

LAKOTA LOCAL SCHOOL DISTRICT

Single Audit Reports

Year Ended June 30, 2010



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the Lakota Local School District, Butler County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2009 through June 30, 2010. 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

February 4, 2011

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Lakota Local School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

<u>Federal Grantor/Program Title</u>	<u>Pass-Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Federal Revenues</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture:</u> (Passed through Ohio Department of Education)				
Nutrition Cluster:				
<i>Non-Cash Assistance (Food Distribution):</i>				
National School Lunch Program	n/a	10.555	\$ 159,802	159,802
<i>Cash Assistance:</i>				
School Breakfast Program	05PU-2010	10.553	138,808	138,808
National School Lunch Program	LLP4-2010	10.555	<u>1,048,053</u>	<u>1,048,053</u>
<i>Cash Assistance Subtotal</i>			<u>1,186,861</u>	<u>1,186,861</u>
Nutrition Cluster Total			<u>1,346,663</u>	<u>1,346,663</u>
Total U.S. Department of Agriculture			<u>1,346,663</u>	<u>1,346,663</u>
<u>U.S. Department of Education:</u> (Passed through Ohio Department of Education)				
Title I Grants to Local Educational Agencies	C1S1-2009	84.010	239,829	232,070
Title I Grants to Local Educational Agencies	C1S1-2010	84.010	<u>604,755</u>	<u>591,327</u>
			<u>844,584</u>	<u>823,397</u>
Special Education Cluster:				
ARRA Special Education - Grants to States	n/a	84.391	1,732,803	1,709,363
Special Education - Grants to States	6BSF-2009	84.027	394,757	355,302
Special Education - Grants to States	6BSF-2010	84.027	2,554,524	2,514,951
Special Education - Preschool Grants	PGS1-2010	84.173	64,116	64,331
ARRA Special Education - Preschool Grants	n/a	84.392	51,642	64,916
Special Education - Preschool Grants	PGS1-2009	84.173	<u>14,122</u>	<u>13,605</u>
Special Education Cluster Total			<u>4,811,964</u>	<u>4,722,468</u>
Safe and Drug-Free Schools and Communities	DRS1-2009	84.186	7,090	7,590
Safe and Drug-Free Schools and Communities	DRS1-2010	84.186	<u>29,679</u>	<u>31,544</u>
			<u>36,769</u>	<u>39,134</u>
ARRA State Fiscal Stabilization Fund	n/a	84.394	2,787,967	2,787,967
State Grants for Innovative Programs	C2S1-2009	84.298	21,200	19,462
Education Technology State Grants	TJS1-2009	84.318	7,810	8,259
Education Technology State Grants	TJS1-2010	84.318	<u>4,363</u>	<u>4,380</u>
			<u>12,173</u>	<u>12,639</u>
English Language Acquisition Grants	T3S1/T3S2-2009	84.365	12,992	15,249
English Language Acquisition Grants	T3S1/T3S2-2010	84.365	<u>107,449</u>	<u>99,616</u>
			<u>120,441</u>	<u>114,865</u>
Improving Teacher Quality State Grants	TRS1-2009	84.367	36,446	33,745
Improving Teacher Quality State Grants	TRS1-2010	84.367	<u>136,597</u>	<u>126,296</u>
			<u>173,043</u>	<u>160,041</u>
ARRA Education for Homeless Children and Youth	n/a	84.387	<u>2,035</u>	<u>1,878</u>
Total U.S. Department of Education			<u>8,810,176</u>	<u>8,681,851</u>
Total Federal Awards			<u>\$ 10,156,839</u>	<u>10,028,514</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

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

NOTE C - NUTRITION CLUSTER

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

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Lakota Local School District (the "School District") as of and for the year ended June 30, 2010, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 30, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A 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. However, we consider the deficiency labeled as 2010-1 described in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance And Other Matters

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

We noted certain matters that we reported to management of the School District in a separate letter dated December 30, 2010.

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

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

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
December 30, 2010

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 Lakota Local School District's (the "School District") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2010. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, the School 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, 2010.

Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program 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 School 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, the business-type activities, each major fund, and the aggregate remaining fund information of the School District, as of and for the year ended June 30, 2010, and have issued our report thereon dated December 30, 2010. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
December 30, 2010

Section I – Summary of Auditors’ Results

Financial Statements

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

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	none
• Significant deficiency(ies) identified not considered to be material weaknesses?	none
Type of auditors’ report issued on compliance for major programs:	unqualified
Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133?	no

Identification of major programs:
Special Education Cluster:
CFDA 84.027 – Special Education Grants to States
CFDA 84.391 – ARRA Special Education Grants to States
CFDA 84.173 – Special Education Preschool Grants
CFDA 84.392 – ARRA Special Education Preschool Grants

CFDA 84.394 – ARRA State Fiscal Stabilization Fund

Dollar threshold to distinguish between Type A and Type B Programs:	\$300,855
Auditee qualified as low-risk auditee?	yes

Section II – Financial Statement Findings

2010-1 Audit Adjustment

Condition: During the course of our audit, we identified misstatements in the financial statements for the year under audit that were not initially identified by the School 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 deficiency in operation exists when a properly designed control does not operate as designed. In this case, the internal controls over the preparation and review of the School District's financial statements did not operate as designed and we consider this a significant deficiency.

Throughout the year, the School District maintains its books and records on the cash-basis of accounting and converts its financial statements at year-end to generally accepted accounting principles. The misstatements were a result of the conversion process and not related to the School District's internal cash-basis books and records. The audit adjustments were necessary to correct errors in the reporting of accounts payable and tax increment financing (TIF) receivables. The School District did not record an accounts payable related to a House Bill 264 renovation project which had the impact of understating liabilities and capital assets by \$2.1 million. Secondly, the School District also understated the TIF receivables due at June 30, 2010 by \$5.3 million as the School District should record a receivable for the full amount to be collected in fiscal year 2011. Finally, TIF receivables collected in July and August related to the prior tax year should have been recognized as revenue in the year ended June 30, 2010 rather than reported as deferred revenue which resulted in a \$3.1 million understatement of revenue.

We recommend the School District enhance its internal controls over financial reporting with steps such as improved communication with its hired consultant to ensure the preparation of reliable financial statements in conformity with generally accepted accounting principles.

Management response: Management concurs with the findings.

Section III – Federal Award Findings and Questioned Costs

None.

2009-1 – Audit Adjustments

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

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

Status: While these specific issues were corrected, significant audit adjustments were noted during the course of the current audit and are reported as finding 2010-1.

Comprehensive Annual Financial Report

for the year ended June 30, 2010



Lakota Local Schools
Butler County, Ohio

LAKOTA LOCAL SCHOOL DISTRICT
BUTLER COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Prepared by:
Office of the CFO/Treasurer
Alan Hutchinson

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INTRODUCTORY SECTION





Office of the Treasurer

Lakota Central Office
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45011-9726

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644-1183

www.lakotaonline.com

Alan Hutchinson
Interim Treasurer

John Wilkinson
Assistant Treasurer

December 31, 2010

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, 2010. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report is prepared in conformance with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. We believe the enclosed data is fairly presented in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. This report has been prepared by the Chief Fiscal Officer's Office and includes an opinion from Clark, Schaefer, Hackett and Co.

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

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

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

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

ECONOMIC CONDITION AND OUTLOOK

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

The addition of University Pointe/UC Medical Center and the opening of a new Children's Hospital Complex 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, moderate residential growth in West Chester and Liberty Townships continues to provide a stable tax base for the eastern portion of Butler County as well as stable growth for the District for the future. The District is continually challenged by the student population growth and the responsibility bestowed upon it by the community. We are always striving to provide the very best opportunities to every child, while carefully guarding the District's resources.

The economic outlook for the next few years is very uncertain. The past year has been characterized by high unemployment, major corporate bankruptcies, falling home prices, and a credit crisis. At the end of calendar year 2008, the nation officially entered a recession which can simply be defined as two consecutive quarters of negative growth in Gross Domestic Product (GDP). The economic downturn continued into 2010. A combination of the recession and tax reform enacted in 2005 has caused state income tax, sales tax and investment revenues to suffer the sharpest decline in more than a half century. The five-year tax reform plan is phased in from FY 2006 through FY 2010. Personal income tax rates are to be reduced by 21% with five annual rate cuts of 4.2% each year. The tangible personal property tax is to be phased out over four years and the corporate franchise tax is on a five-year phase out. A new commercial activities tax has a five-year phase-in with a low rate and a broad base.

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

THE DISTRICT AND ITS FACILITIES

The District is located in Butler County, and covers an area of 68 square miles. It serves pupils from West Chester and Liberty Townships. Since the consolidation of the Liberty and Union districts into the Liberty-Union School District in 1958, the growth in the District has gone from 1,696 students to 18,479 in 2009-2010. The name of the district was changed to Lakota Local School District in 1970.

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

Name of Bldg Address	Group or Grade Housed	Date of Original Building	Enrollment
Creekside Early Childhood School 5060 Tylersville Road	Pre K-1	1970	872
Liberty Early Childhood School 6040 Princeton Road	K-1	1928	578
Shawnee Early Childhood School 9394 Sterling Drive	Pre K-1	1993	743
Wyandot Early Childhood School 7667 Summerlin Blvd.	K-1	2007	856
Adena Elementary 9316 Minuteman Way	2-6	1978	749

Cherokee Elementary 5345 Kyles Station Road	2-6	1994	788
Endeavor Elementary 4400 Smith Road	2-6	2007	701
Freedom Elementary 6035 Beckett Ridge Blvd.	2-6	1988	680
Heritage Elementary 5052 Hamilton-Mason Road	2-6	1992	639
Hopewell Elementary 8300 Cox Road	2-6	1961	833
Independence Elementary 7480 Princeton Road	2-6	1994	660
New Union Elementary 7672 LeSourdsville- West Chester Road	2-6	2008	747
Van Gorden Elementary 6475 LeSourdsville- West Chester Road	2-6	2003	738
Woodland Elementary 6923 Dutchland Pkwy	2-6	1990	605
Hopewell Junior 8200 Cox Road	7-8	1972	592
Lakota Plains Junior 5500 Princeton Road	7-8	2003	753
Lakota Ridge Junior 6199 Beckett Ridge Blvd.	7-8	1992	635
Liberty Junior 7055 Dutchland Pkwy.	7-8	1977	767
Lakota East Freshman 7630 Bethany Road	9	2008	739
Lakota East High 6840 Lakota Lane	10-12	1997	1987

Lakota West Freshman 5050 Tylersville Road	9	1958	712
Lakota West High 8940 Union Centre Blvd.	10-12	1997	2105
Central Office 5572 Princeton Road	Admin	2003	
Service Center 6947 Yankee Road	Offices	1977	

ORGANIZATION OF THE SCHOOL DISTRICT

The Board members represent a cross section of professions in the community. The Board members on June 30, 2010 were as follows:

Board Member	Term Expires	Years as Member	Profession
Joan Powell President	12/31/2013	12	Realtor
Ben Dibble Vice President	12/31/2013	1	Computer Programmer
Paul Lohr	12/31/2011	2	Teacher
Lynda O'Connor	12/31/2011	2	Homemaker
Ray Murray	12/31/2013	1	Hospitality Manager

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

The Treasurer of the District was Craig A. Jones until he was appointed Troy City School District Treasurer on May 19, 2010, (Alan Hutchinson has served as Interim Treasurer since Mr. Jones left.) Mr. Jones became treasurer of the Lakota Local School District in March, 2008 after serving as interim treasurer since January, 2008, and as assistant treasurer since March, 2001. He replaced Alan Hutchinson who left the district in December 2007 to lead Franklin County ESC as Treasurer/Chief Fiscal Officer. Mr. Jones holds a bachelor’s of science degree in business administration, with a dual major in accounting and finance, from Ohio Northern University. He is a Certified Public Finance Officer as well as a Certified

Government Financial Manager. Mr. Jones has been in school finance for over 20 years. Prior to joining Lakota, he served as assistant treasurer for Dayton City Schools and treasurer for Jefferson Township Local Schools. He has produced a Comprehensive Annual Financial Report (CAFR) for the school districts which he has served since 1992.

EMPLOYEE RELATIONS

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

The District's teachers are represented for collective bargaining purposes by the Lakota Education Association (LEA, an OEA affiliate). The District has a two-year collective bargaining agreement with LEA which expires June 30, 2012. The District's support staff is represented by the Lakota Support Staff Association (LSSA, an OEA Affiliate). The District has a tentative two year collective bargaining agreement which expires June 30, 2011. The District has contracted its transportation services for the 2009-2010 school year through Petermann LTD.

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

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

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

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

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

SERVICES PROVIDED

The District offers regular instructional programs daily to students in grades PS-12. Nearly 700 students participated in the specific trades through Butler Tech vocational education. Almost 1,800 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.

MAJOR CURRENT AND FUTURE INITIATIVES

The 2009-2010 school year was one of continued transition and progress for Lakota schools. For the ninth 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. Student enrollment growth was moderate with 218 additional students enrolling as Lakota remained the seventh largest school district in Ohio. New Centralized Registration was initiated at the end of the school year, but it is far more than just an intake process for new students. The concept shifts many of the data entry tasks from the buildings to a central location to improve efficiency and consistency.

The Centralized Registration team will provide:

- Student registration (elementary spring of 2009 and secondary fall 2009)
 - Initial meetings with parents
 - Completion of forms
 - Verification of residency
 - Assignment of bus routes
 - Coordination of building tours or appointments
- Audit and clean-up of student data including production of student verification forms
- Elementary student scheduling & Elementary report card set up and printing
- Attendance entry, if needed due to staff illness, absence, training, or new employment
- Preparation of automated calling lists for Call Command
- Assist with EMIS data verification, editing, and revision
- Management of Edline accounts for new students and parents
- On-site training or procedural review with building Class II secretaries
- Documentation and step-by-step process instructions

A core team of five persons take on the responsibilities of twenty building staff members including data entry, parent contact, report generation and other functions. This change does not completely eliminate the need for building staff to be proficient on eSchool, but it does reduce their interaction with data entry or updating.

Construction of new facilities and renovation of existing facilities with funds from the bond issue approved in November 2005 was completed during the previous school year. New additions to Lakota East and Lakota West High Schools are complete and have increased the capacity of those buildings by 600 students each. The Lakota East Freshman Campus opened its doors to students at the start of last school year. Renovations at Liberty Early Childhood School required the building to be vacated for the 2009 school year. This school, located on LeSourdsville-West Chester Road near Tylersville Road, now known as Union Elementary replaced the aging Union Elementary building beginning in school year 2009-2010. This new facility was home to Liberty ECS students and staff as it was renovated. The construction funds you provided for us are being used as planned, and have even helped to finance an additional needed school—which will save both construction and operating funds for the community in the future.

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

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

In order for Lakota to successfully meet the needs of each child, we will incorporate scientifically-based research programs across all schools and departments. It is our immediate goal to maintain Ohio's excellent report card rating. In addition, it is our long-range goal to become a "World Class" school system within the next five years. World Class means to move Lakota's educational program more fully into 21st Century Learning Skills and create the Pathways to Success for all students. Future initiatives for the 2011 school year are identical to the previous year and include focusing on the following priorities: 1. Student achievement and adequate yearly progress; 2. Systems alignment; 3. Community support and trust; and, 4. Short and long term facilities planning. These priorities are aligned with and linked to the strategies and essential areas referenced above. In addition, strategies are being developed for a ballot issue in the spring for additional revenue. This, along with ongoing cost reduction efforts, is designed to provide for the long term sustainability of our excellent with distinction educational programs.

RELEVANT FINANCIAL POLICIES

In July, 2009, Governor Strickland 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. Furthermore, in November, 2010, Ohio elected a new Governor. The Governor-elect stated during his campaign that he would abolish the OEBM model, which of course adds to the uncertainty of future budgets.

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. This uncertainty could have a major impact on our instructional and operational programs. The need for additional revenue and or expenditure reductions will need to be monitored closely.

FINANCIAL INFORMATION

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

INTERNAL ACCOUNTING AND BUDGETARY CONTROL

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

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

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

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

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

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

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

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

FINANCIAL CONDITION

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

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

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

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

As part of this reporting model, management is responsible for preparing a Management's Discussion and Analysis of the District. This discussion follows this letter of transmittal, providing an assessment of the District's finances for 2010 and the outlook for the future.

INDEPENDENT AUDIT

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

AWARDS

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2009. The School District has received this award for nine years. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

ASBO Certificate

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

The District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2009. This was the ninth 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 2010 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,



Alan Hutchinson
Interim Treasurer



John Wilkinson
Assistant Treasurer

LAKOTA LOCAL SCHOOL DISTRICT, OHIO

LIST OF PRINCIPAL OFFICIALS

June 30, 2010

**ELECTED OFFICIALS
BOARD OF EDUCATION**

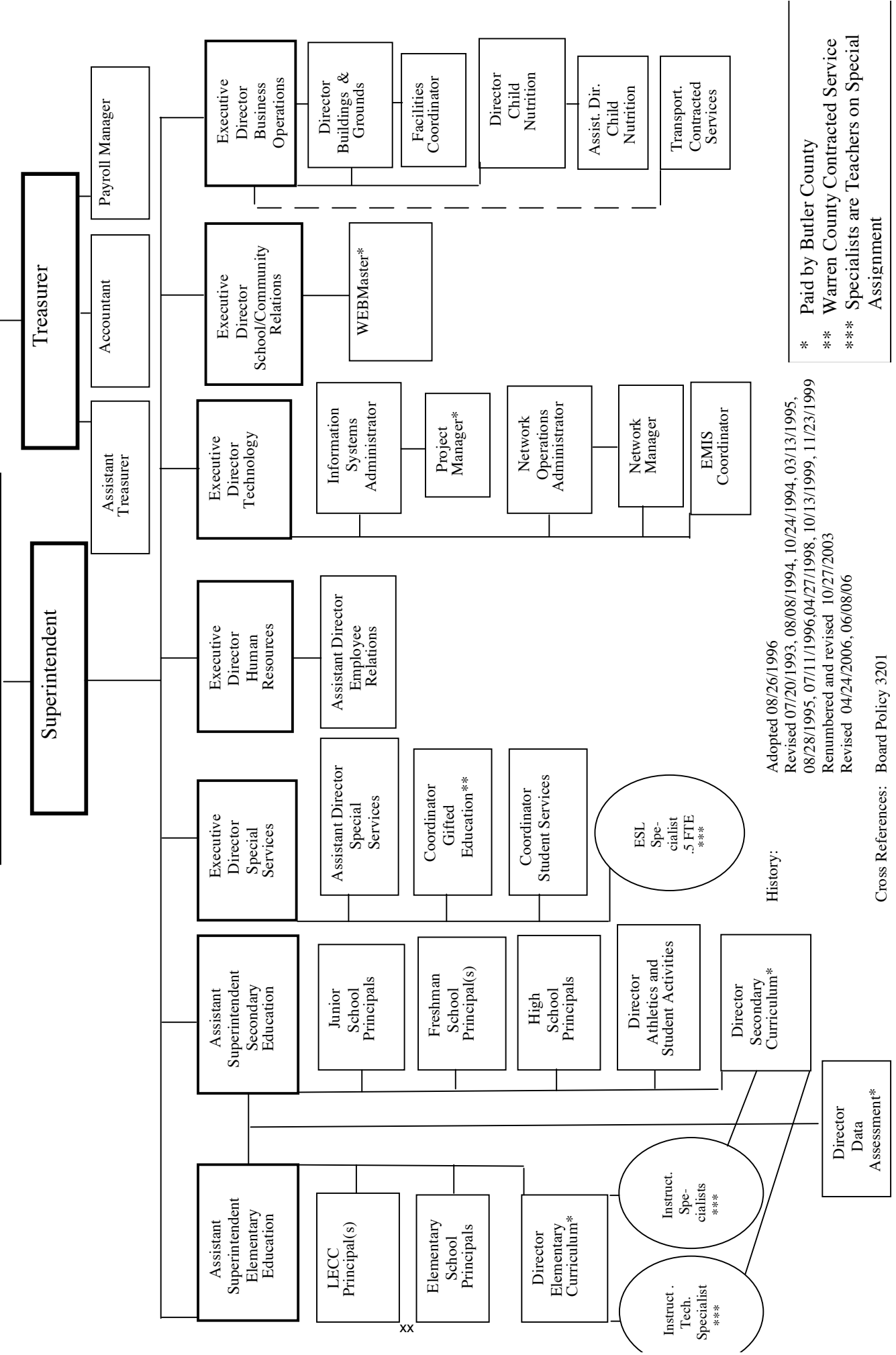
President, Board of Education	Mrs. Joan Powell
Vice- President, Board of Education	Mr. Ben Dibble
Board Member	Mrs. Lynda O'Connor
Board Member	Mr. Paul Lohr
Board Member	Mr. Ray Murray

ADMINISTRATIVE OFFICIALS

Superintendent	Mr. Mike Taylor
Interim Treasurer	Mr. Alan Hutchinson
Assistant Treasurer	Mr. John Wilkinson

LAR 3201.1 ORGANIZATIONAL CHART

Board of Education



History: Adopted 08/26/1996
 Revised 07/20/1993, 08/08/1994, 10/24/1994, 03/13/1995,
 08/28/1995, 07/11/1996, 04/27/1998, 10/13/1999, 11/23/1999
 Renumbered and revised 10/27/2003
 Revised 04/24/2006, 06/08/06

Cross References: Board Policy 3201

* 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, 2009

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



President

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

LAKOTA LOCAL SCHOOL DISTRICT, OHIO

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2009

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 AUDITORS' REPORT

To the Board of Education
Lakota Local School District:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lakota Local School District (the "School District") as of and for the year ended June 30, 2010, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on the financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lakota Local School District as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2010 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and the budgetary information on pages 3 through 11 and 54 through 56, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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cincinnati, oh 45202

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f. 513.241.1212

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

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
December 30, 2010

Lakota Local School District, Ohio
Management Discussion and Analysis
For The Fiscal Year Ended June 30, 2010
(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, 2010. 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 2010 are as follows:

- In total, net assets decreased \$8,898,625 from fiscal year 2009. Net assets of governmental activities decreased \$9,487,707 which represents a 15% decrease from 2009. Net assets of business-type activities increased \$589,082 or 89% from 2009.
- General revenues accounted for \$167,020,728 in revenue or 89% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$21,272,054 or 11% of total revenues of \$188,292,782.
- The District had \$190,720,081 in expenses related to governmental activities; only \$14,556,626 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$166,675,748 were also used to provide for these programs.
- Net assets for Enterprise Funds increased \$589,082. Operating revenues for Enterprise funds were \$5,346,070. Operating expenses were \$6,471,326.

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, 2010
(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 2010?” 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.
- **Business-Type Activities** – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The District’s food service and uniform school supplies are reported as business activities.

Fund Financial Statements

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

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

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

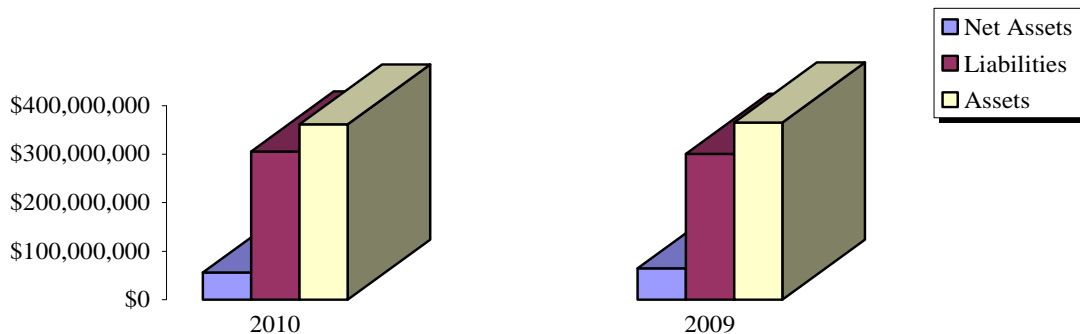
Lakota Local School District, Ohio
Management Discussion and Analysis
For The Fiscal Year Ended June 30, 2010
(Unaudited)

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 2010 compared to 2009:

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Assets:						
Current and Other Assets	\$166,701,536	\$167,608,713	\$1,251,107	\$630,324	\$167,952,643	\$168,239,037
Capital Assets	193,083,688	196,856,646	329,829	426,489	193,413,517	197,283,135
Total Assets	359,785,224	364,465,359	1,580,936	1,056,813	361,366,160	365,522,172
Liabilities:						
Long-Term Liabilities	181,345,036	177,318,862	85,948	58,793	181,430,984	177,377,655
Other Liabilities	123,776,973	122,995,575	242,293	334,407	124,019,266	123,329,982
Total Liabilities	305,122,009	300,314,437	328,241	393,200	305,450,250	300,707,637
Net Assets:						
Invested in Capital Assets, Net of Related Debt	29,822,434	32,080,080	329,829	426,489	30,152,263	32,506,569
Restricted	9,608,553	8,416,967	0	0	9,608,553	8,416,967
Unrestricted	15,232,228	23,653,875	922,866	237,124	16,155,094	23,890,999
Total Net Assets	\$54,663,215	\$64,150,922	\$1,252,695	\$663,613	\$55,915,910	\$64,814,535



Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2010, the District's assets exceeded liabilities by \$55,915,910.

At year-end, capital assets represented 54% of total assets. Capital assets include land, buildings and improvements and equipment. Capital assets, net of related debt to acquire the assets at June 30, 2010, was \$30,152,263. 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, \$9,608,553, represents resources that are subject to external restriction on how they may be used. The external restriction will not affect the availability of fund resources for future use. The remaining balance of unrestricted net assets of \$16,155,094 may be used to meet the District's ongoing obligations to the students and creditors.

Lakota Local School District, Ohio
Management Discussion and Analysis
For The Fiscal Year Ended June 30, 2010
(Unaudited)

Capital Assets decreased mainly due to current year depreciation expense exceeding current year additions. Long-term Liabilities increased due to the District issuing new debt for school improvements.

The net assets of the District business-type activities increased by \$589,082. Management increased fees to ensure that business-type activities remain self-supporting.

Table 2 shows the changes in net assets for fiscal years 2010 and 2009.

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Program Revenues:						
Charges for Services	\$3,026,861	\$3,301,552	\$5,346,070	\$5,167,236	\$8,372,931	\$8,468,788
Operating Grants	11,529,765	8,408,047	1,369,358	1,261,045	12,899,123	9,669,092
Capital Grants	0	271,848	0	0	0	271,848
Total Program Revenues	14,556,626	11,981,447	6,715,428	6,428,281	21,272,054	18,409,728
General Revenue:						
Property Taxes	93,007,659	92,785,881	0	0	93,007,659	92,785,881
Grants and Entitlements	59,845,825	59,350,755	0	0	59,845,825	59,350,755
Other	14,103,226	11,134,431	64,018	58,019	14,167,244	11,192,450
Total General Revenues	166,956,710	163,271,067	64,018	58,019	167,020,728	163,329,086
Total Revenues	181,513,336	175,252,514	6,779,446	6,486,300	188,292,782	181,738,814
Program Expenses:						
Instruction	100,378,362	93,452,835	0	0	100,378,362	93,452,835
Support Services:						
Pupil and Instructional Staff	25,266,122	23,877,547	0	0	25,266,122	23,877,547
General and School Administrative, Fiscal and Business	15,662,935	18,977,267	0	0	15,662,935	18,977,267
Operations and Maintenance	14,249,777	15,569,138	0	0	14,249,777	15,569,138
Pupil Transportation	19,423,730	15,651,796	0	0	19,423,730	15,651,796
Central	3,663,618	4,117,653	0	0	3,663,618	4,117,653
Operation of Non-Instructional Services	602,247	711,817	0	0	602,247	711,817
Extracurricular Activities	3,426,136	3,620,893	0	0	3,426,136	3,620,893
Interest and Fiscal Charges	8,047,154	7,673,349	0	0	8,047,154	7,673,349
Food Service	0	0	5,178,893	5,584,489	5,178,893	5,584,489
Uniform School Supply	0	0	1,292,433	1,363,726	1,292,433	1,363,726
Total Expenses	190,720,081	183,652,295	6,471,326	6,948,215	197,191,407	190,600,510
Increase (Decrease) in Net Assets before Transfers	(9,206,745)	(8,399,781)	308,120	(461,915)	(8,898,625)	(8,861,696)
Transfers - Internal Activities	(280,962)	0	280,962	0	0	0
Change in Net Assets	(9,487,707)	(8,399,781)	589,082	(461,915)	(8,898,625)	(8,861,696)
Beginning Net Assets	64,150,922	72,550,703	663,613	1,125,528	64,814,535	73,676,231
Ending Net Assets	\$54,663,215	\$64,150,922	\$1,252,695	\$663,613	\$55,915,910	\$64,814,535

Governmental Activities

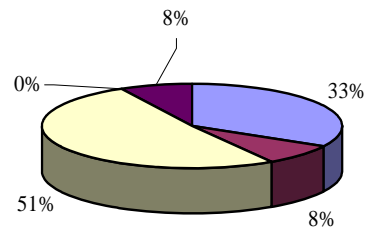
The District revenues are mainly from two sources. Property taxes levied for general purposes and debt service purposes, and grants and entitlements comprised 86% of the District's revenues for governmental activities.

Lakota Local School District, Ohio
Management Discussion and Analysis
For The Fiscal Year Ended June 30, 2010
(Unaudited)

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 52% of revenue for governmental activities for the District in fiscal year 2010.

Revenue Sources	2010	Percent of Total
General Grants	\$59,845,825	33.0%
Program Revenues	14,556,626	8.0%
General Tax Revenues	93,007,659	51.2%
Investment Earnings	158,134	0.1%
Other Revenues	13,945,092	7.7%
	<u>\$181,513,336</u>	<u>100.0%</u>



Instruction comprises 52.63% of governmental program expenses. Support services expenses were 41.04% of governmental program expenses. All other expenses including interest expense were 6.33% of governmental program expenses.

Operating Grants increased mainly due to an increase in fiscal stabilization funding received in fiscal year 2010. Instruction expenses increased mainly due to increases in personnel cost and general inflationary factors. Pupil Transportation increased 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, 2010
(Unaudited)

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2010	2009	2010	2009
Instruction	\$100,378,362	\$93,452,835	(\$96,498,429)	(\$87,945,646)
Support Services:				
Pupil and Instructional Staff	25,266,122	23,877,547	(20,321,199)	(20,354,207)
School Administrative, General				
Administration, Fiscal and Business	15,662,935	18,977,267	(15,443,787)	(18,803,318)
Operations and Maintenance	14,249,777	15,569,138	(13,881,423)	(15,228,976)
Pupil Transportation	19,423,730	15,651,796	(16,181,296)	(14,976,456)
Central	3,663,618	4,117,653	(3,469,526)	(3,923,622)
Operation of Non-Instructional Services	602,247	711,817	(52,680)	(303,658)
Extracurricular Activities	3,426,136	3,620,893	(2,267,961)	(2,461,616)
Interest and Fiscal Charges	8,047,154	7,673,349	(8,047,154)	(7,673,349)
Total Expenses	<u>\$190,720,081</u>	<u>\$183,652,295</u>	<u>(\$176,163,455)</u>	<u>(\$171,670,848)</u>

Business-Type Activities

Business-type activities include the food service operation and the sale of uniform school supplies. These programs had revenues of \$6,779,446 and expenses of \$6,471,326 for fiscal year 2010. Business activities receive no support from tax revenues.

The District's Funds

The District has two major governmental funds: the General Fund and the Debt Service. Assets of these funds comprised \$153,122,685 (92%) of the total \$165,548,569 governmental funds assets.

General Fund: Fund balance at June 30, 2010 was \$25,095,618 including \$19,421,784 of unreserved balance, which represents 12% of expenditures for fiscal year 2010. Total fund balance decreased \$5,417,049 from fiscal year 2009. The primary reason for the decrease in fund balance was a result of an increase in instructional expenses.

Debt Service Fund: Fund balance at June 30, 2010 was \$6,414,224. The unreserved balance was \$5,965,990 at year end. Total fund balance increased \$848,876 from fiscal year 2009. The primary reason for the increase in fund balance was a result in a decrease in the amount of principal payments made in fiscal year 2010 as compared to fiscal year 2009.

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 2010, 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.

Lakota Local School District, Ohio
Management Discussion and Analysis
For The Fiscal Year Ended June 30, 2010
(Unaudited)

For the General Fund, original budget basis revenue was \$152,360,647 compared to final budget basis revenue of \$147,430,747. The difference of \$4,929,900 was mainly due to overestimates in taxes and intergovernmental revenue.

The District's ending unobligated cash balance for the General Fund was \$37,282,469.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2010, the District had \$193,413,517 (net of accumulated depreciation) invested in land, land improvements, buildings and improvements and equipment. Table 4 shows fiscal year 2010 balances compared to fiscal year 2009:

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

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$15,377,284	\$15,267,306	\$0	\$0	\$15,377,284	\$15,267,306
Construction in Progress	2,164,000	9,872,355	0	0	2,164,000	9,872,355
Land Improvements	3,895,447	1,865,742	0	0	3,895,447	1,865,742
Buildings and Improvements	169,212,990	165,329,578	0	0	169,212,990	165,329,578
Equipment	2,433,967	4,521,665	329,829	426,489	2,763,796	4,948,154
Total Net Capital Assets	\$193,083,688	\$196,856,646	\$329,829	\$426,489	\$193,413,517	\$197,283,135

The decrease in capital assets is due to current year depreciation expense being greater than current fiscal year additions.

See Note 6 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, 2010
(Unaudited)

Debt

At June 30, 2010, the District had \$173,304,872 in bonds outstanding, \$5,305,024 due within one year. Table 5 summarizes bonds outstanding.

Table 5
Outstanding Debt, at Year End

	Governmental Activities	
	2010	2009
General Obligation Bonds:		
2007 School Construction Bonds	\$9,340,000	\$9,675,000
Freedom, Link Renovations	0	125,000
Two New High Schools	2,740,000	5,480,000
Refunding New High Schools	481,010	541,052
Bond and Refunding	11,793,117	12,167,789
Lakota 2005 Refunding	1,905,000	2,625,000
Lakota 2005 Refunding	29,450,000	29,450,000
Premium on 2005 Refunding	2,549,620	2,704,142
Lakota Series 2005	74,065,000	74,315,000
Premium on 2005 Series	695,227	724,811
Lakota Series 2006	9,540,000	9,670,000
Premium on 2006 Series	124,269	129,557
2009 Energy Conservation Improvements	2,450,000	2,450,000
Premium on Energy Conservation Improvements	71,961	76,924
2009 Turf & Athletic Field Improvements	1,650,000	1,650,000
Premium on Turf & Athletic Field Improvements	21,543	23,416
Lakota 2009 Refunding	16,680,000	16,680,000
Premium on 2009 Refunding	801,418	908,274
Deferred Amount on 2009 Refunding	(458,293)	(519,399)
Lakota 2010 BAB Bonds	5,405,000	0
Lakota 2010 QSC Bonds	4,000,000	0
Total General Obligation Bonds	<u>\$173,304,872</u>	<u>\$168,876,566</u>

See Note 7 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, 2010
(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. This uncertainty could have a major impact on our instructional and operational programs. The need for additional revenue and or expenditure reductions will need to be monitored closely.

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.

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.

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Lakota Local School District, Ohio
Statement of Net Assets
June 30, 2010

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$55,817,539	\$894,591	\$56,712,130
Restricted Cash and Investments	1,568,380	0	1,568,380
Receivables:			
Taxes	93,159,777	0	93,159,777
Accounts	145,764	205,176	350,940
Interest	109,310	0	109,310
Intergovernmental	14,731,976	0	14,731,976
Deferred Bond Issuance Costs	1,168,790	0	1,168,790
Inventory	0	151,340	151,340
Nondepreciable Capital Assets	17,541,284	0	17,541,284
Depreciable Capital Assets, Net	175,542,404	329,829	175,872,233
Total Assets	359,785,224	1,580,936	361,366,160
Liabilities:			
Accounts Payable	2,260,461	75,594	2,336,055
Accrued Wages and Benefits	18,420,442	166,699	18,587,141
Retainage Payable	26,159	0	26,159
Accrued Interest Payable	858,755	0	858,755
Contracts Payable	2,286,392	0	2,286,392
Unearned Revenue	97,741,753	0	97,741,753
Other Liabilities	2,183,011	0	2,183,011
Long-Term Liabilities:			
Due Within One Year	6,844,535	16,083	6,860,618
Due In More Than One Year	174,500,501	69,865	174,570,366
Total Liabilities	305,122,009	328,241	305,450,250
Net Assets:			
Invested in Capital Assets, Net of Related Debt	29,822,434	329,829	30,152,263
Restricted for:			
Debt Service	7,052,376	0	7,052,376
Set-Aside	1,568,380	0	1,568,380
Other Purposes	987,797	0	987,797
Unrestricted	15,232,228	922,866	16,155,094
Total Net Assets	\$54,663,215	\$1,252,695	\$55,915,910

See accompanying notes to the basic financial statements.

Lakota Local School District, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2010

	Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions
Governmental Activities:			
Instruction:			
Regular	\$82,642,995	\$753,688	\$1,033,127
Special	14,725,660	912	1,647,206
Vocational	0	0	6,931
Other	3,009,707	73,177	364,892
Support Services:			
Pupil	12,740,885	599,203	2,512,332
Instructional Staff	12,525,237	80,305	1,753,083
General Administration	66,318	0	0
School Administration	14,002,040	3,412	181,926
Fiscal	1,236,620	131	33,679
Business	357,957	0	0
Operations and Maintenance	14,249,777	364,828	3,526
Pupil Transportation	19,423,730	0	3,242,434
Central	3,663,618	214	193,878
Operation of Non-Instructional Services	602,247	10,772	538,795
Extracurricular Activities	3,426,136	1,140,219	17,956
Interest and Fiscal Charges	8,047,154	0	0
Total Governmental Activities	190,720,081	3,026,861	11,529,765
Business-Type Activities:			
Food Service	5,178,893	4,142,049	1,369,358
Uniform School Supply	1,292,433	1,204,021	0
Total Business-Type Activities	6,471,326	5,346,070	1,369,358
Totals	\$197,191,407	\$8,372,931	\$12,899,123

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

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$80,856,180)	\$0	(\$80,856,180)
(13,077,542)	0	(13,077,542)
6,931	0	6,931
(2,571,638)	0	(2,571,638)
(9,629,350)	0	(9,629,350)
(10,691,849)	0	(10,691,849)
(66,318)	0	(66,318)
(13,816,702)	0	(13,816,702)
(1,202,810)	0	(1,202,810)
(357,957)	0	(357,957)
(13,881,423)	0	(13,881,423)
(16,181,296)	0	(16,181,296)
(3,469,526)	0	(3,469,526)
(52,680)	0	(52,680)
(2,267,961)	0	(2,267,961)
(8,047,154)	0	(8,047,154)
(176,163,455)	0	(176,163,455)
0	332,514	332,514
0	(88,412)	(88,412)
0	244,102	244,102
(176,163,455)	244,102	(175,919,353)
81,301,524	0	81,301,524
11,706,135	0	11,706,135
59,845,825	0	59,845,825
13,164,088	0	13,164,088
158,134	604	158,738
781,004	63,414	844,418
(280,962)	280,962	0
166,675,748	344,980	167,020,728
(9,487,707)	589,082	(8,898,625)
64,150,922	663,613	64,814,535
\$54,663,215	\$1,252,695	\$55,915,910

Lakota Local School District, Ohio
Balance Sheet
Governmental Funds
June 30, 2010

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$38,484,471	\$5,965,990	\$11,367,078	\$55,817,539
Restricted Cash and Investments	1,568,380	0	0	1,568,380
Receivables:				
Taxes	81,353,578	11,806,199	0	93,159,777
Accounts	145,764	0	0	145,764
Interest	109,310	0	0	109,310
Intergovernmental	12,913,161	760,009	1,058,806	14,731,976
Interfund	15,823	0	0	15,823
Total Assets	134,590,487	18,532,198	12,425,884	165,548,569
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	1,807,071	0	453,390	2,260,461
Accrued Wages and Benefits	17,381,003	0	1,039,439	18,420,442
Compensated Absences	35,681	0	0	35,681
Retainage Payable	0	0	26,159	26,159
Contracts Payable	0	0	2,286,392	2,286,392
Interfund Payable	0	0	15,823	15,823
Deferred Revenue	88,088,103	12,117,974	745,865	100,951,942
Other Liabilities	2,183,011	0	0	2,183,011
Total Liabilities	109,494,869	12,117,974	4,567,068	126,179,911
Fund Balances:				
Reserved for Encumbrances	917,320	0	468,123	1,385,443
Reserved for Property Tax Advances	3,188,134	448,234	0	3,636,368
Reserved for Set-Aside	1,568,380	0	0	1,568,380
Unreserved, Undesignated, Reported in:				
General Fund	19,421,784	0	0	19,421,784
Special Revenue Funds	0	0	408,704	408,704
Debt Service Funds	0	5,965,990	0	5,965,990
Capital Projects Funds	0	0	6,981,989	6,981,989
Total Fund Balances	25,095,618	6,414,224	7,858,816	39,368,658
Total Liabilities and Fund Balances	\$134,590,487	\$18,532,198	\$12,425,884	\$165,548,569

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, 2010

Total Governmental Fund Balance		\$39,368,658
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.		193,083,688
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Delinquent Property Taxes	2,322,290	
Intergovernmental	745,865	
Other	<u>142,034</u>	
		3,210,189
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.		(858,755)
Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds.		
Compensated Absences		(8,004,483)
Deferred bond issuance cost associated with long-term liabilities are not reported in the funds.		1,168,790
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		<u>(173,304,872)</u>
Net Assets of Governmental Activities		<u><u>\$54,663,215</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, 2010

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$80,878,110	\$11,658,327	\$0	\$92,536,437
Revenue in lieu of taxes	12,405,379	758,709	0	13,164,088
Tuition and Fees	744,571	0	35,893	780,464
Investment Earnings	147,347	0	10,787	158,134
Intergovernmental	60,446,591	1,308,281	9,486,566	71,241,438
Extracurricular Activities	0	0	1,949,537	1,949,537
Other Revenues	682,837	0	362,653	1,045,490
Total Revenues	155,304,835	13,725,317	11,845,436	180,875,588
Expenditures:				
Current:				
Instruction:				
Regular	71,412,630	0	1,073,304	72,485,934
Special	14,488,481	0	226,171	14,714,652
Other	2,667,619	0	367,841	3,035,460
Support Services:				
Pupil	9,423,548	0	3,246,619	12,670,167
Instructional Staff	10,653,884	0	1,794,441	12,448,325
General Administration	66,318	0	0	66,318
School Administration	14,178,636	0	206,460	14,385,096
Fiscal	1,064,435	171,515	39,902	1,275,852
Business	282,518	0	0	282,518
Operations and Maintenance	13,713,714	0	324,516	14,038,230
Pupil Transportation	14,285,459	0	3,132,317	17,417,776
Central	3,298,043	0	185,582	3,483,625
Operation of Non-Instructional Services	64,888	0	534,844	599,732
Extracurricular Activities	316,773	0	2,807,799	3,124,572
Capital Outlay	2,659,672	0	6,482,863	9,142,535
Debt Service:				
Principal Retirement	0	4,734,714	0	4,734,714
Interest and Fiscal Charges	0	8,205,712	0	8,205,712
Total Expenditures	158,576,618	13,111,941	20,422,659	192,111,218
Excess of Revenues Over (Under) Expenditures	(3,271,783)	613,376	(8,577,223)	(11,235,630)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	110,234	0	0	110,234
Issuance of Long-Term Capital-Related Debt	0	0	9,405,000	9,405,000
Transfers In	0	235,500	1,739,038	1,974,538
Transfers (Out)	(2,255,500)	0	0	(2,255,500)
Total Other Financing Sources (Uses)	(2,145,266)	235,500	11,144,038	9,234,272
Net Change in Fund Balance	(5,417,049)	848,876	2,566,815	(2,001,358)
Fund Balance Beginning of Year	30,512,667	5,565,348	5,292,001	41,370,016
Fund Balance End of Year	\$25,095,618	\$6,414,224	\$7,858,816	\$39,368,658

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, 2010

Net Change in Fund Balance - Total Governmental Funds (\$2,001,358)

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	7,084,989	
Depreciation Expense	<u>(10,846,194)</u>	(3,761,205)

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. (11,753)

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

Delinquent Property Taxes	471,222	
Intergovernmental	134,151	
Other	<u>32,375</u>	637,748

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 4,734,714

In the statement of activities interest expense is accrued when incurred, whereas in governmental funds an interest expenditure is reported when due. (14,981)

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	160,589	
Amortization of Bond Issuance Cost	(68,441)	
Amortization of Bond Premium	303,086	
Amortization of Deferred Charge on Refunding	<u>(61,106)</u>	334,128

Proceeds from debt issues are an other financing source in the funds, but a debt issue increases long-term liabilities in the statement of net assets. (9,405,000)

Change in Net Assets of Governmental Activities (\$9,487,707)

See accompanying notes to the basic financial statements.

Lakota Local School District, Ohio
Statement of Net Assets
Proprietary Funds
June 30, 2010

	<u>Business-Type Activities Enterprise Funds</u>
Assets:	
Current Assets:	
Equity in Pooled Cash and Investments	\$894,591
Receivables:	
Accounts	205,176
Inventory	<u>151,340</u>
Total Current Assets	<u>1,251,107</u>
Depreciable Capital Assets, Net	<u>329,829</u>
Total Assets	<u>1,580,936</u>
Liabilities:	
Current Liabilities:	
Accounts Payable	75,594
Accrued Wages and Benefits	166,699
Compensated Absences	<u>16,083</u>
Total Current Liabilities	<u>258,376</u>
Long-Term Liabilities:	
Compensated Absences	<u>69,865</u>
Total Liabilities	<u>328,241</u>
Net Assets:	
Invested in Capital Assets	329,829
Unrestricted	<u>922,866</u>
Total Net Assets	<u>\$1,252,695</u>

See accompanying notes to the basic financial statements.

Lakota Local School District, Ohio
Statement of Revenues, Expenses
and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2010

	<u>Business-Type Activities Enterprise Funds</u>
Operating Revenues:	
Charges for Services	<u>\$5,346,070</u>
 Total Operating Revenues	 <u>5,346,070</u>
Operating Expenses:	
Personal Services	1,823,299
Contractual Services	706,566
Materials and Supplies	3,752,930
Depreciation	96,660
Other Expenses	<u>91,871</u>
 Total Operating Expenses	 <u>6,471,326</u>
 Operating Income (Loss)	 <u>(1,125,256)</u>
Non-Operating Revenues (Expenses):	
Investment Earnings	604
Donated Commodities	159,846
Operating Grants	1,209,512
Miscellaneous Non-Operating	<u>63,414</u>
 Total Non-Operating Revenues (Expenses)	 <u>1,433,376</u>
 Income Before Transfers	 308,120
 Transfers In	 <u>280,962</u>
 Change in Net Assets	 589,082
 Net Assets Beginning of Year	 <u>663,613</u>
 Net Assets End of Year	 <u>\$1,252,695</u>

See accompanying notes to the basic financial statements.

Lakota Local School District, Ohio
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2010

	Business-Type Activities Enterprise Funds
Cash Flows from Operating Activities:	
Cash Received from Customers	\$5,419,890
Other Cash Receipts	63,414
Cash Payments to Employees	(1,947,627)
Cash Payments to Suppliers	(4,364,380)
	(828,703)
Net Cash (Used) by Operating Activities	
Cash Flows from Noncapital Financing Activities:	
Operating Grants Received	1,209,512
Payments from Other Funds	280,962
	1,490,474
Net Cash Provided by Noncapital Financing Activities	
Cash Flows from Investing Activities:	
Earnings on Investments	604
	604
Net Cash Provided by Cash Flows from Investing Activities	
Net Increase (Decrease) in Cash and Cash Equivalents	662,375
Cash and Cash Equivalents Beginning of Year	232,216
	\$894,591
Cash and Cash Equivalents End of Year	
Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities	
Operating (Loss)	(1,125,256)
Adjustments:	
Depreciation	96,660
Donated Commodities	159,846
Other	63,414
Changes in Assets & Liabilities:	
(Increase) Decrease in Receivables	73,820
Increase (Decrease) in Inventory	(32,228)
Increase (Decrease) in Payables	59,369
Increase (Decrease) in Accrued Liabilities	(124,328)
	(\$828,703)
Net Cash (Used) by Operating Activities	
Schedule of Noncash Capital Activities:	
During the fiscal year, these amounts were received representing noncash contributions of:	
Donated Commodities	\$159,846
	\$159,846

See accompanying notes to the basic financial statements.

Lakota Local School District, Ohio
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

	Private Purpose Trust	Agency
	<u> </u>	<u> </u>
Assets:		
Equity in Pooled Cash and Investments	\$12,728	\$223,309
	<u> </u>	<u> </u>
Total Assets	12,728	223,309
	<u> </u>	<u> </u>
Liabilities:		
Accounts Payable	0	4,064
Other Liabilities	0	219,245
	<u> </u>	<u> </u>
Total Liabilities	0	\$223,309
	<u> </u>	<u> </u>
Net Assets:		
Held in Trust	12,728	
	<u> </u>	
Total Net Assets	\$12,728	
	<u> </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, 2010

	<u>Private Purpose Trust</u>
Additions:	
Donations	\$4,000
Investment Earnings	33
Other	<u>2,250</u>
Total Additions	<u>6,283</u>
Deductions:	
Scholarships	<u>6,834</u>
Total Deductions	<u>6,834</u>
Change in Net Assets	(551)
Net Assets Beginning of Year	<u>13,279</u>
Net Assets End of Year	<u><u>\$12,728</u></u>

See accompanying notes to the basic financial statements.

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

Note 1 - Description of the District

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

The District operates under a locally elected five-member board form of government and provides educational services as authorized by its charter or further mandated by state and/or federal agencies. This board controls the District's 22 instructional and support facilities staffed by approximately 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.

Note 2 - Summary of Significant Accounting Policies

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

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

Measurement Focus

Government-wide Financial Statements

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

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

Government-wide Statement of Activities Accounts

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

Program Classifications

Governmental Activities

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

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

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

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

Other – instruction not otherwise defined above.

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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

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

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

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

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

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

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

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

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

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

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

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

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

Business-Type Activities

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

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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

Program Revenues

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

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

General Revenues

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

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

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

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

Other Revenues – all other revenue received not designated above.

Fund Financial Statements

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

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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

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

Fund Accounting

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

Governmental Funds

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

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

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

Proprietary Funds

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

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

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

Fiduciary Funds

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

Basis of Accounting

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

Revenues – Exchange and Non-exchange Transactions

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

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

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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, 2010, but which were levied to finance fiscal year 2011 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Unearned Revenue

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

Expenses/Expenditures

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

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

Equity in Pooled Cash and Investments

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

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

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2010. 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, 2010. 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 2010 credited to the General Fund amounted to \$147,347 and \$18,597 in Other Governmental Funds.

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

Interfund Activity

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

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

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

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

Inventory

Inventories are presented at cost on a first-in, first-out basis and are 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.

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

Capital Assets

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

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

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

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

See Note 6 for further details on the District's capital assets.

Accrued Liabilities and Long-Term Obligations

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

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. In general, liabilities that mature or come due for payment during the fiscal year are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due. See Note 7 for further details on the District's long-term liabilities.

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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

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

Net Assets

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

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Of the District's \$9,608,553 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, 2010

Fund Balance Reserves

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

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute. The unreserved portion of fund equity, reflected for the Governmental Funds, is available for use within the specific purpose of those funds.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are sales for food service and uniform school supplies. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

Estimates

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

Note 3 - Equity in Pooled Cash and Investments

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

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

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

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

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

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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

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

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

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

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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, 2010, \$9,750,241 of the District's bank balance of \$21,987,323 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, 2010, the District had the following investments:

	Fair Value	Weighted Average Maturity (Years)
Money Market Funds	\$3,326,998	0.00
Federal Home Loan Bank	7,547,775	1.06
Federal Home Loan Bank - Discount Note	14,985,572	0.43
Commercial Paper	5,499,080	0.12
STAR Ohio	5,746,406	0.15
Total Fair Value	<u>\$37,105,831</u>	
Portfolio Weighted Average Maturity		0.43

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

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

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

Concentration of Credit Risk – The District’s investment policy allows investments in Federal Agencies or Instrumentalities. The District has invested 9% in Money Market Funds, 20% in Federal Home Loan Bank, 40% in Federal Home Loan Bank – Discount Note, and 15% in Commercial Paper. The District also had 16% invested in STAR Ohio.

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

Note 4 - Property Taxes

Real property taxes collected in 2010 were levied in April on the assessed values as of January 1, 2009, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. A re-evaluation of real property is required to be completed no less than every six years, with a statistical update ever third year.

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

Tangible personal property tax revenue received during calendar year 2010 (other than public utility property tax) represents the collection of 2010 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 2010 were levied after April 1, 2009, on the value as of December 31, 2009. 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 was due by January 20th. If paid semi-annually, the first payment (at least 1/2 amount billed) was due January 20th with the remainder due on June 20th.

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

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at June 30, 2010. 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, 2010 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, 2010, was \$3,188,134 for General Fund and \$448,234 for Debt Service Fund, and is recognized as revenue, with a corresponding reserve to fund balance since the Board did not appropriate these receivables for fiscal year 2010 operations.

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

The assessed values upon which the fiscal year 2010 taxes were collected are:

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$2,683,065,110
Public Utility Personal	<u>57,758,480</u>
Total	<u><u>\$2,740,823,590</u></u>

Note 5 – Receivables

Receivables at June 30, 2010, consisted of taxes, accounts (rent and student fees), intergovernmental grants, interest and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

Note 6 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$15,267,306	\$109,978	\$0	\$15,377,284
Construction in Progress	9,872,355	4,454,227	12,162,582	2,164,000
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	208,647,133	12,162,582	0	220,809,715
Equipment	16,803,896	241,065	1,133,742	15,911,219
Land Improvements	3,397,251	2,279,719	0	5,676,970
Totals at Historical Cost	253,987,941	19,247,571	13,296,324	259,939,188
Less Accumulated Depreciation:				
Buildings and Improvements	43,317,555	8,279,170	0	51,596,725
Equipment	12,282,231	2,317,010	1,121,989	13,477,252
Land Improvements	1,531,509	250,014	0	1,781,523
Total Accumulated Depreciation	57,131,295	10,846,194	1,121,989	66,855,500
Governmental Activities Capital Assets, Net	\$196,856,646	\$8,401,377	\$12,174,335	\$193,083,688
	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
<i>Capital Assets, being depreciated:</i>				
Equipment	\$1,766,827	\$0	5,300	\$1,761,527
Totals at Historical Cost	1,766,827	0	5,300	1,761,527
Less Accumulated Depreciation:				
Equipment	1,340,338	96,660	5,300	1,431,698
Total Accumulated Depreciation	1,340,338	96,660	5,300	1,431,698
Business-Type Activities Capital Assets, Net	\$426,489	(\$96,660)	\$0	\$329,829

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

Depreciation expense was charged to governmental functions as follows:

Instruction:		
Regular		\$8,487,708
Special		4,495
Support Services:		
Pupil		5,016
Instructional Staff		5,148
School Administration		2,905
Fiscal		13,994
Business		45,160
Operations and Maintenance		190,092
Pupil Transportation		1,690,575
Central		155,808
Operation of Non-Instructional Services		2,118
Extracurricular Activities		243,175
Total Depreciation Expense		<u>\$10,846,194</u>

Note 7 - Long-Term Liabilities

	Interest Rate	Issue Date	Maturity Date	Beginning Balance	Issued	Retired	Ending Balance	Due In One Year
Governmental Activities:								
General Obligation Bonds:								
\$2,450,000 - 2009 Energy Conservation Improvements	2.500%	5/28/09	12/1/24	\$2,450,000	\$0	\$0	\$2,450,000	\$130,000
\$79,404 - Premium on Energy Conservation Improvements	0.000%	5/28/09	12/1/24	76,924	0	4,963	71,961	0
\$1,650,000 - 2009 Turf & Athletic Field Improvements	2.500%	5/28/09	12/1/21	1,650,000	0	0	1,650,000	120,000
\$24,355 - Premium on Turf & Athletic Field Improvements	0.000%	5/28/09	12/1/21	23,416	0	1,873	21,543	0
\$16,680,000 - Lakota 2009 Refunding	5.000%	9/24/08	12/1/17	16,680,000	0	0	16,680,000	0
\$961,701 - Premium on 2009 Refunding	0.000%	9/24/08	12/1/17	908,274	0	106,856	801,418	0
(\$549,951) - Deferred Amount on 2009 Refunding	0.000%	9/24/08	12/1/17	(519,399)	0	(61,106)	(458,293)	0
\$10,000,000 - 2007 School Construction Bonds - Union Elem	4.000%	6/13/07	12/1/27	9,675,000	0	335,000	9,340,000	350,000
\$2,725,000 - Freedom, Link Renovations	6.125%	3/1/87	12/1/09	125,000	0	125,000	0	0
\$51,860,000 - Two New High Schools	6.211%	5/1/94	12/1/17	5,480,000	0	2,740,000	2,740,000	2,740,000
\$19,175,835 - Refunding New High Schools	5.242%	6/1/98	12/1/17	541,052	0	60,042	481,010	51,907
\$52,932,789 - Bond and Refunding	5.850%	4/19/01	12/1/26	12,167,789	0	374,672	11,793,117	373,117
\$8,625,000 - Lakota 2005 Refunding	3.076%	1/1/05	12/1/12	2,625,000	0	720,000	1,905,000	740,000
\$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	2,704,142	0	154,522	2,549,620	0
\$74,470,000 - Lakota Series 2005	4.600%	12/19/05	12/1/33	74,315,000	0	250,000	74,065,000	650,000
\$828,359 - Premium on 2005 Series	0.000%	12/19/05	12/1/33	724,811	0	29,584	695,227	0
\$9,830,000 - Lakota Series 2006	4.270%	1/10/06	12/1/33	9,670,000	0	130,000	9,540,000	150,000
\$148,065 - Premium on 2006 Series	0.000%	1/10/06	12/1/33	129,557	0	5,288	124,269	0
\$5,405,000 - 2010 School Improvement Bonds	1.340%	6/17/10	12/1/20	0	5,405,000	0	5,405,000	0
\$4,000,000 - 2010 School Improvement Bonds	5.390%	6/17/10	12/1/25	0	4,000,000	0	4,000,000	0
Total General Obligation Bonds				168,876,566	9,405,000	4,976,694	173,304,872	5,305,024
Compensated Absences				8,442,296	1,592,975	1,995,107	8,040,164	1,539,511
Total Governmental Activities								
Long-Term Liabilities				<u>\$177,318,862</u>	<u>\$10,997,975</u>	<u>\$6,971,801</u>	<u>\$181,345,036</u>	<u>\$6,844,535</u>
Business-Type Activities:								
Compensated Absences				\$58,793	\$41,499	\$14,344	\$85,948	\$16,083

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

On June 17, 2010, the District issued \$5,405,000 in Build America Bonds (“BABs”) with a coupon rate between 1.34% and 4.54% for various school improvements throughout the District. These bonds have a maturity date of 12/1/20.

On June 17, 2010, the District issued \$4,000,000 in Qualified School Construction Bonds (“QSCs”) with a coupon rate of 5.39% for various school improvements throughout the District. These bonds have a maturity date of 12/1/25.

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

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

Fiscal Year Ending June 30	General Obligation Bonds				
	Principal	Premium	Deferred Charge	Interest	Total
2011	\$5,305,024	\$303,086	(\$61,106)	\$8,379,543	\$13,926,547
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
2016-2020	38,735,000	1,248,288	(152,763)	27,721,975	67,552,500
2021-2025	41,445,000	972,114	0	18,686,955	61,104,069
2026-2030	34,415,000	406,150	0	8,295,401	43,116,551
2031-2034	21,600,000	122,056	0	1,990,819	23,712,875
Total	<u>\$169,499,127</u>	<u>\$4,264,038</u>	<u>(\$458,293)</u>	<u>\$96,427,976</u>	<u>\$269,732,848</u>

Prior Year Defeasance of Debt

As a result of the 2005 and 2009 advance refunding, the District defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the District’s financial statements. The remaining balance on the refunded general obligation bonds as of June 30, 2010 were \$46,990,000 that are considered defeased.

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

Note 8 - Pension Plans

School Employees Retirement System of Ohio

Plan Description

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

Funding Policy

Plan members are required to contribute 10% of their annual covered salary and District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care fund) of the System. For fiscal year ending June 30, 2010, the allocation to pension and death benefits is 12.78%. The remaining 1.22% of the 14% employer contribution rate is allocated to the Health Care and Medicare B Funds. The District's contributions to SERS for the years ended June 30, 2010, 2009, and 2008 were \$3,169,992, \$3,092,994, and \$3,395,714, respectively; 48% has been contributed for fiscal year 2010 and 100% for fiscal years 2009 and 2008.

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, 2010

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, 2010

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, 2010, were 10% of covered payroll for members and 14% for employers. The District's contributions to STRS for the years ended June 30, 2010, 2009, and 2008 were \$11,774,328,

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

\$11,465,713, and \$10,042,824, respectively; 83% has been contributed for fiscal year 2010 and 100% for fiscal years 2009 and 2008.

Note 9 - Post Employment Benefits

School Employees Retirement System of Ohio

Plan Description

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

Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2010 was \$96.40; SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2010, the actuarially required allocation was .76%. District contributions for the year ended June 30, 2010, 2009 and 2008 were \$172,085, \$165,696 and \$164,935, respectively, which equaled the required contributions each year.

Health Care Plan

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

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

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. At June 30, 2010, the health care allocation was .46%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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 2010, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District contributions assigned to health care for the years ended June 30, 2010, 2009, and 2008 were \$104,157, \$2,631,340, and \$2,458,624, respectively; 48% has been contributed for fiscal year 2010 and 100% for fiscal years 2009 and 2008.

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

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

State Teachers Retirement System of Ohio

Plan Description

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

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

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

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

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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, 2010, 2009 and 2008. The 14% employer contribution rate is the maximum rate established under Ohio law. The District contributions for the years ended June 30, 2010, 2009, and 2008 were \$841,023, \$818,980, and \$717,345, respectively; 83% has been contributed for fiscal year 2010 and 100% for fiscal years 2009 and 2008.

Note 10 - Contingent Liabilities

Grants

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

However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District as of June 30, 2010.

Litigation

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

Note 11 - Risk Management

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

Coverage	Company	Limits	Deductible
Fleet	Ohio Casualty Insurance Company	\$1,000,000 per occurrence	\$1,000 collision/pd
Property	Ohio Casualty Insurance Company	295,436,715 blanket coverage	10,000 per loss
General liability	Ohio Casualty Insurance Company	1,000,000 per occurrence/ 2,000,000 aggregate	
Liability umbrella	Ohio Casualty Insurance Company	10,000,000 aggregate	
Errors and omissions	Ohio Casualty Insurance Company	1,000,000 aggregate	5,000 per loss
Crime theft	Ohio Casualty Insurance Company	10,000 per occurrence	500 per loss
Faithful Performance Bond	Cincinnati Insurance Company	Varies per occurrence	

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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

Note 12 - Jointly Governed Organizations

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

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

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

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

Note 13 – Accountability

Accountability

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

<u>Fund</u>	<u>Deficit</u>
Other Governmental Funds:	
Alternative School Grant	\$3,791
Miscellaneous State Grants	1,489
Title VI-B	449,503
Title III	1,739
Title I	81,783
EHA Free School	13,966
Title II-A	8,430
Fiscal Stabilization	250,641
Building	25,332

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

Note 14 - Fund Balance Reserves for Set-Asides

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

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

	<u>Textbooks</u>	<u>Capital Acquisition</u>
Set Aside Reserve Balance as of June 30, 2009	\$668,315	\$0
Current Year Set Aside Requirements	2,834,931	2,834,931
Qualified Disbursements	<u>(1,934,866)</u>	<u>(3,167,611)</u>
Set Aside Reserve Balance as of June 30, 2010	<u>\$1,568,380</u>	<u>(\$332,680)</u>
Restricted Cash as of June 30, 2010	<u>\$1,568,380</u>	<u>\$0</u>

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

Note 15 - Interfund Transactions

Interfund transactions at June 30, 2010, consisted of the following individual fund receivables and payables and transfers in and out:

	Interfund		Transfers	
	<u>Receivable</u>	<u>Payable</u>	<u>In</u>	<u>Out</u>
General Fund	\$15,823	\$0	\$0	\$2,255,500
Debt Service Fund	0	0	235,500	0
Other Governmental Funds	0	15,823	1,739,038	0
Enterprise Funds	<u>0</u>	<u>0</u>	<u>280,962</u>	<u>0</u>
Total All Funds	<u>\$15,823</u>	<u>\$15,823</u>	<u>\$2,255,500</u>	<u>\$2,255,500</u>

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

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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, 2010

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$79,669,322	\$77,091,479	\$80,001,678	\$2,910,199
Revenue in lieu of taxes	10,595,604	10,252,765	10,639,806	387,041
Tuition and Fees	741,478	717,486	744,571	27,085
Investment Earnings	509,817	493,321	511,944	18,623
Intergovernmental	60,195,474	58,247,742	60,446,591	2,198,849
Other Revenues	648,952	627,954	651,659	23,705
Total Revenues	152,360,647	147,430,747	152,996,249	5,565,502
Expenditures:				
Current:				
Instruction:				
Regular	76,843,624	76,802,161	72,973,051	3,829,110
Special	15,373,179	15,364,884	14,598,840	766,044
Other	2,755,855	2,754,368	2,617,044	137,324
Support Services:				
Pupil	10,138,083	10,132,613	9,627,433	505,180
Instructional Staff	11,823,672	11,817,292	11,228,120	589,172
General Administration	74,347	74,307	70,602	3,705
School Administration	16,232,008	16,223,249	15,414,410	808,839
Fiscal	1,187,898	1,187,257	1,128,064	59,193
Business	310,031	309,864	294,415	15,449
Operations and Maintenance	15,091,508	15,083,365	14,331,357	752,008
Pupil Transportation	14,539,612	14,531,766	13,807,259	724,507
Central	3,704,700	3,702,701	3,518,096	184,605
Operation of Non-Instructional Services	69,937	69,899	66,414	3,485
Extracurricular Activities	453,997	453,752	431,129	22,623
Capital Outlay	2,641,198	2,639,773	2,508,162	131,611
Total Expenditures	171,239,649	171,147,251	162,614,396	8,532,855
Excess of Revenues Over (Under) Expenditures	(18,879,002)	(23,716,504)	(9,618,147)	14,098,357
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	109,776	106,224	110,234	4,010
Transfers In	151,386	146,488	152,018	5,530
Transfers (Out)	(2,375,134)	(2,373,853)	(2,255,500)	118,353
Total Other Financing Sources (Uses)	(2,113,972)	(2,121,141)	(1,993,248)	127,893
Net Change in Fund Balance	(20,992,974)	(25,837,645)	(11,611,395)	14,226,250
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	48,893,864	48,893,864	48,893,864	0
Fund Balance End of Year	\$27,900,890	\$23,056,219	\$37,282,469	\$14,226,250

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, 2010

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 2010.

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 Rotary Fund and the Trust Fund for unclaimed monies have been consolidated with the General Fund. The major differences between the budget basis and GAAP basis are as follows:

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

Lakota Local School District, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2010

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	(\$5,417,049)
Revenue Accruals	(2,308,586)
Expenditure Accruals	(1,313,387)
Transfers In	152,018
Encumbrances	<u>(2,724,391)</u>
Budget Basis	<u><u>(\$11,611,395)</u></u>

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES



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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Capital Projects Funds

Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities.

Lakota Local School District, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$1,831,522	\$9,535,556	\$11,367,078
Receivables:			
Intergovernmental	1,058,806	0	1,058,806
Total Assets	2,890,328	9,535,556	12,425,884
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	453,390	0	453,390
Accrued Wages and Benefits	1,039,439	0	1,039,439
Retainage Payable	0	26,159	26,159
Contracts Payable	0	2,286,392	2,286,392
Interfund Payable	15,823	0	15,823
Deferred Revenue	745,865	0	745,865
Total Liabilities	2,254,517	2,312,551	4,567,068
Fund Balances:			
Reserved for Encumbrances	227,107	241,016	468,123
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	408,704	0	408,704
Capital Projects Funds	0	6,981,989	6,981,989
Total Fund Balances	635,811	7,223,005	7,858,816
Total Liabilities and Fund Balances	\$2,890,328	\$9,535,556	\$12,425,884

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, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Tuition and Fees	\$35,893	\$0	\$35,893
Investment Earnings	9,070	1,717	10,787
Intergovernmental	9,486,566	0	9,486,566
Extracurricular Activities	1,949,537	0	1,949,537
Other Revenues	356,363	6,290	362,653
Total Revenues	11,837,429	8,007	11,845,436
Expenditures:			
Current:			
Instruction:			
Regular	1,073,304	0	1,073,304
Special	226,171	0	226,171
Other	367,841	0	367,841
Support Services:			
Pupil	3,246,619	0	3,246,619
Instructional Staff	1,794,441	0	1,794,441
School Administration	206,460	0	206,460
Fiscal	39,902	0	39,902
Operations and Maintenance	324,516	0	324,516
Pupil Transportation	3,132,317	0	3,132,317
Central	185,582	0	185,582
Operation of Non-Instructional Services	534,844	0	534,844
Extracurricular Activities	2,807,799	0	2,807,799
Capital Outlay	0	6,482,863	6,482,863
Total Expenditures	13,939,796	6,482,863	20,422,659
Excess of Revenues Over (Under) Expenditures	(2,102,367)	(6,474,856)	(8,577,223)
Other Financing Sources (Uses):			
Issuance of Long-Term Capital-Related Debt	0	9,405,000	9,405,000
Transfers In	1,739,038	0	1,739,038
Total Other Financing Sources (Uses)	1,739,038	9,405,000	11,144,038
Net Change in Fund Balance	(363,329)	2,930,144	2,566,815
Fund Balance Beginning of Year	999,140	4,292,861	5,292,001
Fund Balance End of Year	\$635,811	\$7,223,005	\$7,858,816

NONMAJOR SPECIAL REVENUE 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.

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.

NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions

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

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

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

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

Miscellaneous Grants - To account for federal funds related to Raising the Bar and the Assistive Technology Infusion programs.

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

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.

Lakota Local School District, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2010

	Public School Support	Other Grants	Student Activities	Auxiliary Services	MIS
Assets:					
Equity in Pooled Cash and Investments	\$901,660	\$111,744	\$656,819	\$54,561	\$0
Receivables:					
Intergovernmental	0	0	0	0	0
Total Assets	901,660	111,744	656,819	54,561	0
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	64,448	3,887	25,791	714	0
Accrued Wages and Benefits	0	0	159,387	30,880	0
Interfund Payable	0	0	0	0	0
Deferred Revenue	0	0	0	0	0
Total Liabilities	64,448	3,887	185,178	31,594	0
Fund Balances:					
Reserved for Encumbrances	49,662	1,343	73,371	375	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	787,550	106,514	398,270	22,592	0
Total Fund Balances	837,212	107,857	471,641	22,967	0
Total Liabilities and Fund Balances	\$901,660	\$111,744	\$656,819	\$54,561	\$0

School Net Professional Development	Ohio Reads	Alt. School Grant	Miscellaneous State Grants	Title VI-B	Title III	Title I
\$16	\$6,470	\$355	\$3,014	\$65,162	\$7,833	\$13,585
0	0	11,058	1,442	549,192	73,840	235,304
16	6,470	11,413	4,456	614,354	81,673	248,889
0	0	0	0	102,607	308	493
0	0	7,840	4,503	645,897	9,264	146,987
0	0	0	0	0	0	0
0	0	7,364	1,442	315,353	73,840	183,192
0	0	15,204	5,945	1,063,857	83,412	330,672
0	0	3,674	0	50,101	16,552	21,499
16	6,470	(7,465)	(1,489)	(499,604)	(18,291)	(103,282)
16	6,470	(3,791)	(1,489)	(449,503)	(1,739)	(81,783)
\$16	\$6,470	\$11,413	\$4,456	\$614,354	\$81,673	\$248,889

Continued

Lakota Local School District, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2010

	Title VI	Drug Free Schools	EHA Pre-School	Title II-A	Miscellaneous Grants
Assets:					
Equity in Pooled Cash and Investments	\$0	\$0	\$0	\$10,303	\$0
Receivables:					
Intergovernmental	0	7,940	25,613	148,207	0
Total Assets	<u>0</u>	<u>7,940</u>	<u>25,613</u>	<u>158,510</u>	<u>0</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	0	0	0	2,000	0
Accrued Wages and Benefits	0	0	17,948	16,733	0
Interfund Payable	0	1,863	13,489	0	0
Deferred Revenue	0	5,536	8,142	148,207	0
Total Liabilities	<u>0</u>	<u>7,399</u>	<u>39,579</u>	<u>166,940</u>	<u>0</u>
Fund Balances:					
Reserved for Encumbrances	0	154	4,018	6,011	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	<u>0</u>	<u>387</u>	<u>(17,984)</u>	<u>(14,441)</u>	<u>0</u>
Total Fund Balances	<u>0</u>	<u>541</u>	<u>(13,966)</u>	<u>(8,430)</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$0</u>	<u>\$7,940</u>	<u>\$25,613</u>	<u>\$158,510</u>	<u>\$0</u>

High Schools That Work	Fiscal Stabilization	Title II D	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$1,831,522
4,803	0	1,407	1,058,806
4,803	0	1,407	2,890,328
2,501	250,641	0	453,390
0	0	0	1,039,439
454	0	17	15,823
1,399	0	1,390	745,865
4,354	250,641	1,407	2,254,517
0	0	347	227,107
449	(250,641)	(347)	408,704
449	(250,641)	0	635,811
\$4,803	\$0	\$1,407	\$2,890,328

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, 2010

	Public School Support	Other Grants	Student Activities	Auxiliary Services	MIS
Revenues:					
Tuition and Fees	\$35,893	\$0	\$0	\$0	\$0
Investment Earnings	0	0	8,998	72	0
Intergovernmental	0	217,671	0	320,169	32,033
Extracurricular Activities	666,117	0	1,283,420	0	0
Other Revenues	298,553	0	57,788	0	0
Total Revenues	1,000,563	217,671	1,350,206	320,241	32,033
Expenditures:					
Current:					
Instruction:					
Regular	8,737	28,835	8,563	0	0
Special	1,110	0	0	0	0
Other	0	0	0	0	0
Support Services:					
Pupil	782,495	73,702	0	0	0
Instructional Staff	124,517	5,974	0	0	0
School Administration	4,162	0	0	0	0
Fiscal	175	0	0	0	0
Operations and Maintenance	0	0	324,516	0	0
Pupil Transportation	0	1,533	0	0	0
Central	285	14,671	0	0	28,939
Operation of Non-Instructional Services	14,271	0	0	293,278	0
Extracurricular Activities	1,850	11,813	2,794,136	0	0
Total Expenditures	937,602	136,528	3,127,215	293,278	28,939
Excess of Revenues Over (Under) Expenditures	62,961	81,143	(1,777,009)	26,963	3,094
Other Financing Sources (Uses):					
Transfers In	1,227	0	1,699,999	0	0
Total Other Financing Sources (Uses)	1,227	0	1,699,999	0	0
Net Change in Fund Balance	64,188	81,143	(77,010)	26,963	3,094
Fund Balance Beginning of Year	773,024	26,714	548,651	(3,996)	(3,094)
Fund Balance End of Year	\$837,212	\$107,857	\$471,641	\$22,967	\$0

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	0	0	0	0	0
0	0	52,001	80,235	4,648,222	116,184	785,521
0	0	0	0	0	0	0
22	0	0	0	0	0	0
22	0	52,001	80,235	4,648,222	116,184	785,521
0	0	3,306	0	292,984	275	721,129
0	0	0	0	185,672	28,412	0
0	0	0	0	367,841	0	0
0	0	44,704	0	2,188,087	0	250
0	0	0	25,091	1,370,242	77,411	38,575
0	0	0	0	81,403	(535)	30,756
0	0	0	0	28,681	1,098	6,523
0	0	0	0	0	0	0
0	0	0	77,900	13,001	0	0
0	0	0	0	141,687	0	0
0	0	0	0	210,107	873	4,225
0	0	0	0	0	0	0
0	0	48,010	102,991	4,879,705	107,534	801,458
22	0	3,991	(22,756)	(231,483)	8,650	(15,937)
0	0	0	0	37,812	0	0
0	0	0	0	37,812	0	0
22	0	3,991	(22,756)	(193,671)	8,650	(15,937)
(6)	6,470	(7,782)	21,267	(255,832)	(10,389)	(65,846)
\$16	\$6,470	(\$3,791)	(\$1,489)	(\$449,503)	(\$1,739)	(\$81,783)

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, 2010

	Title VI	Drug Free Schools	EHA Pre-School	Title II-A	Miscellaneous Grants
Revenues:					
Tuition and Fees	\$0	\$0	\$0	\$0	\$0
Investment Earnings	0	0	0	0	0
Intergovernmental	12,095	34,335	140,221	152,818	7,810
Extracurricular Activities	0	0	0	0	0
Other Revenues	0	0	0	0	0
Total Revenues	12,095	34,335	140,221	152,818	7,810
Expenditures:					
Current:					
Instruction:					
Regular	0	0	0	4,672	0
Special	0	0	10,977	0	0
Other	0	0	0	0	0
Support Services:					
Pupil	0	21,278	136,103	0	0
Instructional Staff	10,436	0	0	120,511	7,502
School Administration	0	0	0	13,409	0
Fiscal	368	257	879	1,802	102
Operations and Maintenance	0	0	0	0	0
Pupil Transportation	0	0	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	0	10,000	0	2,090	0
Extracurricular Activities	0	0	0	0	0
Total Expenditures	10,804	31,535	147,959	142,484	7,604
Excess of Revenues Over (Under) Expenditures	1,291	2,800	(7,738)	10,334	206
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balance	1,291	2,800	(7,738)	10,334	206
Fund Balance Beginning of Year	(1,291)	(2,259)	(6,228)	(18,764)	(206)
Fund Balance End of Year	\$0	\$541	(\$13,966)	(\$8,430)	\$0

High Schools That Work	Fiscal Stabilization	Title II D	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$35,893
0	0	0	9,070
17,639	2,865,232	4,380	9,486,566
0	0	0	1,949,537
0	0	0	356,363
17,639	2,865,232	4,380	11,837,429
4,803	0	0	1,073,304
0	0	0	226,171
0	0	0	367,841
0	0	0	3,246,619
9,819	0	4,363	1,794,441
0	77,265	0	206,460
0	0	17	39,902
0	0	0	324,516
1,275	3,038,608	0	3,132,317
0	0	0	185,582
0	0	0	534,844
0	0	0	2,807,799
15,897	3,115,873	4,380	13,939,796
1,742	(250,641)	0	(2,102,367)
0	0	0	1,739,038
0	0	0	1,739,038
1,742	(250,641)	0	(363,329)
(1,293)	0	0	999,140
\$449	(\$250,641)	\$0	\$635,811

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, 2010

	Public School Support Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$40,646	\$35,893	(\$4,753)
Extracurricular Activities	851,863	752,245	(99,618)
Other Revenues	338,090	298,553	(39,537)
Total Revenues	1,230,599	1,086,691	(143,908)
Expenditures:			
Current:			
Instruction:			
Regular	13,647	11,447	2,200
Special	2,375	1,992	383
Support Services:			
Pupil	1,003,786	841,980	161,806
Instructional Staff	203,347	170,568	32,779
School Administration	5,725	4,802	923
Fiscal	209	175	34
Central	340	285	55
Operation of Non-Instructional Services	20,931	17,557	3,374
Extracurricular Activities	2,206	1,850	356
Total Expenditures	1,252,566	1,050,656	201,910
Excess of Revenues Over (Under) Expenditures	(21,967)	36,035	58,002
Other Financing Sources (Uses):			
Transfers In	1,389	1,227	(162)
Transfers (Out)	(102,680)	(86,128)	16,552
Total Other Financing Sources (Uses)	(101,291)	(84,901)	16,390
Net Change in Fund Balance	(123,258)	(48,866)	74,392
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	836,416	836,416	0
Fund Balance End of Year	\$713,158	\$787,550	\$74,392

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, 2010

	Final Budget	Other Grants Fund Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$222,671	\$217,671	(\$5,000)
Total Revenues	222,671	217,671	(5,000)
Expenditures:			
Current:			
Instruction:			
Regular	90,190	55,638	34,552
Support Services:			
Pupil	119,793	73,900	45,893
Instructional Staff	10,139	6,255	3,884
Pupil Transportation	1,067	658	409
Central	27,416	16,913	10,503
Extracurricular Activities	21,595	13,322	8,273
Total Expenditures	270,200	166,686	103,514
Net Change in Fund Balance	(47,529)	50,985	98,514
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	55,529	55,529	0
Fund Balance End of Year	\$8,000	\$106,514	\$98,514

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, 2010

	Student Activities Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$13,373	\$8,998	(\$4,375)
Extracurricular Activities	1,907,430	1,283,420	(624,010)
Other Revenues	85,885	57,788	(28,097)
Total Revenues	<u>2,006,688</u>	<u>1,350,206</u>	<u>(656,482)</u>
Expenditures:			
Current:			
Instruction:			
Regular	9,500	8,708	792
Support Services:			
Operations and Maintenance	397,153	364,054	33,099
Extracurricular Activities	3,243,030	2,972,753	270,277
Total Expenditures	<u>3,649,683</u>	<u>3,345,515</u>	<u>304,168</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,642,995)</u>	<u>(1,995,309)</u>	<u>(352,314)</u>
Other Financing Sources (Uses):			
Transfers In	2,541,855	1,710,294	(831,561)
Transfers (Out)	(11,643)	(10,673)	970
Total Other Financing Sources (Uses)	<u>2,530,212</u>	<u>1,699,621</u>	<u>(830,591)</u>
Net Change in Fund Balance	887,217	(295,688)	(1,182,905)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>853,345</u>	<u>853,345</u>	<u>0</u>
Fund Balance End of Year	<u>\$1,740,562</u>	<u>\$557,657</u>	<u>(\$1,182,905)</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, 2010

	Auxiliary Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$72	\$72	\$0
Intergovernmental	320,182	320,169	(13)
Total Revenues	320,254	320,241	(13)
Expenditures:			
Current:			
Operation of Non-Instructional Services	360,300	306,819	53,481
Total Expenditures	360,300	306,819	53,481
Net Change in Fund Balance	(40,046)	13,422	53,468
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	40,050	40,050	0
Fund Balance End of Year	\$4	\$53,472	\$53,468

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, 2010

	MIS Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$32,606	\$32,033	(\$573)
Total Revenues	32,606	32,033	(573)
Expenditures:			
Current:			
Support Services:			
Central	32,606	32,033	573
Total Expenditures	32,606	32,033	573
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, 2010

	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	15	0	0
Total Expenditures	15	0	0
Net Change in Fund Balance	(15)	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	16	16	0
Fund Balance End of Year	\$1	\$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, 2010

	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, 2010

	Alt. School Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$72,682	\$61,624	(\$11,058)
Total Revenues	72,682	61,624	(11,058)
Expenditures:			
Current:			
Instruction:			
Regular	7,329	6,455	874
Support Services:			
Pupil	57,535	50,670	6,865
Total Expenditures	64,864	57,125	7,739
Net Change in Fund Balance	7,818	4,499	(3,319)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	(7,818)	(7,818)	0
Fund Balance End of Year	\$0	(\$3,319)	(\$3,319)

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, 2010

	Miscellaneous State Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$81,677	\$80,235	(\$1,442)
Total Revenues	<u>81,677</u>	<u>80,235</u>	<u>(1,442)</u>
Expenditures:			
Current:			
Support Services:			
Pupil	11,675	11,326	349
Instructional Staff	22,123	21,462	661
School Administration	4,255	4,128	127
Pupil Transportation	<u>80,300</u>	<u>77,900</u>	<u>2,400</u>
Total Expenditures	<u>118,353</u>	<u>114,816</u>	<u>3,537</u>
Net Change in Fund Balance	(36,676)	(34,581)	2,095
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>37,595</u>	<u>37,595</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$919</u></u>	<u><u>\$3,014</u></u>	<u><u>\$2,095</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, 2010

	Title VI-B Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$6,978,017	\$4,682,084	(\$2,295,933)
Total Revenues	6,978,017	4,682,084	(2,295,933)
Expenditures:			
Current:			
Instruction:			
Regular	430,856	292,984	137,872
Special	318,302	216,447	101,855
Other	550,340	374,234	176,106
Support Services:			
Pupil	3,182,886	2,164,378	1,018,508
Instructional Staff	1,759,498	1,196,467	563,031
School Administration	124,549	84,694	39,855
Fiscal	42,178	28,681	13,497
Operations and Maintenance	1,176	800	376
Pupil Transportation	24,381	16,579	7,802
Central	218,782	148,773	70,009
Operation of Non-Instructional Services	306,302	208,287	98,015
Total Expenditures	6,959,250	4,732,324	2,226,926
Excess of Revenues Over (Under) Expenditures	18,767	(50,240)	(69,007)
Other Financing Sources (Uses):			
Transfers In	56,354	37,812	(18,542)
Total Other Financing Sources (Uses)	56,354	37,812	(18,542)
Net Change in Fund Balance	75,121	(12,428)	(87,549)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	(75,118)	(75,118)	0
Fund Balance End of Year	\$3	(\$87,546)	(\$87,549)

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, 2010

	Title III Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$194,281	\$120,441	(\$73,840)
Total Revenues	194,281	120,441	(73,840)
Expenditures:			
Current:			
Instruction:			
Regular	6,614	4,433	2,181
Special	55,477	37,182	18,295
Support Services:			
Instructional Staff	130,850	87,699	43,151
Fiscal	1,638	1,098	540
Operation of Non-Instructional Services	1,959	1,313	646
Total Expenditures	196,538	131,725	64,813
Net Change in Fund Balance	(2,257)	(11,284)	(9,027)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,257	2,257	0
Fund Balance End of Year	\$0	(\$9,027)	(\$9,027)

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, 2010

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,085,758	\$846,620	(\$239,138)
Total Revenues	1,085,758	846,620	(239,138)
Expenditures:			
Current:			
Instruction:			
Regular	968,751	761,403	207,348
Support Services:			
Pupil	318	250	68
Instructional Staff	50,513	39,701	10,812
School Administration	38,353	30,144	8,209
Fiscal	8,299	6,523	1,776
Operation of Non-Instructional Services	11,765	9,247	2,518
Total Expenditures	1,077,999	847,268	230,731
Net Change in Fund Balance	7,759	(648)	(8,407)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	(7,759)	(7,759)	0
Fund Balance End of Year	\$0	(\$8,407)	(\$8,407)

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, 2010

	Title VI Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$21,200	\$21,200	\$0
Total Revenues	21,200	21,200	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	18,780	18,780	0
Fiscal	368	368	0
Central	0	0	0
Operation of Non-Instructional Services	314	314	0
Total Expenditures	19,462	19,462	0
Net Change in Fund Balance	1,738	1,738	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	(1,738)	(1,738)	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, 2010

	Drug Free Schools Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$44,708	\$36,769	(\$7,939)
Total Revenues	44,708	36,769	(7,939)
Expenditures:			
Current:			
Support Services:			
Pupil	24,646	21,418	3,228
Instructional Staff	2,440	2,120	320
Fiscal	296	257	39
Operations and Maintenance	6,143	5,338	805
Operation of Non-Instructional Services	11,684	10,154	1,530
Total Expenditures	45,209	39,287	5,922
Net Change in Fund Balance	(501)	(2,518)	(2,017)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	501	501	0
Fund Balance End of Year	\$0	(\$2,017)	(\$2,017)

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, 2010

	EHA Pre-School Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$218,019	\$129,880	(\$88,139)
Total Revenues	218,019	129,880	(88,139)
Expenditures:			
Current:			
Instruction:			
Special	16,167	10,917	5,250
Support Services:			
Pupil	200,032	135,073	64,959
Fiscal	1,302	879	423
Total Expenditures	217,501	146,869	70,632
Net Change in Fund Balance	518	(16,989)	(17,507)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	(518)	(518)	0
Fund Balance End of Year	\$0	(\$17,507)	(\$17,507)

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, 2010

	Title II-A Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$321,251	\$173,044	(\$148,207)
Total Revenues	321,251	173,044	(148,207)
Expenditures:			
Current:			
Instruction:			
Regular	74,687	39,401	35,286
Support Services:			
Instructional Staff	215,607	113,744	101,863
School Administration	20,878	11,014	9,864
Fiscal	3,416	1,802	1,614
Operation of Non-Instructional Services	3,962	2,090	1,872
Total Expenditures	318,550	168,051	150,499
Net Change in Fund Balance	2,701	4,993	2,292
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	(2,701)	(2,701)	0
Fund Balance End of Year	\$0	\$2,292	\$2,292

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, 2010

	Miscellaneous Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$7,810	\$7,810	\$0
Total Revenues	7,810	7,810	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	7,781	7,781	0
Fiscal	102	102	0
Operation of Non-Instructional Services	378	378	0
Total Expenditures	8,261	8,261	0
Net Change in Fund Balance	(451)	(451)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	451	451	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, 2010

	High Schools That Work Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$19,785	\$14,982	(\$4,803)
Total Revenues	19,785	14,982	(4,803)
Expenditures:			
Current:			
Instruction:			
Regular	5,596	4,820	776
Support Services:			
Instructional Staff	11,955	10,297	1,658
Pupil Transportation	1,480	1,275	205
Total Expenditures	19,031	16,392	2,639
Excess of Revenues Over (Under) Expenditures	754	(1,410)	(2,164)
Net Change in Fund Balance	754	(1,410)	(2,164)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	(304)	(304)	0
Fund Balance End of Year	\$450	(\$1,714)	(\$2,164)

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, 2010

	Fiscal Stabilization Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$2,865,232	\$2,865,232	\$0
Total Revenues	2,865,232	2,865,232	0
Expenditures:			
Current:			
Support Services:			
School Administration	77,265	77,265	0
Pupil Transportation	2,787,967	2,787,967	0
Total Expenditures	2,865,232	2,865,232	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, 2010

	Title II D Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$5,770	\$4,363	(\$1,407)
Total Revenues	5,770	4,363	(1,407)
Expenditures:			
Current:			
Support Services:			
Instructional Staff	5,710	4,678	1,032
Fiscal	21	17	4
Operation of Non-Instructional Services	39	32	7
Total Expenditures	5,770	4,727	1,043
Net Change in Fund Balance	0	(364)	(364)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	(\$364)	(\$364)

MAJOR GOVERNMENTAL FUNDS

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. 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, 2010

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$11,554,755	\$11,555,266	\$511
Revenue in lieu of taxes	758,675	758,709	34
Intergovernmental	1,308,223	1,308,281	58
Total Revenues	<u>13,621,653</u>	<u>13,622,256</u>	<u>603</u>
Expenditures:			
Current:			
Support Services:			
Fiscal	171,911	171,515	396
Debt Service:			
Principal Retirement	4,745,634	4,734,714	10,920
Interest and Fiscal Charges	8,224,637	8,205,712	18,925
Total Expenditures	<u>13,142,182</u>	<u>13,111,941</u>	<u>30,241</u>
Excess of Revenues Over (Under) Expenditures	<u>479,471</u>	<u>510,315</u>	<u>30,844</u>
Other Financing Sources (Uses):			
Transfers In	235,490	235,500	10
Total Other Financing Sources (Uses)	<u>235,490</u>	<u>235,500</u>	<u>10</u>
Net Change in Fund Balance	714,961	745,815	30,854
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>5,220,175</u>	<u>5,220,175</u>	<u>0</u>
Fund Balance End of Year	<u>\$5,935,136</u>	<u>\$5,965,990</u>	<u>\$30,854</u>

NONMAJOR CAPITAL PROJECTS FUNDS

Fund Descriptions

Permanent Improvement - To account for all transactions related to improvements to existing District facilities.

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

Lakota Local School District, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2010

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
Assets:			
Equity in Pooled Cash and Investments	\$9,524,440	\$11,116	\$9,535,556
Total Assets	<u>9,524,440</u>	<u>11,116</u>	<u>9,535,556</u>
Liabilities and Fund Balances:			
Liabilities:			
Retainage Payable	0	26,159	26,159
Contracts Payable	2,276,103	10,289	2,286,392
Total Liabilities	<u>2,276,103</u>	<u>36,448</u>	<u>2,312,551</u>
Fund Balances:			
Reserved for Encumbrances	229,902	11,114	241,016
Unreserved, Undesignated, Reported in: Capital Projects Funds	7,018,435	(36,446)	6,981,989
Total Fund Balances	<u>7,248,337</u>	<u>(25,332)</u>	<u>7,223,005</u>
Total Liabilities and Fund Balances	<u>\$9,524,440</u>	<u>\$11,116</u>	<u>\$9,535,556</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, 2010

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
Revenues:			
Investment Earnings	\$1,717	\$0	\$1,717
Other Revenues	0	6,290	6,290
Total Revenues	1,717	6,290	8,007
Expenditures:			
Current:			
Capital Outlay	6,018,336	464,527	6,482,863
Total Expenditures	6,018,336	464,527	6,482,863
Excess of Revenues Over (Under) Expenditures	(6,016,619)	(458,237)	(6,474,856)
Other Financing Sources (Uses):			
Issuance of Long-Term Capital-Related Debt	9,405,000	0	9,405,000
Total Other Financing Sources (Uses)	9,405,000	0	9,405,000
Net Change in Fund Balance	3,388,381	(458,237)	2,930,144
Fund Balance Beginning of Year	3,859,956	432,905	4,292,861
Fund Balance End of Year	\$7,248,337	(\$25,332)	\$7,223,005

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, 2010

	Permanent Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$1,717	\$1,717	\$0
Total Revenues	<u>1,717</u>	<u>1,717</u>	<u>0</u>
Expenditures:			
Capital Outlay	12,980,370	4,967,450	8,012,920
Total Expenditures	<u>12,980,370</u>	<u>4,967,450</u>	<u>8,012,920</u>
Excess of Revenues Over (Under) Expenditures	<u>(12,978,653)</u>	<u>(4,965,733)</u>	<u>8,012,920</u>
Other Financing Sources (Uses):			
Issuance of Long-Term Capital-Related Debt	9,405,848	9,405,000	(848)
Transfers In	794,202	794,130	(72)
Transfers (Out)	<u>(2,075,129)</u>	<u>(794,130)</u>	<u>1,280,999</u>
Total Other Financing Sources (Uses)	<u>8,124,921</u>	<u>9,405,000</u>	<u>1,280,079</u>
Net Change in Fund Balance	(4,853,732)	4,439,267	9,292,999
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>4,855,271</u>	<u>4,855,271</u>	<u>0</u>
Fund Balance End of Year	<u>\$1,539</u>	<u>\$9,294,538</u>	<u>\$9,292,999</u>

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2010

	Building Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$6,290	\$6,290	\$0
Total Revenues	6,290	6,290	0
Expenditures:			
Capital Outlay	537,322	537,320	2
Total Expenditures	537,322	537,320	0
Net Change in Fund Balance	(531,032)	(531,030)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	531,032	531,032	0
Fund Balance End of Year	\$0	\$2	\$0

NONMAJOR FUNDS

Enterprise funds

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

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

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

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

Lakota Local School District, Ohio
Combining Statement of Net Assets
Nonmajor Enterprise Funds
June 30, 2010

	Food Service	Uniform School Supply	Adult Education	Total Nonmajor Enterprise Funds
Assets:				
Current Assets:				
Equity in Pooled Cash and Investments	\$417,828	\$473,253	\$3,510	\$894,591
Receivables:				
Accounts	24,601	180,575	0	205,176
Inventory	151,340	0	0	151,340
Total Current Assets	593,769	653,828	3,510	1,251,107
Depreciable Capital Assets, Net	329,829	0	0	329,829
Total Assets	923,598	653,828	3,510	1,580,936
Liabilities:				
Current Liabilities:				
Accounts Payable	53,199	22,395	0	75,594
Accrued Wages and Benefits	166,699	0	0	166,699
Compensated Absences	16,083	0	0	16,083
Total Current Liabilities	235,981	22,395	0	258,376
Long-Term Liabilities:				
Compensated Absences	69,865	0	0	69,865
Total Liabilities	305,846	22,395	0	328,241
Net Assets:				
Invested in Capital Assets	329,829	0	0	329,829
Unrestricted	287,923	631,433	3,510	922,866
Total Net Assets	\$617,752	\$631,433	\$3,510	\$1,252,695

Lakota Local School District, Ohio
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2010

	Food Service	Uniform School Supply	Adult Education	Total Nonmajor Enterprise Funds
Operating Revenues:				
Charges for Services	\$4,142,049	\$1,204,021	\$0	\$5,346,070
Total Operating Revenues	4,142,049	1,204,021	0	5,346,070
Operating Expenses:				
Personal Services	1,823,299	0	0	1,823,299
Contractual Services	706,566	0	0	706,566
Materials and Supplies	2,493,620	1,259,310	0	3,752,930
Depreciation	96,660	0	0	96,660
Other Expenses	58,748	33,123	0	91,871
Total Operating Expenses	5,178,893	1,292,433	0	6,471,326
Operating Income (Loss)	(1,036,844)	(88,412)	0	(1,125,256)
Non-Operating Revenues (Expenses):				
Investment Earnings	604	0	0	604
Donated Commodities	159,846	0	0	159,846
Operating Grants	1,209,512	0	0	1,209,512
Miscellaneous Non-Operating	22,352	41,062	0	63,414
Total Non-Operating Revenues (Expenses)	1,392,314	41,062	0	1,433,376
Income Before Transfers	355,470	(47,350)	0	308,120
Transfers In	0	280,962	0	280,962
Change in Net Assets	355,470	233,612	0	589,082
Net Assets Beginning of Year	262,282	397,821	3,510	663,613
Net Assets End of Year	\$617,752	\$631,433	\$3,510	\$1,252,695

Lakota Local School District, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2010

	Food Service	Uniform School Supply	Adult Education	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities:				
Cash Received from Customers	\$4,142,049	\$1,277,841	\$0	\$5,419,890
Other Cash Receipts	22,352	41,062	0	63,414
Cash Payments to Employees	(1,947,627)	0	0	(1,947,627)
Cash Payments to Suppliers	(3,081,414)	(1,282,966)	0	(4,364,380)
Net Cash (Used) by Operating Activities	(864,640)	35,937	0	(828,703)
Cash Flows from Noncapital Financing Activities:				
Operating Grants Received	1,209,512	0	0	1,209,512
Payments from Other Funds	0	280,962	0	280,962
Net Cash Provided by Noncapital Financing Activities	1,209,512	280,962	0	1,490,474
Cash Flows from Investing Activities:				
Earnings on Investments	604	0	0	604
Net Cash Provided by Cash Flows from Investing Activities	604	0	0	604
Net Increase (Decrease) in Cash and Cash Equivalents	345,476	316,899	0	662,375
Cash and Cash Equivalents Beginning of Year	72,352	156,354	3,510	232,216
Cash and Cash Equivalents End of Year	417,828	473,253	3,510	894,591
Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities				
Operating (Loss)	(1,036,844)	(88,412)	0	(1,125,256)
Adjustments:				
Depreciation	96,660	0	0	96,660
Donated Commodities	159,846	0	0	159,846
Other	22,352	41,062	0	63,414
Changes in Assets & Liabilities:				
(Increase) Decrease in Receivables	0	73,820	0	73,820
Increase (Decrease) in Inventory	(32,228)	0	0	(32,228)
Increase (Decrease) in Payables	49,902	9,467	0	59,369
Increase (Decrease) in Accrued Liabilities	(124,328)	0	0	(124,328)
Net Cash (Used) by Operating Activities	(\$864,640)	\$35,937	\$0	(\$828,703)
Schedule of Noncash Capital Activities:				
During the fiscal year, these amounts were received representing noncash contributions of:				
Donated Commodities	\$159,846	\$0	\$0	\$159,846

NONMAJOR FUNDS

Fiduciary funds

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 Activities (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, 2010

	Student Activities			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$252,090	\$447,270	\$476,051	\$223,309
Total Assets	<u>252,090</u>	<u>447,270</u>	<u>476,051</u>	<u>223,309</u>
Liabilities:				
Accounts Payable	8,313	4,064	8,313	4,064
Other Liabilities	243,777	443,206	467,738	219,245
Total Liabilities	<u>\$252,090</u>	<u>\$447,270</u>	<u>\$476,051</u>	<u>\$223,309</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 Eight Fiscal Years (1)
 (accrual basis of accounting)
 Schedule 1

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Governmental Activities								
Invested in Capital Assets, Net of Related Debt	\$22,843,294	\$29,021,627	\$30,808,018	\$33,913,815	\$42,878,120	\$28,137,082	\$32,080,080	\$29,822,434
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
Unrestricted	18,977,037	16,462,945	13,104,428	19,821,499	36,549,902	31,544,483	23,653,875	15,232,228
Total Governmental Activities Net Assets	\$51,035,199	\$55,259,954	\$56,733,186	\$67,712,546	\$92,692,173	\$72,550,703	\$64,150,922	\$54,663,215
Business-Type Activities								
Invested in Capital Assets, Net of Related Debt	\$1,192,471	\$1,131,484	\$1,004,829	\$892,030	\$914,373	\$501,164	\$426,489	\$329,829
Unrestricted	1,294,078	1,594,831	1,963,621	1,711,119	1,394,234	624,364	237,124	922,866
Total Business-Type Activities Net Assets	\$2,486,549	\$2,726,315	\$2,968,450	\$2,603,149	\$2,308,607	\$1,125,528	\$663,613	\$1,252,695
Total Primary Government								
Invested in Capital Assets, Net of Related Debt	\$24,035,765	\$30,153,111	\$31,812,847	\$34,805,845	\$43,792,493	\$28,638,246	\$32,506,569	\$30,152,263
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
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
Total Primary Government Net Assets	\$53,521,748	\$57,986,269	\$59,701,636	\$70,315,695	\$95,000,780	\$73,676,231	\$64,814,535	\$55,915,910

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 Eight Fiscal Years (1)
 (accrual basis of accounting)
 Schedule 2

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
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
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
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
General Administration	27,184	23,719	67,385	44,068	62,727	78,578	99,449	66,318
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
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
Business	509,697	466,188	329,164	292,860	222,208	335,700	349,666	357,957
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
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
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
Operation of Non-Instructional Services	45,255	139,383	357,834	525,523	534,606	281,880	711,817	602,247
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
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
Total Governmental Activities Expenses	123,205,271	133,506,043	135,628,461	146,578,970	153,722,555	175,243,372	183,652,295	190,720,081
Business-Type Activities:								
Food Service	3,686,719	3,891,792	4,385,331	4,879,137	4,785,536	5,807,491	5,584,489	5,178,893
Uniform School Supply	732,945	871,408	1,005,613	1,204,606	1,293,862	1,421,015	1,363,726	1,292,433
Total Business-Type Activities Expenses	4,419,664	4,763,200	5,390,944	6,083,743	6,079,398	7,228,506	6,948,215	6,471,326
Total Primary Government Expenses	\$127,624,935	\$138,269,243	\$141,019,405	\$152,662,713	\$159,801,953	\$182,471,878	\$190,600,510	\$197,191,407

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 Eight Fiscal Years (1)
 (accrual basis of accounting)
 Schedule 2 (Continued)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
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
Pupil	617,363	626,643	748,353	752,472	641,584	733,516	619,309	599,203
Instructional Staff	3,670	6,717	5,758	9,576	81,704	112,068	125,840	80,305
General Administration	0	0	1,303	0	0	0	0	0
School Administration	1,255	1,145	0	172	0	7,263	3,984	3,412
Fiscal	0	0	0	0	0	0	272	131
Business	0	0	0	0	0	515	276	0
Operations and Maintenance	0	0	145,898	288,308	305,151	313,088	320,619	364,828
Pupil Transportation	0	0	0	0	0	0	1	0
Central	151	12,706	0	0	0	0	33	214
Operation of Non-Instructional Services	0	0	0	0	0	14,284	2,028	10,772
Extracurricular Activities	814,680	825,413	1,078,624	1,190,007	909,205	1,013,459	1,154,754	1,140,219
Operating Grants and Contributions	2,612,017	3,655,452	4,639,740	4,874,587	8,402,646	8,866,690	8,408,047	11,529,765
Capital Grants and Contributions	450,657	107,748	248,830	108,951	327,799	139,255	271,848	0
Total Governmental Activities Program Revenues	5,092,655	5,880,307	7,566,846	7,919,537	11,312,225	12,150,953	11,981,447	14,556,626
Business-Type Activities:								
Charges for Services:								
Food Service	3,218,741	3,611,470	4,401,500	4,031,466	4,058,782	3,974,447	3,913,704	4,142,049
Uniform School Supply	960,076	913,846	1,167,495	982,606	1,160,105	1,100,924	1,253,532	1,204,021
Operating Grants and Contributions	331,387	467,024	0	613,956	687,140	1,346,866	1,261,045	1,369,558
Total Business-Type Activities Program Revenues	4,510,204	4,992,340	5,568,995	5,628,028	5,906,027	6,422,237	6,428,281	6,715,428
Total Primary Government Program Revenues	\$9,602,859	\$10,872,647	\$13,135,841	\$13,547,565	\$17,218,252	\$18,573,190	\$18,409,728	\$21,272,054
Net (Expense)/Revenue	(118,112,616)	(127,625,736)	(128,061,615)	(138,659,433)	(142,410,330)	(163,092,419)	(171,670,848)	(176,163,455)
Governmental Activities	90,540	229,140	178,051	(455,715)	(173,371)	(806,269)	(519,934)	244,102
Business-Type 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)

Source: District Records

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

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

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Net (Expense)/Revenue								
Governmental Activities	(118,112,616)	(127,625,736)	(128,061,615)	(138,659,433)	(142,410,330)	(163,092,419)	(171,670,848)	(176,163,455)
Business-Type Activities	90,540	229,140	178,051	(455,715)	(173,371)	(806,269)	(519,934)	244,102
Total Government Primary Net Expense	(\$118,022,076)	(\$127,396,596)	(\$127,883,564)	(\$139,115,148)	(\$142,583,701)	(\$163,898,688)	(\$172,190,782)	(\$175,919,353)
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
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
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
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
Unrestricted Contributions	0	0	0	0	0	55,000	0	0
Investment Earnings	1,178,297	461,120	1,016,474	3,117,591	7,552,512	5,009,134	1,674,144	158,134
Refunds and Reimbursements	0	0	0	20,700	7,744	30,915	148,655	0
Other Revenues	651,656	466,531	419,747	416,951	1,036,805	226,300	449,227	781,004
Transfers-Internal Activities	0	0	(36,095)	(56,236)	(65,726)	(56,266)	0	(280,962)
Total Governmental Activities	123,059,713	132,501,493	130,796,541	149,843,021	164,877,120	157,245,213	163,271,067	166,675,748
Business-Type Activities:								
Investment Earnings	0	10,626	13,433	15,242	15,126	20,889	0	604
Other Revenues	0	0	14,556	18,936	19,095	19,571	58,019	63,414
Transfers-Internal Activities	0	0	36,095	56,236	65,726	56,266	0	280,962
Total Business-Type Activities	0	10,626	64,084	90,414	99,947	96,726	58,019	344,980
Change in Net Assets								
Governmental Activities	4,947,097	4,875,757	2,734,926	11,183,588	22,466,790	(5,847,206)	(8,399,781)	(9,487,707)
Business-Type Activities	90,540	239,766	242,135	(365,301)	(73,424)	(709,543)	(461,915)	589,082
Total Primary Government	\$5,037,637	\$5,115,523	\$2,977,061	\$10,818,287	\$22,393,366	(\$6,556,749)	(\$8,861,696)	(\$8,898,625)

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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$4,204,498	\$6,649,366	\$4,808,663	\$4,641,568	\$5,680,104	\$8,145,908	\$5,713,978	\$4,675,843	\$4,748,650	\$5,673,834
Unreserved	5,519,495	12,020,137	20,122,813	17,066,027	15,120,212	20,107,297	36,756,523	32,561,593	25,764,017	19,421,784
Total General Fund	<u>\$9,723,993</u>	<u>\$18,669,503</u>	<u>\$24,931,476</u>	<u>\$21,707,595</u>	<u>\$20,800,316</u>	<u>\$28,253,205</u>	<u>\$42,470,501</u>	<u>\$37,237,436</u>	<u>\$30,512,667</u>	<u>\$25,095,618</u>
All Other Governmental Funds										
Reserved	11,425,354	15,746,335	2,788,490	895,082	808,753	22,552,576	32,675,178	11,356,315	3,794,230	916,357
Unreserved, Reported In:										
Special Revenue Funds	1,299,886	1,360,312	574,385	1,101,409	1,015,338	982,361	1,154,791	1,090,115	631,697	408,704
Debt Service Funds	48,943,668	4,531,060	5,137,949	6,323,687	7,764,970	7,262,811	5,223,525	4,661,672	5,220,175	5,965,990
Capital Project Funds	(11,844,108)	12,604,219	1,294,014	14,492	133,168	55,588,815	14,391,862	3,018,349	1,211,247	6,981,989
Total all Other Governmental Funds	<u>\$49,824,800</u>	<u>\$34,241,926</u>	<u>\$9,794,838</u>	<u>\$8,334,670</u>	<u>\$9,722,229</u>	<u>\$86,386,563</u>	<u>\$53,445,356</u>	<u>\$20,126,451</u>	<u>\$10,857,349</u>	<u>\$14,273,040</u>

Source: District Records

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues:										
Taxes	\$62,028,340	\$69,594,735	\$70,154,703	\$74,974,566	\$76,558,847	\$88,219,693	\$99,366,657	\$92,729,935	\$93,210,158	\$92,536,437
Tuition and Fees	142,070	219,195	443,369	443,132	550,997	623,401	548,049	725,425	746,895	780,464
Investment Earnings	3,759,204	2,190,993	1,178,297	461,120	1,016,474	3,117,591	7,552,512	5,009,134	1,674,144	158,134
Intergovernmental	39,375,711	49,417,922	52,796,362	56,941,382	58,629,909	60,772,380	63,869,399	65,892,942	67,917,331	71,241,438
Extracurricular Activities	1,480,318	1,416,907	1,441,426	1,545,353	1,831,947	2,089,798	1,741,406	1,980,928	2,006,843	1,949,537
Charges for Services	0	0	0	0	295,331	0	0	0	0	0
Other Revenues (1)	1,312,647	1,243,738	2,331,295	1,262,626	656,487	2,350,844	3,774,211	2,191,041	10,000,945	14,209,578
Total Revenues	\$108,098,290	\$124,083,490	\$128,345,452	\$135,628,179	\$139,539,992	\$157,173,707	\$176,852,234	\$168,529,405	\$175,556,316	\$180,875,588

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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Regular Instruction	\$43,497,049	\$49,996,377	\$75,550,548	\$59,355,751	\$56,610,305	\$58,134,589	\$63,108,553	\$67,168,954	\$70,110,539	\$72,485,934
Special Instruction	6,602,204	7,829,990	9,517,686	9,698,915	9,310,344	10,412,781	10,825,993	12,086,711	13,119,471	14,714,652
Vocational Instruction	321,305	253,789	267,363	283,553	186,872	99,012	126,020	97,588	335	0
Other Instruction	278,680	406,687	208,288	292,795	244,275	2,886,570	3,018,895	2,603,832	2,860,997	3,035,460
Pupil	5,923,089	6,945,602	8,217,048	8,606,366	9,808,007	10,833,785	10,831,902	11,839,061	12,002,967	12,670,167
Instructional Staff	5,097,956	5,866,695	5,694,591	7,295,815	7,730,941	8,986,605	8,797,966	10,827,641	11,767,805	12,448,325
General Administration	35,889	23,984	27,184	23,719	67,385	44,068	62,727	78,578	99,449	66,318
School Administration	7,156,518	8,560,952	9,542,561	10,272,880	10,341,744	11,992,785	13,442,807	14,377,494	16,520,191	14,385,096
Fiscal	1,496,248	1,620,799	1,616,573	2,082,673	2,089,853	1,061,100	1,227,995	1,282,321	1,350,862	1,275,852
Business	268,826	452,264	334,167	339,578	194,347	250,186	171,521	269,953	319,840	282,518
Operations and Maintenance	8,425,046	8,908,255	11,294,661	11,211,971	10,348,015	10,778,978	11,184,911	13,243,610	15,416,204	14,038,230
Pupil Transportation	7,383,466	7,908,121	8,154,558	9,305,327	13,801,460	12,392,940	15,225,047	16,648,154	15,456,434	17,417,776
Central	1,130,512	1,304,561	2,264,736	2,204,567	2,398,020	2,772,271	3,127,979	4,002,284	3,922,128	3,483,625
Operation of Non-Instructional Services	4,140	2,170	138,551	135,224	354,212	546,483	555,986	272,258	710,274	599,732
Extracurricular Activities	2,420,697	2,633,376	2,814,247	2,803,482	2,936,849	3,151,638	2,896,885	3,106,657	3,461,532	3,124,572
Capital Outlay	5,325,673	18,946,017	0	4,310,899	757,466	9,708,525	45,983,393	35,589,747	14,644,749	9,142,535
Debt Service:										
Principal Retirement	5,234,231	5,644,457	6,339,388	6,784,094	5,760,593	8,591,962	6,668,076	4,660,658	6,279,450	4,734,714
Interest and Fiscal Charges	5,840,016	6,320,231	6,026,810	5,566,021	5,342,006	5,652,789	8,457,993	8,873,127	7,698,465	8,205,712
Bond Issuance Costs	0	0	0	0	0	0	0	0	222,100	0
Total Expenditures	\$106,441,545	\$133,624,327	\$148,008,960	\$140,573,630	\$138,282,694	\$158,297,067	\$205,714,649	\$207,028,628	\$195,963,792	\$192,111,218

Debt Service as a Percentage of
 Noncapital Expenditures 10.96% 10.45% 10.17% 9.13% 8.16% 9.66% 9.71% 7.94% 7.76% 6.91%

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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Other Financing Sources (Uses):										
Issuance of Long Term Debt	\$44,570,000	\$2,870,000	\$0	\$0	\$0	\$84,300,000	\$10,000,000	\$0	\$4,100,000	\$9,405,000
Issuance of Refunding Bonds	8,880,656	0	0	0	8,625,000	30,950,000	0	0	0	0
Premium on Bonds Sold	27,281	0	0	0	0	4,221,393	0	0	1,065,460	0
Payment to Refunded Bonds Escrow Agent	(8,880,656)	0	0	0	(8,625,000)	(34,194,969)	0	0	(17,479,951)	0
Proceeds of Refunding Bonds	0	0	0	0	0	0	0	0	16,680,000	0
Proceeds of Capital Leases	0	0	0	261,402	161,818	0	0	0	0	0
Proceeds from Sale of Capital Assets	10,139	4,440	138,101	0	0	20,395	0	3,519	48,096	110,234
Transfers In	150,000	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
Transfers (Out)	(150,000)	(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)
Total Other Financing Sources (Uses)	44,607,420	2,903,473	138,101	261,402	125,723	85,240,583	9,934,274	(52,747)	4,413,605	9,234,272
Net Change in Fund Balances	\$46,264,165	(\$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)

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
2000	\$1,470,277,860	\$136,507,980	\$81,764,790	\$1,688,550,630	\$4,828,590,596	0.62
2001	1,596,004,850	156,691,941	79,376,000	1,832,072,791	5,266,157,621	0.62
2002	1,646,429,860	170,886,501	60,981,990	1,878,298,351	5,448,613,308	0.61
2003	1,960,455,290	171,600,152	58,862,530	2,190,917,972	6,346,563,967	0.60
2004	2,027,523,000	171,154,345	59,663,620	2,258,340,965	6,537,203,857	0.60
2005	2,145,381,260	173,951,122	60,653,310	2,379,985,692	6,886,118,541	0.66
2006	2,324,789,851	188,497,872	65,725,474	2,579,013,197	7,461,973,679	0.66
2007	2,415,765,750	163,745,949	57,329,510	2,636,841,209	7,614,501,163	0.65
2008	2,478,371,360	132,724,791	55,548,700	2,666,644,851	7,667,508,893	0.65
2009	2,683,065,110	0	57,758,480	2,740,823,590	7,723,658,794	0.65

Source: County Auditor

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

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue to be received in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed. 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
2000	0.06	0.55	0.62	0.08	0.11	0.01	0.10	0.02
2001	0.06	0.55	0.62	0.09	0.11	0.01	0.10	0.02
2002	0.06	0.54	0.61	0.09	0.11	0.01	0.10	0.02
2003	0.06	0.54	0.60	0.09	0.11	0.01	0.10	0.02
2004	0.06	0.54	0.60	0.09	0.11	0.01	0.10	0.02
2005	0.06	0.59	0.66	0.09	0.11	0.01	0.10	0.02
2006	0.06	0.59	0.66	0.09	0.11	0.01	0.10	0.02
2007	0.06	0.59	0.65	0.11	0.11	0.01	0.08	0.02
2008	0.06	0.59	0.65	0.10	0.11	0.01	0.08	0.02
2009	0.06	0.59	0.65	0.10	0.11	0.01	0.08	0.02

Source: County Auditor

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

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

Taxpayer	2009	
	Tangible Personal & Real Property	Percentage of Total Assessed Value
Duke Energy	\$55,720,250	2.03%
First Industrial	12,780,390	0.47%
Cincinnati Lesaint Industrial	10,727,500	0.39%
Lakes at West Chester Village	8,151,300	0.30%
Landings at Beckett Ridge LLC	7,685,100	0.28%
US Industrial Reit III Midwest	7,000,000	0.26%
Union Station of West Chester	6,439,290	0.23%
Woodbridge Properties LLC	5,990,010	0.22%
Beckett Ridge Communities Inc.	5,781,240	0.21%
Meijer Stores LTD PRT	5,556,240	0.20%
Total Principal Taxpayers	125,831,320	4.59%
All Other Taxpayers	2,614,992,270	95.41%
Total Taxpayers	\$2,740,823,590	100.00%

Taxpayer	2005	
	Tangible Personal & Real Property	Percentage of Total Taxable Value
Cincinnati Gas & Electric	\$46,064,120	1.75%
Security Capital IND TR	12,186,170	0.46%
Cincinnati Bell Telephone	10,229,560	0.39%
Duke Realty Ohio	8,282,300	0.31%
Union Station of West Chester LLC	6,667,050	0.25%
Landings at Beckett Ridge LLC	6,591,950	0.25%
Dugan Financing LLC	6,518,310	0.25%
Port Union LLC	6,064,080	0.23%
Four Bridges Apartments LTD	5,382,380	0.20%
First Industrial L P	5,196,980	0.20%
Total Principal Taxpayers	113,182,900	4.29%
All Other Taxpayers	2,523,658,309	95.71%
Total Taxpayers	\$2,636,841,209	100.00%

Source: County Auditor

(1) - The amounts presented represent the assessed values upon which 2009 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
2000	\$51,603,050	\$51,384,592	99.58%	\$218,458	\$51,603,050	100.00%
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%

Source: County Auditor

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

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

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Estimated Actual Value of Taxable Property	Percentage of Personal Income (1)	Per Capita
	General Obligation Bonds	Capital Leases				
2001	\$114,537,518	\$806,168	\$115,343,686	2.39%	1.19%	\$1,484
2002	111,763,062	0	111,763,062	2.12%	1.12%	1,399
2003	105,423,674	0	105,423,674	1.93%	1.02%	1,432
2004	98,639,581	0	98,639,581	1.55%	0.96%	1,340
2005	92,878,987	0	92,878,987	1.42%	0.86%	1,261
2006	172,713,717	0	172,713,717	2.51%	1.56%	2,346
2007	175,856,247	0	175,856,247	2.36%	1.50%	2,388
2008	171,006,195	0	171,006,195	2.25%	1.41%	2,322
2009	168,876,566	0	168,876,566	2.20%	1.30%	2,293
2010	173,304,872	0	173,304,872	2.24%	N/A	2,354

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, 2010
 Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Butler County	\$57,228,590	33.95%	\$19,429,106
City of Fairfield	31,640	1.31%	414
City of Monroe	14,315,000	4.01%	574,032
Liberty Township	12,075,000	100.00%	12,075,000
West Chester Township	71,030,000	96.22%	68,345,066
Butler Technology & Career Center JT. Voc. School District	5,500,000	33.95%	1,867,250
Subtotal, Overlapping Debt	160,180,230		102,290,868
District Direct Debt	169,524,128	100.00%	169,524,128
Total Direct and Overlapping Debt	\$329,704,358		\$271,814,996

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 2010

Assessed value (1)	\$2,740,823,590
Debt limit (9% of assessed value)	246,674,123
Debt applicable to limit	169,524,128
Legal debt margin	<u>\$77,149,995</u>

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt Limit	\$164,886,551	\$169,046,852	\$197,182,617	\$203,250,687	\$214,198,712	\$214,198,712	\$232,111,188	\$237,315,709	\$239,998,037	\$246,674,123
Total Net Debt Applicable to Limit	159,081,947	111,952,649	105,815,653	105,815,653	92,878,988	168,587,026	171,918,950	167,258,291	164,828,841	169,524,128
Legal Debt Margin	<u>\$5,804,604</u>	<u>\$57,094,203</u>	<u>\$91,366,964</u>	<u>\$97,435,034</u>	<u>\$121,319,724</u>	<u>\$45,611,686</u>	<u>\$60,192,238</u>	<u>\$70,057,418</u>	<u>\$75,169,196</u>	<u>\$77,149,995</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	96.48%	66.23%	53.66%	52.06%	43.36%	78.71%	74.07%	70.48%	68.68%	68.72%

Source: District Records

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

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

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2000	77,714	\$9,729,127	\$28,881	3.2%
2001	79,895	9,938,473	29,273	4.4%
2002	73,633	10,285,549	30,014	4.5%
2003	73,633	10,285,549	30,014	5.4%
2004	73,633	10,844,563	31,332	5.0%
2005	73,633	11,080,584	31,662	5.1%
2006	73,633	11,707,628	33,130	5.6%
2007	73,633	12,114,458	33,848	5.1%
2008	73,633	12,959,443	35,921	6.5%
2009	73,633	N/A	N/A	9.4%

- 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 Two Years Ago (2)
 Schedule 16

2010			
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 two 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									
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Official/Administrative										
Assist. Deputy/Superintendent	1	1	1	1	1	1	2	2	1	2
Assistant Principal	22	24	22	23	24	23	24	27	28	23
Principal	18	19	18	19	19	19	19	20	20	19
Superintendent	1	1	1	1	1	1	1	1	1	1
Supervising/Managing/Directing	12	15	12	14	12	4	8	9	9	14
Treasurer	1	2	2	1	1	1	1	1	1	1
Other Official/Administrative	4	6	10	6	7	12	17	16	19	12
Totals	<u>59</u>	<u>68</u>	<u>66</u>	<u>65</u>	<u>65</u>	<u>61</u>	<u>72</u>	<u>76</u>	<u>79</u>	<u>72</u>
Professional - Educational/Other										
Counseling	54	55	62	31	29	31	32	33	37	34
Librarian/Media	33	32	44	18	19	14	18	19	17	18
Regular Teaching	674	732	978	671	699	701	733	743	826	879
Special Education Teaching	102	120	132	118	85	55	65	153	153	135
Educational Service Teacher	109	117	149	108	71	72	71	76	84	84
Psychologist	19	27	32	12	11	12	13	14	14	14
Registered Nursing	26	27	25	15	15	15	15	16	16	15
Speech and Language Therapist	42	50	57	29	30	30	31	33	34	32
Other Professional	48	47	54	101	119	162	161	101	15	15
Totals	<u>1,107</u>	<u>1,207</u>	<u>1,532</u>	<u>1,103</u>	<u>1,078</u>	<u>1,090</u>	<u>1,139</u>	<u>1,188</u>	<u>1,196</u>	<u>1,226</u>
Technical/Office/Clerical										
Computer Operating	12	13	14	14	15	14	19	21	21	21
Library Aide	16	14	15	15	17	12	147	13	14	14
Clerical	86	86	90	97	89	87	90	99	98	94
Teaching Aide	67	61	90	145	154	12	10	170	180	152
Other Technical/Office/Clerical	5	6	4	5	19	145	28	11	10	10
Totals	<u>186</u>	<u>180</u>	<u>213</u>	<u>275</u>	<u>293</u>	<u>269</u>	<u>294</u>	<u>314</u>	<u>323</u>	<u>291</u>
Crafts and Trades/Operative										
General Maintenance	15	16	17	18	22	7	7	8	11	11
Mechanic	8	8	7	10	9	9	7	8	8	7
Vehicle Operator (Buses)	158	166	172	185	0	0	0	0	0	0
Other Crafts and Trades/Operative	0	0	0	1	0	5	5	5	4	9
Totals	<u>181</u>	<u>190</u>	<u>196</u>	<u>214</u>	<u>31</u>	<u>21</u>	<u>19</u>	<u>21</u>	<u>23</u>	<u>27</u>
Extracurricular/Intracurricular Activities										
Advisor	105	73	94	0	0	0	0	0	0	0
Coaching	175	123	178	0	0	0	0	0	0	0
Athletic Trainer	4	1	0	0	0	0	0	0	0	0
Extra/Intra - Curricular Activities	238	187	0	0	0	0	0	0	0	0
Totals	<u>521</u>	<u>384</u>	<u>272</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Service Work/Laborer										
Custodian	89	87	91	106	98	85	85	95	102	102
Food Service	98	94	97	109	120	63	63	65	75	72
Attendant	67	76	65	56	59	16	19	25	25	19
Other Service Work/Laborer	47	42	53	36	2	18	15	15	13	13
Totals	<u>301</u>	<u>299</u>	<u>306</u>	<u>306</u>	<u>279</u>	<u>181</u>	<u>182</u>	<u>200</u>	<u>215</u>	<u>206</u>
Totals	<u>2,355</u>	<u>2,327</u>	<u>2,585</u>	<u>1,963</u>	<u>1,746</u>	<u>1,622</u>	<u>1,706</u>	<u>1,799</u>	<u>1,836</u>	<u>1,822</u>

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
2000/2001	15,143	1,107	\$30,926	13.85	N/A
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%

Source: Lakota Local School District records.

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

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

	Fiscal Year									
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
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	1,033	1,046	1,087	1,236	1,264	1,284	1,325	930	889	872
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	601	674	717	570	595	621	598	466	440	578
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	722	705	694	559	643	636	622	796	816	743
Wyandot Early Childhood (2007)***										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	75,397	75,397	75,397
Enrollment	0	0	0	0	0	0	0	969	915	856
VanGorden Elementary (2003)**										
Square Feet	N/A	N/A	N/A	90,901	90,901	90,901	90,901	90,901	90,901	90,901
Enrollment	0	0	0	697	939	959	906	708	742	738
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	706	722	675	692	719	700	673	805	738	749
Hopewell Elementary (1961)										
Square Feet	73,173	73,173	73,173	73,173	73,173	73,173	73,173	73,173	73,173	73,173
Enrollment	1,048	981	949	885	887	878	907	825	841	833
Endeavor Elementary (2007)***										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	75,397	75,397	75,397
Enrollment	0	0	0	0	0	0	0	654	661	701

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									
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Old Union Elementary (1916) *****										
Square Feet	54,364	54,364	54,364	54,364	54,364	54,364	54,364	54,364	N/A	N/A
Enrollment	612	643	648	609	583	582	588	570	0	0
New Union Elementary (2007) *****										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	86,262	86,262
Enrollment	0	0	0	0	0	0	0	0	619	747
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	752	744	721	698	657	638	676	671	655	680
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	692	750	718	729	753	778	837	749	752	605
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	778	775	804	694	715	703	687	644	641	639
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	869	894	948	748	823	897	891	712	765	788
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	745	732	778	907	844	764	832	536	605	660
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	749	747	776	537	521	560	650	674	603	592
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	790	800	887	785	778	896	894	763	801	767
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	797	846	878	702	670	642	663	661	674	635

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									
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Lakota Plains Junior (2003)**										
Square Feet	N/A	N/A	N/A	113,777	113,777	113,777	113,777	113,777	113,777	113,777
Enrollment	0	0	0	639	652	850	893	756	776	753
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	1,092	1,135	1,138	1,219	1,320	1,281	1,282	1,312	680	712
Lakota West High (1997)										
Square Feet	247,500	247,500	247,500	257,888	257,888	257,888	257,888	257,888	318,862	318,862
Enrollment	1,652	1,721	1,791	1,804	1,886	1,988	1,997	2,087	2,028	2,105
Lakota East Freshman (2009)****										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	126,903	126,903
Enrollment	0	0	0	0	0	0	0	0	679	739
Lakota East High (1997)										
Square Feet	247,500	247,500	247,500	257,888	257,888	257,888	257,888	257,888	318,862	318,862
Enrollment	1,505	1,583	1,636	1,648	1,712	1,765	1,861	1,946	1,941	1,987
Total Enrollment	15,143	15,498	15,845	16,358	16,961	17,422	17,782	18,234	18,261	18,479

Source: Lakota Local School District records.

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

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*****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
FEBRUARY 17, 2011