, 1999, respectively, through the issuance of \$9,999,991 of General Obligation Bonds. The net proceeds of the 2005 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States Government and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$3,715,000 and \$6,285,000, respectively, at June 30, 2006, are not included in the District's outstanding debt since the District has in-substance satisfied its obligations through the advance refunding. The District reduced its aggregate debt service payments over the life of the refunded bonds by \$898,069 and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$615,490.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 12 - CAPITAL LEASE COMMITMENTS

The District leases copiers under capital leases. The cost of the equipment obtained under capital leases is \$313,760, the accumulated depreciation is \$129,151 and the net book value is \$184,609, which is included in the Governmental Activities Capital Assets and the related liability is included in the Governmental Activities Long-Term Liabilities.

The following is a schedule of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 2006:

<u>Year Ending June 30,</u>	<u>Capital Lease</u>
2007	\$90,652
2008	90,652
2009	43,386
2010	27,600
2011	13,801
Minimum Lease Payments	266,091
Less: Amount representing interest at the District's incremental borrowing rate of interest	<u>(62,173)</u>
Present Value of minimum lease payments	<u><u>\$203,918</u></u>

NOTE 13 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters.

The District participates in the Metropolitan Educational Council Group Program (the Plan), an insurance purchasing pool established under Section 2744.081 of the Ohio Revised Code. The Plan is an unincorporated nonprofit association of its members which enables the participants to provide for a formalized joint insurance purchasing program for maintaining adequate insurance protection and provides risk management programs and other administrative services. The Plan's business and affairs are conducted by a seven member board consisting of superintendents, treasurers and business managers.

Specialty Claims Services, Inc. is responsible for processing claims. Marsh, Inc. serves as the Plan's administrator, sales representative, and marketing representative which establishes agreements between the Plan and its members. Financial information can be obtained from the Metropolitan Educational Council Group Program, 2100 Citygate Drive, Columbus, OH 43219-3566.

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 13 - RISK MANAGEMENT (Continued)

The District participates in the Ohio Association of School Business Officials Workers' Compensation Group Rating Program (the GRP), an insurance purchasing pool. The executive Director of the OASBO, 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. The intent of the GRP is to achieve the benefit of a reduced premium for the 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 Sheakley, Inc. provides administrative, cost control and actuarial services to the GRP.

NOTE 14 - JOINTLY GOVERNED ORGANIZATIONS

A. Licking Area Computer Association

The District is a participant in the Licking Area Computer Association (LACA) which is a computer consortium. LACA is an association of public school districts within the boundaries of Licking and Muskingum Counties. The 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 school districts. The governing board of LACA consists of thirteen members made up of the thirteen district superintendents. The continued existence of LACA is not dependent on the District's continued participation and no equity interest exists. The LACA constitution states that any school district withdrawing from the Association prior to dissolution forfeits their claim to the Association's fixed assets. The District paid LACA \$84,219 for services provided during the year. Financial information can be obtained from their fiscal agent, the Licking County Joint Vocational School, Cory Thompson, who serves as Treasurer, at 150 Price Road, Newark, Ohio 43055.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 14 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

B. Metropolitan Educational Council

The District participates in the Metropolitan Educational Council (MEC), a jointly governed organization. The organization is composed of over 135 members, which includes school districts, joint vocational school, educational service centers and libraries covering 24 counties in Central Ohio. MEC helps its members purchase services, insurance, supplies, and other items at a discounted rate. The governing board of MEC is composed of either the superintendent, a designated representative or a member of the board of education for each participating school district in Franklin County (18 school districts), and one representative from each county. Each year, the participating school districts pay a membership fee to MEC to cover the costs of administering the program. The District's membership payment to MEC for fiscal year 2006 was \$868. Financial information may be obtained from the Metropolitan Educational Council, Denise Music, who serves as fiscal officer, at 6100 Channingway Blvd., Suite 604, Columbus, OH 43232.

C. Central Ohio Special Education Regional Resource Center

The Central Ohio Special Education Regional Resource Center (COSERRC) is a jointly governed organization operated by a Governing Board that is composed of superintendents of member school districts in Central Ohio (which comprise sixty percent of the Board), two parents of children with disabilities, one representative of a chartered nonpublic school, one representative of a county board of Mental Retardation and Developmental Disabilities, representatives of universities, and student and persons with disabilities representations. The District participates in the following services of COSERRC: Identification and Program Development Project, Regional Educational Assessment Programming Project, Instructional Resource Center Project, Early Childhood Services Project, and the Ohio Resource Center for Low Incidence and Severely Handicapped Project. These services are to assist the District in complying with mandates of Public Law 99-457 for educating children with disabilities. There is no financial commitment made by the districts involved in COSERRC. COSERRC is not dependent upon the continued participation of the District and the District does not maintain an equity interest in or financial responsibility for COSERRC. The District made no contributions to COSERRC during fiscal year 2006.

NOTE 15 – RELATED PARTY TRANSACTIONS

The Community School Sponsorship Contract and the annual Purchased Services Contract between the Academy and the District outlined the specific payments to be made during fiscal year 2006. During 2006, the Academy made payments to the District of \$58,982 for administrative and fiscal services, a management fee and for services of the Director and a student assistant specialist.

LAKWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006***

NOTE 16 – STATUTORY RESERVES

The District is required by state law to set aside certain general fund revenue amounts for textbook and capital acquisition into various reserves. During the fiscal year ended June 30, 2006, the reserve activity (cash-basis) was as follows:

	Textbook Reserve	Capital Acquisition Reserve	Total
Set-aside Cash Balance as of June 30, 2005	\$0	\$0	\$0
Current Year Set-Aside Requirement	335,502	335,502	671,004
Excess Carryover from Prior Year	0	0	0
Qualifying Disbursements	<u>(413,338)</u>	<u>(407,193)</u>	<u>(820,531)</u>
Total	<u>(\$77,836)</u>	<u>(\$71,691)</u>	<u>(\$149,527)</u>
Cash Balance Carried Forward to FY 2007	<u>\$0</u>	<u>\$0</u>	\$0
Board Set Aside Maintenance and Renovation Account			<u>204,164</u>
Total Restricted Assets			<u>\$204,164</u>

Actual capital expenditures in excess of current year or accumulated set-aside requirements from the capital acquisition reserve may not be carried forward to offset future years' capital acquisition reserve set-aside requirements; however, the excess of current year textbook expenditures of \$77,836 may be carried forward to offset future years' textbook reserve set-aside requirements.

NOTE 17 - CONTINGENCIES

A. Grants

The District receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2006.

B. Litigation

The District is not a party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects as of June 30, 2006.

LAKWOOD LOCAL SCHOOL DISTRICT

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE
THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS.*

LAKEWOOD LOCAL SCHOOL DISTRICT

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to private purpose trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Public School Support Fund

To account for specific local revenue sources, other than taxes that are restricted to expenditures for specified purposes, curricular and extracurricular, approved by board resolutions.

Other Grant Fund

To account for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specified purposes.

Student Activity Fund

To account for student activity programs which have student participation in the activity, but do not have student management of the programs. Typically this includes athletic programs, band, cheerleaders and other similar types of activities.

Auxiliary Services Fund

To account for monies which provide services and materials to pupils attending non-public schools within the District.

Management Information System Fund

To account for costs related to hardware and software development or other costs associated with the requirements of the management information system. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Data Communications Fund

To account for monies received for the maintenance of the Ohio Educational Computer Network connections.

SchoolNet Professional Development Fund

To account for funds from State grants to provide professional development for staff in technology.

OhioReads Fund

To account for grant monies to be used for improving reading outcomes, especially on the fourth grade reading proficiency test and for operating expenditures associated with administering the program

(Continued)

LAKEWOOD LOCAL SCHOOL DISTRICT

Special Revenue Funds

Student Reading Intervention Fund

To account for student intervention services satisfying criteria defined in division (E) of section 3313.608 of the Ohio Revised Code. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Poverty Aid Fund

To account for monies received through the state foundation system for poverty based assistance.

Title VI-B Fund

To account for federal monies received in providing an appropriate public education to all children with disabilities.

Title I Fund

To account for federal revenues received to meet the special needs of educationally deprived children.

Title V Fund

To account for federal revenues which assist in the reform of elementary and secondary education. Funds can be used for various materials, technology and projects implementing school improvement and parental involvement.

Drug Free School Grant Fund

To account for federal revenue funds to be used for drug abuse prevention, early intervention, rehabilitation referral and education.

Telecommunications Act Grant Fund

To account for revenues paid to the district for telecommunication services.

Title II-A Fund

To account for federal monies received which are used to hire additional classroom teachers in grades 1 through 3, so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants Fund

To account for various revenues received through state agencies from the federal government or directly from the federal government which are not classified elsewhere.

Capital Projects Funds

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

School Net Plus Fund

This fund is used to account for financial resources to be used for computer workstations and related technology for every classroom. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

LAKWOOD LOCAL SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2006**

	Public School Support	Other Grant	Student Activity	Auxiliary Services
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets:				
Cash and Cash Equivalents	\$ 38,048	\$ 16,737	\$ 109,732	\$ 5
Receivables:				
Accounts	817	0	4,542	0
Intergovernmental	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	<u>\$ 38,865</u>	<u>\$ 16,737</u>	<u>\$ 114,274</u>	<u>\$ 5</u>
Liabilities:				
Accounts Payable	\$ 2,757	\$ 0	\$ 4,731	\$ 0
Accrued Wages and Benefits	0	0	0	0
Intergovernmental Payable	0	0	0	0
Deferred Revenue	0	0	0	0
Total Liabilities	<u>2,757</u>	<u>0</u>	<u>4,731</u>	<u>0</u>
Fund Balances:				
Reserved for Encumbrances	300	0	10,022	0
Reserved for Prepaid Items	0	0	0	0
Unreserved, Undesignated	35,808	16,737	99,521	5
Total Fund Balances (Deficit)	<u>36,108</u>	<u>16,737</u>	<u>109,543</u>	<u>5</u>
Total Liabilities and Fund Balances	<u>\$ 38,865</u>	<u>\$ 16,737</u>	<u>\$ 114,274</u>	<u>\$ 5</u>

LAKWOOD LOCAL SCHOOL DISTRICT

Data Communications	SchoolNet Professional Development	OhioReads	Poverty Aid	Title VI-B	Title I	Title V	Drug Free School Grant
\$ 4,211	\$ 1,367	\$ 1,240	\$ 0	\$ 47	\$ 13,960	\$ 308	\$ 1,226
0	0	0	0	0	0	0	0
0	0	3,989	0	74,312	15,990	502	1,131
0	0	0	0	4,079	0	0	0
<u>\$ 4,211</u>	<u>\$ 1,367</u>	<u>\$ 5,229</u>	<u>\$ 0</u>	<u>\$ 78,438</u>	<u>\$ 29,950</u>	<u>\$ 810</u>	<u>\$ 2,357</u>
\$ 0	\$ 0	\$ 4,278	\$ 0	\$ 1,184	\$ 0	\$ 0	\$ 0
0	0	0	6,263	42,376	29,950	0	0
0	0	0	0	9,621	0	0	0
0	0	0	0	11,688	0	0	0
<u>0</u>	<u>0</u>	<u>4,278</u>	<u>6,263</u>	<u>64,869</u>	<u>29,950</u>	<u>0</u>	<u>0</u>
0	0	951	0	963	0	0	500
0	0	0	0	4,079	0	0	0
4,211	1,367	0	(6,263)	8,527	0	810	1,857
<u>4,211</u>	<u>1,367</u>	<u>951</u>	<u>(6,263)</u>	<u>13,569</u>	<u>0</u>	<u>810</u>	<u>2,357</u>
<u>\$ 4,211</u>	<u>\$ 1,367</u>	<u>\$ 5,229</u>	<u>\$ 0</u>	<u>\$ 78,438</u>	<u>\$ 29,950</u>	<u>\$ 810</u>	<u>\$ 2,357</u>

(Continued)

LAKWOOD LOCAL SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2006**

	Telecom- munication Act Grant	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 4,189	\$ 2,594	\$ 1,030	\$ 194,694
Receivables:				
Accounts	0	0	0	5,359
Intergovernmental	0	9,839	1,114	106,877
Prepaid Items	0	0	0	4,079
Total Assets	\$ 4,189	\$ 12,433	\$ 2,144	\$ 311,009
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 12,950
Accrued Wages and Benefits	0	12,433	0	91,022
Intergovernmental Payable	0	0	0	9,621
Deferred Revenue	0	0	510	12,198
Total Liabilities	0	12,433	510	125,791
Fund Balances:				
Reserved for Encumbrances	0	0	0	12,736
Reserved for Prepaid Items	0	0	0	4,079
Unreserved, Undesignated	4,189	0	1,634	168,403
Total Fund Balances (Deficit)	4,189	0	1,634	185,218
Total Liabilities and Fund Balances	\$ 4,189	\$ 12,433	\$ 2,144	\$ 311,009



LAKWOOD LOCAL SCHOOL DISTRICT

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2006***

	Public School Support	Other Grants	Student Activity	Auxiliary Services	Management Information System
Revenues:					
Local Sources:					
Extracurricular Activities	\$ 46,549	\$ 0	\$ 177,728	\$ 0	\$ 0
Intermediate Sources	0	23,556	0	0	0
Intergovernmental - State	0	0	0	6,142	7,619
Intergovernmental - Federal	0	0	0	0	0
All Other Revenue	4,066	0	18,511	0	0
Total Revenue	50,615	23,556	196,239	6,142	7,619
Expenditures:					
Current:					
Instruction	0	8,391	0	0	0
Supporting Services:					
Pupils	0	0	0	0	0
Instructional Staff	0	0	0	0	0
Administration	265	0	0	0	0
Fiscal Services	0	0	0	246	0
Operation and Maintenance of Plant	4,000	500	0	0	0
Central	0	0	0	0	7,619
Operation of Non-Instructional Services	0	0	0	5,896	0
Extracurricular Activities	45,578	0	192,077	0	0
Total Expenditures	49,843	8,891	192,077	6,142	7,619
Excess (Deficiency) of Revenues Over Expenditures	772	14,665	4,162	0	0
Fund Balances at Beginning of Year	35,336	2,072	105,381	5	0
Fund Balances End of Year	\$ 36,108	\$ 16,737	\$ 109,543	\$ 5	\$ 0

LAKWOOD LOCAL SCHOOL DISTRICT

<u>Data Communications</u>	<u>SchoolNet Professional Development</u>	<u>OhioReads</u>	<u>Student Reading Intervention</u>	<u>Poverty Aid</u>	<u>Title VI-B</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
19,211	3,925	44,000	0	46,812	0
0	0	0	0	0	461,018
0	0	0	0	0	0
<u>19,211</u>	<u>3,925</u>	<u>44,000</u>	<u>0</u>	<u>46,812</u>	<u>461,018</u>
0	0	24,778	2	53,075	317,888
0	0	9,100	0	0	38,285
0	2,600	9,171	0	0	3,000
0	0	0	0	0	101,713
0	0	0	0	0	0
0	0	0	0	0	0
15,000	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>15,000</u>	<u>2,600</u>	<u>43,049</u>	<u>2</u>	<u>53,075</u>	<u>460,886</u>
4,211	1,325	951	(2)	(6,263)	132
0	42	0	2	0	13,437
<u>\$ 4,211</u>	<u>\$ 1,367</u>	<u>\$ 951</u>	<u>\$ 0</u>	<u>\$ (6,263)</u>	<u>\$ 13,569</u>

(Continued)

LAKEWOOD LOCAL SCHOOL DISTRICT

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2006***

	Title I	Title V	Drug Free School Grant	Telecom- munication Act Grant	Title II-A
Revenues:					
Local Sources:					
Extracurricular Activities	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intermediate Sources	0	0	0	0	0
Intergovernmental - State	0	0	0	0	0
Intergovernmental - Federal	301,524	6,511	11,038	0	110,934
All Other Revenue	0	0	0	1,527	0
Total Revenue	301,524	6,511	11,038	1,527	110,934
Expenditures:					
Current:					
Instruction	297,616	0	6,721	0	109,449
Supporting Services:					
Pupils	0	6,903	4,132	0	0
Instructional Staff	6,622	0	0	148	1,485
Administration	0	0	0	0	0
Fiscal Services	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	1,940	0
Central	0	0	0	16,845	0
Operation of Non-Instructional Services	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
Total Expenditures	304,238	6,903	10,853	18,933	110,934
Excess (Deficiency) of Revenues Over Expenditures	(2,714)	(392)	185	(17,406)	0
Fund Balances at Beginning of Year	2,714	1,202	2,172	21,595	0
Fund Balances End of Year	\$ 0	\$ 810	\$ 2,357	\$ 4,189	\$ 0

LAKEWOOD LOCAL SCHOOL DISTRICT

Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds	SchoolNet Plus	Total Nonmajor Governmental Funds
\$ 0	\$ 224,277	\$ 0	\$ 224,277
0	23,556	0	23,556
0	127,709	0	127,709
23,190	914,215	0	914,215
0	24,104	0	24,104
<u>23,190</u>	<u>1,313,861</u>	<u>0</u>	<u>1,313,861</u>
35,072	852,992	3	852,995
8,830	67,250	0	67,250
0	23,026	0	23,026
0	101,978	0	101,978
0	246	0	246
0	6,440	0	6,440
0	39,464	0	39,464
0	5,896	0	5,896
0	237,655	0	237,655
<u>43,902</u>	<u>1,334,947</u>	<u>3</u>	<u>1,334,950</u>
(20,712)	(21,086)	(3)	(21,089)
<u>22,346</u>	<u>206,304</u>	<u>3</u>	<u>206,307</u>
<u>\$ 1,634</u>	<u>\$ 185,218</u>	<u>\$ 0</u>	<u>\$ 185,218</u>

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Fiscal Year Ended June 30, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Taxes	\$ 10,408,063	\$ 11,423,025	\$ 11,423,025	\$ 0
Tuition	303,500	314,758	314,759	1
Investment Earnings	100,000	208,978	226,507	17,529
Class Material and Fees	49,450	54,118	55,809	1,691
Intergovernmental - State	5,599,561	5,951,743	5,949,010	(2,733)
All Other Revenues	207,550	251,554	252,972	1,418
Total Revenues	<u>16,668,124</u>	<u>18,204,176</u>	<u>18,222,082</u>	<u>17,906</u>
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	5,749,239	6,058,493	6,039,535	18,958
Fringe Benefits	1,799,695	1,819,990	1,816,343	3,647
Purchased Services	612,717	557,719	552,933	4,786
Supplies and Materials	167,757	247,499	233,646	13,853
Other Expenditures	17,623	17,624	17,624	0
Capital Outlay	27,326	34,516	34,516	0
Total Regular	<u>8,374,357</u>	<u>8,735,841</u>	<u>8,694,597</u>	<u>41,244</u>
Special:				
Salaries and Wages	708,700	722,685	697,072	25,613
Fringe Benefits	195,526	199,491	198,865	626
Purchased Services	269,275	271,403	258,346	13,057
Supplies and Materials	10,400	11,256	1,822	9,434
Capital Outlay	1,000	0	0	0
Total Special	<u>1,184,901</u>	<u>1,204,835</u>	<u>1,156,105</u>	<u>48,730</u>
Vocational:				
Salaries and Wages	265,590	272,892	269,252	3,640
Fringe Benefits	83,917	80,281	80,034	247
Purchased Services	2,000	2,450	1,882	568
Supplies and Materials	14,491	14,584	12,707	1,877
Capital Outlay	4,000	5,165	5,063	102
Total Vocational	<u>369,998</u>	<u>375,372</u>	<u>368,938</u>	<u>6,434</u>

(Continued)

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Fiscal Year Ended June 30, 2006***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other:				
Salaries and Wages	10,000	27,720	22,687	5,033
Fringe Benefits	10,377	17,687	17,249	438
Purchased Services	0	15,925	15,232	693
Supplies and Materials	0	5,861	1,761	4,100
Total Other	20,377	67,193	56,929	10,264
Total Instructional Services	9,949,633	10,383,241	10,276,569	106,672
Support Services:				
Pupils:				
Salaries and Wages	693,216	706,466	699,978	6,488
Fringe Benefits	214,571	199,326	197,832	1,494
Purchased Services	4,476	5,412	4,588	824
Supplies and Materials	27,300	28,461	16,339	12,122
Other Expenditures	123,762	141,378	141,173	205
Capital Outlay	90	0	0	0
Total Pupils	1,063,415	1,081,043	1,059,910	21,133
Instructional Staff:				
Salaries and Wages	246,975	253,214	252,251	963
Fringe Benefits	107,974	109,312	100,565	8,747
Purchased Services	119,293	121,338	113,745	7,593
Supplies and Materials	69,187	14,027	9,848	4,179
Other Expenditures	577	577	577	0
Capital Outlay	1,000	0	0	0
Total Instructional Staff	545,006	498,468	476,986	21,482
Board of Education:				
Salaries and Wages	4,800	5,610	5,610	0
Fringe Benefits	1,110	1,251	1,175	76
Purchased Services	32,790	31,510	24,723	6,787
Supplies and Materials	1,110	1,860	1,657	203
Other Expenditures	7,250	8,134	8,008	126
Total Board of Education	47,060	48,365	41,173	7,192

(Continued)

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Fiscal Year Ended June 30, 2006***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Administration:				
Salaries and Wages	968,270	955,633	953,446	2,187
Fringe Benefits	370,189	350,441	348,601	1,840
Purchased Services	59,901	67,589	62,029	5,560
Supplies and Materials	8,300	12,035	9,898	2,137
Other Expenditures	5,916	6,294	4,669	1,625
Capital Outlay	7,795	9,154	9,154	0
Total Administration	1,420,371	1,401,146	1,387,797	13,349
Fiscal Services:				
Salaries and Wages	202,217	202,206	202,076	130
Fringe Benefits	68,462	65,868	65,861	7
Purchased Services	17,729	17,029	15,698	1,331
Supplies and Materials	4,470	5,067	4,515	552
Other Expenditures	277,890	256,244	254,268	1,976
Capital Outlay	3,800	0	0	0
Total Fiscal Services	574,568	546,414	542,418	3,996
Business:				
Salaries and Wages	7,125	7,705	7,331	374
Fringe Benefits	11,903	7,634	7,231	403
Other Expenditures	900	868	868	0
Total Business	19,928	16,207	15,430	777
Operation and Maintenance of Plant:				
Salaries and Wages	563,200	558,059	549,081	8,978
Fringe Benefits	258,419	249,499	246,764	2,735
Purchased Services	586,126	597,174	578,751	18,423
Supplies and Materials	103,162	114,203	81,964	32,239
Other Expenditures	1,522	1,522	1,522	0
Capital Outlay	4,500	41,220	40,583	637
Total Operation and Maintenance Of Plant	1,516,929	1,561,677	1,498,665	63,012

(Continued)

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Fiscal Year Ended June 30, 2006***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Pupil Transportation:				
Salaries and Wages	628,950	658,366	640,956	17,410
Fringe Benefits	331,308	358,805	357,162	1,643
Purchased Services	61,976	60,877	49,179	11,698
Supplies and Materials	230,161	226,197	220,416	5,781
Other Expenditures	1,892	1,892	1,392	500
Capital Outlay	137,275	150,905	150,880	25
Total Pupil Transportation	1,391,562	1,457,042	1,419,985	37,057
Central:				
Purchased Services	64,321	56,671	56,524	147
Supplies and Materials	2,775	2,806	2,199	607
Other Expenditures	104,938	97,840	94,532	3,308
Total Central	172,034	157,317	153,255	4,062
Total Support Services	6,750,873	6,767,679	6,595,619	172,060
Operation of Non-Instructional Services:				
Purchased Services	6,000	6,519	6,519	0
Other Expenditures	3,900	3,900	2,350	1,550
Capital Outlay	1,200	1,521	1,521	0
Total Non-Instructional Services	11,100	11,940	10,390	1,550
Extracurricular Activities:				
Salaries and Wages	239,700	179,684	172,694	6,990
Fringe Benefits	26,795	29,166	27,587	1,579
Purchased Services	2,948	0	0	0
Total Extracurricular Activities	269,443	208,850	200,281	8,569
Total Expenditures	16,981,049	17,371,710	17,082,859	288,851
Excess (Deficiency) of Revenues Over (Under) Expenditures	(312,925)	832,466	1,139,223	306,757

(Continued)

LAKEWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Fiscal Year Ended June 30, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Advances In	30,000	0	0	0
Transfers Out	(30,000)	(30,000)	(30,000)	0
Total Other Financing Sources (Uses):	<u>0</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>0</u>
Net Change in Fund Balance	(312,925)	802,466	1,109,223	306,757
Fund Balance at Beginning of Year	2,777,142	2,777,142	2,777,142	0
Prior Year Encumbrances	121,558	121,558	121,558	0
Fund Balance at End of Year	<u>\$ 2,585,775</u>	<u>\$ 3,701,166</u>	<u>\$ 4,007,923</u>	<u>\$ 306,757</u>

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Debt Service Fund
For the Fiscal Year Ended June 30, 2006***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Taxes	\$ 1,043,776	\$ 1,055,486	\$ 1,055,486	\$ 0
Intergovernmental - State	98,000	129,561	129,848	287
All Other Revenues	0	4,346	4,346	0
Total Revenues	1,141,776	1,189,393	1,189,680	287
Expenditures:				
Current:				
Support Services:				
Fiscal Services:				
Other Expenditures	20,000	17,253	17,253	0
Total Fiscal Services	20,000	17,253	17,253	0
Debt Service:				
Principal Retirement	495,179	630,179	630,179	0
Interest and Fiscal Charges	597,605	420,524	420,524	0
Total Debt Service	1,092,784	1,050,703	1,050,703	0
Total Expenditures	1,112,784	1,067,956	1,067,956	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	28,992	121,437	121,724	287
Fund Balance at Beginning of Year	368,791	368,791	368,791	0
Fund Balance at End of Year	\$ 397,783	\$ 490,228	\$ 490,515	\$ 287

LAKEWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2006***

PUBLIC SCHOOL SUPPORT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Extracurricular Activities	\$ 34,282	\$ 44,252	\$ 45,969	\$ 1,717
All Other Revenues	4,621	4,821	4,066	(755)
Total Revenues	38,903	49,073	50,035	962
Expenditures:				
Support Services:				
Salaries and Wages	300	265	265	0
Fringe Benefits	38	0	0	0
Total Administration	338	265	265	0
Operation and Maintenance of Plant:				
Purchased Services	4,000	4,000	4,000	0
Total Operation and Maintenance of Plant	4,000	4,000	4,000	0
Total Support Services	4,338	4,265	4,265	0
Extracurricular Activities:				
Purchased Services	19,170	15,425	5,333	10,092
Supplies and Materials	36,933	46,775	34,927	11,848
Other Expenditures	0	2,244	2,244	0
Capital Outlay	7,000	6,200	3,560	2,640
Total Extracurricular Activities	63,103	70,644	46,064	24,580
Total Expenditures	67,441	74,909	50,329	24,580
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(28,538)	(25,836)	(294)	25,542
Fund Balance at Beginning of Year				
Prior Year Encumbrances	30,043	30,043	30,043	0
Fund Balance at End of Year	5,242	5,242	5,242	0
Fund Balance at End of Year	\$ 6,747	\$ 9,449	\$ 34,991	\$ 25,542

LAKEWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2006***

OTHER GRANT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Intermediate Sources	\$ 0	\$ 17,556	\$ 23,556	\$ 6,000
Total Revenues	<u>0</u>	<u>17,556</u>	<u>23,556</u>	<u>6,000</u>
Expenditures:				
Instructional Services:				
Regular:				
Purchased Services	0	4,850	1,508	3,342
Supplies and Materials	<u>1,868</u>	<u>8,574</u>	<u>7,179</u>	<u>1,395</u>
Total Instructional Services	<u>1,868</u>	<u>13,424</u>	<u>8,687</u>	<u>4,737</u>
Support Services:				
Instructional Staff:				
Purchased Services	<u>0</u>	<u>6,000</u>	<u>0</u>	<u>6,000</u>
Total Instructional Staff	0	6,000	0	6,000
Operation and Maintenance of Plant:				
Supplies and Materials	<u>500</u>	<u>500</u>	<u>500</u>	<u>0</u>
Total Operation and Maintenance Of Plant	<u>500</u>	<u>500</u>	<u>500</u>	<u>0</u>
Total Support Services	<u>500</u>	<u>6,500</u>	<u>500</u>	<u>6,000</u>
Total Expenditures	<u>2,368</u>	<u>19,924</u>	<u>9,187</u>	<u>10,737</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,368)	(2,368)	14,369	16,737
Fund Balance at Beginning of Year	2,030	2,030	2,030	0
Prior Year Encumbrances	<u>338</u>	<u>338</u>	<u>338</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 16,737</u>	<u>\$ 16,737</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2006***

STUDENT ACTIVITY FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Extracurricular Activities	\$ 138,266	\$ 198,472	\$ 173,186	\$ (25,286)
All Other Revenues	22,300	38,612	18,511	(20,101)
Total Revenues	160,566	237,084	191,697	(45,387)
Expenditures:				
Extracurricular Activities:				
Salaries and Wages	500	2,394	1,758	636
Fringe Benefits	100	250	196	54
Purchased Services	84,698	105,498	78,125	27,373
Supplies and Materials	81,981	136,781	100,669	36,112
Other Expenditures	0	3,750	3,750	0
Capital Outlay	41,027	29,757	26,905	2,852
Total Extracurricular Activities	208,306	278,430	211,403	67,027
Total Expenditures	208,306	278,430	211,403	67,027
Excess (Deficiency) of Revenues Over (Under) Expenditures	(47,740)	(41,346)	(19,706)	21,640
Other Financing Sources (Uses):				
Transfers In	0	274	274	0
Transfers Out	0	(274)	(274)	0
Total Other Financing Sources (Uses):	0	0	0	0
Net Change in Fund Balance	(47,740)	(41,346)	(19,706)	21,640
Fund Balance at Beginning of Year	98,238	98,238	98,238	0
Prior Year Encumbrances	16,448	16,448	16,448	0
Fund Balance at End of Year	\$ 66,946	\$ 73,340	\$ 94,980	\$ 21,640

LAKEWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2006***

AUXILIARY SERVICES FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - State	\$ 7,202	\$ 6,142	\$ 6,142	\$ 0
Total Revenues	7,202	6,142	6,142	0
Expenditures:				
Support Services:				
Fiscal Services:				
Other Expenditures	0	246	246	0
Total Support Services	0	246	246	0
Operation of Non-Instructional Services:				
Purchased Services	0	5	0	5
Supplies and Materials	7,207	0	0	0
Capital Outlay	0	5,896	5,896	0
Total Operation of Non-Instructional Services	7,207	5,901	5,896	5
Total Expenditures	7,207	6,147	6,142	5
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(5)	(5)	0	5
Fund Balance at Beginning of Year				
Fund Balance at End of Year	5	5	5	0
	\$ 0	\$ 0	\$ 5	\$ 5

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2006***

MANAGEMENT INFORMATION SYSTEM FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental - State	\$ 7,225	\$ 7,619	\$ 7,619	\$ 0
Total Revenues	7,225	7,619	7,619	0
Expenditures:				
Support Services:				
Central:				
Purchased Services	7,225	7,619	7,619	0
Total Expenditures	7,225	7,619	7,619	0
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year				
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0	\$ 0

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2006***

DATA COMMUNICATIONS FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - State	\$ 15,000	\$ 15,000	\$ 19,211	\$ 4,211
Total Revenues	15,000	15,000	19,211	4,211
Expenditures:				
Support Services:				
Central:				
Purchased Services	15,000	15,000	15,000	0
Total Expenditures	15,000	15,000	15,000	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	4,211	4,211
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 4,211	\$ 4,211

LAKEWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2006***

SCHOOLNET PROFESSIONAL DEVELOPMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental - State	\$ 0	\$ 3,925	\$ 3,925	\$ 0
Total Revenues	0	3,925	3,925	0
Expenditures:				
Support Services:				
Instructional Staff:				
Salaries and Wages	0	560	560	0
Fringe Benefits	0	78	78	0
Purchased Services	42	3,329	1,962	1,367
Total Expenditures	42	3,967	2,600	1,367
Excess (Deficiency) of Revenues Over (Under) Expenditures	(42)	(42)	1,325	1,367
Fund Balance at Beginning of Year	42	42	42	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 1,367	\$ 1,367

LAKEWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2006***

OHIOREADS FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Intergovernmental - State	\$ 40,604	\$ 44,604	\$ 40,615	\$ (3,989)
Total Revenues	<u>40,604</u>	<u>44,604</u>	<u>40,615</u>	<u>(3,989)</u>
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	0	4,000	4,000	0
Purchased Services	1,123	1,123	1,123	0
Supplies and Materials	<u>16,460</u>	<u>20,689</u>	<u>20,689</u>	<u>0</u>
Total Instructional Services	<u>17,583</u>	<u>25,812</u>	<u>25,812</u>	<u>0</u>
Support Services:				
Pupils:				
Salaries and Wages	1,200	1,100	1,100	0
Purchased Services	1,200	1,200	1,200	0
Supplies and Materials	<u>6,800</u>	<u>6,800</u>	<u>6,800</u>	<u>0</u>
Total Pupils	9,200	9,100	9,100	0
Instructional Staff:				
Salaries and Wages	2,000	1,000	1,000	0
Purchased Services	8,300	5,171	5,171	0
Supplies and Materials	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>	<u>0</u>
Total Instructional Staff	<u>13,800</u>	<u>9,671</u>	<u>9,671</u>	<u>0</u>
Total Support Services	<u>23,000</u>	<u>18,771</u>	<u>18,771</u>	<u>0</u>
Total Expenditures	<u>40,583</u>	<u>44,583</u>	<u>44,583</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	21	21	(3,968)	(3,989)
Fund Balance at Beginning of Year	(604)	(604)	(604)	0
Prior Year Encumbrances	<u>583</u>	<u>583</u>	<u>583</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (3,989)</u>	<u>\$ (3,989)</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2006***

STUDENT READING INTERVENTION FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental - State	\$ 9,005	\$ 9,005	\$ 9,005	\$ 0
Total Revenues	9,005	9,005	9,005	0
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	564	564	564	0
Total Expenditures	564	564	564	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,441	8,441	8,441	0
Fund Balance at Beginning of Year	(9,005)	(9,005)	(9,005)	0
Prior Year Encumbrances	564	564	564	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0	\$ 0

LAKWOOD LOCAL SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2006**

POVERTY AID FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - State	\$ 46,812	\$ 46,812	\$ 46,812	\$ 0
Total Revenues	46,812	46,812	46,812	0
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	36,812	36,983	36,983	0
Total Regular	36,812	36,983	36,983	0
Other:				
Salaries and Wages	10,000	9,829	9,829	0
Total Other	10,000	9,829	9,829	0
Total Instructional Services	46,812	46,812	46,812	0
Total Expenditures	46,812	46,812	46,812	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0	\$ 0

LAKEWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2006***

TITLE VI-B FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental - Federal	\$ 504,187	\$ 504,187	\$ 429,875	\$ (74,312)
Total Revenues	504,187	504,187	429,875	(74,312)
Expenditures:				
Instructional Services:				
Special:				
Salaries and Wages	229,921	229,921	205,886	24,035
Fringe Benefits	67,640	67,641	58,960	8,681
Purchased Services	24,582	24,582	21,244	3,338
Supplies and Materials	26,736	26,736	15,379	11,357
Capital Outlay	6,500	6,500	0	6,500
Total Instructional Services	355,379	355,380	301,469	53,911
Support Services:				
Pupils:				
Salaries and Wages	30,033	30,033	27,145	2,888
Fringe Benefits	7,960	7,960	7,326	634
Purchased Services	1,875	1,875	756	1,119
Supplies and Materials	2,500	2,500	0	2,500
Capital Outlay	1,500	1,500	0	1,500
Total Pupils	43,868	43,868	35,227	8,641
Instructional Staff:				
Salaries and Wages	3,500	3,500	3,000	500
Purchased Services	2,000	2,000	0	2,000
Total Instructional Staff	5,500	5,500	3,000	2,500
Administration:				
Salaries and Wages	82,414	82,414	76,530	5,884
Fringe Benefits	25,273	25,272	24,080	1,192
Capital Outlay	1,200	1,200	1,116	84
Total Administration	108,887	108,886	101,726	7,160
Total Support Services	158,255	158,254	139,953	18,301
Total Expenditures	513,634	513,634	441,422	72,212
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(9,447)	(9,447)	(11,547)	(2,100)
Fund Balance at Beginning of Year				
Prior Year Encumbrances	8,769	8,769	8,769	0
Fund Balance at End of Year	678	678	678	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ (2,100)	\$ (2,100)

LAKWOOD LOCAL SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2006**

TITLE I FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Local Sources:				
Intergovernmental - Federal	\$ 337,347	\$ 332,860	\$ 316,869	\$ (15,991)
Total Revenues	<u>337,347</u>	<u>332,860</u>	<u>316,869</u>	<u>(15,991)</u>
Expenditures:				
Instructional Services:				
Special:				
Salaries and Wages	292,497	274,814	247,664	27,150
Fringe Benefits	29,813	51,025	51,025	0
Purchased Services	0	3,600	3,600	0
Supplies and Materials	2,818	2,165	2,165	0
Total Special	<u>325,128</u>	<u>331,604</u>	<u>304,454</u>	<u>27,150</u>
Total Instructional Services	<u>325,128</u>	<u>331,604</u>	<u>304,454</u>	<u>27,150</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	3,525	3,525	3,445	80
Fringe Benefits	534	490	482	8
Purchased Services	7,220	2,217	1,090	1,127
Supplies and Materials	7,976	3,200	1,614	1,586
Total Instructional Staff	<u>19,255</u>	<u>9,432</u>	<u>6,631</u>	<u>2,801</u>
Fiscal Services:				
Salaries and Wages	1,000	0	0	0
Fringe Benefits	140	0	0	0
Total Fiscal Services	<u>1,140</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Support Services	<u>20,395</u>	<u>9,432</u>	<u>6,631</u>	<u>2,801</u>
Total Expenditures	<u>345,523</u>	<u>341,036</u>	<u>311,085</u>	<u>29,951</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,176)	(8,176)	5,784	13,960
Fund Balance at Beginning of Year	5,961	5,961	5,961	0
Prior Year Encumbrances	2,215	2,215	2,215	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,960</u>	<u>\$ 13,960</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2006***

	TITLE V FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - Federal	\$ 7,486	\$ 7,486	\$ 6,984	\$ (502)
Total Revenues	<u>7,486</u>	<u>7,486</u>	<u>6,984</u>	<u>(502)</u>
Expenditures:				
Support Services:				
Pupils:				
Salaries and Wages	7,693	7,693	6,883	810
Other Expenditures	<u>33</u>	<u>33</u>	<u>33</u>	<u>0</u>
Total Support Services	<u>7,726</u>	<u>7,726</u>	<u>6,916</u>	<u>810</u>
Total Expenditures	<u>7,726</u>	<u>7,726</u>	<u>6,916</u>	<u>810</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(240)	(240)	68	308
Fund Balance at Beginning of Year	<u>240</u>	<u>240</u>	<u>240</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 308</u>	<u>\$ 308</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2006***

DRUG FREE SCHOOL GRANT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - Federal	\$ 11,111	\$ 11,111	\$ 9,980	\$ (1,131)
Total Revenues	11,111	11,111	9,980	(1,131)
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	500	500	500	0
Fringe Benefits	70	70	70	0
Supplies and Materials	7,055	7,900	6,879	1,021
Total Regular	7,625	8,470	7,449	1,021
Total Instructional Services	7,625	8,470	7,449	1,021
Support Services:				
Pupils:				
Purchased Services	6,254	5,409	4,573	836
Other Expenditures	59	59	59	0
Total Support Services	6,313	5,468	4,632	836
Total Expenditures	13,938	13,938	12,081	1,857
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,827)	(2,827)	(2,101)	726
Fund Balance at Beginning of Year	1,010	1,010	1,010	0
Prior Year Encumbrances	1,817	1,817	1,817	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 726	\$ 726

LAKEWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
TELECOMMUNICATIONS ACT GRANT FUND				
Revenues:				
All Other Revenues	\$ 20,000	\$ 20,000	\$ 17,308	\$ (2,692)
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>17,308</u>	<u>(2,692)</u>
Expenditures:				
Support Services:				
Instructional Staff:				
Purchased Services	<u>0</u>	<u>148</u>	<u>148</u>	<u>0</u>
Total Instructional Staff	0	148	148	0
Operation and Maintenance of Plant:				
Purchased Services	<u>0</u>	<u>1,940</u>	<u>1,940</u>	<u>0</u>
Total Operation and Maintenance Of Plant	0	1,940	1,940	0
Central:				
Supplies and Materials	5,000	4,952	3,414	1,538
Capital Outlay	<u>15,000</u>	<u>16,082</u>	<u>13,431</u>	<u>2,651</u>
Total Central	<u>20,000</u>	<u>21,034</u>	<u>16,845</u>	<u>4,189</u>
Total Support Services	<u>20,000</u>	<u>23,122</u>	<u>18,933</u>	<u>4,189</u>
Total Expenditures	<u>20,000</u>	<u>23,122</u>	<u>18,933</u>	<u>4,189</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(3,122)	(1,625)	1,497
Fund Balance at Beginning of Year	<u>5,814</u>	<u>5,814</u>	<u>5,814</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 5,814</u>	<u>\$ 2,692</u>	<u>\$ 4,189</u>	<u>\$ 1,497</u>

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2006***

	TITLE II-A FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Local Sources:				
Intergovernmental - Federal	\$ 122,287	\$ 120,635	\$ 110,796	\$ (9,839)
Total Revenues	<u>122,287</u>	<u>120,635</u>	<u>110,796</u>	<u>(9,839)</u>
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	123,319	121,778	109,587	12,191
Total Instructional Services	<u>123,319</u>	<u>121,778</u>	<u>109,587</u>	<u>12,191</u>
Support Services:				
Instructional Staff:				
Purchased Services	1,834	1,723	1,481	242
Supplies and Materials	274	274	274	0
Total Support Services	<u>2,108</u>	<u>1,997</u>	<u>1,755</u>	<u>242</u>
Total Expenditures	<u>125,427</u>	<u>123,775</u>	<u>111,342</u>	<u>12,433</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(3,140)	(3,140)	(546)	2,594
Fund Balance at Beginning of Year	2,870	2,870	2,870	0
Prior Year Encumbrances	270	270	270	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,594</u>	<u>\$ 2,594</u>

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2006***

MISCELLANEOUS FEDERAL GRANTS FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Local Sources:				
Intergovernmental - Federal	\$ 15,941	\$ 33,277	\$ 32,736	\$ (541)
Total Revenues	<u>15,941</u>	<u>33,277</u>	<u>32,736</u>	<u>(541)</u>
Expenditures:				
Instructional Services:				
Special:				
Purchased Services	16,700	35,072	35,072	0
Total Instructional Services	<u>16,700</u>	<u>35,072</u>	<u>35,072</u>	<u>0</u>
Support Services:				
Pupils:				
Salaries and Wages	2,000	2,000	1,000	1,000
Fringe Benefits	140	140	0	140
Purchased Services	7,927	7,075	6,644	431
Supplies and Materials	1,455	1,902	1,902	0
Total Support Services	<u>11,522</u>	<u>11,117</u>	<u>9,546</u>	<u>1,571</u>
Total Expenditures	<u>28,222</u>	<u>46,189</u>	<u>44,618</u>	<u>1,571</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,281)	(12,912)	(11,882)	1,030
Fund Balance at Beginning of Year	<u>12,912</u>	<u>12,912</u>	<u>12,912</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 631</u>	<u>\$ 0</u>	<u>\$ 1,030</u>	<u>\$ 1,030</u>

LAKWOOD LOCAL SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2006**

SCHOOLNET PLUS FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Instructional Services:				
Regular:				
Capital Outlay	177	177	177	0
Total Expenditures	177	177	177	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(177)	(177)	(177)	0
Fund Balance at Beginning of Year	4	4	4	0
Prior Year Encumbrances	173	173	173	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0	\$ 0

LAKEWOOD LOCAL SCHOOL DISTRICT

Fiduciary Funds

Fiduciary fund types are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Agency Funds

Student Managed Activity Fund

To account for resources that belong to the student bodies of the various schools for sales and other revenue generating activities.

LAKWOOD LOCAL SCHOOL DISTRICT

***Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended June 30, 2006***

	Balance June 30, 2005	Additions	Deductions	Balance June 30, 2006
<i><u>Student Managed Activity Fund</u></i>				
Assets:				
Cash and Cash Equivalents	\$7,642	\$21,268	(\$20,223)	\$8,687
Total Assets	<u>\$7,642</u>	<u>\$21,268</u>	<u>(\$20,223)</u>	<u>\$8,687</u>
Liabilities:				
Due to Students	\$7,642	\$21,268	(\$20,223)	\$8,687
Total Liabilities	<u>\$7,642</u>	<u>\$21,268</u>	<u>(\$20,223)</u>	<u>\$8,687</u>

LAKWOOD LOCAL SCHOOL DISTRICT

*CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS*

LAKEWOOD LOCAL SCHOOL DISTRICT

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
June 30, 2006***

Capital Assets

Land	\$275,555
Land Improvements	810,337
Buildings and Improvements	20,729,778
Furniture, Fixtures and Equipment	3,544,369
Vehicles	1,798,059
Construction in Progress	13,214
	<hr/>
Total Capital Assets	<u><u>\$27,171,312</u></u>

Investment in Capital Assets from:

Acquisitions Prior to 1996	\$5,455,049
General Fund	4,459,019
Special Revenue Funds	53,850
Capital Project Funds	16,301,501
Capital Leases	471,733
Donations	430,160
	<hr/>
Total Investment in Capital Assets	<u><u>\$27,171,312</u></u>

LAKWOOD LOCAL SCHOOL DISTRICT

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
June 30, 2006***

<u>Function and Activity</u>	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings and Improvements</u>
Instructional Services	\$134,055	\$0	\$19,362,775
Support Services:			
Administration	3,125	7,611	59,375
Fiscal Services	3,125	7,611	59,375
Operation and Maintenance of Plant	598	0	11,415
Pupil Transportation	597	0	11,414
Community Services	0	0	0
Extracurricular Activities	0	410,012	332,934
Facility Acquisition and Improvement	<u>134,055</u>	<u>385,103</u>	<u>892,490</u>
Total Capital Assets	<u><u>\$275,555</u></u>	<u><u>\$810,337</u></u>	<u><u>\$20,729,778</u></u>

LAKWOOD LOCAL SCHOOL DISTRICT

<u>Furniture, Fixtures and Equipment</u>	<u>Vehicles</u>	<u>Construction in Progress</u>	<u>Total</u>
\$2,792,498	\$0	\$0	\$22,289,328
94,494	0	0	164,605
21,443	0	0	91,554
80,267	20,000	0	112,280
31,954	1,753,459	0	1,797,424
15,540	0	0	15,540
500,009	24,600	13,214	1,280,769
8,164	0	0	1,419,812
<u>\$3,544,369</u>	<u>\$1,798,059</u>	<u>\$13,214</u>	<u>\$27,171,312</u>

LAKWOOD LOCAL SCHOOL DISTRICT

***Capital Assets Used in the Operation of Governmental Funds
Schedule Changes by Function and Activity
For the Fiscal Year Ended June 30, 2006***

Function and Activity	June 30, 2005	Additions	Deletions	June 30, 2006
Instructional Services	\$22,502,132	\$120,192	(\$332,996)	\$22,289,328
Support Services:				
Administration	166,971	47,094	(49,460)	164,605
Fiscal Services	91,554	0	0	91,554
Operation and Maintenance of Plant	85,171	27,109	0	112,280
Pupil Transportation	1,729,283	68,141	0	1,797,424
Community Services	0	15,540		15,540
Extracurricular Activities	1,249,400	31,369	0	1,280,769
Facility Acquisition and Improvement	1,419,812	0	0	1,419,812
Total Capital Assets	<u>\$27,244,323</u>	<u>\$309,445</u>	<u>(\$382,456)</u>	<u>\$27,171,312</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

STATISTICAL TABLES

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents

Financial Trends	S 3 – S 11
These schedules contain trend information to help the reader understand how the District's financial position has changed over time.	
Revenue Capacity	S 12 – S 21
These schedules contain information to help the reader understand and assess the factors affecting the District's ability to generate its most significant local revenue sources, the property tax.	
Debt Capacity	S 22 – S 29
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Economic and Demographic Information	S 30 – S 32
These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 33 – S 41
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

Sources Note:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

LAKWOOD LOCAL SCHOOL DISTRICT



Lakewood Local School District

*Net Assets by Component
Last Five Years
(accrual basis of accounting)*

	2002	2003	2004	2005	2006
Governmental Activities:					
Invested in Capital Assets, Net of Related Debt	\$3,150,172	\$3,772,570	\$3,398,702	\$3,487,282	\$3,351,649
Restricted for:					
Capital Projects	64,020	23,131	0	3	0
Debt Service	375,990	493,673	551,495	476,167	545,280
Other Purposes	494,964	90,485	221,140	0	0
Unrestricted	2,087,685	1,360,684	1,597,029	1,834,145	2,724,352
Total Governmental Activities Net Assets	<u>\$6,172,831</u>	<u>\$5,740,543</u>	<u>\$5,768,366</u>	<u>\$5,797,597</u>	<u>\$6,621,281</u>
Business-type Activities:					
Invested in Capital Assets, Net of Related Debt	\$126,747	\$120,786	\$110,134	\$114,905	\$100,086
Unrestricted (Deficit)	26,469	46,663	40,190	(19,439)	(8,020)
Total Business-type Activities Net Assets	<u>\$153,216</u>	<u>\$167,449</u>	<u>\$150,324</u>	<u>\$95,466</u>	<u>\$92,066</u>
Primary Government:					
Invested in Capital Assets, Net of Related Debt	\$3,276,919	\$3,893,356	\$3,508,836	\$3,602,187	\$3,451,735
Restricted	934,974	607,289	772,635	476,170	545,280
Unrestricted	2,114,154	1,407,347	1,637,219	1,814,706	2,716,332
Total Primary Government Net Assets	<u>\$6,326,047</u>	<u>\$5,907,992</u>	<u>\$5,918,690</u>	<u>\$5,893,063</u>	<u>\$6,713,347</u>

Note: District was not on accrual basis accounting prior to 2002.

Source: District Treasurer's Office

Lakewood Local School District

*Changes in Net Assets
Last Five Years
(accrual basis of accounting)*

	2002	2003	2004	2005	2006
Expenses					
Governmental Activities:					
Instruction	\$8,831,815	\$10,265,237	\$10,616,848	\$11,243,238	\$11,550,480
Support Services:					
Pupils	989,832	1,047,551	1,153,724	1,138,402	1,101,372
Instructional Staff	563,834	681,706	456,520	410,227	515,859
Board of Education	21,037	31,860	72,807	64,994	35,171
Administration	1,371,649	1,459,918	1,633,056	1,465,620	1,576,704
Fiscal Services	473,835	445,519	509,894	540,356	551,205
Business	13,295	14,175	15,360	17,511	15,040
Operation and Maintenance of Plant	1,241,528	1,373,039	1,403,654	1,442,262	1,491,143
Pupil Transportation	886,433	1,013,915	1,176,469	1,257,226	1,347,349
Central	80,841	67,434	163,721	174,827	192,719
Operation of Non-Instructional Services	122,219	127,914	81,937	81,381	41,860
Extracurricular Activities	493,591	460,426	477,927	512,166	550,597
Interest and Fiscal Charges	711,836	723,607	722,687	790,327	572,388
<i>Total Governmental Activities Expenses</i>	<u>15,801,745</u>	<u>17,712,301</u>	<u>18,484,604</u>	<u>19,138,537</u>	<u>19,541,887</u>
Business-type Activities:					
Food Service	653,675	672,123	732,804	817,695	807,895
Uniform School Supplies	7,178	7,749	4,372	3,230	7,801
<i>Total Business-type Activities Expenses</i>	<u>660,853</u>	<u>679,872</u>	<u>737,176</u>	<u>820,925</u>	<u>815,696</u>
<i>Total Primary Government Expenses</i>	<u>\$16,462,598</u>	<u>\$18,392,173</u>	<u>\$19,221,780</u>	<u>\$19,959,462</u>	<u>\$20,357,583</u>
Program Revenues					
Governmental Activities:					
Charges for Services					
Instruction	\$282,717	\$297,364	\$278,672	\$386,042	\$374,347
Operation of Non-Instructional Services	1,703	6,232	9,265	7,708	3,130
Extracurricular Activities	325,965	301,004	141,766	214,698	224,277
Operating Grants and Contributions	1,163,105	1,214,843	1,105,522	1,070,194	1,130,065
Capital Grants and Contributions	3,264	35,773	0	17,745	0
<i>Total Governmental Activities Program Revenues</i>	<u>1,776,754</u>	<u>1,855,216</u>	<u>1,535,225</u>	<u>1,696,387</u>	<u>1,731,819</u>

(continued)

Lakewood Local School District

*Changes in Net Assets
Last Five Years
(accrual basis of accounting)*

	2002	2003	2004	2005	2006
Business-type Activities:					
Charges for Services					
Food Service	440,449	409,431	406,872	417,400	407,322
Uniform School Supplies	4,918	4,106	4,589	1,078	1,247
Operating Grants and Contributions	262,940	274,372	308,590	328,272	372,586
Capital Grants and Contributions	43,653	6,196	0	19,317	1,141
<i>Total Business-type Activities Program Revenues</i>	<u>751,960</u>	<u>694,105</u>	<u>720,051</u>	<u>766,067</u>	<u>782,296</u>
<i>Total Primary Government Program Revenues</i>	<u>2,528,714</u>	<u>2,549,321</u>	<u>2,255,276</u>	<u>2,462,454</u>	<u>2,514,115</u>
Net (Expense)/Revenue					
Governmental Activities	(14,024,991)	(15,857,085)	(16,949,379)	(17,442,150)	(17,810,068)
Business-type Activities	91,107	14,233	(17,125)	(54,858)	(33,400)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$13,933,884)</u>	<u>(\$15,842,852)</u>	<u>(\$16,966,504)</u>	<u>(\$17,497,008)</u>	<u>(\$17,843,468)</u>
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Property Taxes Levied for:					
General Purposes	\$8,257,386	\$8,556,536	\$9,769,935	\$10,181,474	\$11,133,684
Debt Service	1,182,047	1,161,792	1,168,233	1,088,255	1,006,786
Grants and Entitlements not					
Restricted to Specific Programs	5,295,793	5,182,898	5,865,683	5,866,148	6,050,575
Investment Earnings	123,352	85,679	50,708	113,061	230,977
Miscellaneous	282,496	226,575	196,338	222,443	241,730
Transfers	1,569	0	0	0	(30,000)
<i>Total Governmental Activities</i>	<u>15,142,643</u>	<u>15,213,480</u>	<u>17,050,897</u>	<u>17,471,381</u>	<u>18,633,752</u>
Business-type Activities:					
Transfers	190	0	0	0	30,000
<i>Total Business-type Activities</i>	<u>190</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>30,000</u>
<i>Total Primary Government</i>	<u>\$15,142,833</u>	<u>\$15,213,480</u>	<u>\$17,050,897</u>	<u>\$17,471,381</u>	<u>\$18,663,752</u>
Change in Net Assets					
Governmental Activities	\$1,117,652	(\$643,605)	\$101,518	\$29,231	\$823,684
Business-type Activities	91,297	14,233	(17,125)	(54,858)	(3,400)
<i>Total Primary Government Change in Net Assets</i>	<u>\$1,208,949</u>	<u>(\$629,372)</u>	<u>\$84,393</u>	<u>(\$25,627)</u>	<u>\$820,284</u>

Note: District was not on accrual basis of accounting prior to 2002.

Source: District Treasurer's Office

Lakewood Local School District

*Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	1997	1998	1999	2000
General Fund				
Reserved	\$982,363	\$1,020,350	\$826,469	\$853,309
Unreserved	973,719	1,299,074	568,741	98,542
<i>Total General Fund</i>	<u>1,956,082</u>	<u>2,319,424</u>	<u>1,395,210</u>	<u>951,851</u>
All Other Governmental Funds				
Reserved	75,146	110,441	2,108,358	1,530,129
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	161,412	203,759	210,435	352,720
Debt Service Funds	68,022	98,239	206,792	295,419
Capital Projects Funds	68,196	71,616	11,910,019	398,139
Total All Other Governmental Funds	<u>372,776</u>	<u>484,055</u>	<u>14,435,604</u>	<u>2,576,407</u>
<i>Total Governmental Funds</i>	<u><u>\$2,328,858</u></u>	<u><u>\$2,803,479</u></u>	<u><u>\$15,830,814</u></u>	<u><u>\$3,528,258</u></u>

Source: District Treasurer's Office

Lakewood Local School District

2001	2002	2003	2004	2005	2006
\$1,117,700	\$999,976	\$959,595	\$1,555,902	\$1,097,483	\$721,492
110,981	1,485,182	1,058,426	489,187	1,675,053	3,080,139
1,228,681	2,485,158	2,018,021	2,045,089	2,772,536	3,801,631
132,676	79,288	542,984	549,229	511,545	50,015
277,192	270,828	207,880	156,228	184,250	168,403
284,599	342,326	0	0	0	529,315
175,591	64,020	23,131	0	3	0
870,058	756,462	773,995	705,457	695,798	747,733
\$2,098,739	\$3,241,620	\$2,792,016	\$2,750,546	\$3,468,334	\$4,549,364

Lakewood Local School District

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	1997	1998	1999	2000
Revenues:				
Local Sources:				
Taxes	\$8,372,853	\$7,314,543	\$8,144,662	\$9,007,493
Tuition	56,687	40,783	29,445	140,950
Investment Earnings	116,628	151,399	592,142	626,060
Extracurricular Activities	217,354	206,183	174,413	191,797
Class Materials and Fees	0	0	0	2,788
Intermediate Sources	0	0	0	0
Intergovernmental - State	4,116,104	4,668,109	5,007,159	4,710,496
Intergovernmental - Federal	490,762	579,208	672,418	575,152
All Other Revenue	50,200	148,908	89,818	80,036
Total Revenue	<u>13,420,588</u>	<u>13,109,133</u>	<u>14,710,057</u>	<u>15,334,772</u>
Expenditures:				
Current:				
Instruction	6,628,058	7,292,331	7,447,163	7,611,912
Supporting Services:				
Pupils	592,672	707,589	687,770	740,460
Instructional Staff	325,139	406,243	381,268	403,396
Board of Education	30,571	10,787	44,482	21,042
Administration	1,136,040	1,303,167	1,322,896	1,249,101
Fiscal Services	383,831	121,918	336,237	470,326
Business	5,083	6,123	6,364	6,790
Operation and Maintenance of Plant	1,038,213	1,024,974	1,257,965	1,398,746
Pupil Transportation	748,410	999,813	793,761	968,410
Central	67,530	78,772	89,046	59,871
Operation of Non-Instructional Services	17,224	10,178	8,150	0
Extracurricular Activities	395,457	364,052	336,257	355,432
Other Expenditures	0	0	0	11,829
Capital Outlay	0	0	2,395,747	13,166,942
Debt Service:				
Principal Retirement	8,500	147,514	191,950	515,757
Interest and Fiscal Charges	195,742	53,873	307,999	773,471
Total Expenditures	<u>11,572,470</u>	<u>12,527,334</u>	<u>15,607,055</u>	<u>27,753,485</u>
Excess (Deficiency) of Revenues Over Expenditures	1,848,118	581,799	(896,998)	(12,418,713)

Lakewood Local School District

2001	2002	2003	2004	2005	2006
\$9,241,565	\$9,591,842	\$9,613,751	\$10,577,861	\$11,852,220	\$12,183,511
270,058	256,345	273,224	261,100	342,930	303,508
280,172	117,313	80,758	24,653	142,437	224,462
213,453	325,965	301,004	141,766	214,698	224,277
20,176	21,264	18,655	11,652	33,780	55,809
49,135	12,720	6,180	29,000	1,500	23,556
5,235,807	5,626,148	5,516,800	6,025,346	5,999,896	6,206,567
571,041	746,388	890,279	881,910	904,888	914,215
143,532	333,184	282,995	253,464	284,330	283,994
<u>16,024,939</u>	<u>17,031,169</u>	<u>16,983,646</u>	<u>18,206,752</u>	<u>19,776,679</u>	<u>20,419,899</u>
8,553,652	8,543,832	9,664,784	10,303,206	10,723,064	11,096,012
905,096	998,705	1,055,880	1,101,433	1,117,832	1,099,402
785,850	539,832	648,512	456,379	405,142	489,263
17,346	20,997	31,884	72,863	65,222	35,171
1,263,031	1,335,265	1,481,903	1,453,025	1,435,743	1,479,957
379,774	467,165	442,921	522,092	551,450	559,667
9,525	13,056	14,113	14,987	19,133	15,040
1,231,753	1,205,729	1,311,548	1,454,923	1,454,833	1,484,790
859,607	761,609	1,104,274	1,124,163	1,335,151	1,327,560
80,750	80,841	67,434	163,721	182,197	192,719
50,534	82,720	87,611	39,318	39,386	13,720
370,329	392,141	328,968	342,676	384,765	436,640
23,714	0	0	0	0	0
1,679,319	133,102	768,377	0	0	0
737,922	600,282	490,489	699,185	629,299	730,604
751,543	716,170	708,467	728,133	710,249	605,224
<u>17,699,745</u>	<u>15,891,446</u>	<u>18,207,165</u>	<u>18,476,104</u>	<u>19,053,466</u>	<u>19,565,769</u>
(1,674,806)	1,139,723	(1,223,519)	(269,352)	723,213	854,130

(Continued)

Lakewood Local School District

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	1997	1998	1999	2000
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	91,200
General Obligation Bonds Issued	0	0	15,592,899	0
General Obligation Notes Issued	0	0	0	0
Refunding General Obligation Bonds Issued	0	0	0	0
Premium on Refunding General Obligation Bonds	0	0	0	0
Other Financing Sources - Capital Leases	0	0	225,084	0
Payment to Refunded Bonds Escrow Agent	0	0	0	0
Transfers In	112,754	63,092	0	531,970
Transfers Out	(184,254)	(169,592)	(25,000)	(555,000)
Total Other Financing Sources (Uses)	<u>(71,500)</u>	<u>(106,500)</u>	<u>15,792,983</u>	<u>68,170</u>
Net Change in Fund Balance	<u><u>\$1,776,618</u></u>	<u><u>\$475,299</u></u>	<u><u>\$14,895,985</u></u>	<u><u>(\$12,350,543)</u></u>
Debt Service as a Percentage of Noncapital Expenditures	1.82%	1.67%	3.92%	10.15%

Source: District Treasurer's Office

Lakewood Local School District

2001	2002	2003	2004	2005	2006
0	0	850	241,013	2,956	0
0	0	0	0	0	0
0	0	726,650	0	0	0
0	0	0	0	0	9,999,991
0	0	0	0	0	667,467
292,735	0	36,415	0	0	116,162
0	0	0	0	0	(10,517,195)
13,686	9,874	0	107	0	0
(63,686)	(8,305)	0	(107)	0	(30,000)
<u>242,735</u>	<u>1,569</u>	<u>763,915</u>	<u>241,013</u>	<u>2,956</u>	<u>236,425</u>
<u>(\$1,432,071)</u>	<u>\$1,141,292</u>	<u>(\$459,604)</u>	<u>(\$28,339)</u>	<u>\$726,169</u>	<u>\$1,090,555</u>
10.51%	9.30%	7.46%	8.61%	7.67%	7.45%

Lakewood Local School District

Assessed Valuations and Estimated True Values of Taxable Property Last Ten Calendar Years

Tax year	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
	**			*
Real Property				
Assessed	\$169,029,710	\$176,338,070	\$184,066,960	\$218,224,200
Actual	482,942,029	503,823,057	525,905,600	623,497,714
Public Utility				
Assessed	19,063,140	19,346,020	20,964,300	18,991,850
Actual	19,063,140	19,346,020	20,964,300	18,991,850
Tangible Personal Property				
Assessed	61,537,820	65,714,580	79,105,530	71,015,660
Actual	246,151,280	262,858,320	316,422,120	284,062,640
Total				
Assessed	249,630,670	261,398,670	284,136,790	308,231,710
Actual	748,156,449	786,027,397	863,292,020	926,552,204
Assessed Value as a Percentage of Actual Value	33.37%	33.26%	32.91%	33.27%
Total Direct Tax Rate	\$38.80	\$38.80	\$42.50	\$42.11

Source: Licking County Auditor

* Reappraisal

** Update

Presented on a calendar year basis because that is the manner
in which the information is maintained by the County.

Lakewood Local School District

2000	2001	2002 **	2003	2004	2005 *
\$221,019,420	\$231,012,540	\$266,259,000	\$271,896,120	\$284,580,780	\$325,385,530
631,484,057	660,035,829	760,740,000	776,846,057	813,087,943	929,672,943
19,703,930	15,072,540	15,193,360	14,922,410	15,215,760	15,701,530
19,703,930	15,072,540	15,193,360	14,922,410	15,215,760	15,701,530
76,473,440	84,725,760	73,486,690	66,723,600	69,156,940	77,470,570
305,893,760	338,903,040	293,946,760	266,894,400	276,627,760	309,882,280
317,196,790	330,810,840	354,939,050	353,542,130	368,953,480	418,557,630
957,081,747	1,014,011,409	1,069,880,120	1,058,662,867	1,104,931,463	1,255,256,753
33.14%	32.62%	33.18%	33.40%	33.39%	33.34%
\$42.09	\$41.96	\$41.75	\$47.55	\$47.40	\$45.92

Lakewood Local School District

*Property Tax Rates of Direct and Overlapping Governments
(per \$1,000 of assessed value)
Last Ten Calendar Years*

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Direct District Rates				
General Fund	38.80	38.80	38.80	38.80
Bond Retirement Fund	0.00	0.00	3.70	3.31
Total	<u>38.80</u>	<u>38.80</u>	<u>42.50</u>	<u>42.11</u>
Overlapping Rates				
Licking County Joint Vocational School	2.00	2.00	2.00	2.00
Licking County	7.20	7.20	7.20	7.20
Special Taxing Districts	53.50	51.80	55.80	58.80

Note: Ohio Revised Code Sections 5705.02 and 5705.07 require a vote of the people for any millage exceeding the "unvoted" or "inside" millage.

Source:

Licking County Auditor's Office

Lakewood Local School District

2000	2001	2002	2003	2004	2005
38.80	38.80	38.80	44.60	44.60	43.72
3.29	3.16	2.95	2.95	2.80	2.20
42.09	41.96	41.75	47.55	47.40	45.92
2.00	2.00	3.00	2.80	3.00	3.00
7.20	7.20	7.20	7.20	7.20	7.20
61.80	56.80	56.80	54.80	63.80	89.00

Lakewood Local School District

*Principal Taxpayers
Tangible Personal Property Tax
Current Year and Three Years Ago*

Name of Taxpayer	Nature of Business	Calendar Year 2005		
		Assessed Value	Rank	Percent of Total Assessed Value
GE Quartz Inc. (General Electric Co.)	Electronic	\$12,733,000	1	16.44%
Bayer Corporation	Plastic Pellets	10,429,100	2	13.46%
THK Manufacturing of America	Linear Motion Devices	6,006,060	3	7.75%
Dow Chemical	Research	4,829,510	4	6.23%
Diebold Inc.	ATM Machines	4,647,920	5	6.00%
Constar International	Plastic Bottles	4,015,730	6	5.18%
RR Donnelly & Sons Co.	Printing	3,885,820	7	5.02%
Heritage Sportswear Inc.	Clothing Distribution	3,703,400	8	4.78%
TI Group Automotive Supply Corp LLC	Automotive Tanks & Lines	2,691,800	9	3.47%
MPW Industrial Services	Industrial Power Washing	1,135,850	10	1.47%
Subtotal		<u>54,078,190</u>		<u>69.80%</u>
All Others		<u>23,392,380</u>		<u>30.20%</u>
Total		<u><u>\$77,470,570</u></u>		<u><u>100.00%</u></u>

Name of Taxpayer	Nature of Business	Calendar Year 2002		
		Assessed Value	Rank	Percent of Total Assessed Value
Bayer Corporation	Plastic Pellets	\$11,444,950	1	15.57%
GE Quartz Inc.(General Electric Co)	Electronic	8,417,400	2	11.45%
Diebold Inc.	ATM Machines	6,336,260	3	8.62%
Constar International	Plastic Bottles	5,843,300	4	7.95%
Dow Chemical	Research	5,192,790	5	7.07%
RR Donnelly & Sons Co.	Printing	4,810,400	6	6.55%
TKH Manufacturing of America	Linear Motion Devices	2,269,140	7	3.09%
Heritage Sportswear Inc	Clothing Distribution	2,077,250	8	2.83%
TI Group Automotive Supply Corp LLC	Automotive Tanks & Lines	1,957,830	9	2.66%
Owens Corning Fiberglas	Insulation/Building Materials	1,699,950	10	2.31%
Subtotal		<u>50,049,270</u>		<u>68.10%</u>
All Others		<u>23,437,420</u>		<u>31.90%</u>
Total		<u><u>\$73,486,690</u></u>		<u><u>100.00%</u></u>

Note: Information was not available prior to 2002.

Source: Licking County Auditor - Land and Buildings
Based on valuation of property in 2005 and 2002

Presented on a calendar year basis because that is the manner in which the information is maintained by the County.

Lakewood Local School District

*Principal Taxpayers
Real Estate Tax
Current Year and Three Years Ago*

Name of Taxpayer	Nature of Business	Calendar Year 2005		
		Assessed Value	Rank	Percent of Total Assessed Value
Paragano Nazario	Warehouse	\$2,516,500	1	0.77%
Black, Monte R & Susan K	Industrial Cleaning	2,183,240	2	0.67%
R R Donnelly & Sons Co.	Printing	2,005,370	3	0.62%
Diebold	ATM Machines	1,991,200	4	0.61%
Bayer Polymers Inc.	Plastic Pettets	1,671,950	5	0.51%
Slater John & Virginia	Land Owner	1,664,540	6	0.51%
Southgate Company LTD Partnership	Developer	1,587,230	7	0.49%
Hebron Business Park	Developer	1,525,270	8	0.47%
Kroger Co.	Food	1,349,920	9	0.41%
G & C Diversified	Unknown	1,349,920	10	0.41%
Subtotal		17,845,140		5.47%
All Others		307,540,390		94.53%
Total		<u>\$325,385,530</u>		<u>100.00%</u>

Name of Taxpayer	Nature of Business	Calendar Year 2002		
		Assessed Value	Rank	Percent of Total Assessed Value
Diebold	ATM Machines	\$1,844,650	1	0.82%
Black, Mote R & Susan K (MPW)	Industrial Cleaning	1,833,060	2	0.81%
RR Donnelly & Sons Co.	Prining	1,578,510	3	0.70%
G & C Diversified	Unknown	1,537,520	4	0.68%
Hebron Business Park	Developer	1,525,270	5	0.67%
TI Group Automotive Supply Corp LLC	Automotive Tanks & Lines	1,446,660	6	0.64%
Miles Inc.	Unknown	1,394,610	7	0.62%
Cranberry Pointe LTD	Developer	1,358,570	8	0.60%
RSN Holdings	Unknown	1,310,400	9	0.58%
Zazworsky, Leon	Developer	1,273,200	10	0.56%
Subtotal		15,102,450		6.68%
All Others		211,156,550		93.32%
Total		<u>\$226,259,000</u>		<u>100.00%</u>

Note: Information was not available prior to 2002.

Source: Licking County Auditor - Land and Buildings
Based on valuation of property in 2005 and 2002

Presented on a calendar year basis because that is the manner in which the information is maintained by the County.



Lakewood Local School District

*Principal Taxpayers
Public Utilities Property Tax
Current Year and Three Years Ago*

Name of Taxpayer	Nature of Business	Calendar Year 2005		
		Assessed Value	Rank	Percent of Total Assessed Value
Ohio Power	Electricity	\$6,218,960	1	39.61%
Columbia Gas Transmission	Propane	1,735,060	2	11.05%
Alltel	Telephone	1,392,470	3	8.87%
United Telephone	Telephone	1,295,650	4	8.25%
Licking Rural Electric	Electricity	1,073,670	5	6.84%
Dominion Transmission Inc.	Pipelines	1,032,370	6	6.57%
National Gas & Oil Co.	Propane	1,015,600	7	6.47%
Columbus Southern power	Electricity	539,150	8	3.43%
Ohio Bell	Telephone	253,140	9	1.61%
Dayton Power & Light	Electricity	138,480	10	0.88%
Subtotal		14,694,550		93.58%
All Others		1,006,980		6.42%
Total		<u>\$15,701,530</u>		<u>100.00%</u>

Name of Taxpayer	Nature of Business	Calendar Year 2002		
		Assessed Value	Rank	Percent of Total Assessed Value
Ohio Power Company	Electricity	\$4,516,960	1	29.73%
United Telephone	Telephone	1,885,830	2	12.41%
Columbia Gas Transmission	Propane Pipe Lines	1,587,970	3	10.45%
Alltel	Telephone	1,183,170	4	7.79%
National Gas & Oil Co.	Propane Pipe Lines	772,760	5	5.09%
Licking Rural Electric	Electricity	727,800	6	4.79%
Dominion Transmission Inc	Propane Pipe Lines	718,340	7	4.73%
Columbus Southern Power	Electricity	488,220	8	3.21%
Ohio Bell	Telephone	332,910	9	2.19%
Dayton Power & Light	Electricity	156,580	10	1.03%
Subtotal		12,370,540		81.42%
All Others		2,822,820		18.58%
Total		<u>\$15,193,360</u>		<u>100.00%</u>

Note: Information was not available prior to 2002.

Source: Licking County Auditor - Land and Buildings
Based on valuation of property in 2005 and 2002

Presented on a calendar year basis because that is the manner
in which the information is maintained by the County.

Lakewood Local School District

*Property Tax Levies and Collections
Last Ten Years*

Collection Year	<u>1996</u>	<u>1997</u>	<u>1998</u>
Total Tax Levy	\$7,386,343	\$8,044,640	\$8,675,326
Collections within the Fiscal Year of the Levy			
Current Tax Collections	6,914,965	7,534,599	7,833,034
Percent of Levy Collected	93.62%	93.66%	90.29%
Delinquent Tax Collections ⁽¹⁾	<u>181,849</u>	<u>122,192</u>	<u>231,877</u>
Total Tax Collections	7,096,814	7,656,791	8,064,911
Percent of Total Tax Collections To Tax Levy	96.08%	95.18%	92.96%
Accumulated Outstanding Delinquent Taxes	289,529	387,849	610,415
Percentage of Accumulated Delinquent Taxes to Total Tax Levy	3.92%	4.82%	7.04%

(1) The County does not identify delinquent tax collections by tax year.

Source: Licking County Auditor's Office

Presented on a calendar year basis because that is the manner in which the information is maintained by the County.

Lakewood Local School District

1999	2000	2001	2002	2003	2004	2005
\$9,760,002	\$10,086,537	\$11,059,458	\$10,800,834	\$11,195,522	\$13,765,566	\$13,839,306
8,929,261	9,091,100	9,842,557	9,535,310	9,598,346	12,138,331	12,598,333
91.49%	90.13%	89.00%	88.28%	85.73%	88.18%	91.03%
310,285	224,533	361,062	327,740	272,575	644,850	407,672
9,239,546	9,315,633	10,203,619	9,863,050	9,870,921	12,783,181	13,006,005
94.67%	92.36%	92.26%	91.32%	88.17%	92.86%	93.98%
520,456	770,904	855,839	937,783	1,324,601	982,385	833,301
5.33%	7.64%	7.74%	8.68%	11.83%	7.14%	6.02%

Lakewood Local School District

Ratio of Outstanding Debt By Type Last Ten Years

	1997	1998	1999	2000
Governmental Activities ⁽¹⁾				
Long-Term Notes Payable	\$960,000	\$820,000	\$670,000	\$510,000
EPA Loan Payable	71,387	63,872	56,358	48,844
General Obligation Bonds Payable	0	0	15,598,685	15,351,279
Capital Leases	0	74,888	265,536	207,293
Total Primary Government	<u>\$1,031,387</u>	<u>\$958,760</u>	<u>\$16,590,579</u>	<u>\$16,117,416</u>
Population ⁽²⁾				
Village of Buckeye Lake and Village of Hebron	5,168	5,135	5,348	5,286
Outstanding Debt Per Capita	\$200	187	3,102	3,049
Income ⁽³⁾				
Personal (in thousands)	118,911	124,601	132,994	135,047
Percentage of Personal Income	0.87%	0.77%	12.47%	11.93%

Sources:

- (1) District Treasurer's Office
- (2) US Bureau of Census of Population - previous calendar year
- (3) US Department of Commerce, Bureau of Economic Analysis
 - (a) Per Capita Income is only available by County, Total Personal Income is a calculation based on previous calendar year.

Lakewood Local School District

2001	2002	2003	2004	2005	2006
\$345,000	\$165,000	\$841,650	\$713,985	\$581,320	\$508,655
41,330	33,815	26,300	18,786	11,272	3,758
15,050,116	14,746,122	14,435,360	14,119,055	13,803,616	13,525,751
284,620	231,853	210,294	277,301	188,181	203,918
<u>\$15,721,066</u>	<u>\$15,176,790</u>	<u>\$15,513,604</u>	<u>\$15,129,127</u>	<u>\$14,584,389</u>	<u>\$14,242,082</u>
5,083	5,120	5,136	5,167	5,169	5,083
3,093	2,964	3,021	2,928	2,822	2,802
136,326	139,622	142,550	145,952	153,442	150,889
11.53%	10.87%	10.88%	10.37%	9.50%	9.44%

Lakewood Local School District

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

Year	1997	1998	1999	2000
Population (1)	5,168	5,135	5,348	5,286
Assessed Value (2)	\$249,630,670	261,398,670	284,136,790	308,231,710
General Bonded Debt (3)				
General Obligation Bonds	\$0	0	15,598,685	15,351,279
Resources Available to Pay Principal (4)	\$0	0	134,403	184,671
Net General Bonded Debt	\$0	0	15,464,282	15,166,608
Ratio of Net Bonded Debt to Estimated Actual Value	0.00%	0.00%	5.44%	4.92%
Net Bonded Debt per Capita	\$0.00	0.00	2,891.60	2,869.20

Source:

- (1) U.S. Bureau of Census of Population - previous calendar year
- (2) Licking County Auditor
- (3) Includes all general obligation bonded debt supported by property taxes.
There were no General Obligation Bonds prior to 1999.
- (4) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

Lakewood Local School District

2001	2002	2003	2004	2005	2006
5,083	5,120	5,136	5,167	5,169	5,083
317,196,790	330,810,840	354,939,050	353,542,130	368,953,480	418,557,630
15,050,116	14,746,122	14,435,360	14,119,055	13,803,616	13,525,751
163,310	224,224	230,808	231,046	278,152	401,241
14,886,806	14,521,898	14,204,552	13,888,009	13,525,464	13,124,510
4.69%	4.39%	4.00%	3.93%	3.67%	3.14%
2,928.74	2,836.31	2,765.68	2,687.83	2,616.65	2,582.04



Lakewood Local School District

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2006*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to Lakewood Local School District (1)</u>	<u>Amount Applicable to Lakewood Local School District</u>
Direct:			
Lakewood Local School District	\$13,525,751	100.00%	\$13,525,751
Overlapping:			
Licking County	17,616,778	11.40%	2,008,313
Village of Hebron	1,175,000	100.00%	1,175,000
Licking County Career Center -JVS	30,335,000	11.24%	<u>3,409,654</u>
		Subtotal	<u>6,592,967</u>
		Total	<u><u>\$20,118,718</u></u>

Source: Ohio Municipal Advisory Council, June 2006

(1) Overlapping percentage was calculated by dividing each overlapping subdivision's assessed valuation within the City by the subdivision's total assessed valuation.

Lakewood Local School District

*Debt Limitations
Last Ten Years*

Collection Year	1997	1998	1999	2000
Net Assessed Valuation	\$249,630,670	\$261,398,670	\$284,136,790	\$308,231,710
Legal Debt Limitation (%) (1)	9.00%	9.00%	9.00%	9.00%
Legal Debt Limitation (\$) (1)	22,466,760	23,525,880	25,572,311	27,740,854
Applicable District Debt Outstanding	0	0	15,598,685	15,351,279
Less: Applicable Debt Service Fund Amounts (2)	0	0	(134,403)	(184,671)
Net Indebtedness Subject to Limitation	<u>0</u>	<u>0</u>	<u>15,464,282</u>	<u>15,166,608</u>
Overall Legal Debt Margin	<u>\$22,466,760</u>	<u>\$23,525,880</u>	<u>\$10,108,029</u>	<u>\$12,574,246</u>
Legal Debt Limitation (%) (1)	0.10%	0.10%	0.10%	0.10%
Legal Debt Limitation (\$) (1)	249,631	261,399	284,137	308,232
Applicable District Debt Outstanding	0	0	0	0
Unvoted Legal Debt Margin	<u>\$249,631</u>	<u>\$261,399</u>	<u>\$284,137</u>	<u>\$308,232</u>
Legal Debt Limitation (%) (1)	0.90%	0.90%	0.90%	0.90%
Legal Debt Limitation (\$) (1)	2,246,676	2,352,588	2,557,231	2,774,085
Applicable District Debt Outstanding	<u>(960,000)</u>	<u>(820,000)</u>	<u>(670,000)</u>	<u>(510,000)</u>
Unvoted Energy Conservation Loans Legal Debt Margin	<u>\$1,286,676</u>	<u>\$1,532,588</u>	<u>\$1,887,231</u>	<u>\$2,264,085</u>

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

(2) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes. There were no general obligation bonds prior to 1999.

Lakewood Local School District

2001	2002	2003	2004	2005	2006
\$317,196,790	\$330,810,840	\$354,939,050	\$353,542,130	\$368,953,480	\$418,557,630
9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
28,547,711	29,772,976	31,944,515	31,818,792	33,205,813	37,670,187
15,050,116	14,746,122	14,435,360	14,119,055	13,803,616	13,525,751
(163,310)	(224,224)	(230,808)	(231,046)	(278,152)	(401,241)
14,886,806	14,521,898	14,204,552	13,888,009	13,525,464	13,124,510
<u>\$13,660,905</u>	<u>\$15,251,078</u>	<u>\$17,739,963</u>	<u>\$17,930,783</u>	<u>\$19,680,349</u>	<u>\$24,545,677</u>
0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
317,197	330,811	354,939	353,542	368,953	418,558
0	0	0	0	0	0
<u>\$317,197</u>	<u>\$330,811</u>	<u>\$354,939</u>	<u>\$353,542</u>	<u>\$368,953</u>	<u>\$418,558</u>
0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
2,854,771	2,977,298	3,194,451	3,181,879	3,320,581	3,767,019
(345,000)	(165,000)	(841,650)	(713,985)	(581,320)	(508,655)
<u>\$2,509,771</u>	<u>\$2,812,298</u>	<u>\$2,352,801</u>	<u>\$2,467,894</u>	<u>\$2,739,261</u>	<u>\$3,258,364</u>

Lakewood Local School District

Demographic and Economic Statistics Last Ten Years

Calendar Year	1996	1997	1998	1999
Population ⁽¹⁾				
Village of Buckeye Lake and Village of Hebron	5,168	5,135	5,348	5,286
Licking County	133,975	135,686	141,393	143,697
Income ^{(2) (a)}				
Total Personal (in thousands)	\$118,911	124,601	132,994	135,047
Per Capita	\$23,009	24,265	24,868	25,548
Unemployment Rate ⁽³⁾				
Federal	5.4%	4.9%	4.5%	4.2%
State	4.8%	4.6%	4.3%	4.3%
Licking County	5.1%	3.9%	3.8%	3.8%
Fiscal Year	1997	1998	1999	2000
School Enrollment ⁽⁴⁾				
Grades K - 5	1,110	1,092	1,028	1,020
Grades 6 - 8	598	597	601	552
Grades 9 - 12	714	734	729	740
Non-Grade	11	13	18	27
Total	<u>2,433</u>	<u>2,436</u>	<u>2,376</u>	<u>2,339</u>

(1) US Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis

(a) Per Capita Income is only available by County (2005 not available),

Total Personal Income is a calculation

(3) State Department of Labor Statistics

(4) District Treasurer's Office, October enrollment figure.

Lakewood Local School District

2000	2001	2002	2003	2004	2005
5,083	5,120	5,136	5,167	5,169	5,083
145,491	147,397	148,680	150,634	152,866	154,806
136,326	139,622	142,550	145,952	153,442	150,889
26,820	27,270	27,755	28,247	29,685	29,685
3.8%	4.8%	5.8%	6.0%	5.5%	5.0%
3.7%	4.3%	5.7%	6.1%	6.0%	5.9%
3.6%	3.2%	3.6%	6.0%	5.9%	5.8%
2001	2002	2003	2004	2005	2006
1,011	1,002	1,039	1,011	1,021	995
568	533	499	513	518	525
743	725	721	723	713	692
16	18	18	18	18	5
<u>2,338</u>	<u>2,278</u>	<u>2,277</u>	<u>2,265</u>	<u>2,270</u>	<u>2,217</u>

Lakewood Local School District

*Principal Employers
Current Year and Seven Years Ago*

Employer	Nature of Business	2006		
		Number of Employees	Rank	Percentage of Total Employment
THK	Linier Motion Devices	298	1	13.63%
Bear Creek	Distributor	255	2	11.66%
Ecolab	Cleaning Supplies	138	3	6.31%
AFG Fabrication	Glass Finishing	137	4	6.26%
Sunfield	Steel Stamping	103	5	4.71%
Heritage Sportswear	Clothing Dist.	93	6	4.25%
The Boler Co.	Truck Axles	85	7	3.89%
Allied Tube	Razor Wire/Fencing	86	8	3.93%
Ohio Metal Tech	Auto Parts	74	9	3.38%
Renosol	Foam Auto Seats	57	10	2.61%
Total		<u>1,326</u>		
Total Employment within the District		<u>2,187</u>		

Employer	Nature of Business	1999		
		Number of Employees	Rank	Percentage of Total Employment
AFG Fabrication	Glass Finishing	243	1	10.20%
Bear Creek	Distributor	214	2	8.98%
Caine Corp	Fiberglass	204	3	8.56%
Ecolab	Cleaning Supplies	178	4	7.47%
Sunfield	Steel Stamping	149	5	6.25%
The Boler Co.	Truck Axles	137	6	5.75%
Heritage Sportswear	Clothing Dist.	128	7	5.37%
Ohio Metal Tech	Auto Parts	117	8	4.91%
THK	Linier Motion Devices	77	9	3.23%
Excel	Warehouse for Owens Corning	75	10	3.15%
Total		<u>1,522</u>		
Total Employment within the District		<u>2,383</u>		

Note: Information was not available prior to 1999.

Sources: Village of Hebron Administrative Offices

Lakewood Local School District

School District Employees by Type Last Seven Years

	2000	2001	2002	2003	2004	2005	2006
Supervisory							
Instructional Administrators	3	3	3	3	3	3	3
Noninstructional Administrators	2	3	3	3	3	3	3
Principals	5	5	5	5	5	5	5
Assistant Principals	3	4	3	3	3	3	3
Instruction							
Classroom Teachers							
Elementary	80	81	76	80	79	69	67
Middle	35	39	40	40	39	45	44
High	46	42	46	47	47	47	49
Student Services							
Guidance Counselors	4	4	4	4	4	4	4
Social Workers	0	1	1	1	1	1	1
Psychologists	0	1	1	1	1	1	1
Librarians	4	4	4	4	4	4	4
Support Services							
Clerical/Secretaries	15	16	13	14	16	15	15
Aides/Safety Monitors	19	18	10	10	10	10	16
Food Service	23	24	21	19	21	21	19
Maintenance/Grounds	23	25	20	22	23	23	23
Transportation	31	32	30	28	34	34	34
<i>Total Employees</i>	<u>293</u>	<u>302</u>	<u>280</u>	<u>284</u>	<u>293</u>	<u>288</u>	<u>291</u>

Method: 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

Note: Information was not available prior to 2000.

Source: District Treasurer's Office

Lakewood Local School District

*Operating Indicators - Cost per Pupil
Last Seven Years*

Fiscal Year	2000	2001	2002	2003
Enrollment (October Count)	2,339	2,338	2,278	2,277
Modified Accrual Basis				
Operating Expenditures	14,541,691	15,890,289	15,753,285	17,403,015
Cost per Pupil	6,217	6,797	6,915	7,643
Percentage of Change	N/A	9.3%	1.7%	10.5%
Accrual Basis (1)				
Expenses	N/A	N/A	\$15,801,745	\$17,712,301
Cost per Pupil	N/A	N/A	6,937	7,779
Percentage of Change	N/A	N/A	N/A	12.1%
Teaching Staff	169	170	170	175
Pupil to Teacher Ratio (2)				
Lakewood	15.9	16.5	14.9	14.8
State Average	18.1	18.0	16.9	16.9

Note: Information was not available prior to 2000.

Source: District Treasurer's Office

(1) Expenses exclude interest and fiscal charges

(2) Provided by Ohio Department of Education

Lakewood Local School District

2004	2005	2006
2,265	2,270	2,217
18,452,973	19,035,724	19,565,769
8,147	8,386	8,825
6.6%	2.9%	5.2%
\$18,484,604	\$18,348,210	\$18,969,499
8,161	8,083	8,556
4.9%	(1.0%)	5.9%
173	169	168
15.7	15.7	13.2
18.5	18.5	18.6



Lakewood Local School District

Operating Indicators by Function Last Four Years

	2003	2004	2005	2006
Governmental Activities				
Pupils				
Enrollment	2,277	2,265	2,270	2,217
Graduates	156	149	160	158
Percent of Students with Disabilities	13.0%	12.7%	13.1%	14.3%
Percent of Students with English as Second Language	0%	0%	0%	0.00
Board of Education				
Regularly scheduled board meeting per year	12	12	12	12
Administration				
School Attendance Rate	94.4%	94.4%	94.1%	94.6%
Fiscal Services				
Purchase Orders Processed	2,900	2,622	2,208	2,217
Checks Issued (non payroll)	2,772	2,731	2,557	2,899
Operation and Maintenance of Plant				
District Square Footage Maintained	357,393	357,393	357,393	357,393
District Square Acreage Maintained	114	114	114	114
Pupil Transportation				
Average Daily Students Transported	1,167	1,581	1,966	1,727
Average Daily Bus Fleet Miles	1,647	2,483	2,446	2,722
Number of Buses	31	29	29	30
Extracurricular Activities				
High School Varsity Teams	16	16	16	16
Business-Type Activities				
Food Service				
Students Meals Served Daily	212,192	226,910	229,569	222,340
Free/Reduced Price Meals Daily	14,341	13,706	13,442	16,619

Note: Indicators by Function are not available prior to 2003.

Source: District Treasurer's Office and Ohio Department of Education Report Card Data

Lakewood Local School District

*Operating Indicators - Teacher Base Salaries
Last Seven Years*

Fiscal Year	2000	2001	2002	2003	2004	2005	2006
Minimum Salary	23,645	23,645	25,300	26,312	27,233	27,914	28,961
Maximum Salary	47,881	47,881	51,233	55,781	57,734	59,177	61,542
District Average Salary	35,632	37,042	37,133	40,345	42,455	44,987	49,866
County Average Salary	38,285	39,529	41,058	42,473	44,590	45,638	46,869
State Average Salary	41,713	42,892	44,266	45,515	47,495	49,438	50,772

Source: District Treasurer's Office and Ohio Department of Education

*Operating Indicators - Teacher by Education
Last Seven Years*

Fiscal Year	2000	2001	2002	2003	2004	2005	2006
Bachelor's Degree	28	30	21	24	22	20	14
Bachelor + 15	72	69	69	66	56	52	53
Master's Degree	69	71	80	66	74	64	64
Master's Degree + 15	0	0	0	19	21	33	37
Total	169	170	170	175	173	169	168

Source: District Treasurer's Office

Lakewood Local School District

Capital Asset Statistics by Building Last Six Years

	2001	2002	2003	2004	2005	2006
Secondary						
Lakewood Local High School						
Square Footage	150,848	150,848	150,848	150,848	150,848	150,848
Capacity (students)	1,000	1,000	1,000	1,000	1,000	1,000
Enrollment	743	725	720	723	713	697
Middle						
Lakewood Local Middle School						
Square Footage	60,700	60,700	60,700	60,700	60,700	60,700
Capacity (students)	720	720	720	720	720	720
Enrollment	568	533	497	513	518	524
Intermediate						
Lakewood Local Intermediate School						
Square Footage	50,238	50,238	50,238	50,238	50,238	50,238
Capacity (students)	525	525	525	525	525	525
Enrollment	328	340	348	334	334	317
Elementary						
Lakewood Local Jackson Elementary School						
Square Footage	24,869	24,869	24,869	24,869	24,869	24,869
Capacity (students)	450	450	450	450	450	450
Enrollment	274	263	282	302	302	290
Lakewood Local Hebron Elementary School						
Square Footage	58,138	58,138	58,138	58,138	58,138	58,138
Capacity (students)	675	675	675	675	675	675
Enrollment	409	396	403	375	385	388
All Other						
Central Administration Building						
Square Footage	3,696	3,696	3,696	3,696	3,696	3,696
Transportation/Maintenance/Food Service Building						
Square Footage	8,904	8,904	8,904	8,904	8,904	8,904

Note: District opened a new high school and was realigned in 2001.

Source: District Treasurer's Office

Lakewood Local School District

*Educational and Operating Statistics
Last Ten Years*

	1997	1998	1999	2000
Cost per Student (ODE) ⁽¹⁾				
Lakewood	\$5,231	5,360	5,758	6,451
Ohio (Average)	\$5,939	6,232	6,642	7,057
Attendance Rate				
Lakewood	93.00%	93.70%	93.30%	93.80%
Ohio (Average)	93.00%	93.90%	94.20%	97.20%
Graduation Rate				
Lakewood	66.30%	80.40%	86.50%	89.10%
Ohio (Average)	75.20%	79.90%	81.40%	80.70%

Source:

District's Student Records and Ohio Department of Education

(1) ODE calculation is not based on GAAP financial reports.

Lakewood Local School District

2001	2002	2003	2004	2005	2006
6,330	6,683	7,507	7,594	7,865	8,202
7,591	8,073	8,441	8,768	9,048	9,356
93.80%	94.60%	94.40%	94.40%	94.10%	94.60%
93.90%	94.30%	94.50%	94.50%	94.30%	94.10%
87.70%	85.20%	91.50%	92.90%	96.30%	89.30%
81.20%	82.80%	83.90%	84.30%	85.90%	86.20%





Mary Taylor, CPA
Auditor of State

LAKWOOD LOCAL SCHOOL DISTRICT
LICKING COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JANUARY 23, 2007