

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Lakota Local Schools
5572 Princeton Road
Liberty Twp., OH 45011-9726

Phone: 513-874-5505
Fax: 513-644-1196
lakota@lakotaonline.com

www.Lakotaonline.com

July 1, 2015—June 30, 2016

LAKOTA LOCAL SCHOOL DISTRICT

BUTLER COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Prepared by:
Office of the CFO/Treasurer
Jenni Logan

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TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	vii
List of Principal Officials	xvii
Administrative Organizational Structure Chart	xviii
GFOA Certificate of Achievement for Excellence in Financial Reporting	xix
ASBO Certificate of Excellence in Financial Reporting	xx
 FINANCIAL SECTION	
Independent Auditor's Report	1
Management's Discussion and Analysis	3
 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 Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund	54
Notes to the Required Supplementary Information	55
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	62
 Combining Statements and Individual Fund Schedules:	
Major Governmental Funds	65
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis):	
Debt Service	66
Nonmajor Governmental Funds	67
Combining Balance Sheet	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	69
Nonmajor Special Revenue Funds	
Fund Descriptions	71
Combining Balance Sheet	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	76

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	79
Student Activities	80
Auxiliary Services	81
Ohio Reads	82
Alt. School Grant	83
Miscellaneous State Grants	84
Title VI-B	85
Title III	86
Title I	87
EHA Pre-School	88
Title II-A	89
High Schools That Work	90
Food Service	91
 Nonmajor Capital Projects Fund	
Fund Descriptions	92
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Non-GAAP Budgetary Basis):	93
 Other General Funds	
Fund Descriptions	94
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Non-GAAP Budgetary Basis):	
Public School Support	95
Underground Storage Tanks	96
Uniform School Supply	97
Adult Education	98
 Nonmajor Fiduciary Funds	
Fund Descriptions	99
Statement of Changes in Assets and Liabilities - Agency Funds	100

TABLE OF CONTENTS

	<u>Schedule</u>	<u>Page</u>
STATISTICAL SECTION		
Statistical section narrative		101
Net Position by Component	1	103
Expenses, Program Revenues and Net (Expense)/Revenue	2	104
General Revenues and Total Change in Net Position	3	106
Fund Balances, Governmental Funds	4	107
Governmental Funds Revenues	5	108
Governmental Funds Expenditures and Debt Service Ratio	6	109
Other Financing Sources and Uses and Net Change in Fund Balances	7	110
Assessed Value and Actual Value of Taxable Property	8	111
Direct and Overlapping Property Tax Rates	9	112
Principal Property Tax Payers	10	113
Property Tax Levies and Collections	11	114
Outstanding Debt by Type	12	115
Direct and Overlapping Governmental Activities Debt	13	116
Legal Debt Margin Information	14	117
Demographic and Economic Statistics	15	118
Major Employers	16	119
Full-Time Equivalent District Employees by Type	17	120
Operating Statistics	18	122
School Building Information	19	123

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INTRODUCTORY SECTION



Office of the Treasurer

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

513 644-1180 Fax: 513
644-1183
www.lakotaonline.com

Jenni Logan
Treasurer

December 12, 2016

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, 2016. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report is prepared in conformance with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. We believe the enclosed data is fairly presented in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. This report has been prepared by the Chief Fiscal Officer's Office and includes an opinion from Plattenburg and Associates.

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

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

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 93,001 people. Within the District boundaries is the majority of West Chester Township and Liberty Township.

West Chester 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 61,000 residents and according to the 2010 Census is the State's largest township.

West Chester has been named five times to Money Magazine's "Best Places to Live in America," most recently in 2016. 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 has transitioned over the past two decades from a primarily high-end residential area to add a vibrant and large scale business base. Given its strategic location between Cincinnati and Dayton, and as those cities have continued to converge, West Chester has established itself 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 economic development planning, however, has attracted corporate investment to all areas of West Chester, including the Tylersville Road area where UC Health invested in the development of a full-service hospital and medical campus.

West Chester's use and application of TIF districts have allowed thousands of acres to develop commercially with increased business investment of billions of dollars, resulting in a sustainable tax base to fund public services long term. West Chester has reaped more than \$3.4 billion in new investment, more than 32 million square feet in new construction, and more than 36,000 new jobs overall as a result of TIF.

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 2016, West Chester realized nearly \$56 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 logistics industry in West Chester realized significant

growth in 2016, including Cincinnati State Technical & Community College's new logistics training center. Also, advanced manufacturing is a sector that experienced growth in West Chester in 2016.

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.

West Chester emphasizes cooperation and collaboration in every endeavor and strives to provide superb customer service, with emphasis on integrity, fiscal responsibility and open communication.

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).

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 is a 125,000-square-foot comprehensive medical center under construction. The center will open in early 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 15th largest in the nation. The communities of Liberty Township, the City of Mason, West Chester 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 18,409. The name of the district was changed to Lakota Local School District in 1970.

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

Name of Bldg Address	Group or Grade Housed	Date of Original Building	Enrollment
Creekside Early Childhood School 5060 Tylersville Road	Pre K-1	1970	558
Liberty Early Childhood School 6040 Princeton Road	K-1	1928	371
Shawnee Early Childhood School 9394 Sterling Drive	Pre K-1	1993	543
Wyandot Early Childhood School 7667 Summerlin Blvd.	K-1	2007	698
Adena Elementary 9316 Minuteman Way	2-6	1978	589

Cherokee Elementary 5345 Kyles Station Road	2-6	1994	720
Endeavor Elementary 4400 Smith Road	2-6	2007	800
Freedom Elementary 6035 Beckett Ridge Blvd.	2-6	1988	602
Heritage Elementary 5052 Hamilton-Mason Road	2-6	1992	512
Hopewell Elementary 8300 Cox Road	2-6	1961	675
Independence Elementary 7480 Princeton Road	2-6	1994	651
New Union Elementary 7672 LeSourdsville- West Chester Road	2-6	2008	625
Van Gorden Elementary West Chester Road	2-6	2003	634
Woodland Elementary 6923 Dutchland Pkwy	2-6	1990	490
Hopewell Junior 8200 Cox Road	7-8	1972	590
Lakota Plains Junior 5500 Princeton Road	7-8	2003	675
Lakota Ridge Junior 6199 Beckett Ridge Blvd.	7-8	1992	592
Liberty Junior 7055 Dutchland Pkwy.	7-8	1977	880
Lakota East Freshman 7630 Bethany Road	9	2008	663
Lakota East High 6840 Lakota Lane	10-12	1997	1,987

Lakota West Freshman 5050 Tylersville Road	9	1958	562
Lakota West High 8940 Union Centre Blvd.	10-12	1997	1,807
Central Office 5572 Princeton Road	Admin	2003	-
Service Center 6947 Yankee Road	Offices	1977	-
Old Union Elementary 8735 Cincinnati-Dayton Road	-	1953	-

ORGANIZATION OF THE SCHOOL DISTRICT

The Board members represent a cross section of professions in the community. The Board members on June 30, 2016 were as follows:

Board Member	Term Expires	Years as Member	Profession
Lynda O'Connor, President	12/31/2019	8.5	Community Leader
Todd Parnell, Vice President	12/31/2017	2.5	Sales Executive
Ben Dibble	12/31/2017	6.5	Computer Programmer
Ray Murray	12/31/2017	5.5	Hospitality Manager & Developer
Julie Schaffer	12/31/2019	4.5	Licensed Employee Benefits Rep

Effective August 1, 2011, the Lakota Board of Education unanimously appointed Dr. Karen Mantia Superintendent. Dr. Mantia previously served as Superintendent of Sycamore Community Schools for 6 years, and Pickerington Schools (Columbus, Ohio) for 5 years. She possesses a Bachelor of Arts in Political Science & Economics (WSU); a Master of Education (WSU); an Education Specialist Degree (UFS) and a Doctorate- Educational Leadership (UFS).

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 nearly 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 stable. A combination of strategic cuts and the passage of a levy in 2013 has enabled the District to operate within a balanced budget for four (4) consecutive years. The current five-year financial forecast for the District shows the continuation of a balanced budget through 2019, three (3) additional years. In 2020 a minimal spending deficit is predicted, but at the same time the general fund balance is predicted to provide over 180 days of cash.

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 1,700 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 four-year collective bargaining agreement with LEA which expires June 30, 2018. The District's support staff is represented by the Lakota Support Staff Association (LSSA, an OEA affiliate). The District has a four year collective bargaining agreement which expires June 30, 2018. 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 12,000 miles each day with approximately 8,500 students attending one of our 22 Lakota school buildings and another 1,950 students attending private and parochial schools. Our students receive nutrition services as well. The child nutrition department serves over 1.3 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 150 students participated in the specific trades through Butler Tech on-site vocational education with over 2,600 participating in satellite programs.

Over 1,500 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. Opportunities exist but 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 2017 ending cash balance is projected to be \$78,418,238.

The District has stabilized its finances for the five year projected period of fiscal year 2017-2021. The approval of a combination 5.5 mill operating and permanent improvement levy has made an improvement to 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. Cash basis accounting differs from generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

INTERNAL ACCOUNTING AND BUDGETARY CONTROL

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

The District utilizes a fully automated accounting system as well as an automated system of control for capital assets and payroll. These systems, coupled with the manual auditing of

each voucher prior to payment, ensures that the financial information generated is both accurate and reliable.

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

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

All transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the fund level. All 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 Plattenburg and Associates on the District's basic financial statements, combining statements and individual fund schedules, is included in the financial section of this Comprehensive Annual Financial Report. Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all units of local education agencies in Ohio. The District adopted and has been in conformance with that system effective with its annual financial report since the 1979 calendar year

AWARDS

GFOA Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2015. The School District has received this award for eleven 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.

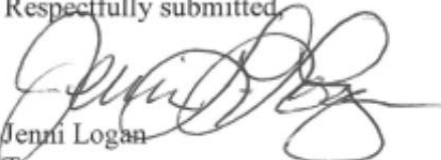
The District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2015. This was the fourteenth year the School District has received this award.

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 2016 Comprehensive Annual Financial Report of the Lakota Local School District was made possible by the combined efforts of the District's Treasurer's Office and Plattenburg and Associates, Incorporated. The publication of this Comprehensive Annual Financial Report for the District is a major step in reinforcing the accountability and transparency of the District to the taxpayers of the community.

Respectfully submitted,



Jenni Logan
Treasurer

LAKOTA LOCAL SCHOOL DISTRICT, OHIO

LIST OF PRINCIPAL OFFICIALS

June 30, 2016

**ELECTED OFFICIALS
BOARD OF EDUCATION**

President, Board of Education	Ms. Lynda O'Connor
Vice- President, Board of Education	Mr. Todd Parnell
Board Member	Ms. Julie Shaffer
Board Member	Mr. Ray Murray
Board Member	Mr. Ben Dibble

ADMINISTRATIVE OFFICIALS

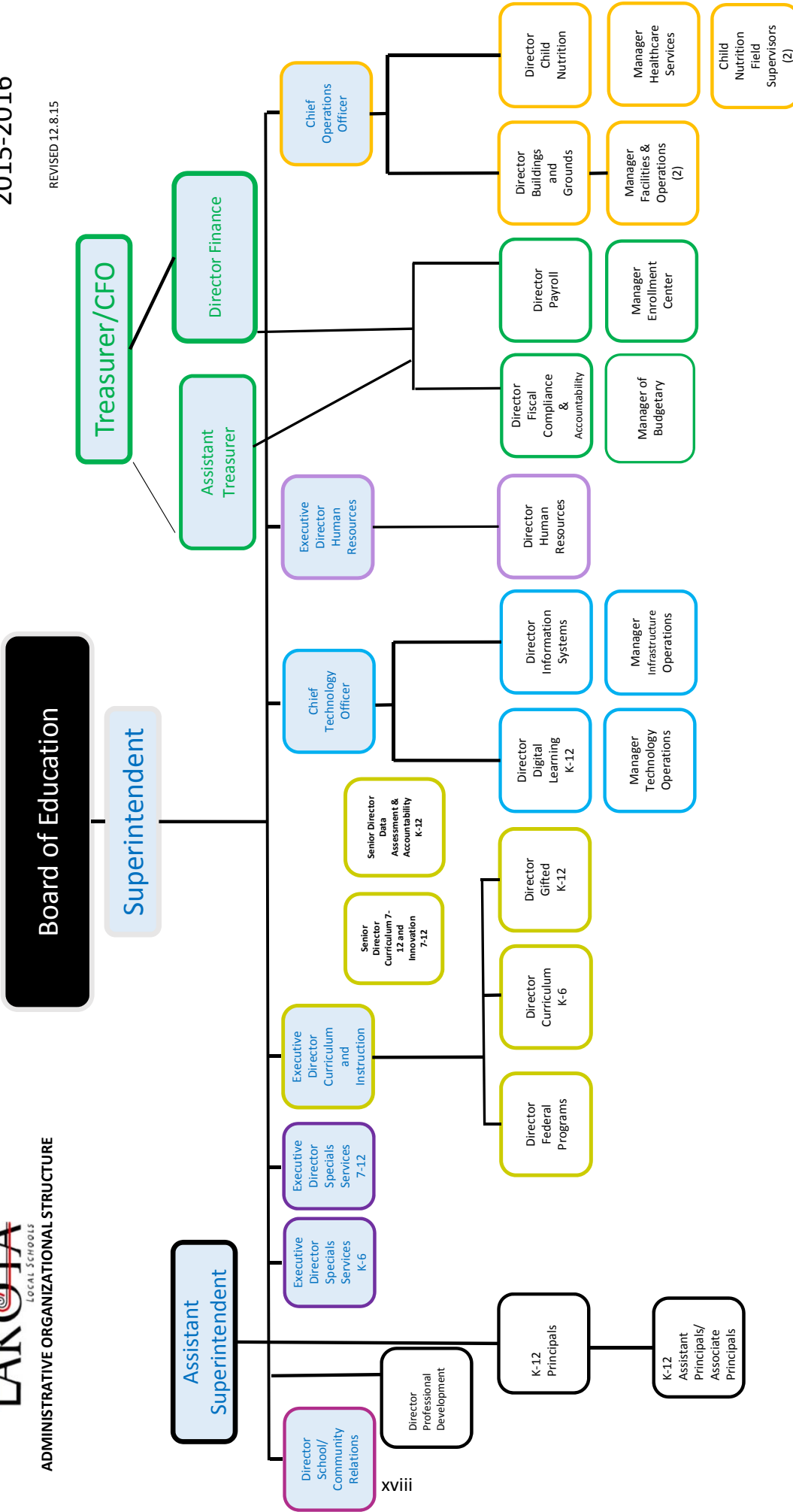
Superintendent	Dr. Karen Mantia
Treasurer	Ms. Jenni L. Logan



ADMINISTRATIVE ORGANIZATIONAL STRUCTURE

2015-2016

REVISED 12.8.15





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, 2015

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting Award
is presented to**

Lakota Local School District, Ohio

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2015.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



Brenda Burkett

Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Lakota Local School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lakota Local School District (the District) as of and for the year ended June 30, 2016, 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 the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with 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 that the management's discussion and analysis, budgetary comparison information, and schedules of pension liabilities and pension contributions listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information 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, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2016, 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
December 12, 2016

Lakota Local School District, Ohio
Management Discussion and Analysis
For The Fiscal Year Ended June 30, 2016
(Unaudited)

The discussion and analysis of Lakota Local School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2016. 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 2016 are as follows:

- Net position of governmental activities increased \$18,556,391 which represents a 15% increase from 2015.
- General revenues accounted for \$178,990,992 in revenue or 88% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$24,016,875 or 12% of total revenues of \$203,007,867.
- The District had \$184,451,476 in expenses related to governmental activities; only \$24,016,875 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$178,990,992 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 and the Debt Service Fund are the major funds 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 2016?" The Government-wide Financial Statements answers this question. These statements include *all assets, deferred outflows of resources, 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.

Lakota Local School District, Ohio
Management Discussion and Analysis
For The Fiscal Year Ended June 30, 2016
(Unaudited)

These two statements report the District's net position and changes in those assets. 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.

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

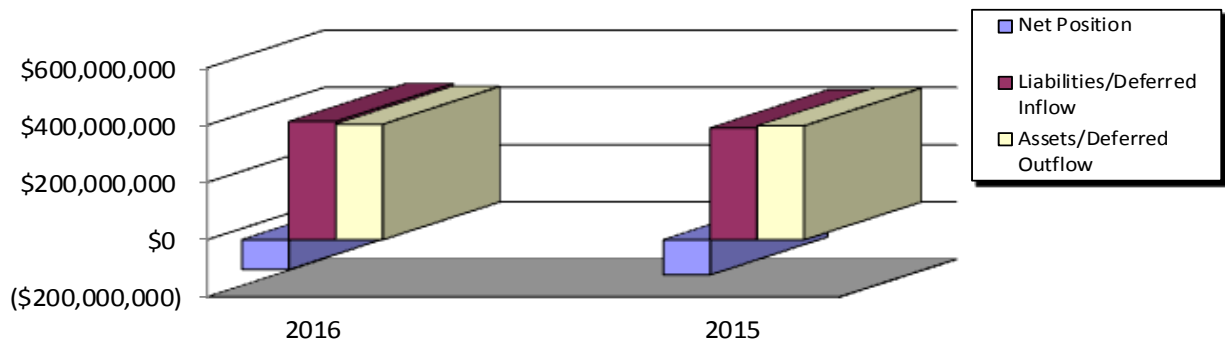
As stated previously, the Statement of Net Position looks at the District as a whole. Table 1 provides a summary of the District's net position for 2016 compared to 2015:

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Lakota Local School District, Ohio
Management Discussion and Analysis
For The Fiscal Year Ended June 30, 2016
(Unaudited)

Table 1
Net Position

	Governmental Activities	
	2016	2015
Assets:		
Current and Other Assets	\$212,830,987	\$207,460,633
Capital Assets	190,395,436	190,245,951
Total Assets	403,226,423	397,706,584
Deferred Outflows of Resources:		
Deferred Charge on Refunding Pension	5,577,969	5,325,062
	34,527,744	14,385,874
Total Deferred Outflows of Resources	40,105,713	19,710,936
Liabilities:		
Other Liabilities	20,333,324	20,221,537
Long-Term Liabilities	392,468,615	370,225,268
Total Liabilities	412,801,939	390,446,805
Deferred Inflows of Resources:		
Property Taxes	97,656,807	100,061,561
Grants and Other Taxes	13,323,694	13,716,812
Pension	23,114,653	35,313,690
Total Deferred Inflows of Resources	134,095,154	149,092,063
Net Position:		
Net Investment in Capital Assets	34,765,304	33,700,216
Restricted	22,589,156	22,047,853
Unrestricted	(160,919,417)	(177,869,417)
Total Net Position	(\$103,564,957)	(\$122,121,348)



Lakota Local School District, Ohio
Management Discussion and Analysis
For The Fiscal Year Ended June 30, 2016
(Unaudited)

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2016, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$(103,564,957).

At year-end, capital assets represented 47% 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, 2016, was \$34,765,304. 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, \$22,589,156, 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 \$(160,919,417) 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 increased mainly due to an increase of the net pension liability in 2016.

Table 2 shows the changes in net position for fiscal years 2016 and 2015.

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Lakota Local School District, Ohio
Management Discussion and Analysis
For The Fiscal Year Ended June 30, 2016
(Unaudited)

Table 2
Changes in Net Position

	Governmental Activities	
	2016	2015
Program Revenues:		
Charges for Services	\$9,650,839	\$10,679,642
Operating Grants	14,366,036	14,923,268
Total Program Revenues	24,016,875	25,602,910
General Revenue:		
Property Taxes	106,558,511	103,076,645
Grants and Entitlements	57,645,040	57,748,163
Other	14,787,441	14,799,772
Total General Revenues	178,990,992	175,624,580
Total Revenues	203,007,867	201,227,490
Program Expenses:		
Instruction	103,347,727	97,909,357
Support Services:		
Pupil and Instructional Staff	14,561,825	13,710,286
General and School Administrative, Fiscal and Business	16,116,507	15,292,804
Operations and Maintenance	12,767,832	14,801,001
Pupil Transportation	16,271,733	13,732,011
Central	3,665,840	3,551,574
Operation of Non-Instructional Services	6,635,763	6,249,900
Extracurricular Activities	3,819,289	4,348,519
Interest and Fiscal Charges	6,963,631	7,260,940
Bond Issuance Costs	301,329	0
Total Expenses	184,451,476	176,856,392
Change in Net Position	18,556,391	24,371,098
Beginning - Net Position	(122,121,348)	(146,492,446)
Ending - Net Position	(\$103,564,957)	(\$122,121,348)

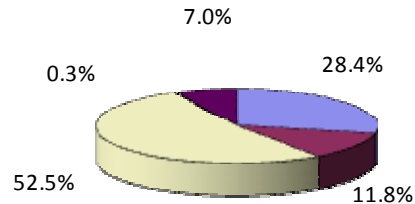
The District revenues are mainly from two sources. Property taxes levied for general purposes, debt service purposes and capital project purposes and grants and entitlements comprised 81% of the District's revenues for governmental activities.

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, 2016
(Unaudited)

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 2016.

Revenue Sources	2016	Percent of Total
General Grants	\$57,645,040	28.4%
Program Revenues	24,016,875	11.8%
General Tax Revenues	106,558,511	52.5%
Investment Earnings	556,846	0.3%
Other Revenues	14,230,595	7.0%
	<u>\$203,007,867</u>	<u>100.0%</u>



Instruction comprises 56% of governmental program expenses. Support services expenses were 34% of governmental program expenses. All other expenses including interest expense were 10% of governmental program expenses.

Total Net Position increased mainly due to the following reasons. Operating Grants increased due to an increase in grant monies received in fiscal year 2016. Property tax revenues increased mainly due to an increase in property tax advances. Support services expenses increased mainly due to the increase in instructional staff.

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	
	2016	2015	2016	2015
Instruction	\$103,347,727	\$97,909,358	(\$90,501,623)	(\$83,877,173)
Support Services:				
Pupil and Instructional Staff	14,561,825	13,710,287	(14,067,919)	(12,878,852)
School Administrative, General				
Administration, Fiscal and Business	16,116,507	15,292,803	(15,857,486)	(15,071,625)
Operations and Maintenance	12,767,832	14,801,001	(12,301,336)	(14,228,175)
Pupil Transportation	16,271,733	13,732,011	(15,529,946)	(12,957,225)
Central	3,665,840	3,551,574	(3,638,454)	(3,517,330)
Operation of Non-Instructional Services	6,635,763	6,249,900	(147,748)	(336,696)
Extracurricular Activities	3,819,289	4,348,519	(1,125,129)	(1,125,466)
Interest and Fiscal Charges	6,963,631	7,260,940	(6,963,631)	(7,260,940)
Bond Issuance Costs	301,329	0	(301,329)	0
Total Expenses	<u>\$184,451,476</u>	<u>\$176,856,393</u>	<u>(\$160,434,601)</u>	<u>(\$151,253,482)</u>

Lakota Local School District, Ohio
Management Discussion and Analysis
For The Fiscal Year Ended June 30, 2016
(Unaudited)

The District's Funds

The District has two major governmental funds: the General Fund, and the Debt Service Fund. Assets of these funds comprised \$194,272,834 (91%) of the total \$212,839,270 governmental funds' assets.

General Fund: Fund balance at June 30, 2016 was \$57,489,627 including unassigned balance of \$56,345,650. Total fund balance increased \$15,478,985 from fiscal year 2015. The primary reason for the increase in fund balance was due to an increase in cash and investments.

Debt Service Fund: Fund balance at June 30, 2016 was \$11,349,523. Total fund balance decreased \$1,031,859 from fiscal year 2015. The primary reason for the decrease in fund balance was a result in a decrease in tax revenues from 2015 to 2016.

General Fund Budgeting Highlights

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

During the course of fiscal year 2016, 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 \$162,742,552 compared to final budget basis revenue of \$165,686,806. The difference of \$2,944,254 was mainly due to underestimates in taxes and intergovernmental revenue.

The District's ending unobligated cash balance for the General Fund was \$68,152,154.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2016, the District had \$190,395,436 (net of accumulated depreciation) invested in land, construction in progress, land improvements, buildings and improvements and equipment. Table 4 shows fiscal year 2016 balances compared to fiscal year 2015:

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Lakota Local School District, Ohio
Management Discussion and Analysis
For The Fiscal Year Ended June 30, 2016
(Unaudited)

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

	Governmental Activities	
	2016	2015
Land	\$8,858,505	\$8,858,505
Construction in Progress	0	1,767,083
Buildings and Improvements	171,152,459	169,464,694
Equipment	4,004,169	6,999,659
Land Improvements	6,380,303	3,156,010
Total Net Capital Assets	<u>\$190,395,436</u>	<u>\$190,245,951</u>

The increase in capital assets is due to current year additions being greater 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, 2016, the District had \$161,208,101 in bonds outstanding, \$9,340,000 due within one year. Table 5 summarizes bonds outstanding.

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Lakota Local School District, Ohio
Management Discussion and Analysis
For The Fiscal Year Ended June 30, 2016
(Unaudited)

Table 5
Outstanding Debt – Year End

	Governmental Activities	
	2016	2015
General Obligation Bonds:		
2007 School Construction Bonds	\$930,000	\$7,440,000
Bond and Refunding	5,080,000	7,075,000
Lakota 2006 Refunding	28,155,000	28,155,000
Premium on 2006 Refunding	1,622,488	1,777,010
Lakota Series 2005	0	1,198,740
Lakota Series 2006	0	8,440,000
Premium on 2006 Series	0	97,829
2009 Energy Conservation Improvements	630,000	1,760,000
Premium on Energy Conservation Improvements	42,183	47,146
2009 Turf & Athletic Field Improvements	570,000	1,025,000
Premium on Turf & Athletic Field Improvements	10,305	12,178
Lakota 2009 Refunding	5,630,000	8,535,000
Premium on 2009 Refunding	160,282	267,138
Lakota 2010 BAB Bonds	2,530,000	3,120,000
Lakota 2010 QSC Bonds	4,000,000	4,000,000
2013 Refunding Bonds	44,205,000	44,205,000
Premium - Lakota Series 2005 Bonds	6,013,285	6,442,806
2014 School Improvement Bonds	23,755,000	24,740,000
2014 School Improvement Bonds - Premium	1,313,585	1,382,721
2015 Refunding Bonds	18,190,000	18,215,000
Premium - 2015 Refunding Bonds	1,935,265	2,045,852
2016 Refunding Bonds	7,170,000	0
2016 Refunding Bonds - Premium	961,397	0
2016 Refunding Bond	7,975,000	0
2016 Refunding Bonds - Premium	329,311	0
Total General Obligation Bonds	<u>\$161,208,101</u>	<u>\$169,981,420</u>

See Note 6 and 7 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 three (3) consecutive years and are predicting to continue that into 2019, while at the same time building up cash reserves.

Lakota Local School District, Ohio
Management Discussion and Analysis
For The Fiscal Year Ended June 30, 2016
(Unaudited)

Lakota continues to implement the action steps of our District strategic plan. The five goals are:

1. Within a safe environment, individuals will proactively share new ideas, foster creativity, and develop a path for each individual to achieve success and drive the organization to achieve its mission and educational goals.
2. The District makes consistent effort to communicate Lakota's financial status to all constituencies in order to maintain and increase understanding and support.
3. The District will build on success with current student families as well as open our doors to the broader community to maintain a consistent, reliable and timely exchange of information.
4. The District will employ and leverage technology as a tool to customize, modernize and better facilitate individualized learning to support anytime, anywhere access to learning and resources.
5. The District develops curricular and extra-curricular programs that meet the changing needs of all students.

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, 2016

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Investments	\$95,288,571
Receivables (Net):	
Taxes	102,611,791
Accounts	177,630
Interest	71,754
Intergovernmental	14,582,283
Inventory	98,958
Nondepreciable Capital Assets	8,858,505
Depreciable Capital Assets, Net	<u>181,536,931</u>
 Total Assets	 <u>403,226,423</u>
Deferred Outflows of Resources:	
Deferred Charge on Refunding Pension	5,577,969
	<u>34,527,744</u>
 Total Deferred Outflows of Resources	 <u>40,105,713</u>
Liabilities:	
Accounts Payable	2,503,455
Accrued Wages and Benefits	16,972,411
Contracts Payable	170,743
Accrued Interest Payable	549,587
Claims Payable	137,128
Long-Term Liabilities:	
Due Within One Year	10,358,563
Due In More Than One Year	
Net Pension Liability	226,237,109
Other Amounts	<u>155,872,943</u>
 Total Liabilities	 <u>412,801,939</u>
Deferred Inflows of Resources:	
Property Taxes	97,656,807
Grants and Other Taxes	13,323,694
Pension	<u>23,114,653</u>
 Total Deferred Inflows of Resources	 <u>134,095,154</u>
Net Position:	
Net Investment in Capital Assets	34,765,304
Restricted for:	
Debt Service	10,865,523
Capital Projects	9,834,229
District Managed Activities	863,164
Auxiliary Services	74,504
Ohio Reads	6,470
Title VI-B	315,291
Title III	23,213
Title I	7,164
Food Service	567,749
Other Purposes	31,849
Unrestricted	<u>(160,919,417)</u>
 Total Net Position	 <u>(\$103,564,957)</u>

See accompanying notes to the basic financial statements.

Lakota Local School District, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2016

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$76,035,288	\$2,656,072	\$2,776,510	(\$70,602,706)
Special	23,098,271	164,073	7,237,226	(15,696,972)
Vocational	0	0	12,120	12,120
Other	4,214,168	103	0	(4,214,065)
Support Services:				
Pupil	10,495,122	992	260,171	(10,233,959)
Instructional Staff	4,066,703	2,986	229,757	(3,833,960)
General Administration	522,057	0	0	(522,057)
School Administration	12,220,461	69,544	189,477	(11,961,440)
Fiscal	2,912,728	0	0	(2,912,728)
Business	461,261	0	0	(461,261)
Operations and Maintenance	12,767,832	466,496	0	(12,301,336)
Pupil Transportation	16,271,733	1,999	739,788	(15,529,946)
Central	3,665,840	4,387	22,999	(3,638,454)
Operation of Non-Instructional Services	6,635,763	3,605,165	2,882,850	(147,748)
Extracurricular Activities	3,819,289	2,679,022	15,138	(1,125,129)
Interest and Fiscal Charges	6,963,631	0	0	(6,963,631)
Bond Issuance Costs	301,329	0	0	(301,329)
Totals	\$184,451,476	\$9,650,839	\$14,366,036	(160,434,601)

General Revenues:

Property Taxes Levied for:

General Purposes	90,342,420
Debt Service Purposes	11,134,726
Capital Projects Purposes	5,081,365
Grants and Entitlements, Not Restricted	57,645,040
Revenue in Lieu of Taxes	13,458,694
Unrestricted Contributions	237,021
Investment Earnings	556,846
Other Revenues	534,880

Total General Revenues 178,990,992

Change in Net Position 18,556,391

Net Position - Beginning of Year (122,121,348)

Net Position - End of Year (\$103,564,957)

See accompanying notes to the basic financial statements.

Lakota Local School District, Ohio
Balance Sheet
Governmental Funds
June 30, 2016

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$72,247,542	\$10,978,244	\$12,062,785	\$95,288,571
Receivables (Net):				
Taxes	87,287,706	10,753,712	4,570,373	102,611,791
Accounts	170,664	0	6,966	177,630
Interest	71,754	0	0	71,754
Intergovernmental	11,508,774	1,246,155	1,827,354	14,582,283
Interfund	8,283	0	0	8,283
Inventory	0	0	98,958	98,958
Total Assets	171,294,723	22,978,111	18,566,436	212,839,270
Liabilities:				
Accounts Payable	2,160,123	0	343,332	2,503,455
Accrued Wages and Benefits	15,894,079	0	1,078,332	16,972,411
Compensated Absences	117,665	0	0	117,665
Contracts Payable	0	0	170,743	170,743
Interfund Payable	0	0	8,283	8,283
Claims Payable	137,128	0	0	137,128
Total Liabilities	18,308,995	0	1,600,690	19,909,685
Deferred Inflows of Resources:				
Property Taxes	83,795,944	10,382,433	4,366,507	98,544,884
Grants and Other Taxes	11,508,774	1,246,155	1,827,354	14,582,283
Student and Other Fees	143,497	0	6,966	150,463
Investment Earnings	47,886	0	0	47,886
Total Deferred Inflows of Resources	95,496,101	11,628,588	6,200,827	113,325,516
Fund Balances:				
Restricted	0	11,349,523	11,598,482	22,948,005
Assigned	1,143,977	0	0	1,143,977
Unassigned	56,345,650	0	(833,563)	55,512,087
Total Fund Balances	57,489,627	11,349,523	10,764,919	79,604,069
Total Liabilities, Deferred Inflows and Fund Balances	\$171,294,723	\$22,978,111	\$18,566,436	\$212,839,270

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, 2016

Total Governmental Fund Balance		\$79,604,069
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		190,395,436
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Delinquent Property Taxes	888,077	
Interest	47,886	
Intergovernmental	1,258,589	
Other Receivables	<u>150,463</u>	
		2,345,015
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.		
		(549,587)
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		(4,905,740)
Deferred outflows of resources associated with long-term liabilities are not reported in the funds.		
		5,577,969
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	34,527,744	
Deferred inflows of resources related to pensions	<u>(23,114,653)</u>	
		11,413,091
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net Pension Liability	(226,237,109)	
Other Amounts	<u>(161,208,101)</u>	
		<u>(387,445,210)</u>
Net Position of Governmental Activities		<u><u>(\$103,564,957)</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, 2016

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property and Other Taxes	\$90,123,831	\$11,116,575	\$5,072,337	\$106,312,743
Tuition and Fees	2,972,631	0	0	2,972,631
Investment Earnings	547,356	0	275	547,631
Intergovernmental	62,820,142	1,208,606	8,268,570	72,297,318
Extracurricular Activities	481,213	0	2,425,791	2,907,004
Charges for Services	20,299	48,500	3,605,165	3,673,964
Revenue in Lieu of Taxes	11,643,774	1,246,155	568,765	13,458,694
Other Revenues	750,400	47,848	240,862	1,039,110
Total Revenues	169,359,646	13,667,684	20,181,765	203,209,095
Expenditures:				
Current:				
Instruction:				
Regular	66,029,511	0	4,886,142	70,915,653
Special	20,320,017	0	2,931,487	23,251,504
Other	4,214,000	0	0	4,214,000
Support Services:				
Pupil	10,218,025	0	270,392	10,488,417
Instructional Staff	3,794,438	0	339,780	4,134,218
General Administration	522,611	0	0	522,611
School Administration	12,301,924	0	203,288	12,505,212
Fiscal	2,775,009	102,131	50,005	2,927,145
Business	418,578	0	0	418,578
Operations and Maintenance	12,264,177	0	417,685	12,681,862
Pupil Transportation	16,184,348	0	3,000	16,187,348
Central	3,527,631	0	47,430	3,575,061
Operation of Non-Instructional Services	9,504	0	6,355,479	6,364,983
Extracurricular Activities	109,957	0	3,374,090	3,484,047
Capital Outlay	0	0	6,976,544	6,976,544
Debt Service:				
Principal Retirement	0	15,868,740	985,000	16,853,740
Interest and Fiscal Charges	0	6,827,549	917,088	7,744,637
Bond Issuance Costs	0	301,329	0	301,329
Total Expenditures	152,689,730	23,099,749	27,757,410	203,546,889
Excess of Revenues Over (Under) Expenditures	16,669,916	(9,432,065)	(7,575,645)	(337,794)
Other Financing Sources (Uses):				
Issuance of Refunding Bonds	0	15,145,000	0	15,145,000
Payments to Bond Escrow Account	0	(8,035,502)	0	(8,035,502)
Premium on Bonds Sold	0	1,290,708	0	1,290,708
Transfers In	0	0	1,190,931	1,190,931
Transfers (Out)	(1,190,931)	0	0	(1,190,931)
Total Other Financing Sources (Uses)	(1,190,931)	8,400,206	1,190,931	8,400,206
Net Change in Fund Balance	15,478,985	(1,031,859)	(6,384,714)	8,062,412
Fund Balance - Beginning of Year	42,010,642	12,381,382	17,149,633	71,541,657
Fund Balance - End of Year	\$57,489,627	\$11,349,523	\$10,764,919	\$79,604,069

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, 2016

Net Change in Fund Balance - Total Governmental Funds		\$8,062,412
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of the difference between capital asset additions and depreciation in the current period.		
Capital assets used in governmental activities	6,304,681	
Depreciation Expense	<u>(6,155,196)</u>	149,485
Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
District pension contributions	13,373,989	
Cost of benefits earned net of employee contributions	<u>(11,263,848)</u>	2,110,141
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent Property Taxes	245,768	
Interest	9,215	
Intergovernmental	(286,241)	
Other	<u>(169,970)</u>	(201,228)
In the statement of activities, certain costs and proceeds associated with long-term debt obligations issued during the year are accrued and amortized over the life of the debt obligation. In governmental funds these costs and proceeds are recognized as financing sources and uses.		
Premium on Bonds Issued	(1,290,708)	
Deferred Amount on Refunding	655,502	
Refunding Bonds	(15,145,000)	
Bonds Refunded	<u>7,380,000</u>	(8,400,206)
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.		
		16,946,281
In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due.		
		208,314
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	(798,959)	
Amortization of Bond Premium	882,746	
Amortization of Deferred Charge on Refunding	<u>(402,595)</u>	(318,808)
Change in Net Position of Governmental Activities		<u>\$18,556,391</u>

See accompanying notes to the basic financial statements.

Lakota Local School District, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	Private Purpose Trust	Agency
	<u> </u>	<u> </u>
Assets:		
Equity in Pooled Cash and Investments	\$21,239	\$264,082
Total Assets	<u>21,239</u>	<u>264,082</u>
Liabilities:		
Accounts Payable	0	801
Other Liabilities	<u>0</u>	<u>263,281</u>
Total Liabilities	<u>0</u>	<u>\$264,082</u>
Net Position:		
Held in Trust	<u>21,239</u>	
Total Net Position	<u>\$21,239</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, 2016

	Private Purpose Trust
Additions:	
Donations	\$8,000
Investment Earnings	4
Total Additions	<u>8,004</u>
Deductions:	
Scholarships	<u>8,000</u>
Total Deductions	<u>8,000</u>
Change in Net Position	4
Net Position - Beginning of Year	<u>21,235</u>
Net Position - End of Year	<u><u>\$21,239</u></u>

See accompanying notes to the basic financial statements.

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

Note 1 - Summary of Significant Accounting Policies

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

Description of the District

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

The District operates under a locally elected five-member board form of government and provides educational services as authorized by its charter or further mandated by state and/or federal agencies. This board controls the District's 25 instructional and support facilities staffed by approximately 526 non-certificated personnel and approximately 937 certificated teaching and 75 administrative personnel to provide services to over approximately 16,000 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

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

the goods or services offered by the program and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, 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 are the District's major governmental funds:

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

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

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 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.

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

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 are reported on the governmental-wide statements of net position, see note 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 (revenue) until that time. For the District, deferred inflows of resources include property taxes and grants, other taxes (which includes tax incremental financing 'TIF'), student and other fees, investment earnings and pension. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2016, but which were levied to finance year 2017 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, and investment earnings are recorded as deferred inflows on the governmental fund statements only. Deferred inflows related to pensions are reported on the government-wide statement of net position, see note 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.

During fiscal year 2016, the District invested in STAR Ohio. 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

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The School 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 a NAV per share that approximates fair value.

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during fiscal year 2016 credited to the General Fund amounted to \$547,356, and \$275 in Other Governmental Funds.

Interfund Activity

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

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loan receivables/payables". These amounts are eliminated in the governmental activities column on the Statement of Net 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 fair market values as of the date received. The District maintains a capitalization threshold of five thousand dollars (\$5,000). The District does not possess any infrastructure. Improvements are capitalized; the costs of normal

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

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

Accrued Liabilities and Long-Term Obligations

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

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

Pensions

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

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

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:

<u>Vacation</u>	<u>Certificated</u>	<u>Administrators</u>	<u>Non-Certificated</u>
How earned	not eligible	20-25 days	10-25 days for each service year depending on length of service
Maximum accumulation	not applicable	40 days unless special permission granted	20 days
Vested	not applicable	as earned 30 days maximum at retirement	as earned
Termination entitlement	not applicable	10 days maximum at separation	20 days maximum at separation
<u>Sick Leave</u>	<u>Certificated</u>	<u>Administrators</u>	<u>Non-Certificated</u>
How earned	1 ¼ days per month of employment (15 days per year)	1 ¼ days per month of employment (15 days per year)	1 ¼ days per month of employment (15 days per year)
Maximum accumulation	No cap	370 days	No cap
Vested	as earned	as earned	as earned
Termination entitlement	per contract	per Board Policy	per contract

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

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

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 \$22,589,156 in restricted net position, none were restricted by enabling legislation.

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 considers committed, assigned, and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used. The School 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.

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

Estimates

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

Note 2 - Equity in Pooled Cash and Investments

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

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

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

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

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

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.
- (3) No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but limited to, passbook accounts.
- (5) Bonds, and other obligations of the State of Ohio.
- (6) The Ohio State Treasurer's investment pool (STAR Ohio).

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

- (7) Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Sec. 135.142.
- (8) Under limited circumstances, corporate debt interests in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

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

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of June 30, 2016, \$39,681,317 of the District's bank balance of \$39,931,317 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

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

Investments

As of June 30, 2016, the District had the following investments:

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

	Value	Fair Value Hierarchy	Weighted Average Maturity (Years)
Money Market Funds	\$7,654	N/A	0.00
Federal Home Loan Bank	3,993,583	Level 2	0.97
Freddie Mac	8,909,391	Level 2	3.49
Fannie Mae	13,599,671	Level 2	2.79
Federal Farm Credit Bank	2,476,599	Level 2	1.17
Commercial Paper (US Bank)	27,564,486	Level 2	0.50
STAR Ohio	137	N/A	0.13
Total Investment	<u>\$56,551,521</u>		
Portfolio Weighted Average Maturity			1.59

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. Level 3 inputs are significant unobservable inputs. The above table identifies the District's recurring fair value measurements as of June 30, 2016. 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 Bank, Freddie Mac, Federal Farm Credit Bank and Fannie Mae were rated AA+ by Standard & Poor's and Fitch Ratings and Aaa by Moody's Investors Service. Commercial Paper from US Bank was rated P-1 by Standard & Poor's and Fitch Ratings and A-1+ by Moody's Investors Service. Investments in STAR Ohio were rated AAAM by Standard & Poor's. Money Market Funds were not rated.

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, 7% in Federal Home Loan Bank, 16% in Freddie Mac, 24% in Fannie Mae, 49% in Commercial Paper, 4% in Federal Farm Credit Bank, and less than 1% in STAR Ohio. The District does not have a formal policy related to the concentration of credit risk.

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.

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

Note 3 - Property Taxes

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real 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 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, 2016, are available to finance fiscal year 2017 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, 2016. 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, 2016 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. The amount available as an advance at June 30, 2016, was \$3,491,762 for General Fund, \$371,279 for Debt Service Fund, and \$203,866 for Permanent Improvement Fund.

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

The assessed values upon which the fiscal year 2016 taxes were collected are:

	Amount
Agricultural/Residential and Other Real Estate	\$2,530,513,300
Public Utility Personal	87,519,700
Total	<u>\$2,618,033,000</u>

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

Note 4 – Receivables

Receivables at June 30, 2016, 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

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$8,858,505	\$0	\$0	\$8,858,505
Construction in Progress	1,767,083	0	1,767,083	0
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	236,292,091	6,611,973	0	242,904,064
Equipment	16,712,399	1,459,791	0	18,172,190
Land Improvements	12,890,621	0	0	12,890,621
Totals at Historical Cost	276,520,699	8,071,764	1,767,083	282,825,380
Less Accumulated Depreciation:				
Buildings and Improvements	66,827,397	4,924,208	0	71,751,605
Equipment	13,556,389	611,632	0	14,168,021
Land Improvements	5,890,962	619,356	0	6,510,318
Total Accumulated Depreciation	86,274,748	6,155,196	0	92,429,944
Governmental Activities Capital Assets, Net	<u>\$190,245,951</u>	<u>\$1,916,568</u>	<u>\$1,767,083</u>	<u>\$190,395,436</u>

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Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$5,400,631
Special	4,462
Support Services:	
Pupil	3,753
Instructional Staff	1,260
School Administration	1,527
Fiscal	13,954
Business	46,520
Operations and Maintenance	165,994
Pupil Transportation	90,248
Central	129,084
Operation of Non-Instructional Services	73,346
Extracurricular Activities	224,417
Total Depreciation Expense	<u>\$6,155,196</u>

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Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

Note 6 - Long-Term Liabilities

	Interest Rate	Issue Date	Maturity Date	Beginning Balance	Issued	Retired	Ending Balance	Due In One Year
Governmental Activities:								
General Obligation Bonds:								
\$2,450,000 - Energy Conservation Improvements								
	2.50%	5/28/09	12/1/24	\$1,760,000	\$0	\$1,130,000 *	\$630,000	\$150,000
\$79,404 - Premium on Energy Conservation Improvements								
		5/28/09	12/1/24	47,146	0	4,963	42,183	0
\$1,650,000 - Turf & Athletic Field Improvements								
	2.50%	5/28/09	12/1/21	1,025,000	0	455,000 *	570,000	135,000
\$24,355 - Premium on Turf & Athletic Field Improvements								
		5/28/09	12/1/21	12,178	0	1,873	10,305	0
\$16,680,000 - Lakota Refunding								
	5.00%	9/24/08	12/1/17	8,535,000	0	2,905,000	5,630,000	2,845,000
\$961,701 - Premium on Refunding								
		9/24/08	12/1/17	267,138	0	106,856	160,282	0
\$10,000,000 - School Construction Bonds - Union Elem								
	4.00%	6/13/07	12/1/27	7,440,000	0	6,510,000 *	930,000	455,000
\$52,932,789 - Bond and Refunding								
	5.85%	4/19/01	12/1/26	7,075,000	0	1,995,000	5,080,000	1,380,000
\$30,950,000 - Lakota 2005 Refunding								
	4.65%	11/3/05	12/1/26	28,155,000	0	0	28,155,000	0
\$3,244,969 - Premium on 2005 Refunding								
		11/3/05	12/1/26	1,777,010	0	154,522	1,622,488	0
\$74,470,000 - Lakota Series 2005								
	4.60%	12/19/05	12/1/33	1,198,740	0	1,198,740	0	0
\$9,830,000 - Lakota Series 2006								
	4.27%	1/10/06	12/1/33	8,440,000	0	8,440,000 **	0	0
\$148,065 - Premium on 2006 Series								
		1/10/06	12/1/33	97,829	0	97,829 ***	0	0
\$5,405,000 - 2010 School Improvement Bonds								
	1.34%	6/17/10	12/1/20	3,120,000	0	590,000	2,530,000	605,000
\$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	44,205,000	0	0	44,205,000	2,280,000
\$7,731,369 - Premium - Lakota Series 2013 Bonds								
		10/18/12	12/1/29	6,442,806	0	429,521	6,013,285	0
\$24,740,000 - 2014 School Improvement Bonds								
	2.05 - 5.00%	3/25/14	12/1/34	24,740,000	0	985,000	23,755,000	1,000,000
\$1,451,857 - 2014 School Improvement Bonds - Premium								
				1,382,721	0	69,136	1,313,585	0
2015 Refunding Bonds								
	2.00 - 4.50%	12/4/14	12/1/33	18,215,000	0	25,000	18,190,000	25,000
2015 Refunding Bonds - Premium								
				2,045,852	0	110,587	1,935,265	0
2016 Refunding Bonds								
				0	7,170,000	0	7,170,000	160,000
2016 Refunding Bonds - Premium								
				0	961,397	0	961,397	0
2016 Refunding Bonds								
	2.00-3.50%	8/18/15	12/1/33	0	7,975,000	0	7,975,000	305,000
2016 Refunding Bonds - Premium								
				0	329,311	0	329,311	0
Total General Obligation Bonds				169,981,420	16,435,708	25,209,027	161,208,101	9,340,000
Net Pension Liability:								
STRS				154,236,052	31,046,993	6,328,487	178,954,558	0
SERS				41,770,291	8,625,713	3,113,453	47,282,551	0
Total Net Pension Liability				196,006,343	39,672,706	9,441,940	226,237,109	0
Compensated Absences				4,237,505	1,863,739	1,077,839	5,023,405	1,018,563
Total Governmental Activities Long-Term Liabilities				\$370,225,268	\$57,972,153	\$35,728,806	\$392,468,615	\$10,358,563

* - District made \$715,000 principal payment, \$7,380,000 was refunded and a refunding difference of \$180,000

** - District made \$295,000 principal payment, \$8,145,000 was currently refunded and a refunding difference of \$170,000

*** - Premium included in current refunding

On April 20, 2016 the District issued \$7,170,000 in Current Interest Bonds with an interest rate between 2.00% and 4.00% which was used to partially advance refund \$1,300,000 of the outstanding 2009 Permanent Improvement Bonds with an interest rate of 3.50% and partially advance refund \$6,080,000 of the outstanding 2007 Permanent Improvement Bonds with an interest rate of 5.00%. The net proceeds of \$8,178,620 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide all future debt service payments on the bond issues. As a result, \$1,300,000 of the 2009 Permanent Improvement Bonds and \$6,080,000 of the 2007 Permanent

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

Improvement Bonds are considered to be defeased and the related liability for those bonds have been removed from the Statement of Net Position.

The District advance refunded 2007 and 2009 Permanent Improvement Bonds to reduce its total debt service payments by \$940,043 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$811,863.

On August 18, 2015 the District issued \$7,975,000 in Current Interest Bonds with an interest rate between 2.00% and 3.50% which was used to currently refund \$8,440,000 of the outstanding 2006 Permanent Improvement Bonds with an interest rate of 4.27%. The net proceeds of \$8,304,311 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide all future debt service payments on the bond issues. As a result, \$8,440,000 of the 2006 Permanent Improvement Bonds are considered to be defeased and the related liability for those bonds has been removed from the Statement of Net Position.

The District currently refunded 2006 Permanent Improvement Bonds to reduce its total debt service payments by \$1,160,523 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$892,159.

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.

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

Fiscal Year Ending June 30	General Obligation Bonds		
	Principal	Interest	Total
2017	\$9,340,000	\$6,492,652	\$15,832,652
2018	9,770,000	6,057,356	15,827,356
2019	7,345,000	5,684,178	13,029,178
2020	7,710,000	5,364,608	13,074,608
2021	8,340,000	5,012,012	13,352,012
2022-2026	49,480,000	17,657,982	67,137,982
2027-2031	35,235,000	8,059,759	43,294,759
2032-2035	21,600,000	1,517,285	23,117,285
Total	<u>\$148,820,000</u>	<u>\$55,845,832</u>	<u>\$204,665,832</u>

Note 7 - Prior Year Defeasance of Debt

In prior years, the District defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the District's financial statements. On June 30, 2016, \$46,127,842 of bonds outstanding is considered defeased.

Note 8 - Defined Benefit Pension Plans

Net Pension Liability

Pensions are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions 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 net pension liability represents the District’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability 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 this estimate 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 are financed; however, the District does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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 under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

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Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

	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 65 with 5 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 year of service; 2.2 percent for the first thirty years of service, 2.5 percent for years of service credit over 30 or \$86.00 multiplied by the years of service credit. Final average salary is the average of the highest three years of salary.

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

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, 2016, the allocation to pension, death benefits, and Medicare B was 14.00 percent. None of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The District's contractually required contribution to SERS was \$3,549,073 for fiscal year 2016. Of this amount \$261,129 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 retirement 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.

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 will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service.

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement increased effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 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, member contributions are allocated among investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

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 that 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 and may be amended by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2015, plan members were required to contribute 12 percent of their annual covered salary. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2016 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$9,824,916 for fiscal year 2016. Of this amount \$1,682,432 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, 2016

Net Pension Liability

The net pension liability was measured as of June 30, 2015, 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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$47,282,551	\$178,954,558	\$226,237,109
Proportion of the Net Pension Liability	0.82863210%	0.64751627%	
Pension Expense	3,020,308	8,243,540	11,263,848

At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$759,921	\$8,126,662	\$8,886,583
Net difference between projected and actual earnings on pension plan investments	3,538,197	8,983,130	12,521,327
Changes in employer proportion and differences between contributions and proportionate share of contributions	(105,908)	(148,247)	(254,155)
District contributions subsequent to the measurement date	<u>3,549,073</u>	<u>9,824,916</u>	<u>13,373,989</u>
Total Deferred Outflows of Resources	<u>\$7,741,283</u>	<u>\$26,786,461</u>	<u>\$34,527,744</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$5,077,829	\$21,249,806	\$26,327,635
Changes in employer proportion and differences between contributions and proportionate share of contributions	26,992	603,540	630,532
Changes in employer proportionate share of net pension liability	<u>(172,416)</u>	<u>(3,671,098)</u>	<u>(3,843,514)</u>
Total Deferred Inflows of Resources	<u>\$4,932,405</u>	<u>\$18,182,248</u>	<u>\$23,114,653</u>

\$13,373,989 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2017	(\$550,442)	(\$1,996,196)	(\$2,546,638)
2018	(550,442)	(1,996,196)	(2,546,638)
2019	(550,442)	(1,996,197)	(2,546,639)
2020	<u>911,131</u>	<u>4,767,886</u>	<u>5,679,017</u>
Total	<u>(\$740,195)</u>	<u>(\$1,220,703)</u>	<u>(\$1,960,898)</u>

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

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 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, 2015, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	4 percent to 22 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.75 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

The long-term return expectation for the Pension Plan Investments has been determined 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 a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.00 %
US Stocks	22.50	5.00
Non-US Stocks	22.50	5.50
Fixed Income	19.00	1.50
Private Equity	10.00	10.00
Real Assets	10.00	5.00
Multi-Asset Strategies	15.00	7.50
 Total	 100.00 %	

Discount Rate The total pension liability was calculated using the discount rate of 7.75 percent. The projection of cash 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 (7.75 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 District's 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 7.75 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 (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	\$65,563,907	\$47,282,551	\$31,888,143

Actuarial Assumptions - STRS

The total pension liability in the July 1, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment Rate of Return	7.75 percent, net of investment expenses, including inflation
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males’ ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2015, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS’ investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	100.00 %	

Discount Rate The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2015. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not 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, 2015. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2015.

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	\$248,581,379	\$178,954,558	\$120,074,695

Note 9 - Post Employment Benefits

School Employees Retirement System

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 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. 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 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. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of 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 basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For the year ended June 30, 2016, the health care allocation is 0%. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2016, this amount was \$23,000. 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 2016, the District's surcharge obligation was \$415,877.

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

The District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$0, \$183,915, and \$35,527, respectively. For fiscal year 2016, 100 percent has been contributed. The full amount has been contributed for fiscal years 2015 and 2014.

State Teachers Retirement System

Plan Description – The District participates in the cost-sharing multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS) 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 reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board 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. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2016, STRS did not allocate any employer contributions to post-employment health care. The District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$0, \$0, and \$684,033, respectively. The full amount has been contributed for fiscal years 2016, 2015, and 2014.

Note 10 - Contingent Liabilities

Foundation Funding

District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year, traditional school districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the school district, which can extend past the fiscal year end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2015 or June 30, 2016 Foundation funding for the District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or 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, 2016.

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

Litigation

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

Note 11 - Risk Management

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

Coverage	Company	Limits	Deductible
Fleet	Liberty Mutual	\$1,000,000 per occurrence	\$1,000 collision/pd
Property	Liberty Mutual	402,652,051 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 Public employee blanket bond with faithful performance endorsed on bond	500 per loss
Faithful Performance Bond	Liberty Mutual	40,000	

Medical and dental insurance benefits are offered to employees through Anthem. 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 12 - Jointly Governed Organizations

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

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

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

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

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

Note 13 – Accountability

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

	<u>Deficit</u>
Other Governmental Funds:	
Miscellaneous State Grants	\$3,963
Title VI-B	509,184
Title III	45,334
Title I	237,000
Title II-A	33,136
Alt. School Grant	4,946

Note 14 - Set-Asides

The District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the 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.

	<u>Capital Acquisition</u>
Set Aside Reserve Balance as of June 30, 2015	\$0
Current Year Set Aside Requirements	2,744,794
Qualified Disbursements	(2,744,794)
Current Year Offsets	0
Set Aside Reserve Balance as of June 30, 2016	<u><u>\$0</u></u>

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

Note 15 - Interfund Transactions

Interfund transactions at June 30, 2016, consisted of the following individual fund receivables and payables and transfers in and out:

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$8,283	\$0	\$0	\$1,190,931
Other Governmental Funds	0	8,283	1,190,931	0
Total All Funds	\$8,283	\$8,283	\$1,190,931	\$1,190,931

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

Note 16 – Fund Balances

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

Fund Balances	General	Debt Service	Other Governmental Funds	Total
Restricted for:				
Other Grants	\$0	\$0	\$28,385	\$28,385
Student Activities	0	0	921,489	921,489
Auxiliary Services	0	0	92,007	92,007
Ohio Reads	0	0	6,470	6,470
High Schools That Work	0	0	451	451
Food Service	0	0	748,064	748,064
Debt Service	0	11,349,523	0	11,349,523
Permanent Improvement	0	0	9,801,606	9,801,606
Total Restricted	0	11,349,523	11,598,472	22,947,995
Assigned to:				
Encumbrances	363,463	0	0	363,463
Public School Support	780,514	0	0	780,514
Total Assigned	1,143,977	0	0	1,143,977
Unassigned (Deficit)	56,345,650	0	(833,563)	55,512,087
Total Fund Balance	\$57,489,627	\$11,349,523	\$10,764,909	\$79,604,059

Encumbrances (assigned) will be used for \$17,745 for EIA books, \$2,057 for computers, \$21,921 for instructional supplies, \$14,500 for building signage, \$17,144 for projector, \$1,938 for chairs, \$9,560 for printers, \$6,882 for trash removal, \$4,890 for roof repairs, \$31,648 for maintenance supplies, \$6,845 for custodial supplies, \$7,622 for grass cutting, \$111,754 for copiers and copiers repairs, \$18,800 for Gaggle license, \$6,245 for internet charges, \$3,000 for Allerton Hill consulting, \$13,861 for Sunguard training, and \$67,051 for other purposes.

Note 17 – Implementation of New Accounting Principles

For the fiscal year ended June 30, 2016, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the*

Lakota Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments and GASB Statement No. 79, Certain External Investment Pools and Pool Participants.

GASB Statement No. 72 clarifies the definition of fair value for financial reporting purposes, establishes general principles for measuring fair value, provides additional fair value application guidance, and enhances disclosures about fair value measurements. These changes were incorporated in the District’s fiscal year 2016 note disclosures; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of GASB Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also clarifies the application of certain provisions of GASB Statements 67 and 68. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the District.

GASB Statement No. 76 reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the District.

GASB Statement No. 79 addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The implementation of GASB Statement No. 79 did not have an effect on the financial statements of the District.

Note 18 – Construction and Other Commitments

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:

<u>Fund</u>	<u>Amounts</u>
General	\$475,131
Nonmajor Governmental	<u>1,274,745</u>
Total	<u><u>\$1,749,876</u></u>

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REQUIRED SUPPLEMENTARY INFORMATION

Lakota Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2016

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$87,418,587	\$89,000,118	\$89,995,320	\$995,202
Revenue in lieu of taxes	11,310,391	11,515,013	11,643,774	128,761
Tuition and Fees	1,991,448	2,027,477	2,050,148	22,671
Investment Earnings	501,555	510,629	516,339	5,710
Intergovernmental	61,021,485	62,125,453	62,820,142	694,689
Charges for Services	19,718	20,075	20,299	224
Other Revenues	479,368	488,041	493,498	5,457
Total Revenues	162,742,552	165,686,806	167,539,520	1,852,714
Expenditures:				
Current:				
Instruction:				
Regular	65,450,125	65,001,425	64,618,123	383,302
Special	20,390,653	20,250,863	20,131,447	119,416
Other	4,341,279	4,311,517	4,286,093	25,424
Support Services:				
Pupil	9,537,647	9,472,260	9,416,404	55,856
Instructional Staff	3,824,495	3,798,276	3,775,878	22,398
General Administration	580,810	576,828	573,427	3,401
School Administration	12,434,122	12,348,878	12,276,059	72,819
Fiscal	2,813,751	2,794,461	2,777,983	16,478
Business	426,963	424,035	421,535	2,500
Operations and Maintenance	12,472,649	12,387,142	12,314,097	73,045
Pupil Transportation	15,350,748	15,245,509	15,155,609	89,900
Central	3,621,861	3,597,031	3,575,820	21,211
Operation of Non-Instructional Services	318	316	314	2
Extracurricular Activities	111,085	110,324	109,673	651
Total Expenditures	151,356,506	150,318,865	149,432,462	886,403
Excess of Revenues Over (Under) Expenditures	11,386,046	15,367,941	18,107,058	2,739,117
Other Financing Sources (Uses):				
Advances In	65,150	66,328	67,070	742
Advances (Out)	(8,390)	(8,332)	(8,283)	49
Transfers (Out)	(1,206,265)	(1,197,995)	(1,190,931)	7,064
Total Other Financing Sources (Uses)	(1,149,505)	(1,139,999)	(1,132,144)	7,855
Net Change in Fund Balance	10,236,541	14,227,942	16,974,914	2,746,972
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	51,177,240	51,177,240	51,177,240	0
Fund Balance End of Year	\$61,413,781	\$65,405,182	\$68,152,154	\$2,746,972

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, 2016

Note 1 - Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2016.

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, 2016

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

	<u>General</u>
GAAP Basis	\$15,478,985
Revenue Accruals	(1,820,126)
Expenditure Accruals	3,724,633
Advances In	67,070
Advances (Out)	(8,283)
Encumbrances	(475,131)
Funds Budgeted Elsewhere	<u>7,766</u>
Budget Basis	<u><u>\$16,974,914</u></u>

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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 Three Fiscal Years (1)

	2015	2014	2013
District's Proportion of the Net Pension Liability	0.64751627%	0.63410406%	0.63410406%
District's Proportionate Share of the Net Pension Liability	\$178,954,558	\$154,236,052	\$183,230,194
District's Covered-Employee Payroll	\$67,182,086	\$69,771,608	\$74,597,723
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	266.37%	221.06%	245.62%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.10%	74.70%	69.30%

(1) - Information prior to 2013 is not available

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 Three Fiscal Years (1)

	2015	2014	2013
District's Proportion of the Net Pension Liability	0.82863210%	0.82534600%	0.82534600%
District's Proportionate Share of the Net Pension Liability	\$47,282,551	\$41,770,291	\$49,095,391
District's Covered-Employee Payroll	\$23,824,090	\$24,225,173	\$25,334,566
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	198.47%	172.43%	193.79%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.16%	71.70%	65.52%

(1) - Information prior to 2013 is not available

Lakota Local School District, Ohio
 Required Supplementary Information
 Schedule of District Contributions
 State Teachers Retirement System of Ohio
 Last Ten Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$9,824,916	\$9,405,492	\$9,070,309	\$9,697,704	\$9,947,628
Contributions in Relation to the Contractually Required Contribution	<u>(9,824,916)</u>	<u>(9,405,492)</u>	<u>(9,070,309)</u>	<u>(9,697,704)</u>	<u>(9,947,628)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District Covered-Employee Payroll	\$70,177,971	\$67,182,086	\$69,771,608	\$74,597,723	\$76,520,215
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	13.00%	13.00%	13.00%

2011	2010	2009	2008	2007
\$11,246,736	\$11,774,328	\$10,934,160	\$10,109,052	\$9,614,088
<u>(11,246,736)</u>	<u>(11,774,328)</u>	<u>(10,934,160)</u>	<u>(10,109,052)</u>	<u>(9,614,088)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$86,513,354	\$90,571,754	\$84,108,923	\$77,761,938	\$73,954,523
13.00%	13.00%	13.00%	13.00%	13.00%

Lakota Local School District, Ohio
 Required Supplementary Information
 Schedule of District Contributions
 School Employees Retirement System of Ohio
 Last Ten Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$3,549,073	\$3,140,015	\$3,357,609	\$3,506,304	\$3,352,416
Contributions in Relation to the Contractually Required Contribution	<u>(3,549,073)</u>	<u>(3,140,015)</u>	<u>(3,357,609)</u>	<u>(3,506,304)</u>	<u>(3,352,416)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District Covered-Employee Payroll	\$25,350,521	\$23,824,090	\$24,225,173	\$25,334,566	\$24,925,026
Contributions as a Percentage of Covered-Employee Payroll	14.00%	13.18%	13.86%	13.84%	13.45%

2011	2010	2009	2008	2007
\$3,219,408	\$3,169,992	\$2,893,176	\$2,606,700	\$2,407,500
<u>(3,219,408)</u>	<u>(3,169,992)</u>	<u>(2,893,176)</u>	<u>(2,606,700)</u>	<u>(2,407,500)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$25,611,838	\$23,412,053	\$29,402,195	\$26,544,807	\$22,755,198
12.57%	13.54%	9.84%	9.82%	10.58%

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

Debt Service Fund

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

Lakota Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2016

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$6,871,407	\$11,094,783	\$4,223,376
Revenue in lieu of taxes	771,790	1,246,155	474,365
Intergovernmental	748,534	1,208,606	460,072
Charges for Services	30,038	48,500	18,462
Other Revenues	29,634	47,848	18,214
Total Revenues	<u>8,451,403</u>	<u>13,645,892</u>	<u>5,194,489</u>
Expenditures:			
Current:			
Instruction:			
Fiscal	102,131	102,131	0
Debt Service:			
Principal Retirement	15,868,740	15,868,740	0
Interest and Fiscal Charges	6,827,549	6,827,549	0
Issuance Costs	352,293	352,293	0
Total Expenditures	<u>23,150,713</u>	<u>23,150,713</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(14,699,310)</u>	<u>(9,504,821)</u>	<u>5,194,489</u>
Other Financing Sources (Uses):			
Issuance of Refunding Bonds	15,145,000	15,145,000	0
Payments to Bond Escrow Account	(8,035,502)	(8,035,502)	0
Premium on Bonds Sold	799,383	1,290,708	491,325
Total Other Financing Sources (Uses)	<u>7,908,881</u>	<u>8,400,206</u>	<u>491,325</u>
Net Change in Fund Balance	(6,790,429)	(1,104,615)	5,685,814
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>12,082,854</u>	<u>12,082,854</u>	<u>0</u>
Fund Balance End of Year	<u>\$5,292,425</u>	<u>\$10,978,239</u>	<u>\$5,685,814</u>

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Capital 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, 2016

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$2,038,579	\$10,024,206	\$12,062,785
Receivables (Net):			
Taxes	0	4,570,373	4,570,373
Accounts	6,966	0	6,966
Intergovernmental	1,258,589	568,765	1,827,354
Inventory	98,958	0	98,958
Total Assets	3,403,092	15,163,344	18,566,436
Liabilities:			
Accounts Payable	87,609	255,723	343,332
Accrued Wages and Benefits	1,078,332	0	1,078,332
Contracts Payable	0	170,743	170,743
Interfund Payable	8,283	0	8,283
Total Liabilities	1,174,224	426,466	1,600,690
Deferred Inflows of Resources:			
Property Taxes	0	4,366,507	4,366,507
Grants and Other Taxes	1,258,589	568,765	1,827,354
Student and Other Fees	6,966	0	6,966
Total Deferred Inflows of Resources	1,265,555	4,935,272	6,200,827
Fund Balances:			
Restricted	1,796,876	9,801,606	11,598,482
Unassigned	(833,563)	0	(833,563)
Total Fund Balances	963,313	9,801,606	10,764,919
Total Liabilities, Deferred Inflows and Fund Balances	\$3,403,092	\$15,163,344	\$18,566,436

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, 2016

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:			
Property and Other Taxes	\$0	\$5,072,337	\$5,072,337
Investment Earnings	275	0	275
Intergovernmental	8,158,152	110,418	8,268,570
Extracurricular Activities	2,425,791	0	2,425,791
Charges for Services	3,605,165	0	3,605,165
Revenue in Lieu of Taxes	0	568,765	568,765
Other Revenues	239,914	948	240,862
Total Revenues	14,429,297	5,752,468	20,181,765
Expenditures:			
Current:			
Instruction:			
Regular	1,714,302	3,171,840	4,886,142
Special	2,931,487	0	2,931,487
Pupil	270,392	0	270,392
Instructional Staff	339,780	0	339,780
School Administration	203,288	0	203,288
Fiscal	0	50,005	50,005
Operations and Maintenance	298,059	119,626	417,685
Pupil Transportation	3,000	0	3,000
Central	33,751	13,679	47,430
Operation of Non-Instructional Services	6,355,479	0	6,355,479
Extracurricular Activities	3,374,090	0	3,374,090
Capital Outlay	0	6,976,544	6,976,544
Debt Service:			
Principal Retirement	0	985,000	985,000
Interest and Fiscal Charges	0	917,088	917,088
Total Expenditures	15,523,628	12,233,782	27,757,410
Excess of Revenues Over (Under) Expenditures	(1,094,331)	(6,481,314)	(7,575,645)
Other Financing Sources (Uses):			
Transfers In	1,190,931	0	1,190,931
Total Other Financing Sources (Uses)	1,190,931	0	1,190,931
Net Change in Fund Balance	96,600	(6,481,314)	(6,384,714)
Fund Balance - Beginning of Year	866,713	16,282,920	17,149,633
Fund Balance - End of Year	\$963,313	\$9,801,606	\$10,764,919

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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.

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

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

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

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

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

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

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.

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, 2016

	Other Grants	Student Activities	Auxiliary Services	Ohio Reads
Assets:				
Equity in Pooled Cash and Investments	\$36,327	\$964,038	\$133,248	\$6,470
Receivables (Net):				
Accounts	6,966	0	0	0
Intergovernmental	0	0	0	0
Inventory	0	0	0	0
Total Assets	43,293	964,038	133,248	6,470
Liabilities:				
Accounts Payable	1,180	42,549	2,711	0
Accrued Wages and Benefits	0	0	38,530	0
Interfund Payable	6,752	0	0	0
Total Liabilities	7,932	42,549	41,241	0
Deferred Inflows of Resources:				
Grants and Other Taxes	0	0	0	0
Student and Other Fees	6,966	0	0	0
Total Deferred Inflows of Resources	6,966	0	0	0
Fund Balances:				
Restricted	28,395	921,489	92,007	6,470
Unassigned	0	0	0	0
Total Fund Balances	28,395	921,489	92,007	6,470
Total Liabilities, Deferred Inflows and Fund Balances	\$43,293	\$964,038	\$133,248	\$6,470

Alt. School Grant	Miscellaneous State Grants	Title VI-B	Title III	Title I	EHA Pre-School
\$786	\$787	\$15,033	\$3,113	\$12,406	\$0
0	0	0	0	0	0
0	0	904,725	72,293	254,238	0
0	0	0	0	0	0
<u>786</u>	<u>787</u>	<u>919,758</u>	<u>75,406</u>	<u>266,644</u>	<u>0</u>
0	0	0	0	0	0
5,732	4,750	524,217	46,916	249,406	0
0	0	0	1,531	0	0
<u>5,732</u>	<u>4,750</u>	<u>524,217</u>	<u>48,447</u>	<u>249,406</u>	<u>0</u>
0	0	904,725	72,293	254,238	0
0	0	0	0	0	0
0	0	904,725	72,293	254,238	0
0	0	0	0	0	0
(4,946)	(3,963)	(509,184)	(45,334)	(237,000)	0
<u>(4,946)</u>	<u>(3,963)</u>	<u>(509,184)</u>	<u>(45,334)</u>	<u>(237,000)</u>	<u>0</u>
<u>\$786</u>	<u>\$787</u>	<u>\$919,758</u>	<u>\$75,406</u>	<u>\$266,644</u>	<u>\$0</u>

Continued

Lakota Local School District, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016

	Title II-A	High Schools That Work	Food Service	Total Nonmajor Special Revenue Funds
Assets:				
Equity in Pooled Cash and Investments	\$2,813	\$451	\$863,107	\$2,038,579
Receivables (Net):				
Accounts	0	0	0	6,966
Intergovernmental	27,333	0	0	1,258,589
Inventory	0	0	98,958	98,958
Total Assets	30,146	451	962,065	3,403,092
Liabilities:				
Accounts Payable	0	0	41,169	87,609
Accrued Wages and Benefits	35,949	0	172,832	1,078,332
Interfund Payable	0	0	0	8,283
Total Liabilities	35,949	0	214,001	1,174,224
Deferred Inflows of Resources:				
Grants and Other Taxes	27,333	0	0	1,258,589
Student and Other Fees	0	0	0	6,966
Total Deferred Inflows of Resources	27,333	0	0	1,265,555
Fund Balances:				
Restricted	0	451	748,064	1,796,876
Unassigned	(33,136)	0	0	(833,563)
Total Fund Balances	(33,136)	451	748,064	963,313
Total Liabilities, Deferred Inflows and Fund Balances	\$30,146	\$451	\$962,065	\$3,403,092

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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, 2016

	Other Grants	Student Activities	Auxiliary Services	Ohio Reads
Revenues:				
Investment Earnings	\$0	\$85	\$21	\$0
Intergovernmental	105,745	0	504,911	0
Extracurricular Activities	20,170	2,405,621	0	0
Charges for Services	0	0	0	0
Other Revenues	18,650	177,713	0	0
Total Revenues	144,565	2,583,419	504,932	0
Expenditures:				
Current:				
Instruction:				
Regular	61,197	0	0	0
Special	647	0	0	0
Pupil	7,632	0	0	0
Instructional Staff	22,970	0	0	0
School Administration	7,948	0	0	0
Operations and Maintenance	0	298,059	0	0
Pupil Transportation	0	0	0	0
Central	33,751	0	0	0
Operation of Non-Instructional Services	0	0	428,293	0
Extracurricular Activities	22,215	3,351,875	0	0
Total Expenditures	156,360	3,649,934	428,293	0
Excess of Revenues Over (Under) Expenditures	(11,795)	(1,066,515)	76,639	0
Other Financing Sources (Uses):				
Transfers In	0	1,190,931	0	0
Total Other Financing Sources (Uses)	0	1,190,931	0	0
Net Change in Fund Balance	(11,795)	124,416	76,639	0
Fund Balance - Beginning of Year	40,190	797,073	15,368	6,470
Fund Balance - End of Year	<u>\$28,395</u>	<u>\$921,489</u>	<u>\$92,007</u>	<u>\$6,470</u>

Alt. School Grant	Miscellaneous State Grants	Title VI-B	Title III	Title I	EHA Pre-School
\$0	\$0	\$0	\$0	\$0	\$0
72,707	27,428	3,079,154	276,340	1,463,425	76,791
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>72,707</u>	<u>27,428</u>	<u>3,079,154</u>	<u>276,340</u>	<u>1,463,425</u>	<u>76,791</u>
54,428	0	0	42,896	1,405,053	0
0	0	2,613,280	240,769	0	76,791
2,876	26,894	232,990	0	0	0
0	0	245,163	250	0	0
0	0	135,780	0	59,560	0
0	0	0	0	0	0
0	0	0	0	3,000	0
0	0	0	0	0	0
0	0	62,223	2,450	13,182	0
0	0	0	0	0	0
<u>57,304</u>	<u>26,894</u>	<u>3,289,436</u>	<u>286,365</u>	<u>1,480,795</u>	<u>76,791</u>
<u>15,403</u>	<u>534</u>	<u>(210,282)</u>	<u>(10,025)</u>	<u>(17,370)</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
15,403	534	(210,282)	(10,025)	(17,370)	0
(20,349)	(4,497)	(298,902)	(35,309)	(219,630)	0
<u>(\$4,946)</u>	<u>(\$3,963)</u>	<u>(\$509,184)</u>	<u>(\$45,334)</u>	<u>(\$237,000)</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, 2016

	Title II-A	High Schools That Work	Food Service	Total Nonmajor Special Revenue Funds
Revenues:				
Investment Earnings	\$0	\$0	\$169	\$275
Intergovernmental	191,742	43,327	2,316,582	8,158,152
Extracurricular Activities	0	0	0	2,425,791
Charges for Services	0	0	3,605,165	3,605,165
Other Revenues	0	0	43,551	239,914
Total Revenues	191,742	43,327	5,965,467	14,429,297
Expenditures:				
Current:				
Instruction:				
Regular	145,853	4,875	0	1,714,302
Special	0	0	0	2,931,487
Pupil	0	0	0	270,392
Instructional Staff	44,272	27,125	0	339,780
School Administration	0	0	0	203,288
Operations and Maintenance	0	0	0	298,059
Pupil Transportation	0	0	0	3,000
Central	0	0	0	33,751
Operation of Non-Instructional Services	1,103	0	5,848,228	6,355,479
Extracurricular Activities	0	0	0	3,374,090
Total Expenditures	191,228	32,000	5,848,228	15,523,628
Excess of Revenues Over (Under) Expenditures	514	11,327	117,239	(1,094,331)
Other Financing Sources (Uses):				
Transfers In	0	0	0	1,190,931
Total Other Financing Sources (Uses)	0	0	0	1,190,931
Net Change in Fund Balance	514	11,327	117,239	96,600
Fund Balance - Beginning of Year	(33,650)	(10,876)	630,825	866,713
Fund Balance - End of Year	(\$33,136)	\$451	\$748,064	\$963,313

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, 2016

	Final Budget	Other Grants Fund Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$105,745	\$105,745	\$0
Extracurricular Activities	20,170	20,170	0
Other Revenues	18,650	18,650	0
Total Revenues	144,565	144,565	0
Expenditures:			
Current:			
Instruction:			
Regular	61,673	61,673	0
Special	647	647	0
Support Services:			
Pupil	7,632	7,632	0
Instructional Staff	22,970	22,970	0
School Administration	6,528	6,528	0
Central	34,935	34,935	0
Extracurricular Activities	22,215	22,215	0
Total Expenditures	156,600	156,600	0
Excess of Revenues Over (Under) Expenditures	(12,035)	(12,035)	0
Other Financing Sources (Uses):			
Advances In	6,752	6,752	0
Advances (Out)	(7,355)	(7,355)	0
Total Other Financing Sources (Uses)	(603)	(603)	0
Net Change in Fund Balance	(12,638)	(12,638)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	47,551	47,551	0
Fund Balance End of Year	\$34,913	\$34,913	\$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, 2016

	Student Activities Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$104	\$85	(\$19)
Extracurricular Activities	2,944,665	2,405,621	(539,044)
Other Revenues	217,534	177,713	(39,821)
Total Revenues	<u>3,162,303</u>	<u>2,583,419</u>	<u>(578,884)</u>
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance	361,032	299,478	61,554
Extracurricular Activities	4,214,966	3,496,339	718,627
Total Expenditures	<u>4,575,998</u>	<u>3,795,817</u>	<u>780,181</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,413,695)</u>	<u>(1,212,398)</u>	<u>201,297</u>
Other Financing Sources (Uses):			
Advances (Out)	(33,040)	(27,407)	5,633
Transfers In	1,457,791	1,190,931	(266,860)
Total Other Financing Sources (Uses)	<u>1,424,751</u>	<u>1,163,524</u>	<u>(261,227)</u>
Net Change in Fund Balance	11,056	(48,874)	(59,930)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>853,701</u>	<u>853,701</u>	<u>0</u>
Fund Balance End of Year	<u>\$864,757</u>	<u>\$804,827</u>	<u>(\$59,930)</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, 2016

	Auxiliary Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$21	\$21	\$0
Intergovernmental	504,913	504,911	(2)
Total Revenues	504,934	504,932	(2)
Expenditures:			
Current:			
Operation of Non-Instructional Services	485,287	485,292	(5)
Total Expenditures	485,287	485,292	0
Net Change in Fund Balance	19,647	19,640	(2)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	98,310	98,310	0
Fund Balance End of Year	\$117,957	\$117,950	(\$2)

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, 2016

	Ohio Reads Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	6,473	6,473	0
Fund Balance End of Year	\$6,473	\$6,473	\$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, 2016

	Alt. School Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$78,907	\$72,707	(\$6,200)
Total Revenues	<u>78,907</u>	<u>72,707</u>	<u>(6,200)</u>
Expenditures:			
Current:			
Instruction:			
Regular	58,589	54,458	4,131
Support Services:			
Pupil	3,094	2,876	218
Instructional Staff	1,076	1,000	76
Total Expenditures	<u>62,759</u>	<u>58,334</u>	<u>4,425</u>
Excess of Revenues Over (Under) Expenditures	<u>16,148</u>	<u>14,373</u>	<u>(1,775)</u>
Other Financing Sources (Uses):			
Advances (Out)	(22,148)	(20,586)	1,562
Total Other Financing Sources (Uses)	<u>(22,148)</u>	<u>(20,586)</u>	<u>1,562</u>
Net Change in Fund Balance	(6,000)	(6,213)	(213)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>6,000</u>	<u>6,000</u>	<u>0</u>
Fund Balance End of Year	<u>\$0</u>	<u>(\$213)</u>	<u>(\$213)</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, 2016

	Miscellaneous State Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$29,747	\$27,428	(\$2,319)
Total Revenues	29,747	27,428	(2,319)
Expenditures:			
Current:			
Support Services:			
Pupil	30,069	26,962	3,107
Total Expenditures	30,069	26,962	3,107
Net Change in Fund Balance	(322)	466	788
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	321	321	0
Fund Balance End of Year	(\$1)	\$787	\$788

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, 2016

	Title VI-B Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$3,079,154	\$3,079,154	\$0
Total Revenues	<u>3,079,154</u>	<u>3,079,154</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Special	2,512,310	2,512,309	1
Support Services:			
Pupil	218,805	218,805	0
Instructional Staff	245,163	245,163	0
School Administration	135,382	135,382	0
Operation of Non-Instructional Services	<u>57,194</u>	<u>57,194</u>	<u>0</u>
Total Expenditures	<u>3,168,854</u>	<u>3,168,853</u>	<u>1</u>
Net Change in Fund Balance	(89,700)	(89,699)	1
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>104,732</u>	<u>104,732</u>	<u>0</u>
Fund Balance End of Year	<u>\$15,032</u>	<u>\$15,033</u>	<u>\$1</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, 2016

	Title III Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$276,339	\$276,340	\$1
Total Revenues	<u>276,339</u>	<u>276,340</u>	<u>1</u>
Expenditures:			
Current:			
Instruction:			
Regular	39,420	39,421	(1)
Special	238,559	238,562	(3)
Support Services:			
Instructional Staff	250	250	0
Operation of Non-Instructional Services	<u>2,450</u>	<u>2,450</u>	<u>0</u>
Total Expenditures	<u>280,679</u>	<u>280,683</u>	<u>(4)</u>
Excess of Revenues Over (Under) Expenditures	<u>(4,340)</u>	<u>(4,343)</u>	<u>(3)</u>
Other Financing Sources (Uses):			
Advances In	<u>1,531</u>	<u>1,531</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>1,531</u>	<u>1,531</u>	<u>0</u>
Net Change in Fund Balance	(2,809)	(2,812)	(3)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>5,922</u>	<u>5,922</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$3,113</u></u>	<u><u>\$3,110</u></u>	<u><u>(\$3)</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, 2016

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,463,425	\$1,463,425	\$0
Total Revenues	<u>1,463,425</u>	<u>1,463,425</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	1,415,304	1,415,306	(2)
Support Services:			
School Administration	59,355	59,355	0
Pupil Transportation	3,000	3,000	0
Operation of Non-Instructional Services	<u>13,182</u>	<u>13,182</u>	<u>0</u>
Total Expenditures	<u>1,490,841</u>	<u>1,490,843</u>	<u>(2)</u>
Net Change in Fund Balance	(27,416)	(27,418)	(2)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>39,823</u>	<u>39,823</u>	<u>0</u>
Fund Balance End of Year	<u>\$12,407</u>	<u>\$12,405</u>	<u>(\$2)</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, 2016

	EHA Pre-School Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$76,791	\$76,791	\$0
Total Revenues	<u>76,791</u>	<u>76,791</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Special	<u>76,791</u>	<u>76,791</u>	<u>0</u>
Total Expenditures	<u>76,791</u>	<u>76,791</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</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, 2016

	Title II-A Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$191,742	\$191,742	\$0
Total Revenues	<u>191,742</u>	<u>191,742</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	147,001	147,000	1
Support Services:			
Instructional Staff	44,237	44,237	0
Operation of Non-Instructional Services	<u>1,103</u>	<u>1,103</u>	<u>0</u>
Total Expenditures	<u>192,341</u>	<u>192,340</u>	<u>1</u>
Net Change in Fund Balance	(599)	(598)	1
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>3,417</u>	<u>3,417</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$2,818</u></u>	<u><u>\$2,819</u></u>	<u><u>\$1</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, 2016

	High Schools That Work Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$43,327	\$43,327	\$0
Total Revenues	<u>43,327</u>	<u>43,327</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	4,875	4,875	0
Support Services:			
Instructional Staff	27,125	27,125	0
Total Expenditures	<u>32,000</u>	<u>32,000</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>11,327</u>	<u>11,327</u>	<u>0</u>
Other Financing Sources (Uses):			
Advances (Out)	(11,327)	(11,327)	0
Total Other Financing Sources (Uses)	<u>(11,327)</u>	<u>(11,327)</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>450</u>	<u>450</u>	<u>0</u>
Fund Balance End of Year	<u>\$450</u>	<u>\$450</u>	<u>\$0</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, 2016

	Food Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$169	\$169	\$0
Intergovernmental	1,831,666	1,831,923	257
Charges for Services	3,604,660	3,605,165	505
Other Revenues	43,545	43,551	6
Total Revenues	<u>5,480,040</u>	<u>5,480,808</u>	<u>768</u>
Expenditures:			
Current:			
Operation of Non-Instructional Services	5,722,993	5,400,482	322,511
Total Expenditures	<u>5,722,993</u>	<u>5,400,482</u>	<u>0</u>
Net Change in Fund Balance	(242,953)	80,326	768
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>698,759</u>	<u>698,759</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$455,806</u></u>	<u><u>\$779,085</u></u>	<u><u>\$768</u></u>

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, 2016

	Permanent Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$4,994,238	\$5,059,594	\$65,356
Revenue in lieu of taxes	561,418	568,765	7,347
Intergovernmental	108,992	110,418	1,426
Other Revenues	936	948	12
Total Revenues	<u>5,665,584</u>	<u>5,739,725</u>	<u>74,141</u>
Expenditures:			
Current:			
Instruction:			
Regular	4,198,250	3,407,781	790,469
Support Services:			
Fiscal	61,604	50,005	11,599
Operations and Maintenance	147,374	119,626	27,748
Central	18,659	15,146	3,513
Capital Outlay	10,941,417	8,881,308	2,060,109
Debt Service:			
Principal Retirement	985,000	985,000	0
Interest and Fiscal Charges	1,358,297	917,088	441,209
Total Expenditures	<u>17,710,601</u>	<u>14,375,954</u>	<u>3,334,647</u>
Net Change in Fund Balance	(12,045,017)	(8,636,229)	3,408,788
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>17,689,717</u>	<u>17,689,717</u>	<u>0</u>
Fund Balance End of Year	<u>\$5,644,700</u>	<u>\$9,053,488</u>	<u>\$3,408,788</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, 2016

	Public School Support Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$8,070	\$8,070	\$0
Extracurricular Activities	481,212	481,213	1
Other Revenues	266,794	266,795	1
Total Revenues	756,076	756,078	2
Expenditures:			
Current:			
Instruction:			
Regular	118,831	118,446	385
Special	60	60	0
Support Services:			
Pupil	726,418	724,064	2,354
Instructional Staff	40,328	40,197	131
School Administration	1,767	1,761	6
Operation of Non-Instructional Services	9,220	9,190	30
Extracurricular Activities	285	284	1
Total Expenditures	896,909	894,002	2,907
Excess of Revenues Over (Under) Expenditures	(140,833)	(137,924)	2,909
Other Financing Sources (Uses):			
Advances (Out)	(396)	(395)	1
Transfers In	19,676	19,676	0
Transfers (Out)	(19,740)	(19,676)	64
Total Other Financing Sources (Uses)	(460)	(395)	65
Net Change in Fund Balance	(141,293)	(138,319)	2,974
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	905,388	905,388	0
Fund Balance End of Year	\$764,095	\$767,069	\$2,974

(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, 2016

	Underground Storage Tanks Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
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)	8,000	8,000	0
Fund Balance End of Year	\$8,000	\$8,000	\$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, 2016

	Uniform School Supply Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$968,814	\$788,455	(\$180,359)
Total Revenues	<u>968,814</u>	<u>788,455</u>	<u>(180,359)</u>
Expenditures:			
Current:			
Instruction:			
Regular	1,171,863	880,634	291,229
Special	495	372	123
Total Expenditures	<u>1,172,358</u>	<u>881,006</u>	<u>291,352</u>
Excess of Revenues Over (Under) Expenditures	<u>(203,544)</u>	<u>(92,551)</u>	<u>110,993</u>
Other Financing Sources (Uses):			
Transfers In	95,925	78,067	(17,858)
Transfers (Out)	(103,884)	(78,067)	25,817
Total Other Financing Sources (Uses)	<u>(7,959)</u>	<u>0</u>	<u>7,959</u>
Net Change in Fund Balance	(211,503)	(92,551)	118,952
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>393,238</u>	<u>393,238</u>	<u>0</u>
Fund Balance End of Year	<u>\$181,735</u>	<u>\$300,687</u>	<u>\$118,952</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, 2016

	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, 2016

	Student Activities			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$269,196	\$585,442	\$597,436	\$257,202
Total Assets	<u>269,196</u>	<u>585,442</u>	<u>597,436</u>	<u>257,202</u>
Liabilities:				
Accounts Payable	3,335	801	3,335	801
Other Liabilities	265,861	584,641	594,101	256,401
Total Liabilities	<u>\$269,196</u>	<u>\$585,442</u>	<u>\$597,436</u>	<u>\$257,202</u>

	Athletic			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$5,346	\$217,387	\$215,853	\$6,880
Total Assets	<u>5,346</u>	<u>217,387</u>	<u>215,853</u>	<u>6,880</u>
Liabilities:				
Other Liabilities	5,346	217,387	215,853	6,880
Total Liabilities	<u>\$5,346</u>	<u>\$217,387</u>	<u>\$215,853</u>	<u>\$6,880</u>

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$274,542	\$802,829	\$813,289	\$264,082
Total Assets	<u>274,542</u>	<u>802,829</u>	<u>813,289</u>	<u>264,082</u>
Liabilities:				
Accounts Payable	3,335	801	3,335	801
Other Liabilities	271,207	802,028	809,954	263,281
Total Liabilities	<u>\$274,542</u>	<u>\$802,829</u>	<u>\$813,289</u>	<u>\$264,082</u>

STATISTICAL SECTION

STATISTICAL SECTION

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

Contents

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

Revenue Capacity - These schedules contain information to help the reader understand and assess the 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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Net Investment in Capital Assets	\$43,792,493	\$28,638,246	\$32,506,569	\$30,152,263	\$27,488,410	\$26,180,412	\$34,044,680	\$36,634,277	\$33,700,216	\$34,765,304
Restricted	13,264,151	12,869,138	8,416,967	9,608,553	7,551,789	12,146,326	12,509,509	17,264,154	22,047,853	22,589,156
Unrestricted	37,944,136	32,168,847	23,890,999	16,155,094	11,846,048	11,006,296	8,180,522	19,506,790	(177,869,417)	(160,919,417)
Total Governmental Activities Net Position	\$95,000,780	\$73,676,231	\$64,814,535	\$55,915,910	\$46,886,247	\$49,333,034	\$54,734,711	\$73,405,221	(\$122,121,348)	(\$103,564,957)

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities:										
Instruction	\$76,890,642	\$90,031,129	\$93,452,835	\$100,378,362	\$98,167,225	\$94,332,642	\$93,165,308	\$96,366,952	\$97,909,357	\$103,347,727
Pupil	10,940,729	12,016,164	12,113,779	12,740,885	12,432,349	11,771,194	10,615,552	9,479,631	9,876,426	10,495,122
Instructional Staff	8,868,043	10,815,877	11,763,768	12,525,237	10,645,860	9,042,640	9,262,186	1,182,492	3,833,860	4,066,703
General Administration	62,727	78,578	99,449	66,318	93,099	44,037	131,324	93,640	429,531	522,057
School Administration	13,621,563	13,555,040	17,117,393	14,002,040	13,293,359	12,765,974	11,501,259	11,273,613	11,706,103	12,220,461
Fiscal	1,267,506	1,238,214	1,410,759	1,236,620	1,376,474	1,469,950	1,823,403	2,505,065	2,761,326	2,912,728
Business	222,208	335,700	349,666	357,957	410,605	349,836	321,951	408,212	395,844	461,261
Operations and Maintenance	11,300,285	13,420,202	15,569,138	14,249,777	13,471,298	12,375,806	12,987,618	12,276,208	14,801,001	12,767,832
Pupil Transportation	16,077,170	17,182,978	15,651,796	19,423,730	14,483,316	14,371,035	15,747,256	14,608,136	13,732,011	16,271,733
Central	2,637,239	4,293,249	4,117,653	3,663,618	3,383,747	3,586,813	2,938,700	3,103,648	3,551,574	3,665,840
Operation of Non-Instructional Services	6,614,004	7,510,386	7,660,032	7,073,573	6,452,226	5,989,839	6,115,163	5,498,073	6,249,900	6,635,763
Extracurricular Activities	3,023,706	3,278,754	3,620,893	3,426,136	3,005,242	2,825,760	2,615,894	2,864,097	4,348,519	3,819,289
Interest and Fiscal Charges, and Bond Issuance Cost	8,276,131	8,715,607	7,673,349	8,047,154	9,242,380	8,139,377	6,415,090	6,651,232	7,260,940	7,264,960
Total Governmental Activities Expenses	\$159,801,953	\$182,471,878	\$190,600,510	\$197,191,407	\$186,457,180	\$177,064,903	\$173,640,704	\$166,310,999	\$176,856,392	\$184,451,476

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction	\$644,136	\$950,815	\$1,074,436	\$827,777	\$1,873,574	\$2,262,719	\$2,496,829	\$2,976,089	\$3,422,520	\$2,820,248
Pupil	641,584	733,516	619,309	599,203	27,638	28,558	0	0	0	992
Instructional Staff	81,704	112,068	125,840	80,305	0	0	0	0	0	2,986
School Administration	0	7,263	3,984	3,412	0	0	0	0	116,116	69,544
Fiscal	0	0	272	131	0	0	0	0	0	0
Business	0	515	276	0	0	0	0	0	0	0
Operations and Maintenance	305,151	313,088	320,619	364,828	494,614	646,643	612,280	511,407	572,826	466,496
Pupil Transportation	0	0	1	0	0	17,976	3,840	17,957	9,164	1,999
Central	0	0	33	214	0	25,227	32,448	33,496	6,982	4,387
Operation of Non-Instructional Services	5,218,887	5,089,655	5,169,264	5,356,842	3,920,417	3,902,472	3,467,769	3,320,880	3,329,290	3,605,165
Extracurricular Activities	909,205	1,013,459	1,154,754	1,140,219	2,239,406	2,509,515	2,271,635	2,602,658	3,222,744	2,679,022
Operating Grants and Contributions	9,089,786	10,213,556	9,669,092	12,899,123	14,091,811	12,554,729	9,175,862	13,023,058	14,923,268	14,366,036
Capital Grants and Contributions	327,799	139,255	271,848	0	0	0	0	0	0	0
Total Governmental Activities Program Revenues	13,547,565	17,218,252	18,573,190	18,409,728	21,272,054	22,647,460	21,947,839	22,485,545	25,602,910	24,016,875
Net (Expense)/Revenue										
Governmental Activities	(\$146,254,388)	(\$165,253,626)	(\$172,027,320)	(\$178,781,679)	(\$165,185,126)	(\$154,417,443)	(\$151,692,865)	(\$143,825,454)	(\$151,253,482)	(\$160,434,601)

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (Expense)/Revenue	(\$142,583,701)	(\$163,898,688)	(\$172,190,782)	(\$175,919,353)	(\$163,809,720)	(\$155,117,064)	(\$151,692,865)	(\$143,825,454)	(\$151,253,482)	(\$160,434,601)
Governmental Activities										
Governmental Activities:										
Property Taxes										
Property Taxes Levied for General Purposes	86,994,400	80,968,922	81,845,161	81,301,524	71,923,151	76,293,977	78,411,041	79,750,648	86,553,168	90,342,420
Property Taxes Levied for Debt Service Purposes	12,127,727	12,502,843	10,940,720	11,706,135	11,309,553	13,584,230	12,753,190	15,155,498	11,586,576	11,134,726
Property Taxes Levied for Capital Projects Purposes	0	0	0	0	0	0	0	221,364	4,936,901	5,081,365
Grants and Entitlements Not Restricted to Specific Programs	54,786,321	57,026,114	59,350,755	59,845,825	58,880,750	56,475,755	53,242,351	54,137,612	57,748,163	57,645,040
Revenue in Lieu of Taxes	2,437,337	1,482,251	8,862,405	13,164,088	11,874,109	10,724,516	12,790,111	12,407,808	13,716,812	13,458,694
Unrestricted Contributions	0	55,000	0	0	195,225	125,665	222,389	279,560	241,806	237,021
Investment Earnings	7,567,638	5,030,023	1,674,144	158,738	93,272	150,995	65,183	153,829	373,321	556,846
Other Revenues	1,063,644	276,786	655,901	844,418	503,997	208,713	360,626	389,645	467,833	534,880
Total Governmental Activities	149,933,435	164,977,067	157,341,939	163,329,086	167,020,728	154,780,057	157,563,851	162,495,964	175,624,580	178,990,992
Change in Net Position	\$7,349,734	\$1,078,379	(\$14,848,843)	(\$12,590,267)	\$3,211,008	(\$337,007)	\$5,870,986	\$18,670,510	\$24,371,098	\$18,556,391
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									
	2007	2008	2009	2010	2011 (1)	2012	2013	2014	2015	2016
General Fund										
Reserved	\$5,713,978	\$4,675,843	\$4,748,650	\$5,673,834	\$1,976,054	\$0	\$0	\$0	\$0	\$0
Unreserved	36,756,523	32,561,593	25,764,017	19,421,784	1,340,988	1,987,149	2,320,032	1,895,265	1,330,504	1,143,977
Restricted					9,786,790	11,432,732	9,147,491	21,519,261	40,680,138	56,345,650
Assigned					13,103,832	13,419,881	11,467,523	23,414,526	42,010,642	57,489,627
Unassigned										
Total General Fund	42,470,501	37,237,436	30,512,667	25,095,618	13,103,832	13,419,881	11,467,523	23,414,526	42,010,642	57,489,627
All Other Governmental Funds										
Reserved	32,675,178	11,356,315	3,794,230	916,357						
Unreserved, Reported In:										
Special Revenue Funds	1,154,791	1,090,115	631,697	408,704						
Debt Service Funds	5,223,525	4,661,672	5,220,175	5,965,990						
Capital Project Funds	14,391,862	3,018,349	1,211,247	6,981,989						
Nonspendable					63,434	98,667	67,873	0	0	0
Restricted					10,237,959	11,803,043	12,780,376	36,179,970	30,154,228	22,948,005
Unassigned					(381,833)	(1,825,118)	(1,414,504)	(678,796)	(623,213)	(833,563)
Total all Other Governmental Funds	\$53,445,356	\$20,126,451	\$10,857,349	\$14,273,040	\$9,919,560	\$10,076,592	\$11,433,745	\$35,501,174	\$29,531,015	\$22,114,442

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Taxes	\$99,366,657	\$92,729,935	\$93,210,158	\$92,536,437	\$80,952,105	\$91,254,610	\$91,108,735	\$96,570,178	\$104,273,650	\$106,312,743
Revenue in Lieu of Taxes	0	0	8,862,405	13,164,088	11,824,742	10,681,075	12,790,111	12,500,615	13,716,812	13,458,694
Tuition and Fees	548,049	725,425	746,895	780,464	865,429	911,559	2,205,304	2,736,275	3,544,985	2,972,631
Investment Earnings	7,552,512	5,009,134	1,674,144	158,134	93,272	138,655	66,559	164,793	334,650	547,631
Intergovernmental	63,869,399	65,892,942	67,917,331	71,241,438	72,825,089	67,045,964	63,892,463	67,588,081	71,903,753	72,297,318
Extracurricular Activities	1,741,406	1,980,928	2,006,843	1,949,537	2,471,629	2,938,060	2,774,238	2,970,379	3,458,554	2,907,004
Charges for Services	0	0	0	0	4,865,460	5,441,167	3,897,716	3,563,095	3,463,172	3,673,964
Other Revenues	3,774,211	2,191,041	1,138,540	1,045,490	958,635	595,535	590,855	699,347	1,040,400	1,039,110
Total Revenues	\$157,173,707	\$176,852,234	\$168,529,405	\$175,556,316	\$180,875,588	\$174,856,361	\$179,006,625	\$186,792,763	\$201,735,976	\$203,209,095

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Regular Instruction	\$63,108,553	\$67,168,954	\$70,110,539	\$72,485,934	\$73,724,468	\$68,630,735	\$67,184,552	\$71,464,900	\$68,497,629	\$70,915,653
Special Instruction	10,825,993	12,086,711	13,119,471	14,714,652	15,108,862	15,140,017	15,628,947	16,688,004	23,398,707	23,251,504
Vocational Instruction	126,020	97,588	335	0	258	2,409	7,710	212	0	0
Other Instruction	3,018,895	2,603,832	2,860,997	3,035,460	5,083,411	4,360,229	5,022,092	4,673,410	4,353,201	4,214,000
Pupil	10,831,902	11,839,061	12,002,967	12,670,167	12,781,903	11,843,829	10,474,061	9,688,119	10,381,473	10,488,417
Instructional Staff	8,797,966	10,827,641	11,767,805	12,448,325	10,608,861	9,089,492	9,315,263	1,240,670	3,958,418	4,134,218
General Administration	62,727	78,578	99,449	66,318	93,099	44,037	131,324	93,640	430,396	522,611
School Administration	13,442,807	14,377,494	16,520,191	14,385,096	12,593,415	12,770,073	12,318,992	11,307,165	11,798,443	12,505,212
Fiscal	1,227,995	1,282,321	1,350,862	1,275,852	1,354,628	1,444,518	1,846,253	2,489,768	2,748,303	2,927,145
Business	171,521	269,953	319,840	282,518	329,850	298,498	293,402	368,598	355,310	418,578
Operations and Maintenance	11,184,911	13,243,610	15,416,204	14,038,230	13,054,256	12,220,783	12,131,371	12,079,378	14,603,646	12,681,862
Pupil Transportation	15,225,047	16,648,154	15,456,434	17,417,776	14,393,792	14,281,471	15,660,815	14,517,575	13,698,054	16,187,348
Central	3,127,979	4,002,284	3,922,128	3,483,625	3,219,005	3,465,160	2,818,021	3,068,670	3,464,188	3,575,061
Operation of Non-Instructional Services	555,986	272,258	710,274	599,732	6,192,026	5,900,036	5,943,133	5,591,853	6,014,524	6,364,983
Extracurricular Activities	2,896,885	3,106,657	3,461,532	3,124,572	2,778,846	2,474,836	2,440,572	2,843,963	4,007,433	3,484,047
Capital Outlay	45,983,393	35,589,747	14,644,749	9,142,535	7,579,315	2,406,771	1,737,236	6,077,722	5,885,411	6,976,544
Debt Service:										
Principal Retirement	6,668,076	4,660,658	6,279,450	4,734,714	5,305,024	4,379,103	8,220,000	7,860,000	8,170,000	16,853,740
Interest and Fiscal Charges	8,457,993	8,873,127	7,698,465	8,205,712	8,127,454	9,803,688	6,762,418	6,624,684	7,344,883	7,744,637
Bond Issuance Costs	0	0	222,100	0	0	0	470,319	291,857	227,974	301,329
Total Expenditures	\$205,714,649	\$207,028,628	\$195,963,792	\$192,111,218	\$192,328,473	\$178,555,685	\$178,406,481	\$176,970,188	\$189,337,993	\$203,546,889

Debt Service as a Percentage of
 Noncapital Expenditures

7.76% 8.62% 8.77% 7.22% 7.17% 8.01% 8.44% 8.56% 8.40% 12.47%

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Other Financing Sources (Uses):										
Issuance of Long Term Debt	\$10,000,000	\$0	\$4,100,000	\$9,405,000	\$0	\$0	\$0	\$24,740,000	\$0	\$0
Issuance of Refunding Bonds	0	0	0	0	0	0	0	0	18,215,000	15,145,000
Premium on Bonds Sold	0	0	1,065,460	0	0	0	7,731,369	0	2,101,145	1,290,708
Payment to Refunded Bonds Escrow Agent	0	0	(17,479,951)	0	0	0	(52,096,050)	0	0	0
Payments to Bond Escrow Account	0	0	0	0	0	0	0	0	(20,088,171)	(8,035,502)
Proceeds of Refunding Bonds	0	0	16,680,000	0	0	0	44,835,000	0	0	0
Proceeds from Sale of Capital Assets	0	3,519	48,096	110,234	203,980	22,141	14,976	0	0	0
Premium of Issuance	0	0	0	0	0	0	0	1,451,857	0	0
Transfers In	1,779,391	1,870,362	1,996,206	1,974,538	1,500,000	600,839	427,002	590,997	935,517	1,190,931
Transfers (Out)	(1,845,117)	(1,926,628)	(1,996,206)	(2,255,500)	(1,500,000)	(600,839)	(427,002)	(590,997)	(935,517)	(1,190,931)
Total Other Financing Sources (Uses)	9,934,274	(52,747)	4,413,605	9,234,272	203,980	22,141	485,295	26,191,857	227,974	8,400,206
Net Change in Fund Balances	(\$38,606,668)	(\$30,229,141)	(\$23,020,782)	(\$7,320,630)	(\$11,248,905)	(\$3,677,183)	\$1,085,439	\$36,014,432	\$12,625,957	\$8,062,412

Source: District Records

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

Collection Year	Real Property	Tangible Personal Property	Public Utilities Personal	Total	Total	Total
	Assessed Value	Assessed Value	Assessed Value	Assessed Value	Estimated Actual Value	Direct Rate
2006	\$2,324,789,851	\$188,497,872	\$65,725,474	\$2,579,013,197	\$7,461,973,679	65.63
2007	2,415,765,750	163,745,949	57,329,510	2,636,841,209	7,614,501,163	65.39
2008	2,478,371,360	132,724,791	55,548,700	2,666,644,851	7,667,508,893	65.39
2009	2,683,065,110	0	57,758,480	2,740,823,590	7,723,658,794	65.39
2010	2,693,254,040	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

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
2006	6.49	59.14	65.63	9.44	0.59	10.50	9.85	1.93
2007	6.49	58.90	65.39	10.95	0.59	10.50	8.01	1.93
2008	6.49	58.90	65.39	10.45	0.59	10.50	8.00	1.93
2009	6.49	58.90	65.39	9.75	0.59	10.50	8.00	1.93
2010	6.49	59.35	65.84	9.72	0.59	11.59	8.00	1.93
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

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	2015	
	Tangible Personal & Real Property	Percentage of Total Assessed Value
Duke Energy Ohio Inc	\$77,311,200	2.95%
Duke Realty Ohio	12,978,540	0.50%
First Industrial LP	9,194,750	0.35%
US Industrial Reit III Midwest	9,021,410	0.34%
FFIII OH WEST CHESTER	8,041,210	0.31%
Cincinnati Lesaint Industrial	7,889,540	0.30%
Lightning Propco	7,064,530	0.27%
Lakes at West Chester Village	6,580,650	0.25%
Landings at Beckett Ridge LLC	6,574,410	0.25%
Union Station of West Chester	6,159,900	0.24%
Total Principal Taxpayers	150,816,140	5.76%
All Other Taxpayers	2,467,216,860	94.24%
Total Taxpayers	\$2,618,033,000	100.00%
Taxpayer	2006	
	Tangible Personal & Real Property	Percentage of Total Taxable Value
Cincinnati Gas & Electric	\$46,064,120	1.79%
Security Capital IND TR	12,186,170	0.47%
Cincinnati Bell Telephone	10,229,560	0.40%
Duke Realty Ohio	8,282,300	0.32%
Union Station of West Chester LLC	6,667,050	0.26%
Landings at Beckett Ridge LLC	6,591,950	0.26%
Dugan Financing LLC	6,518,310	0.25%
Port Union LLC	6,064,080	0.24%
Four Bridges Apartments LTD	5,382,380	0.21%
First Industrial L P	5,196,980	0.20%
Total Principal Taxpayers	113,182,900	4.39%
All Other Taxpayers	2,465,830,297	95.61%
Total Taxpayers	\$2,579,013,197	100.00%

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
2006	\$93,214,462	\$88,979,494	95.46%	\$4,234,968	\$93,214,462	100.00%
2007	106,207,980	95,734,594	90.14%	4,927,183	100,661,777	94.78%
2008	105,907,712	95,707,017	90.37%	3,422,593	99,129,610	93.60%
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%

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					
2007	\$175,856,247	\$4,984,483	\$170,334,397	2.36%	1.46%	\$2,388	\$2,313	
2008	171,006,195	6,476,400	166,050,785	2.25%	1.36%	2,322	2,255	
2009	168,876,566	6,202,221	163,311,218	2.20%	1.30%	2,293	2,218	
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	

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, 2016
 Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Butler County	\$44,425,900	35.13%	\$15,606,819
City of Fairfield	18,395,000	1.03%	189,469
City of Monroe	10,715,000	3.70%	396,455
Liberty Township	8,397,000	100.00%	8,397,000
West Chester Township	44,160,000	96.80%	42,746,880
Butler Technology & Career Center JT. Voc. School District	9,195,000	32.19%	2,959,871
Subtotal, Overlapping Debt	135,287,900		70,296,493
District Direct Debt	161,208,101	100.00%	161,208,101
Total Direct and Overlapping Debt	\$296,496,001		\$231,504,594

Source: Ohio Municipal Advisory Council

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

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

Legal Debt Margin Calculation for Fiscal Year 2016	
Assessed value (1)	\$2,618,033,000
Debt limit (9% of assessed value)	235,622,970
Debt applicable to limit	161,208,101
Legal debt margin	<u>\$74,414,869</u>

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Limit	\$232,111,188	\$237,315,709	\$239,998,037	\$246,674,123	\$247,865,686	\$238,703,576	\$226,859,492	\$226,642,436	\$229,864,033	\$235,622,970
Total Net Debt Applicable to Limit	171,918,950	167,258,291	164,828,841	169,524,128	164,194,104	159,815,000	155,042,814	178,479,618	169,981,420	161,208,101
Legal Debt Margin	<u>\$60,192,238</u>	<u>\$70,057,418</u>	<u>\$75,169,196</u>	<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>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	74.07%	70.48%	68.68%	68.72%	66.24%	66.95%	68.34%	78.75%	73.95%	68.42%

Source: District Records

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2016 is calendar year 2015)

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

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2006	73,633	\$12,034,316	\$33,739	5.6%
2007	73,633	12,561,553	34,778	5.1%
2008	73,633	12,968,770	35,611	6.5%
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%

- 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 Seven Years Ago (2)
 Schedule 16

2015			
Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Employment
AK Steel Holding Corp	Mfg	(4)	(5)
Cincinnati Financial Corp	Ins	(4)	(5)
Cornerstone Brands Inc	Trade	(4)	(5)
Ft Hamilton Memorial Hospital	Serv	(4)	(5)
GE Aviation	Mfg	(4)	(5)
Lakota Local Schools	Govt	(4)	(5)
Liberty Mutual/Ohio Casualty Corp	Ins	(4)	(5)
Mercy Regional Hospital	Serv	(4)	(5)
Miami University	Govt	(4)	(5)
Miller Coors	Mfg	(4)	(5)
Pierre Foods	Mfg	(4)	(5)

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

Source: Ohio Department of Development

(1) - For all of Butler County

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

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

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

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

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

	Fiscal Year									
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Official/Administrative										
Assist. Deputy/Superintendent	2	2	1	2	2	2	1	1	1	1
Assistant Principal	24	27	28	23	23	22	22	23	27	27
Principal	19	20	20	19	20	20	21	20	20	20
Superintendent	1	1	1	1	1	1	1	1	1	1
Supervising/Managing/Directing	8	9	6	6	6	5	3	3	4	8
Treasurer	1	1	1	1	0	1	1	1	1	1
Coordinator	4	5	4	5	5	0	2	1	0	0
Education Admin Specialist	0	0	0	0	0	0	4	4	4	6
Director	8	7	8	7	6	0	6	7	11	14
ESC Supervisor	0	0	3	0	0	0	0	0	0	0
Building Manager	0	0	0	0	0	0	0	0	1	0
Other Official/Administrative	5	4	7	7	8	11	0	2	5	0
Totals	72	76	79	71	71	62	61	63	75	78
Professional - Educational/Other										
Curriculum Specialist	5	5	8	8	8	7	5	4	21	22
Counseling	32	33	37	34	33	31	31	29	33	32
Librarian/Media	18	21	17	18	14	6	2	2	2	2
Remedial Specialist	39	34	31	34	31	26	27	43	40	40
Tutor/Small Gr Instructor	14	32	30	32	32	15	13	17	16	21
Regular Teaching	733	747	845	828	773	748	658	641	684	686
Special Education Teaching	140	153	137	139	140	142	121	123	74	77
Vocational Education Teach	1	1	0	0	0	0	0	0	0	0
Educational Service Teacher	71	80	0	0	0	0	0	0	0	0
Other Professional	6	10	11	20	16	13	22	29	29	31
Totals	1,057	1,116	1,116	1,112	1,046	989	879	887	899	909
Professional - Other										
Accounting	0	0	0	0	0	1	1	1	1	0
Negotiating	0	1	0	0	0	0	0	0	0	0
Personnel	0	1	0	0	0	0	0	0	0	0
Dietitian/Nutrition	0	0	0	0	0	2	2	1	2	2
Psychologist	13	14	14	14	13	12	13	13	11	12
Publicity Relations	1	1	1	1	1	1	0	0	0	0
Registered Nursing	15	16	16	15	11	10	24	23	22	20
Social Work	2	2	2	2	2	2	0	0	0	0
Physical Therapist	2	2	2	1	2	2	2	2	2	2
Speech and Language Therapist	31	33	34	32	32	27	23	22	22	25
Occupational Therapist	4	5	5	5	6	6	4	4	4	4
Educational Interpreter	6	5	6	5	4	4	4	7	7	5
Visiting Teacher	0	0	0	0	0	0	0	0	0	0
Occupational Ther Assist	4	4	5	4	4	4	4	4	4	3
Physical Therapy Assist	1	1	1	1	1	1	0	0	0	0
Adapted PE Therapist	2	2	2	2	2	2	2	2	2	1
Planning/Research/Develop	0	0	0	0	0	3	0	0	0	0
Other Professional - Other	0	0	0	0	0	2	1	1	1	0
Totals	80	87	87	82	78	79	80	80	78	75
Technical										
Computer Operating	19	21	21	21	22	20	21	21	30	16
Practical Nursing	7	11	9	9	15	12	2	1	1	0
Library Aide	10	13	15	14	12	20	17	17	14	0
Instructional Parapro	147	159	174	164	164	172	187	195	184	210
Other Technical	3	3	1	1	1	2	2	2	1	5
Totals	187	207	220	209	214	226	229	235	230	231

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

	Fiscal Year									
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Office/Clerical										
Bookkeeping	5	5	4	4	4	4	3	3	3	1
Clerical	90	92	99	93	82	83	78	81	80	100
Messenger	2	3	3	3	3	3	2	2	2	2
Records Managing	0	0	0	0	0	2	1	1	1	6
Teaching Aide	10	11	11	10	10	0	0	0	0	0
Parent Mentor	1	1	1	1	1	1	1	1	1	1
Other Office/Clerical	0	0	1	1	1	0	3	3	4	0
Totals	108	111	118	111	100	93	88	91	91	110
Crafts and Trades										
Carpentering	1	1	1	1	1	0	2	2	2	0
Electrician	2	2	1	0	0	1	0	0	0	0
General Maintenance	7	8	11	11	11	12	4	4	6	28
Mechanic	7	8	8	7	7	6	6	5	1	2
Plumbing	2	2	2	3	2	1	1	1	1	0
Foreman	0	0	0	0	0	0	2	3	3	0
Other Crafts and Trades	0	0	0	0	0	0	5	5	5	0
Totals	19	21	23	22	21	20	20	20	18	30
Operative										
Other Operative	0	0	1	1	0	0	0	0	0	0
Totals	0	0	1	1	0	0	0	0	0	0
Service Worker/Laborer										
Attendance Officer	2	2	0	0	0	0	0	0	0	0
Custodian	85	95	105	102	88	92	93	94	95	111
Food Service	63	65	79	70	66	69	68	68	68	80
Monitoring	8	7	9	9	6	1	0	0	0	0
Stores Handling	1	1	0	0	0	0	0	0	0	0
Groundskeeping	5	5	5	5	5	5	2	2	2	2
Attendant	19	25	26	19	20	1	8	6	1	0
Other Service Worker/Lab	0	0	0	0	0	0	3	2	3	0
Totals	181	199	224	204	185	168	174	172	169	192
Grand Totals	1,704	1,817	1,869	1,811	1,716	1,637	1,531	1,548	1,559	1,626

Source: Lakota Local School District records.

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

<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>
2006/2007	17,782	1,139	\$53,622	15.98	15.39%
2007/2008	18,234	1,188	58,382	15.62	11.11%
2008/2009	18,330	1,196	59,660	15.33	13.97%
2009/2010	18,473	1,192	62,331	15.50	16.08%
2010/2011	18,426	1,176	63,000	15.67	16.60%
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%

Source: Lakota Local School District records.

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

	Fiscal Year									
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Creekside Early Childhood*										
Square Feet	67,685	67,685	67,685	67,685	67,685	67,685	67,685	67,685	67,685	67,685
Enrollment	1,325	930	889	872	818	690	566	573	553	558
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	598	466	440	578	591	522	401	372	371	371
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	622	796	816	743	723	681	539	570	534	543
Wyandot Early Childhood (2007)***										
Square Feet	N/A	75,397	75,397	75,397	75,397	75,397	75,397	75,397	75,397	75,397
Enrollment	0	969	915	856	831	768	772	700	683	698
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	906	708	742	738	697	663	670	649	630	634
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	673	805	738	749	763	693	663	589	579	589
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	907	825	841	833	799	766	704	675	665	675
Endeavor Elementary (2007)***										
Square Feet	N/A	75,397	75,397	75,397	75,397	75,397	75,397	75,397	75,397	75,397
Enrollment	0	654	661	701	753	760	726	768	782	800

Source: Lakota Local School District records.

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

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

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

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

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

N/A - Information not available

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

	Fiscal Year									
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Old Union Elementary (1916) *****										
Square Feet	54,364	54,364	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	588	570	0	0	0	0	0	0	0	0
New Union Elementary (2007) *****										
Square Feet	N/A	N/A	86,262	86,262	86,262	86,262	86,262	86,262	86,262	86,262
Enrollment	0	0	619	747	753	749	706	647	622	625
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	676	671	655	680	672	642	647	635	592	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	837	749	752	605	596	563	546	518	481	490
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	687	644	641	639	606	554	531	499	500	512
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	891	712	765	788	810	794	762	713	712	720
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	832	536	605	660	674	659	685	688	646	651
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	650	674	603	592	605	602	609	628	574	590
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	894	763	801	767	823	879	840	822	849	880
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	663	661	674	635	599	612	582	552	574	592

Source: Lakota Local School District records.

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

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

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

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

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

N/A - Information not available

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

	Fiscal Year									
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
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	893	756	776	753	752	744	695	696	658	675
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	1,282	1,312	680	712	653	600	609	618	561	562
Lakota West High (1997)										
Square Feet	257,888	257,888	318,862	318,862	318,862	318,862	318,862	318,862	318,862	318,862
Enrollment	1,997	2,087	2,028	2,105	2,200	2,055	1,931	1,903	1,793	1,807
Lakota East Freshman (2009)****										
Square Feet	N/A	N/A	126,903	126,903	126,903	126,903	126,903	126,903	126,903	126,903
Enrollment	0	0	679	739	628	643	677	741	657	663
Lakota East High (1997)										
Square Feet	257,888	257,888	318,862	318,862	318,862	318,862	318,862	318,862	318,862	318,862
Enrollment	1,861	1,946	1,941	1,987	2,080	2,024	1,954	1,928	1,975	1,987
Total Enrollment	18,166	18,258	18,287	18,409	17,910	17,663	16,815	16,484	15,991	16,224

Source: Lakota Local School District records.

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

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

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

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

N/A - Information not available

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