

LAKOTA LOCAL SCHOOL DISTRICT

Single Audit Reports

Year Ended June 30, 2008



Mary Taylor, CPA
Auditor of State

Board of Education
Lakota Local School District
5572 Princeton Road
Liberty Township, Ohio 45011

We have reviewed the *Independent Auditors' Report* of the Lakota Local School District, Butler County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2007 through June 30, 2008. 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 Lakota Local School District is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

January 26, 2009

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LAKOTA LOCAL SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2008

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Federal Revenues</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture:</u> (Passed through Ohio Department of Education)				
Food Donation	n/a	10.550	\$ 268,414	268,414
Nutrition Cluster:				
School Breakfast Program	05PU-2008	10.553	118,455	118,455
National School Lunch Program	LLP4-2008	10.555	<u>937,622</u>	<u>937,622</u>
Nutrition Cluster Total			<u>1,056,077</u>	<u>1,056,077</u>
Total U.S. Department of Agriculture			<u>1,324,491</u>	<u>1,324,491</u>
<u>U.S. Department of Education:</u> (Passed through Ohio Department of Education)				
Title I Grants to Local Educational Agencies	C1S1-2007	84.010	168,311	125,852
Title I Grants to Local Educational Agencies	C1S1-2008	84.010	<u>615,616</u>	<u>680,234</u>
			<u>783,927</u>	<u>806,086</u>
Special Education Cluster:				
Special Education - Grants to States	6BSF-2007	84.027	614,883	636,948
Special Education - Grants to States	6BSF-2008	84.027	2,718,863	2,794,208
Special Education - Preschool Grants	PGS1-2007	84.173	15,415	15,290
Special Education - Preschool Grants	PGS1-2008	84.173	<u>84,991</u>	<u>85,278</u>
Special Education Cluster Total			<u>3,434,152</u>	<u>3,531,724</u>
Safe and Drug-Free Schools and Communities	DRS1-2007	84.186	-	691
Safe and Drug-Free Schools and Communities	DRS1-2008	84.186	<u>28,588</u>	<u>38,815</u>
			<u>28,588</u>	<u>39,506</u>
State Grants for Innovative Programs	C2S1-2007	84.298	4,841	2,922
State Grants for Innovative Programs	C2S1-2008	84.298	<u>8,775</u>	<u>12,705</u>
			<u>13,616</u>	<u>15,627</u>
Education Technology State Grants	TJS1-2007	84.318	3,106	2,901
Education Technology State Grants	TJS1-2008	84.318	<u>8,195</u>	<u>7,228</u>
			<u>11,301</u>	<u>10,129</u>
JAVITS	JGS2	84.206	4,777	2,234
English Language Acquisition Grants	T3S1/T3S2	84.365	13,692	11,971
English Language Acquisition Grants	T3S1/T3S2	84.365	<u>65,578</u>	<u>66,807</u>
			<u>79,270</u>	<u>78,778</u>
Improving Teacher Quality State Grants	TRS1-2007	84.367	40,098	40,060
Improving Teacher Quality State Grants	TRS1-2008	84.367	<u>229,601</u>	<u>251,494</u>
			<u>269,699</u>	<u>291,554</u>
Total U.S. Department of Education			<u>4,625,330</u>	<u>4,775,638</u>
Total Federal Awards			\$ <u>5,949,821</u>	<u>6,100,129</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The schedule of expenditures of federal awards is a summary of the activity of the School District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - FOOD DONATION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Education
Lakota Local School District:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lakota Local School District (the "School District") as of and for the year ended June 30, 2008, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 22, 2008. 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 the School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the 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*.

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

This report is intended solely for the information and use of the School District's management, the Board of Education, others within the entity, the Ohio Auditor of State and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
December 22, 2008

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Education
Lakota Local School District:

Compliance

We have audited the compliance of the Lakota Local School District (the "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 of its major federal programs for the year ended June 30, 2008. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the 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, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance 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 the 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 the School District's compliance with those requirements.

In our opinion, the School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School District's internal control over compliance with the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the School District, as of and for the year ended June 30, 2008, and have issued our report thereon dated December 22, 2008. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying schedule of 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 a whole.

This report is intended solely for the information and use of the School District's management, the Board of Education, others within the entity, the Ohio Auditor of State and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
December 25, 2008

LAKOTA LOCAL SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2008

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	none
• Significant deficiency(ies) identified not considered to be material weaknesses?	none
Noncompliance material to the financial statements noted?	none

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	none
• Significant deficiency(ies) identified not considered to be material weaknesses?	none
Type of auditors’ report issued on compliance for major programs:	unqualified
Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133?	no
Identification of major programs:	
<i>Special Education Cluster:</i> <i>CFDA 84.027 – Special Education – Grants to States</i> <i>CFDA 84.173 – Special Education – Preschool Grants</i>	
Dollar threshold to distinguish between Type A and Type B Programs:	\$300,000
Auditee qualified as low-risk auditee?	yes

Section II – Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

None.

Section IV – Summary of Prior Audit Findings and Questioned Costs

None.

Comprehensive Annual Financial Report

for the year ended June 30, 2008



Lakota Local Schools
Butler County, Ohio

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LAKOTA LOCAL SCHOOL DISTRICT
BUTLER COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Prepared by:
Office of the CFO/Treasurer
Craig A. Jones

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INTRODUCTORY SECTION



Office of the Treasurer

Lakota Central Office
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45011-9726

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644-1183

www.lakotaonline.com

Craig A. Jones
Treasurer

Rebecca McDonough
Assistant Treasurer

December 22, 2008

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Lakota Local School District (District) for the fiscal year ended June 30, 2008. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report is prepared in conformance with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. We believe the enclosed data is fairly presented in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. This report has been prepared by the Chief Financial Officer's Office and includes an opinion from Clark, Schaefer, Hackett and Co.

Copies of this report will be widely distributed throughout the District. A copy will be sent to all school buildings, the Chamber of Commerce, Butler County Administrative Offices, West Chester Township, Liberty Township, other governments in Butler County, the branches of the Butler County Public Library located within the District, Moody's financial rating services, realtors, and any other interested parties.

This letter should be read in conjunction with the Management Discussion and Analysis (MD&A) that can be found immediately following the Independent Auditors' Report.

This report includes all funds for which the District is financially accountable based on the criteria of financial accountability set forth in GASB Statement 14. The District is, however, affiliated with the Butler County Educational Service Center, the Butler Health Plan, and Butler County Joint Vocational School District, which are jointly governed organizations. These organizations do not meet the criteria of GASB Statement 14 and, therefore, are not included in the district's financial statements. The District included no component unit reports in the financial statements.

The District provides a full range of traditional and non-traditional educational programs and services. These include elementary and secondary curriculum offerings at the general, college preparatory, advanced placement, gifted, special education and vocational levels; a broad range of co-curricular and extra-curricular activities; special education programs and community recreation activities.

ECONOMIC CONDITION AND OUTLOOK

Located in Butler County and situated between Cincinnati to the south and Dayton to the north, the Lakota Local School District serves a population of approximately 87,895 people. Within the District boundaries is the majority of West Chester Township and Liberty Township. These rapidly growing and thriving communities are a blend of residential, business, high technology, and light industrial areas. Convenient access to interstate highway 75 and interstate connector 1-275 has helped in the spectacular growth of the area during the last twenty years. The greater Cincinnati/Dayton area has long been noted as one of the premiere areas to live and work in the United States.

The addition of University Pointe/UC Medical Center and the opening of a new Children's Hospital Complex have created a medical corridor of service providers. Many ancillary medical services and doctors offices are currently under construction or being proposed to support these new medical facilities.

A strong industrial base in West Chester Township at the Union Centre Boulevard corridor located off Interstate 75 is currently in mid development stage. A tax incentive district supports this multi use development. The District has entered into an agreement with the West Chester Township trustees to provide the District reimbursement for lost tax revenue as a result of the tax incentives used to attract new businesses. In addition, significant residential growth in West Chester and Liberty Townships continues to provide a stable tax base for the eastern portion of Butler County as well as stable growth for the District for many years. The District is continually challenged by the rapid student population growth and the responsibility bestowed upon it by the community. We are always striving to provide the very best opportunities to every child, while carefully guarding the District's resources.

The economic outlook for the next few years is very uncertain. In the fall of 2008, a financial crisis not seen since the depression gripped the national and international economies. Severe problems in the housing, credit and financial markets have resulted in a recession. The failure of Bear Stearns, Fannie Mae, Freddie Mac, and AIG created the potential collapse of our financial system. Most recently, General Motors, Ford and Chrysler have cash flow problems which have resulted in bankruptcy concerns and a request for a federal bailout. In response to the financial crisis, the Federal Government has taken steps to stabilize the financial system with a plan that is limited in size, scope and duration. A blueprint for modernization of financial regulations recommends creation of a new objectives-based approach to regulation that includes a market stability regulator, a prudential regulator, and a business conduct regulator that focuses on consumer protection. The crisis has reduced income and sales tax revenues for the State of Ohio which has prompted several budget cutting measures in fiscal 2009 with more expected in the next biennium. The district has been held harmless in 2009 but can expect reductions in school foundation funding ranging between 10% and 25%. This will have a major impact on our instructional and operational programs. The need for additional revenue and/or expenditure reductions may be escalated.

THE DISTRICT AND ITS FACILITIES

The District is located in Butler County, and covers an area of 68 square miles. It serves pupils from West Chester and Liberty Townships. Since the consolidation of the Liberty and Union districts into the Liberty-Union School District in 1958, the growth in the District has gone from 1,696 students to 18,261 in 2007-2008. The name of the district was changed to Lakota Local School District in 1970.

The District now houses students in two high schools, one freshman school, four junior schools, ten elementary schools and four early childhood center.

Name of Bldg Address	Group or Grade Housed	Date of Original Building	Enrollment
Creekside Early Childhood School 5060 Tylersville Road	Pre K-1	1970	930
Liberty Early Childhood School 6040 Princeton Road	K-1	1928	466
Shawnee Early Childhood School 9394 Sterling Drive	Pre K-1	1993	796
Wyandot Early Childhood School 7667 Summerlin Blvd.	K-1	2007	969
Adena Elementary 9316 Minuteman Way	2-6	1978	805
Cherokee Elementary 5345 Kyles Station Road	2-6	1994	712
Endeavor Elementary 4400 Smith Road	2-6	2007	654
Freedom Elementary 6035 Beckett Ridge Blvd.	2-6	1988	671
Heritage Elementary 5052 Hamilton-Mason Road	2-6	1992	644
Hopewell Elementary 8300 Cox Road	2-6	1961	825

Independence Elementary 7480 Princeton Road	2-6	1994	536
Union Elementary 8735 Cincinnati-Dayton Road	2-6	1953	570
Van Gorden Elementary 6475 LeSourdsville- West Chester Road	2-6	2003	708
Woodland Elementary 6923 Dutchland Pkwy	2-6	1990	749
Hopewell Junior 8200 Cox Road	7-8	1972	674
Lakota Plains Junior 5500 Princeton Road	7-8	2003	756
Lakota Ridge Junior 6199 Beckett Ridge Blvd.	7-8	1992	661
Liberty Junior 7055 Dutchland Pkwy.	7-8	1977	763
Lakota Freshman School 5050 Tylersville Road	9	1958	1,312
Lakota East High 6840 Lakota Lane	10-12	1997	1,946
Lakota West High 8940 Union Centre Blvd.	10-12	1997	2,087
Central Office 5572 Princeton Road	Admin	2003	
Service Center 6947 Yankee Road	Offices	1977	
Lakota East Freshman 7630 Bethany Road	9	2008 (est)	750
Elementary 7672 LeSourdsville- West Chester Road	2-6	2008	-

ORGANIZATION OF THE SCHOOL DISTRICT

The Board members represent a cross section of professions in the community. The Board members on June 30, 2008 were as follows:

Board Member	Term Expires	Years as Member	Profession
Jamie Green President	12/31/2009	2	Homemaker
Joan Powell Vice President	12/31/2009	10	Realtor
Paul Lohr	12/31/2011	1	Teacher
Lynda O'Connor	12/31/2011	1	Homemaker
Jeff Rubenstein	12/31/2009	2	Attorney

Effective December 20, 2006, the Lakota Board of Education unanimously appointed William "Mike" Taylor Superintendent. He replaced Dr. Philip Ehrhardt who served since July 2005. Mike, a graduate of Lakota Local Schools, has spent his entire career as a Lakota educator. Since 1994 he has been Assistant Superintendent. He began in 1976 as a history teacher at Hopewell Junior School. He later served as assistant principal at Lakota High School and principal at Hopewell Junior School. Mr. Taylor holds a bachelor's degree from the University of Cincinnati and a master's degree from Xavier University. He participated in the Harvard Institute for Leadership in 1999 and 2000.

The Treasurer of the District is Craig A. Jones. Mr. Jones became treasurer of the School District in March, 2008 after serving as interim treasurer since January, 2008, and as assistant treasurer since March, 2001. He replaced Alan Hutchinson who left the district in December 2007 to lead Franklin County ESC as Treasurer/Chief Fiscal Officer. Mr. Jones holds a bachelor's of science degree in business administration, with a dual major in accounting and finance, from Ohio Northern University. He is a Certified Public Finance Officer as well as a Certified Government Financial Manager. Mr. Jones has been in school finance for over 20 years. Prior to joining Lakota, he served as assistant treasurer for Dayton City Schools and treasurer for Jefferson Township Local Schools. He has produced a Comprehensive Annual Financial Report (CAFR) for the school districts which he has served since 1992.

EMPLOYEE RELATIONS

The District currently has over 2,000 full-time and part-time employees. Continued enrollment growth has created the ongoing need for additional staffing.

The District's teachers are represented for collective bargaining purposes by the Lakota Association of Educators (LEA, an OEA affiliate). The District has a three-year collective bargaining agreement with LEA which expired August 31, 2008. The District's support staff is represented by the Lakota Support Staff Association (LSSA, an OEA Affiliate). The District has a two year collective bargaining agreement which expires June 30, 2009. The District has contracted its transportation services for the 2007-2008 school year through Petermann LLC.

Duties and responsibilities of the Board of Education are found in the laws governing public education in Ohio. The Board of Education directly employs the Superintendent and Treasurer and serves as the legislative body of the District. Board duties include:

- Informing the public concerning the progress and needs of the schools, and to solicit and weigh public opinion as it affects the schools.
- Considering and passing upon the recommendations of the Superintendent and Treasurer in all matters of policy, appointment or dismissal of employees, salary schedules or other personnel regulations, course of study, selection of textbooks, or other matters pertaining to the welfare of schools.
- Exercising its taxing power to provide funds for the operation of the District.
- Adopting an annual tax budget and appropriation measure.

The Superintendent is the chief executive officer of the School District and is responsible for administering policies adopted by the Board of Education. The Superintendent is expected to provide leadership in all phases of policy formulation and is the chief advisor to the Board on all aspects of the educational program and total operation of the School District.

The Treasurer serves as the chief fiscal officer of the School District and, with the president, executes all conveyances made by the Board of Education.

The Board of Education employs all certified and classified employees only upon the nomination of the Superintendent.

SERVICES PROVIDED

The District offers regular instructional programs daily to students in grades K-12. Nearly 700 students participated in the specific trades through Butler Tech vocational education. Over 1,500 students receive special services, due to physical or mental handicapping conditions. In grades K-12, approximately 4,500 students have been identified as gifted.

The District provides a wide variety of education and support services, as mandated by the Ohio Revised Code or board directives.

The accounting department processed over 9,700 purchase orders, handled more than 102,000 invoices and issued in excess of 61,000 checks for goods and/or services for the District. Those goods and services include transportation services, utilities, computers, software, instructional materials, maintenance and tuition.

The payroll department issued more than 54,000 payroll checks to employees entitled to remuneration for services rendered and in excess of 2,200 deduction checks for payroll-associated costs such as taxes, retirement and insurance.

In addition to accounting and payroll support services, students in the District also receive guidance, psychological, transportation, school lunch and limited health services free of charge. The guidance services are designed to help students match their natural skills with vocational and/or academic programs to help them achieve their full potential in life. Psychological services include the testing and identification of students for special education programs.

Limited health services are provided by registered nurses at each of the 21 school sites.

MAJOR CURRENT AND FUTURE INITIATIVES

The 2007-2008 school year was one of continued transition and progress for Lakota schools. For the seventh year in a row, Lakota has received an excellent rating from the Ohio Department of Education (ODE). The new designation of Excellent with Distinction was awarded due to the above expected growth the district has made since last school year on the value-added measures for reading and mathematics. Student enrollment growth grew by 479 as Lakota remained the seventh largest school district in Ohio.

Construction of new facilities and renovation of existing facilities with funds from the bond issue approved in November 2005 is nearing completion. Wyandot Early Childhood School and Endeavor Elementary opened their doors to students and staff in August 2007. Both of those schools were completed on time and under budget. New additions to Lakota East and Lakota West high schools are complete and have increased the capacity of those buildings by 600 students each. The Hopewell Elementary renovations were also completed at the start of the 2008 school year. Renovations at Liberty Early Childhood School will require the building to be vacated for the 2009 school year. Bond interest and a \$10,000,000 limited general obligation bond issue will be used to finance the construction of a third new elementary school without additional taxes. This school, located on LeSourdsville-West Chester Road near Tylersville Road, will eventually replace the aging Union Elementary building. For its first year, though, it will be home to Liberty students and staff. The construction funds you provided for us are being used as planned, and have even helped to finance an additional needed school—which will save both construction and operating funds for the community in the future.

Recommendations from the Lakota Planning Committee to address both short-term overcrowding and long-term redistricting at the elementary level were implemented this school year. Establishment of four early childhood schools for grades Pre K-1 and ten elementary schools for grades 2-6 has positioned the district for utilization of available space while maximizing space for faster-growing areas.

The district began to create a new five-year strategic plan in 2005. The central focus of the plan is addressed in three essential areas of student achievement, student engagement, and student pathways to success. The plan sets out four key strategies, which are linked to the essential areas, including student engagement in challenging educational programs, staff capability and empowerment, strengthening community relationships and improving organizational efficiency and flexibility. Work continues on the strategic plan including developing specific action plans and project-based budgets for those plans.

In order for Lakota to successfully meet the needs of each child, we will incorporate scientifically-based research programs across all schools and departments. It is our goal to maintain the state's Excellent report card rating and meet the Federal Adequate Yearly Progress Benchmarks. In addition, it is our goal to become a "World Class" school system within the next five years. World Class means to move Lakota's educational program more fully into 21st Century Learning Skills and create the Pathways to Success for all students. Future initiatives for the 2009 school year include focusing on the following priorities: 1. Student achievement and adequate yearly progress; 2. Systems alignment; 3. Community support and trust; and 4. Short and long term facilities planning. These priorities are aligned with and linked to the strategies and essential areas referenced above.

RELEVANT FINANCIAL POLICIES

In June of 2006, the State legislature passed House Bill 66. House Bill 66 phases out the tax on tangible personal property of general business, telephone and telecommunications companies, and railroads. The tax on general business and railroad property began being phased out in 2007 and will be eliminated by 2009. The tax on telephone and telecommunication property will begin being phased out in 2009 and will be eliminated by 2011. The tax is being phased out by reducing the assessment rate on the property each year. In the first five years, the District will be reimbursed fully for the lost revenue; in the following seven years, the reimbursements will be phased out.

FINANCIAL INFORMATION

The District's accounting system is organized on a "fund" basis. Each fund is a distinct, self-balancing entity. Records for general governmental operations are maintained on a budgetary basis system of accounting as prescribed by State statute. Cash basis accounting differs from generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

INTERNAL ACCOUNTING AND BUDGETARY CONTROL

In developing the District's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

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

At the beginning of each fiscal year, the Board adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation is first adopted, the permanent appropriation measure must be adopted within three months.

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

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the fund level. All purchase order requests must be approved by the individual program managers and certified by the Treasurer; necessary funds are then encumbered and purchase orders are released to vendors.

The accounting system used by the District provides financial reports, which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. In addition to the financial statements retained in the Treasurer's Office, each program manager can monitor their budgets by running interim financial reports.

As an additional safeguard, a blanket bond covers all employees involved with receiving and depositing funds and a separate, higher bond covers certain individuals in policy-making roles.

The basis of accounting and the various funds utilized by the District are fully described in the notes to the basic financial statements. Additional information on the District's budgetary accounts can also be found in the notes to the basic financial statements.

FINANCIAL CONDITION

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

Government-wide financial statements. These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by businesses. The government-wide statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

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

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

As part of this reporting model, management is responsible for preparing a Management's Discussion and Analysis of the District. This discussion follows this letter of transmittal, providing an assessment of the District's finances for 2008 and the outlook for the future.

INDEPENDENT AUDIT

Provisions of State statute require that the District's financial statements be subjected to an annual examination by an independent auditor. The Clark, Schaefer, Hackett and Co. unqualified opinion rendered on the District's basic financial statements, combining statements and individual fund schedules, is included in the financial section of this Comprehensive Annual Financial Report. Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all units of local education agencies in Ohio. The District adopted and has been in conformance with that system effective with its annual financial report since the 1979 calendar year.

AWARDS

GFOA Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2007. The School District has received this award for seven years. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

ASBO Certificate of Excellence in Financial Reporting

The Association of School Business Officials International (ASBO) awards a Certificate of Excellence in Financial Reporting to school districts that publish Comprehensive Annual Financial Reports which substantially conform to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. The award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing school business officials.

The District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2007. This was the seventh year the School District has received this award. The District believes that the Comprehensive Annual Financial Report for fiscal year June 30, 2008 which will be submitted to ASBO for review will conform to ASBO's principles and standards.

ACKNOWLEDGEMENT

The preparation of the 2008 Comprehensive Annual Financial Report of the Lakota Local School District was made possible by the combined efforts of the District's Treasurer's Office and Plattenburg and Associates, Incorporated. The publication of this Comprehensive Annual Financial Report for the District is a major step in reinforcing the accountability of the District to the taxpayers of the community.

Respectfully submitted,



Craig A. Jones
Treasurer/Chief Fiscal Officer



Rebecca McDonough
Assistant Treasurer

LAKOTA LOCAL SCHOOL DISTRICT, OHIO

LIST OF PRINCIPAL OFFICIALS

June 30, 2008

ELECTED OFFICIALS
BOARD OF EDUCATION

President, Board of Education

Mrs. Jamie Green

Vice President, Board of Education

Mrs. Joan Powell

Board Member

Mr. Jeff Rubenstein

Board Member

Mrs. Lynda O'Connor

Board Member

Mr. Paul Lohr

ADMINISTRATIVE OFFICIALS

Superintendent

Mr. Mike Taylor

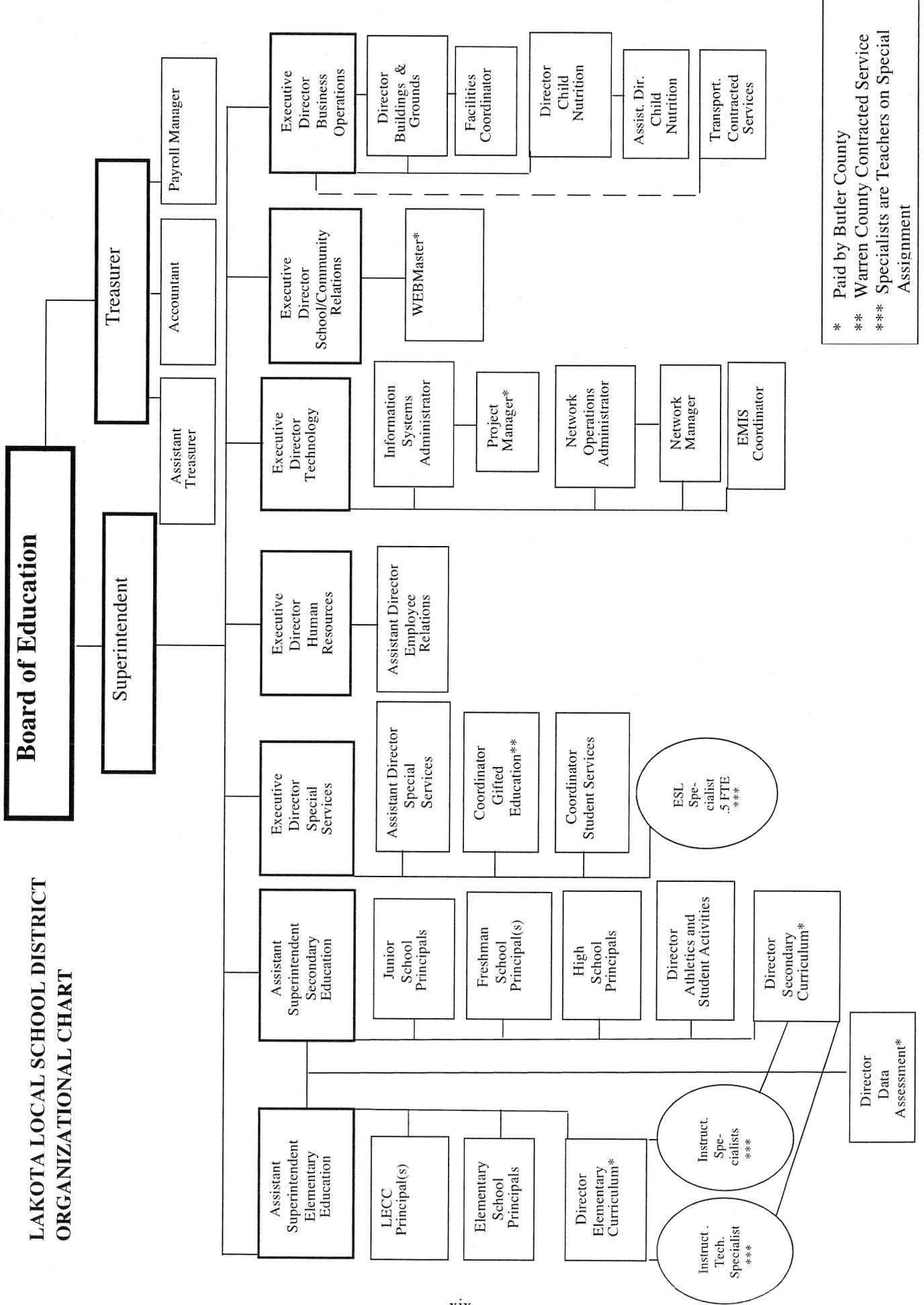
Chief Financial Officer/Treasurer

Mr. Craig A. Jones

Assistant Treasurer

Mrs. Rebecca McDonough

**LAKOTA LOCAL SCHOOL DISTRICT
ORGANIZATIONAL CHART**



* Paid by Butler County
 ** Warren County Contracted Service
 *** Specialists are Teachers on Special Assignment

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lakota Local School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

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



Oliver S. Cox

President

Jeffrey R. Emer

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

LAKOTA LOCAL SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2007

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

James E. Brendel

President

John D. Quasar

Executive Director

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Lakota Local School District:

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Lakota Local School District (the "School District") as of and for the year ended June 30, 2008, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on the 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, business-type activities, each major fund, and the aggregate remaining fund information of the Lakota Local School District as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2008 on our consideration of the 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.

The management's discussion and analysis and the budgetary information on pages 3 through 10 and 52 through 54, respectively, are not a required part of the basic financial statements but are 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 methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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cincinnati, oh 45202

www.cshco.com
p. 513.241.3111
f. 513.241.1212

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules 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 and statistical sections 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.

Clark, Schaefer, Haskett & Co.

Cincinnati, Ohio
December 22, 2008

LAKOTA LOCAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2008
(Unaudited)

The discussion and analysis of Lakota Local School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2008. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's performance.

Financial Highlights

Key financial highlights for 2008 are as follows:

- In total, net assets decreased \$6,556,749 from fiscal year 2007. Net assets of governmental activities decreased \$5,847,206 which represents a 6% decrease from 2007. Net assets of business-type activities decreased \$709,543 or 31% from 2007.
- General revenues accounted for \$157,341,939 in revenue or 89% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$18,573,190 or 11% of total revenues of \$175,915,129.
- The District had \$175,243,372 in expenses related to governmental activities; only \$12,150,953 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$157,245,213 were also used to provide for these programs.
- Net assets for Enterprise Funds decreased (\$709,543). Operating revenues for Enterprise funds were \$5,094,942. Operating expenses were \$7,228,506.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. The General Fund, Debt Service Fund and the Building Fund are the major funds of the District.

Government-wide Financial Statements

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, “How did we do financially during 2008?” The Government-wide Financial Statements answers this question. These statements include *all assets* and *liabilities* using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year’s revenues and expenses regardless of when cash is received or paid.

These two statements report the District’s *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors, both financial and non-financial. Non-financial factors include the District’s property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Government-wide Financial Statements, the District is divided into two distinct kinds of activities:

- **Governmental Activities** – Most of the District’s programs and services are reported here including instruction, support services, operation of noninstructional services, extracurricular activities and interest and fiscal charges.
- **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 analysis of the District’s major funds are presented in the Fund Financial Statements (see Table of Contents). Fund financial reports provide detailed information about the District’s major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District’s most significant funds.

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.

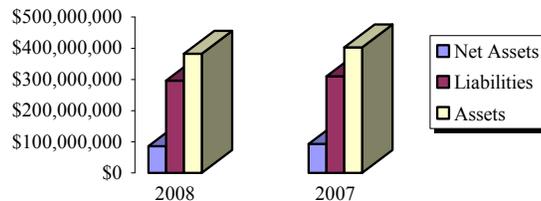
Proprietary Funds Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

The District as a Whole

As stated previously, the Statement of Net Assets looks at the District as a whole. Table 1 provides a summary of the District's net assets for 2008 compared to 2007:

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Assets:						
Current and Other Assets	\$178,443,808	\$223,984,068	\$1,498,145	\$2,140,183	\$179,941,953	\$226,124,251
Capital Assets	201,563,007	175,319,828	974,700	914,373	202,537,707	176,234,201
Total Assets	380,006,815	399,303,896	2,472,845	3,054,556	382,479,660	402,358,452
Liabilities:						
Long-Term Liabilities	178,046,016	183,515,464	44,846	89,572	178,090,862	183,605,036
Other Liabilities	117,424,439	125,404,866	828,935	656,377	118,253,374	126,061,243
Total Liabilities	295,470,455	308,920,330	873,781	745,949	296,344,236	309,666,279
Net Assets:						
Invested in Capital Assets, Net of Related Debt	40,122,739	41,963,747	974,700	914,373	41,097,439	42,878,120
Restricted	12,869,138	13,264,151	0	0	12,869,138	13,264,151
Unrestricted	31,544,483	35,155,668	624,364	1,394,234	32,168,847	36,549,902
Total Net Assets	\$84,536,360	\$90,383,566	\$1,599,064	\$2,308,607	\$86,135,424	\$92,692,173



Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2008, the District's assets exceeded liabilities by \$86,135,424.

At year-end, capital assets represented 53% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements and equipment. Capital assets, net of related debt to acquire the assets at June 30, 2008, was \$41,097,439. 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, \$12,869,138, represents resources that are subject to external restriction on how they may be used. The external restriction will not affect the availability of fund resources for future use. The remaining balance of unrestricted net assets of \$32,168,847 may be used to meet the District's ongoing obligations to the students and creditors.

Capital Assets increased as the District continued construction of new buildings and existing buildings. Long-term Liabilities decreased due to the District making regular scheduled debt payments.

The net assets of the District business-type activities decreased by \$709,543. Since there was a decrease, management has reviewed and, where feasible, increased fees. This action should ensure that business-type activities remain self-supporting.

Table 2 shows the changes in net assets for fiscal years 2008 and 2007.

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Program Revenues:						
Charges for Services	\$3,145,008	\$2,581,780	\$5,075,371	\$5,218,887	\$8,220,379	\$7,800,667
Operating Grants	8,866,690	8,402,646	1,346,866	687,140	10,213,556	9,089,786
Capital Grants	139,255	327,799	0	0	139,255	327,799
Total Program Revenues	12,150,953	11,312,225	6,422,237	5,906,027	18,573,190	17,218,252
General Revenue:						
Property Taxes	93,471,765	99,122,127	0	0	93,471,765	99,122,127
Grants and Entitlements	57,026,114	54,786,321	0	0	57,026,114	54,786,321
Other	6,803,600	11,034,398	40,460	34,221	6,844,060	11,068,619
Total General Revenues	157,301,479	164,942,846	40,460	34,221	157,341,939	164,977,067
Total Revenues	169,452,432	176,255,071	6,462,697	5,940,248	175,915,129	182,195,319
Program Expenses:						
Instruction	90,031,129	76,890,642	0	0	90,031,129	76,890,642
Support Services:						
Pupil and Instructional Staff	22,832,041	19,808,772	0	0	22,832,041	19,808,772
General and School Administrative, Fiscal and Business	15,207,532	15,174,004	0	0	15,207,532	15,174,004
Operations and Maintenance	13,420,202	11,300,285	0	0	13,420,202	11,300,285
Pupil Transportation	17,182,978	16,077,170	0	0	17,182,978	16,077,170
Central	4,293,249	2,637,239	0	0	4,293,249	2,637,239
Operation of Non-Instructional Services	281,880	534,606	0	0	281,880	534,606
Extracurricular Activities	3,278,754	3,023,706	0	0	3,278,754	3,023,706
Interest and Fiscal Charges	8,715,607	8,276,131	0	0	8,715,607	8,276,131
Food Service	0	0	5,807,491	4,785,536	5,807,491	4,785,536
Uniform School Supply	0	0	1,421,015	1,293,862	1,421,015	1,293,862
Total Expenses	175,243,372	153,722,555	7,228,506	6,079,398	182,471,878	159,801,953
Increase (Decrease) in Net Assets before Transfers	(5,790,940)	22,532,516	(765,809)	(139,150)	(6,556,749)	22,393,366
Transfers - Internal Activities	(56,266)	(65,726)	56,266	65,726	0	0
Change in Net Assets	(5,847,206)	22,466,790	(709,543)	(73,424)	(6,556,749)	22,393,366
Beginning Net Assets	90,383,566	67,916,776	2,308,607	2,382,031	92,692,173	70,298,807
Ending Net Assets	\$84,536,360	\$90,383,566	\$1,599,064	\$2,308,607	\$86,135,424	\$92,692,173

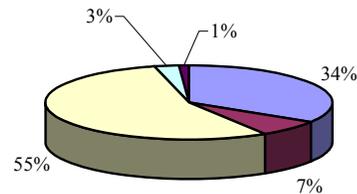
Governmental Activities

The District revenues are mainly from two sources. Property taxes levied for general purposes and debt service purposes, and grants and entitlements comprised 89% of the District's revenues for governmental activities.

The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Thus Ohio districts do not receive additional property taxes related to increases in appraised values and must regularly return to the voters to maintain a constant level of service. Property taxes made up 55% of revenue for governmental activities for the District in fiscal year 2008.

Revenue Sources	2008	Percent of Total
General Grants	\$57,026,114	34%
Program Revenues	12,150,953	7%
General Tax Revenues	93,471,765	55%
Investment Earnings	5,009,134	3%
Other Revenues	1,794,466	1%
	<u>\$169,452,432</u>	<u>100%</u>



During 2008, the District increased payments for instruction and support services to keep pace with the growth of the District. Instruction comprises 51.37% of governmental program expenses. Support services expenses were 41.62% of governmental program expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2008	2007	2008	2007
Instruction	\$90,031,129	\$76,890,642	(\$84,887,139)	(\$72,289,407)
Support Services:				
Pupil and Instructional Staff	22,832,041	19,808,772	(18,522,090)	(15,732,752)
School Administrative, General				
Administration, Fiscal and Business	15,207,532	15,174,004	(15,083,750)	(15,093,627)
Operations and Maintenance	13,420,202	11,300,285	(12,819,448)	(10,993,325)
Pupil Transportation	17,182,978	16,077,170	(16,575,654)	(15,368,212)
Central	4,293,249	2,637,239	(4,074,783)	(2,420,054)
Operation of Non-Instructional Services	281,880	534,606	(160,054)	(152,856)
Extracurricular Activities	3,278,754	3,023,706	(2,253,894)	(2,083,966)
Interest and Fiscal Charges	8,715,607	8,276,131	(8,715,607)	(8,276,131)
Total Expenses	<u>\$175,243,372</u>	<u>\$153,722,555</u>	<u>(\$163,092,419)</u>	<u>(\$142,410,330)</u>

Business-Type Activities

Business-type activities include the food service operation and the sale of uniform school supplies. These programs had revenues of \$6,462,697 and expenses of \$7,228,506 for fiscal year 2008. Business activities receive no support from tax revenues.

The District's Funds

The District has three major governmental funds: the General Fund, Debt Service, and Building Fund. Assets of these funds comprised \$169,636,909 (96%) of the total \$177,593,879 governmental funds assets.

General Fund: Fund balance at June 30, 2008 was \$37,237,436 including \$32,561,593 of unreserved balance, which represents 22% of expenditures for fiscal year 2008. The primary reason for the decrease in fund balance was a result of the District collecting less tax revenue from property taxes (taxes receivable).

Debt Service Fund: Fund balance at June 30, 2008 was \$4,955,410. The unreserved balance was \$4,661,672 at year end.

Building Fund: Fund balance at June 30, 2008 was \$9,721,031. Current year change in fund balance was a decrease of \$24,267,243. The cause of the decrease was expenditures for construction.

General Fund Budgeting Highlights

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.

During the course of fiscal 2008, the District amended its general fund budget. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the budget in an attempt to deal with unexpected changes in state revenues and subsequently reduced expenditures.

For the General Fund, budget basis revenue was \$148,486,416 compared to original budget estimates of \$146,497,456. Of this \$1,988,960 difference, most was due to conservative estimates for taxes and intergovernmental.

The District's ending unobligated cash balance for the General Fund was \$405,393 above the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2008, the District had \$202,537,707 invested in land, construction in progress, land improvements, buildings and improvements and equipment. Table 4 shows fiscal 2008 balances compared to fiscal 2007:

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

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$14,400,112	\$13,344,693	\$0	\$0	\$14,400,112	\$13,344,693
Construction in Progress	2,262,447	47,867,535	0	0	2,262,447	47,867,535
Land Improvements	1,886,938	1,763,792	224,733	2,029	2,111,671	1,765,821
Buildings and Improvements	166,919,358	97,694,759	20,039	21,301	166,939,397	97,716,060
Equipment	16,094,152	14,649,049	729,928	891,043	16,824,080	15,540,092
Total Net Capital Assets	<u>\$201,563,007</u>	<u>\$175,319,828</u>	<u>\$974,700</u>	<u>\$914,373</u>	<u>\$202,537,707</u>	<u>\$176,234,201</u>

The increase in capital assets is due to new construction. The District continues its ongoing commitment to maintaining and improving its capital assets.

See Note 7 to the Basic Financial Statements for further details on the District's capital assets.

Debt

At June 30, 2008, the District had \$171,006,195 in bonds outstanding, \$6,279,450 due within one year. Table 5 summarizes bonds outstanding.

Table 5
Outstanding Debt, at Year End

	Governmental Activities	
	2008	2007
Total:		
General Obligation Bonds:		
2007 School Construction Bonds	\$10,000,000	\$10,000,000
Freedom, Link Renovations	250,000	375,000
Refunding Ninth Grade, Heritage	0	100,325
Two New High Schools	8,220,000	10,960,000
Refunding New High Schools	17,540,502	17,620,835
Bond and Refunding	12,967,789	13,557,789
Various Purpose Long-Term Bonds	455,000	890,000
Lakota 2005 Refunding	4,090,000	4,670,000
Lakota 2005 Refunding	29,450,000	29,450,000
Premium on 2005 Refunding	2,858,664	3,013,186
Lakota Series 2005	74,465,000	74,470,000
Premium on 2005 Series	754,395	783,979
Lakota Series 2006	9,820,000	9,825,000
Premium on 2006 Series	134,845	140,133
Total General Obligation Bonds	<u>\$171,006,195</u>	<u>\$175,856,247</u>

See Note 8 to the Basic Financial Statements for further details on the District's long-term obligations.

For the Future

Externally, the Ohio Supreme Court found the State of Ohio in March 1997, to be operating an unconstitutional educational system, one that was neither “adequate” nor “equitable.” Since 1997, the State has directed its tax revenue growth toward school districts with little property tax wealth. In May of 2000, the Ohio Supreme Court again ruled that, while the State had made some progress, the current funding system for schools is far too dependent on property taxes which are inherently not “equitable” nor “adequate”. The Court directed the Governor and the legislature to address the fundamental issues creating the inequities. In 2001, the Ohio legislature crafted a school-funding program to address the Court’s concerns. The Supreme Court ruled again in December 2002 in favor of the plaintiffs but relinquished its jurisdiction over the case to the legislature.

The administration and Board of Education continue to work through a five-year strategic plan which was based on conversations with students, community members, teachers, and administrators, as well as decades of research. The plan sets out four key strategies for helping students as follows:

1. Lakota will engage each student in an educational program that challenges him/her
2. Lakota will build staff capability and empowerment
3. Lakota will strengthen its relationships with the community
4. Lakota will improve organizational efficiency & flexibility

For the 2008-2009 school year, the Superintendent has established priorities, which are aligned with the key strategies, designed to guide decision making at all levels of the organization. They are as follows:

1. Student Achievement/Adequate Yearly Progress
2. Systems Alignment
3. Community Support and Trust
4. Short and Long Term Facilities Plan

In addition, we have charged ourselves with the goals of maintaining the state’s Excellent rating, meeting the Federal Adequate Yearly Progress Benchmarks and to become a World Class school system. Response to intervention, use of data to drive planning and decision making, ensuring that customer service is a focus of each employee of Lakota, providing safe and supportive learning facilities for our students and addressing the need for additional revenue are just a few of the ways in which the goals, priorities and strategies impact the three critical areas of student achievement, student engagement and pathways to success.

All of the District’s financial abilities will be needed to meet the challenges of the future. With careful planning and monitoring of the District’s finances, the District’s management is confident that the District can continue to provide a quality education for our students and provide a secure financial future.

Contacting the District’s Financial Management

This financial report is designed to provide our citizens, taxpayers, and 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 Craig A. Jones, Treasurer at Lakota Local School District, 5572 Princeton Road, Liberty Township, Ohio 45011 or E-mail at craig.jones@lakotaonline.com.

Lakota Local School District
Statement of Net Assets
June 30, 2008

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$77,849,441	\$1,248,376	\$79,097,817
Restricted Cash and Investments	1,502,243	0	1,502,243
Receivables:			
Taxes	96,181,996	0	96,181,996
Accounts	196,605	185,015	381,620
Interest	277,295	0	277,295
Intergovernmental	1,363,702	0	1,363,702
Deferred Bond Issuance Costs	1,072,526	0	1,072,526
Inventory	0	64,754	64,754
Nondepreciable Capital Assets	16,662,559	0	16,662,559
Depreciable Capital Assets, Net	184,900,448	974,700	185,875,148
Total Assets	380,006,815	2,472,845	382,479,660
Liabilities:			
Accounts Payable	2,966,483	153,652	3,120,135
Accrued Wages and Benefits	17,701,180	675,283	18,376,463
Retainage Payable	941,985	0	941,985
Accrued Interest Payable	710,597	0	710,597
Contracts Payable	1,935,009	0	1,935,009
Unearned Revenue	91,520,978	0	91,520,978
Other Liabilities	1,648,207	0	1,648,207
Long-Term Liabilities:			
Due Within One Year	7,715,119	10,722	7,725,841
Due In More Than One Year	170,330,897	34,124	170,365,021
Total Liabilities	295,470,455	873,781	296,344,236
Net Assets:			
Invested in Capital Assets, Net of Related Debt	40,122,739	974,700	41,097,439
Restricted for:			
Other Purposes	1,776,349	0	1,776,349
Debt Service	6,476,400	0	6,476,400
Capital Projects	4,056,131	0	4,056,131
Set-Aside	560,258	0	560,258
Unrestricted	31,544,483	624,364	32,168,847
Total Net Assets	\$84,536,360	\$1,599,064	\$86,135,424

See accompanying notes to the basic financial statements.

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

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Instruction:				
Regular	\$75,094,115	\$699,731	\$885,626	\$0
Special	12,221,028	173	2,977,009	0
Vocational	71,165	0	25,528	0
Other	2,644,821	250,911	305,012	0
Support Services:				
Pupil	12,016,164	733,516	2,527,601	0
Instructional Staff	10,815,877	112,068	936,766	0
General Administration	78,578	0	0	0
School Administration	13,555,040	7,263	53,919	0
Fiscal	1,238,214	0	62,085	0
Business	335,700	515	0	0
Operations and Maintenance	13,420,202	313,088	287,666	0
Pupil Transportation	17,182,978	0	468,069	139,255
Central	4,293,249	0	218,466	0
Operation of Non-Instructional Services	281,880	14,284	107,542	0
Extracurricular Activities	3,278,754	1,013,459	11,401	0
Interest and Fiscal Charges	8,715,607	0	0	0
Total Governmental Activities	175,243,372	3,145,008	8,866,690	139,255
Business-Type Activities:				
Food Service	5,807,491	3,974,447	1,346,866	0
Uniform School Supply	1,421,015	1,100,924	0	0
Total Business-Type Activities	7,228,506	5,075,371	1,346,866	0
Totals	\$182,471,878	\$8,220,379	\$10,213,556	\$139,255

General Revenues:
Property Taxes Levied for:
 General Purposes
 Debt Service Purposes
Grants and Entitlements not Restricted to Specific Programs - Unrestricted
Payment in Lieu of Taxes - Unrestricted
Unrestricted Contributions
Investments Earnings
Refunds and Reimbursements
Other Revenues
Transfers-Internal Activities

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$73,508,758)	\$0	(\$73,508,758)
(9,243,846)	0	(9,243,846)
(45,637)	0	(45,637)
(2,088,898)	0	(2,088,898)
(8,755,047)	0	(8,755,047)
(9,767,043)	0	(9,767,043)
(78,578)	0	(78,578)
(13,493,858)	0	(13,493,858)
(1,176,129)	0	(1,176,129)
(335,185)	0	(335,185)
(12,819,448)	0	(12,819,448)
(16,575,654)	0	(16,575,654)
(4,074,783)	0	(4,074,783)
(160,054)	0	(160,054)
(2,253,894)	0	(2,253,894)
(8,715,607)	0	(8,715,607)
<u>(163,092,419)</u>	<u>0</u>	<u>(163,092,419)</u>
0	(486,178)	(486,178)
<u>0</u>	<u>(320,091)</u>	<u>(320,091)</u>
0	(806,269)	(806,269)
<u>(\$163,092,419)</u>	<u>(\$806,269)</u>	<u>(\$163,898,688)</u>
80,968,922	0	80,968,922
12,502,843	0	12,502,843
57,026,114	0	57,026,114
1,482,251	0	1,482,251
55,000	0	55,000
5,009,134	20,889	5,030,023
30,915	0	30,915
226,300	19,571	245,871
(56,266)	56,266	0
<u>157,245,213</u>	<u>96,726</u>	<u>157,341,939</u>
(5,847,206)	(709,543)	(6,556,749)
<u>90,383,566</u>	<u>2,308,607</u>	<u>92,692,173</u>
<u>\$84,536,360</u>	<u>\$1,599,064</u>	<u>\$86,135,424</u>

Lakota Local School District
Balance Sheet
Governmental Funds
June 30, 2008

	General	Debt Service	Building	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	\$55,467,491	4,661,672	\$11,127,010	\$6,593,268	\$77,849,441
Restricted Cash and Investments	560,258	0	941,985	0	1,502,243
Receivables:					
Taxes	83,238,921	12,943,075	0	0	96,181,996
Accounts	196,605	0	0	0	196,605
Interest	231,260	0	46,035	0	277,295
Intergovernmental	0	0	0	1,363,702	1,363,702
Interfund	222,597	0	0	0	222,597
Total Assets	139,917,132	17,604,747	12,115,030	7,956,970	177,593,879
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	2,508,066	0	0	458,417	2,966,483
Accrued Wages and Benefits	16,856,625	0	0	844,555	17,701,180
Compensated Absences	377,284	0	0	0	377,284
Retainage Payable	0	0	941,985	0	941,985
Contracts Payable	0	0	1,452,014	482,995	1,935,009
Interfund Payable	0	0	0	222,597	222,597
Deferred Revenue	81,289,514	12,649,337	0	498,396	94,437,247
Other Liabilities	1,648,207	0	0	0	1,648,207
Total Liabilities	102,679,696	12,649,337	2,393,999	2,506,960	120,229,992
Fund Balances:					
Reserved for Encumbrances	2,023,651	0	8,807,634	2,254,943	13,086,228
Reserved for Property Tax Advances	2,091,934	293,738	0	0	2,385,672
Reserved for Set-Aside	560,258	0	0	0	560,258
Unreserved, Undesignated, Reported in:					
General Fund	32,561,593	0	0	0	32,561,593
Special Revenue Funds	0	0	0	1,090,115	1,090,115
Debt Service Funds	0	4,661,672	0	0	4,661,672
Capital Projects Funds	0	0	913,397	2,104,952	3,018,349
Total Fund Balances	37,237,436	4,955,410	9,721,031	5,450,010	57,363,887
Total Liabilities and Fund Balances	\$139,917,132	17,604,747	\$12,115,030	\$7,956,970	\$177,593,879

See accompanying notes to the basic financial statements.

Lakota Local School District
 Reconciliation of Total Governmental Fund Balance to
 Net Assets of Governmental Activities
 June 30, 2008

Total Governmental Fund Balance		\$57,363,887
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		201,563,007
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Delinquent Property Taxes	\$2,275,346	
Intergovernmental	498,396	
Other	<u>142,527</u>	
		2,916,269
In the statement of net assets interest payable is accrued when incurred, whereas in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		(710,597)
Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds.		
Compensated Absences		(6,662,537)
Deferred bond issuance cost associated with long-term liabilities are not reported in the funds.		1,072,526
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		<u>(171,006,195)</u>
Net Assets of Governmental Activities		<u><u>\$84,536,360</u></u>

See accompanying notes to the basic financial statements.

Lakota Local School District
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2008

	General	Debt Service	Building	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$81,198,450	11,531,485	\$0	\$0	\$92,729,935
Tuition and Fees	695,655	0	0	29,770	725,425
Investment Earnings	2,979,375	0	(306,749)	2,336,508	5,009,134
Intergovernmental	59,162,783	1,203,957	0	5,526,202	65,892,942
Extracurricular Activities	0	0	0	1,980,928	1,980,928
Other Revenues	1,391,806	411,385	3,400	384,450	2,191,041
Total Revenues	145,428,069	13,146,827	(303,349)	10,257,858	168,529,405
Expenditures:					
Current:					
Instruction:					
Regular	66,196,754	0	0	972,200	67,168,954
Special	11,844,871	0	0	241,840	12,086,711
Vocational	97,588	0	0	0	97,588
Other	2,339,588	0	0	264,244	2,603,832
Support Services:					
Pupil	8,358,709	0	0	3,480,352	11,839,061
Instructional Staff	9,938,740	0	0	888,901	10,827,641
General Administration	78,538	0	0	40	78,578
School Administration	14,322,215	0	0	55,279	14,377,494
Fiscal	1,046,499	179,482	0	56,340	1,282,321
Business	269,303	0	0	650	269,953
Operations and Maintenance	12,637,837	0	0	605,773	13,243,610
Pupil Transportation	16,589,750	0	0	58,404	16,648,154
Central	3,785,616	0	0	216,668	4,002,284
Operation of Non-Instructional Services	162,403	0	0	109,855	272,258
Extracurricular Activities	350,309	0	0	2,756,348	3,106,657
Capital Outlay	765,838	0	23,963,894	10,860,015	35,589,747
Debt Service:					
Principal Retirement	0	4,660,658	0	0	4,660,658
Interest and Fiscal Charges	0	8,873,127	0	0	8,873,127
Total Expenditures	148,784,558	13,713,267	23,963,894	20,566,909	207,028,628
Excess of Revenues Over (Under) Expenditures	(3,356,489)	(566,440)	(24,267,243)	(10,309,051)	(38,499,223)
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	3,519	0	0	0	3,519
Transfers In	22,317	0	0	1,848,045	1,870,362
Transfers (Out)	(1,902,412)	0	0	(24,216)	(1,926,628)
Total Other Financing Sources (Uses)	(1,876,576)	0	0	1,823,829	(52,747)
Net Change in Fund Balance	(5,233,065)	(566,440)	(24,267,243)	(8,485,222)	(38,551,970)
Fund Balance Beginning of Year	42,470,501	5,521,850	33,988,274	13,935,232	95,915,857
Fund Balance End of Year	\$37,237,436	\$4,955,410	\$9,721,031	\$5,450,010	\$57,363,887

See accompanying notes to the basic financial statements.

Lakota Local School District
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended June 30, 2008

Net Change in Fund Balance - Total Governmental Funds (\$38,551,970)

Amounts reported for governmental activities in the
 statement of activities are different because:

Governmental funds report capital asset additions 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 of the difference between capital
 asset additions and depreciation in the current period.

Capital assets used in governmental activities	\$36,598,330	
Depreciation Expense	<u>(10,251,184)</u>	
		26,347,146

Governmental funds only report the disposal of assets to the
 extent proceeds are received from the sale. In the statement
 of activities, a gain or loss is reported for each disposal. The
 amount of the proceeds must be removed and the gain or loss
 on the disposal of capital assets must be recognized. This is the
 amount of the difference between the proceeds and the gain or loss. (103,967)

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

Delinquent Property Taxes	\$741,830	
Intergovernmental	139,118	
Other	<u>142,527</u>	
		1,023,475

Repayment of bond principal is an expenditure in the
 governmental funds, but the repayment reduces long-term
 liabilities in the statement of net assets. 4,660,658

In the statement of activities interest expense is accrued when incurred,
 whereas in governmental funds an interest expenditure is reported
 when due. 14,473

Some expenses reported in the statement of activities do not require the
 use of current financial resources and therefore are not reported as
 expenditures in governmental funds.

Compensated Absences	\$619,932	
Amortization of Bond Issuance Cost	(46,347)	
Amortization of Bond Premium	<u>189,394</u>	
		<u>762,979</u>

Change in Net Assets of Governmental Activities (\$5,847,206)

See accompanying notes to the basic financial statements.

Lakota Local School District
Statement of Net Assets
Proprietary Funds
June 30, 2008

	<u>Business-Type Activities Enterprise Funds</u>
Assets:	
Equity in Pooled Cash and Investments	\$1,248,376
Receivables:	
Accounts	185,015
Inventory	<u>64,754</u>
Total Current Assets	<u>1,498,145</u>
Depreciable Capital Assets, Net	<u>974,700</u>
Total Assets	<u>2,472,845</u>
Liabilities:	
Current Liabilities:	
Accounts Payable	153,652
Accrued Wages and Benefits	675,283
Compensated Absences	<u>10,722</u>
Total Current Liabilities	<u>839,657</u>
Long-Term Liabilities:	
Compensated Absences	<u>34,124</u>
Total Liabilities	<u>873,781</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	974,700
Unrestricted	<u>624,364</u>
Total Net Assets	<u>\$1,599,064</u>

See accompanying notes to the basic financial statements.

Lakota Local School District
Statement of Revenues, Expenses
and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2008

	<u>Business-Type Activities Enterprise Funds</u>
Operating Revenues:	
Charges for Services	\$5,075,371
Other Revenues	<u>19,571</u>
Total Operating Revenues	<u>5,094,942</u>
Operating Expenses:	
Personal Services	2,612,000
Contractual Services	345,831
Materials and Supplies	4,061,094
Depreciation	162,519
Other Expenses	<u>47,062</u>
Total Operating Expenses	<u>7,228,506</u>
Operating Income	<u>(2,133,564)</u>
Non-Operating Revenues (Expenses):	
Investment Earnings	20,889
Donated Commodities	268,414
Operating Grants	<u>1,078,452</u>
Total Non-Operating Revenues (Expenses)	<u>1,367,755</u>
Income Before Transfers	(765,809)
Transfers In	<u>56,266</u>
Change in Net Assets	(709,543)
Net Assets Beginning of Year	<u>2,308,607</u>
Net Assets End of Year	<u>\$1,599,064</u>

See accompanying notes to the basic financial statements.

Lakota Local School District
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2008

	<u>Business-Type Activities Enterprise Funds</u>
Cash Flows from Operating Activities:	
Cash Received from Customers	\$5,075,599
Cash Payments to Employees	(2,588,345)
Cash Payments to Suppliers	<u>(4,073,508)</u>
Net Cash (Used) by Operating Activities	<u>(1,586,254)</u>
Cash Flows from Noncapital Financing Activities:	
Operating Grants Received	1,078,452
Payments from Other Funds	56,266
Payments to Other Funds	<u>(542)</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,134,176</u>
Cash Flows from Capital and Related Financing Activities:	
Payments for Capital Acquisitions	<u>(222,846)</u>
Net Cash (Used) by Capital and Related Financing Activities	<u>(222,846)</u>
Cash Flows from Investing Activities:	
Earnings on Investments	<u>20,889</u>
Net Cash Provided by Cash Flows from Investing Activities	<u>20,889</u>
Net (Decrease) in Cash and Cash Equivalents	(654,035)
Cash and Cash Equivalents Beginning of Year	<u>1,902,411</u>
Cash and Cash Equivalents End of Year	<u><u>\$1,248,376</u></u>
Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities	
Operating (Loss)	(\$2,133,564)
Adjustments:	
Depreciation	162,519
Donated Commodities	268,414
Changes in Assets & Liabilities:	
(Increase) Decrease in Receivables	(19,343)
Decrease in Inventory	7,888
Increase in Payables	104,177
Increase in Accrued Liabilities	<u>23,655</u>
Net Cash (Used) by Operating Activities	<u><u>(\$1,586,254)</u></u>

See accompanying notes to the basic financial statements.

Lakota Local School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2008

	Private Purpose Trust	Agency
Assets:		
Equity in Pooled Cash and Investments	<u>\$11,872</u>	<u>\$355,370</u>
Total Assets	<u>11,872</u>	<u>355,370</u>
Liabilities:		
Accounts Payable	0	90,898
Other Liabilities	<u>0</u>	<u>264,472</u>
Total Liabilities	<u>0</u>	<u>\$355,370</u>
Net Assets:		
Held in Trust	<u>11,872</u>	
Total Net Assets	<u>\$11,872</u>	

See accompanying notes to the basic financial statements.

Lakota Local School District
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Fiscal Year Ended June 30, 2008

	<u>Private Purpose Trust</u>
Additions:	
Donations	\$2,890
Investment Earnings	<u>43</u>
Total Additions	<u>2,933</u>
Deductions:	
Scholarships	<u>10,475</u>
Total Deductions	<u>10,475</u>
Change in Net Assets	(7,542)
Net Assets Beginning of Year	<u>19,414</u>
Net Assets End of Year	<u><u>\$11,872</u></u>

See accompanying notes to the basic financial statements.

LAKOTA LOCAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008

1. DESCRIPTION OF THE DISTRICT

The District was chartered in 1957 by the Ohio State Legislature. The original District was a consolidation of the Liberty Township District and the Union Township District into the Liberty-Union School District. The name of the District was changed to the Lakota Local School District in 1970. Today, the District operates under current standards prescribed by the Ohio State Board of Education as provided in Division D § 3301.07 and §119.01 of the Ohio Revised Code.

The District operates under a locally elected five-member board form of government and provides educational services as authorized by its charter or further mandated by state and/or federal agencies. This board controls the District's twenty-one instructional and support facilities staffed by approximately 628 non-certificated personnel and approximately 1,221 certificated teaching and 73 administrative personnel to provide services to over 17,500 students.

REPORTING ENTITY

In accordance with Governmental Accounting Standards Board [GASB] Statement 14, the financial reporting entity consists of a primary government. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments.

There are no component units combined with the District for financial statement presentation purposes, and it is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing body is financially accountable. The District's major operations include education, pupil transportation, food service, and maintenance of District facilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. For business-type activities and proprietary funds, the District has elected not to follow subsequent private-sector guidance. The most significant of the District's accounting policies are described below.

MEASUREMENT FOCUS

Government-wide Financial Statements

The government-wide statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the statement of net assets. The effect of all interfund activity except interfund services between governmental and proprietary funds has been removed from these statements. Fiduciary Funds are not included in entity-wide statements and Agency Funds do not have a measurement focus.

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 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.

Government-wide Statement of Activities Accounts

The operating statements present all revenues, expenses, and changes in net assets for the District as a whole. The operating statement format should contain data categorized by expenses, program revenues and general revenues. The selected accounts for the District's financial statements are:

Program Classifications

Governmental Activities

Instruction – includes the activities directly dealing with the teaching of pupils or the interaction between teacher and pupil.

Regular – designed primarily to prepare pupils for participation in society as citizens, family members and workers.

Special – activities are designed to deal with pupil exceptionalities such as improving or overcoming physical, mental, social and/or emotional handicaps.

Vocational – activities that help prepare youth and adults to make career choices in the work world.

Other – instruction not otherwise defined above.

Support Services – provide administrative, technical and logistical support to facilitate and enhance the instructional process. They exist as adjuncts for the fulfillment of the objective of instruction.

Pupil – services designed to assess and improve the well-being of pupils and to supplement the teaching process.

Instructional Staff – activities are associated with assisting the teachers with the content and process of providing learning experiences for pupils.

General Administration – activities are concerned with establishing and administering policy in connection with operating the school district.

School Administration – activities concerned with overall administrative responsibility for a single school, group of schools or the entire district.

Fiscal – services which relate to the financial operation of the school district including budgeting, receiving and disbursing, financial accounting, payroll, inventory control and auditing.

Business – activities which include purchasing, receiving, transporting, exchanging and maintaining goods and services for the school district.

Operations and Maintenance – activities dealing with keeping the physical plant open, comfortable and safe for use and keeping the grounds, buildings and equipment in an effective working condition and state of repair.

Pupil Transportation – activities concerned with the conveyance of individuals to and from school, as provided by state law, including school activities and between home and school.

Central – those activities which support each of the other instructional and supporting service programs, other than general administration. This includes planning, research, development, evaluation, information staff, statistical and data processing services.

Operation of Non-instructional Services – consists primarily with providing transportation and instructional services for non-public school pupils.

Extracurricular Activities – are designed to provide academic, occupational, sports, school and public service opportunities for pupils which usually are not provided in a regular class.

Interest and Fiscal Charges – costs associated with debt retirement for capital projects.

Business-Type Activities

Food Service – to account for revenues and expenses related to the provisions of food services for the students and staff.

Uniform School Supply – To account for the purchase and sale of school supplies.

Program Revenues

Charges for Services – all fees charged for specific services such as student fees and fees for extracurricular activities that can be identified to a specific program.

Operating Grants and Contributions – operating grants, contributions and interest whose use is limited to a specific program.

Capital Grants and Contributions – capital grants, contributions and interest whose use is limited to a specific program.

General Revenues

Property Taxes Levied for General and Debt Service Purposes – this account includes real estate taxes, personal property tax, manufactured home tax and other local taxes. This category may be further split by purpose.

Grants and Entitlements not Restricted to Specific Programs – These revenues generally include state foundation revenues, open enrollment revenues and homestead and rollback revenues.

Payment in Lieu of Taxes – to account for payments received to compensate the District for the cost of services provided to an entity that is not otherwise subject to taxation.

Unrestricted Contributions – to account for contributions received by the District that are not restricted to a specific program.

Investment Earnings – includes interest on cash management and investment accounts whose use is not restricted to a specific program.

Refunds and Reimbursements – revenue refunded to the District.

Other Revenues – all other revenue received not designated above.

Fund Financial Statements

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

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources 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.

Fiduciary Funds, except Agency Funds, are reported using the economic resources 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).

FUND ACCOUNTING

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are grouped into the categories governmental, proprietary and fiduciary.

Governmental Funds

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

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

Debt Service Fund – The debt service fund is used to account for the accumulation of resources for the payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the District is obligated in some manner for the payment.

Building Fund – To account for receipts and expenditures related to the construction of school facilities.

Proprietary Fund

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

Enterprise Funds – The enterprise fund may be used to account for any activity for which a fee is charged to external users for goods or services.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District maintains one agency fund known as the Student Activities Fund. The Student Activities Fund was established to account for revenues generated by student managed activities. Agency funds are custodian in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's only trust fund is a private purpose trust which accounts for scholarship programs for students.

3. BASIS OF ACCOUNTING

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements 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. Differences in the actual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-exchange Transactions

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, included 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. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the 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.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: property taxes available for advance, grants and interest.

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of June 30, 2008, but which were levied to finance fiscal year 2009 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Unearned Revenue

Unearned revenue represents amounts under the accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned.

Expenses/Expenditures

On the accrual basis of accounting, expenditures are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

EQUITY IN POOLED CASH AND INVESTMENTS

Cash received by the District is pooled for investment purposes. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the financial statements.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposits and repurchase agreements are reported at cost.

Cash held as retainage on construction contracts is presented as "restricted cash and investments" on the financial statements.

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2008. 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, 2008. The District also has invested in U.S. Agencies.

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during fiscal year 2008 credited to the General Fund amounted to \$2,979,375 and \$2,336,508 in Other Governmental Funds.

For purposes of the statement of cash flows, the Enterprise Funds' portion of pooled cash and investments is considered a cash equivalent because the District is able to withdraw resources from the enterprise funds without prior notice or penalty.

INTERFUND ACTIVITY

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

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loan receivables/payables". These amounts are eliminated in the governmental activities column on the Statement of Net Assets.

As a general rule with the exception of transfers between governmental and proprietary funds, the effect of interfund (internal) activity has been eliminated from the government-wide statement of activities.

Interfund transactions within governmental activities are eliminated in the government-wide statement of activities. The interfund services provided and used are not eliminated in the process of consolidation.

INVENTORY

Inventories are presented at cost on a first in, first out basis and are expensed when used. Inventory consists of food held for resale and consumable supplies.

CAPITAL ASSETS

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of five hundred dollars (\$500). The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets are depreciated, except land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is allocated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Buildings and Improvements	45 years	45 years
Land Improvements	20 years	20 years
Equipment	5-20 years	5-20 years

See Note 7 for further details on the District's capital assets.

ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. In general, liabilities that mature or come due for payment during the fiscal year are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due. See Note 8 for further details on the District's long-term liabilities.

RESTRICTED ASSETS

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors or laws of other governments or imposed by enabling legislation. Restricted assets represent amounts followed by statute to be set-aside to create a reserve for budget stabilization and retainage held for vendors.

COMPENSATED ABSENCES

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time, when earned, for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. Compensated absences are reported in governmental funds only if they have matured. The noncurrent portion of the liability is not reported. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

The District's policies regarding compensated absences are determined by the state laws and/or negotiated agreements. In summary, the policies are as follows:

<u>Vacation</u>	<u>Certificated</u>	<u>Administrators</u>	<u>Non-Certificated</u>
How earned	not eligible	20-23 days	10-20 days for each service year depending on length of service
Maximum accumulation	not applicable	30 days unless special permission granted	30-60 days
Vested	not applicable	as earned	as earned
Termination Entitlement	not applicable	40 days maximum at retirement 30 days maximum at separation	paid upon termination
<u>Sick Leave</u>	<u>Certificated</u>	<u>Administrators</u>	<u>Non-Certificated</u>
How earned	1 ¼ days per month of employment (15 days per year)	1 ¼ days per month of employment (15 days per year)	1 ¼ days per month of employment (15 days per year)
Maximum accumulation	300 days	370 days	300 days
Vested	as earned	as earned	as earned
Termination entitlement	per contract	per Board Policy	per contract

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. Of the District's \$12,869,138 in restricted net assets, \$0 were restricted by enabling legislation.

FUND BALANCE RESERVES

The District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for property taxes, state mandated set-asides and encumbrances.

Reserved fund balances indicate a portion of fund equity which is not available for current appropriation or is legally segregated for a specific use. Fund balances are reserved for encumbrances, property tax advances and budgetary set-asides. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute. The unreserved portion of fund equity, reflected for the Governmental Funds, is available for use within the specific purpose of those funds.

OPERATING REVENUES AND EXPENSES

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 uniform school supplies. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

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

ESTIMATES

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

4. EQUITY IN POOLED CASH AND INVESTMENTS

The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the statement of net assets and balance sheet as "Equity in Pooled Cash and Investments."

State statute requires the classification of monies held by the District into three categories:

Active Monies - Those monies required to be kept in a "cash" or "near cash" status for immediate use by the District. Such monies must by law be maintained either as cash in the District treasury, in depository accounts payable or withdrawable on demand.

Inactive Monies – Those monies not required for use within the current five year period of designated depositories. Ohio law permits inactive monies to be deposited or invested as certificates of deposit maturing not later than the end of the current period of designated depositories, or as savings or deposit accounts, including, but not limited to passbook accounts.

Interim Monies – Those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Ohio law permits interim monies to be invested or deposited in the following securities:

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.
- (3) No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but limited to, passbook accounts.
- (5) Bonds, and other obligations of the State of Ohio.
- (6) The Ohio State Treasurer's investment pool (STAR Ohio).
- (7) Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Sec. 135.142.
- (8) Under limited circumstances, corporate debt interests in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution.

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

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

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of June 30, 2008, \$57,513,396 of the District's bank balance of \$57,813,396 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure repayment of all public monies deposited in the financial institution, provided that all times the total value of the securities so pledged is at least equal to 105% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.

Investments

As of June 30, 2008, the District had the following investments:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Federal Home Loan Mortgage	\$4,497,288	1.62
Federal National Mortgage Association	4,999,490	1.70
Commercial Paper	11,443,449	0.21
STAR Ohio	1,677,819	0.15
Total Fair Value	<u>\$22,618,046</u>	
Portfolio Weighted Average Maturity		0.81

Interest rate risk - In accordance with the investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years.

Credit Risk – It is the District’s policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings issued by nationally recognized statistical rating organizations. The District’s investments in Federal Home Loan Mortgage and Federal National Mortgage Association securities were rated AAA by Standard & Poor’s and Fitch Ratings and Aaa by Moody’s Investors Service. Investments in STAR Ohio were rated AAAM by Standard & Poor’s. The District’s investments in Commercial Paper were rated A1+ by Standard & Poor’s and P1+ by Moody’s Investors Service.

Concentration of Credit Risk – The District’s investment policy allows investments in Federal Agencies or Instrumentalities. The District has invested 42% of the District’s investments in securities issued by the Federal Home Loan Mortgage (20%) and the Federal National Mortgage Association (22%). The District’s investment policy also allows investments in Commercial Paper. The District has invested 51% of the District’s investments in Commercial Paper. The District also had 7% invested in STAR Ohio

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 investments or collateral securities that are in the possession of an outside party. All of the District’s securities are either insured and registered in the name of the District or at least registered in the name of the District.

5. PROPERTY TAXES

Real property taxes collected in 2008 were levied in April on the assessed values as of January 1, 2007, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. A re-evaluation of real property is required to be completed no less than every six years, with a statistical update ever third year.

Tangible personal property tax is assessed on equipment and inventory held by businesses. Tangible property is assessed at 25 percent of true value (as defined). Each business was eligible to receive a \$10,000 exemption in assessed value which was reimbursed by the State.

The tangible personal property tax will phase out over a four-year period starting with tax year 2006 and ending with no tax due in 2009. This phase-out applies to most business and includes furniture and fixtures, machinery and equipment and inventory. New manufacturing machinery and equipment first reportable on the 2006 and subsequent year returns is not subject to the personal property tax.

Real property taxes are payable annually or semi-annually. If paid annually, payment was due by January 20th. If paid semi-annually, the first payment (at least 1/2 amount billed) was due January 20th with the remainder due on June 20th.

The Butler County Auditor remits portions of the taxes collected to all taxing districts with periodic settlements of real and public utility property taxes in February and August and tangible personal property taxes in June and October. The District records billed but uncollected property taxes as receivables at their estimated net realizable value.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at June 30, 2008. Delinquent property taxes collected within 60 days of the fiscal year end are included as a receivable and tax revenue on the fund financial statements. All delinquent property taxes outstanding at June 30, 2008 are recognized as a revenue and receivable on the government-wide financial statements. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2008, was \$2,091,934 for General Fund and \$293,738 for Debt Service Fund, and is recognized as revenue, with a corresponding reserve to fund balance since the Board did not appropriate these receivables for fiscal year 2008 operations.

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

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

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$2,478,371,360
Public Utility Personal	55,548,700
Tangible Personal Property	<u>132,724,791</u>
Total	<u><u>\$2,666,644,851</u></u>

6. RECEIVABLES

Receivables at June 30, 2008, consisted of taxes, accounts (rent and student fees), intergovernmental grants, interest and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

7. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$13,344,693	\$1,055,419	\$0	\$14,400,112
Construction in Progress	47,867,535	30,697,027	76,302,115	2,262,447
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	129,246,779	76,365,033	0	205,611,812
Equipment	33,460,534	4,506,983	274,685	37,692,832
Land Improvements	3,252,448	275,983	0	3,528,431
Totals at Historical Cost	227,171,989	112,900,445	76,576,800	263,495,634
Less Accumulated Depreciation:				
Buildings and Improvements	31,552,020	7,140,434	0	38,692,454
Equipment	18,811,485	2,957,913	170,718	21,598,680
Land Improvements	1,488,656	152,837	0	1,641,493
Total Accumulated Depreciation	51,852,161	10,251,184	170,718	61,932,627
Governmental Activities Capital Assets, Net	<u>\$175,319,828</u>	<u>\$102,649,261</u>	<u>\$76,406,082</u>	<u>\$201,563,007</u>
	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
<i>Capital Assets, being depreciated:</i>				
Land Improvements	\$2,850	\$0	\$0	\$2,850
Buildings and Improvements	26,595	0	0	26,595
Equipment	3,111,633	222,846	0	3,334,479
Totals at Historical Cost	3,141,078	222,846	0	3,363,924
Less Accumulated Depreciation:				
Land Improvements	821	142	0	963
Buildings and Improvements	5,294	1,262	0	6,556
Equipment	2,220,590	161,115	0	2,381,705
Total Accumulated Depreciation	2,226,705	162,519	0	2,389,224
Business-Type Activities Capital Assets, Net	<u>\$914,373</u>	<u>\$60,327</u>	<u>\$0</u>	<u>\$974,700</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:		
Regular		\$8,712,405
Special		65,967
Support Services:		
Pupil		148,833
Instructional Staff		40,820
School Administration		42,540
Fiscal		20,173
Business		55,243
Operations and Maintenance		99,538
Pupil Transportation		531,954
Central		323,687
Operation of Non-Instructional Services		9,047
Extracurricular Activities		200,977
Total Depreciation Expense		<u><u>\$10,251,184</u></u>

8. LONG-TERM LIABILITIES

	Interest Rate	Issue Date	Maturity Date	Beginning Balance	Issued	Retired	Ending Balance	Due In One Year
Governmental Activities:								
General Obligation Bonds:								
2007 School Construction Bonds - Union Elem	4.000%	6/13/07	12/1/27	\$10,000,000	\$0	\$0	\$10,000,000	\$325,000
Freedom, Link Renovations	6.125%	3/1/87	12/1/09	375,000	0	125,000	250,000	125,000
Refunding Ninth Grade, Heritage	6.248%	1/1/94	12/1/12	100,325	0	100,325	0	0
Two New High Schools	6.211%	5/1/94	12/1/17	10,960,000	0	2,740,000	8,220,000	2,740,000
Refunding New High Schools	5.242%	6/1/98	12/1/17	17,620,835	0	80,333	17,540,502	69,450
Bond and Refunding*	5.085%	4/19/01	12/1/26	13,557,789	0	590,000	12,967,789	800,000
Various Purpose Long-Term Bonds	3.790%	5/1/02	12/1/08	890,000	0	435,000	455,000	455,000
Lakota 2005 Refunding	3.000%	1/1/05	12/1/12	4,670,000	0	580,000	4,090,000	1,465,000
Lakota 2005 Refunding	4.650%	11/3/05	12/1/26	29,450,000	0	0	29,450,000	0
Premium on 2005 Refunding		11/3/05	12/1/26	3,013,186	0	154,522	2,858,664	0
Lakota Series 2005	4.600%	12/19/05	12/1/33	74,470,000	0	5,000	74,465,000	150,000
Premium on 2005 Series		12/19/05	12/1/33	783,979	0	29,584	754,395	0
Lakota Series 2006	4.270%	1/10/06	12/1/33	9,825,000	0	5,000	9,820,000	150,000
Premium on 2006 Series		1/10/06	12/1/33	140,133	0	5,288	134,845	0
Total General Obligation Bonds				175,856,247	0	4,850,052	171,006,195	6,279,450
Compensated Absences				7,659,217	857,834	1,477,230	7,039,821	1,435,669
Total Governmental Activities								
Long-Term Liabilities				<u>\$183,515,464</u>	<u>\$857,834</u>	<u>\$6,327,282</u>	<u>\$178,046,016</u>	<u>\$7,715,119</u>
Business-Type Activities:								
Compensated Absences				<u>\$89,572</u>	<u>\$34,565</u>	<u>\$79,291</u>	<u>\$44,846</u>	<u>\$10,722</u>

General obligation bonds will be paid from the debt service fund. Compensated absences will be paid from the general and special revenue funds. All debt was used to acquire or construct a capital asset for the District.

Premiums on the issuance of bonds is included in the debt and will be amortized over the life of the new debt.

Principal and interest requirements to retire general obligation debt outstanding at year end are as follows:

Fiscal Year Ending June 30	General Obligation Bonds			
	Principal	Interest	Premium	Total
2009	\$6,279,450	\$8,121,206	\$189,394	\$14,400,656
2010	4,734,714	8,276,013	189,394	13,010,727
2011	5,055,024	8,102,000	189,394	13,157,024
2012	3,559,103	9,778,339	189,394	13,337,442
2013	7,010,000	7,321,899	189,394	14,331,899
2014-2018	37,385,000	29,460,187	946,970	66,845,187
2019-2023	31,365,000	21,217,722	946,970	52,582,722
2024-2028	40,865,000	11,943,366	715,194	52,808,366
2029-2033	25,245,000	4,269,025	174,360	29,514,025
2034	5,760,000	129,206	17,440	5,889,206
Total	<u>\$167,258,291</u>	<u>\$108,618,963</u>	<u>\$3,747,904</u>	<u>\$275,877,254</u>

Prior Year Defeasance of Debt

As a result of the 2005 advance refunding, the \$32,860,000 of the 2001 Series Bonds are considered defeased and the liability is therefore not included on the Statement of Net Assets. The remaining balance on the refunded general obligation bonds as of June 30, 2008 was \$30,060,000.

9. PENSION PLANS

SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

Plan Description

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability, and survivor benefits; annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under *Forms and Publications*.

Funding Policy

Plan members are required to contribute 10% of their annual covered salary and District is required to contribute at an actuarially determined rate. The current rate is 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The District's contributions to SERS for the years ended June 30, 2008, 2007, and 2006 were \$3,395,714, \$3,075,777, and \$2,735,745, respectively; 59% has been contributed for fiscal year 2008 and 100% for fiscal years 2007 and 2006.

STATE TEACHERS RETIREMENT SYSTEM OF OHIO

Plan Description

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement system. STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, community school, college, university, institution, or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof. Additional information or copies of STRS Ohio's *Comprehensive Annual Financial Report* can be requested by writing to STRS Ohio, 275 E. Broad Street, Columbus, OH 43215-3771, by calling toll-free 1-888-227-7877, or by visiting the STRS Ohio web site at www.strsoh.org.

Plan Options

New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5% of earned compensation among various investment choices. The Combined Plan offers features of both the DC Plan and DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and Combined Plan are credited members accounts as employers submit their payroll information to STRS Ohio, generally biweekly basis. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

DB Plan Benefits

Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the “formula benefit” or the “money-purchase benefit” calculation. Under the “formula benefit,” the retirement allowance is based on years of credited service and final average salary, which is the average of the member’s three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

DC Plan Benefits

Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members’ accounts are vested after the first anniversary of the first day of paid service. 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.

Combined Plan Benefits

Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member’s defined benefit is determined by multiplying 1% of the member’s final average salary by the member’s years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

Eligible faculty of Ohio’s public colleges and universities may choose to enroll in either STRS Ohio or an alternative retirement plan (ARP) offered by their employer. Employees have 120 days from their employment date to select a retirement plan.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by 3% of the original base amount for DB Plan participants.

The DB and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalizations, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

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 members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries.

Funding Policy

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers.

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2008, were 10% of covered payroll for members and 14% for employers. The District's contributions to STRS for the years ended June 30, 2008, 2007, and 2006 were \$10,042,824, \$9,558,038, and \$9,073,252, respectively; 83% has been contributed for fiscal year 2008 and 100% for fiscal years 2007 and 2006.

10. POST EMPLOYMENT BENEFITS

SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

Plan Description

In addition to a cost-sharing multiple-employer defined benefit pension plan, the School Employees Retirement System of Ohio (SERS) administers two postemployment benefit plans.

Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2007 (the latest information available) was \$93.50; SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2007 (the latest information available), the actuarially required allocation was .68%. District contributions for the year ended June 30, 2008 were \$164,935, which equaled the required contributions for the year.

Health Care Plan

ORC 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMO's, PPO's, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. At June 30, 2007 (the latest information available), the health care allocation was 3.32%. The actuarially required contribution (ARC), as of the December 31, 2006 annual valuation, was 11.50% of covered payroll. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities of the plan over a period not to exceed thirty years. The District contributions for the years ended June 30, 2008, 2007, and 2006 were \$2,458,624, \$2,260,795, and \$1,950,703, respectively.

An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2007 (the latest information available), the minimum compensation level was established at \$35,800.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

The financial reports of SERS' Health Care and Medicare B plans are included in its *Comprehensive Annual Financial Report*. The report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under *Forms and Publications*.

STATE TEACHERS RETIREMENT SYSTEM OF OHIO

Plan Description

STRS Ohio administers a pension plan that is comprised of: a defined benefit plan; a self-directed defined contribution plan and a combined plan which is a hybrid of the defined benefit and defined contribution plan.

Ohio law authorized STRS Ohio to offer a cost-sharing, multi-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the defined benefit or combined plans. Coverage under the current programs includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums.

Pursuant to 3307 of the Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients, for the most recent year, pay a portion of the health care cost in the form of monthly premiums.

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent Comprehensive Annual Financial Report by visiting www.strsoh.org or by requesting a copy by calling toll-free 1-888-227-7877.

Funding Policy

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contributions rate, 1% of covered payroll was allocated to post-employment health care for the year ended June 30, 2008, 2007 and 2006. The 14% employer contribution rate is the maximum rate established under Ohio law. The District contributions for the years ended June 30, 2008, 2007, and 2006 were \$717,345, \$661,051, and \$653,543, respectively.

11. CONTINGENT LIABILITIES

GRANTS

The District receives significant financial assistance from numerous federal, state and local 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 effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District as of June 30, 2008.

LITIGATION

The District's attorney estimates that all other potential claims against the District not covered by insurance resulting from all other litigation would not materially affect the financial statements of the District.

12. 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; injuries to employees; and natural disasters for which the District carries commercial insurance. Below is a schedule of insurance coverage carried by the District:

Coverage	Company	Limits	Deductible
Fleet	Indiana Insurance Company	\$ 1,000,000 per occurrence	\$ 1,000 collision/pd
Property	Indiana Insurance Company	262,115,412 blanket coverage	10,000 per loss
General liability	Indiana Insurance Company	1,000,000 per occurrence/ 2,000,000 aggregate	
Liability umbrella	Indiana Insurance Company	10,000,000 aggregate	
Errors and omissions	Indiana Insurance Company	1,000,000 aggregate	5,000 per loss
Crime theft	Indiana Insurance Company	10,000 per occurrence	500 per loss
Faithful Performance Bond	Cincinnati Insurance Company	Varies per occurrence	

There were no significant reductions in insurance coverage from the prior year. Also, there were no settlements that exceeded insurance coverage for the past three fiscal years.

13. JOINTLY GOVERNED ORGANIZATIONS

Pursuant to an interlocal agreement authorized by state statute, the District participates in the Southwestern Ohio Computer Association (SWOCA), which is a computer consortium. SWOCA is an association of public school districts within the boundaries of Warren, Preble, and Butler counties and involves all cities that have school districts within these 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 districts.

SWOCA is governed by a board of directors consisting of one representative from each of the participating members. The District paid SWOCA a fee for services provided during the year. Financial information may be obtained from Mike Crumley at the Butler County Joint Vocational School, 3603 Hamilton-Middletown Road, Hamilton, Ohio.

The Butler County Joint Vocational School District is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating school districts' elected boards. It possesses its own budgeting and taxing authority. Butler County Joint Vocational School District was formed to provide vocational education opportunities to the students of Butler County, including students of the District. Financial information can be obtained from the Butler County Joint Vocational School Treasurer, at 3604 Hamilton-Middletown Road, Hamilton, Ohio 45011.

14. CONSTRUCTION AND OTHER COMMITMENTS

At June 30, 2008, construction contracts for facilities were as follows:

<u>Description</u>	<u>Remaining Commitment</u>
LWC-Union Elementary	\$2,279,070
Endeacor Elementary	2,436
Wyandot ECS	11,422
Hopewell Elementary Renovations	8,857
Liberty Elementary Renovations	5,559,539
Lakota West Freshman Renovations	1,858,009
Lakota West High School Additions	53,411
Lakota East High School Additions	251,056
Lakota East Freshman	<u>2,514,917</u>
 Total	 <u><u>\$12,538,717</u></u>

15. ACCOUNTABILITY

Accountability

The following individual funds had a deficit in fund balance at year end:

<u>Fund</u>	<u>Deficit</u>
Special Revenue:	
Alternative School Grant	\$3,929
Title VI-B	103,673
Title III	1,707
Title VI	289
Title VI-R	21,751
High Schools That Work	4,109

16. FUND BALANCE RESERVES FOR SET-ASIDES

The District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

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

	<u>Textbooks</u>	<u>Capital Acquisition</u>
Set Aside Reserve Balance as of June 30, 2007	\$1,653,985	\$0
Current Year Set Aside Requirements	2,604,243	2,604,243
Qualified Disbursements	(3,697,970)	(2,240,600)
Current Year Offsets	0	(363,643)
Set Aside Reserve Balance as of June 30, 2008	<u>\$560,258</u>	<u>\$0</u>
Restricted Cash as of June 30, 2008	<u>\$560,258</u>	<u>\$0</u>

Offset credits for capital activity during the year exceeded the amount required for the set-aside.

17. INTERFUND TRANSACTIONS

Interfund transactions at June 30, 2008, consisted of the following individual fund receivables and payables:

	Interfund		Transfers	
	<u>Receivable</u>	<u>Payable</u>	<u>In</u>	<u>Out</u>
General Fund	\$222,597	\$0	\$22,317	\$1,902,412
Other Governmental Funds	0	222,597	1,848,045	24,216
Enterprise Fund	<u>0</u>	<u>0</u>	<u>56,266</u>	<u>0</u>
Total All Funds	<u>\$222,597</u>	<u>\$222,597</u>	<u>\$1,926,628</u>	<u>\$1,926,628</u>

Transfers in and out and interfund balances are made to provide operating cash as needed.

18. CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2008, the District has implemented GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions."

Statement No. 45 addresses how state and local governments should account for and report their costs and obligations related to postemployment healthcare and other non-pension benefits. This also establishes disclosure requirements for information about the plans in which an employer participates, the funding policy followed, the actuarial valuation process and assumptions, and for certain employers, the extent to which the plan has been funded over time. Collectively, these benefits are commonly referred to as "other postemployment benefits (OPEB)."

There was no effect on fund balance/net assets as a result of the implementation of these new standards.

REQUIRED SUPPLEMENTARY INFORMATION

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

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$81,098,640	\$82,199,695	\$81,249,431	(\$950,264)
Tuition and Fees	698,411	707,894	699,710	(8,184)
Investment Earnings	3,449,023	3,495,850	3,455,436	(40,414)
Intergovernmental	59,052,983	59,854,730	59,162,783	(691,947)
Other Revenues	2,198,399	2,228,247	2,202,487	(25,760)
Total Revenues	146,497,456	148,486,416	146,769,847	(1,716,569)
Expenditures:				
Current:				
Instruction:				
Regular	66,549,396	66,793,407	65,640,912	1,152,495
Special	11,870,801	11,744,306	11,708,749	35,557
Vocational	95,960	95,619	94,650	969
Other	2,370,670	2,341,090	2,338,307	2,783
Support Services:				
Pupil	8,421,261	8,331,640	8,306,300	25,340
Instructional Staff	9,885,398	9,823,581	9,750,450	73,131
General Administration	79,817	89,292	78,727	10,565
School Administration	14,765,834	15,253,715	14,564,262	689,453
Fiscal	1,285,443	1,273,720	1,267,895	5,825
Business	101,172	101,836	99,791	2,045
Operations and Maintenance	13,794,957	13,625,473	13,606,638	18,835
Pupil Transportation	18,100,639	17,857,862	17,853,542	4,320
Central	4,641,067	4,664,735	4,577,711	87,024
Extracurricular Activities	356,360	352,971	351,495	1,476
Capital Outlay	1,059,503	1,062,623	1,045,039	17,584
Total Expenditures	153,378,278	153,411,870	151,284,468	2,127,402
Excess of Revenues Over (Under) Expenditures	(6,880,822)	(4,925,454)	(4,514,621)	410,833
Other financing sources (uses):				
Proceeds from Sale of Capital Assets	3,512	3,560	3,519	(41)
Advances In	438,484	444,437	439,299	(5,138)
Advances (Out)	(260,998)	(257,435)	(257,435)	0
Transfers In	22,276	22,578	22,317	(261)
Transfers (Out)	(1,928,326)	(1,902,002)	(1,902,002)	0
Total Other Financing Sources (Uses)	(1,725,052)	(1,688,862)	(1,694,302)	(5,440)
Net Change in Fund Balance	(8,605,874)	(6,614,316)	(6,208,923)	405,393
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	57,267,132	57,267,132	57,267,132	0
Fund Balance End of Year	\$48,661,258	\$50,652,816	\$51,058,209	\$405,393

See accompanying notes to the required supplementary information.

LAKOTA LOCAL SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For The Year Ended June 30, 2008

1. BUDGETARY PROCESS

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2008.

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

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

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

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

Net Change in Fund Balance

	General
GAAP Basis	(\$5,233,065)
Net Adjustment for Revenue Accruals	1,341,778
Net Adjustment for Expenditure Accruals	1,980,164
Transfers Out	410
Advances In	439,299
Advances (Out)	(257,435)
Encumbrances	(4,480,074)
Budget Basis	(\$6,208,923)

**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

FUND DESCRIPTIONS

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 expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

PUBLIC SCHOOL SUPPORT: To account for specific local revenue sources (other than taxes) generated by individual school buildings (i.e. sales of pictures, profits from vending machines, etc.). Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

OTHER GRANTS: 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 ACTIVITIES: To account for those student activity programs which have student participation in the activity but do not have student management in the programs. This fund includes athletic programs as well as the band, cheerleaders, flag corps and other similar types of activities.

AUXILIARY SERVICES: To account for state funds which provide services and materials to students attending non-public schools within the boundaries of the District as provided by state law.

MIS: To account for state funds which are provided to assist the District in implementing a staff, student and financial system as mandated by the Omnibus Education Reform Act of 1989.

ENTRY YEAR PROGRAM: Fund used to account for state monies provided to support training programs for beginning teachers.

SCHOOLNET PROFESSIONAL DEVELOPMENT: To account for a limited number of professional development subsidy grants.

OHIO READS: To account for state funds, which are designated reading.

ALT. SCHOOL GRANT: To account for state funds used for alternative educational programs for existing and new at-risk and delinquent youth.

MISCELLANEOUS STATE GRANTS: To account for state funds that are legally restricted to expenditures for specified purposes.

TITLE VI-B: To account for federal funds for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels; assist in the training of teachers, supervisors and other specialist in providing educational services to the handicapped.

TITLE III: Federal grant used to account for federal monies provided to support the District's ESL population.

TITLE I: To account for federal funds for services provided to meet special educational needs of educationally deprived children.

TITLE VI: To account for federal funds to provide programs for at-risk students; instructional materials to improve the quality of instruction; programs of professional development; programs to enhance personal excellence of students and student achievement.

DRUG FREE SCHOOLS: To account for federal funds used for establishment, operation and improvement of programs of drug abuse prevention, early intervention, rehabilitation referral and education in schools.

EHA PRE-SCHOOL: This program, Section 619 of Public Law 99-457, addresses the improvement and expansion of services for handicapped children ages three (3) through five (5) years.

TITLE VI-R: To account for federal funds to provide programs to enhance student achievement.

MISCELLANEOUS GRANTS: To account for federal funds related to Raising the Bar and the Assistive Technology Infusion programs.

HIGH SCHOOLS THAT WORK: To account for funds related to the High Schools that Work program.

DEBT SERVICE FUND: To account for the accumulation of resources for the payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the District is obligated in some manner for the payments.

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.

PERMANENT IMPROVEMENT: To account for all transactions related to improvements to existing District facilities.

SCHOOLNET: State grant used to purchase technology used for instructional purposes.

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Lakota Local School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2008

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$2,209,246	\$4,384,022	\$6,593,268
Receivables:			
Intergovernmental	1,363,702	0	1,363,702
Total Assets	<u>3,572,948</u>	<u>4,384,022</u>	<u>7,956,970</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	458,417	0	458,417
Accrued Wages and Benefits	844,555	0	844,555
Contracts Payable	0	482,995	482,995
Interfund Payable	222,597	0	222,597
Deferred Revenue	498,396	0	498,396
Total Liabilities	<u>2,023,965</u>	<u>482,995</u>	<u>2,506,960</u>
Fund Balances:			
Reserved for Encumbrances	458,868	1,796,075	2,254,943
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	1,090,115	0	1,090,115
Capital Projects Funds	0	2,104,952	2,104,952
Total Fund Balances	<u>1,548,983</u>	<u>3,901,027</u>	<u>5,450,010</u>
Total Liabilities and Fund Balances	<u>\$3,572,948</u>	<u>\$4,384,022</u>	<u>\$7,956,970</u>

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

	Public School Support	Other Grants	Student Activities	Auxiliary Services	MIS
Assets:					
Equity in Pooled Cash and Investments	\$968,762	\$138,975	\$944,663	\$96,943	\$0
Receivables:					
Intergovernmental	0	74,589	0	0	0
Total Assets	<u>968,762</u>	<u>213,564</u>	<u>944,663</u>	<u>96,943</u>	<u>0</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	155,390	76,416	95,584	11,345	0
Accrued Wages and Benefits	0	0	183,625	20,649	0
Interfund Payable	2,701	7,571	297	0	0
Deferred Revenue	0	65,164	0	0	0
Total Liabilities	<u>158,091</u>	<u>149,151</u>	<u>279,506</u>	<u>31,994</u>	<u>0</u>
Fund Balances:					
Reserved for Encumbrances	115,357	36,758	89,419	19,939	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	<u>695,314</u>	<u>27,655</u>	<u>575,738</u>	<u>45,010</u>	<u>0</u>
Total Fund Balances	<u>810,671</u>	<u>64,413</u>	<u>665,157</u>	<u>64,949</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$968,762</u>	<u>\$213,564</u>	<u>\$944,663</u>	<u>\$96,943</u>	<u>\$0</u>

Entry Year Program	School Net Professional Development	Ohio Reads	Alt. School Grant	Miscellaneous State Grants	Title VI-B	Title III
\$1,600	\$161	\$6,470	\$940	\$39,309	\$10,454	\$0
0	0	0	16,529	625	771,014	43,236
<u>1,600</u>	<u>161</u>	<u>6,470</u>	<u>17,469</u>	<u>39,934</u>	<u>781,468</u>	<u>43,236</u>
0	0	0	3,000	3,889	84,794	8,970
0	0	0	12,488	4,349	466,491	9,617
0	0	0	0	0	113,157	1,229
0	0	0	5,910	0	220,699	25,127
0	0	0	21,398	8,238	885,141	44,943
1,600	0	0	3,000	1,542	99,150	4,530
0	161	6,470	(6,929)	30,154	(202,823)	(6,237)
<u>1,600</u>	<u>161</u>	<u>6,470</u>	<u>(3,929)</u>	<u>31,696</u>	<u>(103,673)</u>	<u>(1,707)</u>
<u>\$1,600</u>	<u>\$161</u>	<u>\$6,470</u>	<u>\$17,469</u>	<u>\$39,934</u>	<u>\$781,468</u>	<u>\$43,236</u>

Continued

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

	Title I	Title VI	Drug Free Schools	EHA Pre-School	Title VI-R
Assets:					
Equity in Pooled Cash and Investments	\$0	\$0	\$0	\$0	\$0
Receivables:					
Intergovernmental	328,295	32,823	20,188	19,383	46,390
Total Assets	328,295	32,823	20,188	19,383	46,390
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	13,710	0	0	0	3,250
Accrued Wages and Benefits	97,711	289	0	12,835	36,501
Interfund Payable	64,618	3,930	2,805	287	21,893
Deferred Revenue	117,797	28,893	17,383	2,248	6,497
Total Liabilities	293,836	33,112	20,188	15,370	68,141
Fund Balances:					
Reserved for Encumbrances	84,349	0	86	0	485
Unreserved, Undesignated, Reported in: Special Revenue Funds	(49,890)	(289)	(86)	4,013	(22,236)
Total Fund Balances	34,459	(289)	0	4,013	(21,751)
Total Liabilities and Fund Balances	\$328,295	\$32,823	\$20,188	\$19,383	\$46,390

Miscellaneous Grants	High Schools That Work	Total Nonmajor Special Revenue Funds
\$969	\$0	\$2,209,246
4,275	6,355	1,363,702
<u>5,244</u>	<u>6,355</u>	<u>3,572,948</u>
2,069	0	458,417
0	0	844,555
0	4,109	222,597
2,323	6,355	498,396
<u>4,392</u>	<u>10,464</u>	<u>2,023,965</u>
1,312	1,341	458,868
(460)	(5,450)	1,090,115
852	(4,109)	1,548,983
<u>\$5,244</u>	<u>\$6,355</u>	<u>\$3,572,948</u>

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

	Permanent Improvement	SchoolNet	Total Nonmajor Capital Projects Funds
Assets:			
Equity in Pooled Cash and Investments	\$4,384,022	\$0	\$4,384,022
Total Assets	<u>4,384,022</u>	<u>0</u>	<u>4,384,022</u>
Liabilities and Fund Balances:			
Liabilities:			
Contracts Payable	482,995	0	482,995
Total Liabilities	<u>482,995</u>	<u>0</u>	<u>482,995</u>
Fund Balances:			
Reserved for Encumbrances	1,796,075	0	1,796,075
Unreserved, Undesignated, Reported in: Capital Projects Funds	2,104,952	0	2,104,952
Total Fund Balances	<u>3,901,027</u>	<u>0</u>	<u>3,901,027</u>
Total Liabilities and Fund Balances	<u>\$4,384,022</u>	<u>\$0</u>	<u>\$4,384,022</u>

Lakota Local School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2008

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Tuition and Fees	\$29,770	\$0	\$29,770
Investment Earnings	3,973	2,332,535	2,336,508
Intergovernmental	5,526,202	0	5,526,202
Extracurricular Activities	1,980,928	0	1,980,928
Other Revenues	384,450	0	384,450
Total Revenues	7,925,323	2,332,535	10,257,858
Expenditures:			
Current:			
Instruction:			
Regular	972,197	3	972,200
Special	241,840	0	241,840
Other	264,244	0	264,244
Support Services:			
Pupil	3,480,352	0	3,480,352
Instructional Staff	888,901	0	888,901
General Administration	40	0	40
School Administration	55,279	0	55,279
Fiscal	56,340	0	56,340
Business	650	0	650
Operations and Maintenance	605,773	0	605,773
Pupil Transportation	58,404	0	58,404
Central	216,668	0	216,668
Operation of Non-Instructional Services	109,855	0	109,855
Extracurricular Activities	2,756,348	0	2,756,348
Capital Outlay	0	10,860,015	10,860,015
Total Expenditures	9,706,891	10,860,018	20,566,909
Excess of Revenues Over (Under) Expenditures	(1,781,568)	(8,527,483)	(10,309,051)
Other Financing Sources (Uses):			
Transfers In	1,848,045	0	1,848,045
Transfers (Out)	(24,216)	0	(24,216)
Total Other Financing Sources (Uses)	1,823,829	0	1,823,829
Net Change in Fund Balance	42,261	(8,527,483)	(8,485,222)
Fund Balance Beginning of Year	1,506,722	12,428,510	13,935,232
Fund Balance End of Year	\$1,548,983	\$3,901,027	\$5,450,010

Lakota Local School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2008

	Public School Support	Other Grants	Student Activities	Auxiliary Services	MIS
Revenues:					
Tuition and Fees	\$29,770	\$0	\$0	\$0	\$0
Investment Earnings	0	0	3,504	469	0
Intergovernmental	0	142,189	0	303,410	60,221
Extracurricular Activities	839,479	0	1,141,449	0	0
Other Revenues	266,005	22,301	96,144	0	0
Total Revenues	1,135,254	164,490	1,241,097	303,879	60,221
Expenditures:					
Current:					
Instruction:					
Regular	6,835	113,890	7,102	0	0
Special	304	0	0	0	0
Other	0	0	0	0	0
Support Services:					
Pupil	910,774	13,397	0	0	0
Instructional Staff	142,709	107,077	0	0	0
General Administration	40	0	0	0	0
School Administration	9,169	670	0	0	0
Fiscal	0	0	0	0	0
Business	650	0	0	0	0
Operations and Maintenance	0	0	336,884	268,889	0
Pupil Transportation	0	553	0	0	0
Central	0	16,542	0	0	60,936
Operation of Non-Instructional Services	18,032	0	0	0	0
Extracurricular Activities	0	10,534	2,745,814	0	0
Total Expenditures	1,088,513	262,663	3,089,800	268,889	60,936
Excess of Revenues Over (Under) Expenditures	46,741	(98,173)	(1,848,703)	34,990	(715)
Other Financing Sources (Uses):					
Transfers In	0	0	1,847,805	0	0
Transfers (Out)	(24,216)	0	0	0	0
Total Other Financing Sources (Uses)	(24,216)	0	1,847,805	0	0
Net Change in Fund Balance	22,525	(98,173)	(898)	34,990	(715)
Fund Balance Beginning of Year	788,146	162,586	666,055	29,959	715
Fund Balance End of Year	\$810,671	\$64,413	\$665,157	\$64,949	\$0

Entry Year Program	School Net Professional Development	Ohio Reads	Alt. School Grant	Miscellaneous State Grants	Title VI-B	Title III
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
40,800	7,830	0	72,827	74,639	3,405,666	83,695
0	0	0	0	0	0	0
0	0	0	0	0	0	0
40,800	7,830	0	72,827	74,639	3,405,666	83,695
0	1,026	2,000	3,619	1,650	2,234	11,521
0	0	0	0	0	208,743	0
0	0	0	0	0	264,244	0
0	0	0	70,302	17,218	2,384,193	0
39,200	6,675	2,042	382	3,550	232,180	69,721
0	0	0	0	0	0	0
0	0	0	0	34,491	1,360	0
0	0	0	0	0	39,901	984
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	31,224	7,966
0	0	0	3,000	0	135,472	0
0	0	0	0	0	78,073	3,818
0	0	0	0	0	0	0
39,200	7,701	4,042	77,303	56,909	3,377,624	94,010
1,600	129	(4,042)	(4,476)	17,730	28,042	(10,315)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
1,600	129	(4,042)	(4,476)	17,730	28,042	(10,315)
0	32	10,512	547	13,966	(131,715)	8,608
\$1,600	\$161	\$6,470	(\$3,929)	\$31,696	(\$103,673)	(\$1,707)

Continued

Lakota Local School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2008

	Title I	Title VI	Drug Free Schools	EHA Pre-School	Title VI-R
Revenues:					
Tuition and Fees	\$0	\$0	\$0	\$0	\$0
Investment Earnings	0	0	0	0	0
Intergovernmental	880,707	17,994	38,815	103,244	276,272
Extracurricular Activities	0	0	0	0	0
Other Revenues	0	0	0	0	0
Total Revenues	880,707	17,994	38,815	103,244	276,272
Expenditures:					
Current:					
Instruction:					
Regular	591,078	0	10,081	0	214,146
Special	0	0	0	32,793	0
Other	0	0	0	0	0
Support Services:					
Pupil	0	0	7,583	76,885	0
Instructional Staff	188,565	193	10,140	2,470	70,828
General Administration	0	0	0	0	0
School Administration	9,589	0	0	0	0
Fiscal	10,432	0	464	1,255	3,175
Business	0	0	0	0	0
Operations and Maintenance	0	0	0	0	0
Pupil Transportation	0	0	18,661	0	0
Central	0	718	0	0	0
Operation of Non-Instructional Services	8,608	841	0	0	269
Extracurricular Activities	0	0	0	0	0
Total Expenditures	808,272	1,752	46,929	113,403	288,418
Excess of Revenues Over (Under) Expenditures	72,435	16,242	(8,114)	(10,159)	(12,146)
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	240
Transfers (Out)	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	240
Net Change in Fund Balance	72,435	16,242	(8,114)	(10,159)	(11,906)
Fund Balance Beginning of Year	(37,976)	(16,531)	8,114	14,172	(9,845)
Fund Balance End of Year	\$34,459	(\$289)	\$0	\$4,013	(\$21,751)

Miscellaneous Grants	High Schools That Work	Total Nonmajor Special Revenue Funds
\$0	\$0	\$29,770
0	0	3,973
12,248	5,645	5,526,202
0	0	1,980,928
0	0	384,450
<u>12,248</u>	<u>5,645</u>	<u>7,925,323</u>
2,223	4,792	972,197
0	0	241,840
0	0	264,244
0	0	3,480,352
8,207	4,962	888,901
0	0	40
0	0	55,279
129	0	56,340
0	0	650
0	0	605,773
0	0	58,404
0	0	216,668
214	0	109,855
0	0	2,756,348
<u>10,773</u>	<u>9,754</u>	<u>9,706,891</u>
<u>1,475</u>	<u>(4,109)</u>	<u>(1,781,568)</u>
0	0	1,848,045
0	0	(24,216)
<u>0</u>	<u>0</u>	<u>1,823,829</u>
1,475	(4,109)	42,261
<u>(623)</u>	<u>0</u>	<u>1,506,722</u>
<u>\$852</u>	<u>(\$4,109)</u>	<u>\$1,548,983</u>

Lakota Local School District
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balance
 Nonmajor Capital Projects Funds
 For the Fiscal Year Ended June 30, 2008

	Permanent Improvement	SchoolNet	Total Nonmajor Capital Projects Funds
Revenues:			
Investment Earnings	\$2,332,535	\$0	\$2,332,535
Total Revenues	2,332,535	0	2,332,535
Expenditures:			
Capital Outlay	10,860,015	0	10,860,015
Total Expenditures	10,860,015	3	10,860,018
Net Change in Fund Balance	(8,527,480)	(3)	(8,527,483)
Fund Balance Beginning of Year	12,428,507	3	12,428,510
Fund Balance End of Year	\$3,901,027	\$0	\$3,901,027

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

	Public School Support Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$27,104	\$29,770	\$2,666
Extracurricular Activities	764,313	839,479	75,166
Other Revenues	242,187	266,005	23,818
Total Revenues	<u>1,033,604</u>	<u>1,135,254</u>	<u>101,650</u>
Expenditures:			
Current:			
Instruction:			
Regular	51,807	9,496	42,311
Special	6,608	304	6,304
Support Services:			
Pupil	1,495,736	1,084,967	410,769
Instructional Staff	349,994	242,905	107,089
School Administration	11,843	11,607	236
Business	702	702	0
Operation of Non-Instructional Services	19,078	18,078	1,000
Total Expenditures	<u>1,935,768</u>	<u>1,368,059</u>	<u>567,709</u>
Excess of Revenues Over (Under) Expenditures	<u>(902,164)</u>	<u>(232,805)</u>	<u>669,359</u>
Other financing sources (uses):			
Advances In	2,459	2,701	242
Advances (Out)	(540)	(540)	0
Transfers In	1,278	1,404	126
Transfers (Out)	(27,220)	(25,620)	1,600
Total Other Financing Sources (Uses)	<u>(24,023)</u>	<u>(22,055)</u>	<u>1,968</u>
Net Change in Fund Balance	(926,187)	(254,860)	671,327
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>952,873</u>	<u>952,873</u>	<u>0</u>
Fund Balance End of Year	<u>\$26,686</u>	<u>\$698,013</u>	<u>\$671,327</u>

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

	Other Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$187,697	\$132,764	(\$54,933)
Other Revenues	31,528	22,301	(9,227)
Total Revenues	219,225	155,065	(64,160)
Expenditures:			
Current:			
Instruction:			
Regular	171,973	137,854	34,119
Support Services:			
Pupil	23,575	17,187	6,388
Instructional Staff	137,579	114,789	22,790
School Administration	670	670	0
Pupil Transportation	2,416	916	1,500
Central	22,504	17,882	4,622
Extracurricular Activities	35,505	11,830	23,675
Total Expenditures	394,222	301,128	93,094
Excess of Revenues Over (Under) Expenditures	(174,997)	(146,063)	28,934
Other financing sources (uses):			
Advances In	10,704	7,571	(3,133)
Total Other Financing Sources (Uses)	10,704	7,571	(3,133)
Net Change in Fund Balance	(164,293)	(138,492)	25,801
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	164,293	164,293	0
Fund Balance End of Year	\$0	\$25,801	\$25,801

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

	Student Activities Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$3,155	\$3,504	\$349
Extracurricular Activities	1,027,628	1,141,449	113,821
Other Revenues	86,557	96,144	9,587
Total Revenues	1,117,340	1,241,097	123,757
Expenditures:			
Current:			
Instruction:			
Regular	8,431	7,102	1,329
Support Services:			
Operations and Maintenance	360,938	340,214	20,724
Extracurricular Activities	3,112,909	2,900,408	212,501
Total Expenditures	3,482,278	3,247,724	234,554
Excess of Revenues Over (Under) Expenditures	(2,364,938)	(2,006,627)	358,311
Other financing sources (uses):			
Advances In	267	297	30
Advances (Out)	(3,319)	(3,319)	0
Transfers In	1,680,114	1,866,205	186,091
Transfers (Out)	(18,400)	(18,400)	0
Total Other Financing Sources (Uses)	1,658,662	1,844,783	186,121
Net Change in Fund Balance	(706,276)	(161,844)	544,432
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	921,504	921,504	0
Fund Balance End of Year	\$215,228	\$759,660	\$544,432

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

	Auxiliary Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$469	\$469	\$0
Intergovernmental	303,092	303,410	318
Total Revenues	303,561	303,879	318
Expenditures:			
Current:			
Operation of Non-Instructional Services	380,226	314,889	65,337
Total Expenditures	380,226	314,889	65,337
Net Change in Fund Balance	(76,665)	(11,010)	65,655
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	76,669	76,669	0
Fund Balance End of Year	\$4	\$65,659	\$65,655

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

	MIS Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$60,221	\$60,221	\$0
Total Revenues	60,221	60,221	0
Expenditures:			
Current:			
Support Services:			
Central	60,936	60,936	0
Total Expenditures	60,936	60,936	0
Net Change in Fund Balance	(715)	(715)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	715	715	0
Fund Balance End of Year	\$0	\$0	\$0

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

	Entry Year Program Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$40,800	\$40,800	\$0
Total Revenues	40,800	40,800	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	41,600	41,600	0
School Administration	1,000	1,000	0
Total Expenditures	42,600	42,600	0
Net Change in Fund Balance	(1,800)	(1,800)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,800	1,800	0
Fund Balance End of Year	\$0	\$0	\$0

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

	School Net Professional Development Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$7,830	\$7,830	\$0
Total Revenues	7,830	7,830	0
Expenditures:			
Current:			
Instruction:			
Regular	1,026	1,026	0
Support Services:			
Instructional Staff	11,211	11,050	161
Total Expenditures	12,237	12,076	161
Net Change in Fund Balance	(4,407)	(4,246)	161
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,407	4,407	0
Fund Balance End of Year	\$0	\$161	\$161

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

	Ohio Reads Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular	5,966	2,000	3,966
Support Services:			
Instructional Staff	4,546	2,042	2,504
Total Expenditures	10,512	4,042	6,470
Net Change in Fund Balance	(10,512)	(4,042)	6,470
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	10,512	10,512	0
Fund Balance End of Year	\$0	\$6,470	\$6,470

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

	Alt. School Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$95,757	\$79,228	(\$16,529)
Total Revenues	95,757	79,228	(16,529)
Expenditures:			
Current:			
Instruction:			
Regular	5,973	5,839	134
Support Services:			
Pupil	80,364	69,520	10,844
Instructional Staff	982	490	492
Central	4,000	4,000	0
Total Expenditures	91,319	79,849	11,470
Excess of Revenues Over (Under) Expenditures	4,438	(621)	(5,059)
Other financing sources (uses):			
Advances (Out)	(9,526)	(9,526)	0
Total Other Financing Sources (Uses)	(9,526)	(9,526)	0
Net Change in Fund Balance	(5,088)	(10,147)	(5,059)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,087	5,087	0
Fund Balance End of Year	(\$1)	(\$5,060)	(\$5,059)

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

	Miscellaneous State Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$73,139	\$74,014	\$875
Total Revenues	73,139	74,014	875
Expenditures:			
Current:			
Instruction:			
Regular	2,568	1,978	590
Support Services:			
Pupil	63,244	34,300	28,944
Instructional Staff	7,898	7,898	0
School Administration	25,000	21,531	3,469
Total Expenditures	98,710	65,707	33,003
Net Change in Fund Balance	(25,571)	8,307	33,878
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	25,571	25,571	0
Fund Balance End of Year	\$0	\$33,878	\$33,878

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

	Title VI-B Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$4,011,697	\$3,346,431	(\$665,266)
Total Revenues	<u>4,011,697</u>	<u>3,346,431</u>	<u>(665,266)</u>
Expenditures:			
Current:			
Instruction:			
Regular	4,777	2,234	2,543
Special	295,494	266,673	28,821
Other	361,659	337,113	24,546
Support Services:			
Pupil	2,854,437	2,481,447	372,990
Instructional Staff	290,696	246,982	43,714
School Administration	5,000	4,212	788
Fiscal	47,182	39,901	7,281
Pupil Transportation	33,572	33,572	0
Central	158,570	135,472	23,098
Operation of Non-Instructional Services	80,217	69,728	10,489
Total Expenditures	<u>4,131,604</u>	<u>3,617,334</u>	<u>514,270</u>
Excess of Revenues Over (Under) Expenditures	<u>(119,907)</u>	<u>(270,903)</u>	<u>(150,996)</u>
Other financing sources (uses):			
Advances In	135,652	113,157	(22,495)
Advances (Out)	(261,583)	(261,583)	0
Total Other Financing Sources (Uses)	<u>(125,931)</u>	<u>(148,426)</u>	<u>(22,495)</u>
Net Change in Fund Balance	(245,838)	(419,329)	(173,491)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>245,838</u>	<u>245,838</u>	<u>0</u>
Fund Balance End of Year	<u>\$0</u>	<u>(\$173,491)</u>	<u>(\$173,491)</u>

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

	Title III Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$129,999	\$88,567	(\$41,432)
Total Revenues	<u>129,999</u>	<u>88,567</u>	<u>(41,432)</u>
Expenditures:			
Current:			
Instruction:			
Regular	16,585	12,302	4,283
Support Services:			
Instructional Staff	94,942	74,616	20,326
Fiscal	1,475	984	491
Pupil Transportation	8,217	8,217	0
Operation of Non-Instructional Services	<u>8,863</u>	<u>5,456</u>	<u>3,407</u>
Total Expenditures	<u>130,082</u>	<u>101,575</u>	<u>28,507</u>
Excess of Revenues Over (Under) Expenditures	<u>(83)</u>	<u>(13,008)</u>	<u>(12,925)</u>
Other financing sources (uses):			
Advances In	1,804	1,229	(575)
Advances (Out)	<u>(2,666)</u>	<u>(2,666)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(862)</u>	<u>(1,437)</u>	<u>(575)</u>
Net Change in Fund Balance	(945)	(14,445)	(13,500)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>945</u>	<u>945</u>	<u>0</u>
Fund Balance End of Year	<u>\$0</u>	<u>(\$13,500)</u>	<u>(\$13,500)</u>

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

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,027,524	\$783,927	(\$243,597)
Total Revenues	<u>1,027,524</u>	<u>783,927</u>	<u>(243,597)</u>
Expenditures:			
Current:			
Instruction:			
Regular	662,924	541,917	121,007
Support Services:			
Instructional Staff	340,822	333,598	7,224
School Administration	18,530	9,589	8,941
Fiscal	13,291	10,432	2,859
Operation of Non-Instructional Services	<u>34,194</u>	<u>8,608</u>	<u>25,586</u>
Total Expenditures	<u>1,069,761</u>	<u>904,144</u>	<u>165,617</u>
Excess of Revenues Over (Under) Expenditures	<u>(42,237)</u>	<u>(120,217)</u>	<u>(77,980)</u>
Other financing sources (uses):			
Advances In	84,697	64,618	(20,079)
Advances (Out)	<u>(88,684)</u>	<u>(88,684)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(3,987)</u>	<u>(24,066)</u>	<u>(20,079)</u>
Net Change in Fund Balance	(46,224)	(144,283)	(98,059)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>46,224</u>	<u>46,224</u>	<u>0</u>
Fund Balance End of Year	<u>\$0</u>	<u>(\$98,059)</u>	<u>(\$98,059)</u>

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

	Title VI Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$36,037	\$13,616	(\$22,421)
Total Revenues	36,037	13,616	(22,421)
Expenditures:			
Current:			
Instruction:			
Regular	12,176	2,775	9,401
Support Services:			
Instructional Staff	29,519	11,071	18,448
Fiscal	468	222	246
Central	718	718	0
Operation of Non-Instructional Services	1,639	841	798
Total Expenditures	44,520	15,627	28,893
Excess of Revenues Over (Under) Expenditures	(8,483)	(2,011)	6,472
Other financing sources (uses):			
Advances In	10,402	3,930	(6,472)
Advances (Out)	(1,919)	(1,919)	0
Total Other Financing Sources (Uses)	8,483	2,011	(6,472)
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

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

	Drug Free Schools Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$52,137	\$36,010	(\$16,127)
Total Revenues	52,137	36,010	(16,127)
Expenditures:			
Current:			
Instruction:			
Regular	15,000	10,080	4,920
Support Services:			
Pupil	8,247	7,583	664
Instructional Staff	10,627	10,139	488
Fiscal	537	465	72
Operations and Maintenance	29,901	18,662	11,239
Total Expenditures	64,312	46,929	17,383
Excess of Revenues Over (Under) Expenditures	(12,175)	(10,919)	1,256
Other financing sources (uses):			
Advances In	4,061	2,805	(1,256)
Total Other Financing Sources (Uses)	4,061	2,805	(1,256)
Net Change in Fund Balance	(8,114)	(8,114)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	8,114	8,114	0
Fund Balance End of Year	\$0	\$0	\$0

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

	EHA Pre-School Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$119,449	\$100,406	(\$19,043)
Total Revenues	119,449	100,406	(19,043)
Expenditures:			
Current:			
Instruction:			
Special	37,207	31,612	5,595
Support Services:			
Pupil	76,531	65,231	11,300
Instructional Staff	4,447	2,470	1,977
Fiscal	1,480	1,255	225
Total Expenditures	119,665	100,568	19,097
Excess of Revenues Over (Under) Expenditures	(216)	(162)	54
Other financing sources (uses):			
Advances In	341	287	(54)
Advances (Out)	(125)	(125)	0
Total Other Financing Sources (Uses)	216	162	(54)
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

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

	Title VI-R Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$292,337	\$269,699	(\$22,638)
Total Revenues	<u>292,337</u>	<u>269,699</u>	<u>(22,638)</u>
Expenditures:			
Current:			
Instruction:			
Regular	223,624	208,668	14,956
Support Services:			
Instructional Staff	87,424	83,177	4,247
Fiscal	3,450	3,175	275
Operation of Non-Instructional Services	<u>1,554</u>	<u>269</u>	<u>1,285</u>
Total Expenditures	<u>316,052</u>	<u>295,289</u>	<u>20,763</u>
Excess of Revenues Over (Under) Expenditures	<u>(23,715)</u>	<u>(25,590)</u>	<u>(1,875)</u>
Other financing sources (uses):			
Advances In	23,731	21,893	(1,838)
Advances (Out)	(12,342)	(12,342)	0
Transfers In	<u>260</u>	<u>240</u>	<u>(20)</u>
Total Other Financing Sources (Uses)	<u>11,649</u>	<u>9,791</u>	<u>(1,858)</u>
Net Change in Fund Balance	(12,066)	(15,799)	(3,733)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>12,066</u>	<u>12,066</u>	<u>0</u>
Fund Balance End of Year	<u>\$0</u>	<u>(\$3,733)</u>	<u>(\$3,733)</u>

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

	Miscellaneous Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$15,576	\$11,301	(\$4,275)
Total Revenues	15,576	11,301	(4,275)
Expenditures:			
Current:			
Instruction:			
Regular	4,545	3,648	897
Support Services:			
Instructional Staff	10,226	9,519	707
Fiscal	188	129	59
Operation of Non-Instructional Services	411	214	197
Total Expenditures	15,370	13,510	1,860
Excess of Revenues Over (Under) Expenditures	206	(2,209)	(2,415)
Other financing sources (uses):			
Advances (Out)	(2,651)	(2,651)	0
Total Other Financing Sources (Uses)	(2,651)	(2,651)	0
Net Change in Fund Balance	(2,445)	(4,860)	(2,415)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,448	2,448	0
Fund Balance End of Year	\$3	(\$2,412)	(\$2,415)

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

	High Schools That Work Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$6,945	\$5,645	(\$1,300)
Total Revenues	<u>6,945</u>	<u>5,645</u>	<u>(1,300)</u>
Expenditures:			
Current:			
Instruction:			
Regular	4,829	4,792	37
Support Services:			
Instructional Staff	<u>7,171</u>	<u>6,304</u>	<u>867</u>
Total Expenditures	<u>12,000</u>	<u>11,096</u>	<u>904</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,055)</u>	<u>(5,451)</u>	<u>(396)</u>
Other financing sources (uses):			
Advances In	5,055	4,109	(946)
Advances (Out)	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>5,055</u>	<u>4,109</u>	<u>(946)</u>
Net Change in Fund Balance	0	(1,342)	(1,342)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$0</u>	<u>(\$1,342)</u>	<u>(\$1,342)</u>

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

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$11,676,419	\$11,536,072	(\$140,347)
Intergovernmental	1,218,604	1,203,957	(14,647)
Other Revenues	416,390	411,385	(5,005)
Total Revenues	<u>13,311,413</u>	<u>13,151,414</u>	<u>(159,999)</u>
Expenditures:			
Current:			
Support Services:			
Fiscal	179,499	179,482	17
Debt Service:			
Principal Retirement	4,660,658	4,660,658	0
Interest and Fiscal Charges	8,873,127	8,873,127	0
Total Expenditures	<u>13,713,284</u>	<u>13,713,267</u>	<u>17</u>
Net Change in Fund Balance	(401,871)	(561,853)	(159,982)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>5,223,525</u>	<u>5,223,525</u>	<u>0</u>
Fund Balance End of Year	<u>\$4,821,654</u>	<u>\$4,661,672</u>	<u>(\$159,982)</u>

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

	Building Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$3,800	\$3,400	(\$400)
Total Revenues	3,800	3,400	(400)
Expenditures:			
Capital Outlay	39,497,511	38,692,878	804,633
Total Expenditures	39,497,511	38,692,878	804,633
Net Change in Fund Balance	(39,493,711)	(38,689,478)	804,233
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	39,521,986	39,521,986	0
Fund Balance End of Year	<u>\$28,275</u>	<u>\$832,508</u>	<u>\$804,233</u>

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

	Permanent Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$6,668,071	\$6,342,853	(\$325,218)
Total Revenues	<u>6,668,071</u>	<u>6,342,853</u>	<u>(325,218)</u>
Expenditures:			
Capital Outlay	18,196,264	17,628,835	567,429
Total Expenditures	<u>18,196,264</u>	<u>17,628,835</u>	<u>567,429</u>
Net Change in Fund Balance	(11,528,193)	(11,285,982)	242,211
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>13,390,935</u>	<u>13,390,935</u>	<u>0</u>
Fund Balance End of Year	<u>\$1,862,742</u>	<u>\$2,104,953</u>	<u>\$242,211</u>

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

	SchoolNet Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular	107,822	107,822	0
Total Expenditures	107,822	107,822	0
Net Change in Fund Balance	(107,822)	(107,822)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	107,822	107,822	0
Fund Balance End of Year	\$0	\$0	\$0

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FUND DESCRIPTIONS

NONMAJOR FUNDS

ENTERPRISE FUNDS: The Enterprise Funds are used to account for any activity for which a fee is charged to external users for goods or services.

FOOD SERVICE: To account for all revenues and expenses related to the provision of food services, including breakfast and lunch, for the District students and staff.

UNIFORM SCHOOL SUPPLY: To account for the purchase and sale of school supplies as adopted by the Board of Education for use in all schools of the District.

ADULT EDUCATION: To account for all revenues and expenses related to education classes for adults.

FIDUCIARY FUND (AGENCY FUND): Fiduciary fund types are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental unites and/or other funds.

STUDENT ACITIVITIES: Fund used to account for resources that belong to various student groups in the District. Students are involved in the management of the program.

Lakota Local School District
Combining Statement of Net Assets
Nonmajor Enterprise Funds
June 30, 2008

	Food Service	Uniform School Supply	Adult Education	Total Nonmajor Enterprise Funds
Assets:				
Equity in Pooled Cash and Investments	\$835,266	\$409,600	\$3,510	\$1,248,376
Receivables:				
Accounts	24,601	160,414	0	185,015
Inventory	64,754	0	0	64,754
Total Current Assets	924,621	570,014	3,510	1,498,145
Depreciable Capital Assets, Net	974,700	0	0	974,700
Total Assets	1,899,321	570,014	3,510	2,472,845
Liabilities:				
Current Liabilities:				
Accounts Payable	71,258	82,394	0	153,652
Accrued Wages and Benefits	675,283	0	0	675,283
Compensated Absences	10,722	0	0	10,722
Total Current Liabilities	757,263	82,394	0	839,657
Long-Term Liabilities:				
Compensated Absences	34,124	0	0	34,124
Total Liabilities	791,387	82,394	0	873,781
Net Assets:				
Invested in Capital Assets, Net of Related Debt	974,700	0	0	974,700
Unrestricted	133,234	487,620	3,510	624,364
Total Net Assets	\$1,107,934	\$487,620	\$3,510	\$1,599,064

Lakota Local School District
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2008

	Food Service	Uniform School Supply	Adult Education	Total Nonmajor Enterprise Funds
Operating Revenues:				
Charges for Services	\$3,974,447	\$1,100,924	\$0	\$5,075,371
Other Revenues	500	19,071	0	19,571
Total Operating Revenues	<u>3,974,947</u>	<u>1,119,995</u>	<u>0</u>	<u>5,094,942</u>
Operating Expenses:				
Personal Services	2,612,000	0	0	2,612,000
Contractual Services	314,631	31,200	0	345,831
Materials and Supplies	2,683,995	1,377,099	0	4,061,094
Depreciation	162,519	0	0	162,519
Other Expenses	34,346	12,716	0	47,062
Total Operating Expenses	<u>5,807,491</u>	<u>1,421,015</u>	<u>0</u>	<u>7,228,506</u>
Operating Income	<u>(1,832,544)</u>	<u>(301,020)</u>	<u>0</u>	<u>(2,133,564)</u>
Non-Operating Revenues (Expenses):				
Investment Earnings	20,889	0	0	20,889
Donated Commodities	268,414	0	0	268,414
Operating Grants	1,078,452	0	0	1,078,452
Total Non-Operating Revenues (Expenses)	<u>1,367,755</u>	<u>0</u>	<u>0</u>	<u>1,367,755</u>
Income Before Transfers	(464,789)	(301,020)	0	(765,809)
Transfers In	<u>0</u>	<u>56,266</u>	<u>0</u>	<u>56,266</u>
Change in Net Assets	(464,789)	(244,754)	0	(709,543)
Net Assets Beginning of Year	<u>1,572,723</u>	<u>732,374</u>	<u>3,510</u>	<u>2,308,607</u>
Net Assets End of Year	<u>\$1,107,934</u>	<u>\$487,620</u>	<u>\$3,510</u>	<u>\$1,599,064</u>

Lakota Local School District
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2008

	Food Service	Uniform School Supply	Adult Education	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities:				
Cash Received from Customers	\$3,975,961	\$1,099,638	\$0	\$5,075,599
Cash Payments to Employees	(2,588,345)	0	0	(2,588,345)
Cash Payments to Suppliers	(2,708,478)	(1,365,030)	0	(4,073,508)
Net Cash (Used) by Operating Activities	(1,320,862)	(265,392)	0	(1,586,254)
Cash Flows from Noncapital Financing Activities:				
Operating Grants Received	1,078,452	0	0	1,078,452
Payments from Other Funds	0	56,266	0	56,266
Payments to Other Funds	0	(542)	0	(542)
Net Cash Provided by Noncapital Financing Activities	1,078,452	55,724	0	1,134,176
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	(222,846)	0	0	(222,846)
Net Cash (Used) by Capital and Related Financing Activities	(222,846)	0	0	(222,846)
Cash Flows from Investing Activities:				
Earnings on Investments	20,889	0	0	20,889
Net Cash Provided by Cash Flows from Investing Activities	20,889	0	0	20,889
Net (Decrease) in Cash and Cash Equivalents	(444,367)	(209,668)	0	(654,035)
Cash and Cash Equivalents Beginning of Year	1,279,633	619,268	3,510	1,902,411
Cash and Cash Equivalents End of Year	835,266	409,600	3,510	1,248,376
Reconciliation of Operating (Loss) to				
Net Cash (Used) by Operating Activities				
Operating (Loss)	(1,832,544)	(301,020)	0	(2,133,564)
Adjustments:				
Depreciation	162,519	0	0	162,519
Donated Commodities	268,414	0	0	268,414
Changes in Assets & Liabilities:				
(Increase) Decrease in Receivables	1,014	(20,357)	0	(19,343)
Decrease in Inventory	7,888	0	0	7,888
Increase in Payables	48,192	55,985	0	104,177
Increase in Accrued Liabilities	23,655	0	0	23,655
Net Cash (Used) by Operating Activities	(\$1,320,862)	(\$265,392)	\$0	(\$1,586,254)

Lakota Local School District
Statement of Changes In Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2008

	Student Activities			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$353,210	\$197,179	\$195,019	\$355,370
Total Assets	<u>353,210</u>	<u>197,179</u>	<u>195,019</u>	<u>355,370</u>
Liabilities:				
Accounts Payable	104,121	90,898	104,121	90,898
Other Liabilities	<u>249,089</u>	<u>106,281</u>	<u>90,898</u>	<u>264,472</u>
Total Liabilities	<u>\$353,210</u>	<u>\$197,179</u>	<u>\$195,019</u>	<u>\$355,370</u>

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STATISTICAL SECTION

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STATISTICAL SECTION

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: These schedules contain trend information to help the reader understand how the District's financial position has changed over time.

REVENUE CAPACITY: These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source(s), the property tax.

DEBT CAPACITY: These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.

ECONOMIC AND DEMOGRAPHIC INFORMATION: These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.

OPERATING INFORMATION: These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.

SOURCES: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The School District implemented GASB Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that fiscal year.

Lakota Local School District
 Net Assets by Component,
 Last Six Fiscal Years (1)
 (accrual basis of accounting)
 Schedule 1

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Governmental Activities						
Invested in Capital Assets, Net of Related Debt	\$22,843,294	\$29,021,627	\$30,808,018	\$33,913,815	\$42,878,120	\$40,122,739
Restricted	9,214,868	9,775,382	12,820,740	13,977,232	13,264,151	12,869,138
Unrestricted	18,977,037	16,462,945	13,104,428	19,821,499	36,549,902	31,544,483
Total Governmental Activities Net Assets	\$51,035,199	\$55,259,954	\$56,733,186	\$67,712,546	\$92,692,173	\$84,536,360
Business-Type Activities						
Invested in Capital Assets, Net of Related Debt	\$1,192,471	\$1,131,484	\$1,004,829	\$892,030	\$914,373	\$974,700
Unrestricted	1,294,078	1,594,831	1,963,621	1,711,119	1,394,234	624,364
Total Business-Type Activities Net Assets	\$2,486,549	\$2,726,315	\$2,968,450	\$2,603,149	\$2,308,607	\$1,599,064
Total Primary Government						
Invested in Capital Assets, Net of Related Debt	\$24,035,765	\$30,153,111	\$31,812,847	\$34,805,845	\$43,792,493	\$41,097,439
Restricted	9,214,868	9,775,382	12,820,740	13,977,232	13,264,151	12,869,138
Unrestricted	20,271,115	18,057,776	15,068,049	21,532,618	37,944,136	32,168,847
Total Primary Government Net Assets	\$53,521,748	\$57,986,269	\$59,701,636	\$70,315,695	\$95,000,780	\$86,135,424

Source: District Records

(1) - The district began to report accrual information when it implemented GASB Statement 34 in 2003

Lakota Local School District
Expenses, Program Revenues and Net (Expense)/Revenue
Last Six Fiscal Years (1)
(acrual basis of accounting)
Schedule 2

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Expenses						
Governmental Activities:						
Instruction	\$66,999,455	\$72,506,183	\$68,933,022	\$73,176,247	\$76,890,642	\$90,031,129
Pupil	8,340,975	8,663,017	9,867,976	10,751,701	10,940,729	12,016,164
Instructional Staff	5,722,539	7,327,784	7,715,598	9,785,359	8,868,043	10,815,877
General Administration	27,184	23,719	67,385	44,068	62,727	78,578
School Administration	10,009,748	10,204,176	10,579,888	12,406,657	13,621,563	13,555,040
Fiscal	1,524,506	2,115,246	2,125,850	1,095,786	1,267,506	1,238,214
Business	509,697	466,188	329,164	292,860	222,208	335,700
Operation and Maintenance	11,414,121	11,177,889	10,438,378	10,900,201	11,300,285	13,420,202
Pupil Transportation	7,724,737	9,929,606	14,371,115	13,290,246	16,077,170	17,182,978
Central	2,074,718	2,343,254	2,555,949	2,983,262	2,637,239	4,293,249
Operation of Non-Instructional Services	45,255	139,383	357,834	525,523	534,606	281,880
Extra-curricular Activities	2,810,168	3,011,917	3,103,182	3,292,761	3,023,706	3,278,754
Interest and Fiscal Charges	6,002,168	5,597,681	5,183,120	8,034,299	8,276,131	8,715,607
Total Governmental Activities Expenses	123,205,271	133,506,043	135,628,461	146,578,970	153,722,555	175,243,372
Business-Type Activities:						
Food Service	3,686,719	3,891,792	4,385,331	4,879,137	4,785,536	5,807,491
Uniform School Supply	732,945	871,408	1,005,613	1,204,606	1,293,862	1,421,015
Total Business-Type Activities Expenses	4,419,664	4,763,200	5,390,944	6,083,743	6,079,398	7,228,506
Total Primary Government Expenses	\$127,624,935	\$138,269,243	\$141,019,405	\$152,662,713	\$159,801,953	\$182,471,878
Program Revenues						
Governmental Activities:						
Charges for Services	2,029,981	2,117,107	2,678,276	2,935,999	2,581,780	3,145,008
Operating Grants and Contributions	2,612,017	3,655,452	4,639,740	4,874,587	8,402,646	8,866,690
Capital Grants and Contributions	450,657	107,748	248,830	108,951	327,799	139,255
Total Governmental Activities Program Revenues	5,092,655	5,880,307	7,566,846	7,919,537	11,312,225	12,150,953
Business-Type Activities:						
Charges for Services	4,178,817	4,525,316	5,568,995	5,014,072	5,218,887	5,075,371
Operating Grants and Contributions	331,387	467,024	0	613,956	687,140	1,346,866
Total Business-Type Activities Program Revenues	4,510,204	4,992,340	5,568,995	5,628,028	5,906,027	6,422,237
Total Primary Government Program Revenues	\$9,602,859	\$10,872,647	\$13,135,841	\$13,547,565	\$17,218,252	\$18,573,190
Net (Expense)/Revenue						
Total Government Net Expense	(\$118,022,076)	(\$127,396,596)	(\$127,883,564)	(\$139,115,148)	(\$142,583,701)	(\$163,898,688)

Source: District Records

(1) - The district began to report accrual information when it implemented GASB Statement 34 in 2003

Lakota Local School District
 General Revenues and Total Change in Net Assets,
 Last Six Fiscal Years (1)
 (accrual basis of accounting)
 Schedule 3

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Net (Expense)/Revenue						
Total Government Net Expense	(\$118,022,076)	(\$127,396,596)	(\$127,883,564)	(\$139,115,148)	(\$142,583,701)	(\$163,898,688)
General Revenues and Other Changes in Net Assets						
Governmental Activities:						
Property Taxes						
Property Taxes Levied for General Purposes	58,108,666	65,507,861	63,722,046	77,220,286	86,994,400	80,968,922
Property Taxes Levied for Debt Service Purposes	12,046,037	12,135,005	11,156,541	11,789,412	12,127,727	12,502,843
Grants and Entitlements Not Restricted to Specific Programs	49,602,256	51,777,045	54,260,058	55,735,058	54,786,321	57,026,114
Payment in Lieu of Taxes - Unrestricted	1,472,801	2,153,931	257,770	1,599,259	2,437,337	1,482,251
Unrestricted Contributions	0	0	0	0	0	55,000
Investment Earnings	1,178,297	461,120	1,016,474	3,117,591	7,552,512	5,009,134
Refunds and Reimbursements	0	0	0	20,700	7,744	30,915
Other Revenues	651,656	466,531	419,747	416,951	1,036,805	226,300
Transfers-Internal Activities	0	0	(36,095)	(56,236)	(65,726)	(56,266)
Total Governmental Activities	123,059,713	132,501,493	130,796,541	149,843,021	164,877,120	157,245,213
Business-Type Activities:						
Investment Earnings	0	10,626	13,433	15,242	15,126	20,889
Other Revenues	0	0	14,556	18,936	19,095	19,571
Transfers-Internal Activities	0	0	36,095	56,236	65,726	56,266
Total Business-Type Activities	0	10,626	64,084	90,414	99,947	96,726
Change in Net Assets	\$5,037,637	\$5,115,523	\$2,977,061	\$10,818,287	\$22,393,366	(\$6,556,749)

Source: District Records

(1) - The district began to report accrual information when it implemented GASB Statement 34 in 2003

Lakota Local School District
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Schedule 4

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	\$9,062,256	\$4,987,159	\$4,204,498	\$6,649,366	\$4,808,663	\$4,641,568	\$5,680,104	\$8,145,908	\$5,713,978	\$4,675,843
Unreserved	1,596,214	255,174	5,519,495	12,020,137	20,122,813	17,066,027	15,120,212	20,107,297	36,756,523	32,561,593
Total General Fund	10,658,470	5,242,333	9,723,993	18,669,503	24,931,476	21,707,595	20,800,316	28,253,205	42,470,501	37,237,436
All Other Governmental Funds										
Reserved	4,580,459	1,997,191	11,425,354	15,746,335	2,788,490	895,082	808,753	22,552,576	32,675,178	11,356,315
Unreserved, Reported In:										
Special Revenue Funds	816,713	1,049,400	1,299,886	1,360,312	574,385	1,101,409	1,015,338	982,361	1,154,791	1,090,115
Debt Service Funds	2,731,296	3,222,083	48,943,668	4,531,060	5,137,949	6,323,687	7,764,970	7,262,811	5,223,525	4,661,672
Capital Project Funds	761,771	1,773,621	(11,844,108)	12,604,219	1,294,014	14,492	133,168	55,588,815	14,391,862	3,018,349
Total all Other Governmental Funds	\$8,890,239	\$8,042,295	\$49,824,800	\$34,241,926	\$9,794,838	\$8,334,670	\$9,722,229	\$86,386,563	\$53,445,356	\$20,126,451

Source: District Records

Lakota Local School District
 Governmental Funds Revenues,
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 5

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues:										
Taxes	\$51,417,650	\$45,738,935	\$62,028,340	\$69,594,735	\$70,154,703	\$74,974,566	\$76,558,847	\$88,219,693	\$99,366,657	\$92,729,935
Revenue in Lieu of Taxes	0	0	0	0	0	0	257,770	0	0	0
Tuition and Fees	381,159	90,103	142,070	219,195	443,369	443,132	550,997	623,401	548,049	725,425
Investment Earnings	1,266,444	1,568,487	3,759,204	2,190,993	1,178,297	461,120	1,016,474	3,117,591	7,552,512	5,009,134
Intergovernmental	30,481,732	35,278,953	39,375,711	49,417,922	52,796,362	56,941,382	58,629,909	60,772,380	63,869,399	65,892,942
Extracurricular Activities	1,019,653	1,225,739	1,480,318	1,416,907	1,441,426	1,545,353	1,831,947	2,089,798	1,741,406	1,980,928
Charges for Services	0	0	0	0	0	0	295,331	0	0	0
Other revenues	774,789	3,575,722	1,312,647	1,243,738	2,331,295	1,262,626	398,717	2,350,844	3,774,211	2,191,041
Total Revenues	<u>\$85,341,427</u>	<u>\$87,477,939</u>	<u>\$108,098,290</u>	<u>\$124,083,490</u>	<u>\$128,345,452</u>	<u>\$135,628,179</u>	<u>\$139,539,992</u>	<u>\$157,173,707</u>	<u>\$176,852,234</u>	<u>\$168,529,405</u>

Source: District Records

Lakota Local School District
 Governmental Funds Expenditures and Debt Service Ratio,
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 6

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Regular Instruction	\$39,404,247	\$42,017,254	\$43,497,049	\$49,996,377	\$75,550,548	\$59,355,751	\$56,610,305	\$58,134,589	\$63,108,553	\$67,168,954
Special Instruction	5,461,506	5,984,531	6,602,204	7,829,990	9,517,686	9,698,915	9,310,344	10,412,781	10,825,993	12,086,711
Vocational Instruction	247,450	243,109	321,305	253,789	267,363	283,553	186,872	99,012	126,020	97,588
Other Instruction	111,550	249,878	278,680	406,687	208,288	292,795	244,275	2,886,570	3,018,895	2,603,832
Pupil	4,995,144	5,464,216	5,923,089	6,945,602	8,217,048	8,606,366	9,808,007	10,833,785	10,831,902	11,839,061
Instructional Staff	3,912,010	4,619,713	5,097,956	5,866,695	5,694,591	7,295,815	7,730,941	8,986,605	8,797,966	10,827,641
General Administration	32,985	8,714	35,889	23,984	27,184	23,719	67,385	44,068	62,727	78,578
School Administration	6,094,754	7,195,858	7,156,518	8,560,952	9,542,561	10,272,880	10,341,744	11,992,785	13,442,807	14,377,494
Fiscal	1,412,245	1,447,434	1,496,248	1,620,799	1,616,573	2,082,673	2,089,853	1,061,100	1,227,995	1,282,321
Business	254,303	316,922	268,826	452,264	334,167	339,578	194,347	250,186	171,521	269,953
Operations and Maintenance	7,676,858	8,112,690	8,425,046	8,908,255	11,294,661	11,211,971	10,348,015	10,778,978	11,184,911	13,243,610
Pupil Transportation	5,408,151	5,800,663	7,383,466	7,908,121	8,154,558	9,305,327	13,801,460	12,392,940	15,225,047	16,648,154
Central	750,216	1,334,257	1,130,512	1,304,561	2,264,736	2,204,567	2,398,020	2,772,271	3,127,979	4,002,284
Operation of Non-Instructional Service:	8,665	6,408	4,140	2,170	138,551	135,224	354,212	546,483	555,986	272,258
Extracurricular Activities	1,890,038	2,253,512	2,420,697	2,633,376	2,814,247	2,803,482	2,936,849	3,151,638	2,896,885	3,106,657
Capital Outlay	105,435	1,703,538	5,325,673	18,946,017	0	4,310,899	757,466	9,708,525	45,983,393	35,589,747
Debt Service										
Principal Retirement	4,322,399	4,474,347	5,234,231	5,644,457	6,339,388	6,784,094	5,760,593	8,591,962	6,668,076	4,660,658
Interest and Fiscal Charges	4,348,224	4,403,764	5,840,016	6,320,231	6,026,810	5,566,021	5,342,006	5,652,789	8,457,993	8,873,127
Total Expenditures	\$86,436,180	\$95,636,808	\$106,441,545	\$133,624,327	\$148,008,960	\$140,573,630	\$138,282,694	\$158,297,067	\$205,714,649	\$207,028,628
Debt Service as a Percentage of Noncapital Expenditures	10.06%	9.38%	10.96%	10.45%	10.17%	9.13%	8.16%	9.66%	9.71%	7.94%

Source: District Records

Lakota Local School District
 Other Financing Sources and Uses and Net Change in Fund Balances,
 Governmental Funds,
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 7

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Other Financing Sources (Uses)	\$2,515,000	\$1,240,000	\$44,570,000	\$2,870,000	\$0	\$0	\$0	\$84,300,000	\$10,000,000	\$0
Issuance of Long Term Debt	0	0	8,880,656	0	0	0	8,625,000	30,950,000	0	0
Issuance of Refunding Bonds	2,840	0	27,281	0	0	0	0	4,221,393	0	0
Premium on Bonds Sold	0	0	(8,880,656)	0	0	0	(8,625,000)	(34,194,969)	0	0
Payment to Refunded Bonds Escrow Agent	900,000	632,470	0	0	0	261,402	161,818	0	0	0
Proceeds of Capital Leases	5,061	22,318	10,139	4,440	138,101	0	0	20,395	0	3,519
Proceeds from Sale of Capital Assets	2,905,398	441,000	150,000	45,580,800	1,387	24,908	1,808,906	1,483,808	1,779,391	1,870,362
Transfers In	(2,905,398)	(441,000)	(150,000)	(45,551,767)	(1,387)	(24,908)	(1,845,001)	(1,540,044)	(1,845,117)	(1,926,628)
Transfers (Out)	3,422,901	1,894,788	44,607,420	2,903,473	138,101	261,402	125,723	85,240,583	9,934,274	(52,747)
Total Other Financing Sources (Uses)	\$2,328,148	(\$6,264,081)	\$46,264,165	(\$6,637,364)	(\$19,525,407)	(\$4,684,049)	\$1,383,021	\$84,117,223	(\$18,928,141)	(\$38,551,970)
Net Change in Fund Balances										

Source: District Records

Lakota Local School District
 Assessed and Estimated Actual Value of Taxable Property
 Last Ten Collection (Calendar) Years
 Schedule 8

Collection Year	Real Property Assessed Value	Tangible Personal Property Assessed Value	Public Utilities Personal Assessed Value	Total Assessed Value	Total Estimated Actual Value	Total Direct Rate
1998	\$1,243,409,780	\$133,868,633	\$74,264,120	\$1,451,542,533	\$4,172,464,949	0.56
1999	1,303,927,250	136,671,688	78,477,160	1,519,076,098	4,361,371,771	0.55
2000	1,470,277,860	136,507,980	81,764,790	1,688,550,630	4,839,740,339	0.62
2001	1,596,004,850	156,691,941	79,376,000	1,832,072,791	5,276,981,621	0.62
2002	1,646,429,860	170,886,501	60,981,990	1,878,298,351	5,456,929,034	0.61
2003	1,960,455,290	171,600,152	58,862,530	2,190,917,972	6,354,590,675	0.60
2004	2,027,523,000	171,154,345	59,663,620	2,258,340,965	6,546,217,567	0.60
2005	2,145,381,260	173,951,122	60,653,310	2,379,985,692	6,894,389,445	0.66
2006	2,324,789,851	188,497,872	65,725,474	2,579,013,197	7,461,973,679	0.66
2007	2,415,765,750	163,745,949	57,329,510	2,636,841,209	7,614,501,163	0.65

Source: County Auditor

Note: The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property is assessed at 25 percent for everything except inventories, which are assessed at 23 percent. Property is assessed annually.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue to be received in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed.

Lakota Local School District
 Direct and Overlapping Property Tax Rates
 Last Ten Calendar Years
 Schedule 9

Calendar Year	District Direct Rates			Overlapping Rates				
	General Purpose	Capital Purpose	Total	Butler County	EXC Monroe Liberty Town	Liberty Township	City of Monroe	Butler JVS
1998	0.06	0.50	0.56	0.08	0.08	0.01	0.08	0.02
1999	0.06	0.49	0.55	0.08	0.09	0.01	0.08	0.02
2000	0.06	0.55	0.62	0.08	0.11	0.01	0.10	0.02
2001	0.06	0.55	0.62	0.09	0.11	0.01	0.10	0.02
2002	0.06	0.54	0.61	0.09	0.11	0.01	0.10	0.02
2003	0.06	0.54	0.60	0.09	0.11	0.01	0.10	0.02
2004	0.06	0.54	0.60	0.09	0.11	0.01	0.10	0.02
2005	0.06	0.59	0.66	0.09	0.11	0.01	0.10	0.02
2006	0.06	0.59	0.66	0.09	0.11	0.01	0.10	0.02
2007	0.06	0.59	0.65	0.11	0.11	0.01	0.08	0.02

Source: County Auditor

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

Lakota Local School District
Principal Property Tax Payers
Current Year and Two Years Ago (1)
Schedule 10

Taxpayer	2007	
	Tangible Personal & Real Property	Percentage of Total Assessed Value
Duke Energy	\$53,416,940	2.03%
Industrial Developments	13,236,980	0.50%
Dugan Realty LLC	10,802,820	0.41%
Duke Realty Ohio	10,148,360	0.38%
Landings at Beckett Ridge LLC	6,591,950	0.25%
Security Capital	6,379,600	0.24%
First Industrial L P	6,063,740	0.23%
Union Station of West Chester	5,950,010	0.23%
Port Union LLC	5,912,300	0.22%
Salem Realty Holdings	5,382,380	0.20%
Total Principal Taxpayers	<u>123,885,080</u>	<u>4.70%</u>
All Other Taxpayers	<u>2,512,956,129</u>	<u>95.30%</u>
Total Taxpayers	<u>\$2,636,841,209</u>	<u>100.00%</u>

Taxpayer	2005	
	Tangible Personal & Real Property	Percentage of Total Taxable Value
Cincinnati Gas & Electric	\$46,064,120	1.94%
Security Capital IND TR	12,186,170	0.51%
Cincinnati Bell Telephone	10,229,560	0.43%
Duke Realty Ohio	8,282,300	0.35%
Union Station of West Chester LLC	6,667,050	0.28%
Landings at Beckett Ridge LLC	6,591,950	0.28%
Dugan Financing LLC	6,518,310	0.27%
Port Union LLC	6,064,080	0.25%
Four Bridges Apartments LTD	5,382,380	0.23%
First Industrial L P	5,196,980	0.22%
Total Principal Taxpayers	<u>113,182,900</u>	<u>4.76%</u>
All Other Taxpayers	<u>2,266,802,792</u>	<u>95.24%</u>
Total Taxpayers	<u>\$2,379,985,692</u>	<u>100.00%</u>

Source: County Auditor

(1) - Current and two years ago information only available. Information from nine years prior is not available.

Lakota Local School District
Property Tax Levies and Collections
Last Ten Calendar Years
Schedule 11

Calendar Year (1)	Taxes Levied for the Calendar Year (2)	Collected within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount (3)	Percentage of Levy		Amount	Percentage of Levy
1998	\$47,506,385	\$47,506,385	100.00%	\$1,104,758	\$48,611,143	102.33%
1999	49,733,189	49,002,544	98.53%	1,066,729	50,069,273	100.68%
2000	51,603,050	51,384,592	99.58%	889,725	52,274,317	101.30%
2001	67,320,527	64,924,194	96.44%	1,225,648	66,149,842	98.26%
2002	67,659,376	65,274,114	96.47%	1,572,990	66,847,104	98.80%
2003	71,617,353	71,010,316	99.15%	1,721,327	72,731,643	101.56%
2004	72,237,286	72,208,219	99.96%	2,096,301	74,304,520	102.86%
2005	75,498,963	72,635,918	96.21%	1,844,649	74,480,567	98.65%
2006	93,214,462	88,979,494	95.46%	2,120,237	91,099,731	97.73%
2007	106,207,980	95,734,594	90.14%	5,766,033	101,500,627	95.57%

Source: County Auditor

- (1) - Per county auditor, amounts in earlier years based on fiscal years; amounts have been readjusted to reflect calendar year.
- (2) - Taxes levied and collected are presented on a cash basis.
- (3) - State reimbursements of rollback and homestead exemptions are included.

Lakota Local School District
 Outstanding Debt by Type,
 Last Ten Fiscal Years
 Schedule 12

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita
	General Obligation Bonds	Capital Leases			
1999	\$77,923,414	\$963,591	\$78,887,005	0.83%	\$1,478
2000	74,689,067	1,596,061	76,285,128	0.78%	1,430
2001	114,537,518	806,168	115,343,686	1.16%	1,484
2002	111,763,062	0	111,763,062	1.09%	1,399
2003	105,423,674	0	105,423,674	1.02%	1,432
2004	98,639,581	0	98,639,581	0.91%	1,340
2005	92,878,987	0	92,878,987	0.84%	1,261
2006	172,713,717	0	172,713,717	1.48%	2,346
2007	175,856,247	0	175,856,247	N/A	2,388
2008	171,006,195	0	171,006,195	N/A	2,322

Source: District Records

N/A - Information not available.

(1) - On the calendar year basis

Lakota Local School District
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2008
 Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Butler County	\$72,294,680	32.60%	\$23,568,066
City of Fairfield	24,825,000	1.12%	278,040
City of Monroe	9,855,000	3.97%	391,244
Liberty Township	13,106,282	99.99%	13,104,971
West Chester Township	57,060,000	93.98%	53,624,988
Butler Technology & Career Center JT. Voc. School District	6,000,000	37.06%	2,223,600
Subtotal, Overlapping Debt	183,140,962		93,190,909
District Direct Debt	167,258,291	98.51%	164,766,142
Total Direct and Overlapping Debt	\$350,399,253		\$257,957,051

Source: Ohio Municipal Advisory Council

(1) - Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the School District by the total assessed valuation of the government.

Lakota Local School District
 Legal Debt Margin Information,
 Last Ten Fiscal Years
 Schedule 14

Legal Debt Margin Calculation for Fiscal Year 2008

Assessed value (1)	\$2,636,841,209
Debt limit (9% of assessed value)	237,315,709
Debt applicable to limit	167,258,291
Legal debt margin	<u>\$70,057,418</u>

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt Limit	\$151,969,557	\$136,716,849	\$164,886,551	\$169,046,852	\$197,182,617	\$203,250,687	\$214,198,712	\$214,198,712	\$232,111,188	\$237,315,709
Total Net Debt Applicable to Limit	74,689,067	77,923,414	159,081,947	111,952,649	105,815,653	105,815,653	92,878,988	168,587,026	171,918,950	167,258,291
Legal Debt Margin	<u>\$77,280,490</u>	<u>\$58,793,435</u>	<u>\$5,804,604</u>	<u>\$57,094,203</u>	<u>\$91,366,964</u>	<u>\$97,435,034</u>	<u>\$121,319,724</u>	<u>\$45,611,686</u>	<u>\$60,192,238</u>	<u>\$70,057,418</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	49.15%	57.00%	96.48%	66.23%	53.66%	52.06%	43.36%	78.71%	74.07%	70.48%

Source: District Records

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2008 is calendar year 2007)

Lakota Local School District
 Demographic and Economic Statistics
 Last Ten Calendar Years
 Schedule 15

<u>Calendar Year</u>	<u>Population (1)</u>	<u>Personal Income (Thousands of Dollars) (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
1998	53,362	\$9,087,357	\$27,475	3.7%
1999	53,362	9,547,252	28,608	3.0%
2000	77,714	9,729,127	28,881	3.2%
2001	79,895	9,938,473	29,273	4.4%
2002	73,633	10,285,549	30,014	4.5%
2003	73,633	10,285,549	30,014	5.4%
2004	73,633	10,844,563	31,332	5.0%
2005	73,633	11,080,584	31,662	5.1%
2006	73,633	11,707,628	33,130	5.6%
2007	73,633	N/A	N/A	5.1%

- Sources:
- (1) - Population estimates provided by Lakota School District Records
 - (2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Butler County
 - (3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Butler County
 - (4) - Ohio Department of Job and Family Services - Office of Workforce Development - Bureau of Labor Market Information -- Annual Average
- N/A - Information not available

Lakota Local School District
 Major Employers (1)
 Current Fiscal Year (2)
 Schedule 16

Major Employers (3)	Type
AK Steel Holding Corp	Mfg
Amylin Pharmaceuticals Inc	Mfg
Armor Holdings Inc	Mfg
Butler County Government	Govt
Cincinnati Financial Corp	Ins
Cornerstone Brands Inc	Trade
Fairfield City Bd of Ed	Govt
Ft Hamilton Memorial Hospital	Serv
Hamilton City Bd of Ed	Govt
Lakota Local Bd of Ed	Govt
Liberty Mutual/Ohio Casualty Corp	Ins
Mercy Regional Hospital	Serv
Miami University	Govt
Middletown Regional Health System	Serv

Source: Ohio Department of Development

(1) - For all of Butler County

(2) - Only current fiscal year information available

(3) - In alphabetical order only. Number of employees per employer and total employees for Butler County were not available.

Lakota Local School District
 Full-Time Equivalent District Employees by Type
 Last Ten Fiscal Years
 Schedule 17

	Fiscal Year									
	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Official/Administrative										
Assist. Deputy/Superintendent	1	1	1	1	1	1	1	1	2	2
Assistant Principal	24	22	22	24	22	23	24	23	24	27
Principal	17	17	18	19	18	19	19	19	19	20
Superintendent	1	1	1	1	1	1	1	1	1	1
Supervising/Managing/Directing	8	12	12	15	12	14	12	4	8	9
Treasurer	1	1	1	2	2	1	1	1	1	1
Other Official/Administrative	9	6	4	6	10	6	7	12	17	16
Totals	61	60	59	68	66	65	65	61	72	76
Professional - Educational/Other										
Counseling	51	48	54	55	62	31	29	31	32	33
Librarian/Media	32	31	33	32	44	18	19	14	18	19
Regular Teaching	636	656	674	732	978	671	699	701	733	743
Special Education Teaching	90	94	102	120	132	118	85	55	65	52
Educational Service Teacher	99	100	109	117	149	108	71	72	71	76
Psychologist	18	18	19	27	32	12	11	12	13	14
Registered Nursing	27	26	26	27	25	15	15	15	15	16
Speech and Language Therapist	35	35	42	50	57	29	30	30	31	33
Other Professional	82	51	48	47	54	101	119	162	161	202
Totals	1,069	1,058	1,107	1,207	1,532	1,103	1,078	1,090	1,139	1,188
Technical/Office/Clerical										
Computer Operating	11	11	12	13	14	14	15	14	19	21
Library Aide	16	14	16	14	15	15	17	12	147	13
Clerical	72	80	86	86	90	97	89	87	90	99
Teaching Aide	12	13	67	61	90	145	154	12	10	170
Other Technical/Office/Clerical	5	7	5	6	4	5	19	145	28	11
Totals	116	125	186	180	213	275	293	269	294	314
Crafts and Trades/Operative										
General Maintenance	14	16	15	16	17	18	22	7	7	8
Mechanic	6	8	8	8	7	10	9	9	7	8
Vehicle Operator (Buses)	139	146	158	166	172	185	0	0	0	0
Other Crafts and Trades/Operative	0	0	0	0	0	1	0	5	5	5
Totals	159	170	181	190	196	214	31	21	19	21
Extracurricular/Intracurricular Activities										
Advisor	115	97	105	73	94	0	0	0	0	0
Coaching	184	157	175	123	178	0	0	0	0	0
Athletic Trainer	5	5	4	1	0	0	0	0	0	0
Extra/Intra - Curricular Activities	232	194	238	187	0	0	0	0	0	0
Totals	536	452	521	384	272	0	0	0	0	0
Service Work/Laborer										
Custodian	85	86	89	87	91	106	98	85	85	95
Food Service	89	93	98	94	97	109	120	63	63	65
Attendant	79	92	67	76	65	56	59	16	19	25
Other Service Work/Laborer	42	44	47	42	53	36	2	18	15	15
Totals	295	315	301	299	306	306	279	181	182	200
Totals	2,236	2,180	2,355	2,327	2,585	1,963	1,746	1,622	1,706	1,799

Source: Lakota Local School District records.

Lakota Local School District
 Operating Statistics
 Last Ten Fiscal Years
 Schedule 18

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Professional/ Educational Staff</u>	<u>Professional/ Educational Staff Average Salary</u>	<u>Pupil-Professional/ Educational Staff Ratio</u>	<u>Percentage Of Students on Free/Reduced Meals</u>
1998/1999	14,139	1,069	\$29,881	13.29	N/A
1999/2000	14,659	1,058	31,927	13.85	N/A
2000/2001	15,143	1,107	30,926	13.68	N/A
2001/2002	15,498	1,207	33,746	12.84	12.45%
2002/2003	15,845	1,532	28,444	10.34	13.30%
2003/2004	16,358	1,103	51,251	14.83	13.01%
2004/2005	16,961	1,078	52,583	15.74	13.57%
2005/2006	17,422	1,090	53,123	15.98	15.91%
2006/2007	17,782	1,139	53,622	15.62	15.39%
2007/2008	18,234	1,188	58,382	15.35	11.11%

Source: Lakota Local School District records.

N/A - Information was unavailable at the time this report was published

Lakota Local School District
School Building Information
Last Ten Fiscal Years
Schedule 19

	Fiscal Year									
	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Creekside Early Childhood*										
Square Feet	67,685	67,685	67,685	67,685	67,685	67,685	67,685	67,685	67,685	67,685
Enrollment	903	945	1,033	1,046	1,087	1,236	1,264	1,284	1,325	930
Liberty Early Childhood (1928)										
Square Feet	50,600	50,600	50,600	50,600	50,600	50,600	50,600	50,600	50,600	50,600
Enrollment	465	558	601	674	717	570	595	621	598	466
Shawnee Early Childhood (1990)										
Square Feet	60,070	60,070	60,070	60,070	60,070	60,070	60,070	60,070	60,070	60,070
Enrollment	628	590	722	705	694	559	643	636	622	796
Wyandot Early Childhood (2007)***										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	75,397
Enrollment	0	0	0	0	0	0	0	0	0	969
VanGorden Elementary (2003)**										
Square Feet	N/A	N/A	N/A	N/A	N/A	90,901	90,901	90,901	90,901	90,901
Enrollment	0	0	0	0	0	697	939	959	906	708
Adena Elementary (1978)										
Square Feet	61,532	61,532	61,532	61,532	61,532	61,532	61,532	61,532	61,532	61,532
Enrollment	658	755	706	722	675	692	719	700	673	805
Hopewell Elementary (1961)										
Square Feet	73,173	73,173	73,173	73,173	73,173	73,173	73,173	73,173	73,173	73,173
Enrollment	1,029	1,007	1,048	981	949	885	887	878	907	825
Endeavor Elementary (2007)***										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	75,397
Enrollment	0	0	0	0	0	0	0	0	0	654
Union Elementary (1916)										
Square Feet	54,364	54,364	54,364	54,364	54,364	54,364	54,364	54,364	54,364	54,364
Enrollment	598	631	612	643	648	609	583	582	588	570
Freedom Elementary (1988)										
Square Feet	61,175	61,175	61,175	61,175	61,175	61,175	61,175	61,175	61,175	61,175
Enrollment	826	758	752	744	721	698	657	638	676	671
Woodland Elementary (1990)										
Square Feet	66,792	66,792	66,792	66,792	66,792	66,792	66,792	66,792	66,792	66,792
Enrollment	619	662	692	750	718	729	753	778	837	749
Heritage Elementary (1992)										
Square Feet	60,620	60,620	60,620	60,620	60,620	60,620	60,620	60,620	60,620	60,620
Enrollment	754	819	778	775	804	694	715	703	687	644
Cherokee Elementary (1995)										
Square Feet	76,612	76,612	76,612	76,612	76,612	76,612	76,612	76,612	76,612	76,612
Enrollment	862	815	869	894	948	748	823	897	891	712
Independence Elementary (1994)										
Square Feet	79,612	79,612	79,612	79,612	79,612	79,612	79,612	79,612	79,612	79,612
Enrollment	733	738	745	732	778	907	844	764	832	536
Hopewell Junior (1972)										
Square Feet	75,874	75,874	75,874	75,874	75,874	75,874	75,874	75,874	75,874	75,874
Enrollment	745	724	749	747	776	537	521	560	650	674
Liberty Junior (1977)										
Square Feet	85,197	85,197	85,197	85,197	85,197	85,197	85,197	85,197	85,197	85,197
Enrollment	755	815	790	800	887	785	778	896	894	763

Source: Lakota Local School District records.

* Lakota Early Childhood Center is located in the Lakota Freshman school.

** VanGorden Elementary and Lakota Plains Junior opened beginning 2003-04.

***Wyandot Early Childhood and Endeavor Elementary opened beginning 2007-08.

N/A - Information not available

Lakota Local School District
 School Building Information
 Last Ten Fiscal Years
 Schedule 19 (Conitnued)

	Fiscal Year									
	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Lakota Ridge Junior (1997)										
Square Feet	74,652	74,652	74,652	74,652	74,652	74,652	74,652	74,652	74,652	74,652
Enrollment	825	810	797	846	878	702	670	642	663	661
Lakota Plains Junior (2003)**										
Square Feet	N/A	N/A	N/A	N/A	N/A	113,777	113,777	113,777	113,777	113,777
Enrollment	0	0	0	0	0	639	652	850	893	756
Lakota Freshman (1958)										
Square Feet	247,739	247,739	247,739	247,739	247,739	247,739	247,739	247,739	247,739	247,739
Enrollment	1,029	1,079	1,092	1,135	1,138	1,219	1,320	1,281	1,282	1,312
Lakota West High (1997)										
Square Feet	247,500	247,500	247,500	247,500	247,500	257,888	257,888	257,888	257,888	257,888
Enrollment	1,427	1,501	1,652	1,721	1,791	1,804	1,886	1,988	1,997	2,087
Lakota East High (1997)										
Square Feet	247,500	247,500	247,500	247,500	247,500	257,888	257,888	257,888	257,888	257,888
Enrollment	1,347	1,452	1,505	1,583	1,636	1,648	1,712	1,765	1,861	1,946
Total Enrollment	14,203	14,659	15,143	15,498	15,845	16,358	16,961	17,422	17,782	18,234

Source: Lakota Local School District records.

* Lakota Early Childhood Center is located in the Lakota Freshman school.

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N/A - Information not available

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Mary Taylor, CPA
Auditor of State

**LAKOTA LOCAL SCHOOL DISTRICT
BUTLER 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
FEBRUARY 10, 2009**