

LAKOTA LOCAL SCHOOL DISTRICT



Single Audit Reports

June 30, 2011



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Lakota Local School District, Butler County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 2010 through June 30, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

May 15, 2012

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LAKOTA LOCAL SCHOOL DISTRICT
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2011

Federal Grant/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
Passed Through Ohio Department of Education:						
Nutrition Cluster:						
School Breakfast Program	3L70	10.553	\$163,911	\$0	\$163,911	\$0
National School Lunch Program	3L60	10.555	1,163,434	323,053	1,163,434	323,053
Total Nutrition Cluster			<u>1,327,345</u>	<u>323,053</u>	<u>1,327,345</u>	<u>323,053</u>
Total U.S. Department of Agriculture			<u>1,327,345</u>	<u>323,053</u>	<u>1,327,345</u>	<u>323,053</u>
U.S. DEPARTMENT OF EDUCATION						
Passed Through Ohio Department of Education:						
Special Education Cluster:						
Special Education-Grants to States	3M20	84.027	2,851,934	0	2,950,066	0
Special Education-Grants to States - ARRA	3DJ0	84.391	1,297,621	0	1,424,017	0
Special Education-Preschool Grants	3C50	84.173	71,766	0	76,240	0
Special Education-Preschool Grants - ARRA	3DL0	84.392	33,592	0	20,502	0
Total Special Education Cluster			<u>4,254,913</u>	<u>0</u>	<u>4,470,825</u>	<u>0</u>
Title I Cluster:						
Title I Grants to Local Educational Agencies	3M00	84.010	962,162	0	969,103	0
Total Title I Cluster			<u>962,162</u>	<u>0</u>	<u>969,103</u>	<u>0</u>
Safe and Drug Free Schools and Communities	3D10	84.186	3,644	0	2,681	0
Education Technology State Grants	3S20	84.318	2,386	0	4,145	0
English Language Acquisition	3Y70	84.365	123,847	0	172,110	0
Improving Teacher Quality	3Y60	84.367	179,515	0	203,828	0
Education of Homeless Children and Youth - ARRA	3DG0	84.387	3,015	0	3,864	0
State Fiscal Stabiliation Fund (SFSF) Ed St Grant - ARRA	GRF	84.394	3,479,189	0	3,479,189	0
Total Department of Education			<u>9,008,671</u>	<u>0</u>	<u>9,305,745</u>	<u>0</u>
Total Federal Assistance			<u>\$10,336,016</u>	<u>\$323,053</u>	<u>\$10,633,090</u>	<u>\$323,053</u>

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

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

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

To the Board of Education
Lakota Local School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lakota Local School District (the District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated April 27, 2012 wherein we noted the District adopted GASB Statement No. 54 as disclosed in Note 17. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the District in a separate letter dated April 27, 2012.

This report is intended solely for the information and use of management, the Auditor of State, the Board of Education, 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.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
April 27, 2012

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

To the Board of Education
Lakota Local School District

Compliance

We have audited the Lakota Local School District's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2011. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the 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 with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 of the District's compliance with those requirements.

In our opinion, the District, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2011, and have issued our report thereon dated April 27, 2012, which contained an unqualified opinion on those financial statements wherein we noted the District adopted GASB Statement No. 54 as disclosed in Note 17. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of management, the Auditor of State, the Board of Education, 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.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
April 27, 2012

**LAKOTA LOCAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011**

Section I – Summary of Auditor’s Results

<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unqualified
<i>(d)(1)(ii)</i>	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any material reported non-compliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any other significant control deficiencies reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under Section .510?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs (list):</i>	Special Education Cluster: Grants to State CFDA# 84.027 Grants to State - ARRA CFDA# 84.391 Preschool Grants CFDA# 84.173 Preschool Grants - ARRA CFDA# 84.392 State Fiscal Stabilization Fund: (SFSF) Ed St Grant - ARRA CFDA# 84.394
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$328,684 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	Yes

Section II – Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS

None

Section III – Federal Award Findings and Questioned Costs

None

**LAKOTA LOCAL SCHOOL DISTRICT
JUNE 30, 2011**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
*OMB CIRCULAR A-133***

<u>Finding Number</u>	<u>Finding Summary / Explanation</u>	<u>Status</u>	<u>Explanation</u>
2010 -001	Misstatements in the financial statements related to accounts payable and TIF receivables resulting in a significant deficiency.	Fully Corrected	The District enhanced internal controls over financial reporting. There were no misstatements in the financial statements that resulted in significant deficiencies in the current year.

LAKOTA LOCAL SCHOOL DISTRICT



Agreed Upon Procedures Report

June 30, 2011

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Education
Lakota Local School District

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

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

1. We noted the Board amended its anti-harassment policy on July 13, 2010 to include violence within a dating relationship within its definition of harassment, intimidation or bullying.

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

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

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
April 27, 2012

Comprehensive Annual Financial Report

Lakota Local Schools | Board of Education | Liberty Township, Ohio



**For Fiscal Year Ended
June 30, 2011**

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LAKOTA LOCAL SCHOOL DISTRICT
BUTLER COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Prepared by:
Office of the CFO/Treasurer
Jenni Logan

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TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	vii
List of Principal Officials	xv
Organizational Chart	xvi
GFOA Certificate of Achievement for Excellence in Financial Reporting	xvii
ASBO Certificate of Excellence in Financial Reporting	xviii
FINANCIAL SECTION	
Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet - Governmental Funds	16
Reconciliation of Total Governmental Fund Balance to Net Assets of Governmental Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	19
Statement of Fiduciary Net Assets - Fiduciary Funds	20
Statement of Changes in Fiduciary Net Assets - Fiduciary Fund	21
Notes to the Basic Financial Statements	23
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund	50
Notes to the Required Supplementary Information	51
Combining Statements and Individual Fund Schedules:	
Major Governmental Fund	54
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis):	
Debt Service	55
Nonmajor Governmental Funds	57
Combining Balance Sheet	58
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	59
Nonmajor Special Revenue Funds	
Fund Descriptions	60
Combining Balance Sheet	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	66

TABLE OF CONTENTS

	<u>Page</u>
Nonmajor Special Revenue Funds (Continued)	
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Non-GAAP Budgetary Basis):	
Other Grants	70
Student Activities	71
Auxiliary Services	72
MIS	73
School Net Professional Development	74
Ohio Reads	75
Alt. School Grant	76
Miscellaneous State Grants	77
Title VI-B	78
Title III	79
Title I	80
Drug Free Schools	81
EHA Pre-School	82
Title II-A	83
High Schools That Work	84
Fiscal Stabilization	85
Title II D	86
Food Service	87
Nonmajor Capital Projects Funds	
Fund Descriptions	89
Combining Balance Sheet	90
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	91
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Non-GAAP Budgetary Basis):	
Permanent Improvement	92
Building	93
Other General Funds	
Fund Descriptions	94
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Non-GAAP Budgetary Basis):	
Public School Support	95
Underground Storage Tanks	96
Uniform School Supply	97
Adult Education	98
Nonmajor Fiduciary Fund	
Fund Description	99
Statement of Changes in Assets and Liabilities - Agency Fund	100

TABLE OF CONTENTS

	<u>Schedule</u>	<u>Page</u>
STATISTICAL SECTION		
Net Assets by Component	1	103
Expenses, Program Revenues and Net (Expense)/Revenue	2	104
General Revenues and Total Change in Net Assets	3	106
Fund Balances, Governmental Funds	4	107
Governmental Funds Revenues	5	108
Governmental Funds Expenditures and Debt Service Ratio	6	109
Other Financing Sources and Uses and Net Change in Fund Balances	7	110
Assessed Value and Actual Value of Taxable Property	8	111
Direct and Overlapping Property Tax Rates	9	112
Principal Property Tax Payers	10	113
Property Tax Levies and Collections	11	114
Outstanding Debt by Type	12	115
Direct and Overlapping Governmental Activities Debt	13	116
Legal Debt Margin Information	14	117
Demographic and Economic Statistics	15	118
Major Employers	16	119
Full-Time Equivalent District Employees by Type	17	120
Operating Statistics	18	121
School Building Information	19	122

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Introductory Section

A large, multi-pointed yellow star is the central focus of the award graphic. It is surrounded by a black border. The text "Ohio Local Report Card" is at the top, "Lakota Local Schools" is below it, and "EXCELLENT with Distinction" is written across the star. A black ribbon at the bottom of the star says "10 Years in a Row". At the very bottom, it says "Awarded by the Ohio State Board of Education".

Ohio
Local Report Card

Lakota Local Schools
EXCELLENT
with Distinction
District Rating

10 Years in a Row

Awarded by the **Ohio** | State Board of Education



Office of the Treasurer

Lakota Central Office
5572 Princeton Road
Liberty Township, Ohio
45011-9726

513 644-1180 Fax: 513
644-1183

www.lakotaonline.com

Jenni Logan
Treasurer

John Wilkinson
Assistant Treasurer

April 27, 2012

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Lakota Local School District (District) for the fiscal year ended June 30, 2011. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report is prepared in conformance with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. We believe the enclosed data is fairly presented in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. This report has been prepared by the Chief Fiscal Officer's Office and includes an opinion from Plattenburg and Associates.

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

As part of this reporting model, management is responsible for preparing a Management's Discussion and Analysis (MD&A) of the District. This letter should be read in conjunction with the Management Discussion and Analysis that can be found immediately following the Independent Auditor's Report.

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

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

ECONOMIC CONDITION AND OUTLOOK

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

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

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

The West Chester, Liberty Townships are aggressive in recruiting new businesses and will make use of all economic incentives to increase the tax base. Both entities have made use of tax abatements and Tax Increment Financing to attract businesses. Through negotiations with the townships the District has been reimbursed for property taxes it would have otherwise collected ranging from complete reimbursements to the minimums required by law.

THE DISTRICT AND ITS FACILITIES

The District is located in Butler County, and covers an area of 68 square miles. It serves pupils from West Chester and Liberty Townships. Since the consolidation of the Liberty and Union districts into the Liberty-Union School District in 1958, the growth in the District has gone from 1,696 students to 18,426 in 2010-2011. The name of the district was changed to Lakota Local School District in 1970.

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

Name of Bldg Address	Group or Grade Housed	Date of Original	Enrollment Building
Creekside Early Childhood School 5060 Tylersville Road	Pre K-1	1970	818

Liberty Early Childhood School			
6040 Princeton Road	K-1	1928	591
Shawnee Early Childhood School			
9394 Sterling Drive	Pre K-1	1993	723
Wyandot Early Childhood School			
7667 Summerlin Blvd.	K-1	2007	831
Adena Elementary			
9316 Minuteman Way	2-6	1978	763
Cherokee Elementary			
5345 Kyles Station Road	2-6	1994	810
Endeavor Elementary			
4400 Smith Road	2-6	2007	753
Freedom Elementary			
6035 Beckett Ridge Blvd.	2-6	1988	672
Heritage Elementary			
5052 Hamilton-Mason Rd	2-6	1992	606
Hopewell Elementary			
8300 Cox Road	2-6	1961	799
Independence Elementary			
7480 Princeton Road	2-6	1994	674
New Union Elementary			
7672 LeSourdsville-West Chester Road	2-6	2008	753
Van Gorden Elementary			
6475 LeSourdsville-West Chester Road	2-6	2003	697
Woodland Elementary			
6923 Dutchland Pkwy	2-6	1990	596
Hopewell Junior			
8200 Cox Road	7-8	1972	605
Lakota Plains Junior			
5500 Princeton Road	7-8	2003	752
Lakota Ridge Junior			
6199 Beckett Ridge Blvd.	7-8	1992	599
Liberty Junior			
7055 Dutchland Pkwy.	7-8	1977	823
Lakota East Freshman			
7630 Bethany Road	9	2008	628
Lakota East High			
6840 Lakota Lane	10-12	1997	2,080
Lakota West Freshman			
5050 Tylersville Road	9	1958	653

Lakota West High

8940 Union Centre Blvd.	10-12	1997	2,200
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Central Office

5572 Princeton Road	Admin	2003	
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Service Center

6947 Yankee Road	Offices	1977	
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ORGANIZATION OF THE SCHOOL DISTRICT

The Board members represent a cross section of professions in the community. The Board members on June 30, 2011 were as follows:

Board Member	Term Expires	Years as Member	Profession
Joan Powell President	12/31/2013	13	Realtor
Ben Dibble Vice President	12/31/2013	3	Computer Programmer
Paul Lohr	12/31/2011	4	Teacher
Lynda O'Connor	12/31/2011	4	Homemaker
Ray Murray	12/31/2013	3	Hospitality Manager

Effective February 1, 2011, the Lakota Board of Education unanimously appointed Ron Spurlock as Interim Superintendent. He replaced Mike Taylor who served since July 2006. Since 2007 he has been Assistant Superintendent. He began in 1998 as an administrator here in Lakota, and he later served as the principal at Liberty Junior School. Mr. Spurlock holds a bachelor's degree from the Belmont University and a master's degree from Xavier University.

The Treasurer of the District is Jenni Logan. Ms. Logan became treasurer of the School District in January, 2011. She replaced Alan Hutchinson who held the position of Interim Treasurer after Craig Jones left the district in July 2010 to lead Troy City Schools as Treasurer. Mrs. Logan holds a bachelor's degree from Shawnee State University in Business Administration and is completing her master's degree in education administration, from Ohio University. Mrs. Logan has been in school finance for over 13 years. Prior to joining Lakota, she worked for R.W. Baird & Company as a Director and previously as the treasurer for Milford Exempted Village Schools and Waverly City Schools. Ms. Logan began her career as an Assistant Auditor with the State Auditor's office.

EMPLOYEE RELATIONS

The District currently has over 2,000 full-time and part-time employees. The District's teachers are represented for collective bargaining purposes by the Lakota Education Association (LEA, an OEA affiliate). The District has a three-year collective bargaining agreement with LEA which expires June 30, 2014. The District's support staff is represented

by the Lakota Support Staff Association (LSSA, an OEA Affiliate). The District has a three-year collective bargaining agreement which expires June 30, 2014. The District has contracted its transportation services for the 2010-2011 school year through Petermann LLC.

SERVICES PROVIDED

The District offers regular instructional programs daily to students in grades PS-12. Nearly 700 students participated in specific trades through Butler Tech vocational education. Almost 2,000 students receive special services, due to physical or mental handicapping conditions. In grades K-12, approximately 4,500 students have been identified as gifted.

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

The accounting department processes purchase orders, handles invoices, and issues checks for goods and/or services for the District. Those goods and services include transportation services, utilities, computers, software, instructional materials, maintenance and tuition.

The payroll department issues checks to employees entitled to remuneration for services rendered and for payroll-associated costs such as taxes, retirement and insurance.

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

Limited health services are provided by registered nurses or clinic aides at each of the 22 school sites.

RELEVANT ACADEMIC ACHIEVEMENTS

The 2010-2011 school year was one of continued transition and progress for Lakota schools. For the tenth year in a row, Lakota has received an excellent rating from the Ohio Department of Education (ODE). The designation of Excellent with Distinction was awarded again due to the above expected growth the district has made since last school year on the value-added measures for reading and mathematics.

RELEVANT FINANCIAL POLICIES

The financial forecast of General Fund operations for the next five years demonstrates that the District's fiscal year 2012 ending Five Year Forecast cash balance is projected to be approximately at \$19,349,218. Negative ending cash balances are projected beginning in fiscal year 2014.

The projected declining General Fund cash balance is a reflection of the challenge of Ohio school district funding. The District has been flat-funded (no increase in state funding) since 2006. The State of Ohio implemented a new Evidence Based Funding Model (EBM) in FY 2010 called PASS (Pathway to Student Success). Under the new model, educational services shown by research or demonstration projects to be effective in student learning are identified

and the costs associated with these evidence-based practices were defined to obtain an adequate funding amount. The State share of the costs is then determined by subtracting the charge off. The charge off is based on the District's class 1 effective property tax millage on residential and agricultural property. To avoid extreme drops in funding during the transition to the new model, for Fiscal Year 2011, the District was guaranteed at least 98% of their FY2010 amount resulting in a 2% decrease to foundation revenue received.

In Fiscal Year 2012 the Bridge funding model replaced the PASS model until a new funding mechanism can be formulated. Under the Bridge formula, the District's Fiscal Year 2011 total state funding is divided by a per pupil cost formula from the ADM count the first full week of October 2010. The Statewide per pupil adjustment amount must be determined by the Department of Education such that the State's total education aid obligation does not exceed the aggregate appropriated amount. A supplemental funding provision for Fiscal Years 2012 and 2013 guarantees to each school district operating funding in an amount equal to at least the amount of State operating funding (excluding any State Fiscal Stabilization Fund money) the district received for Fiscal Year 2011 under the Evidence Based Model. In addition, the Department of Education is required to pay an additional amount for high performing schools equivalent to \$17 per student to each school district that is rated as "Excellent with Distinction" or "Excellent" on the annual district and school academic performance report cards. At present, the District is rated as "Excellent with Distinction."

In addition, there is no permanent reimbursement plan to replace tangible tax revenues eliminated through House Bill 66 passed in June 2005, and possible further eroding of the Districts tax base through future legislation. The budget passed in 2009 modified the reimbursement plan for school districts for lost tangible taxes. These reimbursements were to begin to be phased out in 2011, but the reimbursement was extended at 100% for two years to 2013. The biennium budget for FY12-13 changed the schedule for tangible personal property reimbursement dramatically to reduce the replacement revenues over the next two fiscal years and to continue at this reduced rate in future years. In fiscal year 2011 the District received approximately \$9 million. This amount will be reduced to \$6 million in 2012 and \$3 million in 2013.

FINANCIAL INFORMATION

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

INTERNAL ACCOUNTING AND BUDGETARY CONTROL

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

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

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

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

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

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

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

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

INDEPENDENT AUDIT

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

AWARDS

GFOA Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2010. The School District has received this award for ten years. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

ASBO Certificate of Excellence in Financial Reporting

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

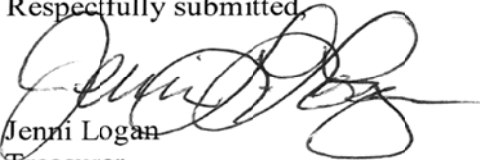
The District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2010. This was the tenth year the School District has received this award.


The District believes that the current report which will be submitted to ASBO for review will conform to ASBO's principles and standards.

ACKNOWLEDGEMENT

The preparation of the fiscal year 2011 Comprehensive Annual Financial Report of the Lakota Local School District was made possible by the combined efforts of the District's Treasurer's Office and Plattenburg and Associates, Incorporated. The publication of this Comprehensive Annual Financial Report for the District is a major step in reinforcing the accountability and transparency of the District to the taxpayers of the community.

Respectfully submitted,


Jenni Logan
Treasurer


John Wilkinson
Assistant Treasurer

LAKOTA LOCAL SCHOOL DISTRICT, OHIO

LIST OF PRINCIPAL OFFICIALS

June 30, 2011

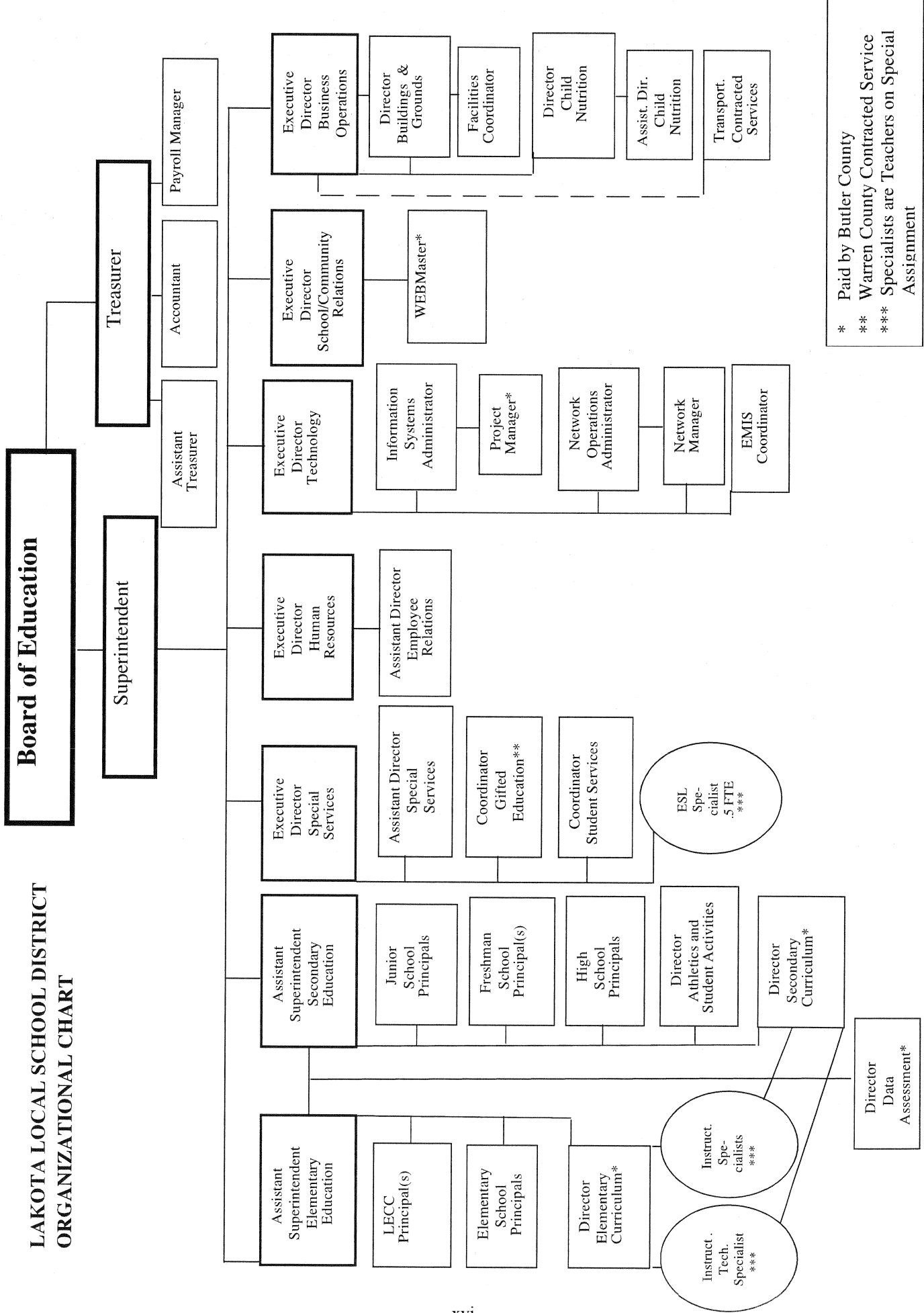
**ELECTED OFFICIALS
BOARD OF EDUCATION**

President, Board of Education	Mrs. Joan Powell
Vice- President, Board of Education	Mr. Ben Dibble
Board Member	Mrs. Lynda O'Connor
Board Member	Mr. Paul Lohr
Board Member	Mr. Ray Murray

ADMINISTRATIVE OFFICIALS

Interim Superintendent	Mr. Ron Spurlock
Treasurer	Ms. Jenni Logan
Assistant Treasurer	Mr. John Wilkinson

**LAKOTA LOCAL SCHOOL DISTRICT
ORGANIZATIONAL CHART**



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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lakota Local School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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.



Linda C. Sandison

President

Jeffrey R. Enev

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

LAKOTA LOCAL SCHOOL DISTRICT, OHIO

For its Comprehensive Annual Financial Report (CAFR)

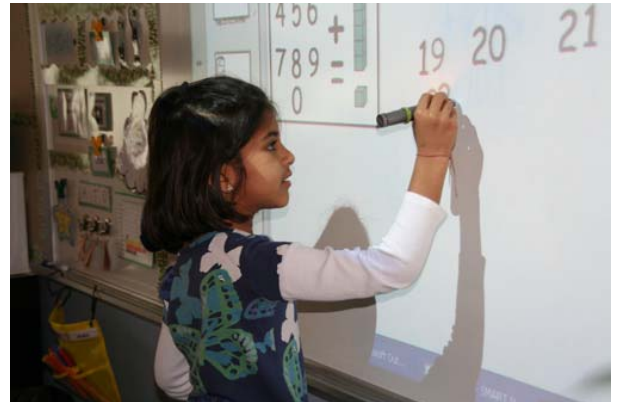
For the Fiscal Year Ended June 30, 2010

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

President

Executive Director

Financial Section



INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Lakota Local School District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lakota Local School District (the District) as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 17 to the financial statements, during the year ended June 30, 2011, the District implemented Governmental Accounting Standards Board ("GASB") Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*".

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2012, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
April 27, 2012

Lakota Local School District, Ohio
Management Discussion and Analysis
For The Fiscal Year Ended June 30, 2011
(Unaudited)

The discussion and analysis of Lakota Local School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's performance.

Financial Highlights

Key financial highlights for 2011 are as follows:

- Net assets of governmental activities decreased \$9,029,663 which represents a 16% decrease from 2010.
- General revenues accounted for \$154,780,057 in revenue or 87% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$22,647,460 or 13% of total revenues of \$177,427,517.
- The District had \$186,457,180 in expenses related to governmental activities; only \$22,647,460 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$154,780,057 were also used to provide for these programs.

Overview of the Financial Statements

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

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

Lakota Local School District, Ohio
Management Discussion and Analysis
For The Fiscal Year Ended June 30, 2011
(Unaudited)

Government-wide Financial Statements

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, “How did we do financially during 2011?” The Government-wide Financial Statements answers this question. These statements include *all assets* and *liabilities* using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year’s revenues and expenses regardless of when cash is received or paid.

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

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

- **Governmental Activities** – Most of the District’s programs and services are reported here including instruction, support services, operation of non-instructional services, extracurricular activities and interest and fiscal charges.

Fund Financial Statements

The analysis of the District’s major funds are presented in the Fund Financial Statements (see Table of Contents). Fund financial reports provide detailed information about the District’s major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District’s most significant funds.

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

Fiduciary Funds Fiduciary Funds are used to account for resources held for the benefits of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District’s own programs.

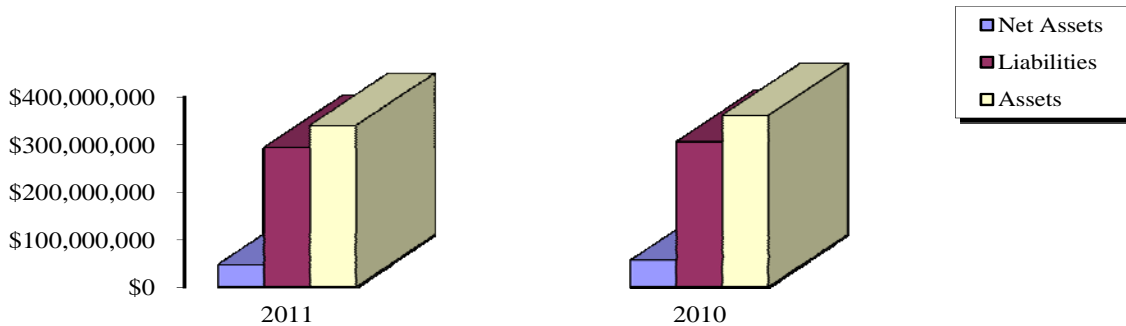
Lakota Local School District, Ohio
Management Discussion and Analysis
For The Fiscal Year Ended June 30, 2011
(Unaudited)

The District as a Whole

As stated previously, the Statement of Net Assets looks at the District as a whole. Table 1 provides a summary of the District’s net assets for 2011 compared to 2010:

Table 1
Net Assets

	Governmental Activities	
	2011	2010 Restated
Assets:		
Current and Other Assets	\$146,083,863	\$167,952,643
Capital Assets	194,110,798	193,413,517
Total Assets	340,194,661	361,366,160
Liabilities:		
Long-Term Liabilities	175,701,506	181,430,984
Other Liabilities	117,606,908	124,019,266
Total Liabilities	293,308,414	305,450,250
Net Assets:		
Invested in Capital Assets, Net of Related Debt	27,488,410	30,152,263
Restricted	7,551,789	9,608,553
Unrestricted	11,846,048	16,155,094
Total Net Assets	\$46,886,247	\$55,915,910



Over time, net assets can serve as a useful indicator of a government’s financial position. At June 30, 2011, the District’s assets exceeded liabilities by \$46,886,247.

At year-end, capital assets represented 57% of total assets. Capital assets include land, construction in progress, buildings and improvements and equipment. Capital assets, net of related debt to acquire the assets at June 30, 2011, was \$27,488,410. These capital assets are used to provide services to the students and are not available for future spending. Although the District’s investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District’s net assets, \$7,551,789, represents resources that are subject to external restriction on how they may be used. The external restriction will not affect the availability of fund

Lakota Local School District, Ohio
Management Discussion and Analysis
For The Fiscal Year Ended June 30, 2011
(Unaudited)

resources for future use. The remaining balance of unrestricted net assets of \$11,846,048 may be used to meet the District's ongoing obligations to the students and creditors.

Current and Other Assets decreased mainly due to a decrease in the balance of investments in fiscal year 2011 as compared to fiscal year 2010. Long-term Liabilities decreased due to the District continuing to make principal payments on its long term obligations. Other Liabilities decreased mainly due to a decrease in unearned revenue which was due to a corresponding decrease in taxes receivable.

Table 2 shows the changes in net assets for fiscal years 2011 and 2010.

Table 2
Changes in Net Assets

	Governmental Activities	
	2011	2010 Restated
Program Revenues:		
Charges for Services	\$8,555,649	\$8,372,931
Operating Grants	14,091,811	12,899,123
Total Program Revenues	22,647,460	21,272,054
General Revenue:		
Property Taxes	83,232,704	93,007,659
Grants and Entitlements	58,880,750	59,845,825
Other	12,666,603	14,167,244
Total General Revenues	154,780,057	167,020,728
Total Revenues	177,427,517	188,292,782
Program Expenses:		
Instruction	98,167,225	100,378,362
Support Services:		
Pupil and Instructional Staff	23,078,209	25,266,122
General and School Administrative, Fiscal and Business	15,173,537	15,662,935
Operations and Maintenance	13,471,298	14,249,777
Pupil Transportation	14,483,316	19,423,730
Central	3,383,747	3,663,618
Operation of Non-Instructional Services	6,452,226	7,073,573
Extracurricular Activities	3,005,242	3,426,136
Interest and Fiscal Charges	9,242,380	8,047,154
Total Expenses	186,457,180	197,191,407
Change in Net Assets	(9,029,663)	(8,898,625)
Beginning Net Assets	55,915,910	64,814,535
Ending Net Assets	\$46,886,247	\$55,915,910

Lakota Local School District, Ohio
Management Discussion and Analysis
For The Fiscal Year Ended June 30, 2011
(Unaudited)

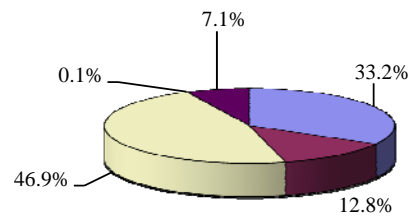
Governmental Activities

The District revenues are mainly from two sources. Property taxes levied for general purposes and debt service purposes, and grants and entitlements comprised 80% of the District’s revenues for governmental activities.

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

Thus Ohio districts do not receive additional property taxes related to increases in appraised values and must regularly return to the voters to maintain a constant level of service. Property taxes made up 47% of revenue for governmental activities for the District in fiscal year 2011.

Revenue Sources	2011	Percent of Total
General Grants	\$58,880,750	33.2%
Program Revenues	22,647,460	12.8%
General Tax Revenues	83,232,704	46.8%
Investment Earnings	93,272	0.1%
Other Revenues	12,573,331	7.1%
	<u>\$177,427,517</u>	<u>100.0%</u>



Instruction comprises 52.65% of governmental program expenses. Support services expenses were 37.32% of governmental program expenses. All other expenses including interest expense were 10.03% of governmental program expenses.

Property tax revenues decreased mainly due to real estate refunds Butler County paid out to taxpayers once their TIFs were approved at the state level taken out of the District’s tax payments for fiscal year 2011. Instruction expenses decreased mainly due to the District’s ongoing efforts to cut costs throughout the District. Pupil Transportation decreased mainly due to the District entering a contract to outsource their busing services with another company.

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

Lakota Local School District, Ohio
Management Discussion and Analysis
For The Fiscal Year Ended June 30, 2011
(Unaudited)

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2011	2010 Restated	2011	2010 Restated
Instruction	\$98,167,225	\$100,378,362	(\$92,367,965)	(\$96,498,429)
Support Services:				
Pupil and Instructional Staff	23,078,209	25,266,122	(19,462,171)	(20,321,199)
School Administrative, General				
Administration, Fiscal and Business	15,173,537	15,662,935	(14,885,985)	(15,443,787)
Operations and Maintenance	13,471,298	14,249,777	(12,971,544)	(13,881,423)
Pupil Transportation	14,483,316	19,423,730	(10,708,319)	(16,181,296)
Central	3,383,747	3,663,618	(3,189,806)	(3,469,526)
Operation of Non-Instructional Services	6,452,226	7,073,573	(222,463)	191,422
Extracurricular Activities	3,005,242	3,426,136	(759,087)	(2,267,961)
Interest and Fiscal Charges	9,242,380	8,047,154	(9,242,380)	(8,047,154)
Total Expenses	\$186,457,180	\$197,191,407	(\$163,809,720)	(\$175,919,353)

The District's Funds

The District has two major governmental funds: the General Fund and the Debt Service. Assets of these funds comprised \$140,621,948 (97%) of the total \$145,590,052 governmental funds assets.

General Fund: Fund balance at June 30, 2011 was \$13,103,832 including \$9,786,790 of unassigned balance. Total fund balance decreased \$13,463,941 from fiscal year 2011. The primary reason for the decrease in fund balance was due to a decrease in taxes revenue, which was due to real estate refunds Butler County paid out to taxpayers once their TIFs were approved at the state level taken out of the District's tax payments for fiscal year 2011.

Debt Service Fund: Fund balance at June 30, 2011 was \$7,809,201. Total fund balance increased \$1,394,977 from fiscal year 2010. The primary reason for the increase in fund balance was a result in an increase in the amount of TIF monies received within this fund in fiscal year 2011 as compared to fiscal year 2010.

General Fund Budgeting Highlights

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

During the course of fiscal year 2011, the District amended its general fund budget. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the budget in an attempt to deal with unexpected changes in state revenues and subsequently reduced expenditures.

For the General Fund, original budget basis revenue was \$150,325,791 compared to final budget basis revenue of \$145,132,803. The difference of \$5,192,988 was mainly due to overestimates in taxes and intergovernmental revenue.

The District's ending unobligated cash balance for the General Fund was \$24,777,820.

Lakota Local School District, Ohio
Management Discussion and Analysis
For The Fiscal Year Ended June 30, 2011
(Unaudited)

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2011, the District had \$194,110,798 (net of accumulated depreciation) invested in land, construction in progress, land improvements, buildings and improvements and equipment. Table 4 shows fiscal year 2011 balances compared to fiscal year 2010:

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

	Governmental Activities	
	2011	2010 Restated
Land	\$15,377,284	\$15,377,284
Construction in Progress	8,129,835	2,164,000
Land Improvements	3,837,636	3,895,447
Buildings and Improvements	164,328,105	169,212,990
Equipment	2,437,938	2,763,796
Total Net Capital Assets	<u>\$194,110,798</u>	<u>\$193,413,517</u>

The increase in capital assets is due to the start and near completion of the HB264 Energy Improvements.

See Note 5 to the Basic Financial Statements for further details on the District's capital assets.

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Lakota Local School District, Ohio
Management Discussion and Analysis
For The Fiscal Year Ended June 30, 2011
(Unaudited)

Debt

At June 30, 2011, the District had \$167,757,868 in bonds outstanding, \$4,379,103 due within one year. Table 5 summarizes bonds outstanding.

Table 5
Outstanding Debt, at Year End

	Governmental Activities	
	2011	2010
General Obligation Bonds:		
2007 School Construction Bonds	\$8,990,000	\$9,340,000
Two New High Schools	0	2,740,000
Refunding New High Schools	429,103	481,010
Bond and Refunding	11,420,000	11,793,117
Lakota 2005 Refunding	1,165,000	1,905,000
Lakota 2005 Refunding	29,450,000	29,450,000
Premium on 2005 Refunding	2,395,098	2,549,620
Lakota Series 2005	73,415,000	74,065,000
Premium on 2005 Series	665,643	695,227
Lakota Series 2006	9,390,000	9,540,000
Premium on 2006 Series	118,981	124,269
2009 Energy Conservation Improvements	2,320,000	2,450,000
Premium on Energy Conservation Improvements	66,998	71,961
2009 Turf & Athletic Field Improvements	1,530,000	1,650,000
Premium on Turf & Athletic Field Improvements	19,670	21,543
Lakota 2009 Refunding	16,680,000	16,680,000
Premium on 2009 Refunding	694,562	801,418
Deferred Amount on 2009 Refunding	(397,187)	(458,293)
Lakota 2010 BAB Bonds	5,405,000	5,405,000
Lakota 2010 QSC Bonds	4,000,000	4,000,000
Total General Obligation Bonds	<u>\$167,757,868</u>	<u>\$173,304,872</u>

See Note 6 to the Basic Financial Statements for further details on the District's long-term obligations.

Lakota Local School District, Ohio
Management Discussion and Analysis
For The Fiscal Year Ended June 30, 2011
(Unaudited)

For the Future

In July, 2009, the Ohio's Governor signed HB 1, the state biennium budget bill. Included in this bill was a complete overhaul of the school funding model for all school districts in Ohio. The new Ohio Evidence-Based Model (OEBM) replaces the long-standing foundation formula that was declared unconstitutional by the Ohio Supreme Court. If ever fully-funded, the new model has the potential to drive funding based on student needs and could result in additional revenue. However, the current economic crisis has reduced revenue at the state level prompting budget reduction measures across the State. As such, the funding for the OEBM was phased in for FY10 and FY11 by allocating the funding for each year based on 99% of the FY09 funding and 98% of the FY10 funding, respectively. Federal stimulus funds are being used in Ohio to balance the education budget and as such, funding for public education at the current level is not secure beyond FY11.

On June 30, 2011, Ohio's Governor signed HB 153, the state biennium budget bill. The impact of this bill was a slight increase in state funding for the District for both fiscal years 2011-12 and 2012-13. The Governor has indicated that he will prepare a new school funding model for Ohio school districts for fiscal year 2012-13. At this time, we do not know the details of the changes or the impact that these changes may have on our future state funding. This uncertainty could have an impact on our instructional and operational programs. The need for additional revenue and or expenditure reductions will need to be closely monitored.

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

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

For the 2010-2011 school year, the Superintendent has established priorities, which are aligned with the key strategies, designed to guide decision making at all levels of the organization. They are as follows:

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

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

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

Lakota Local School District, Ohio
Management Discussion and Analysis
For The Fiscal Year Ended June 30, 2011
(Unaudited)

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer at Lakota Local School District, 5572 Princeton Road, Liberty Township, Ohio 45011.

Lakota Local School District, Ohio
Statement of Net Assets
June 30, 2011

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$41,124,629
Restricted Cash and Investments	1,976,054
Receivables:	
Taxes	90,370,152
Accounts	241,654
Intergovernmental	11,207,591
Deferred Bond Issuance Costs	1,100,349
Inventory	63,434
Nondepreciable Capital Assets	23,507,119
Depreciable Capital Assets, Net	<u>170,603,679</u>
 Total Assets	 <u>340,194,661</u>
Liabilities:	
Accounts Payable	1,379,160
Accrued Wages and Benefits	19,035,096
Accrued Interest Payable	2,147,220
Unearned Revenue	93,441,355
Other Liabilities	1,604,077
Long-Term Liabilities:	
Due Within One Year	5,853,513
Due In More Than One Year	<u>169,847,993</u>
 Total Liabilities	 <u>293,308,414</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	27,488,410
Restricted for:	
Debt Service	6,152,120
Capital Projects	1,812
Other Grants	105,204
Student Activities	780,438
Food Service	279,368
Federal Grants	214,351
Other Purposes	18,496
Unrestricted	<u>11,846,048</u>
 Total Net Assets	 <u>\$46,886,247</u>

See accompanying notes to the basic financial statements.

Lakota Local School District, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2011

	Expenses	Program Revenues	
		Charges for Services and Sales	Operating Grants and Contributions
Governmental Activities:			
Instruction:			
Regular	\$78,216,974	\$1,787,199	\$1,367,716
Special	14,958,176	15,034	2,216,128
Vocational	258	0	6,983
Other	4,991,817	71,341	334,859
Support Services:			
Pupil	12,432,349	27,638	2,433,263
Instructional Staff	10,645,860	0	1,155,137
General Administration	93,099	0	0
School Administration	13,293,359	0	250,863
Fiscal	1,376,474	0	36,689
Business	410,605	0	0
Operations and Maintenance	13,471,298	494,614	5,140
Pupil Transportation	14,483,316	0	3,774,997
Central	3,383,747	0	193,941
Operation of Non-Instructional Services	6,452,226	3,920,417	2,309,346
Extracurricular Activities	3,005,242	2,239,406	6,749
Interest and Fiscal Charges	9,242,380	0	0
Total Governmental Activities	<u>\$186,457,180</u>	<u>\$8,555,649</u>	<u>\$14,091,811</u>

General Revenues:
Property Taxes Levied for:
 General Purposes
 Debt Service Purposes
Grants and Entitlements not Restricted to Specific Programs
Revenue in Lieu of Taxes
Unrestricted Contributions
Investments Earnings
Other Revenues

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year, Restated

Net Assets End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue
and Changes in Net Assets

Governmental
Activities

(\$75,062,059)
(12,727,014)
6,725
(4,585,617)

(9,971,448)
(9,490,723)
(93,099)
(13,042,496)
(1,339,785)
(410,605)
(12,971,544)
(10,708,319)
(3,189,806)
(222,463)
(759,087)
(9,242,380)

(163,809,720)

71,923,151
11,309,553
58,880,750
11,874,109
195,225
93,272
503,997

154,780,057

(9,029,663)

55,915,910

\$46,886,247

Lakota Local School District, Ohio
Balance Sheet
Governmental Funds
June 30, 2011

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$30,251,389	\$7,559,589	\$3,313,651	\$41,124,629
Restricted Cash and Investments	1,976,054	0	0	1,976,054
Receivables:				
Taxes	77,445,881	12,924,271	0	90,370,152
Accounts	241,654	0	0	241,654
Intergovernmental	8,354,466	1,262,106	1,591,019	11,207,591
Interfund	606,538	0	0	606,538
Inventory	0	0	63,434	63,434
Total Assets	118,875,982	21,745,966	4,968,104	145,590,052
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	1,248,173	175	130,812	1,379,160
Accrued Wages and Benefits	17,830,246	0	1,204,850	19,035,096
Compensated Absences	696,879	0	22,210	719,089
Interfund Payable	0	0	606,538	606,538
Deferred Revenue	84,392,775	13,936,590	893,335	99,222,700
Other Liabilities	1,604,077	0	0	1,604,077
Total Liabilities	105,772,150	13,936,765	2,857,745	122,566,660
Fund Balances:				
Nonspendable	0	0	63,434	63,434
Restricted	1,976,054	7,809,201	2,428,758	12,214,013
Assigned	1,340,988	0	0	1,340,988
Unassigned	9,786,790	0	(381,833)	9,404,957
Total Fund Balances	13,103,832	7,809,201	2,110,359	23,023,392
Total Liabilities and Fund Balances	\$118,875,982	\$21,745,966	\$4,968,104	\$145,590,052

See accompanying notes to the basic financial statements.

Lakota Local School District, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Assets of Governmental Activities
 June 30, 2011

Total Governmental Fund Balance		\$23,023,392
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		194,110,798
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Delinquent Property Taxes	4,602,889	
Intergovernmental	893,335	
Other	<u>285,121</u>	
		5,781,345
In the statement of net assets interest payable is accrued when incurred, whereas in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		(2,147,220)
Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds.		
Compensated Absences		(7,224,549)
Deferred bond issuance cost associated with long-term liabilities are not reported in the funds.		1,100,349
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		<u>(167,757,868)</u>
Net Assets of Governmental Activities		<u><u>\$46,886,247</u></u>

See accompanying notes to the basic financial statements.

Lakota Local School District, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2011

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$69,841,467	\$11,110,638	\$0	\$80,952,105
Revenue in lieu of taxes	9,382,046	2,442,696	0	11,824,742
Tuition and Fees	865,429	0	0	865,429
Investment Earnings	92,094	0	1,178	93,272
Intergovernmental	59,705,843	1,430,835	11,688,411	72,825,089
Extracurricular Activities	729,251	0	1,742,378	2,471,629
Charges for Services	945,043	0	3,920,417	4,865,460
Other Revenues	864,075	12,095	82,465	958,635
Total Revenues	142,425,248	14,996,264	17,434,849	174,856,361
Expenditures:				
Current:				
Instruction:				
Regular	72,534,076	0	1,190,392	73,724,468
Special	14,861,002	0	247,860	15,108,862
Vocational	258	0	0	258
Other	4,741,419	0	341,992	5,083,411
Support Services:				
Pupil	10,338,879	0	2,443,024	12,781,903
Instructional Staff	9,416,017	0	1,192,844	10,608,861
General Administration	93,099	0	0	93,099
School Administration	12,360,834	0	232,581	12,593,415
Fiscal	1,158,273	168,809	27,546	1,354,628
Business	329,850	0	0	329,850
Operations and Maintenance	12,701,784	0	352,472	13,054,256
Pupil Transportation	11,261,154	0	3,132,638	14,393,792
Central	3,038,797	0	180,208	3,219,005
Operation of Non-Instructional Services	47,549	0	6,144,477	6,192,026
Extracurricular Activities	236,702	0	2,542,144	2,778,846
Capital Outlay	1,467,616	0	6,111,699	7,579,315
Debt Service:				
Principal Retirement	0	5,305,024	0	5,305,024
Interest and Fiscal Charges	0	8,127,454	0	8,127,454
Total Expenditures	154,587,309	13,601,287	24,139,877	192,328,473
Excess of Revenues Over (Under) Expenditures	(12,162,061)	1,394,977	(6,705,028)	(17,472,112)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	198,120	0	5,860	203,980
Transfers In	0	0	1,500,000	1,500,000
Transfers (Out)	(1,500,000)	0	0	(1,500,000)
Total Other Financing Sources (Uses)	(1,301,880)	0	1,505,860	203,980
Net Change in Fund Balance	(13,463,941)	1,394,977	(5,199,168)	(17,268,132)
Fund Balance Beginning of Year, Restated	26,567,773	6,414,224	7,309,527	40,291,524
Fund Balance End of Year	\$13,103,832	\$7,809,201	\$2,110,359	\$23,023,392

See accompanying notes to the basic financial statements.

Lakota Local School District, Ohio
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended June 30, 2011

Net Change in Fund Balance - Total Governmental Funds (\$17,268,132)

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

Governmental funds report capital asset additions as expenditures.
 However, in the statement of activities, the cost of those assets is
 allocated over their estimated useful lives as depreciation
 expense. This is the amount of the difference between capital
 asset additions and depreciation in the current period.

Capital assets used in governmental activities	6,882,560	
Depreciation Expense	<u>(6,173,410)</u>	709,150

Governmental funds only report the disposal of assets to the
 extent proceeds are received from the sale. In the statement
 of activities, a gain or loss is reported for each disposal. The
 amount of the proceeds must be removed and the gain or loss
 on the disposal of capital assets must be recognized. This is the
 amount of the difference between the proceeds and the gain or loss. (11,869)

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

Delinquent Property Taxes	2,280,599	
Intergovernmental	147,470	
Other	<u>143,087</u>	2,571,156

Repayment of bond principal is an expenditure in the
 governmental funds, but the repayment reduces long-term
 liabilities in the statement of net assets. 5,305,024

In the statement of activities interest expense is accrued when incurred,
 whereas in governmental funds an interest expenditure is reported
 when due. (1,288,465)

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

Compensated Absences	779,934	
Amortization of Bond Issuance Cost	(68,441)	
Amortization of Bond Premium	303,086	
Amortization of Deferred Charge on Refunding	<u>(61,106)</u>	953,473

Change in Net Assets of Governmental Activities (\$9,029,663)

See accompanying notes to the basic financial statements.

Lakota Local School District, Ohio
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	<u>Private Purpose Trust</u>	<u>Agency</u>
Assets:		
Equity in Pooled Cash and Investments	<u>\$17,233</u>	<u>\$213,722</u>
Total Assets	<u>17,233</u>	<u>213,722</u>
Liabilities:		
Accounts Payable	0	4,717
Other Liabilities	<u>0</u>	<u>209,005</u>
Total Liabilities	<u>0</u>	<u>\$213,722</u>
Net Assets:		
Held in Trust	<u>17,233</u>	
Total Net Assets	<u>\$17,233</u>	

See accompanying notes to the basic financial statements.

Lakota Local School District, Ohio
 Statement of Changes in Fiduciary Net Assets
 Fiduciary Fund
 For the Fiscal Year Ended June 30, 2011

	Private Purpose Trust
Additions:	
Donations	\$13,250
Investment Earnings	<u>3</u>
Total Additions	<u>13,253</u>
Deductions:	
Scholarships	<u>8,748</u>
Total Deductions	<u>8,748</u>
Change in Net Assets	4,505
Net Assets Beginning of Year	<u>12,728</u>
Net Assets End of Year	<u><u>\$17,233</u></u>

See accompanying notes to the basic financial statements.

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Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2011

Note 1 - Summary of Significant Accounting Policies

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the District's accounting policies are described below.

Description of the District

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

The District operates under a locally elected five-member board form of government and provides educational services as authorized by its charter or further mandated by state and/or federal agencies. This board controls the District's 22 instructional and support facilities staffed by approximately 712 non-certificated personnel and approximately 1,192 certificated teaching and 72 administrative personnel to provide services to over 18,000 students.

Reporting Entity

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

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

Measurement Focus

Government-wide Financial Statements

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2011

expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements

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

The private purpose trust is reported using the economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e. revenues) and decreases (i.e. expenses).

Fund Accounting

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

Governmental Funds

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

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

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2011

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

Fiduciary Funds

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

Basis of Accounting

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

Revenues – Exchange and Non-exchange Transactions

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, included property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2011

expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of June 30, 2011, but which were levied to finance fiscal year 2012 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Unearned Revenue

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

Expenses/Expenditures

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

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

Equity in Pooled Cash and Investments

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

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2011

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

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2011. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2A7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2011. The District also has invested in U.S. Agencies.

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during fiscal year 2011 credited to the General Fund amounted to \$92,094 and \$1,178 in Other Governmental Funds.

Interfund Activity

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

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

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

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

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2011

Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories are accounted for using the purchase method on the fund level statements and using the consumption method on the proprietary funds statement of net assets.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

Capital Assets

General capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

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

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

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

Accrued Liabilities and Long-Term Obligations

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

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

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2011

Restricted Assets

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

Compensated Absences

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

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

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

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Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2011

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

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

Net Assets

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

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Of the District's \$7,551,789 in restricted net assets, none were restricted by enabling legislation.

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2011

Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The following categories are used:

Nonspendable – resources that are not in spendable form (inventory) or have legal or contractual requirements to maintain the balance intact.

Restricted – resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators.

Committed – resources that are constrained for specific purposes that are internally imposed by the government at its highest level of decision making authority, the Board of Education.

Assigned – resources that are intended to be used for specific purposes as approved through the District's formal purchasing procedure by the Treasurer.

Unassigned – residual fund balance within the General Fund that is not restricted, committed, or assigned. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from incurred expenses for specific purposes exceeding amounts which had been restricted, committed or assigned for said purposes.

The District applies restricted resources first when an expense is incurred for purposes which both restricted and unrestricted net assets are available. The District considers committed, assigned, and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

Estimates

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

Note 2 - Equity in Pooled Cash and Investments

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

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

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2011

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

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

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

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

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

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2011

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

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

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of June 30, 2011, \$32,456,896 of the District's bank balance of \$32,956,896 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

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

Investments

As of June 30, 2011, the District had the following investments:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Federal Home Loan Bank	\$5,020,500	0.50
STAR Ohio	5,752,601	0.16
Total Fair Value	<u>\$10,773,101</u>	
Portfolio Weighted Average Maturity		0.32

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

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2011

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

Concentration of Credit Risk – The District’s investment policy allows investments in Federal Agencies or Instrumentalities. The District has invested 47% in Federal Home Loan Bank, and 53% invested in STAR Ohio.

Custodial Credit Risk – Is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the District’s securities are either insured and registered in the name of the District or at least registered in the name of the District.

Note 3 - Property Taxes

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value.

Tangible personal property tax revenue received during calendar year 2011 (other than public utility property tax) represents the collection of 2011 taxes levied against local and interexchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2011 were levied after April 1, 2010, on the value as of December 31, 2010. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

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,

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2011

payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. The District receives property taxes from the County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2011, are available to finance fiscal year 2012 operations. The amount available for advance can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at June 30, 2011. Delinquent property taxes collected within 60 days of the fiscal year end are included as a receivable and tax revenue on the fund financial statements. All delinquent property taxes outstanding at June 30, 2011 are recognized as a revenue and receivable on the government-wide financial statements. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2011, was \$1,596,050 for General Fund and \$249,787 for Debt Service Fund.

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

The assessed values upon which the fiscal year 2011 taxes were collected are:

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$2,586,411,730
Public Utility Personal	<u>65,850,220</u>
Total	<u><u>\$2,652,261,950</u></u>

Note 4 – Receivables

Receivables at June 30, 2011, consisted of taxes, accounts (rent and student fees), intergovernmental grants and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2011

Note 5 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	Restated Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$15,377,284	\$0	\$0	\$15,377,284
Construction in Progress	2,164,000	5,965,835	0	8,129,835
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	220,809,715	306,641	0	221,116,356
Equipment	17,672,746	397,591	2,297,972	15,772,365
Land Improvements	5,676,970	212,493	0	5,889,463
Totals at Historical Cost	261,700,715	6,882,560	2,297,972	266,285,303
Less Accumulated Depreciation:				
Buildings and Improvements	51,596,725	5,191,526	0	56,788,251
Equipment	14,908,950	711,580	2,286,103	13,334,427
Land Improvements	1,781,523	270,304	0	2,051,827
Total Accumulated Depreciation	68,287,198	6,173,410	2,286,103	72,174,505
Governmental Activities Capital Assets, Net	<u>\$193,413,517</u>	<u>\$709,150</u>	<u>\$11,869</u>	<u>\$194,110,798</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$5,392,900
Special	5,603
Support Services:	
Pupil	1,238
Instructional Staff	5,148
School Administration	2,345
Fiscal	13,994
Business	45,160
Operations and Maintenance	158,940
Pupil Transportation	96,558
Central	146,726
Operation of Non-Instructional Services	77,550
Extracurricular Activities	227,248
Total Depreciation Expense	<u>\$6,173,410</u>

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2011

Note 6 - Long-Term Liabilities

	Interest Rate	Issue Date	Maturity Date	Restated Beginning Balance	Issued	Retired	Ending Balance	Due In One Year
Governmental Activities:								
General Obligation Bonds:								
\$2,450,000 - Energy Conservation Improvements	2.500%	5/28/09	12/1/24	\$2,450,000	\$0	\$130,000	\$2,320,000	\$135,000
\$79,404 - Premium on Energy Conservation Improvements	0.000%	5/28/09	12/1/24	71,961	0	4,963	66,998	0
\$1,650,000 - Turf & Athletic Field Improvements	2.500%	5/28/09	12/1/21	1,650,000	0	120,000	1,530,000	120,000
\$24,355 - Premium on Turf & Athletic Field Improvements	0.000%	5/28/09	12/1/21	21,543	0	1,873	19,670	0
\$16,680,000 - Lakota Refunding	5.000%	9/24/08	12/1/17	16,680,000	0	0	16,680,000	0
\$961,701 - Premium on Refunding	0.000%	9/24/08	12/1/17	801,418	0	106,856	694,562	0
(\$549,951) - Deferred Amount on Refunding	0.000%	9/24/08	12/1/17	(458,293)	0	(61,106)	(397,187)	0
\$10,000,000 - School Construction Bonds - Union Elem	4.000%	6/13/07	12/1/27	9,340,000	0	350,000	8,990,000	365,000
\$51,860,000 - Two New High Schools	6.211%	5/1/94	12/1/17	2,740,000	0	2,740,000	0	1,180,000
\$19,175,835 - Refunding New High Schools	5.242%	6/1/98	12/1/17	481,010	0	51,907	429,103	0
\$52,932,789 - Bond and Refunding	5.850%	4/19/01	12/1/26	11,793,117	0	373,117	11,420,000	429,103
\$8,625,000 - Lakota 2005 Refunding	3.076%	1/1/05	12/1/12	1,905,000	0	740,000	1,165,000	765,000
\$30,950,000 - Lakota 2005 Refunding	4.650%	11/3/05	12/1/26	29,450,000	0	0	29,450,000	0
\$3,244,969 - Premium on 2005 Refunding	0.000%	11/3/05	12/1/26	2,549,620	0	154,522	2,395,098	0
\$74,470,000 - Lakota Series 2005	4.600%	12/19/05	12/1/33	74,065,000	0	650,000	73,415,000	650,000
\$828,359 - Premium on 2005 Series	0.000%	12/19/05	12/1/33	695,227	0	29,584	665,643	0
\$9,830,000 - Lakota Series 2006	4.270%	1/10/06	12/1/33	9,540,000	0	150,000	9,390,000	170,000
\$148,065 - Premium on 2006 Series	0.000%	1/10/06	12/1/33	124,269	0	5,288	118,981	0
\$5,405,000 - 2010 School Improvement Bonds	1.340%	6/17/10	12/1/20	5,405,000	0	0	5,405,000	565,000
\$4,000,000 - 2010 School Improvement Bonds	5.390%	6/17/10	12/1/25	4,000,000	0	0	4,000,000	0
Total General Obligation Bonds				173,304,872	0	5,547,004	167,757,868	4,379,103
Compensated Absences				8,126,112	1,373,120	1,555,594	7,943,638	1,474,410
Total Governmental Activities								
Long-Term Liabilities				\$181,430,984	\$1,373,120	\$7,102,598	\$175,701,506	\$5,853,513

All long-term bonds will be paid from the debt service fund. Compensated absences will be paid from the general and special revenue funds. All debt will be used to acquire or construct a capital asset for the District. Premiums and deferred amount on the issuance of bonds are included in the debt and will be amortized over the life of the new debt.

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

Fiscal Year Ending June 30	General Obligation Bonds				
	Principal	Premium	Deferred Charge	Interest	Total
2012	\$4,379,103	\$303,086	(\$61,106)	\$10,076,952	\$14,698,035
2013	7,590,000	303,086	(61,106)	7,638,702	15,470,682
2014	7,860,000	303,086	(61,106)	6,978,062	15,080,042
2015	8,170,000	303,086	(61,106)	6,659,567	15,071,547
2016	8,765,000	303,086	(61,106)	6,303,469	15,310,449
2017-2021	37,270,000	1,141,432	(91,657)	25,943,556	64,263,331
2022-2026	43,960,000	965,278	0	16,576,944	61,502,222
2027-2031	29,655,000	251,628	0	6,736,022	36,642,650
2032-2034	16,545,000	87,184	0	1,135,159	17,767,343
Total	\$164,194,103	\$3,960,952	(\$397,187)	\$88,048,433	\$255,806,301

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2011

Note 7 - Pension Plans

School Employees Retirement System of Ohio

Plan Description

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

Funding Policy

Plan members are required to contribute 10% of their annual covered salary and District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care fund) of the System. For fiscal year ending June 30, 2011, the allocation to pension and death benefits is 11.81%. The remaining 2.19% of the 14% employer contribution rate is allocated to the Health Care and Medicare B Funds. The District's required contributions to SERS for the years ended June 30, 2011, 2010, and 2009 were \$3,219,408, \$3,169,992, and \$3,092,994, respectively; 58% has been actually contributed for fiscal year 2011 and 100% has been actually contributed for fiscal years 2010 and 2009. The District's unpaid contractually required SERS contributions (including post employment benefits) at year end (the liability) were recorded in the accrued wages and benefits line item of the government-wide and fund financial statements along with various corresponding expenses/expenditures.

State Teachers Retirement System of Ohio

Plan Description

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

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2011

Plan Options

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

DB Plan Benefits

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

DC Plan Benefits

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

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2011

Combined Plan Benefits

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

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

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

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

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

A DB or Combined Plan member with five or more years' credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries.

Funding Policy

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

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2011, were 10% of covered payroll for members and 14% for employers. The District's required contributions to STRS for the years ended June 30, 2011, 2010, and 2009 were \$11,246,736, \$11,774,328, and \$11,465,713, respectively; 85% has been actually contributed for fiscal year 2011 and 100% has been actually contributed for fiscal years 2010 and 2009. The District's

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2011

unpaid contractually required STRS contributions (including post employment benefits) at year end (the liability) were recorded in the accrued wages and benefits line item of the government-wide and fund financial statements along with various corresponding expenses/expenditures.

Note 8 - Post Employment Benefits

School Employees Retirement System of Ohio

Plan Description

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

Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2011 was \$96.40 for most participants, but could be as high as \$369.10 depending on their income; SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2011, the actuarially required allocation was .76%. District contributions for the year ended June 30, 2011, 2010 and 2009 were \$174,768, \$172,085 and \$165,696, respectively, which equaled the required contributions each year.

Health Care Plan

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

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

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2011

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. At June 30, 2011, the health care allocation was 1.43%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2011, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District required contributions assigned to health care for the years ended June 30, 2011, 2010, and 2009 were \$328,840, \$104,157, and \$2,631,340, respectively; 58% has been actually contributed for fiscal year 2011 and 100% has been actually contributed for fiscal years 2010 and 2009.

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

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

State Teachers Retirement System of Ohio

Plan Description

STRS Ohio administers a pension plan that is comprised of: a Defined Benefit Plan; a self-directed Defined Contribution Plan and a Combined Plan that is a hybrid of the Defined Benefit and the Defined Contribution Plan.

Ohio law authorized STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the Defined Benefit or Combined Plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums.

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

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2011

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

Funding Policy

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contributions rate, 1% of covered payroll was allocated to post-employment health care for the year ended June 30, 2011, 2010 and 2009. The 14% employer contribution rate is the maximum rate established under Ohio law. The District required contributions for the years ended June 30, 2011, 2010, and 2009 were \$803,338, \$841,023, and \$818,980, respectively; 85% has been actually contributed for fiscal year 2011 and 100% has been actually contributed for fiscal years 2010 and 2009.

Note 9 - Contingent Liabilities

Grants

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds.

However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District as of June 30, 2011.

Litigation

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

Note 10 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries commercial insurance. Below is a schedule of insurance coverage carried by the District:

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2011

Coverage	Company	Limits	Deductible
Fleet	Ohio Casualty Insurance Company	\$1,000,000 per occurrence	\$1,000 collision/pd
Property	Ohio Casualty Insurance Company	325,978,049 blanket coverage	10,000 per loss
General liability	Ohio Casualty Insurance Company	1,000,000 per occurrence/ 2,000,000 aggregate	
Liability umbrella	Ohio Casualty Insurance Company	10,000,000 aggregate	
Errors and omissions	Ohio Casualty Insurance Company	1,000,000 aggregate	5,000 per loss
Crime theft	Ohio Casualty Insurance Company	10,000 per occurrence	500 per loss
Faithful Performance Bond	Cincinnati Insurance Company	40,000 Public employee blanket bond with faithful performance endorsed on bond	

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

Note 11 - Jointly Governed Organizations

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

The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts.

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

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

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2011

Note 12 – Accountability and Compliance

Accountability

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

	<u>Deficit</u>
Other Governmental Funds:	
Miscellaneous State Grants	\$22,588
Title VI-B	304,388
Title III	1,474
Title I	44,802
Drug Free School	1,875
EHA Pre-school	5,875
High Schools That Work	832

Compliance

Ohio Revised Code 5705.39 requires appropriations to be limited by estimated resources. Upon review of appropriations and estimated resources, it was noted that appropriations exceeded estimated resources at year end for the following funds: Auxiliary Services \$1,082, Permanent Improvement \$228,576, and Building \$11,114.

Note 13 - Set-Asides

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

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

	<u>Textbooks</u>	<u>Capital Acquisition</u>
Set Aside Reserve Balance as of June 30, 2010	\$1,568,380	\$0
Current Year Set Aside Requirements	2,779,009	2,779,009
Qualified Disbursements	(2,371,335)	(2,072,087)
Current Year Offsets	0	(706,922)
Set Aside Reserve Balance as of June 30, 2011	<u>\$1,976,054</u>	<u>\$0</u>
Restricted Cash as of June 30, 2011	<u>\$1,976,054</u>	<u>\$0</u>

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

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2011

Note 14 - Interfund Transactions

Interfund transactions at June 30, 2011, consisted of the following individual fund receivables and payables and transfers in and out:

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$606,538	\$0	\$0	\$1,500,000
Other Governmental Funds	0	606,538	1,500,000	0
Total All Funds	<u>\$606,538</u>	<u>\$606,538</u>	<u>\$1,500,000</u>	<u>\$1,500,000</u>

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

Note 15 – Significant Contractual Obligations

Listed below are the District’s contracts that had outstanding balances at year end:

School Energy Improvements	\$1,135,480
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Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2011

Note 16 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Debt Service	Other Governmental Funds	Total
Nonspendable:				
Inventory	\$0	\$0	\$63,434	\$63,434
Total Nonspendable	0	0	63,434	63,434
Restricted for:				
Textbooks	1,976,054	0	0	1,976,054
Title II-D	0	0	100	100
Other Grants	0	0	105,204	105,204
Student Activities	0	0	848,151	848,151
Auxiliary Services	0	0	5,353	5,353
MIS	0	0	2,286	2,286
School Net Professional Development	0	0	16	16
Ohio Reads	0	0	6,470	6,470
Alt. School Grant	0	0	2,158	2,158
Title II-A	0	0	394	394
Food Service	0	0	321,334	321,334
Debt Service	0	7,809,201	0	7,809,201
Permanent Improvement Building	0	0	1,137,290	1,137,290
	0	0	2	2
Total Restricted	1,976,054	7,809,201	2,428,758	12,214,013
Assigned to:				
Instruction	426,942	0	0	426,942
Support Services	755,638	0	0	755,638
Capital	23,790	0	0	23,790
Public School Support	82,458	0	0	82,458
Uniform School Supplies	28,504	0	0	28,504
Internal Service Rotary	23,656	0	0	23,656
Total Assigned	1,340,988	0	0	1,340,988
Unassigned (Deficit)	9,786,790	0	(381,833)	9,404,957
Total Fund Balance	\$13,103,832	\$7,809,201	\$2,110,359	\$23,023,392

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2011

Note 17 – Change in Accounting Principles and Restatement of Fund Balance

Change in Accounting Principles

For fiscal year 2011, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” GASB 54 shifts the focus of fund balance reporting from the availability of fund resources for budgeting to the extent to which the District is bound to honor constraints on the specific purposes for which amounts in funds can be spent.

Restatement of Fund Balance

The implementation of GASB 54 had the following effects on fund balance of the following major and non-major (other governmental) funds of the District as they were previously reported. The District also reclassified its Enterprise Funds (Food Service, Uniform Supply and Adult Education) into the Governmental Funds accordingly.

	General Fund	Other Governmental Funds	Enterprise Funds
Fund Balance/Net Assets, June 30, 2010	\$25,095,618	\$7,858,816	\$1,252,695
Fund Reclassification	1,472,155	(549,289)	(1,252,695) *
Fund Balance, June 30, 2010 - Restated	<u>\$26,567,773</u>	<u>\$7,309,527</u>	<u>\$0</u>

* - \$329,839 of the Enterprise Funds, Net Assets were Capital Assets, Net of Related Debt that is not included in the Fund Balance.

	Governmental Activities	Business-Type Activities
Net Assets, June 30, 2010	\$54,663,215	\$1,252,695
Fund Reclassification	1,252,695	(1,252,695)
Net Assets, June 30, 2010 - Restated	<u>\$55,915,910</u>	<u>\$0</u>

REQUIRED SUPPLEMENTARY INFORMATION



Lakota Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2011

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$73,989,510	\$71,433,551	\$71,433,551	\$0
Revenue in lieu of taxes	12,913,398	12,467,306	12,467,306	0
Tuition and Fees	689,241	665,431	665,431	0
Investment Earnings	221,213	213,571	213,571	0
Intergovernmental	61,842,174	59,705,843	59,705,843	0
Other Revenues	670,255	647,101	647,101	0
Total Revenues	150,325,791	145,132,803	145,132,803	0
Expenditures:				
Current:				
Instruction:				
Regular	74,161,222	72,650,117	70,308,465	2,341,652
Special	15,437,916	15,123,354	14,635,899	487,455
Other	5,037,976	4,935,323	4,776,248	159,075
Support Services:				
Pupil	10,071,976	9,866,750	9,548,726	318,024
Instructional Staff	9,787,948	9,588,509	9,279,453	309,056
General Administration	100,702	98,650	95,470	3,180
School Administration	13,405,698	13,132,544	12,709,257	423,287
Fiscal	1,240,371	1,215,097	1,175,932	39,165
Business	354,648	347,422	336,224	11,198
Operations and Maintenance	14,359,465	14,066,877	13,613,475	453,402
Pupil Transportation	13,380,110	13,107,478	12,684,999	422,479
Central	3,315,257	3,247,706	3,143,026	104,680
Operation of Non-Instructional Services	35,148	34,432	33,322	1,110
Extracurricular Activities	237,446	232,607	225,110	7,497
Capital Outlay	1,799,624	1,762,955	1,706,132	56,823
Total Expenditures	162,725,507	159,409,821	154,271,738	5,138,083
Excess of Revenues Over (Under) Expenditures	(12,399,716)	(14,277,018)	(9,138,935)	5,138,083
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	205,209	198,120	198,120	0
Advances (Out)	(639,775)	(626,739)	(606,538)	20,201
Transfers In	49,624	47,910	47,910	0
Transfers (Out)	(1,646,677)	(1,613,124)	(1,561,130)	51,994
Total Other Financing Sources (Uses)	(2,031,619)	(1,993,833)	(1,921,638)	72,195
Net Change in Fund Balance	(14,431,335)	(16,270,851)	(11,060,573)	5,210,278
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	35,838,393	35,838,393	35,838,393	0
Fund Balance End of Year	\$21,407,058	\$19,567,542	\$24,777,820	\$5,210,278

See accompanying notes to the required supplementary information.

Lakota Local School District, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2011

Note 1 - Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2011.

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

While the District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) 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 as follows:

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

Lakota Local School District, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2011

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

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	(\$13,463,941)
Revenue Accruals	2,707,555
Expenditure Accruals	2,741,097
Transfers In	47,910
Transfers (Out)	(61,130)
Advances (Out)	(606,538)
Encumbrances	<u>(2,425,526)</u>
Budget Basis	<u><u>(\$11,060,573)</u></u>

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES



MAJOR GOVERNMENTAL FUND

Debt Service Fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated (i.e. debt payable from property taxes). Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Basic Financial Statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2011

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$11,309,085	\$11,309,085	\$0
Intergovernmental	1,430,835	1,430,835	0
Other Revenues	2,452,276	2,452,276	0
Total Revenues	15,192,196	15,192,196	0
Expenditures:			
Current:			
Instruction:			
Fiscal	173,391	168,635	4,756
Debt Service:			
Principal Retirement	5,454,656	5,305,024	149,632
Interest and Fiscal Charges	8,356,695	8,127,454	229,241
Total Expenditures	13,984,742	13,601,113	383,629
Net Change in Fund Balance	1,207,454	1,591,083	383,629
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,965,990	5,965,990	0
Fund Balance End of Year	\$7,173,444	\$7,557,073	\$383,629

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

Capital Projects Funds

The Capital Projects Funds is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Lakota Local School District, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$2,176,359	\$1,137,292	\$3,313,651
Receivables:			
Intergovernmental	1,591,019	0	1,591,019
Inventory	63,434	0	63,434
Total Assets	3,830,812	1,137,292	4,968,104
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	130,812	0	130,812
Accrued Wages and Benefits	1,204,850	0	1,204,850
Compensated Absences	22,210	0	22,210
Interfund Payable	606,538	0	606,538
Deferred Revenue	893,335	0	893,335
Total Liabilities	2,857,745	0	2,857,745
Fund Balances:			
Nonspendable	63,434	0	63,434
Restricted	1,291,466	1,137,292	2,428,758
Unassigned	(381,833)	0	(381,833)
Total Fund Balances	973,067	1,137,292	2,110,359
Total Liabilities and Fund Balances	\$3,830,812	\$1,137,292	\$4,968,104

Lakota Local School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2011

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Investment Earnings	\$526	\$652	\$1,178
Intergovernmental	11,688,411	0	11,688,411
Extracurricular Activities	1,742,378	0	1,742,378
Charges for Services	3,920,417	0	3,920,417
Other Revenues	57,131	25,334	82,465
Total Revenues	17,408,863	25,986	17,434,849
Expenditures:			
Current:			
Instruction:			
Regular	1,190,392	0	1,190,392
Special	247,860	0	247,860
Other	341,992	0	341,992
Support Services:			
Pupil	2,443,024	0	2,443,024
Instructional Staff	1,192,844	0	1,192,844
School Administration	232,581	0	232,581
Fiscal	27,546	0	27,546
Operations and Maintenance	352,472	0	352,472
Pupil Transportation	3,132,638	0	3,132,638
Central	180,208	0	180,208
Operation of Non-Instructional Services	6,144,477	0	6,144,477
Extracurricular Activities	2,542,144	0	2,542,144
Capital Outlay	0	6,111,699	6,111,699
Total Expenditures	18,028,178	6,111,699	24,139,877
Excess of Revenues Over (Under) Expenditures	(619,315)	(6,085,713)	(6,705,028)
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	5,860	0	5,860
Transfers In	1,500,000	0	1,500,000
Total Other Financing Sources (Uses)	1,505,860	0	1,505,860
Net Change in Fund Balance	886,545	(6,085,713)	(5,199,168)
Fund Balance Beginning of Year, Restated	86,522	7,223,005	7,309,527
Fund Balance End of Year	\$973,067	\$1,137,292	\$2,110,359

NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions

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

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

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

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

SchoolNet Professional Development - To account for a limited number of professional development subsidy grants.

Ohio Reads - To account for state funds, which are designated reading.

Alt. School Grant - To account for state funds used for alternative educational programs for existing and new at-risk and delinquent youth.

Miscellaneous State Grants - To account for state funds that are legally restricted to expenditures for specified purposes.

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

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

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

Drug Free Schools - To account for federal funds used for establishment, operation and improvement of programs of drug abuse prevention, early intervention, rehabilitation referral and education in schools.

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

NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions

Title II-A - To account for federal funds to provide programs to enhance student achievement.

High Schools That Work - To account for funds related to the High Schools that Work program.

Fiscal Stabilization – To account for monies was part of the American Recovery and Reinvestment Act of 2009. This was intended to provide money to school districts to prevent layoffs and cutbacks, with flexibility to use the funds for school modernization and repairs.

Title II D – To account for competitive grant monies received from the Federal Government which focuses on professional development and student learning needed for the 21st century.

Food Service - To account for all revenues and expenses related to the provision of food services, including breakfast and lunch, for the District students and staff.

Lakota Local School District, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2011

	Other Grants	Student Activities	Auxiliary Services	MIS
Assets:				
Equity in Pooled Cash and Investments	\$123,081	\$1,099,939	\$55,910	\$2,286
Receivables:				
Intergovernmental	0	0	0	0
Inventory	0	0	0	0
Total Assets	<u>123,081</u>	<u>1,099,939</u>	<u>55,910</u>	<u>2,286</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	17,877	32,777	17,680	0
Accrued Wages and Benefits	0	219,011	32,877	0
Compensated Absences	0	0	0	0
Interfund Payable	0	0	0	0
Deferred Revenue	0	0	0	0
Total Liabilities	<u>17,877</u>	<u>251,788</u>	<u>50,557</u>	<u>0</u>
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	105,204	848,151	5,353	2,286
Unassigned	0	0	0	0
Total Fund Balances	<u>105,204</u>	<u>848,151</u>	<u>5,353</u>	<u>2,286</u>
Total Liabilities and Fund Balances	<u>\$123,081</u>	<u>\$1,099,939</u>	<u>\$55,910</u>	<u>\$2,286</u>

School Net Professional Development	Ohio Reads	Alt. School Grant	Miscellaneous State Grants	Title VI-B	Title III	Title I
\$16	\$6,470	\$3,000	\$918	\$293,131	\$17,937	\$7,092
0	0	11,916	22,500	711,453	151,783	403,867
0	0	0	0	0	0	0
16	6,470	14,916	23,418	1,004,584	169,720	410,959
0	0	0	0	43,341	6,493	3,803
0	0	8,288	4,825	519,886	10,265	176,002
0	0	0	0	22,210	0	0
0	0	2,671	18,681	452,498	58,367	1,298
0	0	1,799	22,500	271,037	96,069	274,658
0	0	12,758	46,006	1,308,972	171,194	455,761
0	0	0	0	0	0	0
16	6,470	2,158	0	0	0	0
0	0	0	(22,588)	(304,388)	(1,474)	(44,802)
16	6,470	2,158	(22,588)	(304,388)	(1,474)	(44,802)
\$16	\$6,470	\$14,916	\$23,418	\$1,004,584	\$169,720	\$410,959

Continued

Lakota Local School District, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2011

	Drug Free Schools	EHA Pre-School	Title II-A	High Schools That Work
Assets:				
Equity in Pooled Cash and Investments	\$2,158	\$36,531	\$8,975	\$1,781
Receivables:				
Intergovernmental	0	22,177	261,618	2,896
Inventory	0	0	0	0
Total Assets	<u>2,158</u>	<u>58,708</u>	<u>270,593</u>	<u>4,677</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	975	0	3,341	1,291
Accrued Wages and Benefits	0	17,997	24,045	0
Compensated Absences	0	0	0	0
Interfund Payable	3,058	41,406	22,987	2,884
Deferred Revenue	0	5,179	219,826	1,334
Total Liabilities	<u>4,033</u>	<u>64,582</u>	<u>270,199</u>	<u>5,509</u>
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	0	0	394	0
Unassigned	(1,875)	(5,874)	0	(832)
Total Fund Balances	<u>(1,875)</u>	<u>(5,874)</u>	<u>394</u>	<u>(832)</u>
Total Liabilities and Fund Balances	<u>\$2,158</u>	<u>\$58,708</u>	<u>\$270,593</u>	<u>\$4,677</u>

Fiscal Stabilization	Title II D	Food Service	Total Nonmajor Special Revenue Funds
\$0	\$912	\$516,222	\$2,176,359
0	2,809	0	1,591,019
0	0	63,434	63,434
0	3,721	579,656	3,830,812
0	0	3,234	130,812
0	0	191,654	1,204,850
0	0	0	22,210
0	2,688	0	606,538
0	933	0	893,335
0	3,621	194,888	2,857,745
0	0	63,434	63,434
0	100	321,334	1,291,466
0	0	0	(381,833)
0	100	384,768	973,067
\$0	\$3,721	\$579,656	\$3,830,812

Lakota Local School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2011

	Other Grants	Student Activities	Auxiliary Services	MIS
Revenues:				
Investment Earnings	\$0	\$189	\$40	\$0
Intergovernmental	151,854	0	388,744	10,256
Extracurricular Activities	0	1,742,378	0	0
Charges for Services	0	0	0	0
Other Revenues	700	47,352	0	0
Total Revenues	152,554	1,789,919	388,784	10,256
Expenditures:				
Current:				
Instruction:				
Regular	92,321	7,111	0	0
Special	0	24,495	0	0
Other	0	0	0	0
Support Services:				
Pupil	42,628	0	0	0
Instructional Staff	252	0	0	0
School Administration	0	0	0	0
Fiscal	0	0	0	0
Operations and Maintenance	0	345,935	0	0
Pupil Transportation	148	0	0	0
Central	13,582	0	0	7,970
Operation of Non-Instructional Services	0	0	406,398	0
Extracurricular Activities	6,276	2,535,868	0	0
Total Expenditures	155,207	2,913,409	406,398	7,970
Excess of Revenues Over (Under) Expenditures	(2,653)	(1,123,490)	(17,614)	2,286
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	0	0	0
Transfers In	0	1,500,000	0	0
Total Other Financing Sources (Uses)	0	1,500,000	0	0
Net Change in Fund Balance	(2,653)	376,510	(17,614)	2,286
Fund Balance Beginning of Year, Restated	107,857	471,641	22,967	0
Fund Balance End of Year	\$105,204	\$848,151	\$5,353	\$2,286

School Net Professional Development	Ohio Reads	Alt. School Grant	Miscellaneous State Grants	Title VI-B	Title III	Title I
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	57,428	3,942	4,356,132	179,561	1,042,432
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	57,428	3,942	4,356,132	179,561	1,042,432
0	0	3,351	0	84,606	3,898	907,765
0	0	0	0	147,267	66,650	0
0	0	0	0	341,992	0	0
0	0	48,128	0	2,263,958	0	1,016
0	0	0	25,041	914,170	94,556	23,861
0	0	0	0	53,152	0	51,798
0	0	0	0	19,017	1,079	5,043
0	0	0	0	5,461	0	0
0	0	0	0	30,678	426	469
0	0	0	0	158,656	0	0
0	0	0	0	192,060	12,687	15,499
0	0	0	0	0	0	0
0	0	51,479	25,041	4,211,017	179,296	1,005,451
0	0	5,949	(21,099)	145,115	265	36,981
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	5,949	(21,099)	145,115	265	36,981
16	6,470	(3,791)	(1,489)	(449,503)	(1,739)	(81,783)
\$16	\$6,470	\$2,158	(\$22,588)	(\$304,388)	(\$1,474)	(\$44,802)

Continued

Lakota Local School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2011

	Drug Free Schools	EHA Pre-School	Title II-A	High Schools That Work
Revenues:				
Investment Earnings	\$0	\$0	\$0	\$0
Intergovernmental	1,240	104,884	221,306	9,827
Extracurricular Activities	0	0	0	0
Charges for Services	0	0	0	0
Other Revenues	0	0	0	0
Total Revenues	1,240	104,884	221,306	9,827
Expenditures:				
Current:				
Instruction:				
Regular	0	0	89,048	2,292
Special	0	9,448	0	0
Other	0	0	0	0
Support Services:				
Pupil	539	86,755	0	0
Instructional Staff	1,865	0	120,159	8,816
School Administration	0	0	0	0
Fiscal	22	589	1,775	0
Operations and Maintenance	1,076	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	154	0	1,500	0
Extracurricular Activities	0	0	0	0
Total Expenditures	3,656	96,792	212,482	11,108
Excess of Revenues Over (Under) Expenditures	(2,416)	8,092	8,824	(1,281)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	0	0	0
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	(2,416)	8,092	8,824	(1,281)
Fund Balance Beginning of Year, Restated	541	(13,966)	(8,430)	449
Fund Balance End of Year	(\$1,875)	(\$5,874)	\$394	(\$832)

Fiscal Stabilization	Title II D	Food Service	Total Nonmajor Special Revenue Funds
\$0	\$0	\$297	\$526
3,479,189	4,245	1,677,371	11,688,411
0	0	0	1,742,378
0	0	3,920,417	3,920,417
0	0	9,079	57,131
<u>3,479,189</u>	<u>4,245</u>	<u>5,607,164</u>	<u>17,408,863</u>
0	0	0	1,190,392
0	0	0	247,860
0	0	0	341,992
0	0	0	2,443,024
0	4,124	0	1,192,844
127,631	0	0	232,581
0	21	0	27,546
0	0	0	352,472
3,100,917	0	0	3,132,638
0	0	0	180,208
0	0	5,516,179	6,144,477
0	0	0	2,542,144
<u>3,228,548</u>	<u>4,145</u>	<u>5,516,179</u>	<u>18,028,178</u>
<u>250,641</u>	<u>100</u>	<u>90,985</u>	<u>(619,315)</u>
0	0	5,860	5,860
0	0	0	1,500,000
0	0	5,860	1,505,860
250,641	100	96,845	886,545
(250,641)	0	287,923	86,522
<u>\$0</u>	<u>\$100</u>	<u>\$384,768</u>	<u>\$973,067</u>

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2011

	Final Budget	Other Grants Fund Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$151,854	\$151,854	\$0
Other Revenues	700	700	0
Total Revenues	152,554	152,554	0
Expenditures:			
Current:			
Instruction:			
Regular	158,615	95,559	63,056
Support Services:			
Pupil	70,999	42,774	28,225
Instructional Staff	304	183	121
Pupil Transportation	2,752	1,658	1,094
Central	22,544	13,582	8,962
Extracurricular Activities	10,417	6,276	4,141
Total Expenditures	265,631	160,032	105,599
Net Change in Fund Balance	(113,077)	(7,478)	105,599
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	111,746	111,746	0
Fund Balance End of Year	(\$1,331)	\$104,268	\$105,599

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2011

	Student Activities Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$189	\$189	\$0
Extracurricular Activities	1,708,126	1,708,127	1
Other Revenues	43,187	43,187	0
Total Revenues	<u>1,751,502</u>	<u>1,751,503</u>	<u>1</u>
Expenditures:			
Current:			
Instruction:			
Regular	8,560	7,111	1,449
Support Services:			
Operations and Maintenance	419,645	348,604	71,041
Extracurricular Activities	3,080,829	2,559,279	521,550
Total Expenditures	<u>3,509,034</u>	<u>2,914,994</u>	<u>594,040</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,757,532)</u>	<u>(1,163,491)</u>	<u>594,041</u>
Other Financing Sources (Uses):			
Transfers In	1,511,733	1,511,733	0
Transfers (Out)	(23,754)	(19,733)	4,021
Total Other Financing Sources (Uses)	<u>1,487,979</u>	<u>1,492,000</u>	<u>4,021</u>
Net Change in Fund Balance	(269,553)	328,509	598,062
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>656,823</u>	<u>656,823</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$387,270</u></u>	<u><u>\$985,332</u></u>	<u><u>\$598,062</u></u>

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2011

	Auxiliary Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$40	\$40	\$0
Intergovernmental	388,744	388,744	0
Total Revenues	388,784	388,784	0
Expenditures:			
Current:			
Operation of Non-Instructional Services	444,423	412,546	31,877
Total Expenditures	444,423	412,546	31,877
Net Change in Fund Balance	(55,639)	(23,762)	31,877
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	54,557	54,557	0
Fund Balance End of Year	(\$1,082)	\$30,795	\$31,877

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2011

	MIS Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$10,256	\$10,256	\$0
Total Revenues	10,256	10,256	0
Expenditures:			
Current:			
Support Services:			
Central	10,000	7,970	2,030
Total Expenditures	10,000	7,970	2,030
Net Change in Fund Balance	256	2,286	2,030
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$256	\$2,286	\$2,030

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2011

	School Net Professional Development Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	16	16	0
Fund Balance End of Year	\$16	\$16	\$0

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2011

	Ohio Reads Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	6,470	6,470	0
Fund Balance End of Year	\$6,470	\$6,470	\$0

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2011

	Alt. School Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$51,005	\$51,005	\$0
Total Revenues	51,005	51,005	0
Expenditures:			
Current:			
Instruction:			
Regular	7,869	6,351	1,518
Support Services:			
Pupil	59,080	47,680	11,400
Total Expenditures	66,949	54,031	12,918
Excess of Revenues Over (Under) Expenditures	(15,944)	(3,026)	12,918
Other Financing Sources (Uses):			
Advances In	2,671	2,671	0
Total Other Financing Sources (Uses)	2,671	2,671	0
Net Change in Fund Balance	(13,273)	(355)	12,918
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	355	355	0
Fund Balance End of Year	(\$12,918)	\$0	\$12,918

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2011

	Miscellaneous State Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$3,942	\$3,942	\$0
Total Revenues	3,942	3,942	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	28,538	24,719	3,819
Total Expenditures	28,538	24,719	3,819
Excess of Revenues Over (Under) Expenditures	(24,596)	(20,777)	3,819
Other Financing Sources (Uses):			
Advances In	18,681	18,681	0
Total Other Financing Sources (Uses)	18,681	18,681	0
Net Change in Fund Balance	(5,915)	(2,096)	3,819
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,015	3,015	0
Fund Balance End of Year	(\$2,900)	\$919	\$3,819

Lakota Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2011

	Title VI-B Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$4,149,555	\$4,149,555	\$0
Total Revenues	4,149,555	4,149,555	0
Expenditures:			
Current:			
Instruction:			
Regular	101,143	84,606	16,537
Special	264,830	221,531	43,299
Other	548,935	459,185	89,750
Support Services:			
Pupil	2,903,201	2,428,533	474,668
Instructional Staff	1,197,525	1,001,732	195,793
School Administration	63,541	53,152	10,389
Fiscal	22,734	19,017	3,717
Operations and Maintenance	6,528	5,461	1,067
Pupil Transportation	51,754	43,292	8,462
Central	189,666	158,656	31,010
Operation of Non-Instructional Services	227,018	189,901	37,117
Total Expenditures	5,576,875	4,665,066	911,809
Excess of Revenues Over (Under) Expenditures	(1,427,320)	(515,511)	911,809
Other Financing Sources (Uses):			
Advances In	452,498	452,498	0
Total Other Financing Sources (Uses)	452,498	452,498	0
Net Change in Fund Balance	(974,822)	(63,013)	911,809
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	65,161	65,161	0
Fund Balance End of Year	(\$909,661)	\$2,148	\$911,809

Lakota Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2011

	Title III Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$123,847	\$123,847	\$0
Total Revenues	123,847	123,847	0
Expenditures:			
Current:			
Instruction:			
Regular	6,251	3,898	2,353
Special	114,653	71,494	43,159
Support Services:			
Instructional Staff	161,046	100,423	60,623
Fiscal	1,730	1,079	651
Pupil Transportation	747	466	281
Operation of Non-Instructional Services	20,346	12,687	7,659
Total Expenditures	304,773	190,047	114,726
Excess of Revenues Over (Under) Expenditures	(180,926)	(66,200)	114,726
Other Financing Sources (Uses):			
Advances In	58,367	58,367	0
Total Other Financing Sources (Uses)	58,367	58,367	0
Net Change in Fund Balance	(122,559)	(7,833)	114,726
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	7,833	7,833	0
Fund Balance End of Year	(\$114,726)	\$0	\$114,726

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2011

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$965,335	\$965,335	\$0
Total Revenues	965,335	965,335	0
Expenditures:			
Current:			
Instruction:			
Regular	1,269,844	884,289	385,555
Support Services:			
Pupil	1,459	1,016	443
Instructional Staff	39,154	27,266	11,888
School Administration	66,405	46,243	20,162
Fiscal	7,242	5,043	2,199
Pupil Transportation	673	469	204
Operation of Non-Instructional Services	22,633	15,761	6,872
Total Expenditures	1,407,410	980,087	427,323
Excess of Revenues Over (Under) Expenditures	(442,075)	(14,752)	427,323
Other Financing Sources (Uses):			
Advances In	1,298	1,298	0
Total Other Financing Sources (Uses)	1,298	1,298	0
Net Change in Fund Balance	(440,777)	(13,454)	427,323
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	13,586	13,586	0
Fund Balance End of Year	(\$427,191)	\$132	\$427,323

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2011

	Drug Free Schools Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$3,644	\$3,644	\$0
Total Revenues	3,644	3,644	0
Expenditures:			
Current:			
Support Services:			
Pupil	694	539	155
Instructional Staff	2,538	1,972	566
Fiscal	28	22	6
Operations and Maintenance	1,385	1,076	309
Operation of Non-Instructional Services	1,582	1,230	352
Total Expenditures	6,227	4,839	1,388
Excess of Revenues Over (Under) Expenditures	(2,583)	(1,195)	1,388
Other Financing Sources (Uses):			
Advances In	3,058	3,058	0
Total Other Financing Sources (Uses)	3,058	3,058	0
Net Change in Fund Balance	475	1,863	1,388
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	(1,863)	(1,863)	0
Fund Balance End of Year	(\$1,388)	\$0	\$1,388

Lakota Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2011

	EHA Pre-School Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$105,357	\$105,357	\$0
Total Revenues	<u>105,357</u>	<u>105,357</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Special	13,459	11,361	2,098
Support Services:			
Pupil	143,725	121,324	22,401
Fiscal	698	589	109
Total Expenditures	<u>157,882</u>	<u>133,274</u>	<u>24,608</u>
Excess of Revenues Over (Under) Expenditures	<u>(52,525)</u>	<u>(27,917)</u>	<u>24,608</u>
Other Financing Sources (Uses):			
Advances In	41,406	41,406	0
Total Other Financing Sources (Uses)	<u>41,406</u>	<u>41,406</u>	<u>0</u>
Net Change in Fund Balance	(11,119)	13,489	24,608
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>(13,489)</u>	<u>(13,489)</u>	<u>0</u>
Fund Balance End of Year	<u>(\$24,608)</u>	<u>\$0</u>	<u>\$24,608</u>

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2011

	Title II-A Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$179,516	\$179,516	\$0
Total Revenues	179,516	179,516	0
Expenditures:			
Current:			
Instruction:			
Regular	170,447	79,132	91,315
Support Services:			
Instructional Staff	275,890	128,085	147,805
School Administration	4,978	2,311	2,667
Fiscal	3,823	1,775	2,048
Operation of Non-Instructional Services	4,308	2,000	2,308
Total Expenditures	459,446	213,303	246,143
Excess of Revenues Over (Under) Expenditures	(279,930)	(33,787)	246,143
Other Financing Sources (Uses):			
Advances In	22,986	22,986	0
Total Other Financing Sources (Uses)	22,986	22,986	0
Net Change in Fund Balance	(256,944)	(10,801)	246,143
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	10,302	10,302	0
Fund Balance End of Year	(\$246,642)	(\$499)	\$246,143

Lakota Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2011

	High Schools That Work Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$11,669	\$11,669	\$0
Total Revenues	11,669	11,669	0
Expenditures:			
Current:			
Instruction:			
Regular	2,507	2,292	215
Support Services:			
Instructional Staff	12,415	11,351	1,064
Total Expenditures	14,922	13,643	1,279
Excess of Revenues Over (Under) Expenditures	(3,253)	(1,974)	1,279
Other Financing Sources (Uses):			
Advances In	2,884	2,884	0
Total Other Financing Sources (Uses)	2,884	2,884	0
Net Change in Fund Balance	(369)	910	1,279
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	(454)	(454)	0
Fund Balance End of Year	(\$823)	\$456	\$1,279

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2011

	Fiscal Stabilization Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$3,479,189	\$3,479,189	\$0
Total Revenues	3,479,189	3,479,189	0
Expenditures:			
Current:			
Support Services:			
School Administration	127,631	127,631	0
Pupil Transportation	3,351,558	3,351,558	0
Total Expenditures	3,479,189	3,479,189	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2011

	Title II D Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$2,386	\$2,386	\$0
Total Revenues	2,386	2,386	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	5,502	5,036	466
Fiscal	23	21	2
Total Expenditures	5,525	5,057	468
Excess of Revenues Over (Under) Expenditures	(3,139)	(2,671)	468
Other Financing Sources (Uses):			
Advances In	2,688	2,688	0
Total Other Financing Sources (Uses)	2,688	2,688	0
Net Change in Fund Balance	(451)	17	468
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	(17)	(17)	0
Fund Balance End of Year	(\$468)	\$0	\$468

Lakota Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2011

	Food Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$297	\$297	\$0
Intergovernmental	1,354,318	1,354,318	0
Charges for Services	3,944,693	3,944,693	0
Other Revenues	9,079	9,079	0
Total Revenues	5,308,387	5,308,387	0
Expenditures:			
Current:			
Operation of Non-Instructional Services	5,486,040	5,220,526	265,514
Total Expenditures	5,486,040	5,220,526	265,514
Excess of Revenues Over (Under) Expenditures	(177,653)	87,861	265,514
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	5,860	5,860	0
Total Other Financing Sources (Uses)	5,860	5,860	0
Net Change in Fund Balance	(171,793)	93,721	265,514
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	417,827	417,827	0
Fund Balance End of Year	\$246,034	\$511,548	\$265,514

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NONMAJOR CAPITAL PROJECTS FUNDS

Fund Descriptions

Permanent Improvement - To account for financial resources, to be used to maintain the District's facilities, as well as provide for major equipment and instructional material purchases.

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

Lakota Local School District, Ohio
 Combining Balance Sheet
 Nonmajor Capital Projects Funds
 June 30, 2011

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
Assets:			
Equity in Pooled Cash and Investments	\$1,137,290	\$2	\$1,137,292
Total Assets	<u>1,137,290</u>	<u>2</u>	<u>1,137,292</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:			
Restricted	1,137,290	2	1,137,292
Total Fund Balances	<u>1,137,290</u>	<u>2</u>	<u>1,137,292</u>
Total Liabilities and Fund Balances	<u>\$1,137,290</u>	<u>\$2</u>	<u>\$1,137,292</u>

Lakota Local School District, Ohio
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balance
 Nonmajor Capital Projects Funds
 For the Fiscal Year Ended June 30, 2011

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
Revenues:			
Investment Earnings	\$652	\$0	\$652
Other Revenues	0	25,334	25,334
Total Revenues	652	25,334	25,986
Expenditures:			
Current:			
Capital Outlay	6,111,699	0	6,111,699
Total Expenditures	6,111,699	0	6,111,699
Net Change in Fund Balance	(6,111,047)	25,334	(6,085,713)
Fund Balance Beginning of Year	7,248,337	(25,332)	7,223,005
Fund Balance End of Year	\$1,137,290	\$2	\$1,137,292

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2011

	Permanent Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$631	\$631	\$0
Total Revenues	631	631	0
Expenditures:			
Current:			
Capital Outlay	9,753,646	9,523,282	230,364
Total Expenditures	9,753,646	9,523,282	230,364
Net Change in Fund Balance	(9,753,015)	(9,522,651)	230,364
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	9,524,439	9,524,439	0
Fund Balance End of Year	(\$228,576)	\$1,788	\$230,364

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2011

	Building Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Capital Outlay	22,228	11,114	11,114
Total Expenditures	22,228	11,114	11,114
Net Change in Fund Balance	(22,228)	(11,114)	11,114
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	11,114	11,114	0
Fund Balance End of Year	(\$11,114)	\$0	\$11,114

OTHER GENERAL FUNDS

With the implementation of GASB Statement No. 54, certain funds that the District prepares legally adopted budgets for no longer meet the definition to be reported as Special Revenue funds and have been included with the General Fund in the governmental fund financial statements. The District has only presented the budget schedules for these funds.

Fund Descriptions

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

Underground Storage Tank - To account for local funds which are provided in the event of an underground storage tank leak.

Uniform School Supply - To account for the purchase and sale of school supplies as adopted by the Board of Education for use in all schools of the District.

Adult Education - To account for all revenues and expenses related to education classes for adults.

Lakota Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2011

	Public School Support Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$42,607	\$42,607	\$0
Extracurricular Activities	723,505	723,505	0
Other Revenues	206,066	206,066	0
Total Revenues	972,178	972,178	0
Expenditures:			
Current:			
Instruction:			
Regular	197,946	126,922	71,024
Special	1,323	848	475
Vocational	402	258	144
Support Services:			
Pupil	1,004,671	644,189	360,482
Instructional Staff	283,560	181,817	101,743
School Administration	8,197	5,256	2,941
Operations and Maintenance	19,596	12,565	7,031
Pupil Transportation	1,201	770	431
Operation of Non-Instructional Services	22,705	14,558	8,147
Extracurricular Activities	23,324	14,955	8,369
Total Expenditures	1,562,925	1,002,138	560,787
Excess of Revenues Over (Under) Expenditures	(590,747)	(29,960)	560,787
Other Financing Sources (Uses):			
Transfers In	35,723	35,723	0
Transfers (Out)	(67,593)	(43,340)	24,253
Total Other Financing Sources (Uses)	(31,870)	(7,617)	24,253
Net Change in Fund Balance	(622,617)	(37,577)	585,040
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	901,660	901,660	0
Fund Balance End of Year	\$279,043	\$864,083	\$585,040

(1) - This fund is included in General Fund in GAAP Statements but not for Budgetary Statements

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2011

	Underground Storage Tanks Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	0	0	0
Other Financing Sources (Uses):			
Transfers In	11,000	11,000	0
Total Other Financing Sources (Uses)	11,000	11,000	0
Net Change in Fund Balance	11,000	11,000	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	<u>\$11,000</u>	<u>\$11,000</u>	<u>\$0</u>

(1) - This fund is included in General Fund in GAAP Statements but not for Budgetary Statements

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2011

	Uniform School Supply Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$1,125,617	\$1,125,618	\$1
Other Revenues	3,237	3,237	0
Total Revenues	<u>1,128,854</u>	<u>1,128,855</u>	<u>1</u>
Expenditures:			
Current:			
Instruction:			
Regular	1,482,743	1,133,109	349,634
Special	3,826	2,924	902
Total Expenditures	<u>1,486,569</u>	<u>1,136,033</u>	<u>350,536</u>
Excess of Revenues Over (Under) Expenditures	<u>(357,715)</u>	<u>(7,178)</u>	<u>350,537</u>
Other Financing Sources (Uses):			
Transfers In	607	607	0
Transfers (Out)	(794)	(607)	187
Total Other Financing Sources (Uses)	<u>(187)</u>	<u>0</u>	<u>187</u>
Net Change in Fund Balance	(357,902)	(7,178)	350,724
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>473,271</u>	<u>473,271</u>	<u>0</u>
Fund Balance End of Year	<u>\$115,369</u>	<u>\$466,093</u>	<u>\$350,724</u>

(1) - This fund is included in General Fund in GAAP Statements but not for Budgetary Statements

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2011

	Adult Education Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Operation of Non-Instructional Services	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,510	3,510	0
Fund Balance End of Year	\$3,510	\$3,510	\$0

(1) - This fund is included in General Fund in GAAP Statements but not for Budgetary Statements

NONMAJOR FUND

Fiduciary fund

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

Student Activity (Agency Fund) – Fund used to account for resources that belong to various student groups in the District. Students are involved in the management of the program.

Lakota Local School District, Ohio
Statement of Changes In Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2011

	Student Activities			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$223,309	\$403,180	\$412,767	\$213,722
Total Assets	<u>223,309</u>	<u>403,180</u>	<u>412,767</u>	<u>213,722</u>
Liabilities:				
Accounts Payable	4,064	4,717	4,064	4,717
Other Liabilities	<u>219,245</u>	<u>398,463</u>	<u>408,703</u>	<u>209,005</u>
Total Liabilities	<u>\$223,309</u>	<u>\$403,180</u>	<u>\$412,767</u>	<u>\$213,722</u>

Statistical Section



STATISTICAL SECTION

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

CONTENTS

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

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

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

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

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

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

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities									
Invested in Capital Assets, Net of Related Debt	\$24,035,765	\$30,153,111	\$31,812,847	\$34,805,845	\$43,792,493	\$28,638,246	\$32,506,569	\$30,152,263	\$27,488,410
Restricted	9,214,868	9,775,382	12,820,740	13,977,232	13,264,151	12,869,138	8,416,967	9,608,553	7,551,789
Unrestricted	20,271,115	18,057,776	15,068,049	21,532,618	37,944,136	32,168,847	23,890,999	16,155,094	11,846,048
Total Governmental Activities Net Assets	\$53,521,748	\$57,986,269	\$59,701,636	\$70,315,695	\$95,000,780	\$73,676,231	\$64,814,535	\$55,915,910	\$46,886,247

Source: District Records

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

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
Governmental Activities:									
Instruction	\$66,999,455	\$72,506,183	\$68,933,022	\$73,176,247	\$76,890,642	\$90,031,129	\$93,452,835	\$100,378,362	\$98,167,225
Pupil	8,340,975	8,663,017	9,867,976	10,751,701	10,940,729	12,016,164	12,113,779	12,740,885	12,432,349
Instructional Staff	5,722,539	7,327,784	7,715,598	9,785,359	8,868,043	10,815,877	11,763,768	12,525,237	10,645,860
General Administration	27,184	23,719	67,385	44,068	62,727	78,578	99,449	66,318	93,099
School Administration	10,009,748	10,204,176	10,579,888	12,406,657	13,621,563	13,555,040	17,117,393	14,002,040	13,293,359
Fiscal	1,524,506	2,115,246	2,125,850	1,095,786	1,267,506	1,238,214	1,410,759	1,236,620	1,376,474
Business	509,697	466,188	329,164	292,860	222,208	335,700	349,666	357,957	410,605
Operations and Maintenance	11,414,121	11,177,889	10,438,378	10,900,201	11,300,285	13,420,202	15,569,138	14,249,777	13,471,298
Pupil Transportation	7,724,737	9,929,606	14,371,115	13,290,246	16,077,170	17,182,978	15,651,796	19,423,730	14,483,316
Central	2,074,718	2,343,254	2,555,949	2,983,262	2,637,239	4,293,249	4,117,653	3,663,618	3,383,747
Operation of Non-Instructional Services	4,464,919	4,902,583	5,748,778	6,609,266	6,614,004	7,510,386	7,660,032	7,073,573	6,452,226
Extracurricular Activities	2,810,168	3,011,917	3,103,182	3,292,761	3,023,706	3,278,754	3,620,893	3,426,136	3,005,242
Interest and Fiscal Charges	6,002,168	5,597,681	5,183,120	8,034,299	8,276,131	8,715,607	7,673,349	8,047,154	9,242,380
Total Governmental Activities Expenses	\$127,624,935	\$138,269,243	\$141,019,405	\$152,662,713	\$159,801,953	\$182,471,878	\$190,600,510	\$197,191,407	\$186,457,180

Source: District Records

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

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Program Revenues									
Governmental Activities:									
Charges for Services:									
Instruction	\$592,862	\$644,483	\$698,340	\$695,464	\$644,136	\$950,815	\$1,074,436	\$827,777	\$1,873,574
Pupil	617,363	626,643	748,353	752,472	641,584	733,516	619,309	599,203	27,638
Instructional Staff	3,670	6,717	5,758	9,576	81,704	112,068	125,840	80,305	0
General Administration	0	0	1,303	0	0	0	0	0	0
School Administration	1,255	1,145	0	172	0	7,263	3,984	3,412	0
Fiscal	0	0	0	0	0	0	272	131	0
Business	0	0	0	0	0	515	276	0	0
Operations and Maintenance	0	0	145,898	288,308	305,151	313,088	320,619	364,828	494,614
Pupil Transportation	0	0	0	0	0	0	1	0	0
Central	151	12,706	0	0	0	0	33	214	0
Operation of Non-Instructional Services	4,178,817	4,525,316	5,568,995	5,014,072	5,218,887	5,089,655	5,169,264	5,356,842	3,920,417
Extracurricular Activities	814,680	825,413	1,078,624	1,190,007	909,205	1,013,459	1,154,754	1,140,219	2,239,406
Operating Grants and Contributions	2,943,404	4,122,476	4,639,740	5,488,543	9,089,786	10,213,556	9,669,092	12,899,123	14,091,811
Capital Grants and Contributions	450,657	107,748	248,830	108,951	327,799	139,255	271,848	0	0
Total Governmental Activities Program Revenues	9,602,859	10,872,647	13,135,841	13,547,565	17,218,252	18,573,190	18,409,728	21,272,054	22,647,460
Net (Expense)/Revenue	(\$118,022,076)	(\$127,396,596)	(\$127,883,564)	(\$139,115,148)	(\$142,583,701)	(\$163,898,688)	(\$172,190,782)	(\$175,919,353)	(\$163,809,720)
Governmental Activities									

Source: District Records

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

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Net (Expense)/Revenue									
Governmental Activities	(\$118,022,076)	(\$127,396,596)	(\$127,883,564)	(\$139,115,148)	(\$142,583,701)	(\$163,898,688)	(\$172,190,782)	(\$175,919,353)	(\$163,809,720)
General Revenues and Other Changes in Net Assets									
Governmental Activities:									
Property Taxes									
Property Taxes Levied for General Purposes	58,108,666	65,507,861	63,722,046	77,220,286	86,994,400	80,968,922	81,845,161	81,301,524	71,923,151
Property Taxes Levied for Debt Service Purposes	12,046,037	12,135,005	11,156,541	11,789,412	12,127,727	12,502,843	10,940,720	11,706,135	11,309,553
Grants and Entitlements Not Restricted to Specific Programs	49,602,256	51,777,045	54,260,058	55,735,058	54,786,321	57,026,114	59,350,755	59,845,825	58,880,750
Payment in Lieu of Taxes - Unrestricted	1,472,801	2,153,931	257,770	1,599,259	2,437,337	1,482,251	8,862,405	13,164,088	11,874,109
Unrestricted Contributions	0	0	0	0	0	55,000	0	0	195,225
Investment Earnings	1,178,297	471,746	1,029,907	3,132,833	7,567,638	5,030,023	1,674,144	158,738	93,272
Refunds and Reimbursements	0	0	0	20,700	7,744	30,915	148,655	0	0
Other Revenues	651,656	466,531	434,303	435,887	1,055,900	245,871	507,246	844,418	503,997
Total Governmental Activities	123,059,713	132,512,119	130,860,625	149,933,435	164,977,067	157,341,939	163,329,086	167,020,728	154,780,057
Change in Net Assets									
Governmental Activities	\$5,037,637	\$5,115,523	\$2,977,061	\$10,818,287	\$22,393,366	(\$6,556,749)	(\$8,861,696)	(\$8,898,625)	(\$9,029,663)

Source: District Records

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

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 (1)
General Fund										
Reserved	\$6,649,366	\$4,808,663	\$4,641,568	\$5,680,104	\$8,145,908	\$5,713,978	\$4,675,843	\$4,748,650	\$5,673,834	\$0
Unreserved	12,020,137	20,122,813	17,066,027	15,120,212	20,107,297	36,756,523	32,561,593	25,764,017	19,421,784	0
Restricted										1,976,054
Assigned										1,340,988
Unassigned										9,786,790
Total General Fund	18,669,503	24,931,476	21,707,595	20,800,316	28,253,205	42,470,501	37,237,436	30,512,667	25,095,618	13,103,832
All Other Governmental Funds										
Reserved	15,746,335	2,788,490	895,082	808,753	22,552,576	32,675,178	11,356,315	3,794,230	916,357	0
Unreserved, Reported In:										
Special Revenue Funds	1,360,312	574,385	1,101,409	1,015,338	982,361	1,154,791	1,090,115	631,697	408,704	0
Debt Service Funds	4,531,060	5,137,949	6,323,687	7,764,970	7,262,811	5,223,525	4,661,672	5,220,175	5,965,990	0
Capital Project Funds	12,604,219	1,294,014	14,492	133,168	55,588,815	14,391,862	3,018,349	1,211,247	6,981,989	0
Nonspendable										63,434
Restricted										10,237,959
Unassigned										(381,833)
Total all Other Governmental Funds	\$34,241,926	\$9,794,838	\$8,334,670	\$9,722,229	\$86,386,563	\$53,445,356	\$20,126,451	\$10,857,349	\$14,273,040	\$9,919,560

Source: District Records

(1) - Prior year amounts have not been restated for the implementation of GASB Statement 54. The change in the classification of fund balance amounts in 2011 are discussed in the Notes to the Financial Statements.

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues:										
Taxes	\$69,594,735	\$70,154,703	\$74,974,566	\$76,558,847	\$88,219,693	\$99,366,657	\$92,729,935	\$93,210,158	\$92,536,437	\$80,952,105
Tuition and Fees	219,195	443,369	443,132	550,997	623,401	548,049	725,425	746,895	780,464	865,429
Investment Earnings	2,190,993	1,178,297	461,120	1,016,474	3,117,591	7,552,512	5,009,134	1,674,144	158,134	93,272
Intergovernmental	49,417,922	52,796,362	56,941,382	58,629,909	60,772,380	63,869,399	65,892,942	67,917,331	71,241,438	72,825,089
Extracurricular Activities	1,416,907	1,441,426	1,545,353	1,831,947	2,089,798	1,741,406	1,980,928	2,006,843	1,949,537	2,471,629
Charges for Services	0	0	0	295,331	0	0	0	0	0	4,865,460
Other Revenues (1)	1,243,738	2,331,295	1,262,626	656,487	2,350,844	3,774,211	2,191,041	10,000,945	14,209,578	12,783,377
Total Revenues	\$124,083,490	\$128,345,452	\$135,628,179	\$139,539,992	\$157,173,707	\$176,852,234	\$168,529,405	\$175,556,316	\$180,875,588	\$174,856,361

Source: District Records

(1) - Includes Revenue in Lieu of Taxes

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Regular Instruction	\$49,996,377	\$75,550,548	\$59,355,751	\$56,610,305	\$58,134,589	\$63,108,553	\$67,168,954	\$70,110,539	\$72,485,934	\$73,724,468
Special Instruction	7,829,990	9,517,686	9,698,915	9,310,344	10,412,781	10,825,993	12,086,711	13,119,471	14,714,652	15,108,862
Vocational Instruction	253,789	267,363	283,553	186,872	99,012	126,020	97,588	335	0	258
Other Instruction	406,687	208,288	292,795	244,275	2,886,570	3,018,895	2,603,832	2,860,997	3,035,460	5,083,411
Pupil	6,945,602	8,217,048	8,606,366	9,808,007	10,833,785	10,831,902	11,839,061	12,002,967	12,670,167	12,781,903
Instructional Staff	5,866,695	5,694,591	7,295,815	7,730,941	8,986,605	8,797,966	10,827,641	11,767,805	12,448,325	10,608,861
General Administration	23,984	27,184	23,719	67,385	44,068	62,727	78,578	99,449	66,318	93,099
School Administration	8,560,952	9,542,561	10,272,880	10,341,744	11,992,785	13,442,807	14,377,494	16,520,191	14,385,096	12,593,415
Fiscal	1,620,799	1,616,573	2,082,673	2,089,853	1,061,100	1,227,995	1,282,321	1,350,862	1,275,852	1,354,628
Business	452,264	334,167	339,578	194,347	250,186	171,521	269,953	319,840	282,518	329,850
Operations and Maintenance	8,908,255	11,294,661	11,211,971	10,348,015	10,778,978	11,184,911	13,243,610	15,416,204	14,038,230	13,054,256
Pupil Transportation	7,908,121	8,154,558	9,305,327	13,801,460	12,392,940	15,225,047	16,648,154	15,456,434	17,417,776	14,393,792
Central	1,304,561	2,264,736	2,204,567	2,398,020	2,772,271	3,127,979	4,002,284	3,922,128	3,483,625	3,219,005
Operation of Non-Instructional Services	2,170	138,551	135,224	354,212	546,483	555,986	272,258	710,274	599,732	6,192,026
Extracurricular Activities	2,633,376	2,814,247	2,803,482	2,936,849	3,151,638	2,896,885	3,106,657	3,461,532	3,124,572	2,778,846
Capital Outlay	18,946,017	0	4,310,899	757,466	9,708,525	45,983,393	35,589,747	14,644,749	9,142,535	7,579,315
Debt Service:										
Principal Retirement	5,644,457	6,339,388	6,784,094	5,760,593	8,591,962	6,668,076	4,660,658	6,279,450	4,734,714	5,305,024
Interest and Fiscal Charges	6,320,231	6,026,810	5,566,021	5,342,006	5,652,789	8,457,993	8,873,127	7,698,465	8,205,712	8,127,454
Bond Issuance Costs	0	0	0	0	0	0	0	222,100	0	0
Total Expenditures	\$133,624,327	\$148,008,960	\$140,573,630	\$138,282,694	\$158,297,067	\$205,714,649	\$207,028,628	\$195,963,792	\$192,111,218	\$192,328,473

Debt Service as a Percentage of
 Noncapital Expenditures 10.45% 10.17% 9.13% 8.16% 9.66% 9.71% 7.94% 7.76% 6.91% 7.24%

Source: District Records

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Other Financing Sources (Uses):										
Issuance of Long Term Debt	\$2,870,000	\$0	\$0	\$0	\$84,300,000	\$10,000,000	\$0	\$4,100,000	\$9,405,000	\$0
Issuance of Refunding Bonds	0	0	0	8,625,000	30,950,000	0	0	0	0	0
Premium on Bonds Sold	0	0	0	0	4,221,393	0	0	1,065,460	0	0
Payment to Refunded Bonds Escrow Agent	0	0	0	(8,625,000)	(34,194,969)	0	0	(17,479,951)	0	0
Proceeds of Refunding Bonds	0	0	0	0	0	0	0	16,680,000	0	0
Proceeds of Capital Leases	0	0	261,402	161,818	0	0	0	0	0	0
Proceeds from Sale of Capital Assets	4,440	138,101	0	0	20,395	0	3,519	48,096	110,234	203,980
Transfers In	45,580,800	1,387	24,908	1,808,906	1,483,808	1,779,391	1,870,362	1,996,206	1,974,538	1,500,000
Transfers (Out)	(45,551,767)	(1,387)	(24,908)	(1,845,001)	(1,540,044)	(1,845,117)	(1,926,628)	(1,996,206)	(2,255,500)	(1,500,000)
Total Other Financing Sources (Uses)	2,903,473	138,101	261,402	125,723	85,240,583	9,934,274	(52,747)	4,413,605	9,234,272	203,980
Net Change in Fund Balances	(\$6,637,364)	(\$19,525,407)	(\$4,684,049)	\$1,383,021	\$84,117,223	(\$18,928,141)	(\$38,551,970)	(\$15,993,871)	(\$2,001,358)	(\$17,268,132)

Source: District Records

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

Collection Year	Real Property	Tangible Personal Property	Public Utilities Personal	Total Assessed	Total Estimated Actual Value	Total Direct Rate
	Assessed Value	Assessed Value	Assessed Value	Value	Value	Rate
2001	\$1,596,004,850	\$156,691,941	\$79,376,000	\$1,832,072,791	\$5,266,157,621	61.88
2002	1,646,429,860	170,886,501	60,981,990	1,878,298,351	5,448,613,308	60.84
2003	1,960,455,290	171,600,152	58,862,530	2,190,917,972	6,346,563,967	60.04
2004	2,027,523,000	171,154,345	59,663,620	2,258,340,965	6,537,203,857	60.04
2005	2,145,381,260	173,951,122	60,653,310	2,379,985,692	6,886,118,541	65.64
2006	2,324,789,851	188,497,872	65,725,474	2,579,013,197	7,461,973,679	65.63
2007	2,415,765,750	163,745,949	57,329,510	2,636,841,209	7,614,501,163	65.39
2008	2,478,371,360	132,724,791	55,548,700	2,666,644,851	7,667,508,893	65.39
2009	2,683,065,110	0	57,758,480	2,740,823,590	7,723,658,794	65.39
2010	2,586,411,730	0	65,850,220	2,652,261,950	7,455,598,020	65.84

Source: County Auditor

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

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue to be received in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed. The tangible personal property values were phased out for the 2009 calendar year.

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

Calendar Year	District Direct Rates			Overlapping Rates				
	General Purpose	Capital Purpose	Total	Butler County	EXC Monroe Liberty Town	Liberty Township	City of Monroe	Butler TCDS
2001	6.49	55.39	61.88	8.75	0.59	10.59	9.85	1.93
2002	6.49	54.35	60.84	8.75	0.59	10.59	9.85	1.93
2003	6.49	53.55	60.04	8.74	0.59	10.59	9.85	1.93
2004	6.49	53.55	60.04	8.74	0.59	10.59	9.85	1.93
2005	6.49	59.15	65.64	8.74	0.59	10.50	9.85	1.93
2006	6.49	59.14	65.63	9.44	0.59	10.50	9.85	1.93
2007	6.49	58.90	65.39	10.95	0.59	10.50	8.01	1.93
2008	6.49	58.90	65.39	10.45	0.59	10.50	8.00	1.93
2009	6.49	58.90	65.39	9.75	0.59	10.50	8.00	1.93
2010	6.49	59.35	65.84	9.72	0.59	11.59	8.00	1.93

Source: County Auditor

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

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

Taxpayer	2011	
	Tangible Personal & Real Property	Percentage of Total Assessed Value
Duke Energy Ohio, Inc.	\$45,379,450	1.71%
Duke Realty Ohio	16,316,130	0.62%
First Industrial LP	12,780,380	0.48%
US Industrial Reit III Midwest	12,775,000	0.48%
Cincinnati Lesaint Industrial	10,741,950	0.41%
Landings at Beckett Ridge LLC	7,685,100	0.29%
DCT Port Union LLC	6,933,280	0.26%
Lakes at West Chester Village	6,930,000	0.26%
Union Station of West Chester	6,439,290	0.24%
Amylin Ohio, Inc.	6,184,290	0.23%
Total Principal Taxpayers	132,164,870	4.98%
All Other Taxpayers	2,520,097,080	95.02%
Total Taxpayers	\$2,652,261,950	100.00%

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

Source: County Auditor

(1) - The amounts presented represent the assessed values upon which 2011 and 2005 collections were based. Information from nine years prior is not available.

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

Calendar Year (1)	Taxes Levied for the Calendar Year (2)	Collected within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount (3)	Percentage of Levy		Amount	Percentage of Levy
2001	\$67,320,527	\$64,924,194	96.44%	\$1,225,648	\$66,149,842	98.26%
2002	67,659,376	65,274,114	96.47%	1,572,990	66,847,104	98.80%
2003	71,617,353	71,010,316	99.15%	607,037	71,617,353	100.00%
2004	72,237,286	72,208,219	99.96%	29,067	72,237,286	100.00%
2005	75,498,963	72,635,918	96.21%	1,844,649	74,480,567	98.65%
2006	93,214,462	88,979,494	95.46%	2,120,237	91,099,731	97.73%
2007	106,207,980	95,734,594	90.14%	5,766,033	101,500,627	95.57%
2008	105,907,712	95,707,017	90.37%	4,927,183	100,634,200	95.02%
2009	100,776,727	96,441,221	95.70%	3,422,593	99,863,814	99.09%
2010	103,871,567	97,513,228	93.88%	1,813,818	99,327,046	95.62%

Source: County Auditor

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

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

Fiscal Year	Governmental Activities General Obligation Bonds	Percentage of Estimated Actual Value of Taxable Property	Percentage of Personal Income (1)	Per Capita
2002	\$111,763,062	2.12%	1.12%	\$1,399
2003	105,423,674	1.93%	1.02%	1,432
2004	98,639,581	1.55%	0.96%	1,340
2005	92,878,987	1.42%	0.86%	1,261
2006	172,713,717	2.51%	1.56%	2,346
2007	175,856,247	2.36%	1.50%	2,388
2008	171,006,195	2.25%	1.41%	2,322
2009	168,876,566	2.20%	1.30%	2,293
2010	173,304,872	2.24%	1.38%	2,354
2011	167,757,868	2.25%	N/A	1,909

Source: District Records

N/A - Information not available

(1) - On the calendar year basis

Lakota Local School District, Ohio
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2011
 Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Butler County	\$62,095,237	33.71%	\$20,932,304
City of Fairfield	29,925,000	1.10%	329,175
City of Monroe	12,025,000	3.47%	417,268
Liberty Township	11,515,000	100.00%	11,515,000
West Chester Township	64,495,000	96.52%	62,250,574
Butler Technology & Career Center JT. Voc. School District	4,500,000	30.70%	1,381,500
Subtotal, Overlapping Debt	184,555,237		96,825,821
District Direct Debt	164,194,104	100.00%	164,194,104
Total Direct and Overlapping Debt	\$348,749,341		\$261,019,925

Source: Ohio Municipal Advisory Council

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

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

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed value (1)	\$2,652,261,950
Debt limit (9% of assessed value)	238,703,576
Debt applicable to limit	164,194,104
Legal debt margin	<u>\$74,509,472</u>

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit	\$169,046,852	\$197,182,617	\$203,250,687	\$214,198,712	\$214,198,712	\$232,111,188	\$237,315,709	\$239,998,037	\$246,674,123	\$238,703,576
Total Net Debt Applicable to Limit	111,952,649	105,815,653	105,815,653	92,878,988	168,587,026	171,918,950	167,258,291	164,828,841	169,524,128	164,194,104
Legal Debt Margin	<u>\$57,094,203</u>	<u>\$91,366,964</u>	<u>\$97,435,034</u>	<u>\$121,319,724</u>	<u>\$45,611,686</u>	<u>\$60,192,238</u>	<u>\$70,057,418</u>	<u>\$75,169,196</u>	<u>\$77,149,995</u>	<u>\$74,509,472</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	66.23%	53.66%	52.06%	43.36%	78.71%	74.07%	70.48%	68.68%	68.72%	68.79%

Source: District Records

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2011 is calendar year 2010)

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

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2001	79,895	\$9,938,473	\$29,273	4.4%
2002	73,633	10,285,549	30,014	4.5%
2003	73,633	10,285,549	30,014	5.4%
2004	73,633	10,844,563	31,332	5.0%
2005	73,633	11,080,584	31,662	5.1%
2006	73,633	11,707,628	33,130	5.6%
2007	73,633	12,114,458	33,848	5.1%
2008	73,633	12,959,443	35,921	6.5%
2009	73,633	12,585,955	34,654	9.4%
2010	87,895	N/A	N/A	9.6%

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

Lakota Local School District, Ohio
Major Employers (1)
Current Fiscal Year and Fiscal Period Three Years Ago (2)
Schedule 16

2011			
Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Employment
AK Steel Holding Corp	Mfg	(4)	(5)
Amylin Pharmaceuticals Inc	Mfg	(4)	(5)
BAE Systems	Mfg	(4)	(5)
Butler County Government	Govt	(4)	(5)
Cincinnati Financial Corp	Ins	(4)	(5)
Cornerstone Brands Inc	Trade	(4)	(5)
Fairfield City Bd of Ed	Govt	(4)	(5)
Ft Hamilton Memorial Hospital	Serv	(4)	(5)
GE Aviation	Mfg	(4)	(5)
Hamilton City Bd of Ed	Govt	(4)	(5)
Lakota Local Bd of Ed	Govt	(4)	(5)
Liberty Mutual/Ohio Casualty Corp	Ins	(4)	(5)
Mercy Regional Hospital	Serv	(4)	(5)
Miami University	Govt	(4)	(5)
Middletown Regional Health System	Serv	(4)	(5)

2008			
Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Population
AK Steel Holding Corp	Mfg	(4)	(5)
Amylin Pharmaceuticals Inc	Mfg	(4)	(5)
Armor Holdings Inc	Mfg	(4)	(5)
Butler County Government	Govt	(4)	(5)
Cincinnati Financial Corp	Ins	(4)	(5)
Cornerstone Brands Inc	Trade	(4)	(5)
Fairfield City Bd of Ed	Govt	(4)	(5)
Ft Hamilton Memorial Hospital	Serv	(4)	(5)
Hamilton City Bd of Ed	Govt	(4)	(5)
Lakota Local Bd of Ed	Govt	(4)	(5)
Liberty Mutual/Ohio Casualty Corp	Ins	(4)	(5)
Mercy Regional Hospital	Serv	(4)	(5)
Miami University	Govt	(4)	(5)
Middletown Regional Health System	Serv	(4)	(5)

Source: Ohio Department of Development

(1) - For all of Butler County

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

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

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

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

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

	Fiscal Year									
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Official/Administrative										
Assist. Deputy/Superintendent	1	1	1	1	1	2	2	1	2	2
Assistant Principal	24	22	23	24	23	24	27	28	23	23
Principal	19	18	19	19	19	19	20	20	19	20
Superintendent	1	1	1	1	1	1	1	1	1	1
Supervising/Managing/Directing	15	12	14	12	4	8	9	9	14	20
Treasurer	2	2	1	1	1	1	1	1	1	1
Other Official/Administrative	6	10	6	7	12	17	16	19	12	5
Totals	68	66	65	65	61	72	76	79	72	72
Professional - Educational/Other										
Counseling	55	62	31	29	31	32	33	37	34	33
Librarian/Media	32	44	18	19	14	18	19	17	18	14
Regular Teaching	732	978	671	699	701	733	743	826	879	876
Special Education Teaching	120	132	118	85	55	65	153	153	135	123
Educational Service Teacher	117	149	108	71	72	71	76	84	84	17
Psychologist	27	32	12	11	12	13	14	14	14	13
Registered Nursing	27	25	15	15	15	15	16	16	15	11
Speech and Language Therapist	50	57	29	30	30	31	33	34	32	32
Other Professional	47	54	101	119	162	161	101	15	15	3
Totals	1,207	1,532	1,103	1,078	1,090	1,139	1,188	1,196	1,226	1,122
Technical/Office/Clerical										
Computer Operating	13	14	14	15	14	19	21	21	21	22
Library Aide	14	15	15	17	12	147	13	14	14	12
Clerical	86	90	97	89	87	90	99	98	94	94
Teaching Aide	61	90	145	154	12	10	170	180	152	174
Other Technical/Office/Clerical	6	4	5	19	145	28	11	10	10	12
Totals	180	213	275	293	269	294	314	323	291	314
Crafts and Trades/Operative										
General Maintenance	16	17	18	22	7	7	8	11	11	11
Mechanic	8	7	10	9	9	7	8	8	7	7
Vehicle Operator (Buses)	166	172	185	0	0	0	0	0	0	0
Other Crafts and Trades/Operative	0	0	1	0	5	5	5	4	9	3
Totals	190	196	214	31	21	19	21	23	27	21
Extracurricular/Intracurricular Activities										
Advisor	73	94	0	0	0	0	0	0	0	0
Coaching	123	178	0	0	0	0	0	0	0	0
Athletic Trainer	1	0	0	0	0	0	0	0	0	0
Extra/Intra - Curricular Activities	187	0	0	0	0	0	0	0	0	0
Totals	384	272	0	0	0	0	0	0	0	0
Service Work/Laborer										
Custodian	87	91	106	98	85	85	95	102	102	87
Food Service	94	97	109	120	63	63	65	75	72	72
Attendant	76	65	56	59	16	19	25	25	19	21
Other Service Work/Laborer	42	53	36	2	18	15	15	13	13	5
Totals	299	306	306	279	181	182	200	215	206	185
Totals	2,327	2,585	1,963	1,746	1,622	1,706	1,799	1,836	1,822	1,714

Source: Lakota Local School District records.

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

Fiscal Year	Enrollment	Professional/ Educational Staff	Professional/ Educational Staff Average Salary	Pupil-Professional/ Educational Staff Ratio	Percentage Of Students on Free/Reduced Meals
2001/2002	15,498	1,207	\$33,746	13.68	12.45%
2002/2003	15,845	1,532	28,444	12.84	13.30%
2003/2004	16,358	1,103	51,251	10.34	13.01%
2004/2005	16,961	1,078	52,583	14.83	13.57%
2005/2006	17,422	1,090	53,123	15.74	15.91%
2006/2007	17,782	1,139	53,622	15.98	15.39%
2007/2008	18,234	1,188	58,382	15.62	11.11%
2008/2009	18,330	1,196	59,660	15.33	13.97%
2009/2010	18,473	1,192	62,331	15.50	16.08%
2010/2011	18,426	1,176	63,000	15.67	16.60%

Source: Lakota Local School District records.

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

	Fiscal Year									
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Creekside Early Childhood*										
Square Feet	67,685	67,685	67,685	67,685	67,685	67,685	67,685	67,685	67,685	67,685
Enrollment	1,046	1,087	1,236	1,264	1,284	1,325	930	889	872	818
Liberty Early Childhood (1928)										
Square Feet	50,600	50,600	50,600	50,600	50,600	50,600	50,600	50,600	50,600	50,600
Enrollment	674	717	570	595	621	598	466	440	578	591
Shawnee Early Childhood (1990)										
Square Feet	60,070	60,070	60,070	60,070	60,070	60,070	60,070	60,070	60,070	60,070
Enrollment	705	694	559	643	636	622	796	816	743	723
Wyandot Early Childhood (2007)***										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	75,397	75,397	75,397	75,397
Enrollment	0	0	0	0	0	0	969	915	856	831
VanGorden Elementary (2003)**										
Square Feet	N/A	N/A	90,901	90,901	90,901	90,901	90,901	90,901	90,901	90,901
Enrollment	0	0	697	939	959	906	708	742	738	697
Adena Elementary (1978)										
Square Feet	61,532	61,532	61,532	61,532	61,532	61,532	61,532	61,532	61,532	61,532
Enrollment	722	675	692	719	700	673	805	738	749	763
Hopewell Elementary (1961)										
Square Feet	73,173	73,173	73,173	73,173	73,173	73,173	73,173	73,173	73,173	73,173
Enrollment	981	949	885	887	878	907	825	841	833	799
Endeavor Elementary (2007)***										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	75,397	75,397	75,397	75,397
Enrollment	0	0	0	0	0	0	654	661	701	753

Source: Lakota Local School District records.

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

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

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

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

***** - New Union Elementary 2007-2008 (Liberty ECS occupied in the first year while the building was renovated).

N/A - Information not available

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

	Fiscal Year									
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Old Union Elementary (1916) *****										
Square Feet	54,364	54,364	54,364	54,364	54,364	54,364	54,364	N/A	N/A	N/A
Enrollment	643	648	609	583	582	588	570	0	0	0
New Union Elementary (2007) *****										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	86,262	86,262	86,262
Enrollment	0	0	0	0	0	0	0	619	747	753
Freedom Elementary (1988)										
Square Feet	61,175	61,175	61,175	61,175	61,175	61,175	61,175	61,175	61,175	61,175
Enrollment	744	721	698	657	638	676	671	655	680	672
Woodland Elementary (1990)										
Square Feet	66,792	66,792	66,792	66,792	66,792	66,792	66,792	66,792	66,792	66,792
Enrollment	750	718	729	753	778	837	749	752	605	596
Heritage Elementary (1992)										
Square Feet	60,620	60,620	60,620	60,620	60,620	60,620	60,620	60,620	60,620	60,620
Enrollment	775	804	694	715	703	687	644	641	639	606
Cherokee Elementary (1995)										
Square Feet	76,612	76,612	76,612	76,612	76,612	76,612	76,612	76,612	76,612	76,612
Enrollment	894	948	748	823	897	891	712	765	788	810
Independence Elementary (1994)										
Square Feet	79,612	79,612	79,612	79,612	79,612	79,612	79,612	79,612	79,612	79,612
Enrollment	732	778	907	844	764	832	536	605	660	674
Hopewell Junior (1972)										
Square Feet	75,874	75,874	75,874	75,874	75,874	75,874	75,874	75,874	75,874	75,874
Enrollment	747	776	537	521	560	650	674	603	592	605
Liberty Junior (1977)										
Square Feet	85,197	85,197	85,197	85,197	85,197	85,197	85,197	85,197	85,197	85,197
Enrollment	800	887	785	778	896	894	763	801	767	823
Lakota Ridge Junior (1997)										
Square Feet	74,652	74,652	74,652	74,652	74,652	74,652	74,652	74,652	74,652	74,652
Enrollment	846	878	702	670	642	663	661	674	635	599

Source: Lakota Local School District records.

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

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

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

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

***** - New Union Elementary 2007-2008 (Liberty ECS occupied in the first year while the building was renovated).

N/A - Information not available

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

	Fiscal Year									
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Lakota Plains Junior (2003)**										
Square Feet	N/A	N/A	113,777	113,777	113,777	113,777	113,777	113,777	113,777	113,777
Enrollment	0	0	639	652	850	893	756	776	753	752
Lakota Freshman (1958)										
Square Feet	247,739	247,739	247,739	247,739	247,739	247,739	247,739	247,739	247,739	247,739
Enrollment	1,135	1,138	1,219	1,320	1,281	1,282	1,312	680	712	653
Lakota West High (1997)										
Square Feet	247,500	247,500	257,888	257,888	257,888	257,888	257,888	318,862	318,862	318,862
Enrollment	1,721	1,791	1,804	1,886	1,988	1,997	2,087	2,028	2,105	2,200
Lakota East Freshman (2009)*****										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	126,903	126,903	126,903
Enrollment	0	0	0	0	0	0	0	679	739	628
Lakota East High (1997)										
Square Feet	247,500	247,500	257,888	257,888	257,888	257,888	257,888	318,862	318,862	318,862
Enrollment	1,583	1,636	1,648	1,712	1,765	1,861	1,946	1,941	1,987	2,080
Total Enrollment	15,498	15,845	16,358	16,961	17,422	17,782	18,234	18,261	18,479	18,426

Source: Lakota Local School District records.

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

***** - New Union Elementary 2007-2008 (Liberty ECS occupied in the first year while the building was renovated).

N/A - Information not available



Dave Yost • Auditor of State

LAKOTA LOCAL SCHOOL DISTRICT

BUTLER COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
MAY 29, 2012