



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

LAKOTA LOCAL SCHOOL DISTRICT
BUTLER COUNTY

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**LAKOTA LOCAL SCHOOL DISTRICT
BUTLER COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2002**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster						
School Breakfast Program	05-PU	10.553	\$36,686	\$0	\$36,686	\$0
Special Milk Program	02-PU	10.556	13,505	0	13,505	0
Food Commodity Distribution	nn-n1	10.550	0	43,434	0	45,589
National School Lunch Program	LL-P1 & LL-P4	10.555	324,363	0	324,363	0
Total Child Nutrition Cluster			<u>374,554</u>	<u>43,434</u>	<u>374,554</u>	<u>45,589</u>
Total U.S. Department of Agriculture			<u>374,554</u>	<u>43,434</u>	<u>374,554</u>	<u>45,589</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education Grants to States (Title VI-B)	6BSF & 6BSX	84.027	637,404	0	560,554	0
Special Education - Preschool Grant	PG-S1	84.173	38,436	0	40,466	0
Total Special Education Cluster			<u>675,840</u>	<u>0</u>	<u>601,020</u>	<u>0</u>
Grants to Local Educational Agencies (Title I)	C1-S1	84.010	160,200	0	143,422	0
School Renovation, IDEA and Technology	AT-S1	84.352A	8,329	0	7,927	0
Refugee Children School Impact Grant	nn-n1	93.576	3,500	0	1,552	0
Title VI -- Innovative Education Program Strategies	C2-S1	84.298	55,979	0	90,460	0
Emergency Immigrant Act	EI-S1	84.162A	7,050	0	8,156	0
Eisenhower Professional Development State Grants	MS-S1 & MS-S4	84.281	19,372	0	30,453	0
Safe and Drug Free Schools	DR-S1	84.186	48,053	0	53,911	0
Goals 2000 -- Systemic Improvement Grants	G2-SP	84.276	1,000	0	0	0
Class Size Reduction (Title 6-R)	CR-S1	84.340	82,036	0	65,697	0
Total U.S. Department of Education			<u>1,061,358</u>	<u>0</u>	<u>1,002,598</u>	<u>0</u>
Totals			<u>\$1,435,912</u>	<u>\$43,434</u>	<u>\$1,377,152</u>	<u>\$45,589</u>

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

**LAKOTA LOCAL SCHOOL DISTRICT
BUTLER COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR YEAR ENDED JUNE 30, 2002**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2002, the District had no significant food commodities in inventory.



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

Lakota Local School District
Butler County
5030 Tylersville Road
West Chester, Ohio 45069

To the Board of Education:

We have audited the financial statements of Lakota Local School District, Butler County, Ohio (the District), as of and for the year ended June 30, 2002, and have issued our report thereon dated December 9, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated December 9, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal controls over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 2002-10409-001. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe that the reportable condition described above is a material weakness. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 9, 2002.

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

A handwritten signature in black ink, appearing to read "Jim Petro", with a stylized flourish at the end.

Jim Petro
Auditor of State

December 9, 2002



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

Lakota Local School District
Butler County
5030 Tylersville Road
West Chester, Ohio 45069

To the Board of Education:

Compliance

We have audited the compliance of Lakota Local School District, Butler County, Ohio (the District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2002. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2002.

Internal Control Over Compliance

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

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

Schedule of Federal Awards Expenditures

We have audited the general-purpose financial statements of Lakota Local School District as of and for the year ended June 30, 2002, and have issued our report thereon dated December 9, 2002. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

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



Jim Petro
Auditor of State

December 9, 2002

**LAKOTA LOCAL SCHOOL DISTRICT
BUTLER COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2002**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Title VI B - #84.027, #84.173
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

Finding Number 2002-10409-001

Reportable Condition

The District did not prepare accurate cash reconciliations of the general/investment account and the payroll account during the fiscal year. The District's attempted reconciliations of the bank balances to the financial records contained posting errors, banking errors, and computer errors. At June 30, 2002, the District's general account adjusted book balance of \$68,997,482 did not reconcile to the adjusted bank balance of \$69,102,370 for a net difference of \$104,888. The District's payroll account had an unreconciled surplus of \$50,426 at June 30, 2002. The unreconciled amounts for both the general/investment and payroll accounts have remained consistent for the monthly reconciliations through November 2002.

Reconciliations are an effective tool to help management determine the completeness of recorded transactions and verify that all recorded transactions have been accurately posted. We recommend the District: post to the financial records an adjustment of \$104,888 for the general account and an adjustment of \$50,426 for the payroll account; perform timely reconciliations on a monthly basis; and immediately investigate and resolve any unreconciled amounts.

3. FINDINGS FOR FEDERAL AWARDS

None.

**LAKOTA LOCAL SCHOOL DISTRICT
BUTLER COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
JUNE 30, 2002**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected ?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
001	5705.41(D) – Blanket Certificates were initiated without amounts	Yes	
002	Complete and accurate reconciliations were not prepared by the District.	No	Partially corrected -- Reissued as finding #2002-10409-001
003	Controls were not sufficient to prevent and detect errors and retention of documents	Yes	

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**LAKOTA LOCAL SCHOOL DISTRICT
BUTLER COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 §.315 (c)
JUNE 30, 2002**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
001	The District will continue to reconcile on a monthly basis and address all variances in a timely fashion in order to alleviate unreconciled balance.	06/30/03	Alan Hutchinson, Treasurer

LAKOTA LOCAL SCHOOL DISTRICT

WEST CHESTER, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2002

Prepared by:
Office of the Treasurer

Alan R. Hutchinson

INTRODUCTORY SECTION

**LAKOTA LOCAL SCHOOL DISTRICT, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR YEAR ENDED JUNE 30, 2002

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**LAKOTA LOCAL SCHOOL DISTRICT, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR YEAR ENDED JUNE 30, 2002

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**LAKOTA LOCAL SCHOOL DISTRICT, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR YEAR ENDED JUNE 30, 2002

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**LAKOTA LOCAL SCHOOL DISTRICT, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR YEAR ENDED JUNE 30, 2002

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Jon Weidlich
DIRECTOR OF SCHOOL /
COMMUNITY RELATIONS

December 9, 2002

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, 2002. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report is prepared in conformance with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. We believe the enclosed data is fairly presented in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. This report has been prepared by the Chief Financial Officer's Office and includes the unqualified opinion of the Auditor of the State of Ohio.

The CAFR is presented in the following three sections:

Introductory Section – This section introduces the reader to the report and includes the table of contents, this transmittal letter, list of consultants, advisors and legal counsel, list of principal and elected officials, the District's organizational chart and Ohio map.

Financial Section – This section includes the general-purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the auditor's report.

Statistical Section – The information presented in this section is designed to reflect social and economic data, financial trends, and the fiscal capacity of the District. 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.

THE REPORTING ENTITY AND SERVICES PROVIDED

This report includes all funds and account groups 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 Southwestern Ohio Computer Association (SWOCA) and Butler County Joint Vocational School District, which are jointly governed organizations. These organizations 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 77,714 people. Within the District boundaries is Liberty Township and the majority of West Chester Township. These rapidly growing and thriving communities are a blend of residential, business, high technology, and light industrial areas. Convenient access to interstate highway 75, and interstate connector I-275 has helped in the spectacular growth of the area during the last twenty years. The greater Cincinnati/Dayton areas have long been noted as one of the premier areas to live and work in the United States.

A very strong industrial base in West Chester Township at the Union Center Boulevard corridor, located off Interstate 75, is currently in mid-development stage. A tax incentive district supports this multi-use development. The School District has entered into an agreement with the West Chester Township Trustees to provide the District reimbursement for lost tax revenue as a result of the tax incentives used to attract new businesses. In addition, significant residential growth in West Chester and Liberty Townships continues to provide a stable tax base for the eastern portion of Butler County as well as stable growth for the District for many years. With general economic conditions improving, prospects for continued growth look favorable.

Building plans

Ground has been broken for a new 780-student junior school and 800-student elementary school. Site preparation, including leveling and grading the land and installing underground utilities, started in November of 2001. Construction will begin in the spring of 2003 in order to ensure that the schools are ready for students in fall, 2003.

Construction is a result of the passage of a 1.74-mill bond issue in November 2000. Although both schools will be located on district property at the intersection of Princeton and Lesourdesville-West Chester Roads, the two sites will be separated from each other. The junior school will face Princeton Road, at the westernmost side of the 85 acre parcel, while the elementary school will face Lesourdesville-West Chester Road.

The design of each school incorporates traditional classroom and other settings with innovative elements to make the buildings safer and more up-to-date. For example, after the start of each school day, the main doors will be locked and visitors must go into the building through the front office. This ensures that all visitors are seen, and that they sign in before entering the rest of the building. A central corridor in the junior school and large lobby in the elementary school simplifies traffic flow in the hallways.

The 100,000-square foot junior school will have a stage adjacent to the cafeteria, allowing for large audiences for performances. General classrooms will be located on one side of the central corridor, with art and music rooms, physical education, food service, and the media center on the other.

The elementary school provides two floors of classrooms and a side-by-side cafeteria and gymnasium that can be opened into one large room for large school productions. The unique exterior includes a silo-like structure that fits in with the farm setting.

MAJOR INITIATIVES FOR THE 2001-2002 SCHOOL YEAR

Improving student success continues to be the primary focus of major initiatives at Lakota Local Schools. During 2001-2002, these included:

Strategic Planning

The first phase of the strategic planning process was completed in 2001-2002, with the development, adoption, and widespread introduction of the district vision statement: All Lakota students will achieve to their fullest potential. The statement was conceived by the Board of Education and discussed and affirmed by members of the community during focus group sessions.

In addition, the district athletic office was the first department to complete and adopt a strategic plan. This plan will govern extracurricular athletics at all secondary schools in Lakota.

Mathematics Initiatives

Following the development of highly successful language arts process at Lakota, and in conjunction with the introduction of new state standards for mathematics curricular objectives, Lakota has put in place several mechanisms for the improvement of mathematics instruction starting in 2002. This includes:

1. The adoption of a new mathematics curriculum and materials for elementary schools. The key feature of the material is that it is standards-based, sometimes known as “constructivist” or “investigative” mathematics.
2. The hiring of two Teachers on Special Assignment as mathematic resources persons for elementary teachers. The TSAs will help implement the new curriculum and work with teachers in developing classroom lessons.

The new mathematics materials are being used in the upper elementary grades this year, and will be rolled out to primary students in future years.

Professional Development and Recruiting

A Director of Professional Development and Recruiting was hired in 2001-2002; among the new activities is a mentor program for first-year teachers, and a comprehensive, week-long orientation for all teachers who are new to the district (approximately 100 teachers per year).

With about 100 new teachers coming to Lakota each year, active recruiting and the identification of good candidates for teaching positions are essential to the future academic success of the district. In February 2002, for the first time, Lakota held a Teacher's Job Fair. The Job Fair resulted in more than 1,000 contacts with prospective employees in a single day, and a higher-quality pool of candidates than in previous years.

The second annual Job Fair has been scheduled for March 2003. The timing is intended to help provide a pool of applicants at a time when staffing decisions will be made for the new elementary and junior school, scheduled to open in fall 2003.

Pentamation Launch

In 2001, Lakota began using the Pentamation management system. The conversion has been a long and controlled process, allowing the district to move financial records, payroll, personnel, student data, and scheduling to the new system. Planned for the coming year are the development of new reports and processes to take advantage of the new software's flexibility, as well as a refinement of internal procedures to ensure that all staff are fully trained on the system.

FINANCIAL INFORMATION

The District's accounting system is organized on a "fund" basis. Each fund and account group is a distinct, self-balancing entity. Records for general governmental operations are maintained on a cash basis system of accounting as prescribed by the Auditor of State. Cash basis accounting differs from GAAP as promulgated by the Governmental Accounting Standards Board (GASB). GAAP, as more fully described in the notes to the financial statements, provides for a modified accrual basis of accounting for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Project Funds, Expendable Trust and Agency Funds, and for full accrual basis of accounting for all other funds.

INTERNAL CONTROL

The Management of the District is responsible for establishing and maintaining an internal control structure designed to insure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognized that: (1) the cost of a control should not exceed the benefits likely to be derived from its implementation; and (2) the valuation of cost and benefits requires estimates and judgments by management.

SINGLE AUDIT ACT

As a recipient of federal and state financial assistance, the District is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the District.

BUDGETARY CONTROLS

The District maintains its accounts, appropriations, and other financial records in accordance with the procedures established and prescribed by the Auditor of State. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution approved by the Board of Education. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund and function level. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts at year-end are carried forward to succeeding years and are not re-appropriated. As demonstrated by the statements and schedules included in the financial section of this report, the District continues meeting its responsibility for sound financial management.

GENERAL GOVERNMENT FUNCTIONS

Revenues for the District's general operating fund totaled \$108,104,142, representing an increase of \$17,064,457 (18.74%) over 2001. Tax revenue increased due to journal entries for generally accepted accounting principles that deal with taxes available for advance. Tax revenue also increased due to the increase in assessed property values and new construction in the District. Intergovernmental revenue increased \$10,219,782 from 2001 mainly due to the implementation of a new formula to calculate how much funding the District would receive from the state foundation in 2002. The state foundation was capped (restricted in how much funding the District could receive) in prior years, but for 2002 it was uncapped (the restriction on how much funding the District could receive was removed), which is why a new formula was used to calculate the District's funding. Earnings on investment revenue fell due to the decrease in rate of return available on investments.

The amount of 2002 revenues and increases (decreases) over 2001 are presented below:

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2001</u>	<u>Percent of Increase (Decrease) From 2001</u>
Taxes	\$59,412,475	54.96%	\$8,339,483	16.33%
Tuition and Fees	219,195	0.20%	77,125	54.29%
Earnings on Investments	944,347	0.87%	(1,469,902)	(60.88%)
Other Local Revenues	1,009,728	0.93%	(99,231)	(8.95%)
Intergovernmental	46,515,382	43.03%	10,219,782	28.16%
Extracurricular	<u>3,015</u>	<u>0.01%</u>	<u>(2,800)</u>	<u>(48.15%)</u>
Total	<u>\$108,104,142</u>	<u>100.00%</u>	<u>\$17,064,457</u>	18.74%

Expenditures for the District's general operating fund totaled \$99,192,105, representing an increase of \$12,773,941 (14.78%) over 2001. The increase in regular instruction, special instruction and pupil support services was primarily due to the hiring of additional teachers and classified staff in all areas to address the needs to continue to provide quality education to the students of the District. Also, the purchasing of textbooks and instructional supplies attributed to the increase. Operations and maintenance increased from the prior year due to the increase in amount of maintenance to the District's facilities.

The amount of 2002 expenditures increases (decreases) are presented below:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2001</u>	<u>Percent of Increase (Decrease) From 2001</u>
Instruction:				
Regular	\$49,238,596	49.64%	\$6,318,356	7.31%
Special	7,658,169	7.72%	1,298,785	1.50%
Vocational	253,789	0.26%	(67,516)	(0.01%)
Other	406,687	0.41%	128,007	0.15%
Support Services:				
Pupil	5,602,823	5.65%	1,066,936	1.23%
Instructional	5,673,642	5.72%	789,970	0.91%
Board of Education	23,984	0.02%	(11,905)	(33.17%)
Administration	8,550,058	8.62%	1,404,912	19.66%
Fiscal and Business	2,073,063	2.09%	307,989	17.45%
Operations and Maintenance	8,769,880	8.84%	1,497,116	20.59%
Pupil Transportation	7,892,750	7.96%	524,391	7.12%
Central	1,228,715	1.24%	208,823	20.48%
Non-instructional	0	0.00%	(3,166)	(100.00%)
Extra Curricular Activity	1,609,087	1.62%	29,457	1.86%
Capital Outlay	210,862	0.21%	174,879	486.00%
Debt Service	0	0.00%	(893,093)	(100.00%)
Total	\$99,192,105	100.00%	\$12,773,941	14.78%

Special Revenue Funds

Special Revenue funds account for certain revenue sources restricted by law or other formal actions to be expended for a specific purpose. The sources are primarily grants and entitlements. In 2002, all Special Revenue Funds on a combined basis operated with \$3,225,040 in revenues and other financing sources and \$3,269,766 in expenditures and other financing uses.

Capital Projects Funds

The District's Capital Projects Fund is used to fund major equipment purchases and major capital improvement projects such as computers (School Net), parking lots, bus purchases, roofs and heating and air conditioning plants. These funds ended the 2002 fiscal year with a fund balance of \$27,636,816.

Trust and Agency Funds

Trust and Agency funds require a fiduciary relationship in their management by the District. The District's Expendable Trust Fund had a fund balance of \$86,880 at June 30, 2002. The Agency funds utilized by the District include a Student Activity Fund and a Retirements Fund. Agency fund liabilities totaled \$1,013,155 at June 30, 2002.

Enterprise Funds

The District's Enterprise Funds are Food Service, Uniform School Supplies, and Adult Education Funds. These funds are similar in nature to profit making activities found in the private sector and are managed accordingly. District Enterprise Funds operated in 2002 with \$4,089,545 in operating revenues and recorded a net income of \$109,860.

Internal Service Fund

The Internal Service Funds account for the Special Rotary Fund, Employee Benefits Fund and Worker's Compensation Fund for fiscal 2002. All Internal Service Funds showed a net loss of \$173,386. Of this amount, the funds contributed as follows: Special Rotary (\$10,133), Employee Benefits (\$557,268), and Workers Compensation \$394,015.

Debt Service Fund

This section describes statutory and constitutional debt and ad valorem property tax limitations applicable to the Board and the District, and the Board's current outstanding note indebtedness.

Statutory Direct Debt Limitations: The Ohio Revised Code provides that the net principal amount of unvoted general obligation debt of a school district incurred without a vote of the electors, exclusive of certain exempt debt, may not exceed one-tenth of one percent of the total value of all property in the district as listed and assessed for taxation. The Board at present has no unvoted debt issued as of June 30, 2002, subject to this limitation. The total net indebtedness of a board of education, voted and unvoted, but exclusive of exempt debt (tax anticipatory notes) may not exceed 9% of the total value, except upon declaration by the State Superintendent of Public Instruction that the district is a "special needs" district (which is not applicable or anticipated to be applicable to the District) in which case the 9% limitation may be exceeded, although an such debt is subject to voter approval.

Ten-Mill Unvoted Tax Limitation: Article XII, Section 2 of the Ohio Constitution and Section 5705.02 of the Ohio Revised Code limit the maximum aggregate mileage that may be levied for all purposes on any single parcel of property by all overlapping taxing subdivisions. The District and its largest overlapping subdivisions currently levy the entire ten mills as follows: the District 4.19 mills; City of Oxford 3.65 mills, Butler County 1.92 mills, Oxford Township .24 mills (Source: Butler County Auditor). The ten mills that may be levied as ad valorem taxes upon real property without a vote of the electors are referred to as the "inside mileage".

Ohio law presently requires that the inside mileage allocated to each overlapping taxing subdivision be used first for the payment of debt service on unvoted general obligation debt of the subdivision, unless provisions have been made for its payment from other sources, and that the balance be used for general fund purposes. To the subdivision, the amount that would otherwise be available to the subdivision or its overlapping subdivisions for general fund purposes is reduced, subject to requirements that municipal corporations exhaust certain other revenue sources before they may cause such a mileage reallocation.

Debt Currently Outstanding: The District had ten voted debt issues and one unvoted (limited tax) issue outstanding at June 30, 2002. The voted debt issues are general obligation bonds used to finance new schools as well as additions, repairs and renovations to existing schools. The following table lists the District's outstanding debt represented at June 30, 2002, as compared to the two legal debt limitations.

Assessed Valuation of Lakota Local School District (2002)		<u>\$1,878,298,351</u>
Direct Debt Limitation		169,046,852
Amount Available in Debt Service Fund		5,094,538
Gross indebtedness	163,952,314	
Less Debt exempt from limitation	<u>0</u>	
Debt subject to 9% limitation		<u>163,952,314</u>
Legal Debt margin within 9% limitation		<u>\$ 10,189,076</u>
Unvoted direct Debt Limitation (0.1% of assessed valuation)		1,878,298
Amount available in Debt Service Fund Related to unvoted debt		N/A
Gross indebtedness authorized by the Board	163,952,314	
Less debt exempt from the limitation	<u>0</u>	
Debt subject to 0.1% limitation		<u>163,952,314</u>
Legal debt margin within 0.1% limitation		<u>\$165,830,612</u>

The District's credit rating is Aa3.

Risk Management

The District maintains protection for its assets and employees through a comprehensive insurance program. Insurance policies for vehicle fleet liability, general liability, excess liability, directors, and officers, property loss and boiler and machinery coverage are purchased from Indiana Insurance Company. Employee health insurance is provided through the Butler county Health Plan (a cooperative trust) which offers Mid-Valley (PPO) and Emerald Health (PP).

Cash Management

The District's cash management program addresses the issues of safety, liquidity, and yield while maximizing returns. The District uses the Fifth Third Bank Investments as well as the Star Ohio program investment pool operated by the Treasurer of State, Joe Deters, for ready cash and yield. Certificates of Deposit, Obligations of the United States Treasury, banker's acceptances, and Commercial Paper are utilized for both short and intermediate terms. Treasury notes, treasury bills and agency notes are utilized for longer-term investments. Investment earnings for all funds during the fiscal year were \$2,223,248.

Independent Audit

The State of Ohio requires an annual audit by the Auditor of State or by an independent public accounting firm. The Auditor of State performed the audit for the fiscal year ended June 30, 2002. The auditor's report on the District's general-purpose financial statements, combining and individual fund statements and schedules, is included in the financial section of this Comprehensive Annual Financial Report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to governments that publish a Comprehensive Annual Financial Report whose contents are easily readable, efficiently organized, and conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The District believes our current report conforms to the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for a certificate.

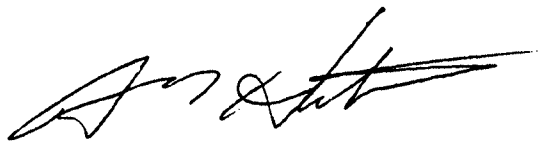
The District will also seek the Association of School Business Officials (ASBO) Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2002. This award certifies that a Comprehensive Annual Financial Report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after an extensive review of the report by an expert panel of certified public accountants and practicing school business officials.

Acknowledgments

The preparation of this report was made possible by the dedicated service of the staff of the Chief Financial Officer. Special recognition is given to Plattenburg and Associates, Inc., Certified Public Accountants and the Auditor of State.

Finally, this report would not have been possible without the leadership and support of the District's Board of Education, Craig Jones, Assistant Treasurer and the support of the Lakota District Finance Committee.

Sincerely,



Alan R. Hutchinson
Chief Financial Officer/Treasurer



Kathleen Klink
Superintendent

LAKOTA LOCAL SCHOOL DISTRICT, OHIO

LIST OF PRINCIPAL OFFICIALS

June 30, 2002

**ELECTED OFFICIALS
BOARD OF EDUCATION**

President, Board of Education	Ms. Sandy Wheatley
Vice President, Board of Education	Ms. Joan Powell
Board Member	Ms. Susan McLaughlin
Board Member	Mr. Dan Warncke
Board Member	Mr. Jeffrey Jones

ADMINISTRATIVE OFFICIALS

Superintendent	Mrs. Kathleen L. Klink
Chief Financial Officer/Treasurer	Mr. Alan R. Hutchinson
Assistant Treasurer	Mr. Craig Jones

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, 2001

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.



Timothy A. Arue
President

Jeffrey L. Esser
Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

LAKOTA LOCAL SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2001

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

Clark J. Schell

President

Ernest W. Nelder

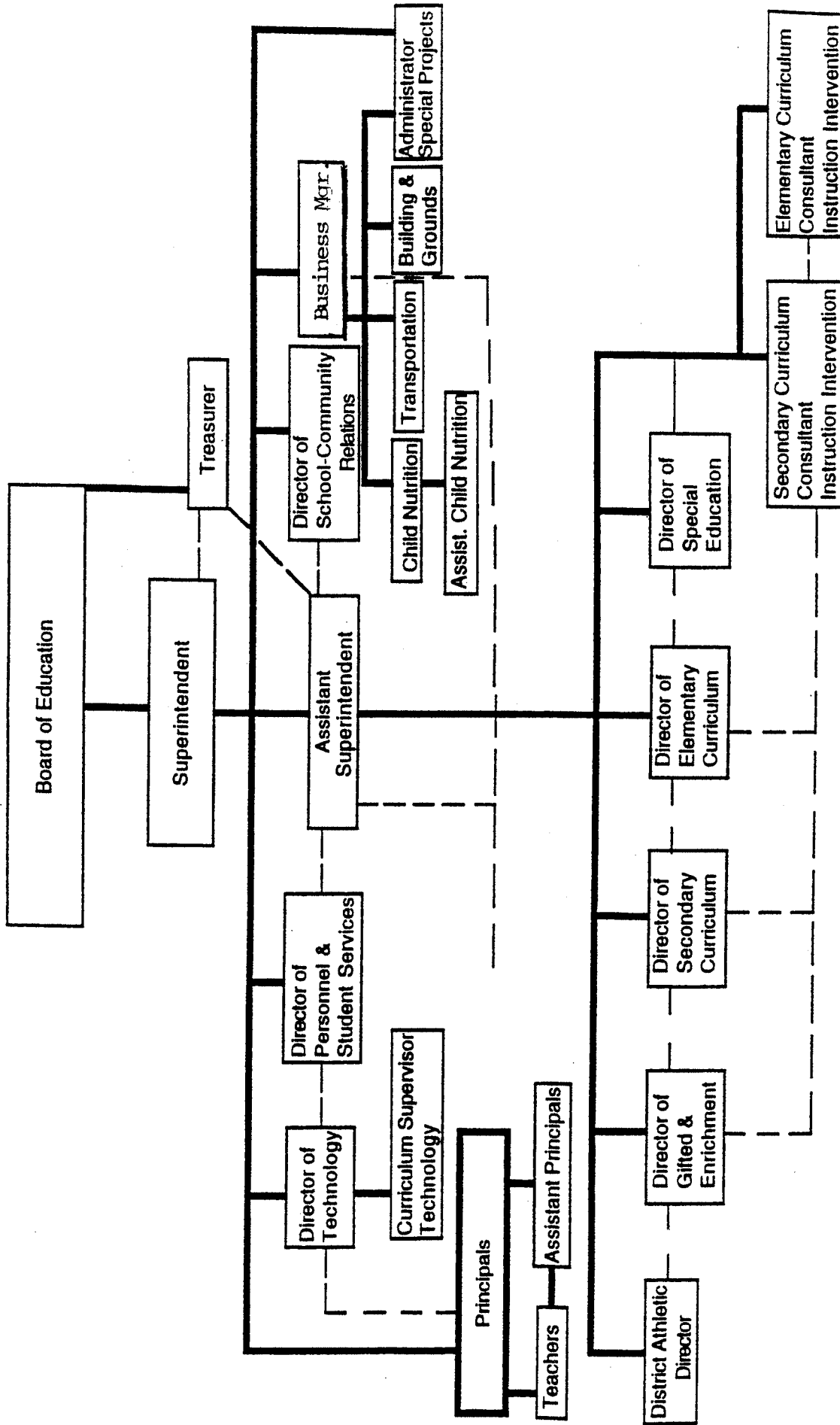
Executive Director

LAKOTA LOCAL SCHOOL DISTRICT, OHIO

STATE OF OHIO MAP



LAKOTA LOCAL SCHOOL DISTRICT



xx

--- Communication/Coordination/Facilitation

— Accountability/Reports to/Evaluation

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FINANCIAL SECTION

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STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

250 West Court Street
Suite 150 E
Cincinnati, Ohio 45202
Telephone 513-361-8550
800-368-7419
Facsimile 513-361-8577
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Lakota Local School District
Butler County
5030 Tylersville Road
West Chester, OH 45069

To the Board of Education:

We have audited the accompanying general-purpose financial statements of the Lakota Local School District, Butler County, Ohio (the District), as of and for the year ended June 30, 2002, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2002 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Lakota Local School District
Butler County
Report of Independent Accounts
Page 2

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

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

Jim Petro
Auditor of State

December 9, 2002

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GOVERNMENTAL FUND TYPES

ASSETS AND OTHER DEBITS:	General	Special Revenue	Debt Service	Capital Projects
Assets				
Equity in pooled cash and investments	\$24,966,724	\$1,671,469	\$4,531,060	\$30,598,361
Cash with fiscal agent	0	0	0	418,622
Restricted equity in pooled cash and investments	3,384,357	0	0	0
Receivables:				
Taxes	62,581,160	0	11,025,669	0
Accounts	157,006	0	0	0
Intergovernmental	0	515,903	0	0
Accrued Interest	114,364	0	0	55,488
Interfund receivable	413,195	0	0	0
Inventory held for resale	0	0	0	0
Fixed assets (net, where applicable, of accumulated depreciation)	0	0	0	0
Other debits				
Amount available in Debt Service Fund for retirement of general obligation bonds	0	0	0	0
Amount to be provided from general government resources	0	0	0	0
TOTAL ASSETS AND OTHER DEBITS	91,616,806	2,187,372	15,556,729	31,072,471
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities				
Accounts payable	441,822	131,064	0	3,017,033
Accrued wages and benefits	11,754,427	52,707	0	0
Compensated absences payable	861,191	6,941	0	0
Interfund payable	0	42,005	0	0
Deferred revenue	59,889,863	444,083	10,462,191	0
Due to students	0	0	0	0
Due to others	0	0	0	0
Retainage payable	0	0	0	418,622
Bonds payable	0	0	0	0
Total liabilities	72,947,303	676,800	10,462,191	3,435,655
Fund Equity and other credits:				
Investment in general fixed assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained earnings:				
Unreserved	0	0	0	0
Fund balances:				
 Reserved:				
Reserved for property taxes	2,691,297	0	563,478	0
Reserved for encumbrances	573,712	150,260	0	15,032,597
Reserved for set-aside	3,384,357	0	0	0
 Unreserved:				
Undesignated	12,020,137	1,360,312	4,531,060	12,604,219
Total fund equity and other credits	18,669,503	1,510,572	5,094,538	27,636,816
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$91,616,806	\$2,187,372	\$15,556,729	\$31,072,471

See accompanying notes

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	Totals (Memorandum Only)
\$1,618,746	\$1,286,552	\$1,100,035	\$0	\$0	\$65,772,947
0	0	0	0	0	418,622
0	0	0	0	0	3,384,357
0	0	0	0	0	73,606,829
50,297	0	0	0	0	207,303
45,613	0	0	0	0	561,516
0	0	0	0	0	169,852
0	0	0	0	0	413,195
19,971	0	0	0	0	19,971
1,028,293	0	0	137,720,828	0	138,749,121
0	0	0	0	5,094,538	5,094,538
0	0	0	0	111,138,884	111,138,884
<u>2,762,920</u>	<u>1,286,552</u>	<u>1,100,035</u>	<u>137,720,828</u>	<u>116,233,422</u>	<u>399,537,135</u>
94,825	892	10,133	0	0	3,695,769
195,423	0	0	0	744,315	12,746,872
66,146	0	0	0	3,726,045	4,660,323
390	0	370,800	0	0	413,195
10,127	0	0	0	0	70,806,264
0	0	193,209	0	0	193,209
0	0	439,013	0	0	439,013
0	0	0	0	0	418,622
0	0	0	0	111,763,062	111,763,062
<u>366,911</u>	<u>892</u>	<u>1,013,155</u>	<u>0</u>	<u>116,233,422</u>	<u>205,136,329</u>
0	0	0	137,720,828	0	137,720,828
1,295,844	0	0	0	0	1,295,844
1,100,165	1,285,660	0	0	0	2,385,825
0	0	0	0	0	3,254,775
0	0	0	0	0	15,756,569
0	0	0	0	0	3,384,357
0	0	86,880	0	0	30,602,608
<u>2,396,009</u>	<u>1,285,660</u>	<u>86,880</u>	<u>137,720,828</u>	<u>0</u>	<u>194,400,806</u>
<u>\$2,762,920</u>	<u>\$1,286,552</u>	<u>\$1,100,035</u>	<u>\$137,720,828</u>	<u>\$116,233,422</u>	<u>\$399,537,135</u>

Lakota Local School District, Ohio
 Combined Statement of Revenues, Expenditures
 And Changes in Fund Balances
 All Governmental Fund Types and Expendable Trust Fund
 For The Fiscal Year Ended June 30, 2002

GOVERNMENTAL FUND TYPES

	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Taxes	\$59,412,475	\$0	\$10,182,260	\$0
Intergovernmental	46,515,382	1,559,753	1,342,787	0
Investment revenue	944,347	18,355	0	1,228,291
Tuition and fees	219,195	0	0	0
Extracurricular activities	3,015	1,413,892	0	0
Other revenues	1,009,728	233,040	970	0
Total revenues	108,104,142	3,225,040	11,526,017	1,228,291
Expenditures:				
Current:				
Instruction:				
Regular	49,238,596	410,522	0	347,259
Special	7,658,169	171,821	0	0
Vocational	253,789	0	0	0
Other	406,687	0	0	0
Support services:				
Pupil	5,602,823	1,342,779	0	0
Instructional Staff	5,673,642	163,964	0	29,089
Board of Education	23,984	0	0	0
Administration	8,550,058	10,894	0	0
Fiscal	1,620,799	0	0	0
Business	452,264	0	0	0
Operations and maintenance	8,769,880	52,110	0	86,265
Pupil Transportation	7,892,750	15,371	0	0
Central	1,228,715	75,846	0	0
Operation of non-instructional services	0	2,170	0	0
Extracurricular activities	1,609,087	1,024,289	0	0
Capital outlay	210,862	0	0	18,735,155
Debt Service:				
Principal retirement	0	0	5,644,457	0
Interest and fiscal charges	0	0	6,285,845	34,386
Total Expenditures	99,192,105	3,269,766	11,930,302	19,232,154
Excess of revenues over (under) expenditures	8,912,037	(44,726)	(404,285)	(18,003,863)
Other financing sources (uses):				
Proceeds of sale of fixed assets	4,440	0	0	0
Proceeds of bonds	0	0	0	2,870,000
Operating transfers in	29,033	0	0	45,551,767
Operating transfers (out)	0	0	(45,551,767)	0
Total other financing sources (uses)	33,473	0	(45,551,767)	48,421,767
Excess of revenues and other financing sources over (under) expenditures and other financing uses	8,945,510	(44,726)	(45,956,052)	30,417,904
Fund balance, July 1	9,723,993	1,555,298	51,050,590	(2,781,088)
Fund balance, June 30	\$18,669,503	\$1,510,572	\$5,094,538	\$27,636,816

See accompanying notes

<u>FIDUCIARY FUND TYPE</u>	Totals (Memorandum Only)
Expendable Trust	
\$0	\$69,594,735
0	49,417,922
1,943	2,192,936
0	219,195
0	1,416,907
60,685	1,304,423
<u>62,628</u>	<u>124,146,118</u>
728	49,997,105
0	7,829,990
0	253,789
0	406,687
0	6,945,602
1	5,866,696
0	23,984
0	8,560,952
0	1,620,799
0	452,264
0	8,908,255
0	7,908,121
0	1,304,561
0	2,170
41,194	2,674,570
0	18,946,017
0	5,644,457
0	6,320,231
<u>41,923</u>	<u>133,666,250</u>
<u>20,705</u>	<u>(9,520,132)</u>
0	4,440
0	2,870,000
0	45,580,800
0	(45,551,767)
<u>0</u>	<u>2,903,473</u>
20,705	(6,616,659)
66,175	59,614,968
<u>\$86,880</u>	<u>\$52,998,309</u>

Lakota Local School District, Ohio
 Combined Statement of Revenues, Expenditures
 And Changes in Fund Balances
 Budget and Actual (Non-GAAP Budgetary Basis)
 All Governmental Fund Types
 For The Fiscal Year Ended June 30, 2002

	General			Special Revenue		
	Revised Budget	Actual	Variance: Favorable (UnFavorable)	Revised Budget	Actual	Variance: Favorable (UnFavorable)
Revenues:						
Taxes	\$59,488,548	\$57,783,155	(\$1,705,393)	\$0	\$0	\$0
Intergovernmental	46,082,663	46,515,382	432,719	1,980,573	1,487,933	(492,640)
Interest	1,400,000	1,127,592	(272,408)	25,100	18,355	(6,745)
Tuition & Fees	0	219,195	219,195	0	0	0
Extracurricular activities	0	3,015	3,015	1,070,445	1,419,100	348,655
Other revenues	758,781	867,835	109,054	175,837	233,690	57,853
Total revenues	107,729,992	106,516,174	(1,213,818)	3,251,955	3,159,078	(92,877)
Expenditures:						
Current:						
Instruction:						
Regular	50,203,052	48,504,116	1,698,936	667,617	418,503	249,114
Special	7,620,512	7,505,588	114,924	342,032	175,476	166,556
Vocational	289,220	263,187	26,033	0	0	0
Other	380,767	416,737	(35,970)	0	0	0
Support services						
Pupil	5,761,934	5,509,669	252,265	1,896,110	1,385,105	511,005
Instructional staff	5,755,786	5,633,785	122,001	278,177	172,200	105,977
Board of Education	43,500	24,174	19,326	0	0	0
Administration	8,588,788	8,490,114	98,674	12,924	11,200	1,724
Fiscal	1,930,193	1,616,250	313,943	0	0	0
Business	473,436	449,002	24,434	0	0	0
Operation and maintenance	9,420,615	9,235,700	184,915	52,312	52,140	172
Pupil transportation	9,166,908	8,933,936	232,972	32,903	15,371	17,532
Central	1,578,666	1,482,819	95,847	94,025	76,306	17,719
Operation of non-instructional services	5,450	3,526	1,924	51,535	2,170	49,365
Extracurricular activities	1,742,267	1,651,466	90,801	1,299,869	1,122,284	177,585
Capital outlay	233,794	220,518	13,276	0	0	0
Debt Service:						
Principal retirement	0	0	0	0	0	0
Interest and Fiscal charges	0	0	0	0	0	0
Total Expenditures	103,194,888	99,940,587	3,254,301	4,727,504	3,430,755	1,296,749
Excess of revenues over (under) Expenditures	4,535,104	6,575,587	2,040,483	(1,475,549)	(271,677)	1,203,872
Other Financing sources (uses):						
Proceeds of sale of fixed assets	0	4,440	4,440	0	0	0
Proceeds of bonds	0	0	0	0	0	0
Advances in	0	509,257	509,257	15,690	42,005	26,315
Advances (out)	(160,940)	(413,194)	(252,254)	(8,587)	(8,587)	0
Operating transfers in	17,160	29,033	11,873	62,027	66,415	4,388
Operating transfers (out)	(160,000)	(160,000)	0	(66,110)	(66,110)	0
Total other Financing sources (uses)	(303,780)	(30,464)	273,316	3,020	33,723	30,703
Excess of revenues and other Financing sources over (under) Expenditures and other Financing uses	4,231,324	6,545,123	2,313,799	(1,472,529)	(237,954)	1,234,575
Fund balance, July 1 (includes prior year Encumbrances appropriated)	20,678,359	20,678,359	0	1,628,108	1,628,108	0
Fund balance, June 30	\$24,909,683	\$27,223,482	\$2,313,799	\$155,579	\$1,390,154	\$1,234,575

See accompanying notes

Debt Service			Capital Projects		
Revised Budget	Actual	Variance: Favorable (UnFavorable)	Revised Budget	Actual	Variance: Favorable (UnFavorable)
\$9,534,054	\$11,725,704	\$2,191,650	\$0	\$0	\$0
1,035,142	1,342,787	307,645	0	0	0
0	0	0	1,053,500	1,038,844	(14,656)
0	0	0	0	0	0
0	0	0	0	0	0
0	970	970	0	0	0
10,569,196	13,069,461	2,500,265	1,053,500	1,038,844	(14,656)
0	0	0	349,035	349,035	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	1,062,265	1,062,065	200
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	43,630,535	36,052,360	7,578,175
50,215,446	50,215,446	0	0	0	0
7,901,149	7,266,623	634,526	34,386	34,386	0
58,116,595	57,482,069	634,526	45,105,310	37,526,935	7,578,375
(47,547,399)	(44,412,608)	3,134,791	(44,051,810)	(36,488,091)	7,563,719
0	0	0	0	0	0
0	0	0	2,870,000	2,870,000	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	2,870,000	2,870,000	0
(47,547,399)	(44,412,608)	3,134,791	(41,181,810)	(33,618,091)	7,563,719
48,943,666	48,943,666	0	43,540,461	43,540,461	0
\$1,396,267	\$4,531,058	\$3,134,791	\$2,358,651	\$9,922,370	\$7,563,719

Lakota Local School District, Ohio
 Combined Statement of Revenues, Expenses
 And Changes in Retained Earnings
 All Proprietary Fund Types
 For The Fiscal Year Ended June 30, 2002

PROPRIETARY
 FUND TYPES

	Enterprise	Internal Service	Totals (Memorandum Only)
Operating Revenues:			
Tuition and fees	\$0	\$171,257	\$171,257
Charges for Services	4,089,345	0	4,089,345
Other revenues	200	604,519	604,719
Extracurricular revenues	0	1,081	1,081
Total operating revenues	4,089,545	776,857	4,866,402
Operating Expenses:			
Salaries and Wages	1,245,056	116,288	1,361,344
Fringe Benefits	377,982	14,638	392,620
Purchased Services	150,682	3,233	153,915
Materials and supplies	2,589,460	5,157	2,594,617
Depreciation	165,919	0	165,919
Other operating expenses	50	781,894	781,944
Total operating expenses	4,529,149	921,210	5,450,359
Operating income (loss)	(439,604)	(144,353)	(583,957)
Non-operating revenues:			
Federal donated commodities	86,535	0	86,535
Operating grants	432,617	0	432,617
Investment revenue	30,312	0	30,312
Total non-operating revenues	549,464	0	549,464
Income (loss) before operating transfers	109,860	(144,353)	(34,493)
Operating transfers (out)	0	(29,033)	(29,033)
Net Income (loss)	109,860	(173,386)	(63,526)
Retained Earnings, July 1	984,831	0	984,831
Prior Period Adjustment	5,474	0	5,474
Retained Earnings, July 1 (Restated)	990,305	1,459,046	2,449,351
Retained Earnings, June 30	\$1,100,165	\$1,285,660	\$2,385,825

See accompanying notes

Lakota Local School District, Ohio
 Combined Statement Of Cash Flows
 All Proprietary Fund Types
 For The Fiscal Year Ended June 30, 2002

PROPRIETARY
 FUND TYPES

	Enterprise	Internal Service	Totals (Memorandum Only)
Cash flows from operating activities:			
Cash received from tuition and fees	\$0	\$171,257	\$171,257
Cash received from sales	4,039,048	0	4,039,048
Cash received from miscellaneous sources	200	605,600	605,800
Cash payments to suppliers for goods and services	(2,637,281)	(8,370)	(2,645,651)
Cash payments to employees for services	(1,603,813)	(130,926)	(1,734,739)
Cash payments for other operating expenses	(75)	(797,446)	(797,521)
Net cash provided by (used for) operating activities	(201,921)	(159,885)	(361,806)
Cash flows from noncapital financing activities:			
Cash received from other funds	390	(29,033)	(28,643)
Operating grants received	387,004	0	387,004
Net cash provided by noncapital financing activities	387,394	(29,033)	358,361
Cash flows from capital and related financing activities			
Acquisition of capital assets	(155,612)	0	(155,612)
Net cash used for capital and related financing activities	(155,612)	0	(155,612)
Cash flows from investing activities:			
Interest on investments	30,312	0	30,312
Net cash provided by investing activities	30,312	0	30,312
Net increase in cash and cash equivalents	60,173	(188,918)	(128,745)
Cash and cash equivalents, July 1	1,558,573	1,475,470	3,034,043
Cash and cash equivalents, June 30	\$1,618,746	\$1,286,552	\$2,905,298

Continued

Lakota Local School District, Ohio
 Combined Statement Of Cash Flows
 All Proprietary Fund Types
 For The Fiscal Year Ended June 30, 2002

	PROPRIETARY FUND TYPES		Totals (Memorandum Only)
	Enterprise	Internal Service	
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	<u>(439,604)</u>	<u>(144,353)</u>	<u>(583,957)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	165,919	0	165,919
Donated commodities used	86,535	0	86,535
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(50,297)	0	(50,297)
(Increase) decrease in inventory held for resale	7,656	0	7,656
Increase (decrease) in accounts payable	16,590	(15,532)	1,058
Increase (decrease) in accrued wages and benefits	17,701	0	17,701
Increase (decrease) in compensated absences	1,524	0	1,524
Increase (decrease) in deferred revenue	<u>(7,945)</u>	<u>0</u>	<u>(7,945)</u>
Total Adjustments	<u>237,683</u>	<u>(15,532)</u>	<u>222,151</u>
Net cash provided by (used for) operating activities	<u><u>(\$201,921)</u></u>	<u><u>(\$159,885)</u></u>	<u><u>(\$361,806)</u></u>
Non-cash transactions			
Enterprise Fund:			
Non-cash donation of inventory held for resale - Food Service		\$86,535	
See accompanying notes			

LAKOTA LOCAL SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

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 School District operates under current standards prescribed by the Ohio State Board of Education as provided in Division D § 3301.07 and §119.01 of the Ohio Revised Code.

The District operates under a locally elected five-member board form of government and provides educational services as authorized by its charter or further mandated by state and/or federal agencies. This board controls the District's twenty instructional and support facilities staffed by approximately 640 non-certificated personnel and approximately 1,020 certificated teaching and administrative personnel to provide services to over 14,600 students.

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.

A. The Reporting Entity

For financial reporting purposes, the District's financial statements include all funds and account groups of the primary government for which the District is financially accountable based on the criteria of financial accountability set forth in GASB Statement 14. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the District. Potential component units were considered for inclusion in the District's financial statements. Generally, component units are legally separate organizations for which the elected officials of the District are financially accountable. The District would consider an organization to be a component unit if:

1. The District appoints a voting majority of the organization's governing body and (a) is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial burdens on the District; or
2. The organization is fiscally dependent upon the District; or

3. The nature of the relationship between the District and the organization is such that the exclusion from the financial reporting entity would render the financial statements of the District misleading.

The District included no component units in the financial statements. However, the District is associated with the Southwestern Ohio Computer Association, a jointly governed organization (See Note 18).

B. Basis of Presentation

The accounts of the District are maintained on the basis of fund and account groups, each of which is considered a separate accounting entity. The operation of each fund is accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. The following fund types and account groups are used by the District:

Governmental Funds

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

General Fund

The general fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

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

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs as well as for the payment of interest on general obligation notes payable, as required by Ohio law.

Capital Project Funds

Capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Proprietary Funds

Proprietary funds are used to account for the District's on going activities that are similar to those most often found in the private sector. The following are the District's proprietary fund types:

Enterprise Funds

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

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost reimbursement basis.

Fiduciary Funds

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

Account Groups

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

General Fixed Assets Account Group

This group of accounts is established to account for all fixed assets of the District other than those accounted for in proprietary funds and trust funds.

General Long-Term Obligations Account Group

This group of accounts is established to account for all long-term obligations of the District except those accounted for in proprietary funds and trust funds.

C. Measurement Focus and Basis of Accounting

Measurement Focus: Governmental funds and expendable trust funds are accounted for on a spending or "current financial resources" measurement focus. Governmental operating statements represent the increases and decreases in net current assets. Their reported fund balances are considered a measure of available resources to spend.

Proprietary funds are accounted for on a cost of services or "economic resources" measurement focus. Proprietary fund income statements represent increases and decreases in net total assets.

Basis of Accounting: The modified accrual basis of accounting is followed for governmental funds, expendable trust and agency funds. Under this basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures for the current period, which for the District is 60 days after fiscal year-end. Revenue accrued at the end of the fiscal year included delinquent property taxes, property taxes available for advance, interest, tuition, state and federal grants. Property taxes, measurable and available to the District at June 30, 2002, for advances and delinquent property taxes are recorded as current revenue. Property taxes receivable that are intended to finance fiscal year 2003 operations, have been recorded as deferred revenues. Expenditures are recognized in the period in which the related fund liability is incurred except for interest on long-term debt which is recorded when due. Principal, like interest, is an exception to normal expenditure recognition under the modified accrual basis as it is recorded when due.

Proprietary funds are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned, and expenses are recognized in the period incurred.

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

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

D. Budgetary Data

Budgetary Basis of Accounting: The District's budgetary process accounts for certain transactions on a basis other than GAAP. The major difference between the budgetary basis and the GAAP basis are:

Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

Expenditures are recorded when encumbered or paid in cash (budgetary), as opposed to when susceptible to accrual (GAAP).

Advances in and out and retirement of short term notes are operating transactions (budget basis) as opposed to balance sheet transactions.

The actual results of operations, compared to the final appropriation, which includes amendments to the original appropriation, for each fund type by expenditure function and revenue by source are presented in the *Combined Statement of Revenues, Expenditures and Changes in Fund Balances Budget-Actual (Non-GAAP Budgetary Basis)*. The reserve for encumbrances is carried forward as part of the budgetary authority for the next year and is included in the revised budget amounts shown in the budget to actual comparison.

The District adopts an annual budget for all fund types. The specific timetable is as follows:

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

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

Prior to April 1, the Board of Education accepts by formal resolution the tax rates as determined by the Budget Commission and receives the commission's Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure.

On or about July 1, the certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts set forth in the final amended certificate.

By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level, which is the legal level of budgetary control. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year.) Resolution appropriations by fund must be within the estimated resources as certified by the Budget Commission, and the total of expenditures and encumbrances may not exceed the appropriation totals.

Any revisions that alter the total appropriation at the fund level (legal level of control) must be approved by the Board of Education.

Appropriation amounts are as originally adopted or amended by the Board of Education through the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the board during the fiscal year.

Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund level.

E. Encumbrances

Encumbrance accounting is utilized by District funds in the normal course of operations for purchase orders and contract related expenditures. An encumbrance is a reserve on the available spending authority due to a commitment for a future expenditure and does not represent a liability. In order to demonstrate legal compliance for governmental fund types, encumbrances outstanding at fiscal year-end appear as a reserve of the fund balance on a GAAP basis. Encumbrances outstanding at fiscal year-end for all funds appear as the equivalent of expenditures or expenses on a non-GAAP budgetary basis.

F. Restricted Equity in Pooled Cash and Investments

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

G. Cash and Investments

Cash received by the District is deposited in one bank account with individual fund balance integrity maintained throughout. Moneys for all funds are maintained in this account or are temporarily used to purchase liquid cash equivalent investments. Under existing Ohio statute, all earnings accrue to the general fund except those specifically related to the food service fund or certain trust funds and also to those funds individually authorized by board resolution. Except for money market investments, investments are reported at fair value, which is based on quoted market prices. Investment contracts that had a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost. Investment earnings are allocated to these funds based on the actual earnings of the investment. Investment income earned during the fiscal year totaled \$2,223,248.

For purposes of the Statement of Cash Flows (GASB Statement 9) the proprietary fund portion of cash and investments is considered to be liquid because their portion of the cash and investment pool can be accessed without prior notice or penalty.

H. Inventory

Inventories are stated at the lower of cost or market value, using the first in/first out (FIFO) method and are determined by physical count. The costs of governmental fund-type inventories are recorded as expenditures when consumed. The proprietary fund inventories are expensed when used.

I. Fixed Assets

General Fixed Assets Account Group - General fixed assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year in the general fixed assets account group. Donated fixed assets are recorded at their fair market values as of the date donated. Construction interest costs are not capitalized. No depreciation is recognized for assets in the general fixed assets account group. The District does not possess any infrastructure.

Proprietary Funds - Vehicles, property, plant, and equipment reflected in the proprietary funds are stated at historical cost (or estimated historical cost) and updated for the cost of additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date donated. Depreciation has been provided, where appropriate, on a straight-line basis over the following estimated useful lives:

<u>Asset Life (years)</u>	
Furniture, fixtures, and equipment	5 to 20
Vehicles	6

J. Compensated Absences

Compensated absences are recorded as compensated absences payable on the financial statements. The criteria for determining vested vacation and sick leave components are derived from negotiating agreements and state laws. In summary, the components of vesting 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	30 days maximum	paid upon termination

Sick Leave

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	220 days	230 days	220 days
Vested	as earned	as earned	as earned
Termination entitlement	per contract	per contract	per contract

For governmental funds, accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of its respective governmental fund. Amounts of accumulated vacation and sick leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term obligations account group. Accumulated vacation and sick leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to the employee. There are no material salary related payments applicable to the District.

In accordance with GASB Statement 16, a liability should be accrued for earned and unpaid vacation and sick leave at the salary rate in effect at the balance sheet date if both of these conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for benefits through paid time off or some other means such as cash payments at termination or retirement.

K. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term obligations account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

L. Fund Balance Reserves

The District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available spendable resources and therefore are not available for appropriations for expenditures. Unreserved fund balance indicates that portion of fund equity, which is available for appropriation, in future periods. Fund equity reserves are established for encumbrances, property taxes (recognized as revenue but not available for appropriation under Ohio law) and budgetary set-asides required under Ohio Law.

M. Interfund Transactions

During the course of normal operations the District has numerous transactions between funds. The most significant include:

Routine transfers of resources from one fund to another fund through which resources to be expended are recorded as operating transfers.

Reimbursements from one fund to another fund are treated as expenditures or expenses in the reimbursing fund and as a reduction in expenditures or expenses in the reimbursed fund.

N. 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.

O. Memorandum Only Total Columns

Total columns on the general-purpose financial statements are captioned (Memorandum Only) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. This data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of these data.

P. Proprietary Fund Accounting

In accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting," the District applies all GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, unless they conflict with GASB pronouncements.

3. FUND BALANCE DEFICITS

Fund balances at fiscal year-end, included the following individual fund deficits (includes accrual entries):

<u>Fund</u>	<u>Deficit</u>
Alternative School Grant – Special Revenue	\$2,801
Title VI – Special Revenue	10,366
Title VI-R – Special Revenue	5,079

The deficit fund balances resulted from expenditures made in excess of available revenues, as permitted by the agreement with the grantor agencies, whose fiscal years do not coincide with the fiscal year of the District.

4. EQUITY IN POOLED CASH AND INVESTMENTS

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

Protection of the school 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.

State legislation permits interim moneys to be deposited or invested in the following securities:

- a. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;

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

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the school District and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

At year-end, the carrying amount of the District's deposits was \$20,981,710. The bank balance of deposits was \$22,417,489, of which \$152,668 was covered by federal depository insurance. Any remaining bank balance is covered according to Chapter 135, Uniform Depository Act, of the Ohio Revised Code, which authorizes pledging of pooled securities in lieu of pledging specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure repayment of all public moneys deposited in the financial institution, provided that at all times the total value of the securities so pledged is at least equal to 110% of the total amount of public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance. This entire amount is defined by GASB Statement No. 3 as uncollateralized because the pooled securities are not in the District's name.

Investments

The District's investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are issued or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker or dealer or by its trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer or by its trust department or agent, but not in the District's name.

Considering the above criteria, the District's deposits and investments at fiscal year-end, are classified as follows:

	<u>Unclassified</u>	<u>Category 3</u>	<u>Carrying/Fair Value</u>
Federal Home Loan Mortgage Corp.	\$ 0	\$6,902,618	\$6,902,618
Federal Home Loan Bank	0	6,105,036	6,105,036
Fannie Mae	0	9,029,339	9,029,339
STAR Ohio (1)	<u>26,557,223</u>	<u>0</u>	<u>26,557,223</u>
Totals	<u>\$26,557,223</u>	<u>\$22,036,993</u>	<u>\$48,594,216</u>

- (1) The District's investment in STAR Ohio is not categorized because it is not evidenced by securities that exist in physical or book form.

During the year the District invested in the State Treasury Asset Reserve of Ohio (STAR Ohio). 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 quoted share price at year-end.

5. PROPERTY TAXES

Property taxes include amounts levied against real, public utility, and tangible personal (business) property. The assessed values, by property classification, upon which taxes collected in 2001 were based are as follows:

Tangible personal	\$ 231,868,491
Public utilities and real estate	<u>1,646,429,860</u>
Total assessed property value	<u>\$1,878,298,351</u>

Property taxes collected in 2002 were levied in April 2001 on the assessed values as of January 1, 2001, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. A revaluation of real property is required to be completed no less than every six years, with a statistical update every third year. The most recent revaluation was completed in January 1997.

Tangible personal property tax is assessed on equipment and inventory held by businesses. Tangible property is assessed at 27% of true value (as defined). In 2002, each business was eligible to receive a \$10,000 exemption in assessed value that was reimbursed by the state.

Real property taxes are payable annually or semiannually. If paid annually, payment was due on the second Thursday in February. If paid semiannually, the first payment (at least 1/2 of the amount billed) was due on the second Thursday in February, with the remainder due on the second Thursday in July.

The 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 a receivable at their estimated net realizable value.

Accrued property taxes receivable represent outstanding delinquent taxes, and real property, personal property, and public utility taxes which are measurable at June 30, 2002. Property taxes available for advance at June 30 are included as a receivable and tax revenue as of June 30, 2002. All other property tax receivables are recorded with an offset credit to deferred revenue because, although measurable, they are intended to finance the next fiscal year's operations.

6. RECEIVABLES

Receivables at June 30, 2002, consisted of taxes, accounts receivable, accrued interest, intergovernmental grants, and entitlements. 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.

A summary of the principal items of receivables follows:

<u>Fund</u>	<u>Type of Receivable</u>	<u>Amount</u>
General	Taxes	\$62,581,160
	Accounts	157,006
	Accrued Interest	114,364
Special Revenue	Intergovernmental	515,903
Debt Service	Taxes	11,025,669
Capital Projects	Accrued Interest	55,488
Enterprise	Accounts	50,297
	Intergovernmental	45,613

7. FIXED ASSETS

The following is a summary of the changes in the general fixed assets account group during the fiscal year:

	<u>Balance July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30</u>
Land and improvements	\$ 7,758,806	\$ 497,112	\$ 0	\$ 8,255,918
Buildings and bldg. Improvements	91,610,173	3,511,160	0	95,121,333
Equipment	20,337,148	4,538,439	42,718	24,832,869
Construction in Progress	<u>523,508</u>	<u>10,583,250</u>	<u>1,596,050</u>	<u>9,510,708</u>
Totals	<u>\$120,229,635</u>	<u>\$19,129,961</u>	<u>\$1,638,768</u>	<u>\$137,720,828</u>

The following is a summary of proprietary fund fixed assets at fiscal year-end:

Land	\$ 2,850
Buildings	3,905
Furniture and equipment	2,358,474
Less: accumulated depreciation	<u>(1,336,936)</u>
	<u>\$ 1,028,293</u>

8. SHORT-TERM DEBT

Short-term notes payable activity for the district at year-end was as follows:

	<u>Maturity Date</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Bond Anticipation Note, 4.55%	7/18/01	\$34,571,000	\$ 0	\$34,571,000	\$ 0
Bond Anticipation Note, 3.67%	7/18/01	10,000,000	0	10,000,000	0

9. LONG-TERM DEBT

General Obligation Bonds. The District issues general obligation bonds to provide funds for the acquisition and construction of equipment and facilities. General obligation bonds are District obligations that pledge the full faith and credit of the school District. Accordingly, such un-matured obligations of the school District are accounted for in the general long-term obligation account group. Payments of principal and interest relating to these liabilities are recorded as expenditures in the debt service fund.

The following is a description of the District's outstanding bonds as of fiscal year-end:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance July 1</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30</u>
Freedom, Link Renovations	6.125%	3/1/87	12/1/09	\$1,125,000	\$0	\$125,000	\$1,000,000
Heritage Additions and Renovations	7.118%	7/1/90	12/1/12	340,000	0	340,000	0
Two New Elementaries Renovations	5.671%	12/1/92	12/1/15	930,000	0	310,000	620,000
Freedom, New Elementaries Renovations	5.870%	2/1/93	12/1/15	1,170,000	0	390,000	780,000
Refunding Woodland, Shawnee	5.752%	3/1/93	12/1/12	4,637,937	0	384,456	4,253,481
Refunding Ninth Grade Heritage	6.248%	1/1/94	12/1/12	5,140,957	0	395,000	4,745,957
Two New High Schools	6.211%	5/1/94	12/1/17	26,580,000	0	2,250,000	24,330,000
Refunding New High Schools	5.242%	6/1/98	12/1/17	18,950,835	0	90,000	18,860,835
Various Purpose Long-Term Bonds	4.519%	6/1/99	6/1/05	1,715,000	0	415,000	1,300,000
Remainder of H.S. Debt	4.800%	8/1/99	12/1/04	1,015,000	0	235,000	780,000
Bond and Refunding	5.085%	4/19/01	12/1/26	52,932,789	0	710,000	52,222,789
Various Purpose Long-Term Bonds	3.790%	5/1/02	12/1/08	0	2,870,000	0	2,870,000
				<u>\$114,537,518</u>	<u>\$2,870,000</u>	<u>\$5,644,456</u>	<u>\$111,763,062</u>

Annual debt service requirements to maturity are as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$6,339,388	\$5,872,415	\$12,211,803
2004	6,784,094	5,566,021	12,350,115
2005	5,760,593	5,619,611	11,380,204
2006	6,576,963	5,294,280	11,871,242
2007 and thereafter	<u>86,302,024</u>	<u>49,355,266</u>	<u>135,657,292</u>
	<u>\$111,763,062</u>	<u>\$71,707,593</u>	<u>\$183,570,656</u>

Changes in Long-Term Obligations. During the fiscal year-end, the following changes occurred in liabilities reported in the general long-term obligations account group. Compensated absences will be paid from the fund from which the employee is paid.

	<u>Balance July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30</u>
Compensated absences	\$ 3,260,541	\$ 465,504	\$ 0	\$ 3,726,045
Accrued wages and benefits	645,428	98,887	0	744,315
General obligation debt	114,537,519	2,870,000	5,644,457	111,763,062
Capital leases	<u>806,168</u>	<u>0</u>	<u>806,168</u>	<u>0</u>
	<u>\$119,249,656</u>	<u>\$3,434,391</u>	<u>\$6,450,625</u>	<u>\$116,233,422</u>

The District terminated the lease and eliminated the remaining capital lease liability.

10. ADVANCED REFUNDING

In prior years, 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. On June 30, 2002, \$38.055 million of bonds outstanding are considered defeased.

11. SEGMENT INFORMATION-ENTERPRISE FUNDS

Enterprise Funds - The table below summarizes the more significant financial data relating to the enterprise funds of the District for the fiscal year-end.

	<u>Food Service</u>	<u>Uniform Supplies</u>	<u>Adult Education</u>	<u>Total</u>
Operating revenues	\$3,168,248	\$921,297	\$ 0	\$4,089,545
Operating expenses (before depreciation)	3,597,343	764,525	1,362	4,363,230
Depreciation	165,919	0	0	165,919
Operating income (loss)	(595,014)	156,772	(1,362)	(439,604)
Operating grants and other non-operating revenue	549,464	0	0	549,464
Net income (loss)	(45,550)	156,772	(1,362)	109,860
Net working capital	918,193	446,013	3,510	1,367,716
Total Assets	2,298,833	460,577	3,510	2,762,920
Total Liabilities	352,347	14,564	0	366,911
Total Equity	1,946,486	446,013	3,510	2,396,009

12. CONTRIBUTED CAPITAL

Contributed capital received prior to July 1, 2000 is recorded in the equity section of the proprietary funds that have received capital contributions.

13. RISK MANAGEMENT

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

Coverage	Company	Limits	Deductible
Fleet	Indiana Insurance Company	\$ 1,000,000 per occurrence	\$ 500 collision/pd
Property	Indiana Insurance Company	172,507,382 blanket coverage	1,000 per loss
General liability	Indiana Insurance Company	1,000,000 per occurrence/ 2,000,000 aggregate	
Liability umbrella	Indiana Insurance Company	20,000,000 aggregate	
Errors and omissions	Indiana Insurance Company	1,000,000 aggregate	2,500 per loss
Crime theft	Indiana Insurance Company	varies per building	
Employee dishonesty	Cincinnati Insurance Company	3,000 per occurrence	

The government established a limited risk management program for workers' compensation in 1993. Premiums are treated as quasi-external transactions that are paid into the workers' compensation fund by all the other funds and are available to pay claims, claim reserves and administrative costs of the program. All surplus retained earnings will be retained in the fund to cover any future catastrophe losses.

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.

14. DEFINED BENEFIT PENSION PLANS

School Employees Retirement System

The school District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing, multiple-employer, public employee retirement system administered by the School Employees Retirement Board. SERS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. That report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the school District is required to contribute 14 percent. The contribution rates are not determined actuarially, but are established by SERS' Retirement Board within the rates allowed by state statute. The adequacy of the contribution rates is determined annually. The school District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$2,248,152, \$1,975,572, and \$1,850,112, respectively. The District has contributed 47 percent for fiscal year 2002 and 100 percent for fiscal years 2001 and 2000. \$1,202,280 represents the unpaid contribution for fiscal year 2002, and is recorded as a liability within the respective funds and the general long-term debt account group.

State Teachers Retirement System

The school District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing, multiple-employer, public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and the school District is required to contribute 14 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The school District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$7,385,292, \$6,938,184, and \$6,388,476, respectively. The District has contributed 83 percent for fiscal year 2002 and 100 percent for fiscal years 2001 and 2000. \$1,273,100 represents the unpaid contribution for fiscal year 2002, and is recorded as a liability within the respective funds.

15. POSTEMPLOYMENT BENEFITS

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

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

For this fiscal year, employer contributions to fund health care benefits were 9.80% of covered payroll, an increase from 8.45% for fiscal year 2001. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2001, the minimum pay has been established at \$12,400. The surcharge added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2001, were \$161,439,934 and the target level was \$242.2 million. At June 30, 2001, SERS had net assets available for payment of health care benefits of \$315.7 million. SERS has approximately 50,000 participants currently receiving health care benefits.

The STRS Board has statutory authority over how much, if any of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For fiscal year 2002, the Board allocated employer contributions equal to 4.5 percent of covered payroll to the health care reserve fund.

STRS pays health care benefits from the health care reserve fund. The balance in the fund was \$3.256 billion at June 30, 2001. For the year ended June 30, 2001, net health care costs paid by STRS were \$300,772,000 and STRS had 102,132 eligible benefit recipients.

16. BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance or retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements. A reconciliation of the nature and amounts of the adjustments necessary to convert the GAAP financial statements to the budgetary basis follows:

**Reconciliation of Excess of Revenues and Other Financing Sources
Over (Under) Expenditures and Other Financing Uses from
GAAP Basis to Budgetary Basis**

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Project Funds</u>
GAAP basis	\$8,945,510	(\$44,726)	(\$45,956,052)	\$30,417,904
Net adjustment for revenue				
Accruals	(1,587,968)	453	1,543,444	(45,741,214)
Net adjustment for				
expenditure accruals	107,052	54,225	(44,570,990)	2,311,518
Advances In	509,257	42,005	0	0
Advances Out	(413,194)	(8,587)	0	0
Short term note retirement	0	0	44,570,990	0
Encumbrances	<u>(1,015,534)</u>	<u>(281,324)</u>	<u>0</u>	<u>(20,606,299)</u>
Budgetary basis	<u>\$ 6,545,123</u>	<u>(\$237,954)</u>	<u>(\$44,412,608)</u>	<u>(\$33,618,091)</u>

17. CONTINGENT LIABILITIES

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 are 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 at fiscal year-end.

18. JOINTLY GOVERNED ORGANIZATIONS

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

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

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

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

19. STATE SCHOOL FUNDING DECISION

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

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

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

The State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001. In November, 2001, the court granted the request for reconsideration, but also ordered the parties to participate in a settlement conference with a court appointed mediator. On March 21, 2002, the mediator issued his final report indicating that the conference was unable to produce a settlement. The case is now under reconsideration by the Court.

The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

20. STATUTORY RESERVES

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

	<u>Textbook Reserve</u>	<u>Capital Acquisition Reserve</u>	<u>Budget Stabilization Reserve</u>	<u>Totals</u>
Set-aside Cash Balance, Beginning of Year	\$ 1,801,962	\$ 899,852	\$168,998	\$ 2,870,812
Current Year Set-aside Requirement	1,861,261	1,819,249	0	3,680,510
Current Year Offsets	0	0	0	0
Qualifying Disbursements	<u>(1,926,241)</u>	<u>(1,071,726)</u>	<u>(168,998)</u>	<u>(3,166,965)</u>
Total	<u>\$1,736,982</u>	<u>\$ 1,647,375</u>	<u>\$ 0</u>	<u>\$ 3,384,357</u>

Using the guidelines of Senate Bill 345 the Board of Education eliminated the Budget Stabilization Reserve.

21. CONSTRUCTION AND OTHER COMMITMENTS

At June 30, 2002, uncompleted construction contracts are as follows:

<u>Description</u>	<u>Remaining Commitment</u>
New Elementary School	\$6,908,164
New Junior School	8,941,375
East High School Additions	430,938
West High School Additions	396,525
Roofing, HVAC and Renovations	<u>2,162,337</u>
Total	<u>\$18,839,339</u>

22. PRIOR PERIOD ADJUSTMENT

The beginning fixed asset balance of the general fixed asset account group and the beginning retained earnings balance of the food service enterprise fund have been adjusted for corrections to the fixed asset detail as follows:

	<u>Food Service Fund</u>	<u>General Fixed Assets Account Group</u>
Balance previously stated, June 30, 2001	\$690,718	\$120,092,013
Prior period adjustment	<u>5,474</u>	<u>137,622</u>
As restated, July 1, 2001	<u>\$696,192</u>	<u>\$120,229,635</u>

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**COMBINING, INDIVIDUAL FUND
AND ACCOUNT GROUP FINANCIAL
STATEMENTS AND SCHEDULES**

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GENERAL FUND

The General Fund is used to account for government resources not accounted for in any other fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of the State of Ohio.

Since there is only one General Fund and the level of budgetary control is not greater than that presented in the General Purpose Financial Statements, no additional financial statements are presented here.

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SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects or expendable trusts) that are legally restricted to expenditure for specified purposes. The following are descriptions of each Special Revenue Fund:

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 proceeds of specific revenue sources, except for state and Federal grants, that are legally restricted to expenditures for specified purposes. These grants include:

Toshiba Grant
Wellness Grant
Davies Foundation Grant
Neediest Kids of All Grant
Early Childhood Mini Grant
Parents and Problem Solving Grant
Cinergy Planning Grant
Wal-Mart Teacher of the Year Grant

Athletic Fund To account for those student activity programs which have student participation in the activity, but do not have student management of the programs.

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.

Teacher Development To account for state funds which are provided for staff development for certificated employees.

Management Information System To account for state funds, which are provided to assist the district in implementing a staff, student, and financial reporting system as, mandated by the Omnibus Education Reform Act of 1989.

School Net Professional Development To account for state funds which are provided for staff development in the area of technology.

Textbook Subsidy To account for state funds to purchase instructional materials used to support proficiency test objectives.

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

Alternative School Grant To account for state funds, which are provided for the alternative school grant program.

Miscellaneous State Grants To account for state funds which are designated for specific purposes. Two particular programs are for environmental awareness and adult education.

Eisenhower Grant To account for the training of teachers in new techniques and methodologies in the areas of mathematics and science.

Title VI-B To account 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 specialists in providing educational services to the handicapped.

Refugee Children To account for state funds which are provided for refugee children.

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

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

Emergency Immigrant Education Program To account for Federal Funds designed to assist eligible immigrant children enrolled in public schools.

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

EHA Preschool To account for programs for preschool handicapped children.

Title VI-R To account for federal funds provided for the Title VI-R Program.

Miscellaneous Federal Grants To account for federal funds which are designated for specific purposes. One particular program is for the development of a School to Work model curriculum for grades kindergarten through adult.

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Lakota Local School District, Ohio
 Combining Balance Sheet
 All Special Revenue Funds
 June 30, 2002

	Public School Support	Other Grants	Athletic Fund	Auxiliary Services
Assets				
Equity in pooled cash and cash equivalents	\$464,272	\$51,179	\$681,243	\$49,188
Receivables:				
Intergovernmental	0	7,016	0	0
Total Assets	464,272	58,195	681,243	49,188
Liabilities				
Accounts payable	54,496	5,686	43,357	0
Accrued wages	0	0	0	0
Compensated Absences	0	0	0	0
Interfund payable	0	7,197	17,368	0
Deferred Revenue	0	2,696	0	0
Total liabilities	54,496	15,579	60,725	0
Fund balances:				
Reserved:				
Reserved for encumbrances	38,590	3,604	71,112	0
Unreserved:				
Undesignated	371,186	39,012	549,406	49,188
Total fund equity (deficit)	409,776	42,616	620,518	49,188
Total liabilities and fund equity	\$464,272	\$58,195	\$681,243	\$49,188

Teacher Development	Management Information System	School Net Professional Development	Textbook Subsidy	Ohio Reads	Alternative School Grant	Miscellaneous State Grants
\$1,982	\$13,292	\$4,802	\$4,975	\$53,462	\$10,824	\$10,631
0	0	7,142	0	75,000	0	1,000
<u>1,982</u>	<u>13,292</u>	<u>11,944</u>	<u>4,975</u>	<u>128,462</u>	<u>10,824</u>	<u>11,631</u>
0	0	0	0	8,195	7,968	84
0	0	0	0	1,934	5,657	0
0	6,941	0	0	0	0	0
0	0	0	0	6,340	0	0
0	0	7,142	0	7,500	0	1,000
<u>0</u>	<u>6,941</u>	<u>7,142</u>	<u>0</u>	<u>23,969</u>	<u>13,625</u>	<u>1,084</u>
0	0	0	0	26,164	365	359
1,982	6,351	4,802	4,975	78,329	(3,166)	10,188
<u>1,982</u>	<u>6,351</u>	<u>4,802</u>	<u>4,975</u>	<u>104,493</u>	<u>(2,801)</u>	<u>10,547</u>
<u>\$1,982</u>	<u>\$13,292</u>	<u>\$11,944</u>	<u>\$4,975</u>	<u>\$128,462</u>	<u>\$10,824</u>	<u>\$11,631</u>

Continued

Lakota Local School District, Ohio
 Combining Balance Sheet
 All Special Revenue Funds
 June 30, 2002

	Eisenhower Grant	Title VI B	Refugee Childern	Title I
Assets				
Equity in pooled cash and cash equivalents	\$7,842	\$163,626	\$1,948	\$73,134
Receivables:				
Intergovernmental	31,899	220,607	0	60,912
Total Assets	39,741	384,233	1,948	134,046
Liabilities				
Accounts payable	1,431	9,385	150	0
Accrued wages	0	11,179	0	8,378
Compensated Absences	0	0	0	0
Interfund payable	0	0	0	0
Deferred Revenue	31,899	220,607	0	60,912
Total liabilities	33,330	241,171	150	69,290
Fund balances:				
Reserved:				
Reserved for encumbrances	2,550	3,596	100	0
Unreserved:				
Undesignated	3,861	139,466	1,698	64,756
Total fund equity (deficit)	6,411	143,062	1,798	64,756
Total liabilities and fund equity	\$39,741	\$384,233	\$1,948	\$134,046

Title VI	Emergency Immigrant Education Program	Drug Free Schools	EHA Pre-School	Title VI-R	Miscellaneous Federal Grants	Totals
\$1,005	\$2,892	\$7,874	\$10,873	\$16,339	\$40,086	\$1,671,469
19,810	0	9,460	7,018	45,948	30,091	515,903
<u>20,815</u>	<u>2,892</u>	<u>17,334</u>	<u>17,891</u>	<u>62,287</u>	<u>70,177</u>	<u>2,187,372</u>
271	0	41	0	0	0	131,064
0	0	0	4,141	21,418	0	52,707
0	0	0	0	0	0	6,941
11,100	0	0	0	0	0	42,005
19,810	0	9,460	7,018	45,948	30,091	444,083
<u>31,181</u>	<u>0</u>	<u>9,501</u>	<u>11,159</u>	<u>67,366</u>	<u>30,091</u>	<u>676,800</u>
558	104	2,272	886	0	0	150,260
(10,924)	2,788	5,561	5,846	(5,079)	40,086	1,360,312
<u>(10,366)</u>	<u>2,892</u>	<u>7,833</u>	<u>6,732</u>	<u>(5,079)</u>	<u>40,086</u>	<u>1,510,572</u>
<u>\$20,815</u>	<u>\$2,892</u>	<u>\$17,334</u>	<u>\$17,891</u>	<u>\$62,287</u>	<u>\$70,177</u>	<u>\$2,187,372</u>

Lakota Local School District, Ohio
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
All Special Revenue Funds
For The Fiscal Year Ended June 30, 2002

	Public School Support	Other Grants	Athletic Fund	Auxiliary Services
Revenues:				
Intergovernmental	\$0	\$89,364	\$0	\$50,300
Interest	0	0	18,355	0
Extracurricular activities	560,490	0	853,402	0
Other revenues	190,896	1,000	41,144	0
Total revenues	751,386	90,364	912,901	50,300
Expenditures:				
Current:				
Instruction:				
Regular	6,287	85,041	0	0
Special	0	3,963	0	0
Support services:				
Pupil	675,318	7,124	0	0
Instructional Staff	4,135	15,014	0	0
Administration	3,067	0	0	0
Operations and maintenance	0	0	0	0
Pupil transportation	0	0	0	0
Central	0	16,468	0	0
Operation of non-instructional services	0	0	0	1,112
Extracurricular activities	0	0	1,024,289	0
Total Expenditures	688,807	127,610	1,024,289	1,112
Excess of revenues over (under) expenditures	62,579	(37,246)	(111,388)	49,188
Fund balance, July 1	347,197	79,862	731,906	0
Fund balance, June 30	\$409,776	\$42,616	\$620,518	\$49,188

Teacher Development	Management Information System	School Net Professional Development	Textbook Subsidy	Ohio Reads	Alternative School Grant	Miscellaneous State Grants
\$0	\$55,601	\$10,592	\$0	\$158,500	\$96,387	\$38,650
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	55,601	10,592	0	158,500	96,387	38,650
7,149	0	19,790	0	44,132	61,907	2,106
0	0	0	0	0	0	0
0	0	0	0	0	22,675	0
27,536	0	996	0	25,527	891	50,843
0	0	0	0	6,849	978	0
0	0	0	0	0	38,460	13,650
0	0	0	0	125	0	0
0	59,378	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
34,685	59,378	20,786	0	76,633	124,911	66,599
(34,685)	(3,777)	(10,194)	0	81,867	(28,524)	(27,949)
36,667	10,128	14,996	4,975	22,626	25,723	38,496
\$1,982	\$6,351	\$4,802	\$4,975	\$104,493	(\$2,801)	\$10,547

Continued

Lakota Local School District, Ohio
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
All Special Revenue Funds
For The Fiscal Year Ended June 30, 2002

	Eisenhower Grant	Title VI B	Refugee Childern	Title I
Revenues:				
Intergovernmental	\$19,372	\$637,404	\$3,500	\$160,200
Interest	0	0	0	0
Extracurricular activities	0	0	0	0
Other revenues	0	0	0	0
Total revenues	19,372	637,404	3,500	160,200
Expenditures:				
Current:				
Instruction:				
Regular	0	0	1,702	0
Special	0	10,310	0	138,715
Support services:				
Pupil	1,358	548,651	0	0
Instructional Staff	30,236	5,605	0	0
Administration	0	0	0	0
Operations and maintenance	0	0	0	0
Pupil transportation	0	15,246	0	0
Central	0	0	0	0
Operation of non-instructional services	0	0	0	1,058
Extracurricular activities	0	0	0	0
Total Expenditures	31,594	579,812	1,702	139,773
Excess of revenues over (under) expenditures	(12,222)	57,592	1,798	20,427
Fund balance, July 1	18,633	85,470	0	44,329
Fund balance (deficit), June 30	\$6,411	\$143,062	\$1,798	\$64,756

<u>Title VI</u>	<u>Emergency Immigrant Education Program</u>	<u>Drug Free Schools</u>	<u>EHA Pre-School</u>	<u>Title VI-R</u>	<u>Miscellaneous Federal Grants</u>	<u>Totals</u>
\$55,979	\$7,050	\$48,053	\$38,436	\$82,036	\$8,329	\$1,559,753
0	0	0	0	0	0	18,355
0	0	0	0	0	0	1,413,892
0	0	0	0	0	0	233,040
<u>55,979</u>	<u>7,050</u>	<u>48,053</u>	<u>38,436</u>	<u>82,036</u>	<u>8,329</u>	<u>3,225,040</u>
90,591	4,702	0	0	87,115	0	410,522
0	0	0	10,906	0	7,927	171,821
0	0	53,952	33,701	0	0	1,342,779
0	3,181	0	0	0	0	163,964
0	0	0	0	0	0	10,894
0	0	0	0	0	0	52,110
0	0	0	0	0	0	15,371
0	0	0	0	0	0	75,846
0	0	0	0	0	0	2,170
0	0	0	0	0	0	1,024,289
<u>90,591</u>	<u>7,883</u>	<u>53,952</u>	<u>44,607</u>	<u>87,115</u>	<u>7,927</u>	<u>3,269,766</u>
<u>(34,612)</u>	<u>(833)</u>	<u>(5,899)</u>	<u>(6,171)</u>	<u>(5,079)</u>	<u>402</u>	<u>(44,726)</u>
24,246	3,725	13,732	12,903	0	39,684	1,555,298
<u>(\$10,366)</u>	<u>\$2,892</u>	<u>\$7,833</u>	<u>\$6,732</u>	<u>(\$5,079)</u>	<u>\$40,086</u>	<u>\$1,510,572</u>

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Public School Support - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Extracurricular activities	\$452,220	\$564,065	\$111,845
Other revenues	158,837	190,896	32,059
Total revenues	<u>611,057</u>	<u>754,961</u>	<u>143,904</u>
Expenditures:			
Current:			
Instruction:			
Regular	10,420	6,287	4,133
Support services:			
Pupil	907,465	724,546	182,919
Instructional Staff	5,452	4,288	1,164
Administration	3,500	3,273	227
Total Expenditures	<u>926,837</u>	<u>738,394</u>	<u>188,443</u>
Excess of revenues over (under) expenditures	<u>(315,780)</u>	<u>16,567</u>	<u>332,347</u>
Other financing sources (uses):			
Operating transfers in	1,000	305	(695)
Total other financing sources (uses)	<u>1,000</u>	<u>305</u>	<u>(695)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(314,780)</u>	<u>16,872</u>	<u>331,652</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>354,315</u>	<u>354,315</u>	<u>0</u>
Fund balance, June 30	<u><u>\$39,535</u></u>	<u><u>\$371,187</u></u>	<u><u>\$331,652</u></u>

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Other Grants - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$79,389	\$85,044	\$5,655
Other revenues	1,000	1,000	0
Total revenues	<u>80,389</u>	<u>86,044</u>	<u>5,655</u>
Expenditures:			
Current:			
Instruction:			
Regular	124,828	90,118	34,710
Special	3,989	3,963	26
Support services:			
Pupil	7,469	7,124	345
Instructional Staff	19,674	17,270	2,404
Central	23,034	18,620	4,414
Total Expenditures	<u>178,994</u>	<u>137,095</u>	<u>41,899</u>
Excess of revenues over (under) expenditures	<u>(98,605)</u>	<u>(51,051)</u>	<u>47,554</u>
Other financing sources (uses):			
Advances in	15,690	7,197	(8,493)
Advances (out)	(8,587)	(8,587)	0
Total other financing sources (uses)	<u>7,103</u>	<u>(1,390)</u>	<u>(8,493)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(91,502)</u>	<u>(52,441)</u>	<u>39,061</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>94,334</u>	<u>94,334</u>	<u>0</u>
Fund balance, June 30	<u><u>\$2,832</u></u>	<u><u>\$41,893</u></u>	<u><u>\$39,061</u></u>

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Athletic Fund - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Investment revenue	\$25,100	\$18,355	(\$6,745)
Extracurricular activities	618,225	855,035	236,810
Other revenues	16,000	41,794	25,794
Total revenues	<u>659,325</u>	<u>915,184</u>	<u>255,859</u>
Expenditures:			
Extracurricular activities	1,299,869	1,122,284	177,585
Total Expenditures	<u>1,299,869</u>	<u>1,122,284</u>	<u>177,585</u>
Excess of revenues over (under) expenditures	<u>(640,544)</u>	<u>(207,100)</u>	<u>433,444</u>
Other financing sources (uses):			
Advances in	0	17,368	17,368
Operating transfers in	61,027	66,110	5,083
Operating transfers (out)	(66,110)	(66,110)	0
Total other financing sources (uses)	<u>(5,083)</u>	<u>17,368</u>	<u>22,451</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(645,627)</u>	<u>(189,732)</u>	<u>455,895</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>756,506</u>	<u>756,506</u>	<u>0</u>
Fund balance, June 30	<u>\$110,879</u>	<u>\$566,774</u>	<u>\$455,895</u>

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Auxiliary Services - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$50,300	\$50,300	\$0
Total revenues	50,300	50,300	0
Expenditures:			
Current:			
Operation of non-instructional services	50,300	1,112	49,188
Total Expenditures	50,300	1,112	49,188
Excess of revenues over (under) expenditures	0	49,188	49,188
Fund balance, July 1 (includes prior year encumbrances appropriated)	0	0	0
Fund balance, June 30	\$0	\$49,188	\$49,188

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Teacher Development - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Taxes	\$0	\$0	\$0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	8,257	7,149	1,108
Support services:			
Instructional Staff	28,437	27,562	875
Total Expenditures	<u>36,694</u>	<u>34,711</u>	<u>1,983</u>
Excess of revenues over (under) expenditures	<u>(36,694)</u>	<u>(34,711)</u>	<u>1,983</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	36,694	36,694	0
Fund balance, June 30	<u>\$0</u>	<u>\$1,983</u>	<u>\$1,983</u>

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Management Information Systems - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$55,601	\$55,601	\$0
Total revenues	<u>55,601</u>	<u>55,601</u>	<u>0</u>
Expenditures:			
Current:			
Support services:			
Central	70,978	57,686	13,292
Total Expenditures	<u>70,978</u>	<u>57,686</u>	<u>13,292</u>
Excess of revenues over (under) expenditures	<u>(15,377)</u>	<u>(2,085)</u>	<u>13,292</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	15,377	15,377	0
Fund balance, June 30	<u>\$0</u>	<u>\$13,292</u>	<u>\$13,292</u>

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 School Net Professional Development - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$7,142	\$10,592	\$3,450
Total revenues	<u>7,142</u>	<u>10,592</u>	<u>3,450</u>
Expenditures:			
Current:			
Instruction:			
Regular	21,142	19,790	1,352
Support services:			
Instructional Staff	996	996	0
Total Expenditures	<u>22,138</u>	<u>20,786</u>	<u>1,352</u>
Excess of revenues over (under) expenditures	<u>(14,996)</u>	<u>(10,194)</u>	<u>4,802</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	14,996	14,996	0
Fund balance, June 30	<u>\$0</u>	<u>\$4,802</u>	<u>\$4,802</u>

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Textbook Subsidy - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Taxes	\$0	\$0	\$0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	4,975	0	4,975
Total Expenditures	<u>4,975</u>	<u>0</u>	<u>4,975</u>
Excess of revenues over (under) expenditures	<u>(4,975)</u>	<u>0</u>	<u>4,975</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	4,975	4,975	0
Fund balance, June 30	<u>\$0</u>	<u>\$4,975</u>	<u>\$4,975</u>

Lakota Local School District, Ohio
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Ohio Reads - Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$166,000	\$91,000	(\$75,000)
Total revenues	<u>166,000</u>	<u>91,000</u>	<u>(75,000)</u>
Expenditures:			
Current:			
Instruction:			
Regular	125,699	66,800	58,899
Support services:			
Pupil	700	0	700
Instructional Staff	53,107	27,185	25,922
Administration	8,249	6,849	1,400
Pupil Transportation	250	125	125
Total Expenditures	<u>188,005</u>	<u>100,959</u>	<u>87,046</u>
Excess of revenues over (under) expenditures	<u>(22,005)</u>	<u>(9,959)</u>	<u>12,046</u>
Other financing sources (uses):			
Advances in	0	6,340	6,340
Total other financing sources (uses)	<u>0</u>	<u>6,340</u>	<u>6,340</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(22,005)</u>	<u>(3,619)</u>	<u>18,386</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>22,724</u>	<u>22,724</u>	<u>0</u>
Fund balance, June 30	<u>\$719</u>	<u>\$19,105</u>	<u>\$18,386</u>

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Alternative School Grant - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$96,387	\$96,387	\$0
Total revenues	<u>96,387</u>	<u>96,387</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	63,260	62,659	601
Support services:			
Pupil	23,521	23,492	29
Instructional Staff	2,672	891	1,781
Administration	1,157	1,078	79
Operations and maintenance	38,491	38,490	1
Total Expenditures	<u>129,101</u>	<u>126,610</u>	<u>2,491</u>
Excess of revenues over (under) expenditures	<u>(32,714)</u>	<u>(30,223)</u>	<u>2,491</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	32,715	32,715	0
Fund balance, June 30	<u>\$1</u>	<u>\$2,492</u>	<u>\$2,491</u>

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Miscellaneous State Grants - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$39,650	\$38,650	(\$1,000)
Total revenues	<u>39,650</u>	<u>38,650</u>	<u>(1,000)</u>
Expenditures:			
Current:			
Instruction:			
Regular	2,302	2,106	196
Support services:			
Instructional Staff	61,638	51,421	10,217
Operations and maintenance	13,650	13,650	0
Operation of non-instructional services	170	0	170
Total Expenditures	<u>77,760</u>	<u>67,177</u>	<u>10,583</u>
Excess of revenues over (under) expenditures	<u>(38,110)</u>	<u>(28,527)</u>	<u>(11,583)</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	38,715	38,715	0
Fund balance, June 30	<u>\$605</u>	<u>\$10,188</u>	<u>(\$11,583)</u>

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Eisenhower Grant - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$51,271	\$19,372	(\$31,899)
Total revenues	<u>51,271</u>	<u>19,372</u>	<u>(31,899)</u>
Expenditures:			
Current:			
Support services:			
Pupil	1,000	906	94
Instructional Staff	68,195	33,528	34,667
Total Expenditures	<u>69,195</u>	<u>34,434</u>	<u>34,761</u>
Excess of revenues over (under) expenditures	<u>(17,924)</u>	<u>(15,062)</u>	<u>2,862</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	18,924	18,924	0
Fund balance, June 30	<u>\$1,000</u>	<u>\$3,862</u>	<u>\$2,862</u>

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Title VI B - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$858,011	\$637,404	(\$220,607)
Total revenues	<u>858,011</u>	<u>637,404</u>	<u>(220,607)</u>
Expenditures:			
Current:			
Instruction:			
Special	38,444	9,430	29,014
Support services:			
Pupil	841,345	543,253	298,092
Instructional Staff	32,339	5,605	26,734
Pupil Transportation	32,653	15,246	17,407
Total Expenditures	<u>944,781</u>	<u>573,534</u>	<u>371,247</u>
Excess of revenues over (under) expenditures	<u>(86,770)</u>	<u>63,870</u>	<u>150,640</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	86,777	86,777	0
Fund balance, June 30	<u>\$7</u>	<u>\$150,647</u>	<u>\$150,640</u>

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Refugee Children - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$3,500	\$3,500	\$0
Total revenues	<u>3,500</u>	<u>3,500</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	3,500	1,802	1,698
Total Expenditures	<u>3,500</u>	<u>1,802</u>	<u>1,698</u>
Excess of revenues over (under) expenditures	<u>0</u>	<u>1,698</u>	<u>1,698</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	0	0	0
Fund balance, June 30	<u>\$0</u>	<u>\$1,698</u>	<u>\$1,698</u>

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Title I - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$221,112	\$160,200	(\$60,912)
Total revenues	221,112	160,200	(60,912)
Expenditures:			
Current:			
Instruction:			
Special	276,279	142,364	133,915
Support services:			
Instructional Staff	129	0	129
Operation of non-instructional services	1,058	1,058	0
Total Expenditures	277,466	143,422	134,044
Excess of revenues over (under) expenditures	(56,354)	16,778	73,132
Fund balance, July 1 (includes prior year encumbrances appropriated)	56,354	56,354	0
Fund balance, June 30	\$0	\$73,132	\$73,132

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Title VI - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$75,789	\$55,979	(\$19,810)
Total revenues	75,789	55,979	(19,810)
Expenditures:			
Current:			
Instruction:			
Regular	100,175	91,289	8,886
Total Expenditures	100,175	91,289	8,886
Excess of revenues over (under) expenditures	<u>(24,386)</u>	<u>(35,310)</u>	<u>(10,924)</u>
Other financing sources (uses):			
Advances in	0	11,100	11,100
Total other financing sources (uses)	<u>0</u>	<u>11,100</u>	<u>11,100</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(24,386)</u>	<u>(24,210)</u>	<u>176</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	24,387	24,387	0
Fund balance, June 30	<u>\$1</u>	<u>\$177</u>	<u>\$176</u>

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Emergency Immigrant Education Program - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$7,050	\$7,050	\$0
Total revenues	<u>7,050</u>	<u>7,050</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	5,749	4,806	943
Support services:			
Instructional Staff	5,299	3,454	1,845
Total Expenditures	<u>11,048</u>	<u>8,260</u>	<u>2,788</u>
Excess of revenues over (under) expenditures	<u>(3,998)</u>	<u>(1,210)</u>	<u>2,788</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	3,998	3,998	0
Fund balance, June 30	<u>\$0</u>	<u>\$2,788</u>	<u>\$2,788</u>

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Drug Free Schools - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$57,513	\$48,053	(\$9,460)
Total revenues	<u>57,513</u>	<u>48,053</u>	<u>(9,460)</u>
Expenditures:			
Current:			
Support services:			
Pupil	71,246	56,224	15,022
Total Expenditures	<u>71,246</u>	<u>56,224</u>	<u>15,022</u>
Excess of revenues over (under) expenditures	<u>(13,733)</u>	<u>(8,171)</u>	<u>5,562</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	13,733	13,733	0
Fund balance, June 30	<u>\$0</u>	<u>\$5,562</u>	<u>\$5,562</u>

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 EHA Pre-School - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$45,454	\$38,436	(\$7,018)
Total revenues	<u>45,454</u>	<u>38,436</u>	<u>(7,018)</u>
Expenditures:			
Current:			
Instruction:			
Special	14,991	11,792	3,199
Support services:			
Pupil	43,364	29,560	13,804
Total Expenditures	<u>58,355</u>	<u>41,352</u>	<u>17,003</u>
Excess of revenues over (under) expenditures	<u>(12,901)</u>	<u>(2,916)</u>	<u>9,985</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	12,901	12,901	0
Fund balance, June 30	<u>\$0</u>	<u>\$9,985</u>	<u>\$9,985</u>

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Title VI-R - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$127,984	\$82,036	(\$45,948)
Total revenues	<u>127,984</u>	<u>82,036</u>	<u>(45,948)</u>
Expenditures:			
Current:			
Instruction:			
Regular	127,984	65,697	62,287
Total Expenditures	<u>127,984</u>	<u>65,697</u>	<u>62,287</u>
Excess of revenues over (under) expenditures	<u>0</u>	<u>16,339</u>	<u>16,339</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	0	0	0
Fund balance, June 30	<u>\$0</u>	<u>\$16,339</u>	<u>\$16,339</u>

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Miscellaneous Federal Grants - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$38,420	\$8,329	(\$30,091)
Total revenues	38,420	8,329	(30,091)
Expenditures:			
Current:			
Instruction:			
Regular	69,326	0	69,326
Special	8,329	7,927	402
Support services:			
Instructional Staff	239	0	239
Administration	18	0	18
Operations and maintenance	171	0	171
Central	13	0	13
Operation of non-instructional services	7	0	7
Total Expenditures	78,103	7,927	70,176
Excess of revenues over (under) expenditures	(39,683)	402	40,085
Fund balance, July 1 (includes prior year encumbrances appropriated)	39,683	39,683	0
Fund balance, June 30	\$0	\$40,085	\$40,085

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for and 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.

Since there is only one Debt Service Fund and the level of budgetary control is not greater than that presented in the General Purpose Financial Statements, no additional financial statements are presented here.

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CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings and additions to existing buildings, or for major renovation projects, including equipment purchases other than those financed by Proprietary Funds. The following are descriptions of each Capital Projects Fund:

Permanent Improvement To account for major improvements or renovations to existing facilities and bus purchases.

Building To account for the receipts and expenditures related to the 1994 Bond Issue. Expenditures represent the costs of acquiring capital facilities including real property.

School Net To account for state funds used to purchase technology and infrastructure.

Lakota Local School District, Ohio
 Combining Balance Sheet
 All Capital Projects Funds
 June 30, 2002

	Permanent Improvement	Building	School Net	Totals
Assets:				
Equity in pooled cash and cash equivalents	\$3,774,951	\$26,823,134	\$276	\$30,598,361
Cash with fiscal agent	0	418,622	0	418,622
Receivables				
Accrued interest	55,488	0	0	55,488
Total Assets	3,830,439	27,241,756	276	31,072,471
Liabilities:				
Accounts payable	176,235	2,840,798	0	3,017,033
Retainage payable	0	418,622	0	418,622
Total liabilities	176,235	3,259,420	0	3,435,655
Fund balances:				
Reserved:				
Reserved for encumbrances	1,015,015	14,017,306	276	15,032,597
Unreserved:				
Undesignated	2,639,189	9,965,030	0	12,604,219
Total fund equity	3,654,204	23,982,336	276	27,636,816
Total Liabilities and fund equity	\$3,830,439	\$27,241,756	\$276	\$31,072,471

Lakota Local School District, Ohio
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
All Capital Projects Funds
For The Fiscal Year Ended June 30, 2002

	Permanent Improvement	Building	School Net	Totals
Revenues:				
Investment Revenue	\$1,228,291	\$0	\$0	\$1,228,291
Total revenues	<u>1,228,291</u>	<u>0</u>	<u>0</u>	<u>1,228,291</u>
Expenditures:				
Current:				
Instruction:				
Regular	0	0	347,259	347,259
Support services:				
Instructional staff	0	0	29,089	29,089
Operations and maintenance	86,265	0	0	86,265
Capital outlay	1,711,716	17,023,439	0	18,735,155
Debt Service:				
Interest and fiscal charges	34,386	0	0	34,386
Total Expenditures	<u>1,832,367</u>	<u>17,023,439</u>	<u>376,348</u>	<u>19,232,154</u>
Excess of revenues over (under) expenditures	<u>(604,076)</u>	<u>(17,023,439)</u>	<u>(376,348)</u>	<u>(18,003,863)</u>
Other financing sources (uses):				
Operating transfers in	0	45,551,767	0	45,551,767
Proceeds of Bonds	2,870,000	0	0	2,870,000
Total other financing sources (uses)	<u>2,870,000</u>	<u>45,551,767</u>	<u>0</u>	<u>48,421,767</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	2,265,924	28,528,328	(376,348)	30,417,904
Fund balance (deficit), July 1	1,388,280	(4,545,992)	376,624	(2,781,088)
Fund balance, June 30	<u>\$3,654,204</u>	<u>\$23,982,336</u>	<u>\$276</u>	<u>\$27,636,816</u>

Lakota Local School District, Ohio
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Permanent Improvement - Capital Projects Fund
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Investment revenue	\$1,053,500	\$1,038,844	(\$14,656)
Total revenues	<u>1,053,500</u>	<u>1,038,844</u>	<u>(14,656)</u>
Expenditures:			
Current:			
Support services:			
Pupil Transportation	1,062,265	1,062,065	200
Capital outlay	1,926,449	1,890,958	35,491
Debt Service:			
Interest and fiscal charges	34,386	34,386	0
Total Expenditures	<u>3,023,100</u>	<u>2,987,409</u>	<u>35,691</u>
Excess of revenues over (under) expenditures	<u>(1,969,600)</u>	<u>(1,948,565)</u>	<u>21,035</u>
Other financing sources (uses):			
Proceeds of bonds	2,870,000	2,870,000	0
Total other financing sources (uses)	<u>2,870,000</u>	<u>2,870,000</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>900,400</u>	<u>921,435</u>	<u>21,035</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>1,454,631</u>	<u>1,454,631</u>	<u>0</u>
Fund balance, June 30	<u>\$2,355,031</u>	<u>\$2,376,066</u>	<u>\$21,035</u>

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Building - Capital Projects Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Taxes	\$0	\$0	\$0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current:			
Capital outlay	41,704,086	34,161,402	7,542,684
Total Expenditures	<u>41,704,086</u>	<u>34,161,402</u>	<u>7,542,684</u>
Excess of revenues over (under) expenditures	<u>(41,704,086)</u>	<u>(34,161,402)</u>	<u>7,542,684</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	41,707,706	41,707,706	0
Fund balance, June 30	<u>\$3,620</u>	<u>\$7,546,304</u>	<u>\$7,542,684</u>

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 School Net - Capital Projects Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Taxes	\$0	\$0	\$0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	349,035	349,035	0
Support services:			
Instructional Staff	29,089	29,089	0
Total Expenditures	<u>378,124</u>	<u>378,124</u>	<u>0</u>
Excess of revenues over (under) expenditures	<u>(378,124)</u>	<u>(378,124)</u>	<u>0</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	378,124	378,124	0
Fund balance, June 30	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

ENTERPRISE FUNDS

Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the expense (including depreciation) of providing goods or services primarily or solely to the general public be financed or recovered primarily through user charges. The following are descriptions of each of the District's Enterprise Funds:

Food Service A fund used to account for all revenues and expenses related to the provision of food services of the District.

Uniform School Supply A rotary fund provided to account for the purchase and sale of school supplies as adopted by the Board of Education for use in the schools of the District.

Adult Education A fund used to account for all revenues and expenses related to the provision of non-credit classes to the general public.

Lakota Local School District, Ohio
Combining Balance Sheet
All Enterprise Funds
June 30, 2002

	Food Service	Uniform School Supply	Adult Education	Total
Assets				
Current Assets:				
Equity in pooled cash and cash equivalents	\$1,204,956	\$410,280	\$3,510	\$1,618,746
Receivables:				
Accounts	0	50,297	0	50,297
Intergovernmental	45,613	0	0	45,613
Inventory held for resale	19,971	0	0	19,971
Total Current Assets	1,270,540	460,577	3,510	1,734,627
Non-current assets:				
Fixed assets (net of accumulated depreciation)	1,028,293	0	0	1,028,293
Total Assets	2,298,833	460,577	3,510	2,762,920
Liabilities				
Current liabilities:				
Accounts payable	80,651	14,174	0	94,825
Accrued wages	195,423	0	0	195,423
Compensated absences payable	66,146	0	0	66,146
Interfund payable	0	390	0	390
Deferred revenue	10,127	0	0	10,127
Total current liabilities	352,347	14,564	0	366,911
Fund equity				
Contributed capital	1,295,844	0	0	1,295,844
Retained Earnings:				
Unreserved	650,642	446,013	3,510	1,100,165
Total fund equity	1,946,486	446,013	3,510	2,396,009
Total Liabilities and fund equity	\$2,298,833	\$460,577	\$3,510	\$2,762,920

Lakota Local School District, Ohio
Combining Statement of Revenues, Expenses
And Changes in Retained Earnings
All Enterprise Funds
For The Fiscal Year Ended June 30, 2002

	Food Service	Uniform School Supply	Adult Education	Total
Operating Revenues:				
Charges for services	\$3,168,248	\$921,097	\$0	\$4,089,345
Other revenues	0	200	0	200
Total revenues	3,168,248	921,297	0	4,089,545
Operating Expenses:				
Salaries and Wages	1,245,056	0	0	1,245,056
Fringe Benefits	377,982	0	0	377,982
Purchased Services	150,682	0	0	150,682
Materials and supplies	1,823,623	764,475	1,362	2,589,460
Depreciation	165,919	0	0	165,919
Other operating expenses	0	50	0	50
Total operating expenses	3,763,262	764,525	1,362	4,529,149
Operating income (loss)	(595,014)	156,772	(1,362)	(439,604)
Non-operating revenues:				
Federal donated commodities	86,535	0	0	86,535
Investment revenue	30,312	0	0	30,312
Operating grants	432,617	0	0	432,617
Total non-operating revenues	549,464	0	0	549,464
Net Income	(45,550)	156,772	(1,362)	109,860
Retained Earnings, July 1	690,718	289,241	4,872	984,831
Prior Period Adjustment	5,474	0	0	5,474
Retained Earnings, July 1 (Restated)	696,192	289,241	4,872	990,305
Retained Earnings, June 30	\$650,642	\$446,013	\$3,510	\$1,100,165

Lakota Local School District, Ohio
Combining Statement of Cash Flows
All Enterprise Funds
For The Fiscal Year Ended June 30, 2002

	Food Service	Uniform School Supply	Adult Education	Totals
Cash flows from operating activities:				
Cash received from miscellaneous sources	\$0	\$200	\$0	\$200
Cash received from sales	3,168,248	870,800	0	4,039,048
Cash payments to suppliers for goods and services	(1,847,746)	(788,173)	(1,362)	(2,637,281)
Cash payments to employees for services	(1,603,813)	0	0	(1,603,813)
Cash payments for other operating expenses	0	(75)	0	(75)
Net cash provided by (used for) operating activities	(283,311)	82,752	(1,362)	(201,921)
Cash flows from noncapital financing activities:				
Cash received from other funds	0	390	0	390
Operating grants received	387,004	0	0	387,004
Net cash provided by noncapital financing activities	387,004	390	0	387,394
Cash Flows from Capital and Related Financing Activities:				
Acquisition of Capital Assets	(155,612)	0	0	(155,612)
Net cash used for capital and related financing activities	(155,612)	0	0	(155,612)
Cash Flows from Investing Activities:				
Investment income received	30,312	0	0	30,312
Net cash provided by investing activities	30,312	0	0	30,312
Net increase in cash and cash equivalents	(21,607)	83,142	(1,362)	60,173
Cash and cash equivalents, July 1	1,226,563	327,138	4,872	1,558,573
Cash and cash equivalents, June 30	<u>\$1,204,956</u>	<u>\$410,280</u>	<u>\$3,510</u>	<u>\$1,618,746</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	(595,014)	156,772	(1,362)	(439,604)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	165,919	0	0	165,919
Donated commodities used	86,535	0	0	86,535
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable		(50,297)	0	(50,297)
(Increase) decrease in inventory held for resale	7,656	0	0	7,656
Increase (decrease) in accounts payable	40,313	(23,723)	0	16,590
Increase (decrease) in accrued wages and benefits	17,701	0	0	17,701
Increase (decrease) in compensated absences	1,524	0	0	1,524
Increase (decrease) in deferred revenue	(7,945)	0	0	(7,945)
Total Adjustments	311,703	(74,020)	0	237,683
Net cash provided by (used for) operating activities	(283,311)	82,752	(1,362)	(201,921)
Non-cash transactions				
Enterprise Fund:				
Non-cash donation of inventory held for resale (food service)	84	\$86,535		

INTERNAL SERVICE FUND

Internal Service Funds are used to account for the financing of services provided by one department of agency to another department of agency on a cost reimbursement basis.

Special Rotary Fund To account for all revenues and expenses related to field trips for the schools in the district.

Employee Benefits To account for monies received from other funds as payment for providing medical and dental benefits. Currently, the district participates in a self-funded trust program with the Butler County Health Plan.

Worker's Compensation To account for monies received from other funds as payment for claims and premium incurred in the retrospectively rated worker's compensation program.

Lakota Local School District, Ohio
 Combining Balance Sheet
 All Internal Service Funds
 June 30, 2002

	Special Rotary	Employee Benefits	Workers Compensation	Total
Assets				
Current Assets:				
Equity in pooled cash and cash equivalents	\$151,673	\$0	\$1,134,879	\$1,286,552
Total Current Assets	<u>151,673</u>	<u>0</u>	<u>1,134,879</u>	<u>1,286,552</u>
Total Assets	<u><u>151,673</u></u>	<u><u>0</u></u>	<u><u>1,134,879</u></u>	<u><u>1,286,552</u></u>
Current Liabilities:				
Accounts payable	892	0	0	892
Total Current Liabilities	<u>892</u>	<u>0</u>	<u>0</u>	<u>892</u>
Total Liabilities	<u>892</u>	<u>0</u>	<u>0</u>	<u>892</u>
Retained Earnings:				
Unreserved	150,781	0	1,134,879	1,285,660
Total retained earnings	<u>150,781</u>	<u>0</u>	<u>1,134,879</u>	<u>1,285,660</u>
Total Liabilities and fund equity	<u><u>\$151,673</u></u>	<u><u>\$0</u></u>	<u><u>\$1,134,879</u></u>	<u><u>\$1,286,552</u></u>

Lakota Local School District, Ohio
Combining Statement of Revenues, Expenses
And Changes in Retained Earnings
All Internal Service Funds
For The Fiscal Year Ended June 30, 2002

	Special Rotary	Employee Benefits	Workers Compensation	Total
Operating Revenues:				
Tuition & fees	\$171,257	\$0	\$0	\$171,257
Extracurricular revenues	1,081	0	0	1,081
Other revenues	0	1,379	603,140	604,519
Total revenues	<u>172,338</u>	<u>1,379</u>	<u>603,140</u>	<u>776,857</u>
Operating Expenses:				
Salaries and Wages	116,288	0	0	116,288
Fringe Benefits	14,638	0	0	14,638
Purchased services	3,233	0	0	3,233
Materials and supplies	5,157	0	0	5,157
Other operating expenses	14,122	558,647	209,125	781,894
Total operating expenses	<u>153,438</u>	<u>558,647</u>	<u>209,125</u>	<u>921,210</u>
Operating income (loss)	<u>18,900</u>	<u>(557,268)</u>	<u>394,015</u>	<u>(144,353)</u>
Operating transfers (out)	<u>(29,033)</u>	<u>0</u>	<u>0</u>	<u>(29,033)</u>
Net Income (loss)	<u>(10,133)</u>	<u>(557,268)</u>	<u>394,015</u>	<u>(173,386)</u>
Retained Earnings, July 1	160,914	557,268	740,864	1,459,046
Retained Earnings, June 30	<u>\$150,781</u>	<u>\$0</u>	<u>\$1,134,879</u>	<u>\$1,285,660</u>

Lakota Local School District, Ohio
Combining Statement of Cash Flows
All Internal Service Funds
For The Fiscal Year Ended June 30, 2002

	Special Rotary	Employee Benefits	Workers Compensation	Totals
Cash flows from operating activities:				
Cash received from tuition and fees	\$171,257	\$0	\$0	\$171,257
Cash received from miscellaneous sources	1,081	1,379	603,140	605,600
Cash payments to suppliers for goods and services	(8,370)	0	0	(8,370)
Cash payments to employees for services	(130,926)	0	0	(130,926)
Cash payments for other operating expenses	(23,865)	(558,647)	(214,934)	(797,446)
Net cash provided by (used for) operating activities	<u>9,177</u>	<u>(557,268)</u>	<u>388,206</u>	<u>(159,885)</u>
Cash flows from noncapital financing activities:				
Cash paid to other funds	(29,033)	0	0	(29,033)
Net cash provided by noncapital financing activities	<u>(29,033)</u>	<u>0</u>	<u>0</u>	<u>(29,033)</u>
Net increase in cash and cash equivalents	(19,856)	(557,268)	388,206	(188,918)
Cash and cash equivalents, July 1	171,529	557,268	746,673	1,475,470
Cash and cash equivalents, June 30	<u>\$151,673</u>	<u>\$0</u>	<u>\$1,134,879</u>	<u>\$1,286,552</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	18,900	(557,268)	394,015	(144,353)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Changes in assets and liabilities:				
Increase (decrease) in accounts payable	(9,723)	0	(5,809)	(15,532)
Total Adjustments	<u>(9,723)</u>	<u>0</u>	<u>(5,809)</u>	<u>(15,532)</u>
Net cash provided by (used for) operating activities	<u>\$9,177</u>	<u>(\$557,268)</u>	<u>\$388,206</u>	<u>(\$159,885)</u>

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The District's fiduciary funds include an Expendable Trust Fund and Agency Funds. The following are descriptions of each of the District's Fiduciary Funds:

Expendable Trust Fund:

General Trust To account for donations from private individuals or corporations to be used according to the terms of the donation for scholarships. Since there is only one Expendable Trust Fund, no additional Statement of Revenues, Expenditures or Changes in Fund Balance is presented here.

Agency Funds:

Retirements Fund To account for withholdings collected and held for the State Teachers Retirement System and the State Employees Retirement System.

Student Activity Fund To account for the resources which are collected by and belong to the various student groups.

Lakota Local School District, Ohio
 Combining Balance Sheet
 All Fiduciary Fund Types
 June 30, 2002

	General Trust Expendable Trust	Retirements Agency	Student Activity Agency	Totals
Assets				
Equity in pooled cash and cash equivalents	\$86,880	\$797,097	\$216,058	\$1,100,035
Total Assets	<u>86,880</u>	<u>797,097</u>	<u>216,058</u>	<u>1,100,035</u>
Liabilities				
Accounts Payable	0	4,284	5,849	10,133
Interfund Payable	0	353,800	17,000	370,800
Due to students	0	0	193,209	193,209
Due to others	0	439,013	0	439,013
Total liabilities	<u>0</u>	<u>797,097</u>	<u>216,058</u>	<u>1,013,155</u>
Fund balances:				
Unreserved:				
Undesignated	86,880	0	0	86,880
Total fund equity (deficit)	<u>86,880</u>	<u>0</u>	<u>0</u>	<u>86,880</u>
Total Liabilities and fund equity	<u>\$86,880</u>	<u>\$797,097</u>	<u>\$216,058</u>	<u>\$1,100,035</u>

Lakota Local School District, Ohio
 Combining Statement of Changes In Assets and Liabilities
 Agency Funds
 For The Fiscal Year Ended June 30, 2002

	Retirements Fund			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets				
Equity in pooled cash and cash equivalents	\$83,252	\$19,651,471	\$18,937,626	\$797,097
Accounts receivable	417,382	0	417,382	0
Total Assets	<u>500,634</u>	<u>19,651,471</u>	<u>19,355,008</u>	<u>797,097</u>
Liabilities				
Accounts payable	3,538	4,284	3,538	4,284
Interfund payable	497,096	0	143,296	353,800
Due to others	0	19,647,187	19,208,174	439,013
Total liabilities	<u>\$500,634</u>	<u>\$19,651,471</u>	<u>\$19,355,008</u>	<u>\$797,097</u>

	Student Activity Fund			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets				
Equity in pooled cash and cash equivalents	\$212,082	\$379,280	\$375,304	\$216,058
Total Assets	<u>212,082</u>	<u>379,280</u>	<u>375,304</u>	<u>216,058</u>
Liabilities				
Accounts payable	3,469	5,849	3,469	5,849
Interfund payable	3,575	13,425	0	17,000
Due to students	205,038	360,006	371,835	193,209
Total liabilities	<u>\$212,082</u>	<u>\$379,280</u>	<u>\$375,304</u>	<u>\$216,058</u>

	Total			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets				
Equity in pooled cash and cash equivalents	\$295,334	\$20,030,751	\$19,312,930	\$1,013,155
Accounts receivable	417,382	0	417,382	0
Total Assets	<u>712,716</u>	<u>20,030,751</u>	<u>19,730,312</u>	<u>1,013,155</u>
Liabilities				
Accounts payable	7,007	10,133	7,007	10,133
Interfund payable	500,671	13,425	143,296	370,800
Due to students	205,038	360,006	371,835	193,209
Due to others	0	19,647,187	19,208,174	439,013
Total liabilities	<u>\$712,716</u>	<u>\$20,030,751</u>	<u>\$19,730,312</u>	<u>\$1,013,155</u>

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GENERAL FIXED ASSETS ACCOUNT GROUP

This account group is used to account for all land and land improvements, building and building improvements, furniture and equipment not used in the operations of the Proprietary Funds. The majority of the District's assets are reflected in the General Fixed Assets Account Group.

LAKOTA LOCAL SCHOOL DISTRICT, OHIO
Schedule of General Fixed Assets by Source
June 30, 2002

General fixed assets:	
Land	\$8,255,918
Buildings	95,121,333
Equipment	24,832,869
Construction in Progress	<u>9,510,708</u>
Total General Fixed Assets	<u><u>\$137,720,828</u></u>

Investment in general fixed assets by source:	
General Fund	\$26,999,719
Special Revenue Funds	509,165
Capital Projects Funds	<u>110,211,944</u>
Total General Fixed Assets	<u><u>\$137,720,828</u></u>

LAKOTA LOCAL SCHOOL DISTRICT, OHIO

Schedule of General Fixed Assets

By Function and Type

June 30, 2002

Function	Land	Buildings	Equipment	Construction in Progress	Total
Instruction:					
Regular	\$2,315	\$0	\$8,943,602	\$0	\$8,945,917
Special	0	0	146,398	0	146,398
Total instruction	2,315	0	9,090,000	0	9,092,315
Support services:					
Pupil	1,315	1,871	198,988	0	202,174
Instructional staff	0	0	153,270	0	153,270
Administration	0	0	718,655	0	718,655
Fiscal	0	2,989	76,611	0	79,600
Business	0	0	1,015,502	0	1,015,502
Operations and maintenance	0	1,125	596,879	0	598,004
Pupil transportation	0	0	8,801,752	0	8,801,752
Central	0	0	314,477	0	314,477
Total support services	1,315	5,985	11,876,134	0	11,883,434
Extracurricular activities	1,145,559	711,305	1,077,899	0	2,934,763
Capital outlay	7,106,729	94,404,043	2,788,836	9,510,708	113,810,316
Total General Fixed Assets	\$8,255,918	\$95,121,333	\$24,832,869	\$9,510,708	\$137,720,828

LAKOTA LOCAL SCHOOL DISTRICT, OHIO

Schedule of Changes in General Fixed Assets

By Function

For the Fiscal Year Ended June 30, 2002

Function	Balance at July 1, 2001	Additions	Deductions	Balance at June 30, 2002
Instruction:				
Regular	\$8,438,029	\$540,356	\$32,468	\$8,945,917
Special	70,804	75,594	0	146,398
Total Instruction	<u>8,508,833</u>	<u>615,950</u>	<u>32,468</u>	<u>9,092,315</u>
Support services:				
Pupil	137,705	64,469	0	202,174
Instructional staff	137,973	15,297	0	153,270
Administration	655,470	68,910	5,725	718,655
Fiscal	61,710	18,390	500	79,600
Business	1,010,903	4,599	0	1,015,502
Operations and maintenance	521,878	80,151	4,025	598,004
Pupil transportation	6,750,351	2,051,401	0	8,801,752
Central	214,872	99,605	0	314,477
Total Support services	<u>9,490,862</u>	<u>2,402,822</u>	<u>10,250</u>	<u>11,883,434</u>
Extracurricular	2,778,302	156,461	0	2,934,763
Capital outlay	<u>99,451,638</u>	<u>15,954,728</u>	<u>1,596,050</u>	<u>113,810,316</u>
Total General Fixed Assets	<u>\$120,229,635</u>	<u>\$19,129,961</u>	<u>\$1,638,768</u>	<u>\$137,720,828</u>

STATISTICAL SECTION

TABLE 1

Lakota Local School District, Ohio
 General Fund Revenues by Source
 Last Ten Fiscal Years

Fiscal Year	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Taxes	\$27,046,040	\$28,368,770	\$28,393,279	\$31,963,428	\$35,386,346	\$46,291,911	\$42,983,537	\$40,636,659	\$51,072,992	\$59,412,475
Intergovernmental	20,135,561	18,486,610	17,625,203	21,197,594	22,464,910	25,870,273	28,252,764	32,198,954	36,295,600	46,515,382
Interest	296,464	288,213	433,043	803,554	1,155,359	1,463,753	1,264,336	1,423,587	2,414,249	944,347
Tuition and fees	212,767	232,792	280,008	311,671	435,152	391,542	381,159	90,103	142,070	219,195
Extracurricular activities	42,717	41,808	72,870	299,191	100,737	123,183	129,675	20,235	5,815	3,015
Other revenues	144,686	244,175	223,244	236,059	287,039	644,730	526,446	1,135,148	1,108,959	1,009,728
Total revenues	\$47,878,235	\$47,662,368	\$47,027,647	\$54,811,497	\$59,829,543	\$74,785,392	\$73,537,917	\$75,504,686	\$91,039,685	\$108,104,142

Source: Lakota Local School District records.

TABLE 2

Lakota Local School District, Ohio
General Fund Expenditures by Function
Last Ten Fiscal Years

Fiscal Year	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Instruction:										
Regular	\$23,542,456	\$25,571,580	\$26,678,034	\$27,208,177	\$29,947,276	\$34,616,606	\$38,616,055	\$41,388,128	\$42,920,240	\$49,238,596
Special	2,859,581	3,308,790	3,594,532	3,619,215	4,018,337	4,555,155	5,254,505	5,801,329	6,359,384	7,658,169
Vocational	294,165	277,627	230,002	166,876	153,735	279,858	246,573	240,986	321,305	253,789
Other	42,562	66,152	54,617	72,455	72,718	104,369	111,550	194,243	278,680	406,687
Support services:										
Pupil	2,540,235	2,724,110	2,569,588	2,740,019	3,064,287	3,790,504	4,053,907	4,194,333	4,535,887	5,602,823
Instructional staff	2,146,064	2,077,432	2,210,044	2,172,031	2,506,440	3,599,289	3,733,793	4,323,451	4,883,672	5,673,642
General administration	30,624	25,344	23,574	27,211	47,924	30,086	32,985	8,714	35,889	23,984
School administration	3,726,249	3,927,785	4,043,379	3,975,378	4,534,732	5,685,998	6,094,554	7,130,132	7,145,146	8,550,058
Fiscal and business	1,031,387	1,024,864	1,130,695	1,143,121	1,293,181	1,269,665	1,558,603	1,752,099	1,765,074	2,073,063
Operations and maintenance	4,296,693	4,780,052	4,519,672	4,767,951	5,308,632	6,926,534	7,640,848	7,566,261	7,272,764	8,769,880
Pupil transportation	3,885,977	3,454,358	3,341,250	3,315,033	4,206,226	5,958,036	5,398,641	5,786,291	7,368,359	7,892,750
Central	156,357	193,311	191,361	241,062	400,402	448,627	691,574	1,268,535	1,019,892	1,228,715
Operations of non-instructional services	1,489	2,882	2,125	2,055	2,714	3,602	8,065	3,381	3,166	0
Extracurricular activities	578,562	631,141	614,102	579,326	739,033	1,191,464	1,310,626	1,498,775	1,579,630	1,609,087
Capital outlay	64,271	0	0	0	0	114,562	104,955	781,574	35,983	210,862
Debt Service										
Principal retirement	85,276	95,459	106,977	113,594	75,617	100,090	322,399	0	789,893	0
Interest and fiscal charges	38,013	26,793	18,060	10,370	53,114	48,055	68,046	28,379	103,200	0
Total expenditures	\$45,319,961	\$48,187,680	\$49,328,012	\$50,153,874	\$56,424,368	\$68,722,500	\$75,247,679	\$81,966,611	\$86,418,164	\$99,192,105

Source: Lakota Local School District records.

Table 3

Lakota Local School District, Ohio
 Property Tax Levies and Collections - Real and Public Utility Property
 Last Ten Collection (Calendar) Years

Collection Year	Tax Levied	Current Tax Collections	Percent Collected	Delinquent Collection	Total Tax Collections	Percent of Total Collections to Levy	Outstanding Delinquent Taxes	Percent of Outstanding Delinquent Taxes to Tax Levied
1993	\$28,461,002	\$28,461,002	100%	\$1,160,259	\$29,621,261	104%	\$1,389,203	4.9%
1994	31,870,422	31,070,948	97%	622,354	31,693,302	99%	1,566,323	4.9%
1995	36,614,197	36,127,859	99%	825,590	36,953,449	101%	2,052,661	5.6%
1996	36,639,929	36,639,929	100%	1,488,675	38,128,604	104%	1,337,222	3.6%
1997	45,857,910	45,857,910	100%	1,535,268	47,393,178	103%	1,248,839	2.7%
1998	47,506,385	47,506,385	100%	1,104,758	48,611,143	102%	1,793,632	3.8%
1999	49,733,189	49,002,544	99%	1,066,729	50,069,273	101%	1,457,548	2.9%
2000	51,603,050	51,384,592	100%	899,725	52,284,317	101%	776,281	1.5%
2001	67,320,527	64,924,194	96%	1,225,648	66,149,842	98%	1,946,966	2.9%
2002	67,659,376	65,274,114	96%	1,572,990	66,847,103	99%	2,285,353	3.4%

Source: Butler County Auditor.

TABLE 4

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

Collection Year	Real Property		Tangible Personal Property		Public Utilities Personal		Total	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1993	\$812,659,050	\$2,321,883,000	\$89,862,423	\$359,449,692	\$67,702,510	\$76,934,670	\$970,223,983	\$2,758,267,362
1994	938,307,480	2,680,878,514	92,920,863	371,683,452	71,977,400	81,792,500	1,103,205,743	3,134,354,466
1995	1,005,187,730	2,871,964,943	99,294,059	397,176,236	77,924,830	88,550,943	1,182,406,619	3,357,692,122
1996	1,086,266,210	3,103,617,743	104,616,706	418,466,824	73,949,520	84,033,545	1,264,832,436	3,606,118,112
1997	1,189,903,220	3,399,723,486	121,815,238	487,260,952	74,532,500	84,696,023	1,386,250,958	3,971,680,460
1998	1,243,409,780	3,552,599,371	133,868,633	535,474,532	74,264,120	84,391,045	1,451,542,533	4,172,464,949
1999	1,303,927,250	3,725,506,429	136,671,688	546,686,752	78,477,160	89,178,591	1,519,076,098	4,361,371,771
2000	1,470,277,860	4,200,793,885	136,507,980	546,031,920	81,764,790	92,914,534	1,688,550,630	4,839,740,339
2001	1,596,004,850	4,560,013,857	156,691,941	626,767,764	79,376,000	90,200,000	1,832,072,791	5,276,981,621
2002	1,646,429,860	4,704,085,314	170,886,501	683,546,004	60,981,990	*	1,878,298,351	*

Source: Butler County Auditor.

* - Information not available

Table 5

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

Tax Year/ Collection Year	COUNTY		CITIES		SCHOOL DISTRICTS					TOWNSHIPS		
	Butler County	Fairfield City	Monroe City	Fairfield City	Lakota Local School District		Butler County Joint Vocational School	Union Township	Liberty Township Excluded	Liberty Township Monroe		
					Voted	Unvoted						
	General Fund	Bond Fund	General Fund	Bond Fund	General Fund							
2001/2002	8.75	5.94	9.85	5.94	50.39	5.00	6.49	1.93	13.09	10.59	0.59	
2000/2001	8.45	5.94	9.85	5.94	50.39	5.00	6.49	1.93	10.59	10.59	0.59	
1999/2000	8.45	4.54	7.85	4.54	43.65	5.00	6.49	1.93	10.59	9.09	0.59	
1998/1999	8.44	4.54	7.85	4.54	43.65	6.00	6.49	1.93	9.59	7.59	0.59	
1997/1998	8.45	4.54	7.85	4.54	43.65	6.00	6.49	1.93	9.59	7.59	0.59	
1996/1997	8.44	4.54	7.85	4.54	43.65	6.10	6.49	1.93	9.59	5.59	0.59	
1995/1996	7.44	4.54	7.85	4.54	37.15	6.50	6.49	1.93	9.59	5.59	0.59	
1994/1995	7.45	4.54	7.85	4.54	37.15	8.10	6.49	1.93	9.59	4.09	0.59	
1993/1994	7.44	4.00	7.85	4.00	37.15	4.50	6.49	1.94	9.00	4.09	2.09	
1992/1993	7.45	4.00	7.85	4.00	37.15	5.60	6.49	1.97	9.00	3.09	2.09	

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

Note: Figures in parenthesis reflect "effective" millage for residential/agricultural (upper) and commercial/industrial (lower) for the current collection year only. All other figures reflect voted millage.

TABLE 6

Lakota Local School District, Ohio
 Ratio of Net General Bonded Debt to Assessed Value
 And Net Bonded Debt Per Capita
 Last Ten Fiscal Years

Year	Population (1)	Total Assessed Value (2)	Gross Bonded Debt (1)	Less Debt Service Fund (1)	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value (%)	Net Bonded Debt Per Capita
1993	47,000	\$970,223,983	\$41,565,729	\$1,567,049	\$39,998,680	4.1%	\$851
1994	47,000	1,103,205,743	90,686,686	2,041,499	88,645,187	8.0%	1,886
1995	53,362	1,182,406,619	87,809,686	2,584,092	85,225,594	7.2%	1,597
1996	53,362	1,264,832,436	84,966,686	1,652,342	83,314,344	6.6%	1,561
1997	53,362	1,386,250,958	82,101,686	2,168,285	79,933,402	5.8%	1,498
1998	53,362	1,451,542,533	79,408,414	2,136,837	77,271,577	5.3%	1,448
1999	53,362	1,519,076,098	78,993,414	2,617,349	76,376,065	5.0%	1,431
2000	53,362	1,688,550,630	74,689,067	3,106,964	71,582,103	4.2%	1,341
2001	77,714	1,832,072,791	114,537,519	51,050,590	63,486,929	3.5%	817
2002	79,895	1,878,298,351	111,763,062	5,094,538	106,668,524	5.7%	1,335

Source:

(1) District Records

(2) Butler County Auditor

Lakota Local School District, Ohio
 Computation of Legal Debt Margin
 June 30, 2002

TABLE 7

Assessed Valuation of District		<u>\$1,878,298,351</u>
<hr/>		
Overall Direct Debt Limitation		
Direct debt limitation		
9% of assessed valuation		169,046,852
Amount available in Debt Service Fund		5,094,538
Gross indebtedness	<u>\$163,952,314</u>	
Less: Debt exempt from limitation	<u>0</u>	
Debt subject to 9% limitation		<u>(163,952,314)</u>
Legal debt margin within 9% limitation		<u>\$10,189,076</u>
<hr/>		
Unvoted Direct Debt Limitation		
Unvoted debt limitation		
0.1% of assessed valuation		\$1,878,298
Amount available in Debt Service Fund related to unvoted debt		n/a
Gross indebtedness authorized by the Board	163,952,314	
Less: Debt exempt from limitation	<u>0</u>	
Debt subject to 0.1% limitation		<u>163,952,314</u>
Legal debt margin within 0.1% limitation		<u>\$165,830,612</u>
<hr/>		
Energy Conservation Bond Limitation		
Ohio Revised Code Section 133.042		
Debt limitation		
0.9% of assessed valuation		\$16,904,685
Energy conservation notes authorized by the Board		<u>0</u>
Legal debt margin within 0.9% limitation		<u>\$16,904,685</u>

Source: Lakota Local School District records.

Lakota Local School District, Ohio
 Computation of Direct and Overlapping Debt
 June 30, 2002

TABLE 8

<u>Governmental Unit</u>	<u>Gross General Obligation</u>	<u>Percent Applicable to District (1)</u>	<u>Amount Applicable to District</u>
Direct:			
Lakota Local School District	<u>\$111,952,649</u>	100.00%	<u>\$111,952,649</u>
Overlapping:			
Butler County	77,792,500	30.54%	23,757,830
West Chester Township	28,730,000	94.20%	27,063,660
Liberty Township	1,741,592	100.00%	1,741,592
Fairfield City	11,995,000	1.42%	170,329
Monroe City	9,745,000	4.92%	479,454
Butler County Joint Vocational School	<u>5,095,000</u>	35.41%	<u>1,804,140</u>
Total overlapping:	<u>\$135,099,092</u>		<u>\$55,017,005</u>
Total direct and overlapping debt:	<u>\$247,051,741</u>		<u>\$166,969,654</u>

Source: Ohio Municipal Advisory Council.

Lakota Local School District, Ohio
 Ratio of Annual Debt Service Expenditures
 For General Bonded Debt to Total General Fund Expenditures
 Last Ten Fiscal Years

TABLE 9

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures</u>	<u>Ratio of Debt Service to General Fund Expenditures (%)</u>
1993	\$7,115,000	\$2,005,933	\$9,120,933	\$45,319,961	20%
1994	9,275,000	2,341,334	11,616,334	48,187,680	24%
1995	2,885,000	5,540,736	8,425,736	49,328,012	17%
1996	2,835,000	5,097,533	7,932,533	50,153,874	16%
1997	2,865,000	4,922,671	7,787,671	56,424,368	14%
1998	22,940,000	4,726,990	27,666,990	68,722,500	40%
1999	4,000,000	4,250,357	8,250,357	75,247,679	11%
2000	4,474,347	4,403,764	9,025,134	81,966,611	11%
2001	5,234,231	5,840,016	51,050,590	86,568,164	59%
2002	5,644,456	6,285,846	5,094,538	99,192,105	5%

Source: Lakota Local School District records.

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>School Enrollment (1)</u>	<u>Unemployment Rate (2)</u>
1993	47,000	10,937	6.5%
1994	47,000	11,637	5.3%
1995	53,362	12,193	4.2%
1996	53,362	12,700	4.2%
1997	53,362	13,077	3.5%
1998	53,362	13,530	3.4%
1999	53,362	14,139	3.7%
2000	53,362	14,659	3.3%
2001	77,714	15,143	3.0%
2002	79,895	15,498	*

Sources:

- (1) Lakota Local School District Records
- (2) Butler County Economic Development Department
- * - Information not available

Lakota Local School District, Ohio
 Construction, Bank Deposits and Property Values
 Last Ten Calendar Years

TABLE 11

<u>Calendar Year</u>	<u>New Construction (1)</u>	<u>Bank Deposits (2) (in Thousands)</u>	<u>Property Values (3)</u>
1993	\$54,130,110	\$711,686,000	\$970,223,983
1994	56,795,090	737,683,000	1,103,205,743
1995	66,803,340	800,556,000	1,182,406,619
1996	53,128,920	783,398,000	1,264,832,436
1997	59,185,580	815,435,000	1,386,250,958
1998	57,107,950	864,105,000	1,451,542,533
1999	65,176,410	877,325,000	1,519,076,098
2000	111,454,810	923,585,000	1,688,550,630
2001	79,828,140	1,146,859,000	1,832,072,791
2002	*	1,136,994,000	1,878,298,351

* - Information not available

Sources:

- (1) Butler County Auditor
2002 not available at the time this report was published.
- (2) Federal Reserve Bank of Cleveland - Amounts are for Butler County (Note: County bank deposits measures total deposits for those banks deemed "domiciled" within a given county.)
- (3) Butler County Auditor, calendar year basis - real property assessed values.

Lakota Local School District, Ohio
 Real and Tangible Personal Property
 Top Ten Principal Taxpayers
 June 30, 2002

TABLE 12

Name of Taxpayer	Total Assessed Valuation	% of Total Assessed Valuation
Cincinnati Gas & Electric Co. (Cinergy)	\$40,666,300	2.17%
Dugan Financing LLC	31,370,880	1.67%
Cincinnati Bell Telephone	13,113,440	0.70%
Security Capital	10,917,100	0.58%
Proctor & Gamble Company	6,946,540	0.37%
Meijer	6,647,750	0.35%
Union Station Summit	5,842,890	0.31%
First Industrial LP	5,220,950	0.28%
Meadow Ridge/Butler	4,905,220	0.26%
Hills Real Estate Group	4,747,800	0.25%
All Other Taxpayers	1,747,919,481	93.06%
	\$1,878,298,351	100.0%

Source: Butler County Auditor.

TABLE 13

Lakota Local School District, Ohio
Miscellaneous Statistical Data
June 30, 2002

Enrollment by Grade

	Pre-K	K	1	2	3	4	5	6	7	8	9	10	11	12	IEP	Total
2001 - 02	237	1,151	1,210	1,185	1,173	1,206	1,226	1,296	1,232	1,161	1,135	1,205	1,104	963	32	15,518
2002 - 03	246	1,131	1,270	1,238	1,198	1,187	1,208	1,248	1,304	1,230	1,145	1,289	1,117	1,039	32	15,882
2003 - 04	246	1,175	1,173	1,288	1,263	1,208	1,228	1,238	1,267	1,326	1,202	1,216	1,337	1,189	34	16,390
2004 - 05	246	1,191	1,209	1,207	1,307	1,283	1,291	1,264	1,275	1,307	1,343	1,204	1,202	1,235	30	16,594
2005 - 06	250	1,202	1,221	1,230	1,233	1,335	1,320	1,315	1,290	1,317	1,320	1,335	1,190	1,196	32	16,786
2006 - 07	250	1,270	1,226	1,246	1,253	1,249	1,364	1,345	1,330	1,334	1,285	1,308	1,323	1,180	34	16,997
2007 - 08	255	1,265	1,290	1,251	1,265	1,274	1,269	1,390	1,362	1,355	1,366	1,290	1,289	1,295	34	17,250
2008 - 09	255	1,265	1,283	1,320	1,275	1,289	1,305	1,295	1,430	1,393	1,376	1,380	1,265	1,280	32	17,443
2009 - 10	260	1,275	1,336	1,309	1,324	1,331	1,322	1,352	1,335	1,462	1,430	1,360	1,340	1,225	34	17,695
2010 - 11	265	1,323	1,335	1,380	1,342	1,361	1,379	1,362	1,387	1,367	1,440	1,390	1,230	1,295	30	17,886
2011-12	265	1,368	1,393	1,395	1,446	1,398	1,413	1,419	1,401	1,417	1,343	1,398	1,356	1,198	32	18,242

The following are projections:

Sources: Lakota Local School District records.
EMIS October 2001 data

Lakota Local School District, Ohio
 State Basic Aid and Lakota Per Pupil Cost
 Last Ten Years

Table 14

Year	Proposed State Basic Aid Per Pupil	Percentage Change	Actual State General Fund Aid Per Pupil Received	Percentage Change	Lakota Cost Per Pupil in ADM	Percentage Increase
2001/2002	4,814	12.1%	2,626	26.6%	*	*
2000/2001	4,294	6.0%	2,075	22.3%	6,482	3.6%
1999/2000	4,052	5.2%	1,697	(3.9%)	6,255	6.9%
1998/1999	3,851	5.1%	1,766	4.7%	5,850	3.5%
1997/1998	3,663	4.7%	1,687	(5.2%)	5,650	30.3%
1996/1997	3,500	5.6%	1,779	3.0%	4,337	5.5%
1995/1996	3,315	9.2%	1,727	4.6%	4,109	(2.0%)
1994/1995	3,035	5.7%	1,652	(4.4%)	4,193	(1.1%)
1993/1994	2,871	1.9%	1,728	3.6%	4,241	2.6%
1992/1993	2,817	3.9%	1,669	5.8%	4,135	9.7%

Source: School district financial records.

* - Information not available

Graduation Rate (%)										
	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02
Students Graduating	93.57	87.85	85.57	83.59	89.09	91.84	95.20	90.60	90.30	94.00
Student Attendance Rate (%)										
	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02
All Grades	95.72	96.07	95.76	95.50	95.57	95.68	95.30	94.50	95.50	96.00
Student Dropout Rate (%)										
	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02
All Grades	1.90	1.83	1.52	1.44	1.65	1.30	**	**	**	**
% of College Preparatory										
	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02
Students Graduating	26.58	25.49	23.24	95.87	64.84	73.80	**	**	86.00	87.00
ACT Scores										
	92-93	93-94	94-95	95-96	96-97	97-98 *	98-99*	99-00*	00-01	01-02
Lakota High School	22.50	22.40	22.70	23.00	22.70	-	-	-	-	-
Lakota East High School	-	-	-	-	-	22.20	22.80	23.10	23.10	22.70
Lakota West High School	-	-	-	-	-	22.10	22.50	22.80	22.40	22.50
National	20.70	20.80	20.70	20.90	21.00	21.00	21.00	21.00	21.00	20.80
Ohio	21.00	21.20	21.20	21.30	21.30	21.40	21.40	21.40	21.40	21.40

* District opened two new high schools to replace the one Lakota High School beginning 1997-98.

** Information was unavailable at the time this report was published.

Source: Vital Statistics - Ohio State Department of Education,
 District Records.

Lakota Local School District, Ohio
 Certified Staff Statistics
 Last Ten Fiscal Years

Table 16

Teacher Class Size	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02
Pupil/Teacher Ratio	23.07	22.46	22.95	23.37	22.91	21.88	19.70	19.70	22.14	19.60
Teacher Education	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02
Teachers with No Degree	0.00%	0.00%	0.16%	0.16%	0.15%	0.00%	0.10%	0.10%	0.00%	0.00%
Teachers with Bachelors Degree	46.78%	30.82%	29.09%	30.92%	27.52%	26.53%	22.70%	22.10%	21.00%	20.20%
Teachers with Bachelors plus 150 Hours	20.92%	27.23%	28.17%	29.50%	30.65%	30.35%	27.30%	27.90%	29.00%	29.60%
Teachers with Masters Degree	32.31%	41.95%	42.57%	39.42%	41.68%	43.12%	49.90%	50.80%	50.00%	50.30%
Teacher Experience	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02
Average Teachers Experience	11.20	11.20	11.40	11.10	12.00	11.90	11.60	11.30	11.60	11.83

Source: Vital Statistics-Ohio State Department of Education.



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OFFICE OF THE AUDITOR

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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
JANUARY 9, 2003**