

LAKOTA LOCAL SCHOOL DISTRICT

Single Audit Reports

Year Ended June 30, 2009



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, 2008 through June 30, 2009. 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

February 17, 2010

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Lakota Local School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2009

<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>				
<i>(Passed through Ohio Department of Education)</i>				
Nutrition Cluster:				
<i>Non-Cash Assistance (Food Distribution):</i>				
National School Lunch Program	n/a	10.555	245,134	245,134
<i>Cash Assistance:</i>				
School Breakfast Program	05PU-2009	10.553	119,430	119,430
National School Lunch Program	LLP4-2009	10.555	<u>870,177</u>	<u>870,177</u>
<i>Cash Assistance Subtotal</i>			<u>989,607</u>	<u>989,607</u>
Nutrition Cluster Total			<u>1,234,741</u>	<u>1,234,741</u>
Total U.S. Department of Agriculture			<u>1,234,741</u>	<u>1,234,741</u>
<u>U.S. Department of Education:</u>				
<i>(Passed through Ohio Department of Education)</i>				
Title I Grants to Local Educational Agencies	C1S1-2008	84.010	258,588	193,970
Title I Grants to Local Educational Agencies	C1S1-2009	84.010	<u>562,290</u>	<u>570,049</u>
			<u>820,878</u>	<u>764,019</u>
Special Education Cluster:				
Special Education - Grants to States	6BSF-2008	84.027	656,052	580,707
Special Education - Grants to States	6BSF-2009	84.027	2,503,503	2,542,958
Special Education - Preschool Grants	PGS1-2008	84.173	17,435	17,148
Special Education - Preschool Grants	PGS1-2009	84.173	65,982	66,500
Special Education - Preschool Grants (Child Outcomes Support Grant)	PGD1-2009	84.173	<u>5,372</u>	<u>5,372</u>
Special Education Cluster Total			<u>3,248,344</u>	<u>3,212,685</u>
Safe and Drug-Free Schools and Communities	DRS1-2008	84.186	2,838	33
Safe and Drug-Free Schools and Communities	DRS1-2009	84.186	<u>46,462</u>	<u>45,962</u>
			<u>49,300</u>	<u>45,995</u>
JAVITS	JGS3	84.206	-	8,304
State Grants for Innovative Programs	C2S1-2008	84.298	4,174	244
State Grants for Innovative Programs	C2S1-2009	84.298	<u>15,226</u>	<u>16,964</u>
			<u>19,400</u>	<u>17,208</u>
Education Technology State Grants	TJS1-2008	84.318	1,987	2,954
Education Technology State Grants	TJS1-2009	84.318	<u>3,125</u>	<u>2,675</u>
			<u>5,112</u>	<u>5,629</u>
English Language Acquisition Grants	T3S1-2008	84.365	26,439	25,210
English Language Acquisition Grants	T3S1-2009	84.365	<u>119,835</u>	<u>117,578</u>
			<u>146,274</u>	<u>142,788</u>
Improving Teacher Quality State Grants	TRS1-2008	84.367	44,082	22,189
Improving Teacher Quality State Grants	TRS1-2009	84.367	<u>246,935</u>	<u>249,637</u>
			<u>291,017</u>	<u>271,826</u>
Total U.S. Department of Education			<u>4,580,325</u>	<u>4,468,454</u>
Total Federal Awards			<u>\$ 5,815,066</u>	<u>5,703,195</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 entitlement value of the commodities received and disbursed.

NOTE C - NUTRITION CLUSTER

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

**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 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, 2009, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 9, 2009. 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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. We consider the deficiency labeled as 2009-1 and described in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting.

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 and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not believe the significant deficiency described above is a material weakness.

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 9, 2009.

The School District's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the School District's response and, accordingly, we express no opinion on it.

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.



Cincinnati, Ohio
December 9, 2009

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, 2009. 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, 2009.

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 compliance 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, 2009, and have issued our report thereon dated December 9, 2009. 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, Hachett & Co.

Cincinnati, Ohio
December 9, 2009

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?	yes
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>CFDA 84.010 – Title I Program</i>	
<i>Nutrition Cluster:</i>	
<i>CFDA 10.553 – School Breakfast Program</i>	
<i>CFDA 10.555 – National School Lunch Program</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

Finding 2009-1 – Audit Adjustments

During the course of our audit, we identified a misstatement in the financial statements for the year under audit that was not initially identified by the School District's internal control. Throughout the year, the School District maintains its books and records on the cash-basis of accounting and converts its financial statements at year-end to generally accepted accounting principles. The audit adjustment was necessary to correct an error in the School District's conversion process. A description of the adjustment follows:

- **Accrued Benefits.** An audit adjustment was necessary to correct the SERS surcharge liability reported in accrued benefits on the financial statements. Due to a posting error, the School District overstated accrued benefits by \$399,545 in the enterprise funds and understated accrued benefits in the General Fund. The School District properly determined its liability at year-end but inadvertently reported the liability in the enterprise funds rather than the General Fund. This error was deemed significant for the enterprise funds.

Management response: Management concurs with the finding.

Section III – Federal Award Findings and Questioned Costs

None.

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Education
Lakota Local School District:

Ohio Rev. Code Section 117.53 states “the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school.”

Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether Lakota Local School District (the District) has adopted an anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board adopted an anti-harassment policy at its meeting on September 24, 2007.
2. We read the policy, noting it included the following requirements from Ohio Rev. Code Section 3313.666(B):
 - (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
 - (2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.666;
 - (3) A procedure for reporting prohibited incidents;
 - (4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
 - (5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the “Family Educational Rights and Privacy Act of 1974,” 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;
 - (6) A procedure for documenting any prohibited incident that is reported;
 - (7) A procedure for responding to and investigating any reported incident;
 - (8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
 - (9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student’s rights under the first amendment to the Constitution of the United States;

(10)A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
December 9, 2009

Comprehensive Annual Financial Report

for the year ended June 30, 2009



Lakota Local Schools
Butler County, Ohio

LAKOTA LOCAL SCHOOL DISTRICT
BUTLER COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Prepared by:
Office of the Treasurer
Craig A. Jones

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INTRODUCTORY SECTION





Office of the Treasurer

Lakota Central Office
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www.lakotaonline.com

Craig A. Jones
Treasurer

Rebecca McDonough
Assistant Treasurer

December 9, 2009

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, 2009. 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 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 Fiscal Officer's Office and includes an opinion from Clark, Schaefer, Hackett and Co.

This report will be made available via the World Wide Web at www.LakotaOnLine.com. 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 Technology and Career Development School, 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 healthcare industries. 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, moderate 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 the future. The District is continually challenged by the 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. The past year has been characterized by high unemployment, major corporate bankruptcies, falling home prices, and a credit crisis. At the end of calendar year 2008, the nation officially entered a recession which can simply be defined as two consecutive quarters of negative growth in Gross Domestic Product (GDP). The economic downturn continued into 2009. A combination of the recession and tax reform enacted in 2005 has caused state income tax, sales tax and investment revenues to suffer the sharpest decline in more than a half century. The five-year tax reform plan is phased in from FY 2006 through FY 2010. Personal income tax rates are to be reduced by 21% with five annual rate cuts of 4.2% each year. The tangible personal property tax is to be phased out over four years and the corporate franchise tax is on a five-year phase out. A new commercial activities tax has a five-year phase-in with a low rate and a broad base.

In mid July, after a series of three seven-day temporary budgets, the State of Ohio adopted Amended Substitute House Bill 1, the FY 2010-2011 biennium budget bill. The budget included use of Federal economic stimulus funds for state fiscal stabilization purposes which are intended to help states maintain existing programs during the economic downturn. The stimulus funds are part of the American Recovery and Reinvestment Act (ARRA) introduced by President Barack Obama. The recipients and uses of ARRA funds must be transparent to the public, and the public benefits of these funds must be reported clearly, accurately, and in a timely manner. An entirely new method for funding K-12 education, known as the Ohio Evidence Based Model (OEBM), is a major part of the budget bill. The OEBM will be phased-in over 10 years and is based on the premise that research can identify effective education strategies and that these strategies can then be costed out and translated into a funding model. The OEBM provides funding based upon a series of education components rather than the traditional per pupil base cost amount from the old foundation funding formula. Calculations in the model are related to either formula Average Daily Membership (ADM) or the number of organizational units a district has.

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 18,330 in 2008-2009. The name of the district was changed to Lakota Local School District in 1970.

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

Name of Bldg Address	Group or Grade Housed	Date of Original Building	Enrollment
Creekside Early Childhood School 5060 Tylersville Road	Pre K-1	1970	940
Liberty Early Childhood School 6040 Princeton Road	K-1	1928	447
Shawnee Early Childhood School 9394 Sterling Drive	Pre K-1	1993	838
Wyandot Early Childhood School 7667 Summerlin Blvd.	K-1	2007	930
Adena Elementary 9316 Minuteman Way	2-6	1978	743

Cherokee Elementary 5345 Kyles Station Road	2-6	1994	764
Endeavor Elementary 4400 Smith Road	2-6	2007	672
Freedom Elementary 6035 Beckett Ridge Blvd.	2-6	1988	648
Heritage Elementary 5052 Hamilton-Mason Road	2-6	1992	645
Hopewell Elementary 8300 Cox Road	2-6	1961	823
Independence Elementary 7480 Princeton Road	2-6	1994	601
Union Elementary 8735 Cincinnati-Dayton Road	2-6	1953	611
Van Gorden Elementary 6475 LeSourdsville- West Chester Road	2-6	2003	736
Woodland Elementary 6923 Dutchland Pkwy	2-6	1990	752
Hopewell Junior 8200 Cox Road	7-8	1972	605
Lakota Plains Junior 5500 Princeton Road	7-8	2003	774
Lakota Ridge Junior 6199 Beckett Ridge Blvd.	7-8	1992	686
Liberty Junior 7055 Dutchland Pkwy.	7-8	1977	787
Lakota East Freshman 7630 Bethany Road	9	2008	677
Lakota East High 6840 Lakota Lane	10-12	1997	1,941

Lakota West Freshman 5050 Tylersville Road	9	1958	682
Lakota West High 8940 Union Centre Blvd.	10-12	1997	2,028
Central Office 5572 Princeton Road	Admin	2003	
Service Center 6947 Yankee Road	Offices	1977	
Union 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, 2009 were as follows:

Board Member	Term Expires	Years as Member	Profession
Jamie Green President	12/31/2009	3	Homemaker
Joan Powell Vice President	12/31/2009	11	Realtor
Paul Lohr	12/31/2011	2	Teacher
Lynda O'Connor	12/31/2011	2	Homemaker
Jeff Rubenstein	12/31/2009	3	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 Education Association (LEA, an OEA affiliate). The District has a two-year collective bargaining agreement with LEA which expires June 30, 2010. The District's support staff is represented by the Lakota Support Staff Association (LSSA, an OEA Affiliate). The District has a tentative two year collective bargaining agreement which expires June 30, 2011. The District has contracted its transportation services for the 2009-2010 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.
- Approval of a five-year financial forecast as a tool in long-range planning.

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 financial 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 PS-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 processes purchase orders, handles invoices and issues 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 issues checks to employees entitled to remuneration for services rendered and for payroll-associated costs such as taxes, retirement and insurance.

In addition to accounting and payroll support services, the District also provides guidance, psychological, transportation, and limited health services free of charge to its students. 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 22 school sites.

MAJOR CURRENT AND FUTURE INITIATIVES

The 2008-2009 school year was one of continued transition and progress for Lakota schools. For the eighth 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 slowed a bit with 98 additional students enrolling 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 was completed during the fiscal year. 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 Lakota East Freshman campus opened its doors to students at the start of this school year. Renovations at Liberty Early Childhood School required the building to be vacated for the 2009 school year. This school, located on LeSourdsville-West Chester Road near Tylersville Road, will replace the aging Union Elementary building beginning in school year 2009-2010. For the 2009 school year, it was home to Liberty ECS 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.

Implementation of recommendations from the Lakota Planning Committee to address both short-term overcrowding and long-term redistricting at the elementary level continued 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 immediate goal to maintain Ohio's Excellent report card rating. In addition, it is our long-range 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 2010 school year are identical to the previous year and 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. In addition, strategies are being developed for a ballot issue in the spring for additional revenue. This along with ongoing cost reduction efforts are designed to provide for the long term sustainability of our excellent with distinction educational programs.

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 capital assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensures that the financial information generated is both accurate and reliable.

At the beginning of each fiscal year, the Board 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 2009 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 unqualified opinion rendered by Clark, Schaefer, Hackett & Co. 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

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, 2008. The School District has received this award for eight 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

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, 2008. This was the eighth year the School District has received this award. The District believes that the current report which will be submitted to ASBO for review will conform to ASBO's principles and standards.

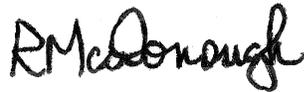
ACKNOWLEDGEMENT

The preparation of the 2009 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 and transparency of the District to the taxpayers of the community.

Respectfully submitted,



Craig A. Jones
Treasurer



Rebecca McDonough
Assistant Treasurer

LAKOTA LOCAL SCHOOL DISTRICT, OHIO

LIST OF PRINCIPAL OFFICIALS

June 30, 2009

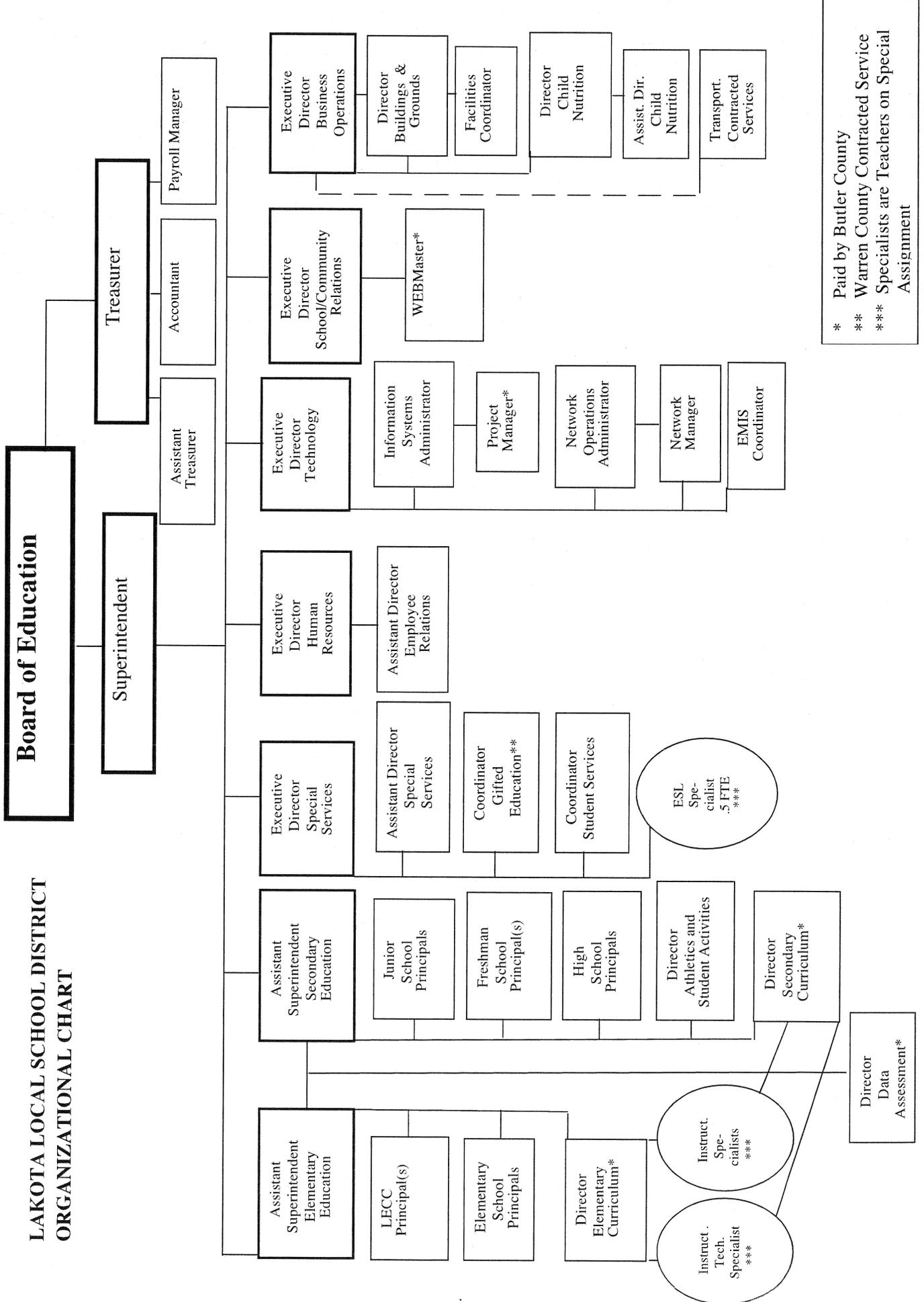
**ELECTED OFFICIALS
BOARD OF EDUCATION**

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
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, 2008

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



President

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

LAKOTA LOCAL SCHOOL DISTRICT, OHIO

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2008

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

President

Executive Director

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FINANCIAL SECTION



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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, 2009, 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, 2009, 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 9, 2009 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 11 and 54 through 56, 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

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f. 513.241.1212

Our audit was conducted for the purpose 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, Hachett & Co.

Cincinnati, Ohio
December 9, 2009

Lakota Local School District, Ohio
Management Discussion and Analysis
For The Fiscal Year Ended June 30, 2009
(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, 2009. 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 2009 are as follows:

- In total, net assets decreased \$8,861,696 from fiscal year 2008. Net assets of governmental activities decreased \$8,399,781 which represents a 12% decrease from 2008. Net assets of business-type activities decreased \$461,915 or 41% from 2008.
- General revenues accounted for \$163,329,086 in revenue or 90% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$18,409,728 or 10% of total revenues of \$181,738,814.
- The District had \$183,652,295 in expenses related to governmental activities; only \$11,981,447 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$163,271,067 were also used to provide for these programs.
- Net assets for Enterprise Funds decreased (\$461,915). Operating revenues for Enterprise funds were \$5,187,631. Operating expenses were \$6,948,215.

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 and the Debt Service 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 2009?” 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.

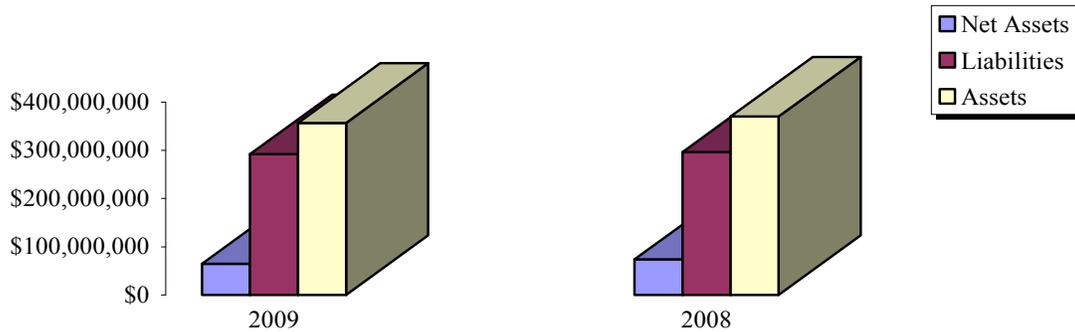
Proprietary Funds Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

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 2009 compared to 2008:

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	Restated 2008	2009	Restated 2008	2009	Restated 2008
Assets:						
Current and Other Assets	\$158,684,027	\$178,443,808	\$630,324	\$1,498,145	\$159,314,351	\$179,941,953
Capital Assets	196,856,646	189,577,350	426,489	501,164	197,283,135	190,078,514
Total Assets	355,540,673	368,021,158	1,056,813	1,999,309	356,597,486	370,020,467
Liabilities:						
Long-Term Liabilities	177,318,862	178,046,016	58,793	44,846	177,377,655	178,090,862
Other Liabilities	114,070,889	117,424,439	334,407	828,935	114,405,296	118,253,374
Total Liabilities	291,389,751	295,470,455	393,200	873,781	291,782,951	296,344,236
Net Assets:						
Invested in Capital Assets, Net of Related Debt	32,080,080	28,137,082	426,489	501,164	32,506,569	28,638,246
Restricted	8,416,967	12,869,138	0	0	8,416,967	12,869,138
Unrestricted	23,653,875	31,544,483	237,124	624,364	23,890,999	32,168,847
Total Net Assets	\$64,150,922	\$72,550,703	\$663,613	\$1,125,528	\$64,814,535	\$73,676,231



Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2009, the District's assets exceeded liabilities by \$64,814,535.

At year-end, capital assets represented 55% 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, 2009, was \$32,506,569. 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, \$8,416,967, 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 \$23,890,999 may be used to meet the District's ongoing obligations to the students and creditors.

Current and Other Assets decreased mainly due to a decrease in the overall bank balance from the prior fiscal year. Long-term Liabilities decreased due to the District making regular scheduled debt payments.

The net assets of the District business-type activities decreased by \$461,951. 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 2009 and 2008.

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	Restated 2008	2009	Restated 2008	2009	Restated 2008
Program Revenues:						
Charges for Services	\$3,301,552	\$3,145,008	\$5,167,236	\$5,075,371	\$8,468,788	\$8,220,379
Operating Grants	8,408,047	8,866,690	1,261,045	1,346,866	9,669,092	10,213,556
Capital Grants	271,848	139,255	0	0	271,848	139,255
Total Program Revenues	11,981,447	12,150,953	6,428,281	6,422,237	18,409,728	18,573,190
General Revenue:						
Property Taxes	92,785,881	93,471,765	0	0	92,785,881	93,471,765
Grants and Entitlements	59,350,755	57,026,114	0	0	59,350,755	57,026,114
Other	11,134,431	6,803,600	58,019	40,460	11,192,450	6,844,060
Total General Revenues	163,271,067	157,301,479	58,019	40,460	163,329,086	157,341,939
Total Revenues	175,252,514	169,452,432	6,486,300	6,462,697	181,738,814	175,915,129
Program Expenses:						
Instruction	93,452,835	94,425,660	0	0	93,452,835	94,425,660
Support Services:						
Pupil and Instructional Staff	23,877,547	22,832,041	0	0	23,877,547	22,832,041
General and School Administrative,						
Fiscal and Business	18,977,267	15,207,532	0	0	18,977,267	15,207,532
Operations and Maintenance	15,569,138	13,420,202	0	0	15,569,138	13,420,202
Pupil Transportation	15,651,796	17,182,978	0	0	15,651,796	17,182,978
Central	4,117,653	4,293,249	0	0	4,117,653	4,293,249
Operation of Non-Instructional Services	711,817	281,880	0	0	711,817	281,880
Extracurricular Activities	3,620,893	3,278,754	0	0	3,620,893	3,278,754
Interest and Fiscal Charges	7,673,349	8,715,607	0	0	7,673,349	8,715,607
Food Service	0	0	5,584,489	5,915,607	5,584,489	5,915,607
Uniform School Supply	0	0	1,363,726	1,421,015	1,363,726	1,421,015
Total Expenses	183,652,295	179,637,903	6,948,215	7,336,622	190,600,510	186,974,525
Increase (Decrease) in Net Assets before Transfers	(8,399,781)	(10,185,471)	(461,915)	(873,925)	(8,861,696)	(11,059,396)
Transfers - Internal Activities	0	(56,266)	0	56,266	0	0
Change in Net Assets	(8,399,781)	(10,241,737)	(461,915)	(817,659)	(8,861,696)	(11,059,396)
Beginning Net Assets	72,550,703	82,792,440	1,125,528	1,943,187	73,676,231	84,735,627
Ending Net Assets	\$64,150,922	\$72,550,703	\$663,613	\$1,125,528	\$64,814,535	\$73,676,231

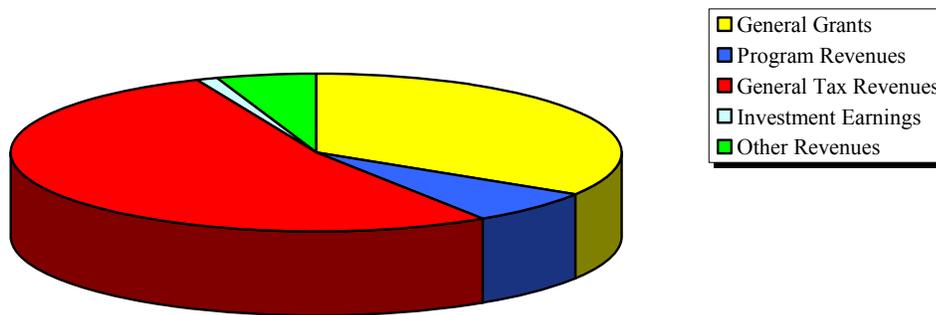
Governmental Activities

The District revenues are mainly from two sources. Property taxes levied for general purposes and debt service purposes, and grants and entitlements comprised 86% 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 53% of revenue for governmental activities for the District in fiscal year 2009.

		<u>Percentage</u>
General Grants	\$59,350,755	33.9%
Program Revenues	11,981,447	6.8%
General Tax Revenues	92,785,881	52.9%
Investment Earnings	1,674,144	1.0%
Other Revenues	<u>9,460,287</u>	<u>5.4%</u>
Total Revenue Sources	<u>\$175,252,514</u>	<u>100.0%</u>



During 2009, the District increased payments for instruction and support services to keep pace with the growth of the District. Instruction comprises 50.89% of governmental program expenses. Support services expenses were 42.58% 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	
	2009	2008	2009	2008
Instruction	\$93,452,835	\$94,425,660	(\$87,945,646)	(\$89,281,670)
Support Services:				
Pupil and Instructional Staff	23,877,547	22,832,041	(20,354,207)	(18,522,090)
School Administrative, General				
Administration, Fiscal and Business	18,977,267	15,207,532	(18,803,318)	(15,083,750)
Operations and Maintenance	15,569,138	13,420,202	(15,228,976)	(12,819,448)
Pupil Transportation	15,651,796	17,182,978	(14,976,456)	(16,575,654)
Central	4,117,653	4,293,249	(3,923,622)	(4,074,783)
Operation of Non-Instructional Services	711,817	281,880	(303,658)	(160,054)
Extracurricular Activities	3,620,893	3,278,754	(2,461,616)	(2,253,894)
Interest and Fiscal Charges	7,673,349	8,715,607	(7,673,349)	(8,715,607)
Total Expenses	<u>\$183,652,295</u>	<u>\$179,637,903</u>	<u>(\$171,670,848)</u>	<u>(\$167,486,950)</u>

Business-Type Activities

Business-type activities include the food service operation and the sale of uniform school supplies. These programs had revenues of \$6,448,676 and expenses of \$6,948,215 for fiscal year 2009. Business activities receive no support from tax revenues.

The District's Funds

The District has two major governmental funds: the General Fund and the Debt Service. Assets of these funds comprised \$149,112,381 (95%) of the total \$157,542,752 governmental funds assets.

General Fund: Fund balance at June 30, 2009 was \$30,512,667 including \$25,764,017 of unreserved balance, which represents 16% of expenditures for fiscal year 2009. The primary reason for the decrease in fund balance was a result of an increase in instructional expenses.

Debt Service Fund: Fund balance at June 30, 2009 was \$5,565,348. The unreserved balance was \$5,220,175 at year end.

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 2009, 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 \$183,810,720 compared to original budget estimates of \$180,151,720. Of this \$3,659,000 difference, most was due to conservative estimates for intergovernmental and other revenues.

The District's ending unobligated cash balance for the General Fund was \$3,807,211 above the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2009, the District had \$197,283,135 (net of accumulated depreciation) invested in land, construction in progress, land improvements, buildings and improvements and equipment. Table 4 shows fiscal year 2009 balances compared to fiscal year 2008:

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

	Governmental Activities		Business-Type Activities		Total	
	2009	Restated 2008	2009	Restated 2008	2009	Restated 2008
Land	\$15,267,306	\$14,400,112	\$0	\$0	\$15,267,306	\$14,400,112
Construction in Progress	9,872,355	2,262,447	0	0	9,872,355	2,262,447
Land Improvements	1,865,742	1,675,896	0	0	1,865,742	1,675,896
Buildings and Improvements	165,329,578	166,333,565	0	0	165,329,578	166,333,565
Equipment	4,521,665	4,905,330	426,489	501,164	4,948,154	5,406,494
Total Net Capital Assets	<u>\$196,856,646</u>	<u>\$189,577,350</u>	<u>\$426,489</u>	<u>\$501,164</u>	<u>\$197,283,135</u>	<u>\$190,078,514</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 6 to the Basic Financial Statements for further details on the District's capital assets.

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Debt

At June 30, 2009, the District had \$168,876,566 in bonds outstanding, \$4,734,713 due within one year. Table 5 summarizes bonds outstanding.

Table 5
Outstanding Debt, at Year End

	Governmental Activities	
	2009	2008
General Obligation Bonds:		
2007 School Construction Bonds	\$9,675,000	\$10,000,000
Freedom, Link Renovations	125,000	250,000
Two New High Schools	5,480,000	8,220,000
Refunding New High Schools	541,052	17,540,502
Bond and Refunding	12,167,789	12,967,789
Various Purpose Long-Term Bonds	0	455,000
Lakota 2005 Refunding	2,625,000	4,090,000
Lakota 2005 Refunding	29,450,000	29,450,000
Premium on 2005 Refunding	2,704,142	2,858,664
Lakota Series 2005	74,315,000	74,465,000
Premium on 2005 Series	724,811	754,395
Lakota Series 2006	9,670,000	9,820,000
Premium on 2006 Series	129,557	134,845
2009 Energy Conservation Improvements	2,450,000	0
Premium on Energy Conservation Improvements	76,924	0
2009 Turf & Athletic Field Improvements	1,650,000	0
Premium on Turf & Athletic Field Improvements	23,416	0
Lakota 2009 Refunding	16,680,000	0
Premium on 2009 Refunding	908,274	0
Deferred Amount on 2009 Refunding	(519,399)	0
Total General Obligation Bonds	<u>\$168,876,566</u>	<u>\$171,006,195</u>

See Note 7 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 2009-2010 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 reach 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.

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Lakota Local School District, Ohio
Statement of Net Assets
June 30, 2009

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$60,845,749	\$232,216	\$61,077,965
Restricted Cash and Investments	827,505	0	827,505
Receivables:			
Taxes	92,950,301	0	92,950,301
Accounts	1,515,064	278,996	1,794,060
Interest	255,931	0	255,931
Intergovernmental	1,052,246	0	1,052,246
Deferred Bond Issuance Costs	1,237,231	0	1,237,231
Inventory	0	119,112	119,112
Nondepreciable Capital Assets	25,139,661	0	25,139,661
Depreciable Capital Assets, Net	171,716,985	426,489	172,143,474
Total Assets	355,540,673	1,056,813	356,597,486
Liabilities:			
Accounts Payable	1,748,835	16,225	1,765,060
Accrued Wages and Benefits	19,710,946	318,182	20,029,128
Retainage Payable	159,190	0	159,190
Accrued Interest Payable	843,774	0	843,774
Contracts Payable	1,093,444	0	1,093,444
Unearned Revenue	88,442,358	0	88,442,358
Other Liabilities	2,072,342	0	2,072,342
Long-Term Liabilities:			
Due Within One Year	6,729,820	14,344	6,744,164
Due In More Than One Year	170,589,042	44,449	170,633,491
Total Liabilities	291,389,751	393,200	291,782,951
Net Assets:			
Invested in Capital Assets, Net of Related Debt	32,080,080	426,489	32,506,569
Restricted for:			
Other Purposes	1,353,570	0	1,353,570
Debt Service	6,202,221	0	6,202,221
Capital Projects	192,861	0	192,861
Set-Aside	668,315	0	668,315
Unrestricted	23,653,875	237,124	23,890,999
Total Net Assets	\$64,150,922	\$663,613	\$64,814,535

See accompanying notes to the basic financial statements.

Lakota Local School District, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2009

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Instruction:				
Regular	\$77,351,153	\$720,629	\$1,104,774	\$0
Special	13,187,070	1,685	3,124,422	0
Vocational	335	0	6,926	0
Other	2,914,277	352,122	196,631	0
Support Services:				
Pupil	12,113,779	619,309	2,266,829	0
Instructional Staff	11,763,768	125,840	511,362	0
General Administration	99,449	0	0	0
School Administration	17,117,393	3,984	133,686	0
Fiscal	1,410,759	272	35,731	0
Business	349,666	276	0	0
Operations and Maintenance	15,569,138	320,619	19,543	0
Pupil Transportation	15,651,796	1	403,491	271,848
Central	4,117,653	33	193,998	0
Operation of Non-Instructional Services	711,817	2,028	406,131	0
Extracurricular Activities	3,620,893	1,154,754	4,523	0
Interest and Fiscal Charges	7,673,349	0	0	0
Total Governmental Activities	183,652,295	3,301,552	8,408,047	271,848
Business-Type Activities:				
Food Service	5,584,489	3,913,704	1,261,045	0
Uniform School Supply	1,363,726	1,253,532	0	0
Total Business-Type Activities	6,948,215	5,167,236	1,261,045	0
Totals	\$190,600,510	\$8,468,788	\$9,669,092	\$271,848

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

Investments Earnings

Refunds and Reimbursements

Other Revenues

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year, Restated

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
(\$75,525,750)	\$0	(\$75,525,750)
(10,060,963)	0	(10,060,963)
6,591	0	6,591
(2,365,524)	0	(2,365,524)
(9,227,641)	0	(9,227,641)
(11,126,566)	0	(11,126,566)
(99,449)	0	(99,449)
(16,979,723)	0	(16,979,723)
(1,374,756)	0	(1,374,756)
(349,390)	0	(349,390)
(15,228,976)	0	(15,228,976)
(14,976,456)	0	(14,976,456)
(3,923,622)	0	(3,923,622)
(303,658)	0	(303,658)
(2,461,616)	0	(2,461,616)
(7,673,349)	0	(7,673,349)
(171,670,848)	0	(171,670,848)
0	(409,740)	(409,740)
0	(110,194)	(110,194)
0	(519,934)	(519,934)
(\$171,670,848)	(\$519,934)	(\$172,190,782)
81,845,161	0	81,845,161
10,940,720	0	10,940,720
59,350,755	0	59,350,755
8,862,405	0	8,862,405
1,674,144	0	1,674,144
148,655	0	148,655
449,227	58,019	507,246
163,271,067	58,019	163,329,086
(8,399,781)	(461,915)	(8,861,696)
72,550,703	1,125,528	73,676,231
\$64,150,922	\$663,613	\$64,814,535

Lakota Local School District, Ohio
Balance Sheet
Governmental Funds
June 30, 2009

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$48,406,639	\$5,220,175	\$7,218,935	\$60,845,749
Restricted Cash and Investments	668,315	0	159,190	827,505
Receivables:				
Taxes	81,737,692	11,212,609	0	92,950,301
Accounts	1,515,064	0	0	1,515,064
Interest	255,931	0	0	255,931
Intergovernmental	0	0	1,052,246	1,052,246
Interfund	95,956	0	0	95,956
Total Assets	132,679,597	16,432,784	8,430,371	157,542,752
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	1,458,977	0	289,858	1,748,835
Accrued Wages and Benefits	18,822,738	0	888,208	19,710,946
Compensated Absences	277,224	0	0	277,224
Retainage Payable	0	0	159,190	159,190
Contracts Payable	0	0	1,093,444	1,093,444
Interfund Payable	0	0	95,956	95,956
Deferred Revenue	79,535,649	10,867,436	611,714	91,014,799
Other Liabilities	2,072,342	0	0	2,072,342
Total Liabilities	102,166,930	10,867,436	3,138,370	116,172,736
Fund Balances:				
Reserved for Encumbrances	1,768,633	0	3,449,057	5,217,690
Reserved for Property Tax Advances	2,311,702	345,173	0	2,656,875
Reserved for Set-Aside	668,315	0	0	668,315
Unreserved, Undesignated, Reported in:				
General Fund	25,764,017	0	0	25,764,017
Special Revenue Funds	0	0	631,697	631,697
Debt Service Funds	0	5,220,175	0	5,220,175
Capital Projects Funds	0	0	1,211,247	1,211,247
Total Fund Balances	30,512,667	5,565,348	5,292,001	41,370,016
Total Liabilities and Fund Balances	\$132,679,597	\$16,432,784	\$8,430,371	\$157,542,752

See accompanying notes to the basic financial statements.

Lakota Local School District, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Assets of Governmental Activities
 June 30, 2009

Total Governmental Fund Balance		\$41,370,016
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.		196,856,646
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Delinquent Property Taxes	\$1,851,068	
Intergovernmental	611,714	
Other	<u>109,659</u>	
		2,572,441
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.		(843,774)
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		(8,165,072)
Deferred bond issuance cost associated with long-term liabilities are not reported in the funds.		1,237,231
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		<u>(168,876,566)</u>
Net Assets of Governmental Activities		<u><u>\$64,150,922</u></u>

See accompanying notes to the basic financial statements.

Lakota Local School District, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2009

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$81,353,794	\$11,856,364	\$0	\$93,210,158
Payment in lieu of taxes	7,341,787	1,520,618	0	8,862,405
Tuition and Fees	705,428	0	41,467	746,895
Investment Earnings	1,523,703	0	150,441	1,674,144
Intergovernmental	61,703,313	1,287,095	4,926,923	67,917,331
Extracurricular Activities	0	0	2,006,843	2,006,843
Other Revenues	862,306	7,206	269,028	1,138,540
Total Revenues	153,490,331	14,671,283	7,394,702	175,556,316
Expenditures:				
Current:				
Instruction:				
Regular	69,016,378	0	1,094,161	70,110,539
Special	12,984,090	0	135,381	13,119,471
Vocational	335	0	0	335
Other	2,656,463	0	204,534	2,860,997
Support Services:				
Pupil	8,740,060	0	3,262,907	12,002,967
Instructional Staff	11,039,794	0	728,011	11,767,805
General Administration	99,449	0	0	99,449
School Administration	16,385,707	0	134,484	16,520,191
Fiscal	1,136,132	176,839	37,891	1,350,862
Business	319,445	0	395	319,840
Operations and Maintenance	15,033,119	0	383,085	15,416,204
Pupil Transportation	15,445,939	0	10,495	15,456,434
Central	3,702,630	0	219,498	3,922,128
Operation of Non-Instructional Services	225,454	0	484,820	710,274
Extracurricular Activities	412,012	0	3,049,520	3,461,532
Capital Outlay	1,069,983	0	13,574,766	14,644,749
Debt Service:				
Principal Retirement	0	6,279,450	0	6,279,450
Interest and Fiscal Charges	0	7,698,465	0	7,698,465
Bond Issuance Costs	0	222,100	0	222,100
Total Expenditures	158,266,990	14,376,854	23,319,948	195,963,792
Excess of Revenues Over (Under) Expenditures	(4,776,659)	294,429	(15,925,246)	(20,407,476)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	48,096	0	0	48,096
Issuance of Long-Term Capital-Related Debt	0	0	4,100,000	4,100,000
Payments to Refunded Bond Escrow Agent	0	(17,479,951)	0	(17,479,951)
Proceeds of Refunding Bonds	0	16,680,000	0	16,680,000
Premium on Bonds Sold	0	1,065,460	0	1,065,460
Transfers In	0	50,000	1,946,206	1,996,206
Transfers (Out)	(1,996,206)	0	0	(1,996,206)
Total Other Financing Sources (Uses)	(1,948,110)	315,509	6,046,206	4,413,605
Net Change in Fund Balance	(6,724,769)	609,938	(9,879,040)	(15,993,871)
Fund Balance Beginning of Year	37,237,436	4,955,410	15,171,041	57,363,887
Fund Balance End of Year	\$30,512,667	\$5,565,348	\$5,292,001	\$41,370,016

See accompanying notes to the basic financial statements.

Lakota Local School District, Ohio
 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, 2009

Net Change in Fund Balance - Total Governmental Funds (S15,993,871)

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	\$12,983,871	
Depreciation Expense	(5,696,505)	
		7,287,366

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. (8,070)

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

Delinquent Property Taxes	(\$424,278)	
Intergovernmental	113,318	
Other	(32,868)	
		(343,828)

In the statement of activities, certain costs and proceeds associated with long-term debt obligations issued during the year are accrued and amortized over the life of the debt obligation. In governmental funds these costs and proceeds are recognized as financing sources and uses.

Bond Issuance Costs	\$222,100	
Premium on Bonds Issued	(1,065,460)	
Deferred Amount on Refunding	549,951	
Refunding Bonds	(16,680,000)	
Bonds Refunded	16,930,000	
		(43,409)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 6,279,450

In the statement of activities interest expense is accrued when incurred, whereas in governmental funds an interest expenditure is reported when due. (133,177)

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	(\$1,502,535)	
Amortization of Bond Issuance Cost	(57,395)	
Amortization of Bond Premium	246,240	
Amortization of Deferred Charge on Refunding	(30,552)	
		(1,344,242)

Proceeds from debt issues are an other financing source in the funds, but a debt issue increases long-term liabilities in the statement of net assets. (4,100,000)

Change in Net Assets of Governmental Activities (S8,399,781)

See accompanying notes to the basic financial statements.

Lakota Local School District, Ohio
Statement of Net Assets
Proprietary Funds
June 30, 2009

	<u>Business-Type Activities Enterprise Funds</u>
Assets:	
Current Assets:	
Equity in Pooled Cash and Investments	\$232,216
Receivables:	
Accounts	278,996
Inventory	<u>119,112</u>
Total Current Assets	<u>630,324</u>
Depreciable Capital Assets, Net	<u>426,489</u>
Total Assets	<u>1,056,813</u>
Liabilities:	
Current Liabilities:	
Accounts Payable	16,225
Accrued Wages and Benefits	318,182
Compensated Absences	<u>14,344</u>
Total Current Liabilities	<u>348,751</u>
Long-Term Liabilities:	
Compensated Absences	<u>44,449</u>
Total Liabilities	<u>393,200</u>
Net Assets:	
Invested in Capital Assets	426,489
Unrestricted	<u>237,124</u>
Total Net Assets	<u><u>\$663,613</u></u>

See accompanying notes to the basic financial statements.

Lakota Local School District, Ohio
Statement of Revenues, Expenses
and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2009

	<u>Business-Type Activities Enterprise Funds</u>
Operating Revenues:	
Charges for Services	\$5,167,236
Other Revenues	<u>20,395</u>
Total Operating Revenues	<u>5,187,631</u>
Operating Expenses:	
Personal Services	2,319,942
Contractual Services	399,111
Materials and Supplies	4,074,290
Depreciation	96,787
Other Expenses	<u>58,085</u>
Total Operating Expenses	<u>6,948,215</u>
Operating Income	<u>(1,760,584)</u>
Non-Operating Revenues (Expenses):	
Donated Commodities	245,134
Operating Grants	1,015,911
Miscellaneous Non-Operating	<u>37,624</u>
Total Non-Operating Revenues (Expenses)	<u>1,298,669</u>
Change in Net Assets	(461,915)
Net Assets Beginning of Year, Restated	<u>1,125,528</u>
Net Assets End of Year	<u><u>\$663,613</u></u>

See accompanying notes to the basic financial statements.

Lakota Local School District, Ohio
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2009

	Business-Type Activities Enterprise Funds
Cash Flows from Operating Activities:	
Cash Received from Customers	\$5,093,650
Other Cash Receipts	37,624
Cash Payments to Employees	(2,663,096)
Cash Payments to Suppliers	(4,478,137)
Net Cash (Used) by Operating Activities	<u>(2,009,959)</u>
Cash Flows from Noncapital Financing Activities:	
Operating Grants Received	<u>1,015,911</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,015,911</u>
Cash Flows from Capital and Related Financing Activities:	
Payments for Capital Acquisitions	<u>(22,112)</u>
Net Cash Provided by Capital and Related Financing Activities	<u>(22,112)</u>
Net (Decrease) in Cash and Cash Equivalents	(1,016,160)
Cash and Cash Equivalents Beginning of Year	<u>1,248,376</u>
Cash and Cash Equivalents End of Year	<u><u>\$232,216</u></u>
Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities	
Operating (Loss)	(\$1,760,584)
Adjustments:	
Depreciation	96,787
Donated Commodities	245,134
Other	37,624
Changes in Assets & Liabilities:	
(Increase) Decrease in Receivables	(93,981)
Increase in Inventory	(54,358)
Decrease in Payables	(137,427)
Increase in Accrued Liabilities	<u>(343,154)</u>
Net Cash (Used) by Operating Activities	<u><u>(\$2,009,959)</u></u>

See accompanying notes to the basic financial statements.

Lakota Local School District, Ohio
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2009

	Private Purpose Trust	Agency
Assets:		
Equity in Pooled Cash and Investments	\$13,279	\$252,090
Total Assets	<u>13,279</u>	<u>252,090</u>
Liabilities:		
Accounts Payable	0	8,313
Other Liabilities	0	243,777
Total Liabilities	<u>0</u>	<u>\$252,090</u>
Net Assets:		
Held in Trust	<u>13,279</u>	
Total Net Assets	<u>\$13,279</u>	

See accompanying notes to the basic financial statements.

Lakota Local School District, Ohio
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Fiscal Year Ended June 30, 2009

	<u>Private Purpose Trust</u>
Additions:	
Donations	\$10,820
Investment Earnings	<u>68</u>
Total Additions	<u>10,888</u>
Deductions:	
Scholarships	<u>9,481</u>
Total Deductions	<u>9,481</u>
Change in Net Assets	1,407
Net Assets Beginning of Year	<u>11,872</u>
Net Assets End of Year	<u><u>\$13,279</u></u>

See accompanying notes to the basic financial statements.

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2009

NOTE 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 22 instructional and support facilities staffed by approximately 628 non-certificated personnel and approximately 1,221 certificated teaching and 77 administrative personnel to provide services to over 18,000 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.

NOTE 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) guidance 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 Unrestricted – These revenues generally include state foundation revenues, open enrollment revenues and homestead and rollback revenues.

Payment in Lieu of Taxes Unrestricted – 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.

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.

The private purpose trust is 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.

Proprietary Funds

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.

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, 2009, but which were levied to finance fiscal year 2010 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 2009. 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, 2009. 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 2009 credited to the General Fund amounted to \$1,523,703 and \$150,441 in Other Governmental Funds.

For purposes of the statement of cash flows, the Enterprise Funds' portion of equity in 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 thousand dollars (\$5,000). 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>Estimated Lives</u>
Buildings and Improvements	45 years
Land Improvements	20 years
Equipment	5-20 years

See Note 6 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 7 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 (cash) represent amounts followed by statute to be set-aside to create a reserve for textbooks 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 \$8,416,967 in restricted net assets, none 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 encumbrances, property tax advances, and state mandated 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.

ESTIMATES

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

NOTE 3 - 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, 2009, \$44,421,818 of the District's bank balance of \$44,921,818 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, 2009, the District had the following investments:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Federal Home Loan Mortgage	\$4,562,685	0.63
Federal Home Loan Bank	2,569,750	1.23
Federal Home Loan Bank - Discount Note	4,998,674	0.16
STAR Ohio	5,739,691	0.16
Total Fair Value	<u>\$17,870,800</u>	
Portfolio Weighted Average Maturity		0.42

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, Federal Home Loan Bank and Federal Home Loan Bank – Discount Note 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.

Concentration of Credit Risk – The District’s investment policy allows investments in Federal Agencies or Instrumentalities. The District has invested 68% of the District’s investments in securities issued by the Federal Home Loan Mortgage (26%), Federal Home Loan Bank (14%) and the Federal Home Loan Bank – Discount Note (28%). The District also had 32% 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.

NOTE 4 - PROPERTY TAXES

Real property taxes collected in 2009 were levied in April on the assessed values as of January 1, 2008, 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, 2009. 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, 2009 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, 2009, was \$2,311,702 for General Fund and \$345,173 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 2009 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 2009 taxes were collected are:

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$2,683,340,620
Public Utility Personal	<u>57,482,970</u>
Total	<u><u>\$2,740,823,590</u></u>

NOTE 5 – RECEIVABLES

Receivables at June 30, 2009, 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.

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2009, was as follows:

	Restated Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$14,400,112	\$867,194	\$0	\$15,267,306
Construction in Progress	2,262,447	7,609,908	0	9,872,355
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	204,840,272	3,806,861	0	208,647,133
Equipment	16,459,628	362,049	17,781	16,803,896
Land Improvements	3,059,392	337,859	0	3,397,251
Totals at Historical Cost	241,021,851	12,983,871	17,781	253,987,941
Less Accumulated Depreciation:				
Buildings and Improvements	38,506,707	4,810,848	0	43,317,555
Equipment	11,554,298	737,644	9,711	12,282,231
Land Improvements	1,383,496	148,013	0	1,531,509
Total Accumulated Depreciation	51,444,501	5,696,505	9,711	57,131,295
Governmental Activities Capital Assets, Net	\$189,577,350	\$7,287,366	\$8,070	\$196,856,646
	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
<i>Capital Assets, being depreciated:</i>				
Equipment	\$1,744,715	\$22,112	0	\$1,766,827
Totals at Historical Cost	1,744,715	22,112	0	1,766,827
Less Accumulated Depreciation:				
Equipment	1,243,551	96,787	0	1,340,338
Total Accumulated Depreciation	1,243,551	96,787	0	1,340,338
Business-Type Activities Capital Assets, Net	\$501,164	(\$74,675)	\$0	\$426,489

Depreciation expense was charged to governmental functions as follows:

Instruction:		
Regular		\$5,018,638
Special		4,495
Support Services:		
Pupil		7,639
Instructional Staff		7,971
School Administration		2,913
Fiscal		13,994
Business		44,959
Operations and Maintenance		87,787
Pupil Transportation		190,807
Central		161,615
Operation of Non-Instructional Services		2,118
Extracurricular Activities		153,569
Total Depreciation Expense		<u>\$5,696,505</u>

NOTE 7 - LONG-TERM LIABILITIES

	Interest Rate	Issue Date	Maturity Date	Beginning Balance	Issued	Retired	Ending Balance	Due In One Year
Governmental Activities:								
General Obligation Bonds:								
2009 Energy Conservation Improvements	3.390%	5/28/09	12/1/24	\$0	\$2,450,000	\$0	\$2,450,000	\$0
Premium on Energy Conservation Improvements		5/28/09	12/1/24	0	79,404	2,480	76,924	0
2009 Turf & Athletic Field Improvements	2.980%	5/28/09	12/1/21	0	1,650,000	0	1,650,000	0
Premium on Turf & Athletic Field Improvements		5/28/09	12/1/21	0	24,355	939	23,416	0
Lakota 2009 Refunding	3.880%	9/24/08	12/1/17	0	16,680,000	0	16,680,000	0
Premium on 2009 Refunding		9/24/08	12/1/17	0	961,701	53,427	908,274	0
Deferred Amount on 2009 Refunding		9/24/08	12/1/17	0	(549,951)	(30,552)	(519,399)	0
2007 School Construction Bonds - Union Elem	4.000%	6/13/07	12/1/27	10,000,000	0	325,000	9,675,000	335,000
Freedom, Link Renovations	6.125%	3/1/87	12/1/09	250,000	0	125,000	125,000	125,000
Two New High Schools	6.211%	5/1/94	12/1/17	8,220,000	0	2,740,000	5,480,000	2,740,000
Refunding New High Schools	5.242%	6/1/98	12/1/17	17,540,502	0	16,999,450	541,052	60,041
Bond and Refunding*	5.085%	4/19/01	12/1/26	12,967,789	0	800,000	12,167,789	374,672
Various Purpose Long-Term Bonds	3.790%	5/1/02	12/1/08	455,000	0	455,000	0	0
Lakota 2005 Refunding	3.000%	1/1/05	12/1/12	4,090,000	0	1,465,000	2,625,000	720,000
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	2,858,664	0	154,522	2,704,142	0
Lakota Series 2005	4.600%	12/19/05	12/1/33	74,465,000	0	150,000	74,315,000	250,000
Premium on 2005 Series		12/19/05	12/1/33	754,395	0	29,584	724,811	0
Lakota Series 2006	4.270%	1/10/06	12/1/33	9,820,000	0	150,000	9,670,000	130,000
Premium on 2006 Series		1/10/06	12/1/33	134,845	0	5,288	129,557	0
Total General Obligation Bonds				171,006,195	21,295,509	23,425,138	168,876,566	4,734,713
Compensated Absences				7,039,821	2,838,144	1,435,669	8,442,296	1,995,107
Total Governmental Activities								
Long-Term Liabilities				<u>\$178,046,016</u>	<u>\$24,133,653</u>	<u>\$24,860,807</u>	<u>\$177,318,862</u>	<u>\$6,729,820</u>
Business-Type Activities:								
Compensated Absences				<u>\$44,846</u>	<u>\$24,669</u>	<u>\$10,722</u>	<u>\$58,793</u>	<u>\$14,344</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	Premium	Deferred Charge	Interest	Total
2010	\$4,734,713	\$303,086	(\$61,106)	\$8,205,713	\$13,182,406
2011	5,305,024	303,086	(61,106)	8,027,435	13,574,439
2012	3,814,104	303,086	(61,106)	9,697,780	13,753,864
2013	7,025,000	303,086	(61,106)	7,268,090	14,535,070
2014	7,285,000	303,086	(61,106)	6,618,434	14,145,414
2015-2019	37,205,000	1,355,144	(213,869)	28,002,351	66,348,626
2020-2024	35,355,000	976,471	0	19,836,203	56,167,674
2025-2029	37,690,000	563,151	0	10,028,415	48,281,566
2030-2034	26,415,000	156,928	0	3,078,588	29,650,516
Total	<u>\$164,828,841</u>	<u>\$4,567,124</u>	<u>(\$519,399)</u>	<u>\$100,763,009</u>	<u>\$269,639,575</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, 2009 was \$30,060,000.

Advanced Refunding

On September 24, 2008, the District issued \$16,680,000 in General Obligation bonds with an average interest rate of 4.13%, which was used to advance refund \$16,930,000 of outstanding 1998 Series Bonds with an average interest rate of 5.14%. In addition to the bond proceeds, the District received \$961,701 in premiums. The District purchased \$17,479,951 in U.S. Government Securities which were placed in an irrevocable trust with an escrow to provide for all future debt service payments on the 1998 Series Bonds. As a result, \$16,930,000 of the 1998 Series Bonds are considered to be defeased and the liability for those bonds has been removed from the Statement of Net Assets.

The District advance refunded the 1998 Series Bonds to reduce its total debt service payments (gross savings) by \$1,700,449 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,565,177.

NOTE 8 - 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 *Employers/Audit Resources*.

Funding Policy

Plan members are required to contribute 10% of their annual covered salary and District is required to contribute 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 Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care fund) of the System. For fiscal year ending June 30, 2009, the allocation to pension and death benefits is 9.09%. The remaining 4.91% of the 14% employer contribution rate is allocated to the Health Care and Medicare B Funds. The District's contributions to SERS for the years ended June 30, 2009, 2008, and 2007 were \$3,092,994, \$3,395,714, and \$3,075,777, respectively; 51% has been contributed for fiscal year 2009 and 100% for fiscal years 2008 and 2007.

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 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 to member accounts as employers submit their payroll information to STRS Ohio, generally on a 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, 2009, were 10% of covered payroll for members and 14% for employers. The District's contributions to STRS for the years ended June 30, 2009, 2008, and 2007 were \$11,465,713, \$10,042,824, and \$9,558,038, respectively; 83% has been contributed for fiscal year 2009 and 100% for fiscal years 2008 and 2007.

NOTE 9 - 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 2009 was \$96.40; 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 2009, the actuarially required allocation was .75%. District contributions for the year ended June 30, 2009, 2008 and 2007 were \$165,696, \$164,935 and \$149,395, respectively, which equaled the required contributions each 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, Medicare Advantage 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 105(e). 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, 2009, the health care allocation was 4.16%. 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; not may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2009, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District contributions assigned to health care for the years ended June 30, 2009, 2008, and 2007 were \$2,631,340, \$2,458,624, and \$2,260,795, respectively.

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 *Employers/Audit Resources*.

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 that is a hybrid of the Defined Benefit and the Defined Contribution Plan.

Ohio law authorized STRS Ohio to offer a cost-sharing, multiple-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 program 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 costs in the form of a monthly premium.

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, 2009, 2008 and 2007. The 14% employer contribution rate is the maximum rate established under Ohio law. The District contributions for the years ended June 30, 2009, 2008, and 2007 were \$818,980, \$717,345, and \$661,051, respectively.

NOTE 10 - 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, 2009.

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.

NOTE 11 - 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:

<u>Coverage</u>	<u>Company</u>	<u>Limits</u>	<u>Deductible</u>
Fleet	Ohio Casualty Insurance Company	\$1,000,000 per occurrence	\$1,000 collision/pd
Property	Ohio Casualty Insurance Company	295,436,715 blanket coverage	10,000 per loss
General liability	Ohio Casualty Insurance Company	1,000,000 per occurrence/ 2,000,000 aggregate	
Liability umbrella	Ohio Casualty Insurance Company	10,000,000 aggregate	
Errors and omissions	Ohio Casualty Insurance Company	1,000,000 aggregate	5,000 per loss
Crime theft	Ohio Casualty 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.

NOTE 12 - 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 Technology and Career Development School 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. The Butler Technology and Career Development School 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 Technology and Career Development School Treasurer, at 3604 Hamilton-Middletown Road, Hamilton, Ohio 45011.

NOTE 13 - CONSTRUCTION AND OTHER COMMITMENTS

At June 30, 2009, construction contracts for facilities were as follows:

<u>Description</u>	<u>Remaining Commitment</u>
LWC-Union Elementary	\$289,550
Stadium Renovations	1,646,000
Energy Conservation	1,837,500
Wyandot ECS	2,285
Liberty Elementary Renovations	358,793
Lakota West Freshman Renovations	33,239
Lakota East Freshman	7,692
Total	<u><u>\$4,175,059</u></u>

NOTE 14 – ACCOUNTABILITY

Accountability

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

Fund	Deficit
Special Revenue:	
Auxiliary Services	\$3,996
MIS	3,094
School Net Professional Development	6
Alternative School Grant	7,782
Title VI-B	255,832
Title III	10,389
Title I	65,846
Title VI	1,291
Drug Free Schools	2,259
EHA Free School	6,228
Title II-A	18,764
Miscellaneous Grants	206
High Schools That Work	1,293

NOTE 15 - 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.

	Textbooks	Capital Acquisition
Set Aside Reserve Balance as of June 30, 2008	\$560,258	\$0
Current Year Set Aside Requirements	2,743,785	2,743,785
Qualified Disbursements	(2,635,728)	0
Current Year Offsets	0	(2,743,785)
Set Aside Reserve Balance as of June 30, 2009	<u>\$668,315</u>	<u>\$0</u>
Restricted Cash as of June 30, 2009	<u>\$668,315</u>	<u>\$0</u>

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

NOTE 16 - INTERFUND TRANSACTIONS

Interfund transactions at June 30, 2009, consisted of the following individual fund receivables and payables and transfers in and out:

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$95,956	\$0	\$0	\$1,996,206
Debt Service Fund	0	0	50,000	0
Other Governmental Funds	0	95,956	1,946,206	0
Total All Funds	<u>\$95,956</u>	<u>\$95,956</u>	<u>\$1,996,206</u>	<u>\$1,996,206</u>

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

NOTE 17 – PRIOR PERIOD ADJUSTMENT

The Food Service Fund, Business-Type Activities, and Governmental Activities beginning net assets were restated due to the change in capitalization threshold for capital assets from \$500 to \$5,000.

	Food Service Fund	Business-Type Activities	Governmental Activities
Net Assets, June 30, 2008	\$1,107,934	\$1,599,064	\$84,536,360
Restatement Due to Change in Capitalization Threshold	(473,536)	(473,536)	(11,985,657)
Restated Net Assets, June 30, 2008	<u>\$634,398</u>	<u>\$1,125,528</u>	<u>\$72,550,703</u>

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, 2009

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$82,122,636	\$81,722,636	\$81,134,026	(\$588,610)
Tuition and Fees	620,000	662,000	705,428	43,428
Investment Earnings	2,400,000	1,400,000	1,246,207	(153,793)
Intergovernmental	74,455,392	75,855,392	75,882,400	27,008
Other Revenues	20,553,692	24,170,692	23,051,635	(1,119,057)
Total Revenues	180,151,720	183,810,720	182,019,696	(1,791,024)
Expenditures:				
Current:				
Instruction:				
Regular	70,674,956	70,927,936	70,102,359	825,577
Special	12,591,787	13,125,114	13,060,053	65,061
Vocational	129,366	28,262	28,262	0
Other	2,549,139	2,644,833	2,645,117	(284)
Support Services:				
Pupil	8,911,277	8,932,013	8,907,713	24,300
Instructional Staff	10,704,388	11,302,928	11,128,470	174,458
General Administration	103,072	100,807	100,807	0
School Administration	15,999,078	16,221,190	15,539,538	681,652
Fiscal	1,238,255	1,101,179	1,093,908	7,271
Business	358,998	331,579	317,840	13,739
Operations and Maintenance	14,223,137	14,999,663	14,966,480	33,183
Pupil Transportation	19,165,090	16,808,735	16,808,615	120
Central	37,909,166	37,597,571	34,044,598	3,552,973
Operation of Non-Instructional Services	0	55,258	55,257	1
Extracurricular Activities	374,218	467,680	447,642	20,038
Capital Outlay	1,626,460	1,490,914	1,486,492	4,422
Total Expenditures	196,558,387	196,135,662	190,733,151	5,402,511
Excess of Revenues Over (Under) Expenditures	(16,406,667)	(12,324,942)	(8,713,455)	3,611,487
Other financing sources (uses):				
Proceeds from Sale of Capital Assets	0	0	339	339
Sale and Loss of Assets	0	0	47,757	47,757
Advances In	175,000	175,000	257,435	82,435
Advances (Out)	(175,000)	0	0	0
Refund of Prior Year Receipt	(17,710)	(14,378)	(13,161)	1,217
Transfers In	20,000	20,000	83,976	63,976
Transfers (Out)	(1,900,000)	(1,996,206)	(1,996,206)	0
Total Other Financing Sources (Uses)	(1,897,710)	(1,815,584)	(1,619,860)	195,724
Net Change in Fund Balance	(18,304,377)	(14,140,526)	(10,333,315)	3,807,211
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	56,003,509	56,003,509	56,003,509	0
Fund Balance End of Year	\$37,699,132	\$41,862,983	\$45,670,194	\$3,807,211

See accompanying notes to the required supplementary information.

Lakota Local School District, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2009

NOTE 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 2009.

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

	<u>General</u>
GAAP Basis	(\$6,724,769)
Revenue Accruals	(1,903,287)
Expenditure Accruals	1,190,139
Transfers In	83,976
Advances In	257,435
Refund of Prior Year Receipt	(13,161)
Encumbrances	<u>(3,223,648)</u>
Budget Basis	<u><u>(\$10,333,315)</u></u>

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 II-A: 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.

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.

BUILDING: To account for receipts and expenditures related to the construction of school facilities.

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Lakota Local School District, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$1,832,630	\$5,386,305	\$7,218,935
Restricted Cash and Investments	0	159,190	159,190
Receivables:			
Intergovernmental	1,052,246	0	1,052,246
Total Assets	2,884,876	5,545,495	8,430,371
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	289,858	0	289,858
Accrued Wages and Benefits	888,208	0	888,208
Retainage Payable	0	159,190	159,190
Contracts Payable	0	1,093,444	1,093,444
Interfund Payable	95,956	0	95,956
Deferred Revenue	611,714	0	611,714
Total Liabilities	1,885,736	1,252,634	3,138,370
Fund Balances:			
Reserved for Encumbrances	367,443	3,081,614	3,449,057
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	631,697	0	631,697
Capital Projects Funds	0	1,211,247	1,211,247
Total Fund Balances	999,140	4,292,861	5,292,001
Total Liabilities and Fund Balances	\$2,884,876	\$5,545,495	\$8,430,371

Lakota Local School District, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2009

	Public School Support	Other Grants	Student Activities	Auxiliary Services	MIS
Assets:					
Equity in Pooled Cash and Investments	\$836,416	\$55,529	\$853,345	\$40,050	\$0
Receivables:					
Intergovernmental	0	0	0	0	0
Total Assets	836,416	55,529	853,345	40,050	0
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	63,392	27,388	60,915	29,449	0
Accrued Wages and Benefits	0	1,427	243,779	14,597	3,094
Interfund Payable	0	0	0	0	0
Deferred Revenue	0	0	0	0	0
Total Liabilities	63,392	28,815	304,694	44,046	3,094
Fund Balances:					
Reserved for Encumbrances	115,186	11,988	69,092	5,687	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	657,838	14,726	479,559	(9,683)	(3,094)
Total Fund Balances	773,024	26,714	548,651	(3,996)	(3,094)
Total Liabilities and Fund Balances	\$836,416	\$55,529	\$853,345	\$40,050	\$0

Entry Year Program	School Net Professional Development	Ohio Reads	Alt. School Grant	Miscellaneous State Grants	Title VI-B
\$0	\$16	\$6,470	\$0	\$37,595	\$0
0	0	0	21,849	26,961	431,757
0	16	6,470	21,849	64,556	431,757
0	0	0	0	11,326	11,734
0	22	0	13,281	5,002	436,681
0	0	0	7,818	0	75,118
0	0	0	8,532	26,961	164,056
0	22	0	29,631	43,289	687,589
0	0	0	3,183	48,125	15,815
0	(6)	6,470	(10,965)	(26,858)	(271,647)
0	(6)	6,470	(7,782)	21,267	(255,832)
\$0	\$16	\$6,470	\$21,849	\$64,556	\$431,757

Continued

Lakota Local School District, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2009

	Title III	Title I	Title VI	Drug Free Schools	EHA Pre-School
Assets:					
Equity in Pooled Cash and Investments	\$2,257	\$0	\$0	\$501	\$0
Receivables:					
Intergovernmental	16,639	453,311	21,213	8,071	15,102
Total Assets	<u>18,896</u>	<u>453,311</u>	<u>21,213</u>	<u>8,572</u>	<u>15,102</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	3,806	64,888	7,126	7,458	0
Accrued Wages and Benefits	13,097	106,410	1,532	140	12,840
Interfund Payable	0	7,759	1,738	0	518
Deferred Revenue	12,382	340,100	12,108	3,233	7,972
Total Liabilities	<u>29,285</u>	<u>519,157</u>	<u>22,504</u>	<u>10,831</u>	<u>21,330</u>
Fund Balances:					
Reserved for Encumbrances	1,101	70,408	10,888	794	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	<u>(11,490)</u>	<u>(136,254)</u>	<u>(12,179)</u>	<u>(3,053)</u>	<u>(6,228)</u>
Total Fund Balances	<u>(10,389)</u>	<u>(65,846)</u>	<u>(1,291)</u>	<u>(2,259)</u>	<u>(6,228)</u>
Total Liabilities and Fund Balances	<u>\$18,896</u>	<u>\$453,311</u>	<u>\$21,213</u>	<u>\$8,572</u>	<u>\$15,102</u>

<u>Title II-A</u>	<u>Miscellaneous Grants</u>	<u>High Schools That Work</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$0	\$451	\$0	\$1,832,630
<u>38,618</u>	<u>8,022</u>	<u>10,703</u>	<u>1,052,246</u>
<u>38,618</u>	<u>8,473</u>	<u>10,703</u>	<u>2,884,876</u>
0	657	1,719	289,858
36,289	0	17	888,208
2,701	0	304	95,956
<u>18,392</u>	<u>8,022</u>	<u>9,956</u>	<u>611,714</u>
<u>57,382</u>	<u>8,679</u>	<u>11,996</u>	<u>1,885,736</u>
0	7,650	7,526	367,443
<u>(18,764)</u>	<u>(7,856)</u>	<u>(8,819)</u>	<u>631,697</u>
<u>(18,764)</u>	<u>(206)</u>	<u>(1,293)</u>	<u>999,140</u>
<u>\$38,618</u>	<u>\$8,473</u>	<u>\$10,703</u>	<u>\$2,884,876</u>

Lakota Local School District, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2009

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
Assets:			
Equity in Pooled Cash and Investments	\$4,855,271	\$531,034	\$5,386,305
Restricted Cash and Investments	0	159,190	159,190
Total Assets	4,855,271	690,224	5,545,495
Liabilities and Fund Balances:			
Liabilities:			
Retainage Payable	0	159,190	159,190
Contracts Payable	995,315	98,129	1,093,444
Total Liabilities	995,315	257,319	1,252,634
Fund Balances:			
Reserved for Encumbrances	2,777,735	303,879	3,081,614
Unreserved, Undesignated, Reported in: Capital Projects Funds	1,082,221	129,026	1,211,247
Total Fund Balances	3,859,956	432,905	4,292,861
Total Liabilities and Fund Balances	\$4,855,271	\$690,224	\$5,545,495

Lakota Local School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2009

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Tuition and Fees	\$41,467	\$0	\$41,467
Investment Earnings	6,186	144,255	150,441
Intergovernmental	4,926,923	0	4,926,923
Extracurricular Activities	2,006,843	0	2,006,843
Other Revenues	267,714	1,314	269,028
Total Revenues	7,249,133	145,569	7,394,702
Expenditures:			
Current:			
Instruction:			
Regular	1,094,161	0	1,094,161
Special	135,381	0	135,381
Other	204,534	0	204,534
Support Services:			
Pupil	3,262,907	0	3,262,907
Instructional Staff	728,011	0	728,011
School Administration	134,484	0	134,484
Fiscal	37,891	0	37,891
Business	395	0	395
Operations and Maintenance	383,085	0	383,085
Pupil Transportation	10,495	0	10,495
Central	219,498	0	219,498
Operation of Non-Instructional Services	484,820	0	484,820
Extracurricular Activities	3,049,520	0	3,049,520
Capital Outlay	0	13,574,766	13,574,766
Total Expenditures	9,745,182	13,574,766	23,319,948
Excess of Revenues Over (Under) Expenditures	(2,496,049)	(13,429,197)	(15,925,246)
Other Financing Sources (Uses):			
Issuance of Long-Term Capital-Related Debt	0	4,100,000	4,100,000
Transfers In	1,946,206	0	1,946,206
Total Other Financing Sources (Uses)	1,946,206	4,100,000	6,046,206
Net Change in Fund Balance	(549,843)	(9,329,197)	(9,879,040)
Fund Balance Beginning of Year	1,548,983	13,622,058	15,171,041
Fund Balance End of Year	\$999,140	\$4,292,861	\$5,292,001

Lakota Local School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009

	Public School Support	Other Grants	Student Activities	Auxiliary Services	MIS
Revenues:					
Tuition and Fees	\$41,467	\$0	\$0	\$0	\$0
Investment Earnings	0	0	5,263	923	0
Intergovernmental	0	188,025	0	330,752	50,861
Extracurricular Activities	725,668	482	1,280,693	0	0
Other Revenues	206,554	6,692	54,018	0	0
Total Revenues	973,689	195,199	1,339,974	331,675	50,861
Expenditures:					
Current:					
Instruction:					
Regular	12,792	167,679	7,241	0	0
Special	2,435	0	0	0	0
Other	0	0	0	0	0
Support Services:					
Pupil	825,812	9,435	0	0	0
Instructional Staff	158,506	28,077	0	0	0
School Administration	6,054	0	0	0	0
Fiscal	389	0	0	0	0
Business	395	0	0	0	0
Operations and Maintenance	0	0	361,274	0	0
Pupil Transportation	0	653	0	0	0
Central	0	13,655	0	0	53,955
Operation of Non-Instructional Services	3,003	0	0	400,620	0
Extracurricular Activities	1,950	13,399	3,034,171	0	0
Total Expenditures	1,011,336	232,898	3,402,686	400,620	53,955
Excess of Revenues Over (Under) Expenditures	(37,647)	(37,699)	(2,062,712)	(68,945)	(3,094)
Other Financing Sources (Uses):					
Transfers In	0	0	1,946,206	0	0
Total Other Financing Sources (Uses)	0	0	1,946,206	0	0
Net Change in Fund Balance	(37,647)	(37,699)	(116,506)	(68,945)	(3,094)
Fund Balance Beginning of Year	810,671	64,413	665,157	64,949	0
Fund Balance End of Year	\$773,024	\$26,714	\$548,651	(\$3,996)	(\$3,094)

Entry Year Program	School Net Professional Development	Ohio Reads	Alt. School Grant	Miscellaneous State Grants	Title VI-B
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
25,200	7,830	0	66,553	89,392	2,876,941
0	0	0	0	0	0
0	0	0	0	0	0
25,200	7,830	0	66,553	89,392	2,876,941
0	1,169	0	191	750	0
0	0	0	0	0	118,817
0	0	0	0	0	204,534
0	0	0	66,424	73,002	2,203,514
26,800	6,828	0	2,291	750	190,586
0	0	0	0	25,319	74,651
0	0	0	0	0	25,853
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	554
0	0	0	1,500	0	150,388
0	0	0	0	0	60,203
0	0	0	0	0	0
26,800	7,997	0	70,406	99,821	3,029,100
(1,600)	(167)	0	(3,853)	(10,429)	(152,159)
0	0	0	0	0	0
0	0	0	0	0	0
(1,600)	(167)	0	(3,853)	(10,429)	(152,159)
1,600	161	6,470	(3,929)	31,696	(103,673)
\$0	(\$6)	\$6,470	(\$7,782)	\$21,267	(\$255,832)

Continued

Lakota Local School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009

	Title III	Title I	Title VI	Drug Free Schools	EHA Pre-School
Revenues:					
Tuition and Fees	\$0	\$0	\$0	\$0	\$0
Investment Earnings	0	0	0	0	0
Intergovernmental	132,422	723,591	24,576	51,333	78,784
Extracurricular Activities	0	0	0	0	0
Other Revenues	0	0	0	0	0
Total Revenues	132,422	723,591	24,576	51,333	78,784
Expenditures:					
Current:					
Instruction:					
Regular	50,755	659,861	0	0	5,372
Special	0	0	0	0	14,129
Other	0	0	0	0	0
Support Services:					
Pupil	0	0	0	15,895	68,825
Instructional Staff	69,673	120,189	24,529	15,507	0
School Administration	0	28,460	0	0	0
Fiscal	1,044	7,135	66	379	699
Business	0	0	0	0	0
Operations and Maintenance	0	0	0	21,811	0
Pupil Transportation	9,288	0	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	10,344	8,251	983	0	0
Extracurricular Activities	0	0	0	0	0
Total Expenditures	141,104	823,896	25,578	53,592	89,025
Excess of Revenues Over (Under) Expenditures	(8,682)	(100,305)	(1,002)	(2,259)	(10,241)
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balance	(8,682)	(100,305)	(1,002)	(2,259)	(10,241)
Fund Balance Beginning of Year	(1,707)	34,459	(289)	0	4,013
Fund Balance End of Year	(\$10,389)	(\$65,846)	(\$1,291)	(\$2,259)	(\$6,228)

Title II-A	Miscellaneous Grants	High Schools That Work	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$41,467
0	0	0	6,186
271,350	3,160	6,153	4,926,923
0	0	0	2,006,843
0	0	450	267,714
<u>271,350</u>	<u>3,160</u>	<u>6,603</u>	<u>7,249,133</u>
187,495	0	856	1,094,161
0	0	0	135,381
0	0	0	204,534
0	0	0	3,262,907
77,552	3,792	2,931	728,011
0	0	0	134,484
2,278	48	0	37,891
0	0	0	395
0	0	0	383,085
0	0	0	10,495
0	0	0	219,498
1,038	378	0	484,820
0	0	0	3,049,520
<u>268,363</u>	<u>4,218</u>	<u>3,787</u>	<u>9,745,182</u>
<u>2,987</u>	<u>(1,058)</u>	<u>2,816</u>	<u>(2,496,049)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>1,946,206</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>1,946,206</u>
2,987	(1,058)	2,816	(549,843)
<u>(21,751)</u>	<u>852</u>	<u>(4,109)</u>	<u>1,548,983</u>
<u>(\$18,764)</u>	<u>(\$206)</u>	<u>(\$1,293)</u>	<u>\$999,140</u>

Lakota Local School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2009

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
Revenues:			
Investment Earnings	\$225,143	(\$80,888)	\$144,255
Other Revenues	0	1,314	1,314
Total Revenues	<u>225,143</u>	<u>(79,574)</u>	<u>145,569</u>
Expenditures:			
Capital Outlay	4,366,214	9,208,552	13,574,766
Total Expenditures	<u>4,366,214</u>	<u>9,208,552</u>	<u>13,574,766</u>
Excess of Revenues Over (Under) Expenditures	<u>(4,141,071)</u>	<u>(9,288,126)</u>	<u>(13,429,197)</u>
Other Financing Sources (Uses):			
Issuance of Long-Term Capital-Related Debt	4,100,000	0	4,100,000
Total Other Financing Sources (Uses)	<u>4,100,000</u>	<u>0</u>	<u>4,100,000</u>
Net Change in Fund Balance	(41,071)	(9,288,126)	(9,329,197)
Fund Balance Beginning of Year	<u>3,901,027</u>	<u>9,721,031</u>	<u>13,622,058</u>
Fund Balance End of Year	<u><u>\$3,859,956</u></u>	<u><u>\$432,905</u></u>	<u><u>\$4,292,861</u></u>

Lakota Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2009

	Public School Support Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$23,000	\$41,467	\$18,467
Extracurricular Activities	845,567	790,533	(55,034)
Other Revenues	262,307	206,554	(55,753)
Total Revenues	<u>1,130,874</u>	<u>1,038,554</u>	<u>(92,320)</u>
Expenditures:			
Current:			
Instruction:			
Regular	43,242	20,640	22,602
Special	15,226	3,849	11,377
Support Services:			
Pupil	1,419,963	962,719	457,244
Instructional Staff	461,166	273,312	187,854
School Administration	9,596	5,704	3,892
Fiscal	389	389	0
Business	702	395	307
Operation of Non-Instructional Services	12,595	3,473	9,122
Extracurricular Activities	2,600	1,950	650
Total Expenditures	<u>1,965,479</u>	<u>1,272,431</u>	<u>693,048</u>
Excess of Revenues Over (Under) Expenditures	<u>(834,605)</u>	<u>(233,877)</u>	<u>600,728</u>
Other financing sources (uses):			
Advances (Out)	(2,701)	(2,701)	0
Refund of Prior Year Receipt	(4,540)	(4,482)	58
Transfers In	0	14,081	14,081
Transfers (Out)	(85,546)	(83,946)	1,600
Total Other Financing Sources (Uses)	<u>(92,787)</u>	<u>(77,048)</u>	<u>15,739</u>
Net Change in Fund Balance	(927,392)	(310,925)	616,467
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>968,763</u>	<u>968,763</u>	<u>0</u>
Fund Balance End of Year	<u>\$41,371</u>	<u>\$657,838</u>	<u>\$616,467</u>

Lakota Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2009

	Final Budget	Other Grants Fund Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$278,213	\$197,450	(\$80,763)
Extracurricular Activities	482	482	0
Other Revenues	1,667	1,692	25
Total Revenues	280,362	199,624	(80,738)
Expenditures:			
Current:			
Instruction:			
Regular	281,192	239,329	41,863
Support Services:			
Pupil	19,205	14,196	5,009
Instructional Staff	41,737	29,147	12,590
Pupil Transportation	2,422	1,317	1,105
Central	26,597	21,532	5,065
Extracurricular Activities	30,514	14,354	16,160
Total Expenditures	401,667	319,875	81,792
Excess of Revenues Over (Under) Expenditures	(121,305)	(120,251)	1,054
Other financing sources (uses):			
Advances (Out)	(7,571)	(7,571)	0
Transfers In	0	5,000	5,000
Total Other Financing Sources (Uses)	(7,571)	(2,571)	5,000
Net Change in Fund Balance	(128,876)	(122,822)	6,054
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	138,976	138,976	0
Fund Balance End of Year	\$10,100	\$16,154	\$6,054

Lakota Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2009

	Student Activities Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$2,479	\$5,263	\$2,784
Extracurricular Activities	826,388	1,280,693	454,305
Other Revenues	29,008	54,018	25,010
Total Revenues	857,875	1,339,974	482,099
Expenditures:			
Current:			
Instruction:			
Regular	7,305	7,096	209
Support Services:			
Operations and Maintenance	370,304	362,191	8,113
Extracurricular Activities	3,304,295	3,138,424	165,871
Total Expenditures	3,681,904	3,507,711	174,193
Excess of Revenues Over (Under) Expenditures	(2,824,029)	(2,167,737)	656,292
Other financing sources (uses):			
Advances (Out)	(297)	(297)	0
Refund of Prior Year Receipt	(663)	(245)	418
Transfers In	1,919,522	1,985,911	66,389
Transfers (Out)	(38,957)	(38,957)	0
Total Other Financing Sources (Uses)	1,879,605	1,946,412	66,807
Net Change in Fund Balance	(944,424)	(221,325)	723,099
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	944,667	944,667	0
Fund Balance End of Year	\$243	\$723,342	\$723,099

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2009

	Auxiliary Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$761	\$923	\$162
Intergovernmental	333,073	330,752	(2,321)
Total Revenues	333,834	331,675	(2,159)
Expenditures:			
Current:			
Operation of Non-Instructional Services	428,361	423,704	4,657
Total Expenditures	428,361	423,704	4,657
Net Change in Fund Balance	(94,527)	(92,029)	2,498
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	96,940	96,940	0
Fund Balance End of Year	\$2,413	\$4,911	\$2,498

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2009

	MIS Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$60,738	\$50,861	(\$9,877)
Total Revenues	60,738	50,861	(9,877)
Expenditures:			
Current:			
Support Services:			
Central	60,738	50,861	9,877
Total Expenditures	60,738	50,861	9,877
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, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2009

	Entry Year Program Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$25,200	\$25,200	\$0
Total Revenues	25,200	25,200	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	26,800	26,800	0
Total Expenditures	26,800	26,800	0
Net Change in Fund Balance	(1,600)	(1,600)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,600	1,600	0
Fund Balance End of Year	\$0	\$0	\$0

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2009

	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	1,169	1,169	0
Support Services:			
Instructional Staff	6,821	6,807	14
Total Expenditures	7,990	7,976	14
Net Change in Fund Balance	(160)	(146)	14
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	160	160	0
Fund Balance End of Year	\$0	\$14	\$14

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2009

	Ohio Reads Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	6,472	6,472	0
Fund Balance End of Year	<u>\$6,472</u>	<u>\$6,472</u>	<u>\$0</u>

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2009

	Alt. School Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$85,703	\$63,854	(\$21,849)
Total Revenues	85,703	63,854	(21,849)
Expenditures:			
Current:			
Instruction:			
Regular	4,200	4,200	0
Support Services:			
Pupil	76,574	65,777	10,797
Instructional Staff	2,371	2,320	51
Central	3,500	3,500	0
Total Expenditures	86,645	75,797	10,848
Net Change in Fund Balance	(942)	(11,943)	(11,001)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	942	942	0
Fund Balance End of Year	\$0	(\$11,001)	(\$11,001)

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2009

	Miscellaneous State Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$159,437	\$90,017	(\$69,420)
Total Revenues	159,437	90,017	(69,420)
Expenditures:			
Current:			
Instruction:			
Regular	1,463	750	713
Special	10,777	0	10,777
Support Services:			
Pupil	80,405	80,404	1
Instructional Staff	2,657	750	1,907
School Administration	28,852	24,666	4,186
Pupil Transportation	44,612	44,611	1
Total Expenditures	168,766	151,181	17,585
Net Change in Fund Balance	(9,329)	(61,164)	(51,835)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	39,309	39,309	0
Fund Balance End of Year	\$29,980	(\$21,855)	(\$51,835)

Lakota Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2009

	Title VI-B Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$3,629,125	\$3,159,556	(\$469,569)
Total Revenues	<u>3,629,125</u>	<u>3,159,556</u>	<u>(469,569)</u>
Expenditures:			
Current:			
Instruction:			
Special	165,246	149,782	15,464
Other	239,918	228,731	11,187
Support Services:			
Pupil	2,463,076	2,263,806	199,270
Instructional Staff	268,618	185,712	82,906
School Administration	92,806	78,684	14,122
Pupil Transportation	23,129	23,129	0
Central	151,534	143,302	8,232
Operation of Non-Instructional Services	<u>73,743</u>	<u>60,520</u>	<u>13,223</u>
Total Expenditures	<u>3,515,967</u>	<u>3,159,519</u>	<u>356,448</u>
Excess of Revenues Over (Under) Expenditures	<u>113,158</u>	<u>37</u>	<u>(113,121)</u>
Other financing sources (uses):			
Advances (Out)	<u>(113,157)</u>	<u>(113,157)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(113,157)</u>	<u>(113,157)</u>	<u>0</u>
Net Change in Fund Balance	1	(113,120)	(113,121)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>10,452</u>	<u>10,452</u>	<u>0</u>
Fund Balance End of Year	<u>\$10,453</u>	<u>(\$102,668)</u>	<u>(\$113,121)</u>

Lakota Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2009

	Title III Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$162,913	\$146,274	(\$16,639)
Total Revenues	<u>162,913</u>	<u>146,274</u>	<u>(16,639)</u>
Expenditures:			
Current:			
Instruction:			
Regular	52,134	50,506	1,628
Support Services:			
Instructional Staff	78,407	68,268	10,139
Fiscal	1,807	1,044	763
Pupil Transportation	17,254	17,254	0
Operation of Non-Instructional Services	<u>12,082</u>	<u>10,623</u>	<u>1,459</u>
Total Expenditures	<u>161,684</u>	<u>147,695</u>	<u>13,989</u>
Excess of Revenues Over (Under) Expenditures	<u>1,229</u>	<u>(1,421)</u>	<u>(2,650)</u>
Other financing sources (uses):			
Advances (Out)	<u>(1,229)</u>	<u>(1,229)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(1,229)</u>	<u>(1,229)</u>	<u>0</u>
Net Change in Fund Balance	0	(2,650)	(2,650)
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>(\$2,650)</u>	<u>(\$2,650)</u>

Lakota Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2009

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,274,190	\$820,879	(\$453,311)
Total Revenues	<u>1,274,190</u>	<u>820,879</u>	<u>(453,311)</u>
Expenditures:			
Current:			
Instruction:			
Regular	927,044	717,877	209,167
Support Services:			
Instructional Staff	198,946	137,217	61,729
School Administration	42,439	24,288	18,151
Fiscal	12,720	7,135	5,585
Operation of Non-Instructional Services	<u>28,423</u>	<u>12,799</u>	<u>15,624</u>
Total Expenditures	<u>1,209,572</u>	<u>899,316</u>	<u>310,256</u>
Excess of Revenues Over (Under) Expenditures	<u>64,618</u>	<u>(78,437)</u>	<u>(143,055)</u>
Other financing sources (uses):			
Advances (Out)	<u>(64,618)</u>	<u>(64,618)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(64,618)</u>	<u>(64,618)</u>	<u>0</u>
Net Change in Fund Balance	0	(143,055)	(143,055)
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>(\$143,055)</u>	<u>(\$143,055)</u>

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2009

	Title VI Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$40,613	\$19,401	(\$21,212)
Total Revenues	40,613	19,401	(21,212)
Expenditures:			
Current:			
Support Services:			
Instructional Staff	35,250	34,173	1,077
Fiscal	450	66	384
Operation of Non-Instructional Services	983	983	0
Total Expenditures	36,683	35,222	1,461
Excess of Revenues Over (Under) Expenditures	3,930	(15,821)	(19,751)
Other financing sources (uses):			
Advances (Out)	(3,930)	(3,930)	0
Total Other Financing Sources (Uses)	(3,930)	(3,930)	0
Net Change in Fund Balance	0	(19,751)	(19,751)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	(\$19,751)	(\$19,751)

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2009

	Drug Free Schools Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$57,370	\$49,300	(\$8,070)
Total Revenues	<u>57,370</u>	<u>49,300</u>	<u>(8,070)</u>
Expenditures:			
Current:			
Support Services:			
Pupil	15,755	15,755	0
Instructional Staff	16,300	16,300	0
Fiscal	511	379	132
Operations and Maintenance	21,812	21,812	0
Operation of Non-Instructional Services	<u>187</u>	<u>0</u>	<u>187</u>
Total Expenditures	<u>54,565</u>	<u>54,246</u>	<u>319</u>
Excess of Revenues Over (Under) Expenditures	<u>2,805</u>	<u>(4,946)</u>	<u>(7,751)</u>
Other financing sources (uses):			
Advances (Out)	<u>(2,805)</u>	<u>(2,805)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(2,805)</u>	<u>(2,805)</u>	<u>0</u>
Net Change in Fund Balance	0	(7,751)	(7,751)
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>(\$7,751)</u>	<u>(\$7,751)</u>

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2009

	EHA Pre-School Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$104,520	\$88,789	(\$15,731)
Total Revenues	104,520	88,789	(15,731)
Expenditures:			
Current:			
Instruction:			
Regular	5,372	5,372	0
Special	16,084	13,456	2,628
Support Services:			
Pupil	81,052	69,493	11,559
Fiscal	1,097	699	398
Total Expenditures	103,605	89,020	14,585
Excess of Revenues Over (Under) Expenditures	915	(231)	(1,146)
Other financing sources (uses):			
Advances (Out)	(287)	(287)	0
Total Other Financing Sources (Uses)	(287)	(287)	0
Net Change in Fund Balance	628	(518)	(1,146)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$628	(\$518)	(\$1,146)

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2009

	Title II-A Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$329,635	\$291,017	(\$38,618)
Total Revenues	<u>329,635</u>	<u>291,017</u>	<u>(38,618)</u>
Expenditures:			
Current:			
Instruction:			
Regular	223,029	189,268	33,761
Support Services:			
Instructional Staff	79,242	79,242	0
Fiscal	3,662	2,278	1,384
Operation of Non-Instructional Services	<u>1,809</u>	<u>1,038</u>	<u>771</u>
Total Expenditures	<u>307,742</u>	<u>271,826</u>	<u>35,916</u>
Excess of Revenues Over (Under) Expenditures	<u>21,893</u>	<u>19,191</u>	<u>(2,702)</u>
Other financing sources (uses):			
Advances (Out)	<u>(21,893)</u>	<u>(21,893)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(21,893)</u>	<u>(21,893)</u>	<u>0</u>
Net Change in Fund Balance	0	(2,702)	(2,702)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1</u>	<u>1</u>	<u>0</u>
Fund Balance End of Year	<u>\$1</u>	<u>(\$2,701)</u>	<u>(\$2,702)</u>

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2009

	Miscellaneous Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$13,134	\$5,112	(\$8,022)
Total Revenues	13,134	5,112	(8,022)
Expenditures:			
Current:			
Support Services:			
Instructional Staff	13,514	13,511	3
Fiscal	166	48	118
Operation of Non-Instructional Services	421	378	43
Total Expenditures	14,101	13,937	164
Net Change in Fund Balance	(967)	(8,825)	(7,858)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	967	967	0
Fund Balance End of Year	\$0	(\$7,858)	(\$7,858)

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2009

	High Schools That Work Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$16,109	\$5,406	(\$10,703)
Other Revenues	450	450	0
Total Revenues	<u>16,559</u>	<u>5,856</u>	<u>(10,703)</u>
Expenditures:			
Current:			
Instruction:			
Regular	838	838	0
Support Services:			
Instructional Staff	11,162	10,458	704
Total Expenditures	<u>12,000</u>	<u>11,296</u>	<u>704</u>
Excess of Revenues Over (Under) Expenditures	<u>4,559</u>	<u>(5,440)</u>	<u>(9,999)</u>
Other financing sources (uses):			
Advances (Out)	(4,109)	(4,109)	0
Total Other Financing Sources (Uses)	<u>(4,109)</u>	<u>(4,109)</u>	<u>0</u>
Net Change in Fund Balance	450	(9,549)	(9,999)
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><u>\$450</u></u>	<u><u>(\$9,549)</u></u>	<u><u>(\$9,999)</u></u>

Lakota Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2009

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$11,784,013	\$11,804,929	\$20,916
Intergovernmental	1,404,004	1,287,095	(116,909)
Other Revenues	761,909	1,527,824	765,915
Total Revenues	<u>13,949,926</u>	<u>14,619,848</u>	<u>669,922</u>
Expenditures:			
Current:			
Support Services:			
Fiscal	185,000	176,839	8,161
Debt Service:			
Principal Retirement	6,279,450	6,279,450	0
Interest and Fiscal Charges	8,121,206	7,706,094	415,112
Total Expenditures	<u>14,585,656</u>	<u>14,162,383</u>	<u>423,273</u>
Excess of Revenues Over (Under) Expenditures	<u>(635,730)</u>	<u>457,465</u>	<u>1,093,195</u>
Other financing sources (uses):			
Issuance of Long-Term Capital-Related Debt	(60,525)	(60,525)	0
Premium & Accrued Interest on Bonds & Notes Sold	103,759	111,563	7,804
Transfers In	50,000	50,000	0
Total Other Financing Sources (Uses)	<u>93,234</u>	<u>101,038</u>	<u>7,804</u>
Net Change in Fund Balance	(542,496)	558,503	1,100,999
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>4,661,672</u>	<u>4,661,672</u>	<u>0</u>
Fund Balance End of Year	<u>\$4,119,176</u>	<u>\$5,220,175</u>	<u>\$1,100,999</u>

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2009

	Permanent Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$223,554	\$225,144	\$1,590
Total Revenues	223,554	225,144	1,590
Expenditures:			
Capital Outlay	6,970,362	6,926,945	43,417
Total Expenditures	6,970,362	6,926,945	43,417
Excess of Revenues Over (Under) Expenditures	(6,746,808)	(6,701,801)	45,007
Other financing sources (uses):			
Issuance of Long-Term Capital-Related Debt	4,100,000	4,100,000	0
Refund of Prior Year Receipt	(700,000)	(700,000)	0
Total Other Financing Sources (Uses)	3,400,000	3,400,000	0
Net Change in Fund Balance	(3,346,808)	(3,301,801)	45,007
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,384,021	4,384,021	0
Fund Balance End of Year	\$1,037,213	\$1,082,220	\$45,007

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2009

	Building Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$700,000	\$701,314	\$1,314
Total Revenues	700,000	701,314	1,314
Expenditures:			
Capital Outlay	11,764,281	11,664,446	99,835
Total Expenditures	11,764,281	11,664,446	99,835
Net Change in Fund Balance	(11,064,281)	(10,963,132)	101,149
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	11,092,156	11,092,156	0
Fund Balance End of Year	\$27,875	\$129,024	\$101,149

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, Ohio
Combining Statement of Net Assets
Nonmajor Enterprise Funds
June 30, 2009

	Food Service	Uniform School Supply	Adult Education	Total Nonmajor Enterprise Funds
Assets:				
Current Assets:				
Equity in Pooled Cash and Investments	\$72,352	\$156,354	\$3,510	\$232,216
Receivables:				
Accounts	24,601	254,395	0	278,996
Inventory	119,112	0	0	119,112
Total Current Assets	216,065	410,749	3,510	630,324
Depreciable Capital Assets, Net	426,489	0	0	426,489
Total Assets	642,554	410,749	3,510	1,056,813
Liabilities:				
Current Liabilities:				
Accounts Payable	3,297	12,928	0	16,225
Accrued Wages and Benefits	318,182	0	0	318,182
Compensated Absences	14,344	0	0	14,344
Total Current Liabilities	335,823	12,928	0	348,751
Long-Term Liabilities:				
Compensated Absences	44,449	0	0	44,449
Total Liabilities	380,272	12,928	0	393,200
Net Assets:				
Invested in Capital Assets	426,489	0	0	426,489
Unrestricted	(164,207)	397,821	3,510	237,124
Total Net Assets	\$262,282	\$397,821	\$3,510	\$663,613

Lakota Local School District, Ohio
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2009

	Food Service	Uniform School Supply	Adult Education	Total Nonmajor Enterprise Funds
Operating Revenues:				
Charges for Services	\$3,913,704	\$1,253,532	\$0	\$5,167,236
Other Revenues	0	20,395	0	20,395
Total Operating Revenues	<u>3,913,704</u>	<u>1,273,927</u>	<u>0</u>	<u>5,187,631</u>
Operating Expenses:				
Personal Services	2,319,942	0	0	2,319,942
Contractual Services	371,511	27,600	0	399,111
Materials and Supplies	2,752,447	1,321,843	0	4,074,290
Depreciation	96,787	0	0	96,787
Other Expenses	43,802	14,283	0	58,085
Total Operating Expenses	<u>5,584,489</u>	<u>1,363,726</u>	<u>0</u>	<u>6,948,215</u>
Operating Income	<u>(1,670,785)</u>	<u>(89,799)</u>	<u>0</u>	<u>(1,760,584)</u>
Non-Operating Revenues (Expenses):				
Donated Commodities	245,134	0	0	245,134
Operating Grants	1,015,911	0	0	1,015,911
Miscellaneous Non-Operating	37,624	0	0	37,624
Total Non-Operating Revenues (Expenses)	<u>1,298,669</u>	<u>0</u>	<u>0</u>	<u>1,298,669</u>
Change in Net Assets	(372,116)	(89,799)	0	(461,915)
Net Assets Beginning of Year, Restated	<u>634,398</u>	<u>487,620</u>	<u>3,510</u>	<u>1,125,528</u>
Net Assets End of Year	<u>\$262,282</u>	<u>\$397,821</u>	<u>\$3,510</u>	<u>\$663,613</u>

Lakota Local School District, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2009

	Food Service	Uniform School Supply	Adult Education	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities:				
Cash Received from Customers	\$3,913,704	\$1,179,946	\$0	\$5,093,650
Other Cash Receipts	37,624	0	0	37,624
Cash Payments to Employees	(2,663,096)	0	0	(2,663,096)
Cash Payments to Suppliers	(3,044,945)	(1,433,192)	0	(4,478,137)
Net Cash (Used) by Operating Activities	(1,756,713)	(253,246)	0	(2,009,959)
Cash Flows from Noncapital Financing Activities:				
Operating Grants Received	1,015,911	0	0	1,015,911
Net Cash Provided by Noncapital Financing Activities	1,015,911	0	0	1,015,911
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	(22,112)	0	0	(22,112)
Net Cash Provided by Capital and Related Financing Activities	(22,112)	0	0	(22,112)
Net (Decrease) in Cash and Cash Equivalents	(762,914)	(253,246)	0	(1,016,160)
Cash and Cash Equivalents Beginning of Year	835,266	409,600	3,510	1,248,376
Cash and Cash Equivalents End of Year	72,352	156,354	3,510	232,216
Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities				
Operating (Loss)	(1,670,785)	(89,799)	0	(1,760,584)
Adjustments:				
Depreciation	96,787	0	0	96,787
Donated Commodities	245,134	0	0	245,134
Other	37,624	0	0	37,624
Changes in Assets & Liabilities:				
(Increase) Decrease in Receivables	0	(93,981)	0	(93,981)
Increase in Inventory	(54,358)	0	0	(54,358)
Decrease in Payables	(67,961)	(69,466)	0	(137,427)
Increase in Accrued Liabilities	(343,154)	0	0	(343,154)
Net Cash (Used) by Operating Activities	(\$1,756,713)	(\$253,246)	\$0	(\$2,009,959)

Lakota Local School District, Ohio
Statement of Changes In Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2009

	Student Activities			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$355,370	\$503,937	\$607,217	\$252,090
Total Assets	<u>355,370</u>	<u>503,937</u>	<u>607,217</u>	<u>252,090</u>
Liabilities:				
Accounts Payable	90,898	8,313	90,898	8,313
Other Liabilities	264,472	495,624	516,319	243,777
Total Liabilities	<u>\$355,370</u>	<u>\$503,937</u>	<u>\$607,217</u>	<u>\$252,090</u>

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STATISTICAL SECTION



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, Ohio
 Net Assets by Component,
 Last Seven Fiscal Years (1)
 (accrual basis of accounting)
 Schedule 1

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
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	\$28,137,082	\$32,080,080
Restricted	9,214,868	9,775,382	12,820,740	13,977,232	13,264,151	12,869,138	8,416,967
Unrestricted	18,977,037	16,462,945	13,104,428	19,821,499	36,549,902	31,544,483	23,653,875
Total Governmental Activities Net Assets	\$51,035,199	\$55,259,954	\$56,733,186	\$67,712,546	\$92,692,173	\$72,550,703	\$64,150,922
Business-Type Activities							
Invested in Capital Assets, Net of Related Debt	\$1,192,471	\$1,131,484	\$1,004,829	\$892,030	\$914,373	\$501,164	\$426,489
Unrestricted	1,294,078	1,594,831	1,963,621	1,711,119	1,394,234	624,364	237,124
Total Business-Type Activities Net Assets	\$2,486,549	\$2,726,315	\$2,968,450	\$2,603,149	\$2,308,607	\$1,125,528	\$663,613
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	\$28,638,246	\$32,506,569
Restricted	9,214,868	9,775,382	12,820,740	13,977,232	13,264,151	12,869,138	8,416,967
Unrestricted	20,271,115	18,057,776	15,068,049	21,532,618	37,944,136	32,168,847	23,890,999
Total Primary Government Net Assets	\$53,521,748	\$57,986,269	\$59,701,636	\$70,315,695	\$95,000,780	\$73,676,231	\$64,814,535

Source: District Records

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

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

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Expenses							
Governmental Activities:							
Instruction	\$66,999,455	\$72,506,183	\$68,933,022	\$73,176,247	\$76,890,642	\$90,031,129	\$93,452,835
Pupil	8,340,975	8,663,017	9,867,976	10,751,701	10,940,729	12,016,164	12,113,779
Instructional Staff	5,722,539	7,327,784	7,715,598	9,785,359	8,868,043	10,815,877	11,763,768
General Administration	27,184	23,719	67,385	44,068	62,727	78,578	99,449
School Administration	10,009,748	10,204,176	10,579,888	12,406,657	13,621,563	13,555,040	17,117,393
Fiscal	1,524,506	2,115,246	2,125,850	1,095,786	1,267,506	1,238,214	1,410,759
Business	509,697	466,188	329,164	292,860	222,208	335,700	349,666
Operations and Maintenance	11,414,121	11,177,889	10,438,378	10,900,201	11,300,285	13,420,202	15,569,138
Pupil Transportation	7,724,737	9,929,606	14,371,115	13,290,246	16,077,170	17,182,978	15,651,796
Central	2,074,718	2,343,254	2,555,949	2,983,262	2,637,239	4,293,249	4,117,653
Operation of Non-Instructional Services	45,255	139,383	357,834	525,523	534,606	281,880	711,817
Extracurricular Activities	2,810,168	3,011,917	3,103,182	3,292,761	3,023,706	3,278,754	3,620,893
Interest and Fiscal Charges	6,002,168	5,597,681	5,183,120	8,034,299	8,276,131	8,715,607	7,673,349
Total Governmental Activities Expenses	123,205,271	133,506,043	135,628,461	146,578,970	153,722,555	175,243,372	183,652,295
Business-Type Activities:							
Food Service	3,686,719	3,891,792	4,385,331	4,879,137	4,785,536	5,807,491	5,584,489
Uniform School Supply	732,945	871,408	1,005,613	1,204,606	1,293,862	1,421,015	1,363,726
Total Business-Type Activities Expenses	4,419,664	4,763,200	5,390,944	6,083,743	6,079,398	7,228,506	6,948,215
Total Primary Government Expenses	\$127,624,935	\$138,269,243	\$141,019,405	\$152,662,713	\$159,801,953	\$182,471,878	\$190,600,510

Source: District Records

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

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

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Program Revenues							
Governmental Activities:							
Charges for Services:							
Instruction	\$592,862	\$644,483	\$698,340	\$695,464	\$644,136	\$950,815	\$1,074,436
Pupil	617,363	626,643	748,353	752,472	641,584	733,516	619,309
Instructional Staff	3,670	6,717	5,758	9,576	81,704	112,068	125,840
General Administration	0	0	1,303	0	0	0	0
School Administration	1,255	1,145	0	172	0	7,263	3,984
Fiscal	0	0	0	0	0	0	272
Business	0	0	0	0	0	515	276
Operations and Maintenance	0	0	145,898	288,308	305,151	313,088	320,619
Pupil Transportation	0	0	0	0	0	0	1
Central	151	12,706	0	0	0	0	33
Operation of Non-Instructional Services	0	0	0	0	0	14,284	2,028
Extracurricular Activities	814,680	825,413	1,078,624	1,190,007	909,205	1,013,459	1,154,754
Operating Grants and Contributions	2,612,017	3,655,452	4,639,740	4,874,587	8,402,646	8,866,690	8,408,047
Capital Grants and Contributions	450,657	107,748	248,830	108,951	327,799	139,255	271,848
Total Governmental Activities Program Revenues	5,092,655	5,880,307	7,566,846	7,919,537	11,312,225	12,150,953	11,981,447
Business-Type Activities:							
Charges for Services:							
Food Service	3,218,741	3,611,470	4,401,500	4,031,466	4,058,782	3,974,447	3,913,704
Uniform School Supply	960,076	913,846	1,167,495	982,606	1,160,105	1,100,924	1,253,532
Operating Grants and Contributions	331,387	467,024	0	613,956	687,140	1,346,866	1,261,045
Total Business-Type Activities Program Revenues	4,510,204	4,992,340	5,568,995	5,628,028	5,906,027	6,422,237	6,428,281
Total Primary Government Program Revenues	\$9,602,859	\$10,872,647	\$13,135,841	\$13,547,565	\$17,218,252	\$18,573,190	\$18,409,728
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)	(\$172,190,782)

Source: District Records

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

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

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
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)	(\$172,190,782)
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	81,845,161
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	10,940,720
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	59,350,755
Payment in Lieu of Taxes - Unrestricted	1,472,801	2,153,931	257,770	1,599,259	2,437,337	1,482,251	8,862,405
Unrestricted Contributions	0	0	0	0	0	55,000	0
Investment Earnings	1,178,297	461,120	1,016,474	3,117,591	7,552,512	5,009,134	1,674,144
Refunds and Reimbursements	0	0	0	20,700	7,744	30,915	148,655
Other Revenues	651,656	466,531	419,747	416,951	1,036,805	226,300	449,227
Transfers-Internal Activities	0	0	(36,095)	(56,236)	(65,726)	(56,266)	0
Total Governmental Activities	123,059,713	132,501,493	130,796,541	149,843,021	164,877,120	157,245,213	163,271,067
Business-Type Activities:							
Investment Earnings	0	10,626	13,433	15,242	15,126	20,889	0
Other Revenues	0	0	14,556	18,936	19,095	19,571	58,019
Transfers-Internal Activities	0	0	36,095	56,236	65,726	56,266	0
Total Business-Type Activities	0	10,626	64,084	90,414	99,947	96,726	58,019
Change in Net Assets	\$5,037,637	\$5,115,523	\$2,977,061	\$10,818,287	\$22,393,366	(\$6,556,749)	(\$8,861,696)

Source: District Records

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

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

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$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	\$4,748,650
Unreserved	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	25,764,017
Total General Fund	\$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	\$30,512,667
All Other Governmental Funds										
Reserved	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	3,794,230
Unreserved, Reported In:										
Special Revenue Funds	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	631,697
Debt Service Funds	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	5,220,175
Capital Project Funds	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	1,211,247
Total all Other Governmental Funds	\$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	\$10,857,349

Source: District Records

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

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues:										
Taxes	\$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	\$93,210,158
Tuition and Fees	90,103	142,070	219,195	443,369	443,132	550,997	623,401	548,049	725,425	746,895
Investment Earnings	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	1,674,144
Intergovernmental	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	67,917,331
Extracurricular Activities	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	2,006,843
Charges for Services	0	0	0	0	0	295,331	0	0	0	0
Other Revenues (1)	3,575,722	1,312,647	1,243,738	2,331,295	1,262,626	656,487	2,350,844	3,774,211	2,191,041	10,000,945
Total Revenues	\$87,477,939	\$108,098,290	\$124,083,490	\$128,345,452	\$135,628,179	\$139,539,992	\$157,173,707	\$176,852,234	\$168,529,405	\$175,556,316

Source: District Records

(1) - Includes Revenue in Lieu of Taxes

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

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Regular Instruction	\$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	\$70,110,539
Special Instruction	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	13,119,471
Vocational Instruction	243,109	321,305	253,789	267,363	283,553	186,872	99,012	126,020	97,588	335
Other Instruction	249,878	278,680	406,687	208,288	292,795	244,275	2,886,570	3,018,895	2,603,832	2,860,997
Pupil	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	12,002,967
Instructional Staff	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	11,767,805
General Administration	8,714	35,889	23,984	27,184	23,719	67,385	44,068	62,727	78,578	99,449
School Administration	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	16,520,191
Fiscal	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	1,350,862
Business	316,922	268,826	452,264	334,167	339,578	194,347	250,186	171,521	269,953	319,840
Operations and Maintenance	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	15,416,204
Pupil Transportation	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	15,456,434
Central	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	3,922,128
Operation of Non-Instructional Services	6,408	4,140	2,170	138,551	135,224	354,212	546,483	555,986	272,258	710,274
Extracurricular Activities	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	3,461,532
Capital Outlay	1,703,538	5,325,673	18,946,017	0	4,310,899	757,466	9,708,525	45,983,393	35,589,747	14,644,749
Debt Service:										
Principal Retirement	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	6,279,450
Interest and Fiscal Charges	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	7,698,465
Bond Issuance Costs	0	0	0	0	0	0	0	0	0	222,100
Total Expenditures	\$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	\$195,963,792

Debt Service as a Percentage of
 Noncapital Expenditures

9.38% 10.96% 10.45% 10.17% 9.13% 8.16% 9.66% 9.71% 7.94% 7.76%

Source: District Records

Lakota Local School District, Ohio
 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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Other Financing Sources (Uses):										
Issuance of Long Term Debt	\$1,240,000	\$44,570,000	\$2,870,000	\$0	\$0	\$0	\$84,300,000	\$10,000,000	\$0	\$4,100,000
Issuance of Refunding Bonds	0	8,880,656	0	0	0	8,625,000	30,950,000	0	0	0
Premium on Bonds Sold	0	27,281	0	0	0	0	4,221,393	0	0	1,065,460
Payment to Refunded Bonds Escrow Agent	0	(8,880,656)	0	0	0	(8,625,000)	(34,194,969)	0	0	(17,479,951)
Proceeds of Refunding Bonds	0	0	0	0	0	0	0	0	0	16,680,000
Proceeds of Capital Leases	632,470	0	0	0	261,402	161,818	0	0	0	0
Proceeds from Sale of Capital Assets	22,318	10,139	4,440	138,101	0	0	20,395	0	3,519	48,096
Transfers In	441,000	150,000	45,580,800	1,387	24,908	1,808,906	1,483,808	1,779,391	1,870,362	1,996,206
Transfers (Out)	(441,000)	(150,000)	(45,551,767)	(1,387)	(24,908)	(1,845,001)	(1,540,044)	(1,845,117)	(1,926,628)	(1,996,206)
Total Other Financing Sources (Uses)	1,894,788	44,607,420	2,903,473	138,101	261,402	125,723	85,240,583	9,934,274	(52,747)	4,413,605
Net Change in Fund Balances	<u>(\$6,264,081)</u>	<u>\$46,264,165</u>	<u>(\$6,637,364)</u>	<u>(\$19,525,407)</u>	<u>(\$4,684,049)</u>	<u>\$1,383,021</u>	<u>\$84,117,223</u>	<u>(\$18,928,141)</u>	<u>(\$38,551,970)</u>	<u>(\$15,993,871)</u>

Source: District Records

Lakota Local School District, Ohio
 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
1999	\$1,303,927,250	\$136,671,688	\$78,477,160	\$1,519,076,098	\$4,350,670,341	0.55
2000	1,470,277,860	136,507,980	81,764,790	1,688,550,630	4,828,590,596	0.62
2001	1,596,004,850	156,691,941	79,376,000	1,832,072,791	5,266,157,621	0.62
2002	1,646,429,860	170,886,501	60,981,990	1,878,298,351	5,448,613,308	0.61
2003	1,960,455,290	171,600,152	58,862,530	2,190,917,972	6,346,563,967	0.60
2004	2,027,523,000	171,154,345	59,663,620	2,258,340,965	6,537,203,857	0.60
2005	2,145,381,260	173,951,122	60,653,310	2,379,985,692	6,886,118,541	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
2008	2,478,371,360	132,724,791	55,548,700	2,666,644,851	7,667,508,893	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, Ohio
 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 TCDS
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
2008	0.06	0.59	0.65	0.10	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, Ohio
Principal Property Tax Payers
Current Year and Three Years Ago (1)
Schedule 10

Taxpayer	2008	
	Tangible Personal & Real Property	Percentage of Total Assessed Value
Duke Energy	\$55,853,500	2.09%
First Industrial	19,947,280	0.75%
Dugan Realty LLC	14,542,940	0.55%
Cincinnati Lesaint	10,727,500	0.40%
Lakes at West Chester Vil.	8,151,300	0.31%
Duke Realty Ohio	8,103,920	0.30%
Landings at Beckett Ridge	7,685,100	0.29%
Salem Realty Holdings	6,850,250	0.26%
Port Union LLC	6,502,540	0.24%
Union Station of West Chester	6,432,290	0.24%
Total Principal Taxpayers	144,796,620	5.43%
All Other Taxpayers	2,521,848,231	94.57%
Total Taxpayers	\$2,666,644,851	100.00%
Taxpayer	2005	
	Tangible Personal & Real Property	Percentage of Total Taxable Value
Cincinnati Gas & Electric	\$46,064,120	1.79%
Security Capital IND TR	12,186,170	0.47%
Cincinnati Bell Telephone	10,229,560	0.40%
Duke Realty Ohio	8,282,300	0.32%
Union Station of West Chester LLC	6,667,050	0.26%
Landings at Beckett Ridge LLC	6,591,950	0.26%
Dugan Financing LLC	6,518,310	0.25%
Port Union LLC	6,064,080	0.24%
Four Bridges Apartments LTD	5,382,380	0.21%
First Industrial L P	5,196,980	0.20%
Total Principal Taxpayers	113,182,900	4.39%
All Other Taxpayers	2,465,830,297	95.61%
Total Taxpayers	\$2,579,013,197	100.00%

Source: County Auditor

(1) - The amounts presented represent the assessed values upon which 2008 and 2005 collections were based. Information from nine years prior is not available.

Lakota Local School District, Ohio
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
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%
2008	105,907,712	95,707,017	90.37%	4,927,183	100,634,200	95.02%

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, Ohio
 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			
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	1.45%	2,388
2008	171,006,195	0	171,006,195	N/A	2,322
2009	168,876,566	0	168,876,566	N/A	2,293

Source: District Records

N/A - Information not available

(1) - On the calendar year basis

Lakota Local School District, Ohio
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2009
 Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Butler County	\$61,743,087	33.55%	\$20,714,806
City of Fairfield	24,350,000	1.14%	277,590
City of Monroe	9,440,000	4.10%	387,040
Liberty Township	12,658,141	99.97%	12,654,344
West Chester Township	74,980,000	96.26%	72,175,748
Butler Technology & Career Center JT. Voc. School District	7,000,000	38.14%	2,669,800
Subtotal, Overlapping Debt	190,171,228		108,879,327
District Direct Debt	164,828,841	99.97%	164,779,392
Total Direct and Overlapping Debt	\$355,000,069		\$273,658,720

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, Ohio
 Legal Debt Margin Information,
 Last Ten Fiscal Years
 Schedule 14

Legal Debt Margin Calculation for Fiscal Year 2009

Assessed value (1)	\$2,666,644,851
Debt limit (9% of assessed value)	239,998,037
Debt applicable to limit	164,828,841
Legal debt margin	<u>\$75,169,196</u>

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt Limit	\$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	\$239,998,037
Total Net Debt Applicable to Limit	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	164,828,841
Legal Debt Margin	<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>	<u>\$75,169,196</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	57.00%	96.48%	66.23%	53.66%	52.06%	43.36%	78.71%	74.07%	70.48%	68.68%

Source: District Records

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2009 is calendar year 2008)

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

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
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	12,114,458	33,848	5.1%
2008	73,633	N/A	N/A	6.5%

- 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, Ohio
Major Employers (1)
Current Fiscal Year and Fiscal Period One Year Ago (2)
Schedule 16

2009

Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Employment
AK Steel Holding Corp	Mfg	(4)	(5)
Amylin Pharmaceuticals Inc	Mfg	(4)	(5)
Armor Holdings Inc	Mfg	(4)	(5)
Butler County Government	Govt	(4)	(5)
Cincinnati Financial Corp	Ins	(4)	(5)
Cornerstone Brands Inc	Trade	(4)	(5)
Fairfield City Bd of Ed	Govt	(4)	(5)
Ft Hamilton Memorial Hospital	Serv	(4)	(5)
Hamilton City Bd of Ed	Govt	(4)	(5)
Lakota Local Bd of Ed	Govt	(4)	(5)
Liberty Mutual/Ohio Casualty Corp	Ins	(4)	(5)
Mercy Regional Hospital	Serv	(4)	(5)
Miami University	Govt	(4)	(5)
Middletown Regional Health System	Serv	(4)	(5)

2008

Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Population
AK Steel Holding Corp	Mfg	(4)	(5)
Amylin Pharmaceuticals Inc	Mfg	(4)	(5)
Armor Holdings Inc	Mfg	(4)	(5)
Butler County Government	Govt	(4)	(5)
Cincinnati Financial Corp	Ins	(4)	(5)
Cornerstone Brands Inc	Trade	(4)	(5)
Fairfield City Bd of Ed	Govt	(4)	(5)
Ft Hamilton Memorial Hospital	Serv	(4)	(5)
Hamilton City Bd of Ed	Govt	(4)	(5)
Lakota Local Bd of Ed	Govt	(4)	(5)
Liberty Mutual/Ohio Casualty Corp	Ins	(4)	(5)
Mercy Regional Hospital	Serv	(4)	(5)
Miami University	Govt	(4)	(5)
Middletown Regional Health System	Serv	(4)	(5)

Source: Ohio Department of Development

(1) - For all of Butler County

(2) - Only current fiscal year and fiscal period one year ago information available. Information for fiscal period nine years ago not available.

(3) - Includes at minimum the ten largest employers for the county. In alphabetical order only.

(4) - The number of employees of each listed major employer was not available.

(5) - The employer's percentage of total employment for each major employer was not available.

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

	Fiscal Year									
	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Official/Administrative										
Assist. Deputy/Superintendent	1	1	1	1	1	1	1	2	2	1
Assistant Principal	22	22	24	22	23	24	23	24	27	28
Principal	17	18	19	18	19	19	19	19	20	20
Superintendent	1	1	1	1	1	1	1	1	1	1
Supervising/Managing/Directing	12	12	15	12	14	12	4	8	9	9
Treasurer	1	1	2	2	1	1	1	1	1	1
Other Official/Administrative	6	4	6	10	6	7	12	17	16	19
Totals	60	59	68	66	65	65	61	72	76	79
Professional - Educational/Other										
Counseling	48	54	55	62	31	29	31	32	33	37
Librarian/Media	31	33	32	44	18	19	14	18	19	17
Regular Teaching	656	674	732	978	671	699	701	733	743	826
Special Education Teaching	94	102	120	132	118	85	55	65	153	153
Educational Service Teacher	100	109	117	149	108	71	72	71	76	84
Psychologist	18	19	27	32	12	11	12	13	14	14
Registered Nursing	26	26	27	25	15	15	15	15	16	16
Speech and Language Therapist	35	42	50	57	29	30	30	31	33	34
Other Professional	51	48	47	54	101	119	162	161	101	15
Totals	1,058	1,107	1,207	1,532	1,103	1,078	1,090	1,139	1,188	1,196
Technical/Office/Clerical										
Computer Operating	11	12	13	14	14	15	14	19	21	21
Library Aide	14	16	14	15	15	17	12	147	13	14
Clerical	80	86	86	90	97	89	87	90	99	98
Teaching Aide	13	67	61	90	145	154	12	10	170	180
Other Technical/Office/Clerical	7	5	6	4	5	19	145	28	11	10
Totals	125	186	180	213	275	293	269	294	314	323
Crafts and Trades/Operative										
General Maintenance	16	15	16	17	18	22	7	7	8	11
Mechanic	8	8	8	7	10	9	9	7	8	8
Vehicle Operator (Buses)	146	158	166	172	185	0	0	0	0	0
Other Crafts and Trades/Operative	0	0	0	0	1	0	5	5	5	4
Totals	170	181	190	196	214	31	21	19	21	23
Extracurricular/Intracurricular Activities										
Advisor	97	105	73	94	0	0	0	0	0	0
Coaching	157	175	123	178	0	0	0	0	0	0
Athletic Trainer	5	4	1	0	0	0	0	0	0	0
Extra/Intra - Curricular Activities	194	238	187	0	0	0	0	0	0	0
Totals	452	521	384	272	0	0	0	0	0	0
Service Work/Laborer										
Custodian	86	89	87	91	106	98	85	85	95	102
Food Service	93	98	94	97	109	120	63	63	65	75
Attendant	92	67	76	65	56	59	16	19	25	25
Other Service Work/Laborer	44	47	42	53	36	2	18	15	15	13
Totals	315	301	299	306	306	279	181	182	200	215
Totals	2,180	2,355	2,327	2,585	1,963	1,746	1,622	1,706	1,799	1,836

Source: Lakota Local School District records.

Lakota Local School District, Ohio
 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>
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%
2008/2009	18,330	1,196	59,660	15.33	13.97%

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									
	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
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	945	1,033	1,046	1,087	1,236	1,264	1,284	1,325	930	940
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	558	601	674	717	570	595	621	598	466	447
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	590	722	705	694	559	643	636	622	796	838
Wyandot Early Childhood (2007)***										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	75,397	75,397
Enrollment	0	0	0	0	0	0	0	0	969	930
VanGorden Elementary (2003)**										
Square Feet	N/A	N/A	N/A	N/A	90,901	90,901	90,901	90,901	90,901	90,901
Enrollment	0	0	0	0	697	939	959	906	708	736
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	755	706	722	675	692	719	700	673	805	743
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	1,007	1,048	981	949	885	887	878	907	825	823
Endeavor Elementary (2007)***										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	75,397	75,397
Enrollment	0	0	0	0	0	0	0	0	654	672
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	631	612	643	648	609	583	582	588	570	611
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	758	752	744	721	698	657	638	676	671	648
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	662	692	750	718	729	753	778	837	749	752
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	819	778	775	804	694	715	703	687	644	645
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	815	869	894	948	748	823	897	891	712	764
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	738	745	732	778	907	844	764	832	536	601
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	724	749	747	776	537	521	560	650	674	605
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	815	790	800	887	785	778	896	894	763	787

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.

**** Lakota East Freshman opened beginning 2008-09.

N/A - Information not available

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

	Fiscal Year									
	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
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	810	797	846	878	702	670	642	663	661	686
Lakota Plains Junior (2003)**										
Square Feet	N/A	N/A	N/A	N/A	113,777	113,777	113,777	113,777	113,777	113,777
Enrollment	0	0	0	0	639	652	850	893	756	774
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	1,079	1,092	1,135	1,138	1,219	1,320	1,281	1,282	1,312	682
Lakota West High (1997)										
Square Feet	247,500	247,500	247,500	247,500	257,888	257,888	257,888	257,888	257,888	318,862
Enrollment	1,501	1,652	1,721	1,791	1,804	1,886	1,988	1,997	2,087	2,028
Lakota East Freshman (2009)****										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	126,903
Enrollment	0	0	0	0	0	0	0	0	0	677
Lakota East High (1997)										
Square Feet	247,500	247,500	247,500	247,500	257,888	257,888	257,888	257,888	257,888	318,862
Enrollment	1,452	1,505	1,583	1,636	1,648	1,712	1,765	1,861	1,946	1,941
Total Enrollment	14,659	15,143	15,498	15,845	16,358	16,961	17,422	17,782	18,234	18,330

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.

**** Lakota East Freshman opened beginning 2008-09.

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
MARCH 2, 2010