



**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2001



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY
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LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
JUNE 30, 2001

FEDERAL GRANTOR <i>Pass-Through Grantor</i> Program Title	Pass-Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster: Food Distribution Program	Unknown	10.550		\$ 28,764		\$ 29,966
National School Lunch Program	Unknown	10.555	\$ 72,882		\$ 72,882	
Total U.S. Department of Agriculture - Child Nutrition Cluster			72,882	28,764	72,882	29,966
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Title I Grants to Local Educational Agencies	050187 C1-S1 00	84.010			1,044	
	050187 C1-S1 01		103,097		100,937	
Total Title I Grants to Local Educational Agencies			103,097	0	101,981	0
Special Education Cluster: Title VI-B Special Education - Grants to States	050187-6B-SF-99	84.027	7,771		22,857	
	050187-6B-SF-00		125,216		106,308	
Total Title VI-B Special Education - Grants to States - Special Education Cluster			132,987	0	129,165	0
Safe and Drug Free Schools	050187 DR-S1 01	84.186	9,232		9,232	
Eisenhower Professional Development State Grant	050187 MS-S1 01	84.281	6,583		6,364	
Innovative Education Program Strategies Title VI	050187 C2-S1 00	84.298	60		1,291	
	050187 C2-S1 01		11,018		11,018	
	050187 C2-S1				1,558	
Total Innovative Education Program Strategies Title VI			11,078	0	13,867	0
Class Size Reduction Subsidy	050187 CR-S1 00	84.340	3,467			
	050187 CR-S1 01		30,438		30,438	
Total Class Size Reduction Subsidy			33,905	0	30,438	0
Total U.S. Department of Education			296,882	0	291,047	0
Total Passed Through the Ohio Department of Education			369,764	28,764	363,929	29,966
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities</i>						
Medicaid Cluster: Title XIX - Medical Assistance Program - Community Alternative Funding System (CAFS)	Unknown	93.778	85,156		85,156	
Total U.S. Department of Health and Human Services Medicaid Cluster			85,156	0	85,156	0
TOTAL FEDERAL FINANCIAL ASSISTANCE PROGRAMS			\$ 454,920	\$ 28,764	\$ 449,085	\$ 29,966

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

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
JUNE 30, 2001**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

Non-monetary assistance, such as food received from the U.S. Department Of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2001, the District had no significant food commodities in inventory.



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OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

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

To the Board of Education:

We have audited the financial statements of Lakeview Local School District, Trumbull County, as of and for the year ended June 30, 2001, and have issued our report thereon dated November 2, 2001 which disclosed a change in accounting principle. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of Lakeview Local School District in a separate letter dated November 2, 2001.

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

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

Jim Petro
Auditor of State

November 2, 2001



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

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

To the Board of Education:

Compliance

We have audited the compliance of Lakeview Local School District, Trumbull County, 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, 2001. Lakeview Local School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Lakeview Local School District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, Lakeview Local School District, Trumbull County, complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2001.

Internal Control Over Compliance

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

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

Schedule of Federal Awards Expenditures

We have audited the general-purpose financial statements of Lakeview Local School District, Trumbull County, as of and for the year ended June 30, 2001, and have issued our report thereon dated November 2, 2001, which disclosed a change in accounting principle. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

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

Jim Petro
Auditor of State

November 2, 2001

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2001**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under §.510?	No
(d)(1)(vii)	Major Program (list):	10.550 Food Distribution 10.555 National School Lunch Program 84.340 Class Size Reduction Subsidy
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

Lakeview
Local School District
Cortland, Ohio



Comprehensive
Annual Financial Report

For the Fiscal Year Ended June 30, 2001

Lakeview
Local School District
Cortland, Ohio

Comprehensive
Annual Financial Report

For the Fiscal Year Ended June 30, 2001

Prepared by
Treasurer's Office
Milton A. Williams
Treasurer

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

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**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

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TRUMBULL COUNTY**

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**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

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Lakeview Local Schools

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

Dr. Matthew Lhujnacki
Superintendent

Dr. Delores Ullier
Admin. Assistant

Mr. Milt Williams
Treasurer

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

October 19, 2001

Board of Education Members Lakeview Local School District

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Lakeview Local School District for the fiscal year ended June 30, 2001. This CAFR includes an opinion from the State Auditor and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the School District. This report will provide the taxpayers of the Lakeview Local School District with comprehensive financial data in a format which will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the Trumbull County Public Library, major taxpayers, financial rating services and other interested parties.

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

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

THE SCHOOL DISTRICT

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

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

The fiscal year 2001 student count was 2,287 which represented an increase of seven students over the fiscal year 2000 enrollment. The average class size for fiscal year 2001 was twenty-five students, and the average pupil/teacher ratio was 17.3 to 1. The School District has a total of 229 employees.

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

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

THE REPORTING ENTITY AND SERVICES PROVIDED

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

The Trumbull County Joint Vocational School, the North East Ohio Management Information Network, the North East Ohio Instructional Media Center, the North East Ohio Special Education Regional Resource Center and the Region 12 Professional Development Center are jointly governed organizations whose relationships to the School District are described in Note 20 to the general purpose financial statements.

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

ECONOMIC CONDITION AND OUTLOOK

Residential and commercial growth within the School District has been strong in recent years. Total assessed value has increased by eleven percent in the past five years while student enrollment is down approximately two percent for the same period. K-Mart and Delphi Automotive Corporations contribute sixty-two percent of the total personal tangible tax revenue. Wal Mart recently opened a large store within the School District boundaries. Residential and commercial/industrial development is projected to continue.

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

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

1. A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
2. Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of October 19, 2001, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

As of the date of these financial statements, the School District is unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

MAJOR INITIATIVES

Technology/Internet

The statewide SchoolNet funds continue to help Lakeview achieve its technology goals. Each office, media center, and classroom in the Lakeview District is wired and has the capability to reach out via the internet to enrich the accomplishments of the District.

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

Technology instruction has been provided at each Lakeview building for many years. Teachers actively involve students in computer and internet activities. All buildings are equipped with computer labs. Two new modular technology labs, one at the middle school and one at the high school introduce students to a new level of industrial technology, science, and mathematics instruction that better prepare them for a technological world. A modular technology lab is a computerized educational system that divides a classroom into multiple learning stations. Each station is equipped with a computer, the additional hardware as needed for the station, and programmed software. Student teams of two rotate through a series of technology programs, moving from one program to another throughout the grading period.

The middle school program is a nine-week program provided to both sixth and seventh graders. At the high school the program will be offered to all students eighth through twelfth. There are six semester sessions for which students may sign up. High school students receive 0.5 credits for each successfully completed semester.

InfOhio

All four Lakeview buildings are now active participants of the InfOhio Media Network. The use of this network has helped the media centers become very modern information resource centers. InfOhio, a partner in Ohio's library network, ensures the free delivery, quality, format, and equity of information for learners and educators by embracing appropriate, emerging technologies used in school, home and community. InfOhio provides electronic resources for all Ohio K-12 schools. Students have access from each classroom to the internet and our school library media centers. Several of the schools' electronic resources are also available for home use. Parents and students are encouraged to log-on for access to quality reference materials that students can use after school or on weekends when the traditional school library is not available.

Curriculum and Instruction

The Lakeview kindergarten through twelfth grade staff conducted a very extensive science curriculum study last year. New textbooks, science labs and materials were purchased for all grade levels. A new state of the art science classroom/laboratory was constructed at the high school. This additional facility was necessary due to the expansion of the high school science department and additional course offerings required for high school graduation.

Lakeview's Continuous Improvement Plan has established two major goals for the District:

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

In the area of literacy, each elementary building applied for and received an OhioReads grant. Both Cortland and Bazetta have received a two-year renewal of their grant. An OhioReads' involved volunteer program continues at each building, providing help to at-risk students. Attention is focused at all grade levels to help students gain critical thinking and problem-solving skills and to develop the skills needed to successfully respond to test questions that require short answers and extended responses. The use of technology continues to be promoted and many teachers are successfully integrating it into their literacy curriculum.

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

Special Education

Special education services were provided for 242 Lakeview students, ages three through twenty-two last school year. The District provides services for students with speech, learning, developmental, physical and multi disabilities. The M.O.V.E. Program adapted for orthopedic students is a program for people with physical disabilities. The program, Mobility Opportunities via Education, or M.O.V.E., originated in California, and is used to encourage children who are severely physically challenged. The belief is that once a child is able to have some independence in movement, he/she will improve cognitively. This program is working very successfully at all three Lakeview buildings that house students that are orthopedically handicapped.

A committee, comprised of Trumbull County and Lakeview personnel, solicited funds to purchase additional assistive technology devices and software for students whose physical disabilities severely impact their ability to communicate. In addition, the local Alcoa Division, Excel Extrusions, donated a heavy duty laminator and laminating materials to create communication books for non-verbal students' use.

The District houses three handicapped preschool classrooms for students, two at the Bazetta building and one at the Cortland Building. This program improves the school's ability to identify and serve handicapped students at an earlier age.

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

Proficiency Testing

Results of proficiency testing during the 2000-2001 school year were very good. The District's students, at all state designated testing grade levels, met all state proficiency standards. The District is very proud that Lakeview students continue to improve their skill development in all testing areas.

Summer School

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

FINANCIAL INFORMATION

Internal Accounting and Budgetary Control. The School District's accounting system is organized on a "fund" basis. Each fund (and account group) is a distinct self-balancing accounting entity. Reports for general governmental operations are presented on the modified accrual basis whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. Reports of the School District's proprietary operations and nonexpendable trust fund are presented on the accrual basis whereby revenues are recognized when earned and expenses when incurred.

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

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

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

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

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

Lakeview Local School District
Trumbull County

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

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

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

General Governmental Functions. The governmental funds encompass the general, special revenue, debt service, and capital projects funds of the School District. The following schedule presents a summary of governmental funds' revenue for fiscal years ended June 30, 2001 and 2000, and the amount and percentage of increases and decreases in relation to the prior year's revenues.

	2001 Amount	2000 Amount	Percent of Total	Change	Percent Change
<u>Revenues</u>					
Taxes	\$7,308,272	\$6,500,693	49.41%	\$807,579	12.42%
Intergovernmental	6,568,011	6,090,341	44.41	477,670	7.84
Interest	65,068	69,901	.44	(4,833)	(6.91)
Tuition and Fees	599,932	464,690	4.06	135,242	29.10
Extracurricular Activities	175,043	126,844	1.18	48,199	38.00
Contributions and Donations	41,169	124,072	.28	(82,903)	(66.82)
Rentals and Royalties	28,039	21,503	.19	6,536	(30.40)
Miscellaneous	4,110	12,117	.03	(8,007)	(66.08)
Total Revenues	<u>\$14,789,64</u>	<u></u>	<u>100.00</u>	<u>\$1,379,48</u>	<u>10.29</u>

Taxes revenue increased by \$807,579 because the District received a full year collection instead of half a year's collection of revenues from an emergency operating levy.

Intergovernmental income increased by \$477,670 due to an increase in State foundation revenues.

Tuition and fees income increased by \$135,242 due to an increase in orthopedic tuition charges to other districts.

Extracurricular activities income increased by \$48,199 because revenue generating athletic teams had exceptional seasons.

Contributions and donations decreased by \$82,903 because the prior year receipts included a large donation from a resident.

Lakeview Local School District
Trumbull County

Rentals and royalties increased by \$6,536 due to increased usage of the District's auditorium.

Miscellaneous income decreased by \$8,007 because the prior year's income had significant compensation for losses in a bus accident.

The following schedule presents a summary of governmental funds' expenditures for fiscal years ended June 30, 2001 and 2000, and the amount and percentage of increases and decreases in relation to the prior year's expenditures.

	2001 Amount	2000 Amount	Percent of Total	Change	Percent Change
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	\$6,540,93	\$6,255,13	43.56	\$285,79	4.57%
Special	1,246,687	1,304,142	8.30	(57,455)	(4.41)
Support Services:					
Pupils	656,915	630,739	4.37	26,176	4.15
Instructional Staff	622,917	448,581	4.15	174,336	38.86
Board of Education	18,900	18,000	.13	900	5.00
Administration	1,332,853	1,248,704	8.88	84,149	6.74
Fiscal	327,589	317,684	2.18	9,905	3.12
Operation and Maintenance	1,291,462	1,161,625	8.60	129,837	11.18
Pupil Transportation	649,499	509,551	4.32	139,948	27.46
Operation of Non-Instructional Services					
	3,575	4,112	.02	(537)	(13.06)
Extracurricular Activities	458,795	369,244	3.06	89,551	24.25
Capital Outlay	1,316,700	273,957	8.77	1,042,74	380.62
Debt Service:					
Principal Retirement	280,000	315,000	1.86	(35,000)	(11.11)
Interest and Fiscal Charges	270,883	251,145	1.80	19,738	7.86
Total Expenditures	<u>\$15,017,7</u>	<u>\$13,107,6</u>	<u>100%</u>	<u>\$1,910,0</u>	<u>14.57%</u>

Instructional staff expenditures decreased by \$174,336 due to the retirement of employees at the top of the salary schedule and reduced costs from substitute teachers.

Operation and maintenance of the plant expenditures increased by \$129,837 due to increased utility expenses.

Pupil transportation expenditures increased by \$139,948 due to higher costs of maintaining an aging fleet and higher fuel charges.

Extracurricular activities increased by \$89,551 because of increased costs associated with much higher levels of activity.

Capital outlays increased by \$1,042,743 due to an increase in building improvements and renovations.

General Fund Balance. The general fund concluded fiscal year 2001 with a deficit fund balance of \$82,974 which is down from a deficit of \$763,396 at the end of last fiscal year. The deficit resulted from the conversion to generally accepted accounting principles and adjustments for accrued liabilities. The School District is aware of this and is evaluating how to eliminate the deficit.

Capital Projects Funds Balance. The capital projects funds concluded fiscal year 2001 with a deficit fund balance of \$134,894. The deficit resulted from the conversion to generally accepted accounting principles and adjustments for accrued liabilities. The School District is aware of this and is evaluating how to eliminate the deficit.

Financial Highlights - Enterprise Funds. Food service and uniform school supplies are classified as enterprise operations since they resemble those activities found in private industry; management periodically desires to determine the amount of profit/loss resulting from these operations that are significantly financed from user fees. In total, the enterprise funds had a net loss of \$206 for the fiscal year ended June 30, 2001. The School District is examining the operations in its food service fund with a goal of reducing expenditures.

Financial Highlights - Fiduciary Fund. The trust fund carried on the financial records of the School District is a scholarship nonexpendable trust fund that has assets totaling \$21,168 at fiscal year end.

Debt Administration. At June 30, 2001 general obligation bonds outstanding totaled \$4,585,815 and capital leases outstanding totaled \$1,035,000. During fiscal year 2001, \$270,000 of general obligation bonds and \$10,000 in capital leases were retired. As of June 30, 2001, the overall legal debt margin was \$18,424,664 and the unvoted debt margin was \$253,377. The existing bond obligations are backed by the full faith and credit of the School District and will be retired fully by fiscal year 2020.

Cash Management. The Board has an aggressive cash management program which consists of expediting the receipt of revenues and prudently depositing cash which is insured by the Federal Deposit Insurance Corporation as well as investing available cash in instruments issued by the United States Government or the State of Ohio. The total amount of interest earned was \$68,041 for the year ended June 30, 2001, \$63,338 being credited directly to the general fund.

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

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

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

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

General Fixed Assets. The general fixed assets of the Lakeview Local School District are used to carry on the main education and support function of the system and are not financial resources available for expenditure. The total general fixed assets at June 30, 2001 were \$18,784,469. Such assets are accounted for at historical cost. Depreciation is not recognized on general fixed assets.

INDEPENDENT AUDIT

Federal statutes require the School District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent auditor Jim Petro, Auditor of State, was selected to render an opinion on the School District's financial statements as of and for the year ended June 30, 2001. The opinion appears at the beginning of the financial section of this report.

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

AWARDS

GFOA Certificate of Achievement. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Lakeview Local School District for its comprehensive Annual Financial Report for the fiscal year ended June 30, 2000. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

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

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

ACKNOWLEDGMENTS

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

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

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

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

Respectfully submitted,



Mr. Milton A. Williams, Treasurer



Dr. Matthew J. Chojnacki, Superintendent

**Lakeview Local School District
Principal Officials
June 30, 2001**

Board of Education

Mrs. Beverly Hoagland President
Ms. Donna Zuga Vice-President
Mr. Donald Moore Member
Mr. Larry Swiger Member
Mr. James D. Shafer Member

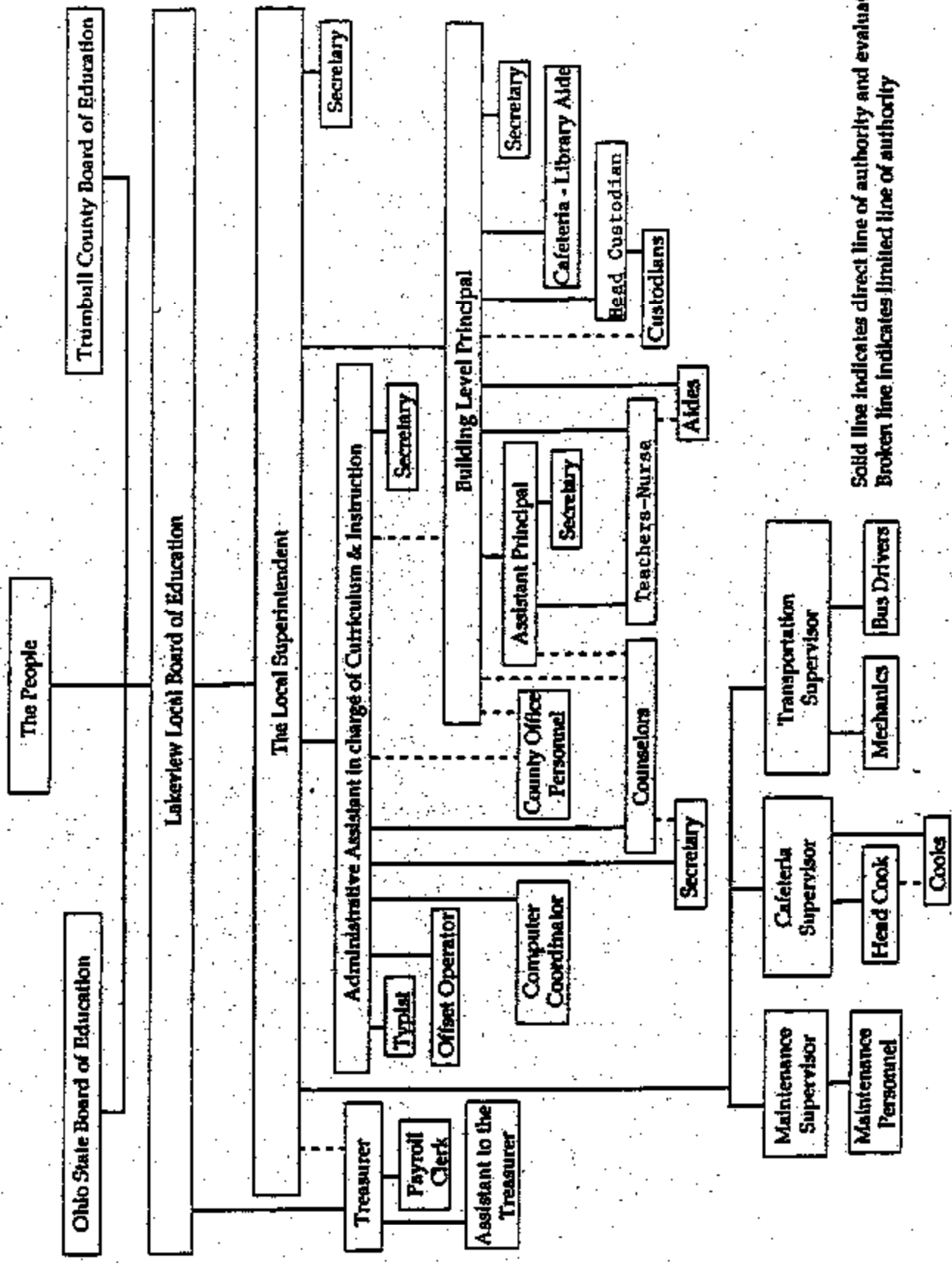
Treasurer

Mr. Milton A. Williams

Administration

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

ORGANIZATION CHART LAKEVIEW LOCAL SCHOOLS



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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lakeview Local School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2000

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.



Smith Drew
President

Jeffrey L. Esler
Executive Director

Financial

Section

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Voinovich Government Center

242 Federal Plaza West

Suite 302

Youngstown, Ohio 44503

Telephone 330-797-9900

800-443-9271

Facsimile 330-797-9949

www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Education:

We have audited the accompanying general-purpose financial statements of the Lakeview Local School District, Trumbull County, (the District) as of and for the year ended June 30, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Lakeview Local School District, Trumbull County, as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As further discussed in note 3, during the year ended June 30, 2001, the District adopted Governmental Accounting Statement No. 33.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2001 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

Jim Petro
Auditor of State

November 2, 2001

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**Lakeview Local School District
 Combined Balance Sheet
 All Fund Types and Account Groups
 June 30, 2001**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and Other Debits:</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$521,758	\$185,013	\$176,528	\$154,082
Cash and Cash Equivalents With Fiscal Agents	0	0	605	7,373
Receivables:				
Taxes	6,638,548	0	457,969	263,644
Accounts	1,324	0	0	0
Intergovernmental	24,327	731	0	0
Interfund Receivable	12	0	0	0
Inventory Held for Resale	0	0	0	0
Restricted Asset:				
Equity in Pooled Cash and Cash Equivalents	213,499	0	0	0
Materials and Supplies Inventory	46,270	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
<u>Other Debits:</u>				
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
Total Assets and Other Debits	\$7,445,738	\$185,744	\$635,102	\$425,099

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		Trust and Agency	General Fixed Assets	
Enterprise				
\$83,736	\$86,815	\$0	\$0	\$1,207,932
0	0	0	0	7,978
0	0	0	0	7,360,161
0	0	0	0	1,324
0	0	0	0	25,058
0	0	0	0	12
8,032	0	0	0	8,032
0	0	0	0	213,499
2,231	0	0	0	48,501
200,735	0	18,784,469	0	18,985,204
0	0	0	206,528	206,528
0	0	0	6,798,224	6,798,224
\$294,734	\$86,815	\$18,784,469	\$7,004,752	\$34,862,453

(continued)

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**Lakeview Local School District
 Combined Balance Sheet
 All Fund Types and Account Groups (continued)
 June 30, 2001**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Liabilities, Fund Equity and Other Credits</u>				
<u>Liabilities:</u>				
Accounts Payable	\$34,752	\$369	\$0	\$13,277
Accrued Wages	991,939	27,674	0	0
Compensated Absences Payable	40,183	0	0	0
Interfund Payable	0	12	0	0
Intergovernmental Payable	273,290	6,742	0	0
Deferred Revenue	6,188,548	731	427,969	248,644
Due to Students	0	0	0	0
Accrued Interest Payable	0	0	0	3,509
Notes Payable	0	0	0	294,563
Matured Interest Payable	0	0	605	0
Capital Lease Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Total Liabilities	7,528,712	35,528	428,574	559,993
<u>Fund Equity and Other Credits:</u>				
Investment in General Fixed Assets	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	266,610	48,456	0	12,200
Reserved for Inventory	46,270	0	0	0
Reserved for Contributions	0	0	0	0
Reserved for Taxes	450,000	0	30,000	15,000
Reserved for Budget Stabilization	68,316	0	0	0
Reserved for Textbooks	145,183	0	0	0
Unreserved:				
Undesignated (Deficit)	(1,059,353)	101,760	176,528	(162,094)
Total Fund Equity (Deficit) and Other Credits	(82,974)	150,216	206,528	(134,894)
Total Liabilities, Fund Equity and Other Credits	\$7,445,738	\$185,744	\$635,102	\$425,099

See accompanying notes to the general purpose financial statements

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		Enterprise	Trust and Agency	
\$228	\$0	\$0	\$0	\$48,626
6,533	0	0	0	1,026,146
23,414	0	0	1,284,088	1,347,685
0	0	0	0	12
25,364	0	0	99,849	405,245
5,187	0	0	0	6,871,079
0	65,647	0	0	65,647
0	0	0	0	3,509
0	0	0	0	294,563
0	0	0	0	605
0	0	0	1,035,000	1,035,000
0	0	0	4,585,815	4,585,815
60,726	65,647	0	7,004,752	15,683,932
0	0	18,784,469	0	18,784,469
234,008	0	0	0	234,008
0	0	0	0	327,266
0	0	0	0	46,270
0	20,000	0	0	20,000
0	0	0	0	495,000
0	0	0	0	68,316
0	0	0	0	145,183
0	1,168	0	0	(941,991)
234,008	21,168	18,784,469	0	19,178,521
\$294,734	\$86,815	\$18,784,469	\$7,004,752	\$34,862,453

**Lakeview Local School District
 Combined Statement of Revenues, Expenditures
 and Changes in Fund Balances
 All Governmental Fund Types
 For the Fiscal Year Ended June 30, 2001**

	Governmental	
	General	Special Revenue
<u>Revenues:</u>		
Taxes	\$6,636,630	\$0
Intergovernmental	6,042,246	371,122
Interest	63,338	1,730
Tuition and Fees	590,862	9,070
Extracurricular Activities	0	175,043
Contributions and Donations	4,150	37,019
Rentals and Royalties	28,039	0
Miscellaneous	4,110	0
Total Revenues	13,369,375	593,984
<u>Expenditures:</u>		
Current:		
Instruction:		
Regular	6,456,952	83,978
Special	1,028,724	217,963
Support Services:		
Pupils	646,998	9,917
Instructional Staff	557,688	65,229
Board of Education	18,900	0
Administration	1,332,486	367
Fiscal	326,294	1,295
Operation and Maintenance of Plant	1,286,683	4,779
Pupil Transportation	642,499	7,000
Operation of Non-Instructional Services	0	3,575
Extracurricular Activities	296,999	161,796
Capital Outlay	90,825	0
Debt Service:		
Principal Retirement	0	0
Interest and Fiscal Charges	0	0
Total Expenditures	12,685,048	555,899
Excess of Revenues Over (Under) Expenditures	684,327	38,085
<u>Other Financing Sources (Uses):</u>		
Proceeds from Capital Lease	0	0
Operating Transfers In	0	6,351
Operating Transfers Out	(6,351)	0
Total Other Financing Sources (Uses)	(6,351)	6,351
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	677,976	44,436
Fund Balances (Deficit) at Beginning of Year - Restated (Note 3)	(763,396)	105,780
Increase in Reserve for Inventory	2,446	0
Fund Balances (Deficit) at End of Year	(\$82,974)	\$150,216
	=====	=====

See accompanying notes to the general purpose financial statements

Fund	Types	Totals (Memorandum Only)
Debt Service	Capital Projects	
\$470,545	\$201,097	\$7,308,272
48,407	106,236	6,568,011
0	0	65,068
0	0	599,932
0	0	175,043
0	0	41,169
0	0	28,039
0	0	4,110
<u>518,952</u>	<u>307,333</u>	<u>14,789,644</u>
0	0	6,540,930
0	0	1,246,687
0	0	656,915
0	0	622,917
0	0	18,900
0	0	1,332,853
0	0	327,589
0	0	1,291,462
0	0	649,499
0	0	3,575
0	0	458,795
0	1,225,875	1,316,700
270,000	10,000	280,000
203,922	66,961	270,883
<u>473,922</u>	<u>1,302,836</u>	<u>15,017,705</u>
<u>45,030</u>	<u>(995,503)</u>	<u>(228,061)</u>
0	0	0
0	0	6,351
0	0	(6,351)
<u>0</u>	<u>0</u>	<u>0</u>
45,030	(995,503)	(228,061)
161,498	860,609	364,491
0	0	2,446
<u>\$206,528</u>	<u>(\$134,894)</u>	<u>\$138,876</u>
=====	=====	=====

**Lakeview Local School District
 Combined Statement of Revenues, Expenditures and
 Changes in Fund Balances - Budget (Non - GAAP Basis) and Actual
 All Governmental Fund Types
 For the Fiscal Year Ended June 30, 2001**

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$6,341,628	\$6,341,630	\$2
Intergovernmental	6,009,928	6,017,919	7,991
Interest	67,781	68,769	988
Tuition and Fees	583,870	590,567	6,697
Extracurricular Activities	0	0	0
Contributions and Donations	4,150	4,150	0
Rentals and Royalties	26,814	27,010	196
Miscellaneous	4,075	4,110	35
Total Revenues	13,038,246	13,054,155	15,909
Expenditures:			
Current:			
Instruction:			
Regular	6,618,731	6,573,267	45,464
Special	1,067,888	1,064,827	3,061
Support Services:			
Pupils	681,660	670,277	11,383
Instructional Staff	544,565	542,309	2,256
Board of Education	21,140	18,900	2,240
Administration	1,353,930	1,350,969	2,961
Fiscal	348,347	336,882	11,465
Operation and Maintenance of Plant	1,488,477	1,468,045	20,432
Pupil Transportation	727,037	712,455	14,582
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	298,030	297,575	455
Capital Outlay	300,000	90,825	209,175
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	13,449,805	13,126,331	323,474
Excess of Revenues Over (Under) Expenditures	(411,559)	(72,176)	339,383
Other Financing Sources (Uses):			
Operating Transfers In	0	0	0
Operating Transfers Out	(6,351)	(6,351)	0
Total Other Financing Sources (Uses)	(6,351)	(6,351)	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(417,910)	(78,527)	339,383
Fund Balances at Beginning of Year	351,790	351,790	0
Prior Year Encumbrances Appropriated	156,443	156,443	0
Fund Balances at End of Year	\$90,323	\$429,706	\$339,383

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$450,544	\$450,545	\$1
376,584	382,421	5,837	48,406	48,407	1
1,685	1,730	45	0	0	0
8,920	9,070	150	0	0	0
175,043	175,043	0	0	0	0
35,401	37,019	1,618	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
597,633	605,283	7,650	498,950	498,952	2
104,730	94,909	9,821	0	0	0
259,167	243,315	15,852	0	0	0
10,977	10,579	398	0	0	0
67,658	65,000	2,658	0	0	0
0	0	0	0	0	0
498	483	15	0	0	0
8,000	1,295	6,705	0	0	0
8,823	4,779	4,044	0	0	0
7,910	7,000	910	0	0	0
4,000	3,575	425	0	0	0
208,085	184,512	23,573	0	0	0
0	0	0	0	0	0
0	0	0	285,634	270,000	15,634
0	0	0	205,866	203,922	1,944
679,848	615,447	64,401	491,500	473,922	17,578
(82,215)	(10,164)	72,051	7,450	25,030	17,580
6,351	6,351	0	0	0	0
0	0	0	0	0	0
6,351	6,351	0	0	0	0
(75,864)	(3,813)	72,051	7,450	25,030	17,580
98,076	98,076	0	151,498	151,498	0
35,836	35,836	0	0	0	0
\$58,048	\$130,099	\$72,051	\$158,948	\$176,528	\$17,580

(continued)

**Lakeview Local School District
 Combined Statement of Revenues, Expenditures and
 Changes in Fund Balances - Budget (Non - GAAP Basis) and Actual
 All Governmental Fund Types (continued)
 For the Fiscal Year Ended June 30, 2001**

Capital Projects Funds

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$186,097	\$186,097	\$0
Intergovernmental	109,353	109,353	0
Interest	0	0	0
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Contributions and Donations	0	0	0
Rentals and Royalties	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>295,450</u>	<u>295,450</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	90,759	90,331	428
Special	0	0	0
Support Services:			
Pupils	0	0	0
Instructional Staff	0	0	0
Board of Education	0	0	0
Administration	0	0	0
Fiscal	0	0	0
Operation and Maintenance of Plant	201,492	195,409	6,083
Pupil Transportation	0	0	0
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	0	0	0
Capital Outlay	83,492	3,043	80,449
Debt Service:			
Principal Retirement	27,908	27,659	249
Interest and Fiscal Charges	47,092	47,092	0
Total Expenditures	<u>450,743</u>	<u>363,534</u>	<u>87,209</u>
Excess of Revenues Over (Under) Expenditures	<u>(155,293)</u>	<u>(68,084)</u>	<u>87,209</u>
Other Financing Sources (Uses):			
Operating Transfers In	0	0	0
Operating Transfers Out	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(155,293)</u>	<u>(68,084)</u>	<u>87,209</u>
Fund Balances at Beginning of Year	108,822	108,822	0
Prior Year Encumbrances Appropriated	80,192	80,192	0
Fund Balances at End of Year	<u>=====</u> \$33,721	<u>=====</u> \$120,930	<u>=====</u> \$87,209

See accompanying notes to the general purpose financial statements

Totals
(Memorandum Only)

Revised Budget	Actual	Variance Favorable (Unfavorable)
\$6,978,269	\$6,978,272	\$3
6,544,271	6,558,100	13,829
69,466	70,499	1,033
592,790	599,637	6,847
175,043	175,043	0
39,551	41,169	1,618
26,814	27,010	196
4,075	4,110	35
<u>14,430,279</u>	<u>14,453,840</u>	<u>23,561</u>
6,814,220	6,758,507	55,713
1,327,055	1,308,142	18,913
692,637	680,856	11,781
612,223	607,309	4,914
21,140	18,900	2,240
1,354,428	1,351,452	2,976
356,347	338,177	18,170
1,698,792	1,668,233	30,559
734,947	719,455	15,492
4,000	3,575	425
506,115	482,087	24,028
383,492	93,868	289,624
313,542	297,659	15,883
252,958	251,014	1,944
<u>15,071,896</u>	<u>14,579,234</u>	<u>492,662</u>
<u>(641,617)</u>	<u>(125,394)</u>	<u>516,223</u>
6,351	6,351	0
(6,351)	(6,351)	0
<u>0</u>	<u>0</u>	<u>0</u>
(641,617)	(125,394)	516,223
710,186	710,186	0
272,471	272,471	0
<u>\$341,040</u>	<u>\$857,263</u>	<u>\$516,223</u>
=====	=====	=====

**Lakeview Local School District
 Combined Statement of Revenues,
 Expenses and Changes in Retained Earnings/Fund Balance
 Proprietary Fund Type and Similar Trust Fund
 For the Fiscal Year Ended June 30, 2001**

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Nonexpendable Trust	
<u>Operating Revenues:</u>			
Sales	\$444,362	\$0	\$444,362
Interest	0	1,150	1,150
Total Operating Revenues	<u>444,362</u>	<u>1,150</u>	<u>445,512</u>
<u>Operating Expenses:</u>			
Salaries	209,062	0	209,062
Fringe Benefits	78,477	0	78,477
Purchased Services	13,703	0	13,703
Materials and Supplies	16,992	0	16,992
Cost of Sales	219,345	0	219,345
Other Operating Expenses	0	1,000	1,000
Depreciation	14,464	0	14,464
Total Operating Expenses	<u>552,043</u>	<u>1,000</u>	<u>553,043</u>
Operating Income (Loss)	<u>(107,681)</u>	<u>150</u>	<u>(107,531)</u>
<u>Non-Operating Revenues</u>			
Federal Donated Commodities	29,966	0	29,966
Operating Grant	75,686	0	75,686
Interest	1,823	0	1,823
Total Non-Operating Revenues	<u>107,475</u>	<u>0</u>	<u>107,475</u>
Net Income (Loss)	(206)	150	(56)
Retained Earnings/Fund Balance at Beginning of Year - Restated (Note 3)	<u>234,214</u>	<u>21,018</u>	<u>255,232</u>
Retained Earnings/Fund Balance at End of Year	<u>\$234,008</u>	<u>\$21,168</u>	<u>\$255,176</u>

See accompanying notes to the general purpose financial statements

**Lakeview Local School District
 Combined Statement of Cash Flows
 Proprietary Fund Type and Similar Trust Fund
 For the Fiscal Year Ended June 30, 2001**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Nonexpendable Trust</u>	
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>			
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$444,362	\$0	\$444,362
Cash Payments to Employees for Services	(208,832)	0	(208,832)
Cash Payments to Employee Benefits	(75,831)	0	(75,831)
Cash Payments to Suppliers for Goods and Services	(220,105)	0	(220,105)
Cash Payments for Other Operating Expenses	0	(1,000)	(1,000)
Net Cash Used for Operating Activities	(60,406)	(1,000)	(61,406)
<u>Cash Flows from Noncapital Financing Activities:</u>			
Operating Grants Received	75,686	0	75,686
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Payments for Capital Acquisitions	(38,711)	0	(38,711)
<u>Cash Flows from Investing Activities:</u>			
Interest on Investments	1,823	1,150	2,973
Net Increase (Decrease) in Cash and Cash Equivalents	(21,608)	150	(21,458)
Cash and Cash Equivalents at Beginning of Year	105,344	21,018	126,362
Cash and Cash Equivalents at End of Year	\$83,736	\$21,168	\$104,904
<u>Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:</u>			
Operating Income (Loss)	(107,681)	150	(107,531)
Adjustments:			
Depreciation	14,464	0	14,464
Donated Commodities Used During Year	29,966	0	29,966
Interest	0	(1,150)	(1,150)
(Increase) Decrease in Assets:			
Materials and Supplies Inventory	(411)	0	(411)
Inventory held for Resale	152	0	152
Increase (Decrease) in Liabilities:			
Accrued Wages	205	0	205
Compensated Absences Payable	(32)	0	(32)
Intergovernmental Payable	2,703	0	2,703
Accounts Payable	228	0	228
Total Adjustments	47,275	(1,150)	46,125
Net Cash Used for Operating Activities	(\$60,406)	(\$1,000)	(\$61,406)
<u>Reconciliation of Cash and Cash Equivalents of Nonexpendable Trust Fund to Balance Sheet:</u>			
Cash and Cash Equivalents - All Fiduciary Funds	\$86,815		
Cash and Cash Equivalents - Agency Funds	(65,647)		
Cash and Cash Equivalents - Nonexpendable Trust Fund	\$21,168		

See accompanying notes to the general purpose financial statements

**Lakeview Local School District
 Combined Statement of Revenues, Expenses and
 Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual
 Proprietary Fund Type and Similar Trust Fund
 For the Fiscal Year Ended June 30, 2001.**

	Enterprise Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$444,120	\$444,362	\$242
Interest	1,822	1,823	1
Operating Grants	75,685	75,686	1
Total Revenues	521,627	521,871	244
<u>Expenses:</u>			
Salaries	209,100	208,832	268
Fringe Benefits	75,900	75,831	69
Purchased Services	21,400	19,053	2,347
Materials and Supplies	258,375	241,335	17,040
Capital Outlay	38,711	38,711	0
Other	0	0	0
Total Expenses	603,486	583,762	19,724
Excess of Revenues Over (Under) Expenses and Operating Transfers	(81,859)	(61,891)	19,968
Fund Equity at Beginning of Year	102,151	102,151	0
Prior Year Encumbrances Appropriated	3,193	3,193	0
Fund Equity at End of Year	\$23,485	\$43,453	\$19,968
	=====	=====	=====

See accompanying notes to the general purpose financial statements

Nonexpendable Trust Fund			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$444,120	\$444,362	\$242
1,048	1,150	102	2,870	2,973	103
0	0	0	75,685	75,686	1
1,048	1,150	102	522,675	523,021	346
0	0	0	209,100	208,832	268
0	0	0	75,900	75,831	69
0	0	0	21,400	19,053	2,347
0	0	0	258,375	241,335	17,040
0	0	0	38,711	38,711	0
2,000	1,000	1,000	2,000	1,000	1,000
2,000	1,000	1,000	605,486	584,762	20,724
(952)	150	1,102	(82,811)	(61,741)	21,070
21,018	21,018	0	123,169	123,169	0
0	0	0	3,193	3,193	0
\$20,066	\$21,168	\$1,102	\$43,551	\$64,621	\$21,070
=====	=====	=====	=====	=====	=====

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**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

1. DESCRIPTION OF THE SCHOOL DISTRICT

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

The School District operates under a locally-elected five-member Board form of government. Each member is elected to a four year term. The School District provides educational services as authorized by its charter and further mandated by state and/or federal agencies. The Board of Education controls the School District's four instructional/support facilities staffed by ninety classified employees, one hundred thirty-nine certificated full-time teaching personnel and eight administrators who provide services to 2,287 students and other community members.

Reporting Entity

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

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

The School District is associated with several organizations of which five are defined as jointly governed organizations and one as a shared risk pool. These organizations are the Trumbull County Joint Vocational School, the North East Ohio Management Information Network, the North East Ohio Instructional Media Center, the North East Ohio Special Education Regional Resource Center, the Region 12 Professional Development Center and the Trumbull County Schools Employee Insurance Benefits Consortium. These organizations are presented in Notes 20 and 21 to the general purpose financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

A. Basis Of Presentation - Fund Accounting

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

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

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

Governmental Fund Types:

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

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

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term obligation principal, interest, and related costs.

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

Proprietary Fund Types:

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

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

Fiduciary Fund Types:

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

Account Groups:

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

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

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

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds and nonexpendable trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund types and nonexpendable trust fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

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

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, interest, tuition, grants, student fees and rentals.

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, 2001, but which were levied to finance fiscal year 2002 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue. On the modified accrual basis, receivables that will not be collected within the available period have also been 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. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

On the accrual basis of accounting, expenses 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.

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Budgetary Process

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

Tax Budget:

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

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

Estimated Resources:

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered cash balances from the preceding year. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final Amended Certificate issued during fiscal year 2001.

Appropriations:

Upon receipt from the County Auditor of an Amended Certificate of Estimated Resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation, alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education.

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent Certificate of Estimated Resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts passed during the year, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, other than agency funds, consistent with statutory provisions.

Encumbrances:

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

Lapsing of Appropriations:

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

D. Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the balance sheet. During fiscal year 2001, the School District invested in non-negotiable certificates of deposit, reported at cost.

Under existing Ohio Statutes, the Board of Education may, by resolution, specify the funds to receive an allocation of interest earnings. During fiscal year 2001, all investment earnings were credited to the general fund except those specifically related to certain special revenue funds, the permanent improvement capital projects fund, the food service enterprise fund and the nonexpendable trust fund. Interest income earned credited to the general fund during fiscal 2001 amounted to \$63,338 which includes \$34,252 assigned from other School District funds.

The School District utilizes a financial institution to service bonded debt as principal and interest payments come due and also to maintain an account while several construction projects are being performed throughout the School District. The balance in these accounts are presented on the combined balance sheet as "Cash and Cash Equivalents with Fiscal Agents" and represent deposits or short-term investments in certificates of deposit.

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

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. Inventory

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

F. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The capitalization threshold maintained by the School District is five hundred dollars. The School District does not possess any infrastructure.

Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of general fixed assets is also not capitalized.

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

G. Interfund Assets/Liabilities

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

H. Compensated Absences

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

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

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

I. Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgements, compensated absences, contractually required pension contributions, and special termination benefits that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Payments made more than sixty days after year-end are generally considered not to have been paid with current available financial resources. Bonds and capital leases are recognized as a liability of the general long-term obligations account group until due or until resources have been accumulated in the fund for payment early in the following year.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

J. Interfund Transactions

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

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

K. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include unexpended revenues required by statute to be set-aside by the School District for the purchase of textbooks and other instructional material and the creation of a reserve for budget stabilization. See Note 8 for additional information regarding set-asides.

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

L. Estimates

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

M. Fund Balance Reserves and Designations

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

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State Statute. The reserve for contributions signifies the legal restrictions on the use of principal. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures. Fund balance in the general fund includes a designation that represents the amount set-aside by the Board of Education for budget stabilization in excess of the statutory requirement.

N. Memorandum Only - Totals Columns

Total columns on the general purpose financial statements are captioned "Totals - (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

3. CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCE

Changes in Accounting Principles: For fiscal year 2001, the School District has implemented GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions" and GASB Statement No. 36, "Recipient Reporting for Certain Shared Nonexchange Revenues."

At June 30, 2000, the change in accounting principle increased fund balance in the special revenue funds by \$11,299 and the Food Service enterprise fund fixed assets were understated by \$33,232.

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

3. CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCE - Continued

The effects of these changes in Fund Balance/Retained Earnings are as follows:

	<u>Special Revenue</u>	<u>Enterprise</u>
Fund Balance/Retained Earnings as Previously Reported	\$94,481	200,982
Implementation of GASB 33	11,299	0
Understated Fixed Assets	0	33,232
Restated Fund Balance/Retained Earnings as of June 30, 2000	<u>\$105,780</u>	<u>234,214</u>

The effect of these changes on the excess revenues and other financing sources over (under) expenditures and other financing uses and the net loss as previously reported for the fiscal year ended June 30, 2000 is as follows:

	<u>Special Revenue</u>	<u>Enterprise</u>
Excess/Net Loss as Previously Reported	(\$8,047)	(1,154)
Implementation of GASB 33	11,299	0
Understated Fixed Assets	0	29,076
Restated for the Year Ended June 30, 2000	<u>\$3,252</u>	<u>27,922</u>

Due to an overstatement in fixed assets, the general fixed assets account group was restated by \$33,757 from \$17,677,004 to \$17,643,247 as of June 30, 2000.

4. ACCOUNTABILITY

The general fund concluded fiscal year 2001 with a deficit fund balance of \$82,974. The deficit resulted from the conversion to generally accepted accounting principles and adjustments for accrued liabilities. The School District has reduced its fiscal year 2000 deficit by \$680,422 and is examining ways to further eliminate the remaining deficit fund balance.

The Title I, Title VI and Title VI-R special revenue funds concluded fiscal year 2001 with deficit fund balances of \$15,874, \$12 and \$2,660, respectively, which were created by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

The Permanent Improvement capital projects fund concluded fiscal year 2001 with a deficit fund balance of \$181,162. This resulted from the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

5. BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual-All Governmental Fund Types and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual - Proprietary Fund Type and Similar Trust Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosures in the proprietary fund type (GAAP basis).
4. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

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

Net Income Excess of Revenues Over (Under) Expenses
All Proprietary Fund Types and Similar Trust Fund

	Enterprise	Nonexpendable Trust
GAAP Basis	(\$206)	\$150
Revenue Accrual	29,966	0
Expense Accrual	(27,121)	0
Capital Outlay	(38,711)	0
Depreciation Expense	14,464	0
Encumbrances	(40,283)	0
Budget Basis	(\$61,891)	\$150

**LAKEVIEW LOCAL SCHOOL DISTRICT
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

5. BUDGETARY BASIS OF ACCOUNTING -(Continued)

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

	General	Special Revenue	Debt Service	Capital Projects
GAAP Basis		44,436	45,030	(995,503)
Revenue Accruals		11,299	(20,000)	(11,883)
Expenditure Accruals		(4,634)	0	970,244
Debt Service:				
Principal	0	0	0	(17,659)
Interest and Fiscal	0	0	0	19,869
Encumbrances			0	(33,152)
Budget Basis		(3,813)	25,030	(68,084)

6. DEPOSITS AND INVESTMENTS

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

6. BUDGETARY BASIS OF ACCOUNTING - (Continued)

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio);
7. Certain Banker's acceptance and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

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

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

6. BUDGETARY BASIS OF ACCOUNTING - (Continued)

A. Deposits

At fiscal year end, the carrying amount of the School District's deposits was \$1,429,409 and the bank balance was \$1,437,045. Of the bank balance, \$228,501 was covered by federal depository insurance and \$1,208,544 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institution's trust department in the School District's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

B. Investments

The School District's investments are required to be categorized at year-end to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. During fiscal year 2001, the School District invested in nonnegotiable certificates of deposit. For the purpose of classification under GASB Statement No.3, the School District did not have any investments at year end.

7. PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the School District. Property tax revenue received during calendar year 2001 for real and public utility property taxes represents collections of calendar year 2000 taxes. Property tax payments received during calendar year 2001 for tangible personal property (other than public utility property) is for calendar year 2001 taxes.

2001 real property tax are levied after April 1, 2001, on the assessed value listed as of January 1, 2001, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value: public utility real is assessed at thirty-five percent of true value. 2001 public utility taxes became a lien December 31, 2000, are levied after April 1, 2001, and are collected in 2002 with real property taxes.

2001 tangible personal property taxes are levied after April 1, 2000, on the values as of December 31, 2000. Collections are made in 2001. Tangible personal property assessments are twenty-five percent of true value.

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

7. PROPERTY TAXES - (Continued)

The assessed values upon which fiscal year 2001 taxes were collected are:

	2000 Second- Half Collections		2001 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$205,321,850	82.57%	\$209,543,190	82.70%
Public Utility	11,409,290	4.59	11,237,940	4.44
Tangible Personal Property	31,927,974	12.84	32,596,105	12.86
Total Assessed Value	<u>\$248,659,114</u>	<u>100.00%</u>	<u>\$253,377,235</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$43.64		\$43.56	

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

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The School District receives property taxes from Trumbull County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2001, are available to finance fiscal year 2001 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility property taxes which became measurable as of June 30, 2001 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current fiscal year operations. The amount available as an advance at June 30, 2001, was \$495,000 and is recognized as revenue. \$450,000 was available to the general fund, \$30,000 was available to the debt service fund and \$15,000 was available to the capital projects fund.

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

8. SET-ASIDES

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by 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 School District is also required to set-aside money for budget stabilization.

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

	Textbook s	Capital Improvements	Budget Stabilization
Set-Aside Reserve Balance as of	\$159,71	\$0	\$156,239
Reduction Authorized by Legislative Revisions	0	0	(87,923)
Current Year Set-Aside Requirement		286,921	0
Current Year Offsets	0	(207,697)	0
Qualifying Disbursements	(301,457)	(196,823)	0
Set-Aside Reserve Balance as of	\$145,18	\$0	\$68,316

Although the School District had qualifying disbursements during the fiscal year that reduced the set-aside amount to below zero for the capital acquisition set-aside, this amount may not be used to reduce the set-aside requirement of future years. This negative balance is therefore not presented as being carried forward to future years. The total reserve balance for the three set-asides at the end of the fiscal year was \$213,499.

9. RECEIVABLES

Receivables at June 30, 2001, consisted of property taxes, accounts (rent and student fee), tuition, intergovernmental grants and interest. 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.

Intergovernmental receivables included \$24,327 in the general fund for excess costs and \$731 for the Eisenhower Grant special revenue fund.

10. FIXED ASSETS

A summary of the enterprise funds' fixed assets at June 30, 2001 follows:

Furniture and Equipment	\$335,242
Less Accumulated Depreciation	(134,507)
Net Fixed Assets	\$200,735

**LAKEVIEW LOCAL SCHOOL DISTRICT
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

10. FIXED ASSETS - (Continued)

A summary of the changes in general fixed assets during fiscal year 2001 follows:

Asset Category	Balance at 6/30/00	Additions	Deletions	Balance at 6/30/01
Land and Improvements	\$2,001,009	112,760	0	2,113,769
Buildings	11,278,382	721,561	0	11,999,943
Furniture, Equipment and Vehicles	4,348,741	453,080	(131,064)	4,670,757
Construction in Progress	15,115	0	(15,115)	0
Totals	<u>\$17,643,247</u>	<u>1,287,401</u>	<u>(146,179)</u>	<u>18,784,469</u>

11. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2001, the School District contracted with Utica National for property and inland marine insurance. Nationwide Insurance provides liability insurance, fleet and uninsured motorist coverage. Coverages provided by the various companies are as follows:

Utica National:

Building and Contents-replacement cost (\$500 deductible)	\$34,942,978
Inland Marine Coverage (\$0 deductible)	295,448
Boiler and Machinery (\$500 deductible)	No limit

Nationwide Insurance:

Automobile Liability (\$250 deductible)	1,000,000
Uninsured Motorists	300,000
General Liability	
Per occurrence	2,000,000
Total per year	5,000,000

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

The School District has contracted with the Trumbull County Schools Employee Insurance Benefits Consortium to provide employee medical/surgical, dental, and prescription drug benefits. The Trumbull County Schools Employee Insurance Benefits Consortium is a shared risk pool comprised of sixteen Trumbull County school districts. Rates are set through an annual calculation process. The Lakeview Local School District pays a monthly contribution which is placed in a common fund from which claim payments are made for all participating school districts. Claims are paid for all participants regardless of claims flow. The board of directors has the right to return monies to an exiting district subsequent to the settlement of all expenses and claims. The School District pays medical/surgical premiums of \$575.06 for family coverage and \$220.95 for single coverage per employee per month. Premiums for dental coverage are \$61.50 monthly for family coverage and \$19.57 monthly for single coverage. Premiums for prescription drug insurance are \$111.58 for family coverage and \$43.46 for single coverage. The plan utilizes a \$5.00 prescription deductible.

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

11. RISK MANAGEMENT -(Continued)

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

12. DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2001, 4.2 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for the pension obligations to SERS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$252,532, \$252,960 and \$250,688 respectively; 54.8 percent has been contributed for fiscal year 2001 and 100 percent for the fiscal years 2000 and 1999. \$138,468 representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds and the general long-term obligations account group.

B. State Teachers Retirement System

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

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

12. DEFINED BENEFIT PENSION PLANS - (Continued)

For fiscal year ended June 30, 2001, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. For fiscal year 2000, the portion used to fund pension obligations was 6.0 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$930,766, \$887,808 and \$865,864, respectively; 81.9 percent has been contributed for fiscal year 2001 and 100 percent for the fiscal years 2000 and 1999. \$168,324 representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2000, all members of the Board of Education have elected social security. The Board's liability is 6.2 percent of wages paid.

13. POST EMPLOYMENT BENEFITS

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2001, the STRS Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$299,174 for fiscal year 2001.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2000, (the latest information available) the balance in the Fund was \$3.419 billion. For the fiscal year ended June 30, 2000, net health care costs paid by STRS were \$283,137,000 and STRS had 99,011 eligible benefit recipients.

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

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

13. POST EMPLOYMENT BENEFITS - (Continued)

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2001, employer contributions to fund health care benefits were 9.8 percent of covered payroll, an increase of 1.3 percent for fiscal year 2001. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2001, the minimum pay was established at \$12,400. For the School District, the amount contributed to fund health care benefits, including surcharge, during the 2001 fiscal year equaled \$176,772.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2000 (the latest information available), were \$140,696,340 and the target level was \$211 million. At June 30, 2000, SERS had net assets available for payment of health care benefits of \$252.3 million. SERS has approximately 50,000 participants currently receiving health care benefits.

14. EMPLOYEE BENEFITS

1. Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 280 days for all personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 70 days for classified employees, teachers and administrators. Employees are given three days of personal leave at the beginning of the fiscal year. Upon retirement all unused personal leave is converted to sick leave.

2. Life Insurance

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

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

15. LONG-TERM OBLIGATIONS

Changes in long-term obligations of the School District during fiscal year 2001 were as follows:

	Balance 6/30/00	Increase	Decrease	Balance 6/30/01
<i>General Obligation Bonds:</i>				
1994 - 4.50 to 6.95% School Improvement	\$1,154,971	0	130,000	1,024,971
1998 - 3.80 to 5.10% School Improvement Refunding Bonds	3,602,069	98,775	140,000	3,560,844
<i>Total General Obligation Bonds</i>	<u>4,757,040</u>	<u>98,775</u>	<u>270,000</u>	<u>4,585,815</u>
Compensated Absences	1,198,507	85,581	0	1,284,088
Intergovernmental Payable	91,653	99,849	91,653	99,849
Capital Lease Payable	<u>1,045,000</u>	<u>0</u>	<u>10,000</u>	<u>1,035,000</u>
Total Other Long-Term Obligations	<u>2,335,160</u>	<u>185,430</u>	<u>101,653</u>	<u>2,418,937</u>
Total All Long-Term Obligations	<u><u>\$7,092,200</u></u>	<u><u>284,205</u></u>	<u><u>371,653</u></u>	<u><u>7,004,752</u></u>

The School District defeased certain general obligation bonds in 1998 by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School District's financial statements. On June 30, 2001, \$4,996,275 of bonds outstanding are considered defeased.

The 1998 General Obligation bonds include Capital Appreciation Bonds. This year the addition on these bonds was \$98,775, which represents the accretion.

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

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

15. LONG-TERM OBLIGATIONS - (Continued)

The overall debt margin of the School District as of June 30, 2001 was \$18,424,664 and the unvoted debt limit was \$253,377. The principal and interest requirements to retire general obligation bonds outstanding at June 30, 2001, are as follows:

Year	General Obligation Bonds
2002	\$490,855
2003	505,925
2004	519,095
2005	535,130
2006	558,717
2007 - 2011	3,039,009
2012 - 2016	3,086,915
2017 - 2020	1,117,500
Total	\$9,853,146

16. NOTE DEBT

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

	Balance 6/30/00	Additions	Deletions	Balance 6/30/01
Capital Projects Funds:				
Energy Conservation 5.00%	\$312,222	0	17,659	294,563

The principal and interest requirements to retire the energy conservation notes outstanding at June 30, 2001, are as follows:

Year	Energy Conservation Notes
2002	\$33,246
2003	33,246
2004	33,246
2005	33,246
2006	33,246
2007 - 2011	166,232
2012 - 2013	66,492
Total	\$398,954

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

17. CAPITAL LEASE

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

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2001.

Year	Amounts
2002	\$92,164
2003	100,197
2004	107,626
2005	109,600
2006	111,123
2007 - 2011	582,089
2012 - 2015	468,386
Total Minimum Lease Payments	\$1,571,185
Less: Amount representing interest	(536,185)
Present Value of Minimum Lease Payments	\$1,035,000

18. INTERFUND TRANSACTIONS

Interfund balances at June 30, 2001 consist of the following individual fund receivables and payables:

Fund	Receivables	Payables
General Fund	\$12	0
Title VI Special Revenue	0	12
Total All Funds	\$12	12

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

19. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The School District maintains two enterprise funds to account for the operations of food service and uniform school supplies. The table below reflects in a summarized format the more significant financial data relating to the enterprise funds of the Lakeview Local School District as of and for the fiscal year ended June 30, 2001.

	Food Service	Uniform School Supplies	Total Enterprise Funds
Operating Revenues	\$424,966	19,396	444,362
Depreciation Expense	14,464	0	14,464
Operating Income (Loss)	(110,085)	2,404	(107,681)
Donated Commodities	29,966	0	29,966
Net Income (Loss)	(2,610)	2,404	(206)
Fixed Assets Additions	38,711	0	38,711
Net Working Capital	26,329	6,944	33,273
Total Assets	287,790	6,944	294,734
Total Equity	227,064	6,944	234,008
Encumbrances Outstanding at June 30, 2001	36,533	3750	40,283

20. JOINTLY GOVERNED ORGANIZATIONS

Trumbull County Joint Vocational School - The Trumbull County Joint Vocational 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 twelve participating school districts' elected boards, which possesses its own budgeting and taxing authority. To obtain financial information write to the Treasurer of the Trumbull County Joint Vocational School at 528 Educational Highway, Warren, Ohio 44483.

North East Ohio Management Information Network (NEOMIN) - NEOMIN is a jointly governed organization among thirty school districts in Trumbull and Ashtabula Counties. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the districts supports NEOMIN based upon a per pupil charge. Lakeview Local School District contributed \$34,305 to NEOMIN during fiscal year 2001.

Superintendents of the participating school districts are eligible to be voting members of the Governing Board which consists of ten members: the Trumbull and Ashtabula County superintendents (permanent members), three superintendents from Ashtabula County school districts, three superintendents from Trumbull County school districts, and a principal and treasurer (non-voting members who must be employed by a participating school district, the fiscal agent or NEOMIN). The Lakeview Local School District was not represented on the Governing Board during fiscal year 2001.

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

20. JOINTLY GOVERNED ORGANIZATIONS - (Continued)

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

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

NEOIMC is governed by an advisory committee made up of a member from a parochial school, a joint vocational school, one County Superintendent from each participating county, one City Superintendent and two local superintendents rotating every two years. The degree of control exercised by any participating school district is limited to its representation on the Board. In fiscal year 2001, Lakeview Local School District contributed \$1.40 per student. Financial information can be obtained by contacting the Treasurer at the Trumbull County Educational Service Center, 347 North Park Avenue, Warren, Ohio, 44481.

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

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

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

The Center is governed by a governing board made up of nineteen representatives of the participating school districts, the business community, and Youngstown State University whose term rotates every year. The degree of control exercised by any participating school district is limited to its representation on the Board. Financial information can be obtained by contacting the Treasurer at the Trumbull County Educational Service Center, 347 North Park Avenue, Warren, Ohio 44481.

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

21. SHARED RISK POOL

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

22. STATE SCHOOL FUNDING DECISION

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the Ohio General Assembly to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to this School District. During the fiscal year ended June 30, 2001, the School District received \$5,160,754 of school foundation support for its general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "...the mandate of the (Ohio) Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, it found seven "...major areas warrant further attention, study and development by the General Assembly...", including the State's reliance on local property tax funding, the state's basic aid formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program.

The Court decided to maintain jurisdiction over these issues and continued the case.

As of the date of these financial statements, the School District is unable to determine what effect, if any, this ongoing litigation will have on its future State funding under these programs and on its financial operations.

23. CONTINGENCIES

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2001.

**LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

23. CONTINGENCIES - (Continued)

B. Litigation

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

24. SUBSEQUENT EVENT

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

1. A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
2. Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of October 19, 2001, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

On November 2, 2001, the Court granted this motion for reconsideration. The Court may re-examine and redetermine any issue upon such reconsideration.

As of the date of these financial statements, the School District is unable to determine what effect, if any, this decision and the reconsideration will have on its future State funding and on its financial operations.

General Fund

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

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$6,341,628	\$6,341,630	\$2
Intergovernmental	6,009,928	6,017,919	7,991
Interest	67,781	68,769	988
Tuition and Fees	583,870	590,567	6,697
Contributions and Donations	4,150	4,150	0
Rentals and Royalties	26,814	27,010	196
Miscellaneous	4,075	4,110	35
Total Revenues	13,038,246	13,054,155	15,909
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	4,529,989	4,528,918	1,071
Fringe Benefits	1,479,263	1,478,144	1,119
Purchased Services	226,068	215,648	10,420
Materials and Supplies	298,599	296,287	2,312
Capital Outlay - New	12,812	12,507	305
Other	72,000	41,763	30,237
Total Regular	6,618,731	6,573,267	45,464
Special:			
Salaries and Wages	740,150	739,707	443
Fringe Benefits	288,220	287,452	768
Purchased Services	2,680	2,640	40
Materials and Supplies	32,943	31,484	1,459
Capital Outlay - New	3,895	3,544	351
Total Special	1,067,888	1,064,827	3,061
Total Instruction	7,686,619	7,638,094	48,525
Support Services:			
Pupils:			
Salaries and Wages	424,000	423,669	331
Fringe Benefits	137,664	137,647	17
Purchased Services	90,789	84,708	6,081
Materials and Supplies	29,207	24,253	4,954
Total Pupils	681,660	670,277	11,383
Instructional Staff:			
Salaries and Wages	395,680	395,668	12
Fringe Benefits	120,906	120,586	320
Purchased Services	4,362	4,346	16
Materials and Supplies	23,344	21,657	1,687
Capital Outlay - New	220	0	220
Capital Outlay - Replacement	53	52	1
Total Instructional Staff	544,565	542,309	2,256
Board of Education:			
Salaries and Wages	7,000	6,000	1,000
Fringe Benefits	640	526	114
Purchased Services	3,500	2,772	728
Materials and Supplies	300	0	300
Other	9,700	9,602	98
Total Board of Education	21,140	18,900	2,240
Administration:			
Salaries and Wages	659,310	658,374	936
Fringe Benefits	270,762	270,695	67
Purchased Services	80,106	79,441	665
Materials and Supplies	7,938	7,726	212
Capital Outlay - New	7,800	7,776	24
Capital Outlay - Replacement	1,964	1,225	739
Other	326,050	325,732	318
Total Administration	1,353,930	1,350,969	2,961

(continued)

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Fiscal:			
Salaries and Wages	114,000	113,741	259
Fringe Benefits	52,970	52,961	9
Purchased Services	43,390	38,950	4,440
Materials and Supplies	3,350	2,911	439
Other	134,637	128,319	6,318
Total Fiscal	348,347	336,882	11,465
Operation and Maintenance of Plant:			
Salaries and Wages	556,260	556,180	80
Fringe Benefits	231,810	230,999	811
Purchased Services	602,650	589,637	13,013
Materials and Supplies	93,548	87,020	6,528
Capital Outlay - New	2,410	2,410	0
Capital Outlay - Replacement	1,799	1,799	0
Total Operation and Maintenance of Plant	1,488,477	1,468,045	20,432
Pupil Transportation:			
Salaries and Wages	352,140	347,710	4,430
Fringe Benefits	143,700	143,677	23
Purchased Services	24,150	20,482	3,668
Materials and Supplies	101,247	94,927	6,320
Capital Outlay - New	1,000	905	95
Capital Outlay - Replacement	104,800	104,754	46
Total Pupil Transportation	727,037	712,455	14,582
Total Support Services	5,165,156	5,099,837	65,319
Extracurricular Activities:			
Sports Oriented Activities:			
Salaries and Wages	256,200	255,954	246
Fringe Benefits	37,200	37,190	10
Purchased Services	4,630	4,431	199
Total Extracurricular Activities	298,030	297,575	455
Capital Outlay:			
Architecture and Engineering Services:			
Purchased Services	27,525	0	27,525
Other Facilities Acquisition and Construction Services:			
Capital Outlay - New	272,475	90,825	181,650
Total Capital Outlay	300,000	90,825	209,175
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Debt Service	0	0	0
Total Expenditures	13,449,805	13,126,331	323,474
Excess of Revenues Under Expenditures	(411,559)	(72,176)	339,383
Other Financing Uses:			
Proceeds of Notes	0	0	0
Advances In	0	0	0
Advances Out	0	0	0
Operating Transfers In	0	0	0
Operating Transfers Out	(6,351)	(6,351)	0
Total Other Financing Sources (Uses)	(6,351)	(6,351)	0
Excess of Revenues Under Expenditures and Other Financing Uses and Other Financing Uses	(417,910)	(78,527)	339,383
Fund Balance at Beginning of Year	351,790	351,790	0
Prior Year Encumbrances Appropriated	156,443	156,443	0
Fund Balance at End of Year	\$90,323	\$429,706	\$339,383

Special Revenue Funds

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

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

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

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

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

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

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

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

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

Textbook - This fund accounts for State subsidy monies received for the purchase of textbooks and instructional materials.

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

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

Ohio Reads Grant - this fund will be used to account for monies spent at both elementary buildings to help students meet reading standards for the fourth grade proficiency test.

Title VI-R - This fund accounts for federal monies used to employ an additional first grade teacher to reduce class size and improve instruction.

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

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

**Lakeview Local School District
Combining Balance Sheet
All Special Revenue Funds
June 30, 2001**

	<u>Public School Support</u>	<u>District Managed Activity</u>	<u>Educational Management Information Systems</u>	<u>Scholarship</u>
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$28,654	\$48,948	\$9,494	\$33,761
Intergovernmental Receivable	0	0	0	0
Total Assets	<u>\$28,654</u>	<u>\$48,948</u>	<u>\$9,494</u>	<u>\$33,761</u>
<u>Liabilities:</u>				
Accounts Payable	\$0	\$200	\$0	\$0
Accrued Wages	0	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
Deferred Revenue	0	0	0	0
Total Liabilities	<u>0</u>	<u>200</u>	<u>0</u>	<u>0</u>
Fund Equity				
Fund Balance:				
Reserved for Encumbrances	4,827	12,080	0	0
Unreserved, Undesignated (Deficit)	23,827	36,668	9,494	33,761
Total Fund Equity (Deficit)	<u>28,654</u>	<u>48,748</u>	<u>9,494</u>	<u>33,761</u>
Total Liabilities and Fund Equity	<u>\$28,654</u>	<u>\$48,948</u>	<u>\$9,494</u>	<u>\$33,761</u>

<u>Title VI-B</u>	<u>Title I</u>	<u>Title VI</u>	<u>Local Professional Development Grant</u>	<u>Textbooks</u>	<u>Telecom Act Grant</u>
\$18,908 0	\$2,160 0	\$0 0	\$3,445 0	\$0 0	\$4,044 0
<u>\$18,908</u>	<u>\$2,160</u>	<u>\$0</u>	<u>\$3,445</u>	<u>\$0</u>	<u>\$4,044</u>
=====	=====	=====	=====	=====	=====
\$169 7,577 0 2,571 0	\$0 15,044 0 2,990 0	\$0 0 12 0 0	\$0 0 0 71 0	\$0 0 0 0 0	\$0 0 0 0 0
<u>10,317</u>	<u>18,034</u>	<u>12</u>	<u>71</u>	<u>0</u>	<u>0</u>
836 7,755 8,591	0 (15,874) (15,874)	0 (12) (12)	620 2,754 3,374	0 0 0	0 4,044 4,044
<u>\$18,908</u>	<u>\$2,160</u>	<u>\$0</u>	<u>\$3,445</u>	<u>\$0</u>	<u>\$4,044</u>
=====	=====	=====	=====	=====	=====

**Lakeview Local School District
Combining Balance Sheet
All Special Revenue Funds (continued)
June 30, 2001**

	Fourth Grade Summer School	Ohio Reads Grant	Title VI-R	Eisenhower Professional Development	Safe and Drug Free Schools	Totals
Assets:						
Equity in Pooled Cash and Cash Equivalents	\$9,738	\$22,175	\$3,467	\$219	\$0	\$185,013
Intergovernmental Receivable	0	0	0	731	0	731
Total Assets	\$9,738	\$22,175	\$3,467	\$950	\$0	\$185,744
Liabilities:						
Accounts Payable	\$0	\$0	\$0	\$0		\$369
Accrued Wages	0	0	5,053	0		27,674
Interfund Payable	0	0	0	0		12
Intergovernmental Payable	0	36	1,074	0		6,742
Deferred Revenue	0	0	0	731		731
Total Liabilities	0	36	6,127	731	0	35,528
Fund Equity						
Fund Balance:						
Reserved for Encumbrances	8,470	21,623	0	0		48,456
Unreserved, Undesignated (Deficit)	1,268	516	(2,660)	219		101,760
Total Fund Equity (Deficit)	9,738	22,139	(2,660)	219	0	150,216
Total Liabilities and Fund Equity	\$9,738	\$22,175	\$3,467	\$950	\$0	\$185,744

Lakeview Local School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds
For the Fiscal Year Ended June 30, 2001

	Public School Support	District Managed Activity	Educational Management Information Systems	Scholarship
Revenues:				
Intergovernmental	\$0	\$0	\$9,081	\$0
Interest	0	1,220	0	510
Tuition and Fees	9,070	0	0	0
Extracurricular Activities	0	175,043	0	0
Contributions and Donations	33,969	0	0	3,050
Total Revenues	43,039	176,263	9,081	3,560
Expenditures:				
Current:				
Instruction:				
Regular	25,179	0	0	3,000
Special	0	0	0	0
Support Services:				
Pupils	685	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Fiscal	0	0	1,295	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	7,000	0	0	0
Operation of Non-Instructional Services	3,575	0	0	0
Extracurricular Activities	782	161,014	0	0
Total Expenditures	37,221	161,014	1,295	3,000
Excess of Revenues Over (Under) Expenditures	5,818	15,249	7,786	560
Other Financing Sources:				
Operating Transfers In	0	5,000	0	1,351
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	5,818	20,249	7,786	1,911
Fund Balances at Beginning of Year	22,836	28,499	1,708	31,850
Fund Balances (Deficit) at End of Year	\$28,654	\$48,748	\$9,494	\$33,761

Lakeview Local School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2001

	Title VI-B	Title I	Title VI	Local Professional Development Grant
Revenues:				
Intergovernmental	\$125,216	\$103,097	\$11,018	\$10,143
Interest	0	0	0	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
Total Revenues	125,216	103,097	11,018	10,143
Expenditures:				
Current:				
Instruction:				
Regular	0	0	0	11,495
Special	71,262	100,231	13,867	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	58,828	0	0	37
Administration	367	0	0	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Total Expenditures	130,457	100,231	13,867	11,532
Excess of Revenues Over (Under) Expenditures	(5,241)	2,866	(2,849)	(1,389)
Other Financing Sources:				
Operating Transfers In	0	0	0	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(5,241)	2,866	(2,849)	(1,389)
Fund Balances at Beginning of Year	13,832	(18,740)	2,837	4,763
Fund Balances (Deficit) at End of Year	\$8,591	(\$15,874)	(\$12)	\$3,374

Textbook	Telecom Act Grant	Fourth Grade Summer School	Ohio Reads Grant	Title VI-R
\$0	\$0	\$8,477	\$57,838	\$30,437
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>0</u>	<u>0</u>	<u>8,477</u>	<u>57,838</u>	<u>30,437</u>
3,244	0	1,121	4,036	35,903
0	0	0	32,603	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	4,779	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>3,244</u>	<u>4,779</u>	<u>1,121</u>	<u>36,639</u>	<u>35,903</u>
(3,244)	(4,779)	7,356	21,199	(5,466)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(3,244)	(4,779)	7,356	21,199	(5,466)
<u>3,244</u>	<u>8,823</u>	<u>2,382</u>	<u>940</u>	<u>2,806</u>
<u>\$0</u>	<u>\$4,044</u>	<u>\$9,738</u>	<u>\$22,139</u>	<u>(\$2,660)</u>

Lakeview Local School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2001

	Eisenhower Professional Development	Safe and Drug Free Schools	Totals
Revenues:			
Intergovernmental	\$6,583	\$9,232	\$371,122
Interest	0	0	1,730
Tuition and Fees	0	0	9,070
Extracurricular Activities	0	0	175,043
Contributions and Donations	0	0	37,019
Total Revenues	6,583	9,232	593,984
Expenditures:			
Current:			
Instruction:			
Regular	0	0	83,978
Special	0	0	217,963
Support Services:			
Pupils	0	9,232	9,917
Instructional Staff	6,364	0	65,229
Administration	0	0	367
Fiscal	0	0	1,295
Operation and Maintenance of Plant	0	0	4,779
Pupil Transportation	0	0	7,000
Operation of Non-Instructional Services	0	0	3,575
Extracurricular Activities	0	0	161,796
Total Expenditures	6,364	9,232	555,899
Excess of Revenues Over (Under) Expenditures	219	0	38,085
Other Financing Sources:			
Operating Transfers In	0	0	6,351
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	219	0	44,436
Fund Balances (Deficit) at Beginning of Year	0	0	105,780
Fund Balances (Deficit) at End of Year	\$219	\$0	\$150,216

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Tuition and Fees	\$8,920	\$9,070	\$150
Gifts and Donations	33,351	33,969	618
Total Revenues	42,271	43,039	768
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Purchased Services	14,779	12,550	2,229
Materials and Supplies	6,820	5,891	929
Capital Outlay - New	1,499	1,325	174
Other	15,178	11,276	3,902
Total Instruction	38,276	31,042	7,234
Support Services:			
Pupils:			
Materials and Supplies	1,620	1,222	398
Other	125	125	0
Total Pupils	1,745	1,347	398
Pupil Transportation:			
Purchased Services	7,910	7,000	910
Total Support Services	9,655	8,347	1,308
Operation of Non-Instructional Services:			
Food Service Operations:			
Materials and Supplies	4,000	3,575	425
Extracurricular Activities:			
School and Public Service			
Co-Curricular Activities:			
Other	857	782	75
Total Extracurricular Activities	857	782	75
Total Expenditures	52,788	43,746	9,042
Excess of Revenues Under Expenditures	(10,517)	(707)	9,810
Fund Balance at Beginning of Year	20,375	20,375	0
Prior Year Encumbrances Appropriated	4,159	4,159	0
Fund Balance at End of Year	\$14,017	\$23,827	\$9,810

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
District Managed Activity
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Interest	\$1,220	\$1,220	\$0
Extracurricular Activities	175,043	175,043	0
Total Revenues	176,263	176,263	0
<u>Expenditures:</u>			
Current:			
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Purchased Services	35,606	35,429	177
Materials and Supplies	24,206	21,885	2,321
Capital Outlay - New	1,150	1,150	0
Other	4,826	4,300	526
Total Academic and Subject Oriented Activities	65,788	62,764	3,024
Sports Oriented Activities:			
Purchased Services	32,691	32,631	60
Materials and Supplies	87,995	69,761	18,234
Other	20,754	18,574	2,180
Total Sports Oriented Activities	141,440	120,966	20,474
Total Expenditures	207,228	183,730	23,498
Excess of Revenues Under Expenditures	(30,965)	(7,467)	23,498
Other Financing Sources:			
Transfers In	5,000	5,000	0
Excess of Revenues and Other Financing Sources Under Expenditures	(25,965)	(2,467)	23,498
Fund Balance at Beginning of Year	14,537	14,537	0
Prior Year Encumbrances Appropriated	22,210	22,210	0
Fund Balance at End of Year	\$10,782	\$34,280	\$23,498

**Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Educational Management Information Systems
For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
	<u> </u>	<u> </u>	<u> </u>
<u>Revenues:</u>			
Intergovernmental	\$6,713	\$9,081	\$2,368
	<u> </u>	<u> </u>	<u> </u>
<u>Expenditures:</u>			
<u>Current:</u>			
Support Services:			
<u>Fiscal:</u>			
Purchased Services	6,700	0	6,700
Materials and Supplies	300	300	0
Capital Outlay - New	1,000	995	5
Total Expenditures	<u>8,000</u>	<u>1,295</u>	<u>6,705</u>
Excess of Revenues Over (Under) Expenditures	(1,287)	7,786	9,073
Fund Balance at Beginning of Year	<u>1,708</u>	<u>1,708</u>	<u>0</u>
Fund Balance at End of Year	<u>\$421</u>	<u>\$9,494</u>	<u>\$9,073</u>
	=====	=====	=====

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Scholarship
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Interest	\$465	\$510	\$45
Contributions and Donations	2,050	3,050	1,000
Total Revenues	2,515	3,560	1,045
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Other	5,500	4,500	1,000
Total Expenditures	5,500	4,500	1,000
Excess of Revenues Under Expenditures	(2,985)	(940)	2,045
<u>Other Financing Sources:</u>			
Operating Transfers In	1,351	1,351	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(1,634)	411	2,045
Fund Balance at Beginning of Year	31,850	31,850	0
Fund Balance at End of Year	\$30,216	\$32,261	\$2,045

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$132,987	\$132,987	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Salaries and Wages	56,605	49,028	7,577
Fringe Benefits	9,513	8,132	1,381
Purchased Services	4,626	0	4,626
Materials and Supplies	5,487	5,487	0
Capital Outlay - New	10,150	10,041	109
Total Instruction	86,381	72,688	13,693
Support Services:			
Instructional Staff:			
Salaries and Wages	43,614	43,180	434
Fringe Benefits	17,580	15,419	2,161
Total Instructional Staff	61,194	58,599	2,595
Administration:			
Materials and Supplies	498	483	15
Total Administration	498	483	15
Total Support Services	61,692	59,082	2,610
Total Expenditures	148,073	131,770	16,303
Excess of Revenues Over (Under) Expenditures	(15,086)	1,217	16,303
Fund Balance at Beginning of Year	15,031	15,031	0
Prior Year Encumbrances Appropriated	56	56	0
Fund Balance at End of Year	\$1	\$16,304	\$16,303

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$103,097	\$103,097	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Salaries and Wages	92,054	89,927	2,127
Fringe Benefits	12,087	12,055	32
Total Expenditures	104,141	101,982	2,159
Excess of Revenues Over (Under) Expenditures	(1,044)	1,115	2,159
Fund Balance at Beginning of Year	1,045	1,045	0
Fund Balance at End of Year	\$1	\$2,160	\$2,159

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$11,078	\$11,078	\$0
<u>Expenditures:</u>			
<u>Current:</u>			
<u>Instruction:</u>			
Special:			
Materials and Supplies	3,142	3,142	0
Capital Outlay - New	10,725	10,725	0
Total Expenditures	13,867	13,867	0
Excess of Revenues Under Expenditures	(2,789)	(2,789)	0
Fund Balance at Beginning of Year	1,558	1,558	0
Prior Year Encumbrances Appropriated	1,231	1,231	0
Fund Balance at End of Year	\$0	\$0	\$0

**Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Professional Development Grant
For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$10,141	\$10,143	\$2
 <u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	5,900	5,823	77
Purchased Services	6,580	6,271	309
Total Instruction	12,480	12,094	386
Support Services:			
Instructional Staff:			
Purchased Services	100	37	63
Total Expenditures	12,580	12,131	449
Excess of Revenues Under Expenditures	(2,439)	(1,988)	451
Fund Balance at Beginning of Year	4,523	4,523	0
Prior Year Encumbrances Appropriated	240	240	0
Fund Balance at End of Year	\$2,324	\$2,775	\$451
	=====	=====	=====

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Textbook
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	3,244	3,244	0
Excess of Revenues Under Expenditures	(3,244)	(3,244)	0
Fund Balance at Beginning of Year	3,244	3,244	0
Fund Balance at End of Year	\$0	\$0	\$0

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Telecom Act Grant
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Support Services:			
Operation and Maintenance of Plant:			
Purchased Services	8,823	4,779	4,044
Excess of Revenues Under Expenditures	(8,823)	(4,779)	4,044
Fund Balance at Beginning of Year	1,823	1,823	0
Prior Year Encumbrances Appropriated	7,000	7,000	0
Fund Balance at End of Year	\$0	\$4,044	\$4,044

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Fourth Grade Summer School
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$8,477	\$8,477	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	1,900	963	937
Fringe Benefits	382	158	224
Materials and Supplies	210	208	2
Capital Outlay - New	8,300	8,262	38
Total Expenditures	10,792	9,591	1,201
Excess of Revenues Under Expenditures	(2,315)	(1,114)	1,201
Fund Balance at Beginning of Year	2,382	2,382	0
Fund Balance at End of Year	\$67	\$1,268	\$1,201

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Ohio Reads Grant
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$57,838	\$57,838	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	4,000	4,000	0
Special:			
Materials and Supplies	54,778	54,778	0
Total Expenditures	58,778	58,778	0
Excess of Revenues Under Expenditures	(940)	(940)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	940	940	0
Fund Balance at End of Year	\$0	\$0	\$0

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-R
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$30,438	\$33,905	\$3,467
<u>Expenditures:</u>			
<u>Current:</u>			
<u>Instruction:</u>			
<u>Regular:</u>			
Salaries and Wages	30,438	30,438	0
Excess of Revenues Over Expenditures	0	3,467	3,467
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$3,467	\$3,467

**Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Eisenhower Professional Development
For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$6,583	\$6,583	\$0
<u>Expenditures:</u>			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	6,364	6,364	0
Materials and Supplies	0	0	0
Capital Outlay - New	0	0	0
Total Expenditures	6,364	6,364	0
Excess of Revenues Over Expenditures	219	219	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$219	\$219	\$0

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Safe and Drug Free Schools
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	\$9,232	\$9,232	\$0
<u>Expenditures:</u>			
Current:			
Support Services:			
Pupils:			
Purchased Services	9,232	9,232	0
Total Expenditures	9,232	9,232	0
Excess of Revenues Over Expenditures	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0
	=====	=====	=====

Debt Service Fund

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

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

Capital Projects Funds

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

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

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

**Lakeview Local School District
Combining Balance Sheet
All Capital Projects Funds
June 30, 2001**

	Permanent Improvement	School Net	Totals
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$107,814	\$46,268	\$154,082
Cash and Cash Equivalents With Fiscal Agents	7,373	0	7,373
Receivables:			
Taxes	263,644	0	263,644
Accrued Interest	0	0	0
Total Assets	\$378,831	\$46,268	\$425,099
<u>Liabilities:</u>			
Accounts Payable	\$13,277	\$0	\$13,277
Deferred Revenue	248,644	0	248,644
Accrued Interest Payable	3,509	0	3,509
Notes Payable	294,563	0	294,563
Total Liabilities	559,993	0	559,993
<u>Fund Equity:</u>			
Fund Balance:			
Reserved for Encumbrances	0	12,200	12,200
Reserved for Taxes	15,000	0	15,000
Unreserved, Undesignated	(196,162)	34,068	(162,094)
Total Fund Equity	(181,162)	46,268	(134,894)
Total Liabilities and Fund Equity	\$378,831	\$46,268	\$425,099

Lakeview Local School Distric
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Capital Projects Fund
For the Fiscal Year Ended June 30, 2001

	Permanent Improvement	School Net	Totals
<u>Revenues:</u>			
Taxes	\$201,097	\$0	\$201,097
Intergovernmental	18,482	87,754	106,236
Total Revenues	219,579	87,754	307,333
<u>Expenditures:</u>			
<u>Current</u>			
Capital Outlay	1,147,744	78,131	1,225,875
Debt Service:			
Principal Retirement	10,000	0	10,000
Interest and Fiscal Charges	66,961	0	66,961
Total Expenditures	1,224,705	78,131	1,302,836
Excess of Revenues Under Expenditures	(1,005,126)	9,623	(995,503)
Fund Balances (Deficit) at Beginning of Year	823,964	36,645	860,609
Fund Balances at End of Year	(\$181,162)	\$46,268	(\$134,894)

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$186,097	\$186,097	\$0
Intergovernmental	21,599	21,599	0
Total Revenues	207,696	207,696	0
<u>Expenditures:</u>			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Purchased Services	147,636	144,175	3,461
Materials and Supplies	15,606	13,884	1,722
Capital Outlay - New	38,250	37,350	900
Total Support Services	201,492	195,409	6,083
Capital Outlay:			
Other Facilities Acquisition and Construction Services:			
Purchased Services	76,586	0	76,586
Materials and Supplies	3,606	0	3,606
Other	3,300	3,043	257
Total Capital Outlay	83,492	3,043	80,449
Debt Service:			
Principal Retirement	27,908	27,659	249
Interest and Fiscal Charges	47,092	47,092	0
Total Debt Service	75,000	74,751	249
Total Expenditures	359,984	273,203	86,781
Excess of Revenues Under Expenditures	(152,288)	(65,507)	86,781
Fund Balance at Beginning of Year	72,177	72,177	0
Prior Year Encumbrances Appropriated	80,192	80,192	0
Fund Balance at End of Year	\$81	\$86,862	\$86,781

Lakeview Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
School Net
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	\$87,754	\$87,754	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Purchased Services	22,556	22,340	216
Materials and Supplies	22,440	22,229	211
Capital Outlay - New	45,763	45,762	1
Total Expenditures	<u>90,759</u>	<u>90,331</u>	<u>428</u>
Excess of Revenues Under Expenditures	(3,005)	(2,577)	428
Fund Balance at Beginning of Year	<u>36,645</u>	<u>36,645</u>	<u>0</u>
Fund Balance at End of Year	<u>\$33,640</u>	<u>\$34,068</u>	<u>\$428</u>
	=====	=====	=====

Enterprise Funds

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

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

Uniform School Supplies - This fund accounts for the purchase and sale of school supplies for use in the School District. Profits derived from such sales are used for school purposes or activities connected with the school.

**Lakeview Local School District
Combining Balance Sheet
All Enterprise Funds
June 30, 2001**

	Food Service	Uniform School Supplies	Totals
<u>Assets:</u>			
<u>Current Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$76,792	\$6,944	\$83,736
Inventory Held For Resale	8,032	0	8,032
Materials and Supplies Inventory	2,231	0	2,231
Total Current Assets	87,055	6,944	93,999
<u>Non-Current Assets:</u>			
Fixed Assets (Net of Accumulated Depreciation)	200,735	0	200,735
Total Assets	\$287,790	\$6,944	\$294,734
<u>Liabilities:</u>			
<u>Current Liabilities:</u>			
Accounts Payable	228	0	228
Accrued Wages	6,533	0	6,533
Compensated Absences Payable	23,414	0	23,414
Intergovernmental Payable	25,364	0	25,364
Deferred Revenue	5,187	0	5,187
Total Current Liabilities	60,726	0	60,726
<u>Fund Equity:</u>			
Retained Earnings: Unreserved	227,064	6,944	234,008
Total Liabilities and Fund Equity	\$287,790	\$6,944	\$294,734

**Lakeview Local School District
Combining Statement of Revenues,
Expenses and Changes in Retained Earnings
All Enterprise Funds
For the Fiscal Year Ended June 30, 2001**

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Totals</u>
<u>Operating Revenues:</u>			
Sales	\$424,966	\$19,396	\$444,362
<u>Operating Expenses:</u>			
Salaries	209,062	0	209,062
Fringe Benefits	78,477	0	78,477
Purchased Services	13,703	0	13,703
Materials and Supplies	0	16,992	16,992
Cost of Sales	219,345	0	219,345
Depreciation	14,464	0	14,464
Total Operating Expenses	535,051	16,992	552,043
Operating Income (Loss)	(110,085)	2,404	(107,681)
<u>Non-Operating Revenues:</u>			
Federal Donated Commodities	29,966	0	29,966
Operating Grant	75,686	0	75,686
Interest	1,823	0	1,823
Total Non-Operating Revenues	107,475	0	107,475
Income Before Operating Transfers	(2,610)	2,404	(206)
Operating Transfers Out	0	0	0
Net Income (Loss)	(2,610)	2,404	(206)
Retained Earnings at Beginning of Year	229,674	4,540	234,214
Retained Earnings at End of Year	\$227,064	\$6,944	\$234,008

Lakeview Local School District
Combining Statement of Cash Flows
All Enterprise Funds
For the Fiscal Year Ended June 30, 2001

	Food Service	Uniform School Supplies	Totals
Increase (Decrease) in Cash and Cash Equivalents:			
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$424,966	\$19,396	\$444,362
Cash Payments to Employees for Services	(208,832)	0	(208,832)
Cash Payments for Employee Benefits	(75,831)	0	(75,831)
Cash Payments to Suppliers for Goods and Services	(203,113)	(16,992)	(220,105)
Net Cash Provided by (Used for) Operating Activities	(62,810)	2,404	(60,406)
<u>Cash Flows from NonCapital Financing Activities:</u>			
Operating Grants Received	75,686	0	75,686
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Payments for Capital Acquisitions	(38,711)	0	(38,711)
<u>Cash Flows from Investing Activities:</u>			
Interest on Investments	1,823	0	1,823
Net Increase (Decrease) in Cash and Cash Equivalents	(24,012)	2,404	(21,608)
Cash and Cash Equivalents at Beginning of Year	100,804	4,540	105,344
Cash and Cash Equivalents at End of Year	\$76,792	\$6,944	\$83,736
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	(110,085)	2,404	(107,681)
Adjustments:			
Depreciation	14,464	0	14,464
Donated Commodities Used During Year	29,966	0	29,966
(Increase) Decrease in Assets:			
Materials and Supplies in Inventory	(411)	0	(411)
Inventory Held for Resale	152	0	152
Increase (Decrease) in Liabilities:			
Accrued Wages	205	0	205
Compensated Absences Payable	(32)	0	(32)
Intergovernmental Payable	2,703	0	2,703
Accounts Payable	228	0	228
Total Adjustments	47,275	0	47,275
Net Cash Provided by (Used for) Operating Activities	(\$62,810)	\$2,404	(\$60,406)

**Lakeview Local School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Food Service
For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$424,726	\$424,966	\$240
Interest	1,822	1,823	1
Operating Grants	75,685	75,686	1
Total Revenues	502,233	502,475	242
<u>Expenses:</u>			
Salaries:			
Food Service Operations	209,100	208,832	268
Fringe Benefits:			
Food Service Operations	75,900	75,831	69
Purchased Services:			
Food Service Operations	21,400	19,053	2,347
Materials and Supplies:			
Food Service Operations	235,589	220,593	14,996
Capital Outlay - Replacement:			
Food Service Operations	38,711	38,711	0
Total Expenses	580,700	563,020	17,680
Excess of Revenues Under Expenses	(78,467)	(60,545)	17,922
Fund Equity at Beginning of Year	97,804	97,804	0
Prior Year Encumbrances Appropriated	3,000	3,000	0
Fund Equity at End of Year	\$22,337	\$40,259	\$17,922
	=====	=====	=====

**Lakeview Local School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Uniform School Supplies
For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$19,394	\$19,396	\$2
<u>Expenses:</u>			
Materials and Supplies	22,786	20,742	2,044
Excess of Revenues Under Expenses	(3,392)	(1,346)	2,046
Fund Equity at Beginning of Year	4,347	4,347	0
Prior Year Encumbrances Appropriated	193	193	0
Fund Equity at End of Year	\$1,148	\$3,194	\$2,046

Fiduciary Funds

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

Nonexpendable Trust Fund

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

Agency Fund

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

**Lakeview Local School District
Combining Balance Sheet
All Trust and Agency Funds
June 30, 2001**

	Scholarship Nonexpendable Trust Fund	Student Activities Agency Fund	Totals
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$21,168	\$65,647	\$86,815
Total Assets	\$21,168	\$65,647	\$86,815
<u>Liabilities:</u>			
Due to Students	\$0	65647	65,647
Total Liabilities	0	65,647	65,647
<u>Fund Equity</u>			
Fund Balance:			
Reserved for Contributions	20000	0	20,000
Unreserved, Undesignated	1168	0	1,168
Total Fund Equity	21,168	0	21,168
Total Liabilities and Fund Equity	\$21,168	\$65,647	\$86,815

**Lakeview Local School District
Statement of Changes in Assets and Liabilities
Student Activities Agency Fund
For the Fiscal Year Ended June 30, 2001**

	Beginning Balance June 30, 2000	Additions	Deductions	Ending Balance June 30, 2001
<u>Student Activities</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$61,005	\$154,852	\$150,210	\$65,647
Total Assets	\$61,005	\$154,852	\$150,210	\$65,647
=====				
<u>Liabilities:</u>				
Due to Students	\$61,005	\$154,852	\$150,210	\$65,647
Total Liabilities	\$61,005	\$154,852	\$150,210	\$65,647
=====				

General Fixed Assets Account Group

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

Lakeview Local School District
Schedule of Changes in General Fixed Assets
By Function
For the Fiscal Year Ended June 30, 2001

<u>Function</u>	<u>General Fixed Assets June 30, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>General Fixed Assets June 30, 2001</u>
Instruction	\$16,063,797	\$1,170,603	(\$61,775)	\$17,172,625
Support Services:				
Administration	142,322	4,816	0	147,138
Operation and Maintenance of Plant	333,069	7,231	0	340,300
Pupil Transportation	941,975	104,751	(84,404)	962,322
Extracurricular Activities	162,084	0	0	162,084
Total General Fixed Assets	<u>\$17,643,247</u>	<u>\$1,287,401</u>	<u>(\$146,179)</u>	<u>\$18,784,469</u>

**Lakeview Local School District
Schedule of General Fixed Assets
By Function and Type
June 30, 2001**

	<u>Total</u>	<u>Land and Improvements</u>	<u>Buildings</u>	<u>Furniture Equipment and Vehicles</u>
Instruction	\$17,172,625	\$2,012,539	\$11,970,307	\$3,189,779
Support Services:				
Administration	147,138	0	0	147,138
Operation and Maintenance of Plant	340,300	0	0	340,300
Pupil Transportation	962,322	0	0	962,322
Extracurricular Activities	162,084	101,230	29,636	31,218
Total General Fixed Assets	<u>\$18,784,469</u> =====	<u>\$2,113,769</u> =====	<u>\$11,999,943</u> =====	<u>\$4,670,757</u> =====

**Lakeview Local School District
Schedule of General Fixed Assets
By Source
June 30, 2001**

General Fixed Assets:

Land and Improvements	\$2,113,769
Buildings	11,999,943
Furniture, Equipment and Vehicles	4,670,757
Construction in Progress	-----
Total General Fixed Assets	\$18,784,469

Investments in General Fixed Assets From:

Acquisitions since July 1, 1997	
General Fund and Capital Projects Funds	\$1,642,626
Acquisitions prior to June 30, 1997	17,141,843
Total Investment in General Fixed Assets	\$18,784,469

Statistical Section

**Lakeview Local School District
General Fund
Expenditures by Function
and Other Financing Uses
Last Ten Fiscal Years**

	2001 (1)	2000 (1)	1999 (1)	1998 (1)	1997 (1)	1996 (1)	1995	1994	1993	1992
<i>Current:</i>										
<i>Instruction:</i>										
Regular	\$6,456,952	\$6,181,285	\$5,790,549	\$5,482,502	\$5,648,649	\$5,157,113	\$4,858,869	\$4,745,046	\$4,386,092	\$4,327,129
Special	1,028,724	1,039,874	1,052,431	1,093,591	1,023,162	948,178	844,149	809,331	736,366	732,432
Vocational	0	0	0	0	0	0	0	4,371	36,787	84,516
Other	0	0	0	0	0	0	137,715	138,979	136,319	139,462
<i>Support Services</i>										
Pupils	646,998	629,766	697,738	613,445	567,540	568,302	512,605	497,463	413,774	342,765
Instructional Staff	557,688	427,280	422,431	395,266	392,812	342,076	300,467	291,690	266,058	251,429
Board of Education	18,900	18,000	18,560	15,855	17,995	19,220	19,588	19,822	19,196	14,831
Administration	1,332,486	1,248,546	1,230,022	1,026,314	1,055,728	925,675	793,075	836,511	843,502	734,464
Fiscal	326,294	309,136	296,601	278,532	260,207	240,771	240,004	211,519	220,047	183,706
Operation and Maintenance of Plant	1,286,683	1,161,625	1,151,519	1,095,291	1,047,754	1,047,308	978,722	991,708	945,201	900,174
Pupil Transportation	642,499	504,936	510,263	542,217	455,882	678,303	510,228	537,042	467,010	365,763
Central	0	0	0	0	1,012	1,830	1,371	3,441	64	2,362
Extracurricular Activities	296,999	235,253	203,727	232,458	201,853	198,702	183,252	180,696	185,989	174,625
Capital Outlay	90,825	0	0	800	0	0	0	0	4,665	0
Interest and Fiscal Charges	0	10,641	13,927	687	0	0	0	0	0	0
Other Financing Uses	6,351	6,107	5,895	6,977	6,029	5,000	6,907	0	5,000	6,000
Total	\$12,691,399	\$11,772,449	\$11,393,663	\$10,783,935	\$10,678,623	\$10,132,478	\$9,386,952	\$9,267,619	\$8,666,070	\$8,259,658

Source: School District Financial Records

(1) 1996 through 2001 reported on a GAAP basis; All others on Cash Basis

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

	2001 (1)	2000 (1)	1999 (1)	1998 (1)	1997 (1)	1996 (1)	1995	1994	1993	1992
Taxes	\$6,636,630	\$5,811,287	\$5,579,998	\$5,321,617	\$5,282,529	\$4,896,013	\$4,775,473	\$4,771,046	\$4,665,075	\$4,396,881
Intergovernmental	6,042,246	5,698,416	5,148,577	4,803,010	4,518,102	4,220,678	4,099,049	3,913,347	3,981,468	3,689,212
Interest	63,338	65,276	49,391	56,722	73,021	78,473	89,879	84,378	76,725	90,328
Tuition and Fees	590,862	452,437	483,568	375,157	345,996	312,295	258,502	359,297	277,581	248,081
Contributions and Donations	4,150	90,986	2,797	150	1,600	14,971	0	0	0	0
Charges for Services	0	0	0	1,828	5,363	7,086	0	0	0	0
Rentals and Royalties	28,039	21,503	30,251	28,588	14,017	12,253	0	0	0	0
Miscellaneous	4,110	12,117	35	70,806	991	7,637	13,584	5,515	8,740	12,809
Other Financing Sources	0	10,000	0	40,000	0	0	3,408	49,513	8,550	17,962
Total	\$13,369,375	\$12,162,022	\$11,294,617	\$10,697,878	\$10,241,619	\$9,549,406	\$9,239,895	\$9,183,096	\$9,018,139	\$8,455,273

Source: School District Financial Records

(1) 1996 through 2001 reported on a GAAP Basis; All others on Cash Basis.

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

Year (2)	Current Levy	Delinquent Levy (3)	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection As A Percent of Current Levy
2000	*****	\$205,397	\$8,020,738	\$7,609,842	94.9%	\$113,001	\$7,722,843	98.8%
1999	6,657,431	158,061	6,815,492	6,548,295	96.1	90,848	6,639,143	99.7
1998	6,563,185	164,181	6,727,366	6,461,408	96.0	124,134	6,585,542	100.3
1997	6,483,503	206,679	6,690,182	6,401,645	95.7	113,092	6,514,737	100.5
1996	6,175,115	423,395	6,598,510	6,112,249	92.6	92,458	6,204,707	100.5
1995	5,891,483	517,137	6,408,620	5,825,459	90.9	72,176	5,897,635	100.1
1994	5,373,399	498,225	5,871,624	5,285,696	90.0	69,876	5,355,572	99.7
1993	5,300,657	713,833	6,014,490	5,232,848	87.0	277,828	5,510,676	104.0
1992	5,118,374	747,981	5,866,355	5,059,934	86.3	105,137	5,165,071	100.9
1991	4,959,188	1,078,379	6,037,567	4,634,296	76.8	114,133	4,748,429	95.8

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

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) Represents collection year. 2001 information cannot be presented because all collections have not been made by June 30.
- (3) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

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

Year	<u>Real Property</u>		<u>Public Utility Property</u>		<u>Tangible Personal Property</u>		<u>Total</u>		
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	
2001	\$209,543,190	\$598,694,828	\$11,237,940	\$12,770,386	\$32,596,105	\$130,384,420	\$253,377,235	\$741,849,634	34%
2000	205,321,850	586,633,857	11,409,290	12,965,102	31,927,974	127,711,896	248,659,114	727,310,855	34
1999	186,196,640	531,990,400	12,767,830	14,508,898	32,684,817	130,739,268	231,649,287	677,238,566	34
1998	182,010,600	520,030,286	13,065,000	14,846,591	33,638,049	134,552,196	228,713,649	669,429,073	34
1997	175,985,580	502,815,942	13,163,590	14,958,625	35,804,941	143,219,764	224,954,111	660,994,331	34
1996	155,390,210	443,972,028	13,921,950	15,820,397	33,144,828	132,579,312	202,456,988	592,371,737	34
1995	146,557,050	418,734,428	14,449,650	16,420,056	32,855,423	131,421,692	193,862,123	566,576,176	34
1994	141,795,000	405,128,571	14,440,450	16,409,602	36,877,082	147,508,328	193,112,532	569,046,501	34
1993	117,362,780	335,322,228	13,487,940	15,338,568	33,507,250	134,029,000	164,367,970	484,689,796	34
1992	115,823,690	330,924,828	13,875,060	15,767,113	33,335,441	133,341,764	163,034,191	480,033,705	34

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

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

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

Year	School Levy	Township Levy	County Levy	City Levy	Debt Service Included in Total Levy			
					School	County	City	Total
2001	\$43.56	\$15.40	\$10.35	\$19.76	\$1.95	\$0.00	\$0.60	\$2.55
2000	43.64	15.40	10.35	19.76	2.00	0.00	0.60	2.60
1999	40.66	15.40	10.35	20.26	2.38	0.00	0.60	2.98
1998	40.71	13.90	9.30	20.26	2.40	0.00	0.60	3.00
1997	40.85	13.90	9.30	20.36	2.47	0.00	0.70	3.17
1996	41.42	14.10	9.30	20.56	2.72	0.00	0.90	3.62
1995	41.52	13.10	9.30	21.26	2.72	0.00	1.00	3.72
1994	39.45	13.60	9.30	13.80	0.60	0.00	1.07	1.67
1993	40.32	13.60	9.30	14.00	1.00	0.00	1.13	2.13
1992	40.55	13.10	9.80	13.80	1.10	0.00	1.22	2.32

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

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

Year	Net General Obligation Bonded Debt (1)	Assessed Value (2)	Population (3)	Ratio of Net Debt to Assessed Value	Net Debt Per Capita
2001	\$4,379,287	\$253,377,235	13,136	1.73%	\$333.38
2000	4,595,542	248,659,114	13,136	1.85	349.84
1999	4,822,342	231,649,287	11,562	2.09	417.08
1998	5,747,628	228,713,649	11,562	2.51	497.11
1997	6,050,368	224,954,111	11,562	2.69	523.30
1996	6,214,881	202,456,988	11,562	3.07	537.53
1995	6,346,205	193,862,123	11,562	3.27	548.88
1994	470,000	193,112,532	11,562	0.24	40.65
1993	600,000	164,367,970	11,562	0.37	51.89
1992	730,000	163,034,191	11,562	0.45	63.14

Sources:

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

**Lakeview Local School District
Computation of Legal Debt Margin
June 30, 2001**

Assessed Valuation	<u><u>\$253,377,235</u></u>
Overall Debt Limit - 9% of Assessed Value (1)	<u>\$22,803,951</u>
Outstanding Debt:	
General Obligation Bonds	4,585,815
Spending Reserve Notes	0
Energy Conservation Notes	294,563
Less: Amount Available in Debt Service Fund	<u>(206,528)</u>
Total Outstanding Debt	4,673,850
Less Exemptions:	
Energy Conservation Notes	<u>(294,563)</u>
Total Exemptions	<u>(294,563)</u>
Amount of Debt Applicable to Debt Limit	<u><u>4,379,287</u></u>
Overall Debt Margin	<u><u>\$18,424,664</u></u>
Unvoted Debt Limit - .10% of Assessed Value (1)	\$253,377
Amount of Debt Applicable	<u>0</u>
Unvoted Debt Margin	<u><u>\$253,377</u></u>
Additional Limit for Unvoted Energy Conservation Notes	
Debt Limit - 1% of Assessed Valuation	\$2,533,772
Energy Conservation Notes	294,563
Additional Unvoted Debt Margin	<u><u>\$2,239,209</u></u>

Source: Trumbull County Auditor and School District Financial Records

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

**Lakeview Local School District
 Computation of Direct and Overlapping General Obligation Bonded Debt
 December 31, 2000**

<u>Jurisdiction</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Applicable to School District</u>
Lakeview Local School District	\$4,585,815	100.00 %	\$4,585,815
Trumbull County	28,116,295	8.04	2,260,550
Cortland City	280,000	95.40	267,120
Bazetta Township	339,181	99.60	337,824
Mecca Township	0	0	0
Warren Township	0	0	0
Warren City	<u>17,881,538</u>	.05	<u>8,941</u>
Total	<u><u>\$51,202,829</u></u>		<u><u>\$7,460,250</u></u>

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

- (1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2001 collection year.

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

Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures (1)	Ratio of Debt Service to General Fund Expenditures Percentages
2001	\$270,000	\$203,922	\$473,922	\$12,691,399	3.73%
2000	315,000	219,718	534,718	11,772,449	4.54
1999	380,000	240,898	620,898	11,393,663	5.55
1998	155,000	241,457	396,457	10,783,935	3.67
1997	140,000	403,235	543,235	10,678,623	5.09
1996	85,000	408,580	493,580	10,132,478	4.87
1995	80,000	246,562	326,562	9,386,952	3.48
1994	130,000	31,075	161,075	9,267,619	1.74
1993	130,000	39,175	169,175	8,666,070	1.95
1992	130,000	47,275	177,275	8,259,658	2.15

Source: School District Financial Records

(1) Includes Other Financing Uses. 1996 through 2001 on a modified accrual basis.
All other years on a cash basis.

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

Year	Trumbull County Population (1)	Lakeview School District Population (2)	School Enrollment (3)	Unemployment Rate (4)
2001	225,116	13,136	2,287	5.1%
2000	225,338	13,136	2,280	5.2
1999	229,805	11,562	2,310	5.5
1998	229,805	11,562	2,408	5.9
1997	229,805	11,562	2,392	5.4
1996	229,805	11,562	2,360	6.1
1995	229,805	11,562	2,336	7.2
1994	229,805	11,562	2,296	8.2
1993	229,805	11,562	2,262	9.8
1992	229,805	11,562	2,236	7.7

Sources:

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

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

Year	Property Value (1) (Real Estate Only)	Financial Institution Deposits Banks	Value of Building Permits Issued
2000	\$205,321,850	\$136,630,100	\$20,644,623
1999	186,196,640	156,658,200	19,676,930
1998	182,010,600	157,324,600	14,994,274
1997	175,985,580	154,597,700	11,763,115
1996	155,390,210	111,942,800	14,589,428
1995	146,557,050	149,499,000	16,483,384
1994	141,795,000	125,417,000	16,891,905
1993	117,362,780	111,817,000	14,971,485
1992	115,823,690	99,003,000	9,327,069
1991	109,571,260	80,030,000	8,613,150

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

(1) Represents assessed value.

**Lakeview Local School District
Principal Taxpayers
Real Estate Tax
December 31, 2000**

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Lexington Warren LLC	\$7,083,030	3.45%
Delphi Automotive Corporation	5,383,390	2.62
Wal Mart Stores Incorporated	2,139,250	1.04
Trumbull Memorial Hospital	1,651,510	0.80
Trumbull Hospital	844,630	0.41
Service Guide Incorporated	779,420	0.38
Cortland Bank	768,010	0.37
Cortland Courts	735,510	0.37
Cortview Village	719,570	0.35
Ohio Presbyterian	684,150	0.33
Wollam Chevrolet Incorporated	557,670	0.27
Eat N Park Restaurant	<u>523,290</u>	<u>0.26</u>
Total	<u><u>\$21,869,430</u></u>	<u><u>10.65%</u></u>

Source: Trumbull County Auditor

(1) Assessed values are for the 2000 collection year.

**Lakeview Local School District
Principal Taxpayers
Tangible Personal Property Tax
December 31, 2000**

Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Delphi Automotive Corporation	\$11,365,900	35.60%
K Mart Corporation	8,499,990	26.62
Cole Valley Motor Company	1,782,570	5.58
Wal Mart Stores Incorporated	1,652,640	5.18
Wollam Chevrolet Incorporated	1,119,660	3.51
Mark Thomas Ford	814,250	2.55
Service Guide Incorporated	536,340	1.68
Greenwood Auto Incorporated	514,990	1.61
Compact Cars Incorporated	470,850	1.48
Burnett Pools Incorporated	323,880	1.01
Total	<u>\$27,081,070</u>	<u>84.82%</u>

Source: Trumbull County Auditor

(1) Assessed values are for the 2000 collection year.

**Lakeview Local School District
Principal Taxpayers
Public Utilities Tax
December 31, 2000**

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Ohio Edison Company	\$7,397,390	64.84%
Sprint	2,687,570	23.56
East Ohio Gas Company	<u>844,740</u>	<u>7.40</u>
Total	<u><u>\$10,929,700</u></u>	<u><u>95.80%</u></u>

Source: Trumbull County Auditor

(1) Assessed values are for the 2000 collection year.

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

Year	General Fund Expenditures (1)	Average Daily Student Enrollment	Per Cost Pupil
2001 (2)	\$12,691,399	2,287	\$5,549
2000 (2)	11,772,449	2,280	5,161
1999 (2)	11,393,663	2,310	4,932
1998 (2)	10,783,935	2,408	4,478
1997 (2)	10,678,623	2,392	4,464
1996 (2)	10,132,478	2,360	4,293
1995	9,386,952	2,336	4,018
1994	9,267,619	2,296	4,036
1993	8,666,070	2,262	3,831
1992	8,259,658	2,236	3,694

Source: School District Financial Records

(1) Includes Other Financing Uses.

(2) 1996 through 2001 on Modified Accrual Basis. All other years on a cash basis.

**Lakeview Local Schools
Teacher Education and Experience
June 30, 2001**

Degree	Number of Teachers	Percentage of Total
Bachelor's Degree	22	15.83%
Bachelor + 15	10	7.19
Bachelor + 30	15	10.79
Master's Degree	43	30.94
Master + 15	49	35.25
Total:	139	100.00%

Years of Experience	Number of Teachers	Percentage of Total
0-5	22	15.83%
6 - 10	28	20.14
11 and over	89	64.03
Total	139	100.00%

Source: School District Personnel Records.



STATE OF OHIO
OFFICE OF THE AUDITOR

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LAKEVIEW LOCAL SCHOOL DISTRICT

TRUMBULL COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 3, 2002**