



OHIO AUDITOR OF STATE  
**KEITH FABER**





LAKOTA LOCAL SCHOOL DISTRICT  
BUTLER COUNTY

TABLE OF CONTENTS

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	Under separate cover
Prepared by Management:	
Comprehensive Annual Financial Report.....	Under separate cover
Schedule of Federal Award Expenditures .....	1
Notes to the Schedule of Federal Award Expenditures .....	2
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	3
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance .....	5
Schedule of Findings.....	9

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**LAKOTA LOCAL SCHOOL DISTRICT  
BUTLER COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019**

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Program Year</b>	<b>Federal CFDA Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Federal Expenditures</b>	<b>Non-Cash Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>					
<i>Passed Through Ohio Department of Education</i>					
Child Nutrition Cluster:					
Non-Cash Assistance (Food Distribution)					
National School Lunch Program	2019	10.555	n/a	\$ 0	\$ 427,788
Cash Assistance					
National School Breakfast Program	2019	10.553	3L70	275,040	0
National School Lunch Program	2019	10.555	3L60	1,588,793	0
Summer Food Service Program for Children	2019	10.559	3GE0	51,177	0
Total Child Nutrition Cluster				<u>1,915,010</u>	<u>427,788</u>
<b>Total U.S. Department of Agriculture</b>				<b><u>1,915,010</u></b>	<b><u>427,788</u></b>
<b>U.S. DEPARTMENT OF EDUCATION</b>					
<i>Passed Through Ohio Department of Education</i>					
Special Education Cluster:					
Special Education - Grants to State	2019	84.027	3M20	2,618,332	0
Special Education - Grants to State	2018	84.027	3M20	470,667	0
Total Special Education - Grants to State				<u>3,088,999</u>	<u>0</u>
Special Education - Preschool Grants	2019	84.173	3C50	78,947	0
Total Special Education Cluster				<u>3,167,946</u>	<u>0</u>
Title I Grants to Local Educational Agencies	2019	84.010	3M00	1,417,823	0
Title I Grants to Local Educational Agencies	2018	84.010	3M00	262,543	0
Total Title I Grants to Local Educational Agencies				<u>1,680,366</u>	<u>0</u>
Title II-A Improving Teacher Quality State Grants	2019	84.367	3Y60	487,710	0
Title II-A Improving Teacher Quality State Grants	2018	84.367	3Y60	35,709	0
Total Title II-A Improving Teacher Quality State Grants				<u>523,419</u>	<u>0</u>
Title III English Language Acquisition State Grants	2019	84.365	3Y70	145,706	0
Title III English Language Acquisition State Grants	2018	84.365	3Y70	36,044	0
Total Title III English Language Acquisition State Grants				<u>181,750</u>	<u>0</u>
Title IV-A Student Support and Academic Enrichment Program	2019	84.424	3H10	134,790	0
<b>Total U.S. Department of Education</b>				<b><u>5,688,271</u></b>	<b><u>0</u></b>
<b>Total Expenditures of Federal Awards</b>				<b><u>\$ 7,603,281</u></b>	<b><u>\$ 427,788</u></b>

The accompanying notes are an integral part of this schedule.

**LAKOTA LOCAL SCHOOL DISTRICT  
BUTLER COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Lakota Local School District (the District) under programs of the federal government for the year ended June 30, 2019. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

**NOTE C – INDIRECT COST RATE**

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D - CHILD NUTRITION CLUSTER**

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

**NOTE E – FOOD DONATION PROGRAM**

The District reports commodities consumed on the Schedule at the entitlement value. The District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.

**NOTE F - MATCHING REQUIREMENTS**

Certain Federal programs require the District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

# OHIO AUDITOR OF STATE KEITH FABER



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Blue Ash, Ohio 45242-1817  
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SouthwestRegion@ohioauditor.gov

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Lakota Local School District  
Butler County  
5572 Princeton Road  
Liberty Township, Ohio 45011

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lakota Local School District, Butler County, (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 13, 2019.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

### ***Compliance and Other Matters***

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State

Columbus, Ohio

December 13, 2019



# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Lakota Local School District  
Butler County  
5572 Princeton Road  
Liberty Township, Ohio 45011

To the Board of Education:

### ***Report on Compliance for the Major Federal Program***

We have audited the Lakota Local School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Lakota Local School District's major federal programs for the year ended June 30, 2019. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

### ***Management's Responsibility***

The District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to opine on the District's compliance for the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

### ***Opinion on the Major Federal Program***

In our opinion, the Lakota Local School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal programs for the year ended June 30, 2019.

### ***Report on Internal Control Over Compliance***

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

### ***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

We have also audited the financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the Lakota Local School District (the District) as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 13, 2019. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Lakota Local School District  
Butler County  
Independent Auditor's Report on Compliance with Requirements  
Applicable to The Major Federal Program and on Internal Control Over  
Compliance Required by the Uniform Guidance  
Page 3

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber  
Auditor of State

Columbus, Ohio

December 13, 2019

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**LAKOTA LOCAL SCHOOL DISTRICT  
BUTLER COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2019**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Special Education Cluster
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	Yes

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

July 1, 2018 - June 30, 2019

Lakota Local Schools  
5572 Princeton Road  
Liberty Township, OH 45011  
www.lakotaonline.com

## #WEareLak@ta



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**LAKOTA LOCAL SCHOOL DISTRICT**

**BUTLER COUNTY, OHIO**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Prepared by:  
Office of the CFO/Treasurer  
Jenni Logan

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**TABLE OF CONTENTS**

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	<b>Page</b>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	vii
List of Principal Officials	xvii
Administrative Organizational Structure Chart	xviii
GFOA Certificate of Achievement for Excellence in Financial Reporting	xix
ASBO Certificate of Excellence in Financial Reporting	xx
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements:	
Balance Sheet - Governmental Funds	16
Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	19
Statement of Fiduciary Net Position - Fiduciary Funds	20
Statement of Changes in Fiduciary Net Position - Fiduciary Fund	21
Notes to the Basic Financial Statements	22
Required Supplementary Information:	
Schedule of the District's Proportionate Share of the Net Pension Liability - State Teachers Retirement System of Ohio	58
Schedule of the District's Proportionate Share of the Net Pension Liability - School Employees Retirement System of Ohio	59
Schedule of District Contributions - State Teachers Retirement System of Ohio	60
Schedule of District Contributions - School Employees Retirement System of Ohio	61
Schedule of the District's Proportionate Share of the Net OPEB Liability - State Teachers Retirement System of Ohio	62
Schedule of the District's Proportionate Share of the Net OPEB Liability - School Employees Retirement System of Ohio	63
Schedule of District Contributions - State Teachers Retirement System of Ohio	64
Schedule of District Contributions - School Employees Retirement System of Ohio	65
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund	66
Notes to the Required Supplementary Information	67
Combining Statements and Individual Fund Schedules:	
Nonmajor Governmental Funds	
Combining Balance Sheet	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	75
Nonmajor Special Revenue Funds	
Fund Descriptions	77
Combining Balance Sheet	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	82

**TABLE OF CONTENTS**

---

	<u>Page</u>
Nonmajor Special Revenue Funds (Continued)	
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Non-GAAP Budgetary Basis):	
Other Grants	85
Student Activities	86
Auxiliary Services	87
Miscellaneous State Grants	88
Title VI-B	89
Title III	90
Title I	91
EHA Pre-School	92
Title II-A	93
Miscellaneous Grants Fund	94
High Schools That Work	95
Food Service	96
Nonmajor Debt Service Fund	
Fund Descriptions	98
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Non-GAAP Budgetary Basis):	
Debt Service	99
Nonmajor Capital Projects Fund	
Fund Descriptions	100
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Non-GAAP Budgetary Basis):	
Permanent Improvement	101
Other General Funds	
Fund Descriptions	102
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Non-GAAP Budgetary Basis):	
Public School Support	103
Underground Storage Tanks	104
Uniform School Supply	105
Adult Education	106
Nonmajor Fiduciary Funds	
Fund Descriptions	107
Statement of Changes in Assets and Liabilities - Agency Funds	108

**TABLE OF CONTENTS**

---

	<u>Schedule</u>	<u>Page</u>
<b>STATISTICAL SECTION</b>		
Statistical section narrative		109
Net Position by Component	1	111
Expenses, Program Revenues and Net (Expense)/Revenue	2	112
General Revenues and Total Change in Net Position	3	114
Fund Balances, Governmental Funds	4	115
Governmental Funds Revenues	5	116
Governmental Funds Expenditures and Debt Service Ratio	6	117
Other Financing Sources and Uses and Net Change in Fund Balances	7	118
Assessed Value and Actual Value of Taxable Property	8	119
Direct and Overlapping Property Tax Rates	9	120
Principal Property Tax Payers	10	121
Property Tax Levies and Collections	11	122
Outstanding Debt by Type	12	123
Direct and Overlapping Governmental Activities Debt	13	124
Legal Debt Margin Information	14	125
Demographic and Economic Statistics	15	126
Major Employers	16	127
Full-Time Equivalent District Employees by Type	17	128
Operating Statistics	18	130
School Building Information	19	131

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**INTRODUCTORY SECTION**

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Jenni Logan  
*Treasurer*

December 13, 2019

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, 2019. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report is prepared in conformance with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. We believe the enclosed data is fairly presented in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. This report has been prepared by the Chief Fiscal Officer's Office and includes an opinion from the Ohio Auditor of State.

This report will be made available via the World Wide Web at [www.lakotaonline.com](http://www.lakotaonline.com). Copies of this report will be available upon request. A District communication, which will include social media, announcing its release will be sent to our community residents as well as our business and governmental partners.

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

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.

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## **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 100,000 people. Within the District boundaries is the majority of West Chester Township and Liberty Township.

### **West Chester Township**

West Chester Township ("West Chester") makes up approximately 68% of the School District's territory and the School District covers 96% of West Chester. West Chester is home to more than 64,000 residents.

West Chester has been named seven times to Money Magazine's "Best Places to Live in America." In 2018 the community ranked 38th on the prestigious list. The list recognizes communities of populations between 50,000 and 300,000, citing attributes related to projected job growth, local economy, quality of life, education, accessibility and more.

West Chester seamlessly blends the attributes of a high-end residential community and a vibrant and large-scale business base. Given its strategic location between Cincinnati and Dayton, and a strong commitment to infrastructure, West Chester has emerged as the central economic hub of the regional commerce corridor linking the two.

West Chester's business sector began its rapid growth with the completion of the Union Centre Boulevard/I-75 Interchange in December 1997. Strategic planning and a pro-business environment has attracted investment from more than 3,600 businesses, including Fortune 500 corporate headquarters of AK Steel, the dynamic medical developments of UC Health and others; and the cutting edge advanced manufacturing of companies like GE.

This diverse local economy has helped fuel innovative educational partnerships for workforce development opportunities, such as those provided at the Butler Tech Bioscience Center in West Chester and Lakota Local Schools.

West Chester's use and application of TIF districts and commitment to infrastructure investment have allowed thousands of acres to develop commercially with increased business investment, resulting in a sustainable tax base to fund public services long term.

Growth is supported by West Chester's immediate access to six interstate interchanges – three within West Chester at I-75, two at the regional beltway I-275 and the Liberty Way Interchange at I-75 and the Butler Regional Highway.

In 2018, West Chester realized nearly \$35 million in new corporate capital investment. Much of this investment came from existing companies that continue to value the services and access offered by the community.

The residents of West Chester benefit from the services of well-trained professionals in the fields of public safety and roadway maintenance. West Chester has its own police and fire departments funded through voter-approved levies. The most recent police department levy was approved by voters in 2010 and the West Chester Fire Department operates within the constraints of a levy approved in 2006.

West Chester's growing economy and tax base, healthy financial position and manageable debt burden warrant the highest available bond rating by Moody's Investment Service. West Chester was first awarded the Aaa bond rating in 2010.

### Liberty Township

Liberty Township ("Liberty") is located in the center of the Cincinnati-Dayton metroplex of more than 3 million people. Liberty is located 20 miles north of Cincinnati and 25 miles south of Dayton, straddling I-75 and the Butler County Veterans Highway (State Route 129). Liberty's strategic location between two major metropolitan areas allows great access to big-city amenities such as major colleges and universities, professional sports, two international airports, the performing arts, and other recreation resources, including zoos, museums, theme parks, and shopping. According to the US Census Bureau's 2015 mid-Census statistics the population of Liberty is 38,617 residents, which is a 69% increase from the 2000 US Census (22,819). It's expected the 2020 US Census will put Liberty Township well above 40,000 residents.

Liberty has been described as a semi-rural bedroom community, with only 2.5% of the total land area developed commercially. The \$325 million, mixed-use-development-Liberty Center, opened October 2015. The first phase of the development includes 75,000 square feet of Class A office space, 62,000 square feet of restaurant and dining options, 190,000 square feet of upscale residential, a cinema complex and an AC Marriott hotel. The public financing for infrastructure improvements in support of Liberty Center is divided among the developer, the County, Liberty and a recently established "new community authority."

The Liberty Center development counts accessibility and demographic strength among its many assets, with the 64-acre site conveniently located near the newly constructed I-75 and SR 129 interchange. Liberty Center has been the catalyst for additional growth and development along this stretch of I-75. The Christ Hospital Medical Center Liberty Township opened their 125,000-square-foot comprehensive medical center in January 2018. Additionally, Cincinnati Children's Hospital Medical Center Liberty Campus has expanded twice since its 2008 opening. A \$44 million fourth floor expansion added 28 new pediatric inpatient beds along with a blood bank, outpatient pharmacy, urgent care and more clinical space. In 2016, the \$118 million Proton Therapy & Research Center for Cancer Research opened and began treating patients. The center is a unique partnership between Cincinnati Children's Hospital and University of Cincinnati Health and treats both children and adults. It's the only such center in the world owned by a children's hospital.

The Cincinnati-Dayton 19-county metropolitan area, when counted as one, is home to more than 3 million people, making it the largest in the State and the 18th largest in the nation. The communities of Liberty Township, the City of Mason, West Chester and Deerfield

Township are situated at the center of this high growth I-75 corridor and are consistently ranked by the national media as top places to live and raise a family.

**THE DISTRICT AND ITS FACILITIES**

The District is located in Butler County, and covers an area of 68 square miles. It serves pupils from West Chester and Liberty Townships. Since the consolidation of the Liberty and Union districts into the Liberty-Union School District in 1958, the growth in the District has gone from 1,696 students to its largest enrollment in 2010 of 18,473. The name of the district was changed to Lakota Local School District in 1970.

The District housed students in two high schools, two freshman schools, four junior schools, ten elementary schools and four early childhood schools. A redistricting for the early childhood and elementary schools occurred during the beginning of school year 2018-19. This redistricting was necessary to facilitate the move to all-day kindergarten district-wide and changed the grades housed in the buildings as well. Early childhood schools house Pre-K through grade 2 and elementary buildings house grade 3 through grade 6. The information presented below is as of June 30, 2019.

<b>Name of Bldg Address</b>	<b>Group or Grade Housed</b>	<b>Date of Original Building</b>	<b>Enrollment</b>
Creekside Early Childhood School 5060 Tylersville Road	Pre-K - 2	1970	712
Heritage Elementary 5052 Hamilton-Mason Road	3 - 6	1992	570
Hopewell Elementary 8300 Cox Road	3 - 6	1961	741
Liberty Early Childhood School 6040 Princeton Road	Pre-K - 2	1928	426
Shawnee Early Childhood School 9394 Sterling Drive	Pre-K - 2	1993	567
Wyandot Early Childhood School 7667 Summerlin Blvd.	Pre-K - 2	2007	594

Adena Elementary 9316 Minuteman Way	3 - 6	1978	601
Cherokee Elementary 5345 Kyles Station Road	3 - 6	1995	660
Endeavor Elementary 4400 Smith Road	3 - 6	2007	717
Freedom Elementary 6035 Beckett Ridge Blvd.	3 - 6	1988	602
Independence Elementary 7480 Princeton Road	3 - 6	1994	557
Union Elementary 7672 LeSourdsville- West Chester Road	3 - 6	2007	611
Van Gorden Elementary West Chester Road	3 - 6	2003	551
Woodland Elementary 6923 Dutchland Pkwy	3 - 6	1990	641
Hopewell Junior 8200 Cox Road	7 - 8	1972	515
Lakota Plains Junior 5500 Princeton Road	7 - 8	2003	734
Lakota Ridge Junior 6199 Beckett Ridge Blvd.	7 - 8	1997	600
Liberty Junior 7055 Dutchland Pkwy.	7 - 8	1977	772
Lakota East Freshman 7630 Bethany Road	9	2009	665
Lakota East High 6840 Lakota Lane	10 - 12	1997	2,090
Lakota West Freshman 5050 Tylersville Road	9	1958	670
Lakota West High 8940 Union Centre Blvd.	10 - 12	1997	1,967

Central Office 5572 Princeton Road	Admin	2003	-
Service Center 6947 Yankee Road	Offices	1977	-

**ORGANIZATION OF THE SCHOOL DISTRICT**

The Board members represent a cross section of professions in the community. The Board members on June 30, 2019 were as follows:

<b>Board Member</b>	<b>Term Expires</b>	<b>Years as Member</b>	<b>Profession</b>
Julie Shaffer, President	12/31/2019	7.5	Licensed Employee Benefits Rep
Todd Parnell, Vice President	12/31/2021	5.5	Sales Executive
Lynda O'Connor	12/31/2019	11.5	Community Leader
Kelley Casper	12/31/2021	1.5	Community Leader
Brad Lovell	12/31/2021	1.5	Educator

Effective June 15, 2017, the Lakota Board of Education unanimously appointed Matthew Miller Superintendent. Mr. Miller previously spent the last 24 years serving Ohio communities as an educator in the roles of superintendent (13), director of student services and instruction (1), principal (5), and teacher (5). He completed his undergraduate coursework and Master’s degree at the University of Cincinnati and he was selected for the Harvard Graduate School of Education's Leadership Institute for Superintendents.

The Treasurer of the District is Jenni L. Logan. She became Treasurer on January 3, 2011. Ms. Logan holds a bachelor’s degree from Shawnee State University in Business Administration. Ms. Logan has over 20 years of experience in school finance. Prior to joining Lakota, she was employed by Robert W. Baird & Co, Inc. as a Director in the public funds department. She has also served the Milford Exempted Village School District and Waverly City School District as Treasurer/CFO.

**LONG-TERM FINANCIAL PLANNING**

Lakota’s financial outlook is strong. A combination of strategic cuts and the passage of a levy in 2013 has enabled the District to operate within a balanced budget for seven (7)

consecutive years. The current five-year financial forecast for the District shows the continuation of a balanced budget through 2022, three (3) additional years. This is coupled with a projected increase in cash balance over the next several years.

The District utilizes a five-year forecast model based on revenue and expenditure assumptions. It is a snap-shot planning document which provides data to the District in looking towards the future and planning appropriately.

### **EMPLOYEE RELATIONS**

The District currently has over 1,900 full-time and part-time employees. The licensed/certified staff are represented for collective bargaining purposes by the Lakota Education Association (LEA, an OEA affiliate). The District has a three-year collective bargaining agreement with LEA, which expires June 30, 2021. The District's support staff is represented by the Lakota Support Staff Association (LSSA, an OEA affiliate). The District has a three-year collective bargaining agreement, which expires June 30, 2021. The District has contracted its transportation services through Petermann, LLC.

### **SERVICES PROVIDED**

The District provides a wide variety of education and support services, as mandated by the Ohio Revised Code or board directives. Throughout the year, we operate over 140 daily transportation routes. These routes include over 13,000 miles each day with approximately 8,000 students attending one of our 23 Lakota school buildings and another 1,100 students attending private and parochial schools. Our students receive nutrition services as well. The child nutrition department serves approximately 1.2 million meals each year.

Students who attend Lakota also receive guidance, psychological and limited health services free of charge. The guidance services are designed to help students match their natural skills with vocational and/or academic programs to help them achieve their full potential in life. Psychological services include the testing and identification of students for special education programs.

The District's core business is instruction. Lakota offers regular instructional programs daily to students in grades PS-12. Over 275 students participated in the specific trades through Butler Tech on-site vocational education with over 3,900 participating in satellite programs. Over 2,300 students receive special services, due to physical or mental handicapping conditions. In grades K-12, approximately 4,500 students have been identified as gifted.

Finally, the District offers many extra-curricular and co-curricular programs to its students. If a student's passion lies with music, athletics or drama, opportunities exist to enrich their educational experience. An increasing number of student opportunities exist and are not limited to music, athletics and drama. An ever-expanding number of programs and activities provide our students with a well-rounded educational experience.

## **RELEVANT FINANCIAL POLICIES**

The financial forecast of General Fund operations for the next five years demonstrates that the District's fiscal year 2020 ending cash balance is projected to be \$114,206,846.

The District has stabilized its finances for the five year projected period of fiscal year 2020-2024. The approval of a combination 5.5 mill operating, and 2 mill permanent improvement levy approved in 2013 continue to have a positive impact on the financial health of the District. This additional infusion of cash beginning in calendar year 2014 has provided funding to implement much needed operational, technology, safety, and curricular projects.

The District's financial stability has improved. The Board of Education has approved policy, which sets caps on increases to expenditures from year to year. This is tied to the CPI (Consumer Price Index). Additionally, the Board has adopted a financial philosophy through policy that sets a minimum cash balance of 60 days. In addition to policy, the District has implemented procedures, which more closely tie enrollment to staffing decisions.

## **FINANCIAL INFORMATION**

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

## **INTERNAL ACCOUNTING AND BUDGETARY CONTROL**

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

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

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

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the Board's appropriation measures,



including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

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

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

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

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

### **INDEPENDENT AUDIT**

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

### **AWARDS**

#### **GFOA Certificate of Achievement for Excellence in Financial Reporting**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2018. The School District has received this award for fourteen years. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose

contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

#### ASBO Certificate of Excellence in Financial Reporting

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

The District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2018. This was the seventeenth year the School District has received this award.

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

#### ACKNOWLEDGEMENT

The preparation of the fiscal year 2019 Comprehensive Annual Financial Report of the Lakota Local School District was made possible by the combined efforts of the District's Treasurer's Office and Plattenburg and Associates, Incorporated. The publication of this Comprehensive Annual Financial Report for the District is a major step in reinforcing the accountability and transparency of the District to the taxpayers of the community.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jenni L. Logan", with a long horizontal flourish extending to the right.

Jenni L. Logan  
Treasurer

**LAKOTA LOCAL SCHOOL DISTRICT, OHIO**

**LIST OF PRINCIPAL OFFICIALS**

**June 30, 2019**

**ELECTED OFFICIALS  
BOARD OF EDUCATION**

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President, Board of Education	Ms. Julie Shaffer
Vice- President, Board of Education	Mr. Todd Parnell
Board Member	Ms. Kelley Casper
Board Member	Ms. Lynda O'Connor
Board Member	Mr. Brad Lovell

**ADMINISTRATIVE OFFICIALS**

---

Superintendent	Mr. Matt Miller
Treasurer	Ms. Jenni L. Logan





Government Finance Officers Association

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, 2018**

*Christopher P. Morrill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The 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, 2018.**

The CAFR meets the criteria established for  
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSR  
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis  
Executive Director

**FINANCIAL SECTION**

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# OHIO AUDITOR OF STATE KEITH FABER



Corporate Centre of Blue Ash  
11117 Kenwood Road  
Blue Ash, Ohio 45242-1817  
(513) 361-8550 or (800) 368-7419  
SouthwestRegion@ohioauditor.gov

## INDEPENDENT AUDITOR'S REPORT

Lakota Local School District  
Butler County  
5572 Princeton Road  
Liberty Township, Ohio 45011

To the Board of Education:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Lakota Local School District, Butler County, Ohio (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Lakota Local School District, Butler County, Ohio, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis, required budgetary comparison schedule* and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

*Supplementary and Other Information*

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2019, 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 grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State

Columbus, Ohio

December 13, 2019

**Lakota Local School District, Ohio**  
**Management Discussion and Analysis**  
**For The Fiscal Year Ended June 30, 2019**

---

The discussion and analysis of Lakota Local School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's performance.

**Financial Highlights**

Key financial highlights for 2019 are as follows:

- Net position of governmental activities increased \$28,105,851 which represents a 51% increase from 2018.
- General revenues accounted for \$188,397,548 in revenue or 88% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$26,559,505 or 12% of total revenues of \$214,957,053.
- The District had \$186,851,202 in expenses related to governmental activities; only \$26,559,505 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$188,397,548 were also used to provide for these programs.

**Overview of the Financial Statements**

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

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

**Government-wide Financial Statements**

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2019?" The Government-wide Financial Statements answers this question. These statements include *all assets and deferred outflows of resources*, and *liabilities and deferred inflows of resources* using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

**Lakota Local School District, Ohio**  
**Management Discussion and Analysis**  
**For The Fiscal Year Ended June 30, 2019**

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

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

**Fund Financial Statements**

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

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

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

**The District as a Whole**

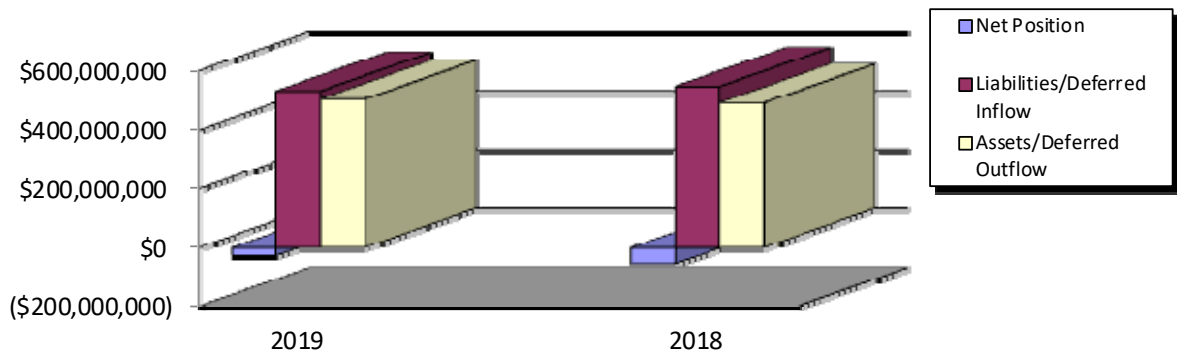
As stated previously, the Statement of Net Position looks at the District as a whole. Table 1 provides a summary of the District’s net position for 2019 compared to 2018:

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**Lakota Local School District, Ohio**  
**Management Discussion and Analysis**  
**For The Fiscal Year Ended June 30, 2019**

Table 1  
**Net Position**

	Governmental Activities	
	2019	2018
<b>Assets:</b>		
Current and Other Assets	\$257,682,281	\$247,876,488
Net OPEB Asset	10,736,688	0
Capital Assets	176,069,947	180,351,891
<b>Total Assets</b>	<b>444,488,916</b>	<b>428,228,379</b>
<b>Deferred Outflows of Resources:</b>		
Deferred Charge on Refunding	4,297,970	4,694,084
OPEB	2,689,982	2,067,907
Pension	52,455,561	64,639,147
<b>Total Deferred Outflows of Resources</b>	<b>59,443,513</b>	<b>71,401,138</b>
<b>Liabilities:</b>		
Other Liabilities	21,158,655	19,218,724
Long-Term Liabilities	356,230,857	401,243,892
<b>Total Liabilities</b>	<b>377,389,512</b>	<b>420,462,616</b>
<b>Deferred Inflows of Resources:</b>		
Property Taxes	107,503,506	105,776,501
Grants and Other Taxes	15,178,207	14,507,164
OPEB	18,904,114	5,803,700
Pension	12,361,208	8,589,545
<b>Total Deferred Inflows of Resources</b>	<b>153,947,035</b>	<b>134,676,910</b>
<b>Net Position:</b>		
Net Investment in Capital Assets	48,400,995	44,858,754
Restricted	20,433,817	22,431,472
Unrestricted	(96,238,970)	(122,800,235)
<b>Total Net Position</b>	<b>(\$27,404,158)</b>	<b>(\$55,510,009)</b>



**Lakota Local School District, Ohio**  
**Management Discussion and Analysis**  
**For The Fiscal Year Ended June 30, 2019**

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Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2019, the District's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$27,404,158.

At year-end, capital assets represented 40% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements and equipment. The District's Net Investment in Capital Assets at June 30, 2019, was \$48,400,995. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$20,433,817, represents resources that are subject to external restriction on how they may be used. The external restriction will not affect the availability of fund resources for future use. The remaining balance of unrestricted net position of (\$96,238,970) may be used to meet the District's ongoing obligations to the students and creditors.

Current and Other Assets increased mainly due to an increase in cash and investments. Long-Term Liabilities decreased mainly due to a decrease of the net pension liability and net other post employment benefits liability in 2019.

Table 2 shows the changes in net position for fiscal years 2019 and 2018.

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**Lakota Local School District, Ohio**  
**Management Discussion and Analysis**  
**For The Fiscal Year Ended June 30, 2019**

Table 2  
**Changes in Net Position**

	Governmental Activities	
	2019	2018
Program Revenues:		
Charges for Services	\$10,494,468	\$11,037,349
Operating Grants	16,065,037	17,398,218
Total Program Revenues	26,559,505	28,435,567
General Revenue:		
Property Taxes	111,950,835	113,221,569
Grants and Entitlements	56,327,330	55,504,346
Revenue in Lieu of Taxes	15,178,207	14,507,164
Other	4,941,176	1,846,375
Total General Revenues	188,397,548	185,079,454
Total Revenues	214,957,053	213,515,021
Program Expenses:		
Instruction	107,625,449	59,172,314
Support Services:		
Pupil and Instructional Staff	18,192,989	8,621,802
General and School Administrative, Fiscal and Business	12,608,744	4,629,932
Operations and Maintenance	12,738,817	8,376,908
Pupil Transportation	16,699,305	18,733,410
Central	3,516,224	1,871,467
Operation of Non-Instructional Services	6,635,578	4,501,254
Extracurricular Activities	3,869,379	2,611,725
Interest and Fiscal Charges	4,964,717	5,297,299
Total Expenses	186,851,202	113,816,111
Change in Net Position	28,105,851	99,698,910
Beginning - Net Position	(55,510,009)	(155,208,919)
Ending - Net Position	(\$27,404,158)	(\$55,510,009)

The District revenues are mainly from two sources. Property taxes levied for general purposes, debt service purposes and capital project purposes and grants and entitlements comprised 78% of the District's revenues for governmental activities.

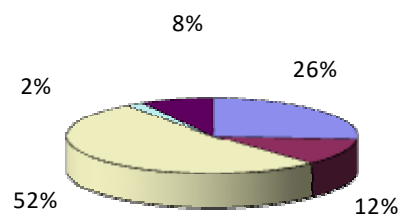
The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner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



**Lakota Local School District, Ohio**  
**Management Discussion and Analysis**  
**For The Fiscal Year Ended June 30, 2019**

Thus Ohio districts do not receive additional property taxes related to increases in appraised values and must regularly return to the voters to maintain a constant level of service. Property taxes made up 52% of revenue for governmental activities for the District in fiscal year 2019.

Revenue Sources	2019	Percent of Total
General Grants	\$56,327,330	26%
Program Revenues	26,559,505	12%
General Tax Revenues	111,950,835	52%
Investment Earnings	3,673,935	2%
Other Revenues	16,445,448	8%
	<u>\$214,957,053</u>	<u>100%</u>



Instruction comprises 58% of governmental program expenses. Support services expenses were 34% of governmental program expenses. All other expenses including interest expense were 8% of governmental program expenses.

Overall, expenses increased \$73,035,091 million, which is primarily due to changes in assumptions and benefits by the Statewide pension systems which caused the appearance of a large increase in overall expenses. Operating Grants decreased due to a decrease in grant monies received in fiscal year 2019.

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

**Table 3**  
**Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2019	2018	2019	2018
Instruction	\$107,625,449	\$59,172,314	(\$92,846,442)	(\$42,209,237)
Support Services:				
Pupil and Instructional Staff	18,192,989	8,621,802	(17,206,870)	(7,675,321)
School Administrative, General				
Administration, Fiscal and Business	12,608,744	4,629,932	(12,373,473)	(4,355,046)
Operations and Maintenance	12,738,817	8,376,908	(12,363,094)	(7,911,200)
Pupil Transportation	16,699,305	18,733,410	(15,783,986)	(17,809,336)
Central	3,516,224	1,871,467	(3,516,224)	(1,846,087)
Operation of Non-Instructional Services	6,635,578	4,501,254	353,995	2,083,821
Extracurricular Activities	3,869,379	2,611,725	(1,590,886)	(360,839)
Interest and Fiscal Charges	4,964,717	5,297,299	(4,964,717)	(5,297,299)
Total Expenses	<u>\$186,851,202</u>	<u>\$113,816,111</u>	<u>(\$160,291,697)</u>	<u>(\$85,380,544)</u>

**The District's Funds**

The District has one major governmental fund: the General Fund. Assets of this funds comprised \$219,794,439 (85%) of the total \$258,489,996 governmental funds' assets.

**Lakota Local School District, Ohio**  
**Management Discussion and Analysis**  
**For The Fiscal Year Ended June 30, 2019**

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**General Fund:** Fund balance at June 30, 2019 was \$92,545,539 including unassigned balance of \$91,658,960. Total fund balance increased \$7,668,287 from fiscal year 2018. The primary reason for the increase in fund balance was due to an increase in property tax revenues.

**Fund Budgeting Highlights**

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

During the course of fiscal year 2019, the District amended its general fund budget. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the budget in an attempt to deal with unexpected changes in state revenues and subsequently reduced expenditures.

For the General Fund, original budget basis revenue was \$173,592,215 compared to final budget basis revenue of \$178,537,636. The difference of \$4,945,421 was mainly due to underestimates in taxes and intergovernmental revenue.

The District’s ending unobligated cash balance for the General Fund was \$107,263,387.

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal year 2019, the District had \$176,069,947 (net of accumulated depreciation) invested in land, construction in progress, land improvements, buildings and improvements and equipment. Table 4 shows fiscal year 2019 balances compared to fiscal year 2018:

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

	Governmental Activities	
	2019	2018
Land	\$8,858,505	\$8,858,505
Construction in Progress	62,496	0
Buildings and Improvements	157,979,556	162,132,188
Equipment	3,624,396	3,751,743
Land Improvements	5,544,994	5,609,455
Total Net Capital Assets	<u>\$176,069,947</u>	<u>\$180,351,891</u>

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

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

**Debt**

At June 30, 2019, the District had \$131,966,922 in bonds outstanding, \$7,710,000 due within one year.

Table 5 summarizes bonds outstanding.

**Lakota Local School District, Ohio**  
**Management Discussion and Analysis**  
**For The Fiscal Year Ended June 30, 2019**

Table 5  
**Outstanding Debt – Year End**

	Governmental Activities	
	2019	2018
General Obligation Bonds:		
2009 Energy Conservation Improvements	\$165,000	\$325,000
Premium on Energy Conservation Improvements	10,545	21,091
2009 Turf & Athletic Field Improvements	150,000	295,000
Premium on Turf & Athletic Field Improvements	2,577	5,153
Bond and Refunding	0	1,960,000
Lakota 2006 Refunding	28,155,000	28,155,000
Premium on 2006 Refunding	1,158,922	1,313,444
Lakota 2010 BAB Bonds	670,000	1,305,000
Lakota 2010 QSC Bonds	4,000,000	4,000,000
2013 Refunding Bonds	37,015,000	39,530,000
Premium - Lakota Series 2005 Bonds	4,724,722	5,154,243
2014 School Improvement Bonds	20,700,000	21,735,000
2014 School Improvement Bonds - Premium	1,106,177	1,175,313
2015 Refunding Bonds	18,115,000	18,140,000
Premium - 2015 Refunding Bonds	1,603,504	1,714,091
2016 Refunding Bonds	6,460,000	6,960,000
2016 Refunding Bonds - Premium	721,049	801,165
2016 Refunding Bond	6,935,000	7,305,000
2016 Refunding Bonds - Premium	274,426	292,721
Total General Obligation Bonds	<u>\$131,966,922</u>	<u>\$140,187,221</u>

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

**For the Future**

With the passage of a combination operating and permanent improvement levy in November, 2013, the future is more stable for Lakota Local Schools. We have balanced our budget for seven (7) consecutive years and are predicting to continue that into 2020, while at the same time building up cash reserves.

Lakota has begun to implement the mission and vision of our new District strategic plan. The action plan to achieve the District's vision are:

1. WE are PERSONALIZED
  - I. Clearly articulate and strengthen Lakota personalized learning
  - II. Improve structures and systems to align to the vision for personalized learning
  - III. Develop a Portrait of a Graduate to clearly identify the skills and competencies necessary for the future success of each student
  - IV. Implement multi-tiered systems of support to align services targeted to the needs of the whole child
  - V. Ensure success and continued expansion of mental health and wellness initiatives district wide
  - VI. Establish professional development and training plans for all tiers of student support

**Lakota Local School District, Ohio**  
**Management Discussion and Analysis**  
**For The Fiscal Year Ended June 30, 2019**

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2. WE are FUTURE READY
  - I. Design instruction and technology systems to pilot innovative models and programs aligned with the Portrait of a Lakota Graduate
  - II. Support personalized learning with the appropriate student technology devices and tools
  - III. Continuing to develop instructional strategies to include STEAM2 and project-based learning
  - IV. Develop cutting edge pathways in secondary curriculum to prepare each student for future success
  - V. Develop real-world learning opportunities to enhance learning and expand student internships
  - VI. Create break-through business partnerships that dramatically enhance enrollment, enlistment, employment and entrepreneurship
  - VII. Create a comprehensive facilities plan that supports student needs and financial stability
  - VIII. Innovate spaces that encourage personalized, project-based and real-world learning
  
3. WE are FISCALLY RESPONSIBLE
  - I. Be good stewards of our residents' tax dollars by operating a strategically aligned and efficient budget, as fiscal responsibility is a top priority for the District
  - II. Monitor spending and re-prioritize dollars to enhance personalized student learning
  - III. Continue to put the majority of our resources toward instruction, pupil support and instructional support
  - IV. In FY 18, this amounted to 68% of Lakota's general fund spending
  - V. Continue to provide financial transparency to our community through annual publications like the Comprehensive Annual Financial Report (CAFR) and Financial Prospectus
  
4. WE are IN THIS TOGETHER
  - I. Incorporate and encourage student and staff voice into the Lakota learning experience
  - II. Continue developing non-traditional programs and opportunities to inspire parents and community members to take an active role in shaping the Lakota experience
  - III. Broaden organizational capacity through the continued development of district leadership opportunities and team structure Ø Develop personalized professional growth strategy aligned with district priorities for all staff
  - IV. Continue transparency and strengthen two-way communication with all stakeholders
  - V. Lead a dynamic culture across the District, embracing diversity and inclusion for all

With these goals in mind, all of the District's financial management abilities and controls will be needed to meet the challenges and achieve continued success into the future. With careful planning and monitoring of the District's finances and continued support from the community, the District's management is confident that the district can continue to provide a high quality education for our students while at the same time providing a secure financial future.

**Contacting the District's Financial Management**

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

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Lakota Local School District, Ohio  
Statement of Net Position  
June 30, 2019

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$130,933,065
Receivables (Net):	
Taxes	109,529,679
Accounts	14,907
Interest	212,770
Intergovernmental	16,871,364
Inventory	120,496
Nondepreciable Capital Assets	8,921,001
Depreciable Capital Assets, Net	167,148,946
Net OPEB Asset	10,736,688
	<hr/>
Total Assets	444,488,916
	<hr/>
Deferred Outflows of Resources:	
Deferred Charge on Refunding Pension	4,297,970
OPEB	52,455,561
	<hr/>
Total Deferred Outflows of Resources	59,443,513
	<hr/>
Liabilities:	
Accounts Payable	477,222
Accrued Wages and Benefits	20,091,415
Contracts Payable	45,136
Accrued Interest Payable	445,412
Claims Payable	99,470
Long-Term Liabilities:	
Due Within One Year	8,800,840
Due In More Than One Year	
Net Pension Liability	193,486,517
Net OPEB Liability	22,844,944
Other Amounts	131,098,556
	<hr/>
Total Liabilities	377,389,512
	<hr/>
Deferred Inflows of Resources:	
Property Taxes	107,503,546
OPEB	18,904,114
Grants and Other Taxes	15,178,207
Pension	12,361,208
	<hr/>
Total Deferred Inflows of Resources	153,947,075
	<hr/>
Net Position:	
Net Investment in Capital Assets	48,400,995
Restricted for:	
Debt Service	13,468,502
Capital Projects	5,029,620
District Managed Activities	1,139,504
Auxiliary Services	49,898
Miscellaneous Federal Grants	8,220
Title III	6,500
Food Service	630,877
Other Purposes	100,696
Unrestricted	(96,238,970)
	<hr/>
Total Net Position	(\$27,404,158)
	<hr/> <hr/>

See accompanying notes to the basic financial statements.

Lakota Local School District, Ohio  
Statement of Activities  
For the Fiscal Year Ended June 30, 2019

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities:</b>				
<b>Instruction:</b>				
Regular	\$76,796,201	\$3,661,565	\$2,718,414	(\$70,416,222)
Special	25,785,890	239,146	7,959,953	(17,586,791)
Vocational	0	0	33,277	33,277
Other	5,043,358	166,652	0	(4,876,706)
<b>Support Services:</b>				
Pupil	13,131,861	0	450,054	(12,681,807)
Instructional Staff	5,061,128	0	536,065	(4,525,063)
General Administration	416,176	0	0	(416,176)
School Administration	8,914,962	50,896	184,375	(8,679,691)
Fiscal	2,754,151	0	0	(2,754,151)
Business	523,455	0	0	(523,455)
Operations and Maintenance	12,738,817	344,282	31,441	(12,363,094)
Pupil Transportation	16,699,305	4,416	910,903	(15,783,986)
Central	3,516,224	0	0	(3,516,224)
Operation of Non-Instructional Services	6,635,578	3,750,058	3,239,515	353,995
Extracurricular Activities	3,869,379	2,277,453	1,040	(1,590,886)
Interest and Fiscal Charges	4,964,717	0	0	(4,964,717)
<b>Totals</b>	<b>\$186,851,202</b>	<b>\$10,494,468</b>	<b>\$16,065,037</b>	<b>(160,291,697)</b>

**General Revenues:**

Property Taxes Levied for:

General Purposes	95,839,185
Debt Service Purposes	10,851,929
Capital Projects Purposes	5,259,721
Grants and Entitlements, Not Restricted	56,327,330
Revenue in Lieu of Taxes	15,178,207
Unrestricted Contributions	156,209
Investment Earnings	3,673,935
Other Revenues	1,111,032

Total General Revenues 188,397,548

Change in Net Position 28,105,851

Net Position - Beginning of Year (55,510,009)

Net Position - End of Year (\$27,404,158)

See accompanying notes to the basic financial statements.

Lakota Local School District, Ohio  
Balance Sheet  
Governmental Funds  
June 30, 2019

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$109,688,649	\$21,244,416	\$130,933,065
<b>Receivables (Net):</b>			
Taxes	95,757,531	13,772,148	109,529,679
Accounts	14,907	0	14,907
Interest	212,770	0	212,770
Intergovernmental	13,312,867	3,558,497	16,871,364
Interfund	807,715	0	807,715
Inventory	0	120,496	120,496
<b>Total Assets</b>	<b>219,794,439</b>	<b>38,695,557</b>	<b>258,489,996</b>
<b>Liabilities:</b>			
Accounts Payable	330,525	146,697	477,222
Accrued Wages and Benefits	18,892,695	1,198,720	20,091,415
Compensated Absences	172,110	0	172,110
Contracts Payable	35,999	9,137	45,136
Interfund Payable	0	807,715	807,715
Claims Payable	99,470	0	99,470
<b>Total Liabilities</b>	<b>19,530,799</b>	<b>2,162,269</b>	<b>21,693,068</b>
<b>Deferred Inflows of Resources:</b>			
Property Taxes	94,222,054	13,563,158	107,785,212
Grants and Other Taxes	13,312,867	2,747,636	16,060,503
Investment Earnings	183,180	0	183,180
<b>Total Deferred Inflows of Resources</b>	<b>107,718,101</b>	<b>16,310,794</b>	<b>124,028,895</b>
<b>Fund Balances:</b>			
Restricted	0	21,164,440	21,164,440
Assigned	886,579	0	886,579
Unassigned	91,658,960	(941,946)	90,717,014
<b>Total Fund Balances</b>	<b>92,545,539</b>	<b>20,222,494</b>	<b>112,768,033</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$219,794,439</b>	<b>\$38,695,557</b>	<b>\$258,489,996</b>

See accompanying notes to the basic financial statements.



Lakota Local School District, Ohio  
 Reconciliation of Total Governmental Fund Balance to  
 Net Position of Governmental Activities  
 June 30, 2019

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Total Governmental Fund Balance		\$112,768,033
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets used in the operation of Governmental Funds		176,069,947
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Delinquent Property Taxes	281,666	
Interest	183,180	
Intergovernmental	882,296	
		<u>1,347,142</u>
In the statement of net position interest payable is accrued when incurred; whereas, in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		
		(445,412)
Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.		
Compensated Absences		(7,760,364)
Deferred outflows of resources associated with long-term liabilities are not reported in the funds.		
		4,297,970
Deferred outflows and inflows or resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	52,455,561	
Deferred inflows of resources related to pensions	(12,361,208)	
Deferred outflows of resources related to OPEB	2,689,982	
Deferred inflows of resources related to OPEB	(18,904,114)	
		<u>23,880,221</u>
Long-term liabilities and net OPEB assets are not available to pay for current period expenditures and are not due and payable in the current period and, therefore, are not reported in the funds.		
Net OPEB Asset	10,736,688	
Net Pension Liability	(193,486,517)	
Net OPEB Liability	(22,844,944)	
Other Amounts	(131,966,922)	
		<u>(337,561,695)</u>
Net Position of Governmental Activities		<u><u>(\$27,404,158)</u></u>

See accompanying notes to the basic financial statements.

Lakota Local School District, Ohio  
Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Governmental Funds  
For the Fiscal Year Ended June 30, 2019

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Property and Other Taxes	\$96,100,763	\$16,149,830	\$112,250,593
Tuition and Fees	4,085,310	0	4,085,310
Investment Earnings	3,569,132	119	3,569,251
Intergovernmental	62,487,748	10,309,038	72,796,786
Extracurricular Activities	460,010	1,879,684	2,339,694
Charges for Services	24,014	3,760,058	3,784,072
Revenue in Lieu of Taxes	13,312,867	1,865,340	15,178,207
Other Revenues	958,180	594,453	1,552,633
<b>Total Revenues</b>	<b>180,998,024</b>	<b>34,558,522</b>	<b>215,556,546</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	72,877,907	6,551,377	79,429,284
Special	25,848,155	2,756,634	28,604,789
Other	5,312,794	0	5,312,794
<b>Support Services:</b>			
Pupil	14,384,518	495,865	14,880,383
Instructional Staff	4,840,734	794,099	5,634,833
General Administration	419,436	0	419,436
School Administration	10,745,484	214,216	10,959,700
Fiscal	2,825,369	145,484	2,970,853
Business	553,220	0	553,220
Operations and Maintenance	13,314,611	269,437	13,584,048
Pupil Transportation	16,606,314	0	16,606,314
Central	3,753,332	16,122	3,769,454
Operation of Non-Instructional Services	19,226	7,022,720	7,041,946
Extracurricular Activities	145,185	3,829,792	3,974,977
Capital Outlay	0	3,145,558	3,145,558
<b>Debt Service:</b>			
Principal Retirement	0	7,345,000	7,345,000
Interest and Fiscal Charges	0	5,468,862	5,468,862
<b>Total Expenditures</b>	<b>171,646,285</b>	<b>38,055,166</b>	<b>209,701,451</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>9,351,739</b>	<b>(3,496,644)</b>	<b>5,855,095</b>
<b>Other Financing Sources (Uses):</b>			
Proceeds from Sale of Capital Assets	79,714	1,000	80,714
Transfers In	0	1,763,166	1,763,166
Transfers (Out)	(1,763,166)	0	(1,763,166)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,683,452)</b>	<b>1,764,166</b>	<b>80,714</b>
<b>Net Change in Fund Balance</b>	<b>7,668,287</b>	<b>(1,732,478)</b>	<b>5,935,809</b>
<b>Fund Balance - Beginning of Year</b>	<b>84,877,252</b>	<b>21,954,972</b>	<b>106,832,224</b>
<b>Fund Balance - End of Year</b>	<b>\$92,545,539</b>	<b>\$20,222,494</b>	<b>\$112,768,033</b>

See accompanying notes to the basic financial statements.

Lakota Local School District, Ohio  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes  
 in Fund Balance of Governmental Funds to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2019

Net Change in Fund Balance - Total Governmental Funds		\$5,935,809
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of the difference between capital asset additions and depreciation in the current period.		
Capital assets used in governmental activities	2,190,938	
Depreciation Expense	<u>(6,365,101)</u>	(4,174,163)
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. The amount of the proceeds must be removed and the gain or loss on the disposal of capital assets must be recognized. This is the amount of the difference between the proceeds and the gain or loss.		
		(107,781)
Governmental funds report district pension and OPEB contributions as expenditures. However in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions are reported as pension and OPEB expense.		
District pension contributions	15,337,428	
Cost of benefits earned net of employee contributions - Pensions	(19,175,046)	
District OPEB contributions	613,734	
Cost of benefits earned net of employee contributions - OPEB	<u>22,481,586</u>	19,257,702
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent Property Taxes	(299,758)	
Interest	104,684	
Intergovernmental Grants	<u>(404,419)</u>	(599,493)
Repayment of bond principal and current refunding bonds (principal and premium), and is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
		7,345,000
In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due.		
		24,960
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated Absences	(55,368)	
Amortization of Bond Premium	875,299	
Amortization of Deferred Charge on Refunding	<u>(396,114)</u>	423,817
Change in Net Position of Governmental Activities		<u><u>\$28,105,851</u></u>

See accompanying notes to the basic financial statements.

Lakota Local School District, Ohio  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2019

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	Private Purpose Trust	Agency
	<u>          </u>	<u>          </u>
Assets:		
Equity in Pooled Cash and Investments	\$19,244	\$360,633
Total Assets	<u>19,244</u>	<u>360,633</u>
Liabilities:		
Accounts Payable	0	8,081
Other Liabilities	<u>0</u>	<u>352,552</u>
Total Liabilities	<u>0</u>	<u>\$360,633</u>
Net Position:		
Held in Trust	<u>19,244</u>	
Total Net Position	<u>\$19,244</u>	

See accompanying notes to the basic financial statements.

Lakota Local School District, Ohio  
Statement of Changes in Fiduciary Net Position  
Fiduciary Fund  
For the Fiscal Year Ended June 30, 2019

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	Private Purpose Trust
Additions:	
Donations	\$0
Total Additions	0
Deductions:	
Scholarships	8,000
Total Deductions	8,000
Change in Net Position	(8,000)
Net Position - Beginning of Year	27,244
Net Position - End of Year	\$19,244

See accompanying notes to the basic financial statements.

**Lakota Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2019**

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**Note 1 - Summary of Significant Accounting Policies**

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

**Description of the District**

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

The District operates under a locally elected five-member board form of government and provides educational services as authorized by its charter or further mandated by state and/or federal agencies. This board controls the District's 25 instructional and support facilities staffed by approximately 721 non-certificated personnel and approximately 1,085 certificated teaching and 106 administrative personnel to provide services to over approximately 16,500 students.

**Reporting Entity**

The financial reporting entity consists of a primary government. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments.

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

**Measurement Focus**

**Government-wide Financial Statements**

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

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

**Lakota Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2019**

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The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

**Fund Financial Statements**

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

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

**Fund Accounting**

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

**Governmental Funds**

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

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

**Fiduciary Funds**

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District maintains two agency funds known as the Student Activities and Athletic Funds. The

**Lakota Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2019**

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Student Activities Fund was established to account for revenues generated by student managed activities, while the Athletic fund was established to account for revenues generated by OHSAA tournament monies. Agency funds are custodian in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's only trust fund is a private purpose trust which accounts for scholarship programs for students.

**Basis of Accounting**

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

**Revenues – Exchange and Non-exchange Transactions**

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

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

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

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows of resources related to pensions, OPEB and a deferred charge on refunding are reported on the governmental-wide statements of net position, see Notes 7 and 8.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources



**Lakota Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2019**

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(revenue) until that time. For the District, deferred inflows of resources include property taxes, grants and other taxes (which includes tax incremental financing 'TIF'), investment earnings, OPEB and pension. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2019, but which were levied to finance year 2020 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. TIF's have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Student and other fees, grants and other taxes, and investment earnings are recorded as deferred inflows on the governmental fund statements only. Deferred inflows related to pensions and OPEB are reported on the government-wide statement of net position, see Notes 7 and 8.

Expenses/Expenditures

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

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

Equity in Pooled Cash and Investments

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

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

STAR Ohio (the State Treasury Asset Reserve of 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 has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

There were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice is appreciated for deposits and withdrawals of \$25 million or more. STAR Ohio reserves the right to limit the transaction to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during fiscal year 2019 credited to the General Fund amounted to \$3,569,132, and \$119 in Other Governmental Funds.

**Lakota Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2019**

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**Interfund Activity**

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

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

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

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

**Inventory**

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

Inventory consists of expendable supplies held for consumption.

**Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values. The District maintains a capitalization threshold of five thousand dollars (\$5,000). The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

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

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

**Accrued Liabilities and Long-Term Obligations**

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

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. In general, liabilities that mature or come due for payment during the fiscal year are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

**Pensions/Other Postemployment Benefits (OPEB)**

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

**Compensated Absences**

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

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

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

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

**Lakota Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2019**

<u>Vacation</u>	<u>Certificated</u>	<u>Administrators</u>	<u>Non-Certificated</u>	<u>Non-Represented</u>
How Earned	Not Eligible	20-25 days	10-20 days for each year of service depending on length of service	20 days
Maximum Accumulation	Not Applicable	40 days, unless special permission granted	25 days	20 days
Vested	Not Applicable	As earned, 30 days maximum at retirement	As earned, 25 days maximum at retirement	As earned, 20 days maximum at retirement
Termination Entitlement	Not Applicable	10 days maximum at separation	25 days maximum at separation	10 days maximum at separation
<u>Sick Leave</u>	<u>Certificated</u>	<u>Administrators</u>	<u>Non-Certificated</u>	<u>Non-Represented</u>
How Earned	1 ¼ days per month of employment (15 days per year)	1 ¼ days per month of employment (15 days per year)	1 ¼ days per month of employment (15 days per year)	1 ¼ days per month of employment (15 days per year)
Maximum Accumulation	300 days	370 days	300 days	300 days
Vested	As earned, 200 days maximum at retirement	As earned, 120-300 days at retirement depending on length of service	As earned, 260 days maximum at retirement	As earned, 120 days maximum at retirement
Termination Entitlement	Per Contract	Per Board Policy	Per Contract	Per Ohio Revised Code

**Net Position**

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

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Of the District's \$20,433,817 in restricted net position, none were restricted by enabling legislation.

**Lakota Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2019**

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**Fund Balance**

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

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

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

Committed – resources that can be used only for the specific purposes imposed by a formal action (board resolution) of the District's Board of Education. The Board of Education is the highest level of decision making authority for the District. Those committed resources cannot be used for any other purpose unless the District's Board of Education removes or changes the specified use by taking the same type of action (board resolution) it employed to previously commit those resources.

Assigned – resources intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In the general fund, assigned amounts are intended to be used for specific purposes as approved through the District's formal purchase order procedure by the Superintendent and the Treasurer. The adoption of the board appropriation resolution is the established policy, which gives the authorization to assign resources for a specific purpose.

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

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Estimates**

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

**Note 2 - Equity in Pooled Cash and Investments**

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

**Lakota Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2019**

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

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

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

Interim Monies – Those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim monies held by the District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, 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.
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.
3. Written repurchase agreements in the securities listed above provided 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 the term of the agreement must not exceed thirty days.
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met.
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts.
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
7. The State Treasurer's investment pool (STAR Ohio).
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

**Lakota Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2019**

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Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

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

**Deposits**

Custodial credit risk for deposits is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of June 30, 2019, \$8,174,629 of the District's bank balance of \$8,449,056 was exposed to custodial credit risk because it was uninsured and collateralized.

The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105% of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State.

**Investments**

As of June 30, 2019, the District had the following investments:

	Value	Fair Value Hierarchy	Weighted Average Maturity (Years)
Money Market Funds	\$79,525	N/A	0.00
Certificate of Deposit	6,724,806	Level 2	3.19
Federal Home Loan Mortgage Corporation	25,106,504	Level 2	2.67
Federal Farm Credit Bank	10,657,754	Level 2	3.49
Federal National Mortgage Association	17,082,862	Level 2	1.29
Commercial Paper	32,659,293	Level 2	0.43
STAR Ohio	31,395,868	N/A	0.13
Total Investment	<u>\$123,706,612</u>		
Portfolio Weighted Average Maturity			1.34

**Lakota Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2019**

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The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Inputs to the valuation techniques used in fair the measurement for Level 2 include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means. Level 3 inputs are significant unobservable inputs. The above table identifies the District's recurring fair value measurements as of June 30, 2019. STAR Ohio is reported at its share price (Net Asset value per share).

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

Credit Risk – It is the District's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings issued by nationally recognized statistical rating organizations. The District's investments in Federal Home Loan Mortgage Corporation, Federal Farm Credit Bank, and Federal National Mortgage Association were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. Commercial Paper was rated and A-1+ by Standard & Poor's and P-1 by Moody's Investors Service. Investments in STAR Ohio were rated AAAM by Standard & Poor's. Money Market Funds and Certificates of Deposit were not rated.

Concentration of Credit Risk – The District does not have a formal policy related to the concentration of credit risk. The District's investment policy allows investments in Federal Agencies or Instrumentalities. The District has invested less than 1% in Money Market Funds, 9% in Federal Farm Credit Bank, 5% in Certificates of Deposit, 20% in Federal Home Loan Mortgage Corporation, 14% in Federal National Mortgage Association, 26% in Commercial Paper, and 25% in STAR Ohio.

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

**Note 3 - Property Taxes**

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

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid



**Lakota Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2019**

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semi-annually, the first payment is due April 30, with the remainder payable by September 20. The District receives property taxes from the County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2019, are available to finance fiscal year 2020 operations. The amount available for advance can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at June 30, 2019. Delinquent property taxes collected within 60 days of the fiscal year end are included as receivable and tax revenue on the fund financial statements. All delinquent property taxes outstanding at June 30, 2019 are recognized as a revenue and receivable on the government-wide financial statements. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is offset by a credit to deferred inflows of resources for that portion not intended to finance current year operations.

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

The assessed values upon which the fiscal year 2019 taxes were collected are:

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$2,937,858,200
Public Utility Personal	<u>109,460,360</u>
Total	<u><u>\$3,047,318,560</u></u>

**Note 4 – Receivables**

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Receivables at June 30, 2019, consisted of taxes, accounts (rent and student fees), interest, intergovernmental grants and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

**Note 5 - Capital Assets**

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Capital asset activity for the fiscal year ended June 30, 2019, was as follows:

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**Lakota Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2019**

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
<b>Capital Assets, not being depreciated:</b>				
Land	\$8,858,505	\$0	\$0	\$8,858,505
Construction in Progress	0	62,496	0	62,496
<b>Capital Assets, being depreciated:</b>				
Buildings and Improvements	243,936,399	1,061,089	176,797	244,820,691
Equipment	19,261,431	524,831	1,054,641	18,731,621
Land Improvements	13,295,965	542,522	0	13,838,487
Totals at Historical Cost	285,352,300	2,190,938	1,231,438	286,311,800
Less Accumulated Depreciation:				
Buildings and Improvements	81,804,211	5,105,940	69,016	86,841,135
Equipment	15,509,688	652,178	1,054,641	15,107,225
Land Improvements	7,686,510	606,983	0	8,293,493
Total Accumulated Depreciation	105,000,409	6,365,101	1,123,657	110,241,853
Governmental Activities Capital Assets, Net	<u>\$180,351,891</u>	<u>(\$4,174,163)</u>	<u>\$107,781</u>	<u>\$176,069,947</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$5,584,805
Special	4,614
Support Services:	
Pupil	3,881
Instructional Staff	1,303
School Administration	1,579
Fiscal	14,429
Business	48,106
Operations and Maintenance	171,655
Pupil Transportation	93,325
Central	133,486
Operation of Non-Instructional Services	75,847
Extracurricular Activities	232,071
Total Depreciation Expense	<u>\$6,365,101</u>

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**Lakota Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2019**

**Note 6 - Long-Term Liabilities**

	Interest Rate	Issue Date	Maturity Date	Beginning Balance	Issued	Retired	Ending Balance	Due In One Year
<b>Governmental Activities:</b>								
General Obligation Bonds:								
\$2,450,000 - Energy Conservation								
Improvements	2.50%	5/28/09	12/1/24	\$325,000	\$0	\$160,000	\$165,000	\$165,000
\$79,404 - Premium on Energy Conservation								
Improvements		5/28/09	12/1/24	21,091	0	10,546	10,545	0
\$1,650,000 - Turf & Athletic Field								
Improvements	2.50%	5/28/09	12/1/21	295,000	0	145,000	150,000	150,000
\$24,355 - Premium on Turf & Athletic Field								
Improvements		5/28/09	12/1/21	5,153	0	2,576	2,577	0
\$52,932,789 - Bond and Refunding								
	5.85%	4/19/01	12/1/26	1,960,000	0	1,960,000	0	0
\$30,950,000 - Lakota 2005 Refunding								
	4.65%	11/3/05	12/1/26	28,155,000	0	0	28,155,000	2,125,000
\$3,244,969 - Premium on 2005 Refunding								
		11/3/05	12/1/26	1,313,444	0	154,522	1,158,922	0
\$5,405,000 - 2010 School Improvement								
Bonds	1.34%	6/17/10	12/1/20	1,305,000	0	635,000	670,000	650,000
\$4,000,000 - 2010 School Improvement								
Bonds	5.39%	6/17/10	12/1/25	4,000,000	0	0	4,000,000	0
\$44,835,000 - 2013 Refunding Bonds								
	2.00-5.00%	10/18/12	12/1/29	39,530,000	0	2,515,000	37,015,000	2,645,000
\$7,731,369 - Premium - Lakota Series 2013								
Bonds		10/18/12	12/1/29	5,154,243	0	429,521	4,724,722	0
\$24,740,000 - 2014 School Improvement								
Bonds	2.05 - 5.00.%	3/25/14	12/1/34	21,735,000	0	1,035,000	20,700,000	1,055,000
\$1,451,857 - 2014 School Improvement								
Bonds - Premium				1,175,313	0	69,136	1,106,177	0
2015 Refunding Bonds								
	2.00 - 4.50%	12/4/14	12/1/33	18,140,000	0	25,000	18,115,000	25,000
2015 Refunding Bonds - Premium								
				1,714,091	0	110,587	1,603,504	0
2016 Refunding Bonds								
				6,960,000	0	500,000	6,460,000	515,000
2016 Refunding Bonds - Premium								
				801,165	0	80,116	721,049	0
2016 Refunding Bonds								
	2.00-3.50%	8/18/15	12/1/33	7,305,000	0	370,000	6,935,000	380,000
2016 Refunding Bonds - Premium								
				292,721	0	18,295	274,426	0
Subtotal Bonds				140,187,221	0	8,220,299	131,966,922	7,710,000
Compensated Absences				7,770,608	1,140,925	979,059	7,932,474	1,090,840
Subtotal Bonds & Other Amounts				147,957,829	1,140,925	9,199,358	139,899,396	8,800,840
Net Pension Liability:								
STRS				157,962,258	0	11,048,335	146,913,923	0
SERS				47,641,890	0	1,069,296	46,572,594	0
Subtotal Net Pension Liability				205,604,148	0	12,117,631	193,486,517	0
Net OPEB Liability:								
STRS				25,944,217	0	25,944,217	0 (a)	0
SERS				21,737,698	1,107,246	0	22,844,944	0
Subtotal Net OPEB Liability				47,681,915	1,107,246	25,944,217	22,844,944	0
Total Long-Term Obligations				\$401,243,892	\$2,248,171	\$47,261,206	\$356,230,857	\$8,800,840

(a) OPEB for STRS has a Net OPEB asset in the amount of \$10,736,688 as of June 30, 2019.

All long-term bonds will be paid from the debt service and permanent improvement funds. Compensated absences will be paid from the general and special revenue funds. All debt will be used to acquire or construct a capital asset for the District. Premiums and deferred amount on the issuance of bonds are included in the debt and will be amortized over the life of the new debt. There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the fund benefitting from their service, the majority of which comes from the general fund.

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

**Lakota Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2019**

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Fiscal Year Ending June 30	General Obligation Bonds		
	Principal	Interest	Total
2020	\$7,710,000	\$5,364,607	\$13,074,607
2021	8,340,000	5,012,012	13,352,012
2022	8,825,000	4,615,890	13,440,890
2023	9,195,000	4,186,346	13,381,346
2024	10,000,000	3,733,413	13,733,413
2025-2029	44,620,000	11,625,714	56,245,714
2030-2034	32,010,000	3,921,081	35,931,081
2035	1,665,000	35,381	1,700,381
Total	<u>\$122,365,000</u>	<u>\$38,494,444</u>	<u>\$160,859,444</u>

**Legal Debt Margin**

The district is subject to a debt limit that is 9 percent of the full assessed valuation of taxable real property. At June 30, 2019 that amount was \$274,258,670. As of June 30, 2019 the total outstanding debt applicable to the limit was \$101,665,000 which is 37.07 percent of the total debt limit.

**Note 7 - Defined Benefit Pension Plans**

The Statewide retirement systems provide both pension and other postemployment benefits (OPEB).

**Net Pension Liability/Net OPEB Liability (Asset)**

Pensions and OPEB are a component of exchange transactions between an employer and its employees of salaries and benefits for employee services. Pensions and OPEB are provided to an employee on a deferred payment basis as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions and OPEB are a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension/OPEB liability (asset) represent the District's proportionate share of each pension and OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension and OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions and OPEB are financed; however, the District does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB Statements No. 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the

**Lakota Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2019**

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pension amortization period exceeds 30 years, each retirement system’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan’s unfunded benefits is presented as a long-term net pension/OPEB liability (asset) on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in accrued wages and benefits on both the accrual and modified accrual bases of accounting.

The remainder of this note includes the required pension disclosures. See Note 8 for the required OPEB disclosures.

**Plan Description - School Employees Retirement System (SERS)**

**Plan Description**

District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

\* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on years of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent.

**Lakota Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2019**

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**Funding Policy**

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2019, the allocation to pension, death benefits, and Medicare B was 13.5 percent. The remaining .5 percent was allocated to the Health Care Fund.

The contractually required contribution to SERS was \$3,966,828 for fiscal year 2019. Of this amount \$553,878 is reported as accrued wages and benefits.

**Plan Description - State Teachers Retirement System (STRS)**

**Plan Description**

District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 27 years of service, or 30 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 percent goes to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit

**Lakota Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2019**

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payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

**Funding Policy**

Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2019, the employer rate was 14 percent and the plan members were also required to contribute 14 percent of covered salary. For fiscal year 2019, the contributions rates were equal to the statutory maximum rates and the full employer contribution was allocated to pension.

The contractually required contribution to STRS was \$11,370,600 for fiscal year 2019. Of this amount \$1,971,068 is reported as accrued wages and benefits.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The net pension liability was measured as of June 30 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$46,572,594	\$146,913,923	\$193,486,517
Proportion of the Net Pension Liability:			
Current Measurement Date	0.81318470%	0.66816246%	
Prior Measurement Date	<u>0.79738330%</u>	<u>0.66495825%</u>	
Change in Proportionate Share	<u>0.01580140%</u>	<u>0.00320421%</u>	
Pension Expense	\$3,496,492	\$15,678,554	\$19,175,046

**Lakota Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2019**

At June 30, 2019, reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$2,554,213	\$3,391,223	\$5,945,436
Changes of assumptions	1,051,710	26,035,918	27,087,628
Changes in employer proportionate share of net pension liability	525,592	3,559,477	4,085,069
Contributions subsequent to the measurement date	<u>3,966,828</u>	<u>11,370,600</u>	<u>15,337,428</u>
Total Deferred Outflows of Resources	<u>\$8,098,343</u>	<u>\$44,357,218</u>	<u>\$52,455,561</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$0	\$959,437	\$959,437
Net difference between projected and actual earnings on pension plan investments	1,290,385	8,908,699	10,199,084
Changes in employer proportionate share of net pension liability	<u>680,727</u>	<u>521,960</u>	<u>1,202,687</u>
Total Deferred Inflows of Resources	<u>\$1,971,112</u>	<u>\$10,390,096</u>	<u>\$12,361,208</u>

\$15,337,428 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2020	\$3,315,942	\$14,233,197	\$17,549,139
2021	768,596	9,337,734	10,106,330
2022	(1,528,387)	812,210	(716,177)
2023	<u>(395,748)</u>	<u>(1,786,619)</u>	<u>(2,182,367)</u>
Total	<u>\$2,160,403</u>	<u>\$22,596,522</u>	<u>\$24,756,925</u>

**Actuarial Assumptions - SERS**

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly



**Lakota Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2019**

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incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2018, are presented below:

Inflation	3.00%
Future Salary Increases, including inflation	3.50% to 18.20%
COLA or Ad Hoc COLA	2.50%
Investment Rate of Return	7.50% net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement. The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalanced uncorrelated asset classes.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00%	0.50%
US Stocks	22.50%	4.75%
Non-US Stocks	22.50%	7.00%
Fixed Income	19.00%	1.50%
Private Equity	10.00%	8.00%
Real Assets	15.00%	5.00%
Multi-Asset Strategies	10.00%	3.00%
Total	100.00%	

**Discount Rate**

The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash

**Lakota Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2019**

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flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Proportionate share of the net pension liability	\$65,601,010	\$46,572,594	\$30,618,540

**Assumption and Benefit Changes Since the Prior Measurement Date**

With the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1 2018, actuarial valuation, are presented below:

Inflation	2.50%
Projected Salary Increases	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.45%, net of investment expenses, including inflation
Discount Rate of Return	7.45%
Payroll Increases	3.00%
Cost-of-Living Adjustments (COLA)	0%, effective July 1, 2017

Post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the July 1, 2018 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

STRS Ohio's investment consultant develops an estimate range for the investment return assumption

**Lakota Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2019**

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based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Rate of Return *
Domestic Equity	28.00%	7.35%
International Equity	23.00%	7.55%
Alternatives	17.00%	7.09%
Fixed Income	21.00%	3.00%
Real Estate	10.00%	6.00%
Liquidity Reserves	1.00%	2.25%
Total	100.00%	

\*10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2018. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2018. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2018.

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following table represents the net pension liability as of June 30, 2018, calculated using the current period discount rate assumption of 7.45 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.45 percent or one percentage point higher 8.45 percent than the current discount rate:

	1% Decrease 6.45%	Current Discount Rate 7.45%	1% Increase 8.45%
Proportionate share of the net pension liability	\$214,548,444	\$146,913,923	\$89,670,477

**Assumption and Benefit Changes since the Prior Measurement Date**

There were no changes in assumptions or benefit terms since the prior measurement date.

**Note 8 - Defined Benefit OPEB Plans**

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See note 7 for a description of the net OPEB liability (asset).

**Plan Description - School Employees Retirement System (SERS)**

**Health Care Plan Description**

The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

**Funding Policy**

State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2019, .5 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2019, this amount was \$21,600. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2019, the District's surcharge obligation was \$466,814.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The contractually required contribution to SERS was \$613,734 for fiscal year 2019. Of this amount \$553,878 is reported as accrued wages and benefits.

**Lakota Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2019**

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**Plan Description - State Teachers Retirement System (STRS)**

**Plan Description**

The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

**Funding Policy**

Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2019, STRS did not allocate any employer contributions to post-employment health care.

**OPEB Liabilities (Assets), OPEB Expense (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

The net OPEB liability (asset) was measured as of June 30 2018, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability (asset) was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$22,844,944	\$0	\$22,844,944
Proportionate Share of the Net OPEB (Asset)	0	(10,736,688)	(10,736,688)
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.82345780%	0.66816246%	
Prior Measurement Date	<u>0.80997860%</u>	<u>0.66495825%</u>	
Change in Proportionate Share	<u>0.01347920%</u>	<u>0.00320421%</u>	
OPEB Expense	\$809,641	(\$23,291,227)	(\$22,481,586)

At June 30, 2019, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**Lakota Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2019**

	SERS	STRS	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$372,910	\$1,254,065	\$1,626,975
Changes in employer proportionate share of net OPEB liability	335,090	114,183	449,273
Contributions subsequent to the measurement date	613,734	0	613,734
<b>Total Deferred Outflows of Resources</b>	<b><u>\$1,321,734</u></b>	<b><u>\$1,368,248</u></b>	<b><u>\$2,689,982</u></b>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$0	\$625,555	\$625,555
Changes of assumptions	2,052,446	14,629,591	16,682,037
Net difference between projected and actual earnings on OPEB plan investments	34,275	1,226,575	1,260,850
Changes in employer proportionate share of net OPEB liability	222,413	113,259	335,672
<b>Total Deferred Inflows of Resources</b>	<b><u>\$2,309,134</u></b>	<b><u>\$16,594,980</u></b>	<b><u>\$18,904,114</u></b>

\$613,734 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (adjustment to net OPEB asset) in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2020	(\$899,736)	(\$2,729,950)	(\$3,629,686)
2021	(687,049)	(2,729,950)	(3,416,999)
2022	(13,538)	(2,729,950)	(2,743,488)
2023	1,052	(2,451,385)	(2,450,333)
2024	(1,322)	(2,353,665)	(2,354,987)
Thereafter	(541)	(2,231,832)	(2,232,373)
<b>Total</b>	<b><u>(\$1,601,134)</u></b>	<b><u>(\$15,226,732)</u></b>	<b><u>(\$16,827,866)</u></b>

**Actuarial Assumptions - SERS**

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

**Lakota Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2019**

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Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2018, are presented below:

Inflation	3.00%
Wage Increases	3.50% to 18.20%
Investment Rate of Return	7.50% net of investment expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.62%
Prior Measurement Date	3.56%
Single Equivalent Interest Rate, net of plan investment expense, including price inflation:	
Measurement Date	3.70%
Prior Measurement Date	3.63%
Medical Trend Assumption:	
Medicare	5.375% to 4.75%
Pre-Medicare	7.25% to 4.75%

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years. The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

**Lakota Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2019**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00%	0.50%
US Stocks	22.50%	4.75%
Non-US Stocks	22.50%	7.00%
Fixed Income	19.00%	1.50%
Private Equity	10.00%	8.00%
Real Assets	15.00%	5.00%
Multi-Asset Strategies	<u>10.00%</u>	3.00%
Total	<u>100.00%</u>	

**Discount Rate**

The discount rate used to measure the total OPEB liability at June 30, 2018 was 3.70 percent. The discount rate used to measure total OPEB liability prior to June 30, 2018 was 3.63 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.62 percent, as of June 30, 2018 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

**Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates**

The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.70 percent) and higher (4.70 percent) than the current discount rate (3.70 percent). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.25 percent decreasing to 3.75 percent) and higher (8.25 percent decreasing to 5.75 percent) than the current rate.

	1% Decrease (2.70%)	Current Discount Rate (3.70%)	1% Increase (4.70%)
Proportionate share of the net OPEB liability	\$27,720,543	\$22,844,944	\$18,984,382
	1% Decrease (6.25% decreasing to 3.75%)	Current Trend Rate (7.25% decreasing to 4.75%)	1% Increase (8.25% decreasing to 5.75%)
Proportionate share of the net OPEB liability	\$18,431,679	\$22,844,944	\$28,688,899



**Lakota Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2019**

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**Assumption and Benefit Changes since the Prior Measurement Date**

The following changes in key methods and assumptions as presented below:

- (1) Discount Rate:
  - Prior Measurement Date 3.63%
  - Measurement Date 3.70%
- (2) Municipal Bond Index Rate:
  - Prior Measurement Date 3.56%
  - Measurement Date 3.62%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
  - Prior Measurement Date 3.63%
  - Measurement Date 3.70%

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2018, actuarial valuation are presented below:

Projected Salary Increases	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.45%, net of investment expenses, including inflation
Payroll Increases	3%
Discount Rate of Return	7.45%
Health Care Cost Trends:	
Medical:	
Pre-Medicare	6% initial, 4% ultimate
Medicare	5% initial, 4% ultimate
Prescription Drug:	
Pre-Medicare	8% initial, 4% ultimate
Medicare	(5.23%) initial, 4% ultimate

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2018, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

**Lakota Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2019**

Asset Class	Target Allocation	Long-Term Expected Rate of Return*
Domestic Equity	28.00%	7.35%
International Equity	23.00%	7.55%
Alternatives	17.00%	7.09%
Fixed Income	21.00%	3.00%
Real Estate	10.00%	6.00%
Liquidity Reserves	1.00%	2.25%
Total	100.00%	

\*10 year annualized geometric nominal returns, which includes the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actual rate of return, without net value added by management.

**Discount Rate**

The discount rate used to measure the total OPEB liability was 7.45 percent as of June 30, 2018. The blended discount rate used to measure the total OPEB liability was 4.13 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability as of June 30, 2018. The blended discount rate of 4.13 percent, which represents the long-term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58 percent for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2017.

**Sensitivity of the Proportionate Share of the Net OPEB (Asset) to Changes in the Discount and Health Care Cost Trend Rate**

The following table represents the net OPEB (asset) as of June 30, 2018, calculated using the current period discount rate assumption of 7.45 percent, as well as what the net OPEB (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the net OPEB (asset) as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
Proportionate share of the net OPEB (asset)	(\$9,202,348)	(\$10,736,688)	(\$12,026,229)
	1% Decrease	Current Trend Rate	1% Increase
Proportionate share of the net OPEB (asset)	(\$11,953,433)	(\$10,736,688)	(\$9,500,990)

**Lakota Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2019**

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**Assumption and Benefit Changes since the Prior Measurement Date**

The discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent based on the methodology defined under *GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*. Valuation year per capita health care costs were updated.

The subsidy multiplier for non-Medicare benefit recipients was increased from 1.900 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements were scheduled to be discontinued beginning January 1, 2020. However, in June of 2019, the STRS Board voted to extend the current Medicare Part B partial reimbursement for one year.

**Note 9 - Contingent Liabilities**

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**School Foundation**

District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2019 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2019 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the District.

**Grants**

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

However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District as of June 30, 2019.

**Litigation**

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

**Note 10 - Risk Management**

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

**Lakota Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2019**

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Coverage	Company	Limits	Deductible
Fleet	Liberty Mutual	\$1,000,000 per occurrence	\$1,000 collision/pd
Property	Liberty Mutual	396,481,617 blanket coverage	10,000 per loss
General liability	Liberty Mutual	1,000,000 per occurrence/ 2,000,000 aggregate	
Liability umbrella	Liberty Mutual	10,000,000 aggregate	
Errors and omissions	Liberty Mutual	1,000,000 aggregate	5,000 per loss
Crime theft	Liberty Mutual	10,000 per occurrence	500 per loss
Faithful Performance Bond	Liberty Mutual	40,000 Public employee blanket bond with faithful performance endorsed on bond	

Medical and dental insurance benefits are offered to employees through Medical Mutual of Ohio. The employees share the cost of the monthly premium for the coverage with the District.

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

**Note 11 - Jointly Governed Organizations**

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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 the Southwestern Ohio Computer Association, 3603 Hamilton-Middletown Road, Hamilton, Ohio.

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

**Note 12 – Accountability**

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

**Lakota Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2019**

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Fund	Deficit
Other Governmental Funds:	
Miscellaneous State Grants	\$12,697
Title VI-B	528,133
Title III	28,814
Title I	268,180
Title II-A	104,122

**Note 13 - Set-Asides**

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

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

	Capital Acquisition
Set Aside Reserve Balance as of June 30, 2018	\$0
Current Year Set Aside Requirements	2,835,928
Qualified Disbursements	(479,388)
Current Year Offsets	(2,356,540)
Set Aside Reserve Balance as of June 30, 2019	<u>\$0</u>

**Note 14 - Interfund Transactions**

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Interfund transactions at June 30, 2019, consisted of the following individual fund receivables and payables and transfers in and out:

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$807,715	\$0	\$0	\$1,763,166
Other Governmental Funds	0	807,715	1,763,166	0
Total All Funds	<u>\$807,715</u>	<u>\$807,715</u>	<u>\$1,763,166</u>	<u>\$1,763,166</u>

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

**Note 15 – Fund Balances**

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

**Lakota Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2019**

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Fund Balances	General	Other Governmental Funds	Total
<b>Restricted for:</b>			
Other Grants	\$0	\$100,696	\$100,696
Student Activities	0	1,189,043	1,189,043
Auxiliary Services	0	53,817	53,817
Food Service	0	904,391	904,391
Debt Service	0	13,897,145	13,897,145
Permanent Improvement	0	5,019,348	5,019,348
<b>Total Restricted</b>	0	21,164,440	21,164,440
<b>Assigned to:</b>			
Encumbrances	359,606	0	359,606
Public School Support	526,973	0	526,973
<b>Total Assigned</b>	886,579	0	886,579
<b>Unassigned (Deficit)</b>	91,658,960	(941,946)	90,717,014
<b>Total Fund Balance</b>	\$92,545,539	\$20,222,494	\$112,768,033

Encumbrances (assigned) will be used for \$24,343 for EIA books, \$2,566 for computers, \$16,003 for instructional supplies, \$34,233 for building signage, \$9,310 for projector, \$1,515 for chairs, \$6,079 for printers, \$5,585 for trash removal, \$5,998 for roof repairs, \$43,302 for maintenance supplies, \$3,473 for custodial supplies, \$4,253 for grass cutting, \$110,993 for copiers and copiers repairs, \$12,467 for Gaggle license, \$4,138 for internet charges, \$1,900 for Allerton Hill consulting, \$10,648 for Sunguard training, and \$62,800 for other purposes.

**Note 16 – Construction and Other Commitments**

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The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed or assigned classifications of fund balance. At year end, the District’s commitments for encumbrances in the governmental funds were as follows:

Fund	Amounts
General	\$675,183
Nonmajor Governmental	443,342
Total	\$1,118,525

**Note 17 – Tax Abatements entered Into By Other Governments**

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Other governments entered into property tax abatement agreements with property owners under the Enterprise Zone Agreement (“EZA”) program with the taxing districts of the District. The EZA program is an economic development tool administered by municipal and county governments that provides real and personal property tax exemptions to businesses making investments in the community. Within the taxing districts of the District, other municipalities have entered into EZA agreements. Under these

**Lakota Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2019**

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agreements the District's property taxes were reduced by \$1,036,497. The District received \$653,279 in association with the forgone property tax revenue.

**Note 18 – Implementation of New Accounting Principles**

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For the fiscal year ended June 30, 2019, the following have been implemented Governmental Accounting Standards Board (GASB) Statement No. 83, *Certain Asset Retirement Obligations* and GASB No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*.

GASB Statement No. 83 sets out to address the accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The implementation of GASB Statement No. 83 did not have an effect on the financial statements.

GASB Statement No. 88 sets out to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. If applicable, GASB Statement No. 88 has been implemented in the notes to financial statements.

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# **REQUIRED SUPPLEMENTARY INFORMATION**

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Lakota Local School District, Ohio  
 Required Supplementary Information  
 Schedule of the District's Proportionate Share of the Net Pension Liability  
 State Teachers Retirement System of Ohio  
 Last Six Fiscal Years (1) (2)

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position Percentage as a of the Total Pension Liability
2019	0.66816246%	\$146,913,923	\$77,505,514	189.55%	77.30%
2018	0.66495825%	157,962,258	74,576,229	211.81%	75.30%
2017	0.66792312%	223,574,001	70,177,971	318.58%	66.80%
2016	0.64751627%	178,954,558	67,182,086	266.37%	72.10%
2015	0.63410406%	154,236,052	69,771,608	221.06%	74.70%
2014	0.63410406%	183,230,194	74,597,723	245.62%	69.30%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

(2) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Lakota Local School District, Ohio  
 Required Supplementary Information  
 Schedule of the District's Proportionate Share of the Net Pension Liability  
 School Employees Retirement System of Ohio  
 Last Six Fiscal Years (1) (2)

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position Percentage as a of the Total Pension Liability
2019	0.81318470%	\$46,572,594	\$26,424,407	176.25%	71.36%
2018	0.79738330%	47,641,890	26,480,071	179.92%	69.50%
2017	0.81627680%	59,743,930	25,350,521	235.67%	62.98%
2016	0.82863210%	47,282,551	23,824,090	198.47%	69.16%
2015	0.82534600%	41,770,291	24,225,173	172.43%	71.70%
2014	0.82534600%	49,095,391	25,334,566	193.79%	65.52%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

(2) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Lakota Local School District, Ohio  
 Required Supplementary Information  
 Schedule of District's Contributions for Net Pension Liability  
 State Teachers Retirement System of Ohio  
 Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2019	\$11,370,600	(\$11,370,600)	\$0	\$81,218,571	14.00%
2018	10,850,772	(10,850,772)	0	77,505,514	14.00%
2017	10,440,672	(10,440,672)	0	74,576,229	14.00%
2016	9,824,916	(9,824,916)	0	70,177,971	14.00%
2015	9,405,492	(9,405,492)	0	67,182,086	14.00%
2014	9,070,309	(9,070,309)	0	69,771,608	13.00%
2013	9,697,704	(9,697,704)	0	74,597,723	13.00%
2012	9,947,628	(9,947,628)	0	76,520,215	13.00%
2011	11,246,736	(11,246,736)	0	86,513,354	13.00%
2010	11,774,328	(11,774,328)	0	90,571,754	13.00%

See accompanying notes to the required supplementary information.

Lakota Local School District, Ohio  
 Required Supplementary Information  
 Schedule of District's Contributions for Net Pension Liability  
 School Employees Retirement System of Ohio  
 Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2019	\$3,966,828	(\$3,966,828)	\$0	\$29,383,911	13.50%
2018	3,567,295	(3,567,295)	0	26,424,407	13.50%
2017	3,707,210	(3,707,210)	0	26,480,071	14.00%
2016	3,549,073	(3,549,073)	0	25,350,521	14.00%
2015	3,140,015	(3,140,015)	0	23,824,090	13.18%
2014	3,357,609	(3,357,609)	0	24,225,173	13.86%
2013	3,506,304	(3,506,304)	0	25,334,566	13.84%
2012	3,352,416	(3,352,416)	0	24,925,026	13.45%
2011	3,219,408	(3,219,408)	0	25,611,838	12.57%
2010	3,169,992	(3,169,992)	0	23,412,053	13.54%

See accompanying notes to the required supplementary information.

Lakota Local School District, Ohio  
 Required Supplementary Information  
 Schedule of the District's Proportionate Share of the Net OPEB (Asset)/Liability  
 State Teachers Retirement System of Ohio  
 Last Three Fiscal Years (1) (2)

Year	District's Proportion of the Net OPEB (Asset)/Liability	District's Proportionate Share of the Net OPEB (Asset)/Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB (Asset)/Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position Percentage as a of the Total OPEB (Asset)/Liability
2019	0.66816246%	(\$10,736,688)	\$77,505,514	(13.85%)	176.00%
2018	0.66495825%	25,944,217	74,576,229	34.79%	47.10%
2017	0.66792312%	35,720,702	70,177,971	50.90%	37.30%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

(2) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Lakota Local School District, Ohio  
 Required Supplementary Information  
 Schedule of the District's Proportionate Share of the Net OPEB Liability  
 School Employees Retirement System of Ohio  
 Last Three Fiscal Years (1) (2)

Year	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position Percentage as a of the Total OPEB Liability
2019	0.82345780%	\$22,844,944	\$26,424,407	86.45%	13.57%
2018	0.80997860%	21,737,698	26,480,071	82.09%	12.46%
2017	0.82664860%	23,562,543	25,350,521	92.95%	11.49%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

(2) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Lakota Local School District, Ohio  
 Required Supplementary Information  
 Schedule of District's Contributions for Net OPEB (Asset)/Liability  
 State Teachers Retirement System of Ohio  
 Last Four Fiscal Years (1)

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2019	\$0	\$0	\$0	\$81,218,571	0.00%
2018	0	0	0	77,505,514	0.00%
2017	0	0	0	74,576,229	0.00%
2016	0	0	0	70,177,971	0.00%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

See accompanying notes to the required supplementary information.



Lakota Local School District, Ohio  
 Required Supplementary Information  
 Schedule of District's Contributions for Net OPEB Liability  
 School Employees Retirement System of Ohio  
 Last Four Fiscal Years (1) (2)

Year	District's Contractually Required Contribution (2)	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2019	\$613,734	(\$613,734)	\$0	\$29,383,911	2.09%
2018	570,246	(570,246)	0	26,424,407	2.16%
2017	445,245	(445,245)	0	26,480,071	1.68%
2016	415,877	(415,877)	0	25,350,521	1.64%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

(2) Includes surcharge.

See accompanying notes to the required supplementary information.

Lakota Local School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2019

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Revenues:</b>				
Taxes	\$93,143,695	\$95,797,241	\$95,797,241	\$0
Revenue in lieu of taxes	12,944,106	13,312,867	13,312,867	0
Tuition and Fees	3,302,471	3,396,554	3,396,554	0
Investment Earnings	2,687,736	2,764,306	2,764,306	0
Intergovernmental	60,756,862	62,487,748	62,487,748	0
Extracurricular Activities	993	1,021	1,021	0
Charges for Services	23,349	24,014	24,014	0
Other Revenues	733,003	753,885	753,885	0
<b>Total Revenues</b>	<b>173,592,215</b>	<b>178,537,636</b>	<b>178,537,636</b>	<b>0</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	71,240,271	70,931,952	70,931,952	0
Special	25,637,146	25,526,192	25,526,192	0
Other	5,313,434	5,290,438	5,290,438	0
<b>Support Services:</b>				
Pupil	13,688,464	13,629,222	13,629,222	0
Instructional Staff	4,719,839	4,699,412	4,699,412	0
General Administration	433,611	431,734	431,734	0
School Administration	10,561,729	10,516,019	10,516,019	0
Fiscal	2,840,495	2,828,202	2,828,202	0
Business	558,156	555,740	555,740	0
Operations and Maintenance	13,711,758	13,652,415	13,652,415	0
Pupil Transportation	16,686,184	16,613,968	16,613,968	0
Central	3,803,572	3,787,111	3,787,111	0
Extracurricular Activities	145,103	144,475	144,475	0
<b>Total Expenditures</b>	<b>169,339,762</b>	<b>168,606,880</b>	<b>168,606,880</b>	<b>0</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>4,252,453</b>	<b>9,930,756</b>	<b>9,930,756</b>	<b>0</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Capital Assets	77,506	79,714	79,714	0
Transfers (Out)	(1,833,155)	(1,825,221)	(1,825,221)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(1,755,649)</b>	<b>(1,745,507)</b>	<b>(1,745,507)</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>2,496,804</b>	<b>8,185,249</b>	<b>8,185,249</b>	<b>0</b>
<b>Fund Balance Beginning of Year (includes prior year encumbrances appropriated)</b>	<b>99,078,138</b>	<b>99,078,138</b>	<b>99,078,138</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$101,574,942</b>	<b>\$107,263,387</b>	<b>\$107,263,387</b>	<b>\$0</b>

See accompanying notes to the required supplementary information.

**Lakota Local School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2019**

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**Note 1 - Budgetary Process**

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2019.

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

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

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

**Lakota Local School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2019**

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

Net Change in Fund Balance	
	General
GAAP Basis	\$7,668,287
Revenue Accruals	(2,460,388)
Expenditure Accruals	3,681,253
Transfers (Out)	(62,055)
Encumbrances	(641,848)
Budget Basis	\$8,185,249

**Note 2 - Net Pension Liability**

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**School Employees Retirement System (SERS)**

**Changes in Benefit Terms:**

2019: With the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.

2018: SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the change in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

**Changes in Assumptions:**

2018-2019: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2017: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,
- (6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates,
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, and
- (8) The discount rate was reduced from 7.75% to 7.50%.

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

**Lakota Local School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2019**

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**State Teachers Retirement System (STRS)**

**Changes in Benefit Terms:**

2019: There were no changes in benefit terms from the amounts reported for this fiscal year.

2018: STRS decreased the Cost of Living Adjustment (COLA) to zero.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

**Changes in Assumptions:**

2019: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this fiscal year.

2018: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The long term expected rate of return was reduced from 7.75% to 7.45%,
- (2) The inflation assumption was lowered from 2.75% to 2.50%,
- (3) The payroll growth assumption was lowered to 3.00%,
- (4) Total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation,
- (5) The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016, and
- (6) Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

**Note 3 - Net OPEB (Asset)/Liability**

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**School Employees Retirement System (SERS)**

**Changes in Benefit Terms:**

2017-2019: There were no changes in benefit terms from the amounts reported for these fiscal years.

**Changes in Assumptions:**

2019: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:

Prior Measurement Date	3.63%
Measurement Date	3.70%
- (2) Municipal Bond Index Rate:

Prior Measurement Date	3.56%
Measurement Date	3.62%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	3.63%
Measurement Date	3.70%

2018: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

**Lakota Local School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2019**

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(1) Discount Rate:		
	Fiscal Year 2018	3.63%
	Fiscal Year 2017	2.98%
(2) Municipal Bond Index Rate:		
	Fiscal Year 2018	3.56%
	Fiscal Year 2017	2.92%
(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:		
	Fiscal Year 2018	3.63%
	Fiscal Year 2017	2.98%

2017: The following changes of assumptions affected the total OPEB liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,
- (6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, and
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

**State Teachers Retirement System (STRS)**

**Changes in Benefit Terms:**

2019: The subsidy multiplier for non-Medicare benefit recipients was increased from 1.900% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020. The Board is extending the current Medicare Part B partial reimbursement program for one year. Under this program, benefit recipients currently enrolled in the STRS Ohio Health Care Program and Medicare Part B receive \$29.90 per month to reimburse a portion of the Medicare Part B premium. The reimbursement was set to be reduced to \$0 beginning January 1, 2020. This impacts about 85,000 benefit recipients.

2018: The subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2019.

2017: There were no changes in benefit terms from the amounts reported for this fiscal year.

**Changes in Assumptions:**

2019: The discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB). Valuation year per capita health care costs were updated.

**Lakota Local School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2019**

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2018: The discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this fiscal year.

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## **COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES**

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## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

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

### **Debt Service Fund**

The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated (i.e. debt payable from property taxes). Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

### **Capital Project Fund**

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

Lakota Local School District, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$2,494,463	\$13,769,271	\$4,980,682	\$21,244,416
<b>Receivables (Net):</b>				
Taxes	0	9,081,009	4,691,139	13,772,148
Intergovernmental	1,693,157	1,145,378	719,962	3,558,497
Inventory	120,496	0	0	120,496
<b>Total Assets</b>	<b>4,308,116</b>	<b>23,995,658</b>	<b>10,391,783</b>	<b>38,695,557</b>
<b>Liabilities:</b>				
Accounts Payable	113,384	0	33,313	146,697
Accrued Wages and Benefits	1,198,720	0	0	1,198,720
Contracts Payable	0	0	9,137	9,137
Interfund Payable	807,715	0	0	807,715
<b>Total Liabilities</b>	<b>2,119,819</b>	<b>0</b>	<b>42,450</b>	<b>2,162,269</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	0	8,953,135	4,610,023	13,563,158
Grants and Other Taxes	882,296	1,145,378	719,962	2,747,636
<b>Total Deferred Inflows of Resources</b>	<b>882,296</b>	<b>10,098,513</b>	<b>5,329,985</b>	<b>16,310,794</b>
<b>Fund Balances:</b>				
Restricted	2,247,947	13,897,145	5,019,348	21,164,440
Unassigned	(941,946)	0	0	(941,946)
<b>Total Fund Balances</b>	<b>1,306,001</b>	<b>13,897,145</b>	<b>5,019,348</b>	<b>20,222,494</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$4,308,116</b>	<b>\$23,995,658</b>	<b>\$10,391,783</b>	<b>\$38,695,557</b>

Lakota Local School District, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Property and Other Taxes	\$0	\$10,879,385	\$5,270,445	\$16,149,830
Investment Earnings	8	74	37	119
Intergovernmental	9,068,859	1,147,804	92,375	10,309,038
Extracurricular Activities	1,879,684	0	0	1,879,684
Charges for Services	3,750,058	0	10,000	3,760,058
Revenue in Lieu of Taxes	0	1,145,378	719,962	1,865,340
Other Revenues	582,851	0	11,602	594,453
<b>Total Revenues</b>	<b>15,281,460</b>	<b>13,172,641</b>	<b>6,104,421</b>	<b>34,558,522</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	1,592,919	0	4,958,458	6,551,377
Special	2,756,634	0	0	2,756,634
Pupil	495,865	0	0	495,865
Instructional Staff	794,099	0	0	794,099
School Administration	214,216	0	0	214,216
Fiscal	0	93,496	51,988	145,484
Operations and Maintenance	169,307	0	100,130	269,437
Central	0	0	16,122	16,122
Operation of Non-Instructional Services	7,022,720	0	0	7,022,720
Extracurricular Activities	3,829,792	0	0	3,829,792
Capital Outlay	0	0	3,145,558	3,145,558
<b>Debt Service:</b>				
Principal Retirement	0	6,310,000	1,035,000	7,345,000
Interest and Fiscal Charges	0	4,606,874	861,988	5,468,862
<b>Total Expenditures</b>	<b>16,875,552</b>	<b>11,010,370</b>	<b>10,169,244</b>	<b>38,055,166</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,594,092)</b>	<b>2,162,271</b>	<b>(4,064,823)</b>	<b>(3,496,644)</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Capital Assets	1,000	0	0	1,000
Transfers In	1,763,166	0	0	1,763,166
<b>Total Other Financing Sources (Uses)</b>	<b>1,764,166</b>	<b>0</b>	<b>0</b>	<b>1,764,166</b>
<b>Net Change in Fund Balance</b>	<b>170,074</b>	<b>2,162,271</b>	<b>(4,064,823)</b>	<b>(1,732,478)</b>
<b>Fund Balance - Beginning of Year</b>	<b>1,135,927</b>	<b>11,734,874</b>	<b>9,084,171</b>	<b>21,954,972</b>
<b>Fund Balance - End of Year</b>	<b>\$1,306,001</b>	<b>\$13,897,145</b>	<b>\$5,019,348</b>	<b>\$20,222,494</b>

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## **NONMAJOR SPECIAL REVENUE FUNDS**

### **Fund Descriptions**

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

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

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

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

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

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

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

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

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

**Miscellaneous Grants** - To account for various monies received directly from the federal government, which are, not classified elsewhere.

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

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

Lakota Local School District, Ohio  
 Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 June 30, 2019

	Other Grants	Student Activities	Auxiliary Services
Assets:			
Equity in Pooled Cash and Investments	\$100,696	\$1,254,157	\$143,443
Receivables (Net):			
Intergovernmental	0	0	0
Inventory	0	0	0
<b>Total Assets</b>	<b>100,696</b>	<b>1,254,157</b>	<b>143,443</b>
Liabilities:			
Accounts Payable	0	65,114	40,398
Accrued Wages and Benefits	0	0	49,228
Interfund Payable	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>65,114</b>	<b>89,626</b>
Deferred Inflows of Resources:			
Grants and Other Taxes	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>
Fund Balances:			
Restricted	100,696	1,189,043	53,817
Unassigned	0	0	0
<b>Total Fund Balances</b>	<b>100,696</b>	<b>1,189,043</b>	<b>53,817</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$100,696</b>	<b>\$1,254,157</b>	<b>\$143,443</b>

Continued

Miscellaneous State Grants	Title VI-B	Title III	Title I	EHA Pre-School	Title II-A	Miscellaneous Grants
\$0	\$0	\$0	\$0	\$0	\$0	\$0
10,657	897,773	55,620	528,108	0	153,782	27,953
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>10,657</u>	<u>897,773</u>	<u>55,620</u>	<u>528,108</u>	<u>0</u>	<u>153,782</u>	<u>27,953</u>
0	0	0	35	0	0	0
12,697	530,279	28,814	269,145	0	104,122	0
<u>8,338</u>	<u>410,527</u>	<u>20,306</u>	<u>251,547</u>	<u>0</u>	<u>78,000</u>	<u>19,733</u>
<u>21,035</u>	<u>940,806</u>	<u>49,120</u>	<u>520,727</u>	<u>0</u>	<u>182,122</u>	<u>19,733</u>
<u>2,319</u>	<u>485,100</u>	<u>35,314</u>	<u>275,561</u>	<u>0</u>	<u>75,782</u>	<u>8,220</u>
<u>2,319</u>	<u>485,100</u>	<u>35,314</u>	<u>275,561</u>	<u>0</u>	<u>75,782</u>	<u>8,220</u>
0	0	0	0	0	0	0
<u>(12,697)</u>	<u>(528,133)</u>	<u>(28,814)</u>	<u>(268,180)</u>	<u>0</u>	<u>(104,122)</u>	<u>0</u>
<u>(12,697)</u>	<u>(528,133)</u>	<u>(28,814)</u>	<u>(268,180)</u>	<u>0</u>	<u>(104,122)</u>	<u>0</u>
<u>\$10,657</u>	<u>\$897,773</u>	<u>\$55,620</u>	<u>\$528,108</u>	<u>\$0</u>	<u>\$153,782</u>	<u>\$27,953</u>

Continued

Lakota Local School District, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2019

	High Schools That Work	Food Service	Total Nonmajor Special Revenue Funds
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$0	\$996,167	\$2,494,463
<b>Receivables (Net):</b>			
Intergovernmental	19,264	0	1,693,157
Inventory	0	120,496	120,496
<b>Total Assets</b>	<b>19,264</b>	<b>1,116,663</b>	<b>4,308,116</b>
<b>Liabilities:</b>			
Accounts Payable	0	7,837	113,384
Accrued Wages and Benefits	0	204,435	1,198,720
Interfund Payable	19,264	0	807,715
<b>Total Liabilities</b>	<b>19,264</b>	<b>212,272</b>	<b>2,119,819</b>
<b>Deferred Inflows of Resources:</b>			
Grants and Other Taxes	0	0	882,296
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>882,296</b>
<b>Fund Balances:</b>			
Restricted	0	904,391	2,247,947
Unassigned	0	0	(941,946)
<b>Total Fund Balances</b>	<b>0</b>	<b>904,391</b>	<b>1,306,001</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$19,264</b>	<b>\$1,116,663</b>	<b>\$4,308,116</b>



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Lakota Local School District, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2019

	Other Grants	Student Activities	Auxiliary Services
Revenues:			
Investment Earnings	\$0	\$0	\$1
Intergovernmental	20,413	0	600,389
Extracurricular Activities	0	1,879,684	0
Charges for Services	0	0	0
Other Revenues	68,486	484,093	0
<b>Total Revenues</b>	<b>88,899</b>	<b>2,363,777</b>	<b>600,390</b>
Expenditures:			
Current:			
Instruction:			
Regular	17,070	0	0
Special	5,554	0	0
Pupil	6,699	0	0
Instructional Staff	11,431	0	0
School Administration	0	0	0
Operations and Maintenance	0	138,376	0
Operation of Non-Instructional Services	0	0	591,051
Extracurricular Activities	2,198	3,827,594	0
<b>Total Expenditures</b>	<b>42,952</b>	<b>3,965,970</b>	<b>591,051</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>45,947</b>	<b>(1,602,193)</b>	<b>9,339</b>
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	0	1,000	0
Transfers In	0	1,763,166	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>1,764,166</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>45,947</b>	<b>161,973</b>	<b>9,339</b>
<b>Fund Balance - Beginning of Year</b>	<b>54,749</b>	<b>1,027,070</b>	<b>44,478</b>
<b>Fund Balance - End of Year</b>	<b>\$100,696</b>	<b>\$1,189,043</b>	<b>\$53,817</b>

Continued

Miscellaneous State Grants	Title VI-B	Title III	Title I	EHA Pre-School	Title II-A	Miscellaneous Grants
\$0	\$0	\$0	\$0	\$0	\$0	\$0
145,244	3,089,000	181,751	1,680,366	78,947	523,418	134,790
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>145,244</u>	<u>3,089,000</u>	<u>181,751</u>	<u>1,680,366</u>	<u>78,947</u>	<u>523,418</u>	<u>134,790</u>
0	0	0	1,557,932	0	0	9,952
0	2,508,319	163,814	0	78,947	0	0
82,488	405,682	0	0	0	0	996
32,643	0	4,512	24,088	0	574,907	122,483
0	148,269	0	65,947	0	0	0
30,931	0	0	0	0	0	0
0	49,232	0	22,619	0	8,439	1,195
0	0	0	0	0	0	0
<u>146,062</u>	<u>3,111,502</u>	<u>168,326</u>	<u>1,670,586</u>	<u>78,947</u>	<u>583,346</u>	<u>134,626</u>
<u>(818)</u>	<u>(22,502)</u>	<u>13,425</u>	<u>9,780</u>	<u>0</u>	<u>(59,928)</u>	<u>164</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>(818)</u>	<u>(22,502)</u>	<u>13,425</u>	<u>9,780</u>	<u>0</u>	<u>(59,928)</u>	<u>164</u>
<u>(11,879)</u>	<u>(505,631)</u>	<u>(42,239)</u>	<u>(277,960)</u>	<u>0</u>	<u>(44,194)</u>	<u>(164)</u>
<u>(\$12,697)</u>	<u>(\$528,133)</u>	<u>(\$28,814)</u>	<u>(\$268,180)</u>	<u>\$0</u>	<u>(\$104,122)</u>	<u>\$0</u>

Continued

Lakota Local School District, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2019

	High Schools That Work	Food Service	Total Nonmajor Special Revenue Funds
<b>Revenues:</b>			
Investment Earnings	\$0	\$7	\$8
Intergovernmental	32,000	2,582,541	9,068,859
Extracurricular Activities	0	0	1,879,684
Charges for Services	0	3,750,058	3,750,058
Other Revenues	0	30,272	582,851
<b>Total Revenues</b>	<b>32,000</b>	<b>6,362,878</b>	<b>15,281,460</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	7,965	0	1,592,919
Special	0	0	2,756,634
Pupil	0	0	495,865
Instructional Staff	24,035	0	794,099
School Administration	0	0	214,216
Operations and Maintenance	0	0	169,307
Operation of Non-Instructional Services	0	6,350,184	7,022,720
Extracurricular Activities	0	0	3,829,792
<b>Total Expenditures</b>	<b>32,000</b>	<b>6,350,184</b>	<b>16,875,552</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>0</b>	<b>12,694</b>	<b>(1,594,092)</b>
<b>Other Financing Sources (Uses):</b>			
Proceeds from Sale of Capital Assets	0	0	1,000
Transfers In	0	0	1,763,166
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>1,764,166</b>
<b>Net Change in Fund Balance</b>	<b>0</b>	<b>12,694</b>	<b>170,074</b>
<b>Fund Balance - Beginning of Year</b>	<b>0</b>	<b>891,697</b>	<b>1,135,927</b>
<b>Fund Balance - End of Year</b>	<b>\$0</b>	<b>\$904,391</b>	<b>\$1,306,001</b>

Lakota Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	Other Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$24,620	\$24,620	\$0
Other Revenues	68,486	68,486	0
Total Revenues	93,106	93,106	0
Expenditures:			
Current:			
Instruction:			
Regular	17,212	17,212	0
Special	5,554	5,554	0
Support Services:			
Pupil	6,699	6,699	0
Instructional Staff	11,631	11,631	0
Extracurricular Activities	2,198	2,198	0
Total Expenditures	43,294	43,294	0
Net Change in Fund Balance	49,812	49,812	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	50,741	50,741	0
Fund Balance End of Year	\$100,553	\$100,553	\$0

Lakota Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	Student Activities Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$1,879,684	\$1,879,684	\$0
Other Revenues	517,211	517,211	0
Total Revenues	<u>2,396,895</u>	<u>2,396,895</u>	<u>0</u>
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance	139,759	139,759	0
Extracurricular Activities	3,958,361	3,958,361	0
Total Expenditures	<u>4,098,120</u>	<u>4,098,120</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,701,225)</u>	<u>(1,701,225)</u>	<u>0</u>
Other Financing Sources (Uses):			
Proceeds of Capital Leases	1,000	1,000	0
Transfers In	1,763,166	1,763,166	0
Total Other Financing Sources (Uses)	<u>1,764,166</u>	<u>1,764,166</u>	<u>0</u>
Net Change in Fund Balance	62,941	62,941	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,046,301</u>	<u>1,046,301</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$1,109,242</u></u>	<u><u>\$1,109,242</u></u>	<u><u>\$0</u></u>

Lakota Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	Auxiliary Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$1	\$1	\$0
Intergovernmental	600,389	600,389	0
Total Revenues	600,390	600,390	0
Expenditures:			
Current:			
Operation of Non-Instructional Services	676,931	676,931	0
Total Expenditures	676,931	676,931	0
Net Change in Fund Balance	(76,541)	(76,541)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	112,555	112,555	0
Fund Balance End of Year	\$36,014	\$36,014	\$0

Lakota Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	Miscellaneous State Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$155,123	\$146,787	(\$8,336)
Total Revenues	<u>155,123</u>	<u>146,787</u>	<u>(8,336)</u>
Expenditures:			
Current:			
Support Services:			
Pupil	81,669	81,669	0
Instructional Staff	32,643	32,643	0
Operations and Maintenance	<u>30,931</u>	<u>30,931</u>	<u>0</u>
Total Expenditures	<u>145,243</u>	<u>145,243</u>	<u>0</u>
Net Change in Fund Balance	9,880	1,544	(8,336)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>(9,881)</u>	<u>(9,881)</u>	<u>0</u>
Fund Balance End of Year	<u>(\$1)</u>	<u>(\$8,337)</u>	<u>(\$8,336)</u>



Lakota Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	Title VI-B Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$3,533,505	\$3,120,832	(\$412,673)
Total Revenues	<u>3,533,505</u>	<u>3,120,832</u>	<u>(412,673)</u>
Expenditures:			
Current:			
Instruction:			
Special	2,543,240	2,543,240	0
Support Services:			
Pupil	348,659	348,659	0
School Administration	148,269	148,269	0
Operation of Non-Instructional Services	48,835	48,835	0
Total Expenditures	<u>3,089,003</u>	<u>3,089,003</u>	<u>0</u>
Net Change in Fund Balance	444,502	31,829	(412,673)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>(442,359)</u>	<u>(442,359)</u>	<u>0</u>
Fund Balance End of Year	<u>\$2,143</u>	<u>(\$410,530)</u>	<u>(\$412,673)</u>

Lakota Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	Title III Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$221,192	\$200,886	(\$20,306)
Total Revenues	<u>221,192</u>	<u>200,886</u>	<u>(20,306)</u>
Expenditures:			
Current:			
Instruction:			
Special	177,239	177,239	0
Support Services:			
Instructional Staff	<u>4,512</u>	<u>4,512</u>	<u>0</u>
Total Expenditures	<u>181,751</u>	<u>181,751</u>	<u>0</u>
Net Change in Fund Balance	39,441	19,135	(20,306)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>(39,441)</u>	<u>(39,441)</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>(\$20,306)</u></u>	<u><u>(\$20,306)</u></u>

Lakota Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,977,182	\$1,724,226	(\$252,956)
Total Revenues	<u>1,977,182</u>	<u>1,724,226</u>	<u>(252,956)</u>
Expenditures:			
Current:			
Instruction:			
Regular	1,567,926	1,567,926	0
Support Services:			
Instructional Staff	24,088	24,088	0
School Administration	65,947	65,947	0
Operation of Non-Instructional Services	<u>22,812</u>	<u>22,812</u>	<u>0</u>
Total Expenditures	<u>1,680,773</u>	<u>1,680,773</u>	<u>0</u>
Net Change in Fund Balance	296,409	43,453	(252,956)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>(295,407)</u>	<u>(295,407)</u>	<u>0</u>
Fund Balance End of Year	<u>\$1,002</u>	<u>(\$251,954)</u>	<u>(\$252,956)</u>

Lakota Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	EHA Pre-School Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$78,947	\$78,947	\$0
Total Revenues	78,947	78,947	0
Expenditures:			
Current:			
Instruction:			
Special	78,947	78,947	0
Total Expenditures	78,947	78,947	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

Lakota Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	Title II-A Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$563,267	\$485,017	(\$78,250)
Total Revenues	<u>563,267</u>	<u>485,017</u>	<u>(78,250)</u>
Expenditures:			
Current:			
Support Services:			
Instructional Staff	515,229	515,229	0
Operation of Non-Instructional Services	8,439	8,439	0
Total Expenditures	<u>523,668</u>	<u>523,668</u>	<u>0</u>
Net Change in Fund Balance	39,599	(38,651)	(78,250)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>(39,599)</u>	<u>(39,599)</u>	<u>0</u>
Fund Balance End of Year	<u>\$0</u>	<u>(\$78,250)</u>	<u>(\$78,250)</u>

Lakota Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	Miscellaneous Grants		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$178,629	\$153,498	(\$25,131)
Total Revenues	<u>178,629</u>	<u>153,498</u>	<u>(25,131)</u>
Expenditures:			
Current:			
Instruction:			
Regular	9,952	9,952	0
Support Services:			
Pupil	996	996	0
Instructional Staff	128,046	128,046	0
Operation of Non-Instructional Services	<u>1,195</u>	<u>1,195</u>	<u>0</u>
Total Expenditures	<u>140,189</u>	<u>140,189</u>	<u>0</u>
Net Change in Fund Balance	38,440	13,309	(25,131)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>(38,440)</u>	<u>(38,440)</u>	<u>0</u>
Fund Balance End of Year	<u>\$0</u>	<u>(\$25,131)</u>	<u>(\$25,131)</u>

Lakota Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	High Schools That Work Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$54,213	\$34,949	(\$19,264)
Total Revenues	54,213	34,949	(19,264)
Expenditures:			
Current:			
Instruction:			
Regular	7,965	7,965	0
Support Services:			
Instructional Staff	24,035	24,035	0
Total Expenditures	32,000	32,000	0
Net Change in Fund Balance	22,213	2,949	(19,264)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	(22,213)	(22,213)	0
Fund Balance End of Year	\$0	(\$19,264)	(\$19,264)

Lakota Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	Food Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$7	\$7	\$0
Intergovernmental	1,946,383	1,946,383	0
Charges for Services	3,750,058	3,750,058	0
Other Revenues	30,272	30,272	0
Total Revenues	5,726,720	5,726,720	0
Expenditures:			
Current:			
Operation of Non-Instructional Services	5,754,780	5,754,780	0
Total Expenditures	5,754,780	5,754,780	(0)
Net Change in Fund Balance	(28,060)	(28,060)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,011,822	1,011,822	0
Fund Balance End of Year	\$983,762	\$983,762	\$0



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## **NONMAJOR DEBT SERVICE FUND**

### **Fund Description**

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

Lakota Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$10,887,425	\$10,887,425	\$0
Revenue in lieu of taxes	1,145,378	1,145,378	0
Investment Earnings	74	74	0
Intergovernmental	1,147,804	1,147,804	0
Charges for Services	16,882	16,882	0
<b>Total Revenues</b>	<b>13,197,563</b>	<b>13,197,563</b>	<b>0</b>
Expenditures:			
Current:			
Support Services:			
Fiscal	93,496	93,496	0
Debt Service:			
Principal Retirement	6,310,000	6,310,000	0
Interest and Fiscal Charges	4,606,874	4,606,874	0
<b>Total Expenditures</b>	<b>11,010,370</b>	<b>11,010,370</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>2,187,193</b>	<b>2,187,193</b>	<b>0</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	11,582,077	11,582,077	0
<b>Fund Balance End of Year</b>	<b>\$13,769,270</b>	<b>\$13,769,270</b>	<b>\$0</b>

## **NONMAJOR CAPITAL PROJECTS FUND**

### **Fund Description**

**Permanent Improvement** - To account for financial resources, to be used to maintain the District's facilities, as well as provide for major equipment and instructional material purchases. The Balance Sheet and Statement of Revenues, Expenditure and Changes in Fund Balances are included in the Non major Governmental Fund combining financial statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

Lakota Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	Permanent Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$5,257,189	\$5,257,189	\$0
Revenue in lieu of taxes	719,962	719,962	0
Investment Earnings	37	37	0
Intergovernmental	92,375	92,375	0
Charges for Services	10,000	10,000	0
Other Revenues	11,602	11,602	0
Total Revenues	<u>6,091,165</u>	<u>6,091,165</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	4,985,105	4,985,105	0
Support Services:			
Fiscal	51,988	51,988	0
Operations and Maintenance	100,130	100,130	0
Central	20,719	20,719	0
Capital Outlay	3,237,393	3,237,393	0
Debt Service:			
Principal Retirement	1,035,000	1,035,000	0
Interest and Fiscal Charges	861,988	861,988	0
Total Expenditures	<u>10,292,323</u>	<u>10,292,323</u>	<u>0</u>
Net Change in Fund Balance	(4,201,158)	(4,201,158)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>9,024,799</u>	<u>9,024,799</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$4,823,641</u></u>	<u><u>\$4,823,641</u></u>	<u><u>\$0</u></u>

## **OTHER GENERAL FUNDS**

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

### **Fund Descriptions**

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

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

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

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

Lakota Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	Public School Support Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$10,295	\$10,295	\$0
Extracurricular Activities	458,989	458,989	0
Other Revenues	166,906	166,906	0
Total Revenues	636,190	636,190	0
Expenditures:			
Current:			
Instruction:			
Regular	38,959	38,959	0
Support Services:			
Pupil	605,665	605,665	0
Instructional Staff	14,459	14,459	0
School Administration	1,684	1,684	0
Extracurricular Activities	710	710	0
Total Expenditures	661,477	661,477	0
Net Change in Fund Balance	(25,287)	(25,287)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	553,799	553,799	0
Fund Balance End of Year	\$528,512	\$528,512	\$0

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

Lakota Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	Underground Storage Tanks Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Support Services:			
Pupil Transportation	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	11,000	11,000	0
Fund Balance End of Year	\$11,000	\$11,000	\$0

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



Lakota Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	Uniform School Supply Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$587,707	\$587,707	\$0
Total Revenues	<u>587,707</u>	<u>587,707</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	615,496	685,856	(70,360)
Special	481	536	(55)
Total Expenditures	<u>615,977</u>	<u>686,392</u>	<u>(70,415)</u>
Excess of Revenues Over (Under) Expenditures	<u>(28,270)</u>	<u>(98,685)</u>	<u>(70,415)</u>
Other Financing Sources (Uses):			
Transfers In	78,464	78,464	0
Transfers (Out)	(70,414)	(78,463)	(8,049)
Total Other Financing Sources (Uses)	<u>8,050</u>	<u>1</u>	<u>(8,049)</u>
Net Change in Fund Balance	(20,220)	(98,684)	(78,464)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>223,178</u>	<u>223,178</u>	<u>0</u>
Fund Balance End of Year	<u>\$202,958</u>	<u>\$124,494</u>	<u>(\$78,464)</u>

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

Lakota Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

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

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

## **NONMAJOR FUNDS**

### **Fiduciary funds**

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

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

**Athletic (Agency Fund)** – Fund used as a clearing account to distribute tournament monies to other funds of the school district and to the Ohio High School Athletic Association (OHSAA).

Lakota Local School District, Ohio  
Statement of Changes In Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2019

	Student Activities			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$285,839	\$593,133	\$539,699	\$339,273
Total Assets	<u>285,839</u>	<u>593,133</u>	<u>539,699</u>	<u>339,273</u>
Liabilities:				
Accounts Payable	244	8,081	244	8,081
Other Liabilities	285,595	585,052	539,455	331,192
Total Liabilities	<u>\$285,839</u>	<u>\$593,133</u>	<u>\$539,699</u>	<u>\$339,273</u>

	Athletic			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$16,336	\$213,822	\$208,798	\$21,360
Total Assets	<u>16,336</u>	<u>213,822</u>	<u>208,798</u>	<u>21,360</u>
Liabilities:				
Other Liabilities	16,336	213,822	208,798	21,360
Total Liabilities	<u>\$16,336</u>	<u>\$213,822</u>	<u>\$208,798</u>	<u>\$21,360</u>

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$302,175	\$806,955	\$748,497	\$360,633
Total Assets	<u>302,175</u>	<u>806,955</u>	<u>748,497</u>	<u>360,633</u>
Liabilities:				
Accounts Payable	244	8,081	244	8,081
Other Liabilities	301,931	798,874	748,253	352,552
Total Liabilities	<u>\$302,175</u>	<u>\$806,955</u>	<u>\$748,497</u>	<u>\$360,633</u>

## **STATISTICAL SECTION**

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## STATISTICAL SECTION

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

### **Contents**

**Financial Trends** - These schedules contain trend information to help the reader understand how the District's financial position has changed over time.

**Revenue Capacity** - These schedules contain information to help the reader understand and assess the District's most significant local revenue source, the property tax.

**Debt Capacity** - These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

**Economic and Demographic Information** - These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.

**Operating Information** - These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

**Sources** - Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
Net Investment in Capital Assets	\$30,152,263	\$27,488,410	\$26,180,412	\$34,044,680	\$36,634,277	\$33,700,216	\$34,765,304	\$39,062,580	\$44,858,754	\$48,400,995
Restricted	9,608,553	7,551,789	12,146,326	12,509,509	17,264,154	22,047,853	22,589,156	21,707,529	22,431,472	20,433,817
Unrestricted	16,155,094	11,846,048	11,006,296	8,180,522	19,506,790	(177,869,417)	(160,919,417)	(215,979,028)	(122,800,235)	(96,238,970)
Total Governmental Activities Net Position	\$55,915,910	\$46,886,247	\$49,333,034	\$54,734,711	\$73,405,221	(\$122,121,348)	(\$103,564,957)	(\$155,208,919)	(\$55,510,009)	(\$27,404,158)

Source: District Records

Note - Due to implementation of GASB 75 in fiscal year 2018, fiscal year 2017 has been restated to reflect changes. However, we are unable to restate numbers for fiscal years 2009 to 2013 due to information not being available.

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
<b>Governmental Activities:</b>										
Instruction	\$100,378,362	\$98,167,225	\$94,332,642	\$93,165,308	\$96,366,952	\$97,909,357	\$103,347,727	\$114,208,314	\$59,172,314	\$107,625,449
Pupil	12,740,885	12,432,349	11,771,194	10,615,552	9,479,631	9,876,426	10,495,122	11,820,739	6,511,171	13,131,861
Instructional Staff	12,525,237	10,645,860	9,042,640	9,262,186	1,182,492	3,833,860	4,066,703	4,140,965	2,110,631	5,061,128
General Administration	66,318	93,099	44,037	131,324	93,640	429,531	522,057	377,731	303,374	416,176
School Administration	14,002,040	13,293,359	12,765,974	11,501,259	11,273,613	11,706,103	12,220,461	13,427,322	2,215,422	8,914,962
Fiscal	1,236,620	1,376,474	1,469,950	1,823,403	2,505,065	2,761,326	2,912,728	3,066,874	1,903,114	2,754,151
Business	357,957	410,605	349,836	321,951	408,212	395,844	461,261	523,350	208,022	523,455
Operations and Maintenance	14,249,777	13,471,298	12,375,806	12,987,618	12,276,208	14,801,001	12,767,832	13,367,496	8,376,908	12,738,817
Pupil Transportation	19,423,730	14,483,316	14,371,035	15,747,256	14,608,136	13,732,011	16,271,733	15,110,018	18,733,410	16,699,305
Central	3,663,618	3,383,747	3,586,813	2,938,700	3,103,648	3,551,574	3,665,840	4,246,655	1,871,467	3,516,224
Operation of Non-Instructional Services	7,073,573	6,452,226	5,989,839	6,115,163	5,498,073	6,249,900	6,635,763	7,177,508	4,501,254	6,635,578
Extracurricular Activities	3,426,136	3,005,242	2,825,760	2,615,894	2,864,097	4,348,519	3,819,289	4,221,607	2,611,725	3,869,379
Interest and Fiscal Charges, and Bond Issuance Cost	8,047,154	9,242,380	8,139,377	6,415,090	6,651,232	7,260,940	7,264,960	5,694,025	5,297,299	4,964,717
<b>Total Governmental Activities Expenses</b>	<b>\$197,191,407</b>	<b>\$186,457,180</b>	<b>\$177,064,903</b>	<b>\$173,640,704</b>	<b>\$166,310,999</b>	<b>\$176,856,392</b>	<b>\$184,451,476</b>	<b>\$197,382,604</b>	<b>\$113,816,111</b>	<b>\$186,851,202</b>

Source: District Records

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
Instruction	\$821,777	\$1,873,574	\$2,262,719	\$2,496,829	\$2,976,089	\$3,422,520	\$2,820,248	\$3,833,827	\$4,769,637	\$4,067,363
Pupil	599,203	27,638	28,558	0	0	0	992	2,043	2,973	0
Instructional Staff	80,305	0	0	0	0	0	2,986	5,172	3,475	0
School Administration	3,412	0	0	0	0	116,116	69,544	42,675	23,644	50,896
Fiscal	131	0	0	0	0	0	0	0	0	0
Operations and Maintenance	364,828	494,614	646,643	612,280	511,407	572,826	466,496	407,808	465,708	344,282
Pupil Transportation	0	0	17,976	3,840	17,957	9,164	1,999	2,093	2,472	4,416
Central	214	0	25,227	32,448	33,496	6,982	4,387	2,113	5,264	0
Operation of Non-Instructional Services	5,356,842	3,920,417	3,902,472	3,467,769	3,320,880	3,329,290	3,605,165	3,712,669	3,529,639	3,750,058
Extracurricular Activities	1,140,219	2,239,406	2,509,515	2,271,635	2,602,658	3,222,744	2,679,022	2,366,528	2,234,537	2,277,453
Operating Grants and Contributions	12,899,123	14,091,811	12,554,729	9,175,862	13,023,058	14,923,268	14,366,036	15,520,669	17,398,218	16,065,037
Total Governmental Activities Program Revenues	18,409,728	21,272,054	22,647,460	21,947,839	22,485,545	25,602,910	24,016,875	25,895,597	28,435,567	26,559,505
Net (Expense)/Revenue										
Governmental Activities	(\$178,781,679)	(\$165,185,126)	(\$154,417,443)	(\$151,692,865)	(\$143,825,454)	(\$151,253,482)	(\$160,434,601)	(\$171,487,007)	(\$85,380,544)	(\$160,291,697)

Source: District Records

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net (Expense)/Revenue										
Governmental Activities	(\$175,919,353)	(\$163,809,720)	(\$155,117,064)	(\$151,692,865)	(\$143,825,454)	(\$151,253,482)	(\$160,434,601)	(\$171,487,007)	(\$85,380,544)	(\$160,291,697)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes										
Property Taxes Levied for General Purposes	81,301,524	71,923,151	76,293,977	78,411,041	79,750,648	86,553,168	90,342,420	89,202,007	95,815,748	95,839,185
Property Taxes Levied for Debt Service Purposes	11,706,135	11,309,553	13,584,230	12,753,190	15,155,498	11,586,576	11,134,726	10,854,103	12,090,451	10,851,929
Property Taxes Levied for Capital Projects Purposes	0	0	0	0	221,364	4,936,901	5,081,365	5,004,431	5,315,370	5,259,721
Grants and Entitlements Not Restricted to Specific Programs	59,845,825	58,880,750	56,475,755	53,242,351	54,137,612	57,748,163	57,645,040	56,310,318	55,504,346	56,327,330
Revenue in Lieu of Taxes	13,164,088	11,874,109	10,724,516	12,790,111	12,407,808	13,716,812	13,458,694	15,436,022	14,507,164	15,178,207
Unrestricted Contributions	0	195,225	125,665	222,389	279,560	241,806	237,021	154,466	201,326	156,209
Investment Earnings	158,738	93,272	150,995	65,183	153,829	373,321	556,846	709,079	999,621	3,673,935
Other Revenues	844,418	503,997	208,713	360,626	389,645	467,833	534,880	1,013,619	645,428	1,111,032
Total Governmental Activities	163,329,086	167,020,728	154,780,057	157,563,851	162,495,964	175,624,580	178,990,992	178,681,045	185,079,454	188,397,548
Change in Net Position	(\$12,590,267)	\$3,211,008	(\$337,007)	\$5,870,986	\$18,670,510	\$24,371,098	\$18,556,391	\$7,194,038	\$99,698,910	\$28,105,851
Governmental Activities										

Source: District Records

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

	Fiscal Year									
	2010	2011 (1)	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$5,673,834									
Unreserved	19,421,784									
Restricted		1,976,054	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Assigned		1,340,988	1,987,149	2,320,032	1,895,265	1,330,504	1,143,977	1,203,670	606,358	886,579
Unassigned		9,786,790	11,432,732	9,147,491	21,519,261	40,680,138	56,345,650	70,923,290	84,270,894	91,658,960
Total General Fund	25,095,618	13,103,832	13,419,881	11,467,523	23,414,526	42,010,642	57,489,627	72,126,960	84,877,252	92,545,539
All Other Governmental Funds										
Reserved	916,357									
Unreserved, Reported In:										
Special Revenue Funds	408,704									
Debt Service Funds	5,965,990									
Capital Project Funds	6,981,989									
Nonspendable		63,434	98,667	67,873	0	0	0	0	0	0
Restricted		10,237,959	11,803,043	12,780,376	36,179,970	30,154,228	22,948,005	22,116,923	22,837,039	21,164,440
Unassigned		(381,833)	(1,825,118)	(1,414,504)	(678,796)	(623,213)	(833,563)	(1,057,860)	(882,067)	(941,946)
Total all Other Governmental Funds	\$14,273,040	\$9,919,560	\$10,076,592	\$11,433,745	\$35,501,174	\$29,531,015	\$22,114,442	\$21,059,063	\$21,954,972	\$20,222,494

Source: District Records

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

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Taxes	\$92,536,437	\$80,952,105	\$91,254,610	\$91,108,735	\$96,570,178	\$104,273,650	\$106,312,743	\$105,160,325	\$113,427,028	\$112,250,593
Revenue in Lieu of Taxes	13,164,088	11,824,742	10,681,075	12,790,111	12,500,615	13,716,812	13,458,694	15,436,022	14,507,164	15,178,207
Tuition and Fees	780,464	865,429	911,559	2,205,304	2,736,275	3,544,985	2,972,631	3,833,643	4,865,875	4,085,310
Investment Earnings	158,134	93,272	138,655	66,559	164,793	334,650	547,631	675,354	1,002,735	3,569,251
Intergovernmental	71,241,438	72,825,089	67,045,964	63,892,463	67,588,081	71,903,753	72,297,318	72,204,110	72,494,605	72,796,786
Extracurricular Activities	1,949,537	2,471,629	2,938,060	2,774,238	2,970,379	3,458,554	2,907,004	2,507,993	2,332,185	2,339,694
Charges for Services	0	4,865,460	5,441,167	3,897,716	3,563,095	3,463,172	3,673,964	3,755,026	3,784,683	3,784,072
Other Revenues	1,045,490	958,635	595,535	590,855	699,347	1,040,400	1,039,110	1,171,363	1,331,932	1,552,633
Total Revenues	\$175,556,316	\$180,875,588	\$174,856,361	\$179,006,625	\$186,792,763	\$201,735,976	\$203,209,095	\$204,743,836	\$213,746,207	\$215,556,546

Source: District Records

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Regular Instruction	\$72,485,934	\$73,724,468	\$68,630,735	\$67,184,552	\$71,464,900	\$68,497,629	\$70,915,653	\$69,500,560	\$72,255,278	\$79,429,284
Special Instruction	14,714,652	15,108,862	15,140,017	15,628,947	16,688,004	23,398,707	23,251,504	25,354,060	26,920,662	28,604,789
Vocational Instruction	0	258	2,409	7,710	212	0	0	0	0	0
Other Instruction	3,035,460	5,083,411	4,360,229	5,022,092	4,673,410	4,353,201	4,214,000	5,059,671	5,461,683	5,312,794
Pupil	12,670,167	12,781,903	11,843,829	10,474,061	9,688,119	10,381,473	10,488,417	10,985,782	13,513,097	14,880,383
Instructional Staff	12,448,325	10,608,861	9,089,492	9,315,263	1,240,670	3,958,418	4,134,218	3,861,315	4,267,039	5,634,833
General Administration	66,318	93,099	44,037	131,324	93,640	430,396	522,611	375,187	316,667	419,436
School Administration	14,385,096	12,593,415	12,770,073	12,318,992	11,307,165	11,798,443	12,505,212	12,431,273	10,613,105	10,959,700
Fiscal	1,275,852	1,354,628	1,444,518	1,846,253	2,489,768	2,748,303	2,927,145	2,928,376	3,036,613	2,970,853
Business	282,518	329,850	298,498	293,402	368,598	355,310	418,578	444,720	505,297	553,220
Operations and Maintenance	14,038,230	13,054,256	12,220,783	12,131,371	12,079,378	14,603,646	12,681,862	12,426,005	12,858,830	13,584,048
Pupil Transportation	17,417,776	14,393,792	14,281,471	15,660,815	14,517,575	13,698,054	16,187,348	15,024,680	18,648,952	16,606,314
Central	3,483,625	3,219,005	3,465,160	2,818,021	3,068,670	3,464,188	3,575,061	3,857,309	3,583,636	3,769,454
Operation of Non-Instructional Services	599,732	6,192,026	5,900,036	5,943,133	5,591,853	6,014,524	6,364,983	6,723,178	6,308,390	7,041,946
Extracurricular Activities	3,124,572	2,778,846	2,474,836	2,440,572	2,843,963	4,007,433	3,484,047	3,696,872	3,792,932	3,974,977
Capital Outlay	9,142,535	7,579,315	2,406,771	1,737,236	6,077,722	5,885,411	6,976,544	2,948,649	2,420,983	3,145,558
Debt Service:										
Principal Retirement	4,734,714	5,305,024	4,379,103	8,220,000	7,860,000	8,170,000	16,853,740	9,340,000	9,770,000	7,345,000
Interest and Fiscal Charges	8,205,712	8,127,454	9,803,688	6,762,418	6,624,684	7,344,883	7,744,637	6,263,016	5,834,518	5,468,862
Bond Issuance Costs	0	0	0	470,319	291,857	227,974	301,329	0	0	0
<b>Total Expenditures</b>	<b>\$192,111,218</b>	<b>\$192,328,473</b>	<b>\$178,555,685</b>	<b>\$178,406,481</b>	<b>\$176,970,188</b>	<b>\$189,337,993</b>	<b>\$203,546,889</b>	<b>\$191,220,653</b>	<b>\$200,107,682</b>	<b>\$209,701,451</b>
Debt Service as a Percentage of Noncapital Expenditures	7.22%	7.17%	8.01%	8.44%	8.56%	8.40%	12.47%	8.19%	7.88%	6.18%

Source: District Records

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Other Financing Sources (Uses):										
Issuance of Long Term Debt	\$9,405,000	\$0	\$0	\$0	\$24,740,000	\$0	\$0	\$0	\$0	\$0
Issuance of Refunding Bonds	0	0	0	0	0	18,215,000	15,145,000	0	0	0
Premium on Bonds Sold	0	0	0	7,731,369	0	2,101,145	1,290,708	0	0	0
Payment to Refunded Bonds Escrow Agent	0	0	0	(52,096,050)	0	0	0	0	0	0
Payments to Bond Escrow Account	0	0	0	0	0	(20,088,171)	(8,035,502)	0	0	0
Proceeds of Refunding Bonds	0	0	0	44,835,000	0	0	0	0	0	0
Proceeds from Sale of Capital Assets	110,234	203,980	22,141	14,976	0	0	0	58,771	7,676	80,714
Premium of Issuance	0	0	0	0	1,451,857	0	0	0	0	0
Transfers In	1,974,538	1,500,000	600,839	427,002	590,997	935,517	1,190,931	1,675,897	1,719,862	1,763,166
Transfers (Out)	(2,255,500)	(1,500,000)	(600,839)	(427,002)	(590,997)	(935,517)	(1,190,931)	(1,675,897)	(1,719,862)	(1,763,166)
Total Other Financing Sources (Uses)	9,234,272	203,980	22,141	485,295	26,191,857	227,974	8,400,206	58,771	7,676	80,714
Net Change in Fund Balances	(\$7,320,630)	(\$11,248,905)	(\$3,677,183)	\$1,085,439	\$36,014,432	\$12,625,957	\$8,062,412	\$13,581,954	\$13,646,201	\$5,935,809

Source: District Records



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

Collection Year	Real Property Assessed Value	Tangible Personal Property Assessed Value	Public Utilities Personal Assessed Value	Total Assessed Value	Total Estimated Actual Value	Total Direct Rate
2009	2,683,065,110	0	57,758,480	2,740,823,590	7,723,658,794	65.39
2010	2,693,254,040	0	60,809,140	2,754,063,180	7,755,820,683	65.84
2011	2,586,411,730	0	65,850,220	2,652,261,950	7,455,598,020	65.84
2012	2,450,209,760	0	70,451,260	2,520,661,020	7,071,050,574	65.84
2013	2,444,627,170	0	73,622,120	2,518,249,290	7,058,271,177	65.84
2014	2,469,690,500	0	84,354,310	2,554,044,810	7,140,612,881	71.14
2015	2,530,513,300	0	87,519,700	2,618,033,000	7,317,557,700	70.14
2016	2,588,040,130	0	90,853,360	2,678,893,490	7,485,253,731	70.14
2017	2,830,019,060	0	100,942,740	2,930,961,800	8,186,711,483	70.14
2018	2,937,858,200	0	109,460,360	3,047,318,560	8,503,340,931	70.14

Source: County Auditor

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

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

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

Calendar Year	District Direct Rates			Overlapping Rates				
	General Purpose	Capital Purpose	Total	Butler County	EXC Monroe Liberty Town	Liberty Township	City of Monroe	Butler TCDS
2009	6.49	58.90	65.39	9.75	0.59	10.50	8.00	1.93
2010	6.49	59.35	65.84	9.72	0.59	11.59	8.00	1.93
2011	6.49	59.35	65.84	9.72	0.59	11.59	8.00	1.93
2012	6.49	59.35	65.84	9.72	0.59	11.59	8.00	1.93
2013	6.49	59.35	65.84	9.72	0.59	11.59	8.00	1.93
2014	6.49	64.65	71.14	9.72	0.59	11.59	8.00	1.93
2015	6.49	63.65	70.14	9.72	0.59	11.59	8.00	1.93
2016	6.49	63.65	70.14	9.72	0.59	11.59	8.00	1.93
2017	6.49	63.65	70.14	9.72	0.59	11.59	8.00	1.93
2018	6.49	62.65	69.14	9.72	0.59	11.59	8.00	1.93

Source: County Auditor

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

Lakota Local School District, Ohio  
Principal Property Tax Payers  
Current Year and Nine Years Ago  
Schedule 10

Taxpayer	2018	
	Tangible Personal & Real Property	Percentage of Total Assessed Value
Duke Energy Ohio Inc	\$105,344,560	3.46%
LIT Industrial LTD Partnership	22,263,500	0.73%
Duke Realty Ohio	14,178,370	0.47%
First Industrial LP	10,067,860	0.33%
Lesaint Venture LLC	9,785,930	0.32%
IC Industrial Sideco LLC	9,015,980	0.30%
Continental 323 Fund LLC	8,445,630	0.28%
Landings At Beckett Ridge LLC	7,365,440	0.24%
Amylin Ohio LLC	6,841,700	0.22%
Union Station of West Chester	6,829,230	0.22%
<b>Total Principal Taxpayers</b>	<b>200,138,200</b>	<b>6.57%</b>
All Other Taxpayers	2,847,180,360	93.43%
<b>Total Taxpayers</b>	<b>\$3,047,318,560</b>	<b>100.00%</b>

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

Source: County Auditor

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

Calendar Year (1)	Taxes Levied for the Calendar Year (2)	Collected within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount (3)	Percentage of Levy		Amount	Percentage of Levy
2009	100,776,727	96,441,221	95.70%	1,813,818	98,255,039	97.50%
2010	103,871,567	97,513,228	93.88%	3,746,652	101,259,880	97.49%
2011	102,415,624	98,668,972	96.34%	1,318,706	99,987,678	97.63%
2012	101,883,254	98,516,714	96.70%	0	98,516,714	96.70%
2013	102,313,940	102,313,940	100.00%	0	102,313,940	100.00%
2014	116,344,833	116,284,554	99.95%	0	116,284,554	99.95%
2015	116,751,500	115,090,000	98.58%	0	115,090,000	98.58%
2016	118,572,350	117,006,545	98.68%	0	117,006,545	98.68%
2017	123,529,349	122,352,896	99.05%	1,176,382	123,529,278	100.00%
2018	123,518,972	123,452,065	99.95%	0	123,452,065	99.95%

Source: County Auditor

(1) - Per county auditor, amounts in earlier years based on fiscal years; amounts have been readjusted to reflect calendar year.

(2) - Taxes levied and collected are presented on a cash basis.

(3) - State reimbursements of rollback and homestead exemptions are included.

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

Fiscal Year	General Bonded Debt Outstanding			Percentage of Estimated Actual Value of Taxable Property	Percentage of Total Personal Income (1)	Total Bonded Debt Per Capita	Net Bonded Debt Per Capita
	General Obligation Bonds	Net Position Restricted for Debt Service	Net General Obligation Bonds				
2010	173,304,872	7,052,376	166,890,648	2.24%	1.37%	2,354	2,267
2011	167,757,868	6,152,120	159,948,667	2.16%	1.29%	1,909	1,820
2012	163,136,785	9,851,317	152,961,931	2.19%	1.21%	1,856	1,740
2013	160,880,368	10,882,775	149,997,593	2.28%	1.12%	1,830	1,707
2014	178,479,618	12,063,548	166,416,070	2.53%	1.22%	2,031	1,893
2015	169,981,420	11,719,417	158,262,003	2.38%	1.13%	1,934	1,801
2016	161,208,101	10,865,523	150,342,578	2.20%	1.03%	1,834	1,710
2017	150,885,946	10,323,020	140,562,926	2.02%	0.94%	1,717	1,599
2018	140,187,221	11,308,727	128,878,494	1.71%	0.82%	1,595	1,466
2019	131,966,922	13,468,502	118,498,420	1.55%	0.73%	1,501	1,348

Source: District Records

(1) - On the calendar year basis and the percentage is based on the gross amount of debt (general obligation bonds)

Lakota Local School District, Ohio  
 Direct and Overlapping Governmental Activities Debt  
 As of June 30, 2019  
 Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Butler County	\$29,139,290	36.30%	\$10,577,562
City of Fairfield	18,575,000	0.98%	182,035
City of Monroe	9,015,000	3.80%	342,570
Liberty Township	13,277,000	100.00%	13,277,000
West Chester Township	34,485,000	97.00%	33,450,450
Butler Technology & Career Center JT. Voc. School District	8,035,000	33.37%	2,681,280
Subtotal, Overlapping Debt	112,526,290		60,510,897
District Direct Debt	131,966,922	100.00%	131,966,922
Total Direct and Overlapping Debt	\$244,493,212		\$192,477,819

Source: Ohio Municipal Advisory Council

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

		Legal Debt Margin Calculation for Fiscal Year 2019									
		Fiscal Year									
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit		\$246,674,123	\$247,865,686	\$238,703,576	\$226,859,492	\$226,642,436	\$229,864,033	\$235,622,970	\$241,100,414	\$263,786,562	\$274,258,670
Total Net Debt Applicable to Limit		169,524,128	164,194,104	159,815,000	155,042,814	178,479,618	169,981,420	161,208,101	150,885,946	140,187,221	131,966,922
Legal Debt Margin		<u>\$77,149,995</u>	<u>\$83,671,582</u>	<u>\$78,888,576</u>	<u>\$71,816,678</u>	<u>\$48,162,818</u>	<u>\$59,882,613</u>	<u>\$74,414,869</u>	<u>\$90,214,468</u>	<u>\$123,599,341</u>	<u>\$142,291,748</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit		68.72%	66.24%	66.95%	68.34%	78.75%	73.95%	68.42%	62.58%	53.14%	48.12%

Source: District Records

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2018 is calendar year 2017)

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

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Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2009	73,633	\$12,653,202	\$34,512	9.4%
2010	87,895	12,959,978	35,138	9.6%
2011	87,895	13,538,158	36,590	6.0%
2012	87,895	14,398,043	38,852	7.1%
2013	87,895	14,592,549	39,304	7.1%
2014	87,895	14,985,181	40,073	5.4%
2015	87,895	15,631,343	41,534	4.6%
2016	87,895	16,090,464	42,620	4.2%
2017	87,895	17,089,200	44,900	4.0%
2018	87,895	18,127,599	47,408	4.0%

- Sources:
- (1) - Population estimates provided by Lakota School District Records
  - (2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Butler County
  - (3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Butler County
  - (4) - Ohio Department of Job and Family Services - Office of Workforce Development - Bureau of Labor Market Information -- Annual Average



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

2019

Major Employers (2)	Type	Number of Employees	Employer's Percentage of Total Employment
AK Steel Holding Corp	Mfg	(3)	(4)
Cincinnati Financial Corp	Ins	(3)	(4)
Cornerstone Brands Inc	Trade	(3)	(4)
Ft Hamilton Memorial Hospital	Serv	(3)	(4)
GE Aviation	Mfg	(3)	(4)
Lakota Local Schools	Govt	(3)	(4)
Liberty Mutual/Ohio Casualty Corp	Ins	(3)	(4)
Mercy Regional Hospital	Serv	(3)	(4)
Miami University	Govt	(3)	(4)
Miller Coors	Mfg	(3)	(4)
Pierre Foods	Mfg	(3)	(4)

2010

Major Employers (2)	Type	Number of Employees	Employer's Percentage of Total Population
AK Steel Holding Corp	Mfg	(3)	(4)
Amylin Pharmaceuticals Inc	Mfg	(3)	(4)
Armor Holdings Inc	Mfg	(3)	(4)
Butler County Government	Govt	(3)	(4)
Cincinnati Financial Corp	Ins	(3)	(4)
Cornerstone Brands Inc	Trade	(3)	(4)
Fairfield City Bd of Ed	Govt	(3)	(4)
Ft Hamilton Memorial Hospital	Serv	(3)	(4)
Hamilton City Bd of Ed	Govt	(3)	(4)
Lakota Local Bd of Ed	Govt	(3)	(4)
Liberty Mutual/Ohio Casualty Corp	Ins	(3)	(4)
Mercy Regional Hospital	Serv	(3)	(4)
Miami University	Govt	(3)	(4)
Middletown Regional Health System	Serv	(3)	(4)

Source: Ohio Department of Development

(1) - For all of Butler County

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

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

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

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

	Fiscal Year									
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Official/Administrative</b>										
Assist. Deputy/Superintendent	2	2	2	1	1	1	1	1	1	1
Assistant Principal	23	23	22	22	23	27	27	28	33	39
Principal	19	20	20	21	20	20	20	20	23	24
Superintendent	1	1	1	1	1	1	1	1	1	2
Supervising/Managing/Directing	6	6	5	3	3	4	8	8	10	11
Treasurer	1	0	1	1	1	1	1	1	1	1
Coordinator	5	5	0	2	1	0	0	0	0	0
Education Admin Specialist	0	0	0	4	4	4	6	6	7	7
Director	7	6	0	6	7	11	14	13	15	21
ESC Supervisor	0	0	0	0	0	0	0	0	0	0
Building Manager	0	0	0	0	0	1	0	0	0	0
Other Official/Administrative	7	8	11	0	2	5	0	0	0	0
<b>Totals</b>	<b>71</b>	<b>71</b>	<b>62</b>	<b>61</b>	<b>63</b>	<b>75</b>	<b>78</b>	<b>78</b>	<b>91</b>	<b>106</b>
<b>Professional - Educational/Other</b>										
Curriculum Specialist	8	8	7	5	4	21	22	26	30	43
Counseling	34	33	31	31	29	33	32	33	34	39
Librarian/Media	18	14	6	2	2	2	2	1	1	1
Remedial Specialist	34	31	26	27	43	40	40	44	43	54
Tutor/Small Gr Instructor	32	32	15	13	17	16	21	22	22	27
Regular Teaching	828	773	748	658	641	684	686	690	685	728
Special Education Teaching	139	140	142	121	123	74	77	69	71	96
Vocational Education Teach	0	0	0	0	0	0	0	0	0	0
Educational Service Teacher	0	0	0	0	0	0	0	0	0	0
Other Professional	20	16	13	22	29	29	31	24	31	37
<b>Totals</b>	<b>1,112</b>	<b>1,046</b>	<b>989</b>	<b>879</b>	<b>887</b>	<b>899</b>	<b>909</b>	<b>908</b>	<b>917</b>	<b>1,025</b>
<b>Professional - Other</b>										
Accounting	0	0	1	1	1	1	0	0	0	0
Negotiating	0	0	0	0	0	0	0	0	0	0
Personnel	0	0	0	0	0	0	0	0	0	0
Dietitian/Nutrition	0	0	2	2	1	2	2	3	4	4
Psychologist	14	13	12	13	13	11	12	12	12	16
Publicity Relations	1	1	1	0	0	0	0	0	0	0
Registered Nursing	15	11	10	24	23	22	20	21	20	28
Social Work	2	2	2	0	0	0	0	0	0	0
Physical Therapist	1	2	2	2	2	2	2	2	2	3
Speech and Language Therapist	32	32	27	23	22	22	25	22	21	26
Occupational Therapist	5	6	6	4	4	4	4	5	7	9
Educational Interpreter	5	4	4	4	7	7	5	5	5	6
Visiting Teacher	0	0	0	0	0	0	0	0	0	0
Occupational Ther Assist	4	4	4	4	4	4	3	3	1	1
Physical Therapy Assist	1	1	1	0	0	0	0	0	0	0
Adapted PE Therapist	2	2	2	2	2	2	1	1	0	0
Planning/Research/Develop	0	0	3	0	0	0	0	0	0	0
Other Professional - Other	0	0	2	1	1	1	0	0	0	0
<b>Totals</b>	<b>82</b>	<b>78</b>	<b>79</b>	<b>80</b>	<b>80</b>	<b>78</b>	<b>75</b>	<b>74</b>	<b>72</b>	<b>93</b>
<b>Technical</b>										
Computer Operating	21	22	20	21	21	30	16	16	18	20
Practical Nursing	9	15	12	2	1	1	0	0	0	0
Library Aide	14	12	20	17	17	14	0	0	0	0
Instructional Parapro	164	164	172	187	195	184	210	209	207	265
Other Technical	1	1	2	2	2	1	5	5	7	7
<b>Totals</b>	<b>209</b>	<b>214</b>	<b>226</b>	<b>229</b>	<b>235</b>	<b>230</b>	<b>231</b>	<b>230</b>	<b>232</b>	<b>292</b>

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

	Fiscal Year									
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Office/Clerical</b>										
Bookkeeping	4	4	4	3	3	3	1	0	0	0
Clerical	93	82	83	78	81	80	100	101	114	128
Messenger	3	3	3	2	2	2	2	2	2	2
Records Managing	0	0	2	1	1	1	6	6	5	6
Teaching Aide	10	10	0	0	0	0	0	0	0	0
Parent Mentor	1	1	1	1	1	1	1	1	1	1
Other Office/Clerical	1	1	0	3	3	4	0	2	2	3
<b>Totals</b>	<b>111</b>	<b>100</b>	<b>93</b>	<b>88</b>	<b>91</b>	<b>91</b>	<b>110</b>	<b>112</b>	<b>124</b>	<b>140</b>
<b>Crafts and Trades</b>										
Carpentering	1	1	0	2	2	2	0	0	0	0
Electrician	0	0	1	0	0	0	0	0	0	0
General Maintenance	11	11	12	4	4	6	28	28	24	25
Mechanic	7	7	6	6	5	1	2	1	0	0
Plumbing	3	2	1	1	1	1	0	0	0	0
Foreman	0	0	0	2	3	3	0	0	0	0
Other Crafts and Trades	0	0	0	5	5	5	0	0	0	0
<b>Totals</b>	<b>22</b>	<b>21</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>18</b>	<b>30</b>	<b>29</b>	<b>24</b>	<b>25</b>
<b>Operative</b>										
Other Operative	1	0	0	0	0	0	0	0	0	0
<b>Totals</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Service Worker/Laborer</b>										
Attendance Officer	0	0	0	0	0	0	0	0	0	0
Custodian	102	88	92	93	94	95	111	109	108	125
Food Service	70	66	69	68	68	68	80	80	86	106
Monitoring	9	6	1	0	0	0	0	0	0	0
Stores Handling	0	0	0	0	0	0	0	0	0	0
Groundskeeping	5	5	5	2	2	2	2	0	0	0
Attendant	19	20	1	8	6	1	0	0	0	0
Other Service Worker/Lab	0	0	0	3	2	3	0	0	0	0
<b>Totals</b>	<b>204</b>	<b>185</b>	<b>168</b>	<b>174</b>	<b>172</b>	<b>169</b>	<b>192</b>	<b>189</b>	<b>194</b>	<b>231</b>
<b>Grand Totals</b>	<b>1,811</b>	<b>1,716</b>	<b>1,637</b>	<b>1,531</b>	<b>1,548</b>	<b>1,559</b>	<b>1,626</b>	<b>1,619</b>	<b>1,654</b>	<b>1,912</b>

Source: Lakota Local School District records.

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

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<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Professional/ Educational Staff</u>	<u>Professional/ Educational Staff Average Salary</u>	<u>Pupil-Professional/ Educational Staff Ratio</u>	<u>Percentage Of Students on Free/Reduced Meals</u>
2009/2010	18,473	1,192	62,331	15.50	16.08%
2010/2011	18,426	1,176	63,000	15.67	16.60%
2011/2012	17,663	988	63,660	17.88	17.50%
2012/2013	16,815	988	63,750	17.02	19.40%
2013/2014	16,484	887	63,103	18.58	21.02%
2014/2015	15,991	899	63,500	17.79	20.50%
2015/2016	16,224	909	64,688	17.85	21.04%
2016/2017	16,206	908	68,259	17.85	18.80%
2017/2018	16,203	964	76,419	16.81	19.77%
2018/2019	16,563	1,085	61,384	15.27	20.10%

Source: Lakota Local School District records.

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

	Fiscal Year									
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Creekside Early Childhood*										
Square Feet	67,685	67,685	67,685	67,685	67,685	67,685	67,685	67,685	67,685	67,685
Enrollment	872	818	690	566	573	553	558	519	544	712
Liberty Early Childhood (1928)										
Square Feet	50,600	50,600	50,600	50,600	50,600	50,600	50,600	50,600	50,600	50,600
Enrollment	578	591	522	401	372	371	371	354	405	426
Shawnee Early Childhood (1990)										
Square Feet	60,070	60,070	60,070	60,070	60,070	60,070	60,070	60,070	60,070	60,070
Enrollment	743	723	681	539	570	534	543	500	515	567
Wyandot Early Childhood (2007)										
Square Feet	75,397	75,397	75,397	75,397	75,397	75,397	75,397	75,397	75,397	75,397
Enrollment	856	831	768	772	700	683	698	662	725	594
VanGorden Elementary (2003)										
Square Feet	90,901	90,901	90,901	90,901	90,901	90,901	90,901	90,901	90,901	90,901
Enrollment	738	697	663	670	649	630	634	641	651	551
Adena Elementary (1978)										
Square Feet	61,532	61,532	61,532	61,532	61,532	61,532	61,532	61,532	61,532	61,532
Enrollment	749	763	693	663	589	579	589	589	697	601
Hopewell Elementary (1961)										
Square Feet	73,173	73,173	73,173	73,173	73,173	73,173	73,173	73,173	73,173	73,173
Enrollment	833	799	766	704	675	665	675	644	585	741
Endeavor Elementary (2007)										
Square Feet	75,397	75,397	75,397	75,397	75,397	75,397	75,397	75,397	75,397	75,397
Enrollment	701	753	760	726	768	782	800	836	735	717

Source: Lakota Local School District records.

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

N/A - Information not available

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

	Fiscal Year									
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
New Union Elementary (2007)										
Square Feet	86,262	86,262	86,262	86,262	86,262	86,262	86,262	86,262	86,262	86,262
Enrollment	747	753	749	706	647	622	625	603	587	611
Freedom Elementary (1988)										
Square Feet	61,175	61,175	61,175	61,175	61,175	61,175	61,175	61,175	61,175	61,175
Enrollment	680	672	642	647	635	592	602	601	572	602
Woodland Elementary (1990)										
Square Feet	66,792	66,792	66,792	66,792	66,792	66,792	66,792	66,792	66,792	66,792
Enrollment	605	596	563	546	518	481	490	425	427	641
Heritage Elementary (1992)										
Square Feet	60,620	60,620	60,620	60,620	60,620	60,620	60,620	60,620	60,620	60,620
Enrollment	639	606	554	531	499	500	512	514	510	570
Cherokee Elementary (1995)										
Square Feet	76,612	76,612	76,612	76,612	76,612	76,612	76,612	76,612	76,612	76,612
Enrollment	788	810	794	762	713	712	720	700	690	660
Independence Elementary (1994)										
Square Feet	79,612	79,612	79,612	79,612	79,612	79,612	79,612	79,612	79,612	79,612
Enrollment	660	674	659	685	688	646	651	695	667	557
Hopewell Junior (1972)										
Square Feet	75,874	75,874	75,874	75,874	75,874	75,874	75,874	75,874	75,874	75,874
Enrollment	592	605	602	609	628	574	590	561	563	515
Liberty Junior (1977)										
Square Feet	85,197	85,197	85,197	85,197	85,197	85,197	85,197	85,197	85,197	85,197
Enrollment	767	823	879	840	822	849	880	712	740	772
Lakota Ridge Junior (1997)										
Square Feet	74,652	74,652	74,652	74,652	74,652	74,652	74,652	74,652	74,652	74,652
Enrollment	635	599	612	582	552	574	592	575	579	600

Source: Lakota Local School District records.

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

N/A - Information not available

Lakota Local School District, Ohio  
 School Building Information  
 Last Ten Fiscal Years  
 Schedule 19 (Conitnued)

	Fiscal Year									
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Lakota Plains Junior (2003)										
Square Feet	113,777	113,777	113,777	113,777	113,777	113,777	113,777	113,777	113,777	113,777
Enrollment	753	752	744	695	696	658	675	778	792	734
Lakota West Freshman (1958)										
Square Feet	247,739	247,739	247,739	247,739	247,739	247,739	247,739	247,739	247,739	247,739
Enrollment	712	653	600	609	618	561	562	625	640	670
Lakota West High (1997)										
Square Feet	318,862	318,862	318,862	318,862	318,862	318,862	318,862	318,862	318,862	318,862
Enrollment	2,105	2,200	2,055	1,931	1,903	1,793	1,807	1,878	1,874	1,967
Lakota East Freshman (2009)										
Square Feet	126,903	126,903	126,903	126,903	126,903	126,903	126,903	126,903	126,903	126,903
Enrollment	739	628	643	677	741	657	663	704	618	665
Lakota East High (1997)										
Square Feet	318,862	318,862	318,862	318,862	318,862	318,862	318,862	318,862	318,862	318,862
Enrollment	1,987	2,080	2,024	1,954	1,928	1,975	1,987	2,090	2,087	2,090
Total Enrollment	18,409	17,910	17,663	16,815	16,484	15,991	16,224	16,206	16,203	16,563

Source: Lakota Local School District records.

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

N/A - Information not available

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# OHIO AUDITOR OF STATE KEITH FABER



**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  
DECEMBER 31, 2019**