

LAKWOOD LOCAL SCHOOL DISTRICT

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2003



**Auditor of State
Betty Montgomery**

Board of Education
Lakewood Local School District
525 E. Main Street
P.O. Box 70
Hebron, Ohio 43025-0070

We have reviewed the Independent Auditor's Report of the Lakewood Local School District, Licking County, prepared by Jones, Cochenour & Co., for the audit period July 1, 2002 through June 30, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

December 30, 2003

This Page is Intentionally Left Blank.

LAKWOOD LOCAL SCHOOL DISTRICT
For the Year Ended June 30, 2003

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Schedule of Federal Awards Expenditures	1
Notes to Schedule of Federal Award Expenditures	2
Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	3
Report on Compliance with Requirements Applicable to its Major Federal Programs and Internal Control over Compliance in Accordance with OMB Circular A-133.....	4 - 5
Schedule of Findings.....	6

This Page is Intentionally Left Blank.

LAKWOOD LOCAL SCHOOL DISTRICT
SCHEDULE OF FEDERAL AWARD RECEIPTS AND EXPENDITURES
For the Year Ended June 30, 2003

<u>Federal Grantor/ Pass-Through Grantor/ Program Grant Title</u>	<u>Pass-Through Entity Number</u>	<u>CFDA Number</u>	<u>Receipts</u>	<u>Expenditures</u>
<i>U.S. Department of Agriculture/ Ohio Department of Education</i>				
National School Breakfast Program	05PU 02 & 03	10.553	23,613	23,613
National School Lunch Program	LLP4 02 & 03	10.555	200,370	200,370
Commodities		10.550	<u>67,002</u>	<u>84,170</u>
TOTAL NUTRITION CLUSTER AND U.S. DEPARTMENT OF AGRICULTURE			290,985	308,153
<i>U.S. Department of Education/ Ohio Department of Education</i>				
Title I				
Grants to Local Educational Agencies	C1S1 02 & 03	84.010	404,897	420,884
Title VI-B				
Special Education Grants to State	6BSF 02-P & 03-P	84.027	183,527	203,038
Drug Free Educational Subsidy Innovative Education Program	DR-S1 03	84.186	11,120	8,529
Strategies	C2S1 02 & 03	84.298	14,880	12,605
Title VI-R Class Size Reduction Goals	CRS1 02	84.340	7,348	19,140
	G259 01	84.276	-	6,086
Eisenhower Prof. Dev. Grant	MSS1 02	84.281	1,470	3,791
Comprehensive School Reform	RFS1 01 & 02	84.332	86,250	90,793
Title II-A	TRS1 03	84.367	104,036	95,365
Title II-D	TJS1 03	84.318	9,337	7,551
School Renovation, Idea & Technology	ATS3 02	84.352A	<u>4,567</u>	<u>1,534</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			827,432	869,316
<i>U. S. Department of Health and Human Services/ Ohio Department of Job and Family Services to Ohio Department of Education</i>				
Temporary Assistance for Needy Families		93.558	996	996
<i>U.S. Department of Health and Human Services/ Ohio Department of MRDD</i>				
Medical Assistance Program (Title XIX)		93.778	27,270	18,469
<i>Federal Emergency Management Agency/ Ohio Emergency Management Agency</i>				
Public Assistance Program	09-UO1NR	83.544	<u>0</u>	<u>1,710</u>
TOTAL FEDERAL AWARD RECEIPTS AND EXPENDITURES			<u>\$1,146,683</u>	<u>\$1,198,644</u>

**LAKWOOD LOCAL SCHOOL DISTRICT
FOR THE YEAR ENDED JUNE 30, 2003**

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENTURES

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – FOOD DISTRIBUTION

Nonmonetary assistance. Such as food received from the U. S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2003, the District had no significant food commodities in inventory.

CDFA – Catalog of Federal Domestic Assistance



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

Board of Education
Lakewood Local School District
Hebron, Ohio

We have audited the basic financial statements of Lakewood Local School District as of and for the year ended June 30, 2003, and have issued our report thereon dated October 24, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lakewood Local School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the board of directors, management, Auditor of State and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Jones, Cochenour & Co.
October 24, 2003



**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Education
Lakewood Local School District
Hebron, Ohio

Compliance

We have audited the compliance of Lakewood Local School District, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2003. Lakewood Local School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Lakewood Local School District's management. Our responsibility is to express an opinion on Lakewood Local School District's compliance based on our audit.

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

In our opinion, Lakewood Local School District, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003.

Internal Control Over Compliance

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

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

This report is intended solely for the information and use of the board of education, management, Auditor of State and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

**Jones, Cochenour & Co.
October 24, 2003**

**LAKWOOD LOCAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2003**

1. SUMMARY OF AUDITORS' RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under §.510?	No
(d)(1)(vii)	Major Programs (list):	Title I CFDA Number 84.010
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: \$300,000 Type B: All others
(d)(1)(ix)	Low Risk Auditee?	Yes

2. FINDINGS RELATED TO FINANCIAL STATEMENTS

There are no findings or questioned costs for the year ended June 30, 2003.

3. FINDINGS RELATED TO FEDERAL AWARDS

There are no findings or questioned costs for the year ended June 30, 2003.

LAKWOOD LOCAL SCHOOL DISTRICT



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
June 30, 2003**

LAKEWOOD LOCAL SCHOOL DISTRICT

LAKEWOOD LOCAL
SCHOOL DISTRICT, OHIO
LICKING COUNTY

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2003

Prepared by:
Ms. Glenna Plaisted, CPA
Treasurer/CFO

LAKWOOD LOCAL SCHOOL DISTRICT

TABLE OF CONTENTS

I **INTRODUCTORY SECTION**

A Letter of Transmittalv
B Members of the Board of Education and Administration xii
C School District Organizational Chart..... xiii

II **FINANCIAL SECTION**

A Independent Auditor’s Report..... 1
B Management’s Discussion and Analysis3
C Basic Financial Statements:
 Government-wide Financial Statements:
 Statement of Net Assets..... 11
 Statement of Activities 12
 Fund Financial Statements:
 Governmental Funds:
 Balance Sheet 14
 Reconciliation of Total Governmental Fund Balances to Net Assets of
 Governmental Activities 15
 Statement of Revenues, Expenditures and Changes in Fund Balances 16
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities 17
 Statement of Revenues, Expenditures and Changes in Fund Balance –
 Budget and Actual (Non-GAAP Budgetary Basis):
 General Fund 18
 Proprietary Funds:
 Statement of Net Assets..... 20
 Statement of Revenues, Expenses and Changes in Fund Net Assets 21
 Statement of Cash Flows 22
 Fiduciary Funds:
 Statement of Fiduciary Net Assets 23
 Statement of Changes in Fiduciary Net Assets..... 24
Notes to the Basic Financial Statements..... 25

LAKEWOOD LOCAL SCHOOL DISTRICT

D Combining and Individual Fund Statements and Schedules:

Nonmajor Governmental Funds Statements:

Combining Balance Sheet – Nonmajor Governmental Funds.....	56
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	60

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis):

Major Governmental Funds:

<i>General Fund</i>	64
---------------------------	----

Debt Service Fund:

Bond Retirement Fund.....	68
---------------------------	----

Capital Projects Funds:

Building Acquisition and Construction Fund	69
--	----

Nonmajor Governmental Funds:

Special Revenue Funds:

Public School Support Fund	70
Other Grant Fund	71
Student Activity Fund	72
Auxiliary Services Fund.....	73
Career Development Fund	74
Teacher Development Fund	75
Management Information System Fund.....	76
Disadvantaged Pupil Impact Aid Fund	77
Data Communications Fund.....	78
SchoolNet Professional Development Fund	79
OhioReads Fund.....	80
Summer Intervention Fund	81
Miscellaneous State Grants Fund.....	82
Eisenhower Professional Development Fund	83
Title VI-B Fund.....	84
Title I Fund	86
Title V Fund.....	88
Drug Free School Grant Fund.....	89
Telecommunications Act Grant Fund	90
Goals 2000 Fund	91
Title II-A Fund.....	92
Miscellaneous Federal Grants Fund.....	93

LAKWOOD LOCAL SCHOOL DISTRICT

Capital Projects Funds:

SchoolNet Plus Fund.....	95
E Fiduciary Fund – Agency Fund:	
Statement of Changes in Assets and Liabilities.....	97
F Capital Assets Used in the Operation of Governmental Funds:	
Schedule by Source.....	99
Schedule by Function and Activity.....	100
Schedule of Changes by Function and Activity.....	101

III

STATISTICAL SECTION

General Governmental Expenditures by Function - Last Nine Years.....	S 2
General Governmental Revenues By Source - Last Nine Years.....	S 4
Property Tax Levies and Collections - Last Ten Calendar Years.....	S 5
Assessed Valuations and Estimated True Values of Taxable Property - Last Ten Calendar Years.....	S 6
Property Tax Rates - Direct and Overlapping Governments - Last Ten Calendar Years.....	S 7
Computation of Legal Debt Margin.....	S 8
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita - Last Ten Years.....	S 9
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures - Last Five Years.....	S 10
Computation of All Direct and Overlapping Debt.....	S 11
Demographic Statistics - Last Ten Years.....	S 12
Property Value and Construction Permits - Last Seven Calendar Years.....	S 13
Principal Taxpayers (Tangible Personal Property Tax).....	S 14
Principal Taxpayers (Real Property Tax).....	S 15
Principal Taxpayers (Public Utility Personal Property Tax).....	S 16
Principal Employers.....	S 17
Miscellaneous Statistics.....	S 18
Staff Statistics.....	S 19
Teachers Education and Experience Statistics.....	S 20
Cost Per Pupil Statistics - Last Nine Years.....	S 21
Transportation Statistics.....	S 22
Enrollment Statistics - Last Ten Years.....	S 23

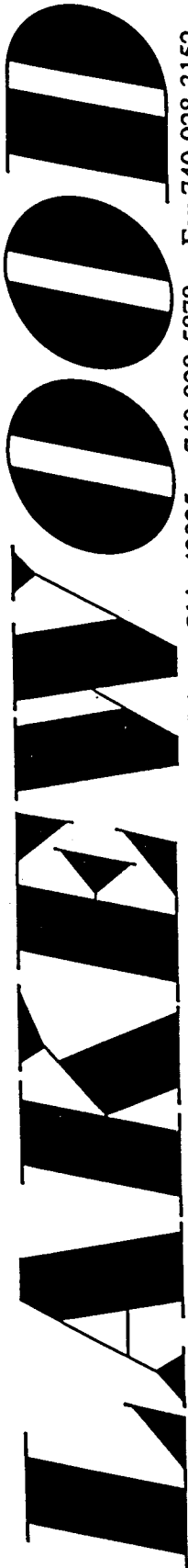
LAKWOOD LOCAL SCHOOL DISTRICT



This Page is Intentionally Left Blank.

INTRODUCTORY SECTION





Lakewood Local Schools • 525 East Main Street • P.O. Box 70 • Hebron, Ohio 43025 • 740-928-5878 • Fax 740-928-3152

November 13, 2003

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

The Comprehensive Annual Financial Report (CAFR) of the Lakewood Local School District (District) for the fiscal year ended June 30, 2003 is hereby submitted. This report was prepared by the Treasurer's Office and includes the unqualified opinion of our auditors.

The CAFR is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Lakewood Local School District's MD&A can be found immediately following the independent auditor's report.

The CAFR is presented in three sections as follows:

The Introductory Section includes this transmittal letter, the District's organizational chart and a list of principal officers.

The Financial Section includes the Independent Auditor's Report, Management's Discussion and Analysis, basic financial statements and notes that provide an overview of the District's financial position and operating results, the combining statements for nonmajor funds and other schedules that provide detailed information relative to the basic financial statements.

The Statistical Section includes selected financial and demographic information generally presented on a multi-year basis.

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2003

The District provides a full range of education programs and services. These include elementary and secondary curriculum offerings at the general, college preparatory, and vocational levels, a broad range of co-curricular and extracurricular activities, and special education services. In addition, the District provides state-financial assistance to non-public schools located within its boundaries. This assistance is accounted for in a special revenue fund. The non-public school operations have not met the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report.

THE DISTRICT AND ITS FACILITIES

The District is located in Licking County, which is situated in the east-central part of the state. The District covers an area of 115 square miles which includes the Village of Hebron and the Village of Buckeye Lake. The District has a diversified industrial base as well as residential and agricultural. Interstate 70 and State Routes 79 and 13 serve as the major transportation arteries. The District serves approximately 2,277 students.

The District's facilities include 2 elementary schools (grades K-3), 1 intermediate school (grades 4-5), 1 middle school (grades 6-8), 1 high school (grades 9-12), a bus garage, the administrative building and an athletic complex.

The Board of Education of the Lakewood Local School District (the Board) is a five member body politic and corporate, as defined by Section 3313.02, Ohio Revised Code. The Board serves as the taxing authority contracting body, policy maker, and ensures that all other general laws of the State of Ohio are followed in the expenditure of the District's tax dollars and approves the annual appropriation resolution and tax budget.

Good schools are important to the quality of life in the Villages of Hebron and Buckeye Lake and also to maintaining property values. But beyond these considerations, the educational program itself is of primary importance. The Lakewood Local School District continuously strives toward providing students with a quality education. It is therefore appropriate to review the foundation on which the District's programs are built.

CURRICULUM DEVELOPMENT

The Lakewood Local School District provides a comprehensive K-12 program; intervention, assessment and special needs programming. The curriculum supports the Ohio Proficiency Tests, Achievement Tests and Diagnostic Tests and provides interesting and appealing instruction. The curriculum is on a five year revision cycle that involves K-12 staff and community involvement.

INSTRUCTION MATERIALS

Keeping current with today's educational methodology and utilizing updated student textbooks and materials has been identified by administration, staff, board members, and community as critical to providing students with a quality education. Materials include print, manipulatives and computer software that provide learning activities for students.

LAKWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2003

STAFF DEVELOPMENT

Locally provided staff development is an extremely important part of professional growth. The Curriculum Coordinator, with the input from staff and building administrators, assesses staff needs and plans after school sessions, in-service days, and summer sessions for certified staff. The emphasis on these professional development activities is to provide professional staff with the knowledge base required for curriculum implementation and use of effective teaching strategies. In addition to locally provided staff development, the Lakewood Local School District financially supports staff members going to professional meetings out of district and partially reimburses staff for approved graduate hours.

INTERVENTION AND SPECIAL PROGRAMS

The Lakewood Local School District recognizes its responsibility to serve students who are at-risk of not achieving in school. Intervention for these students includes teams of professionals who meet with the individual student and his/her parents. An intervention assistance team helps identify specific areas of need and develops and monitors plans to address each need.

Special programs provided for students who need additional support include an elementary guidance program and an elementary and secondary summer school.

GIFTED AND TALENTED PROGRAMMING AND ADVANCED PLACEMENT COURSES

The Lakewood Local School District recognizes its responsibility to provide appropriate programming for its most capable students. The District provides a portion of that programming through a gifted and talented program that serves selected elementary and middle school students beginning in the fourth grade. The program provides enrolled students enrichment experiences, opportunities for advanced thinking skills, development and independent research. Computer technology is a significant part of this program.

Lakewood Local High School offers advanced placement in US History and English Language and Composition.

SPECIAL EDUCATION

In 2002-2003 there were 376 students on Individualized Educational Programs representing approximately 16.5% of the student population. Students were served in the following programs: Speech/language, multi handicapped, cognitively disabled handicapped, severe emotionally disturbed, specific learning disabled, other health impaired and hearing impaired.

Special education is structured to provide a continuum of services in most buildings and to allow special education teachers to be resources to the regular education staff. This has permitted more collaboration among staff and more opportunities for special needs students to be included in regular education.

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2003

CONTINUOUS IMPROVEMENT PLANNING

In January 2000, the District submitted a three-year Continuous Improvement Plan to the Ohio Department of Education. The district-wide comprehensive plan focused on four areas of improvement: 1) Improved student achievement scores in all areas of proficiency testing; 2) Increased parental and community involvement; 3) Team building amongst district staff; 4) Improve and increase the use of technology.

Over the past two years the District has invested heavily in the Baldrige model of performance excellence. Administrators and teachers throughout the District have had Orientation Training, Quality Tools Training, Data Notebook Training, and PDSA (Plan, Do, Study, Act) Training. Each training focuses on a quality approach towards problem solving and instruction.

During the 2003-04 school year the District board, administrators and staff will be modifying the Continuous Improvement Plan to include the Baldrige quality approach towards goal setting, problem solving and goal assessment.

ECONOMIC CONDITIONS AND OUTLOOK

The District passed a five year emergency operating levy on May 6, 2003. The total amount of additional revenue from this emergency operating levy is \$2,058,646 per year and will be collected from both real estate and tangible personal property taxes.

The District has been experiencing decreases in tangible personal property tax revenues in fiscal year 2003 and fiscal year 2004. This is a result of delinquent personal property tax collections as well as reduction in inventories for local businesses. The District's tax base for tangible personal property is 20% of its total tax base of \$354,939,050. Significant changes in tangible personal property valuations will substantially impact the District's revenues for any given year.

RECENT SIGNIFICANT ACCOMPLISHMENTS

The District prepared its first Comprehensive Annual Financial Report (CAFR) for fiscal year 2003. The District was successful in its early implementation of Governmental Accounting Standards Board Statement 34. The District is currently applying for the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Offices Association and the Association of School Business Officials International.

The District approved the sponsorship of Lakewood Digital Academy. The Lakewood Digital Academy is considered a community school that will provide parents a choice of academic environments for their children. The Lakewood Digital Academy will deliver educational services to children residing within the District using distance learning technologies and services supplied by the Tri-Rivers Educational Computer Association (TRECA), together with local support and programming.

LAKWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2003

The District approved a Citizens Advisory Committee. The purpose of this committee shall be to improve the educational opportunities of children in the Lakewood Local School District and to help improve the greater Lakewood Local community by voluntary efforts of its members. There are 15 members on the committee. The directives given to the committee by the Board for fiscal year 2003-2004 include: 1) population study and building capacities; 2) community impact fee; 3) district communication; and 4) coordination of public forums.

MAJOR INITIATIVES FOR THE FUTURE

The District continues to seek improvement in the area of the Local Report Card. Federal, State and Local grants will be pursued to assist the District financially to provide the services to the students in the area of intervention.

With the approval of new federal legislation ESEA, "No Child Left Behind", the District will be working to meet all standards required to receive the federal funding. For fiscal year 2004, the District qualifies for \$778,326 in federal funding for programs in Title I Schoolwide and Targeted Assistance, Special Education IDEA-Part B, Title II-A Improvement Teacher Quality, Title II-D Technology, Title IV Safe and Drug Free Schools, and Title V Innovative Programs.

ACCOUNTING INFORMATION

ACCOUNTING SYSTEM – The District's accounting system is organized on a fund basis. Each fund is a separate self-balancing accounting entity. The basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

INTERNAL CONTROLS – The Treasurer of the District is responsible for establishing an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The Management Team is responsible for assisting with implementation of the established internal controls. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of cost and benefit requires estimates and judgments by management. Management believes the internal controls adequately meet the above objective.

SINGLE AUDIT – As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation and audit by the Treasurer, Management Team and staff of the District.

LAKWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2003

As part of the District's single audit, tests are made to determine the adequacy of the internal control structure, including that portion relating to federal financial assistance programs, as well as to verify that the District has complied with applicable laws and regulations. The results of the District's single audit for the fiscal year ended June 30, 2003, as of this writing, revealed no instances of material weaknesses in internal control structure or significant violations of applicable laws and regulations.

BUDGETARY CONTROLS – All governmental fund types are subject to annual expenditure budgets.

The procedures below outline the District's budgetary procedures:

1. A tax budget of estimated cash receipts and disbursements is submitted to the county auditor as secretary of the county budget commission by January 20 of each year for the fiscal year commencing the following July 1. The District's Board of Education (the Board) adopts the tax budget at its January Organizational Meeting.
2. The county budget commission certifies its actions to the District by March 1. As part of this certification, the District receives the official certificate of estimated resources which states the projected receipts of each fund. On or about July 1, this certificate is amended to include any unencumbered balances from the proceeding year.
3. An annual appropriations measure is passed upon receipt of the county's auditor's final tax revenue estimates, of each year for the period July 1 to June 30. Unencumbered appropriations lapse at year-end and encumbered appropriations are reported as expenditures in the current year. The Board adopts temporary appropriations at its June Board meeting to cover expenditures until the adoption of the permanent appropriations. The appropriations measure may be amended or supplemented during the year as new information becomes available. Individual buildings are given building budget funds for instructional supplies and equipment. Buildings may move funds within their budgets with approval of the Treasurer. Appropriations may not exceed estimated resources and expenditures may not exceed appropriations in any fund.

Additionally, the District maintains an encumbrance accounting system as a useful technique of accomplishing budgetary control. Under encumbrance accounting, purchase orders, contract and other commitments for expenditures of funds are recorded in order to reserve that portion of the applicable appropriation.

CASH MANAGEMENT – It is the policy of the Lakewood Local School District, that with due regard to the safety and risk of investments, all available funds shall be invested in conformance with existing legal requirement and Board-adopted policy guidelines, to the maximum extent possible, at the highest rates obtainable at the time of investment. Effective cash management is recognized as essential to good fiscal management. An investment policy has been formulated to take advantage of investment interest as a viable and material source of revenue to all funds involved. The District's investments are designed and managed in a manner responsive to public trust and consistent with state and local laws.

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2003

Investments are made with the primary objectives:

- Preservation of capital and protection of principal.
- Maintenance of liquidity to meet cash flow requirements.
- Diversification of assets to avoid undue credit and liquidity risks.
- Optimization of portfolio returns within objectives outlined above.
- Use of good judgment and care to provide safety to the District's assets.

Administrative guidelines and investment policies apply to all financial assets of the District contained in the Comprehensive Annual Financial Report (CAFR). The investment portfolio shall consist of investment securities, permissible by law, recognizing that all participants involved in the process shall act responsibly as custodians of the public trust. Investment officials shall avoid any transaction that might impair public confidence in the District's ability to govern effectively.

RISK MANAGEMENT – The District is adequately insured in all areas including buildings, contents, vehicles, equipment and general liability. The District is also covered under the State Workers' Compensation Fund. The District makes every effort to monitor insurance costs and related risk of accident to ensure proper fiscal management in this area. Detailed information regarding the risk management activities of the District can be found in the Notes to Financial Statements section of this report.

OTHER INFORMATION

INDEPENDENT AUDIT – State statutes require an annual audit. Jones, Cochenour & Co. conducted the audit for the fiscal year ended June 30, 2003. The auditor's unqualified opinion on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS – The notes to the basic financial statements which follow the basic financial statements contain additional information and are an integral part of such statements.

ACKNOWLEDGMENTS – The preparation of the Comprehensive Annual Financial Report was made possible by the diligence of the entire Treasurer's Office staff. We also would like to recognize Donald J. Schonhardt & Associates, Inc. for their assistance in preparing this report.

In closing, without the continued support of the Board of Education, who values quality financial information, the preparation of this report would not have been possible.

Respectfully submitted,



Glenna J. Plaisted, CPA
Treasurer/CFO



Phillip T. Herman
Superintendent

LAKWOOD LOCAL SCHOOL DISTRICT

Members of the Board of Education and Administration For the Fiscal Year Ended June, 30, 2003

Members of the Board of Education

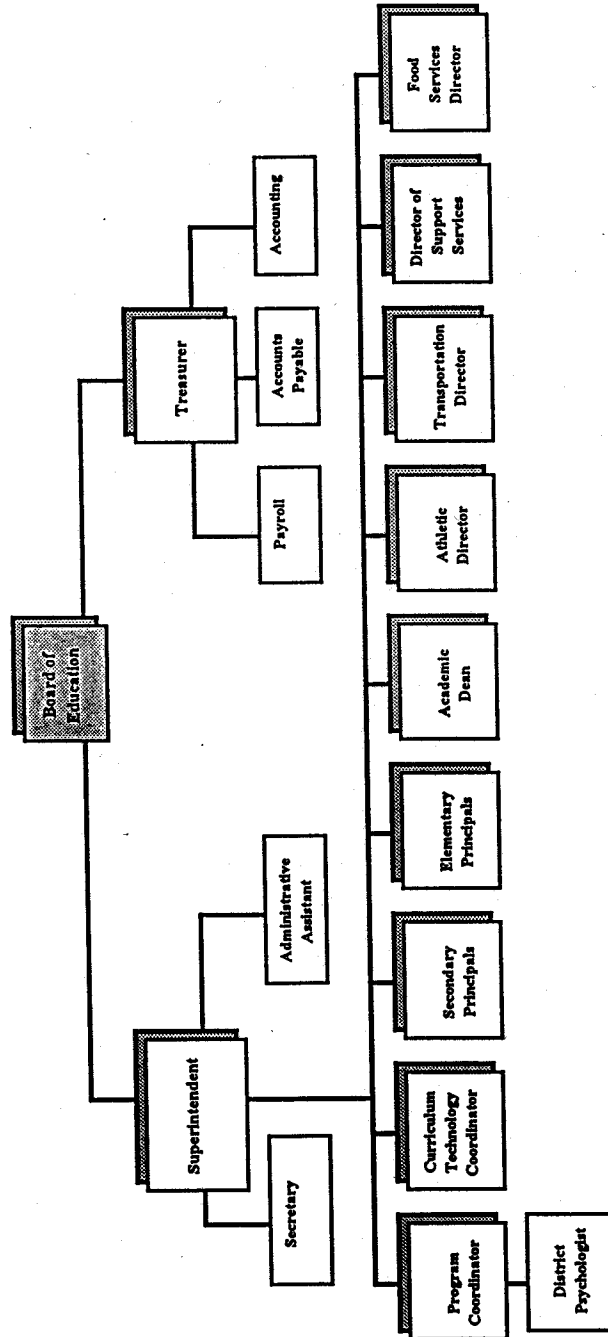
	<u>Began Service as A Board Member</u>	<u>Present Term Expires</u>
Larry Harmon, President	January 1, 2000	December 31, 2003
Rick Black, Vice President	January 1, 2002	December 31, 2005
Pam DeVaul	January 1, 2000	December 31, 2003
Connie Fought	January 1, 2002	December 31, 2005
Janice Mason	January 1, 2001	December 31, 2005

Administration

	<u>Position</u>	<u>Date of Hire</u>
Phillip T. Herman	Superintendent	January 1, 2003
Glenna J. Plaisted	Treasurer	May 15, 2000

LAKWOOD LOCAL SCHOOL DISTRICT

Organizational Chart For the Fiscal Year Ended June 30, 2003





FINANCIAL SECTION





INDEPENDENT AUDITORS' REPORT

Board of Education
Lakewood Local School District
Hebron, Ohio

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Lakewood Local School District, Hebron, Ohio (the "District"), as of and for the year ended June 30, 2003, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Lakewood Local School District, Hebron, Ohio, as of June 30, 2003, and the respective changes in financial position and the cash flows, where applicable, thereof and the respective budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2003 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund statements and statistical tables are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects, in relation to the basic financial statement taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Jones, Cochenour & Co.

Jones, Cochenour & Co.

October 24, 2003

LAKWOOD LOCAL SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003***

Unaudited

The discussion and analysis of Lakewood Local School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2003. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2003 are as follows:

- ❑ In total, net assets decreased \$629,372. Net assets of governmental activities decreased \$643,605, which represents a 9.7% decrease from 2002. Net assets of business-type activities increased \$14,233 or 9.3% from 2002.
- ❑ General revenues accounted for \$15,213,480 in revenue or 86% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$2,549,321 or 14% of total revenues of \$17,762,801.
- ❑ The District had \$17,712,301 in expenses related to governmental activities; only \$1,855,216 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$15,213,480 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$14,341,916 in revenues and \$14,821,013 in expenditures. The general fund's fund balance decreased from \$2,449,853 to \$2,018,021. The decrease includes a combination of factors. The decrease in revenues reflects the decrease in state foundation revenues. The increase in expenditures includes a 7% adjustment in wages and salaries and the related benefits which is reflective of two years of wage and salary freezes due to District budget reductions. The increase in expenditures also includes the purchase of two school busses and one handicapped bus.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – *management's discussion and analysis* and the *basic financial statements* and an optional section that presents *combining statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the District:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the District's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.

LAKEWOOD LOCAL SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003***

Unaudited

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net assets and how they have changed. Net-assets (the difference between the District's assets and liabilities) is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
 - To assess the overall health of the District you need to consider additional nonfinancial factors such as the property tax base, current property tax laws, student enrollment growth and facility conditions.

The government-wide financial statements of the District are divided into two categories:

- Governmental Activities – Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.
- Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The District's food service and uniform school supplies are reported as business activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

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

LAKWOOD LOCAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003**

Unaudited

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

Fiduciary Funds – The District is the trustee, or fiduciary, for various student managed activity programs, various scholarship programs and other items listed as agency and private purpose. It is also responsible for other assets that, due to a trust arrangement can only be used for the trust beneficiaries. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. We exclude these activities from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The following table provides a summary of the District's net assets for 2003 compared to 2002:

	Governmental Activities		Business-type Activities		Total	
	2003	2002	2003	2002	2003	2002
Current and other assets	\$13,306,312	\$13,712,633	\$130,620	\$127,648	\$13,436,932	\$13,840,281
Capital assets, Net	18,418,224	18,403,702	120,786	126,747	18,539,010	18,530,449
Total assets	<u>31,724,536</u>	<u>32,116,335</u>	<u>251,406</u>	<u>254,395</u>	<u>31,975,942</u>	<u>32,370,730</u>
Long-term debt outstanding	15,927,045	15,040,220	14,827	15,660	15,941,872	15,055,880
Other liabilities	9,838,458	10,473,477	69,130	85,519	9,907,588	10,558,996
Total liabilities	<u>25,765,503</u>	<u>25,513,697</u>	<u>83,957</u>	<u>101,179</u>	<u>25,849,460</u>	<u>25,614,876</u>
Net assets						
Invested in capital assets, net of related debt	3,991,060	3,579,979	120,786	126,747	4,111,846	3,706,726
Restricted	607,289	934,974	0	0	607,289	934,974
Unrestricted	<u>1,360,684</u>	<u>2,087,685</u>	<u>46,663</u>	<u>26,469</u>	<u>1,407,347</u>	<u>2,114,154</u>
Total net assets	<u><u>\$5,959,033</u></u>	<u><u>\$6,602,638</u></u>	<u><u>\$167,449</u></u>	<u><u>\$153,216</u></u>	<u><u>\$6,126,482</u></u>	<u><u>\$6,755,854</u></u>

This space intentionally left blank.

LAKWOOD LOCAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003**

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for the fiscal year 2003:

	Governmental Activities		Business-type Activities		Total	
	2003	2002	2003	2002	2003	2002
Revenues						
Program revenues:						
Charges for Services	\$604,600	\$610,385	\$413,537	\$445,367	\$1,018,137	\$1,055,752
Operating Grants	1,214,843	1,163,105	274,372	306,593	1,489,215	1,469,698
Capital Grants	35,773	3,264	6,196	0	41,969	3,264
General revenues:						
Property Taxes	9,718,328	9,439,433	0	0	9,718,328	9,439,433
Grants and Entitlements	5,182,898	5,295,793	0	0	5,182,898	5,295,793
Other	312,254	407,417	0	190	312,254	407,607
Total revenues	<u>17,068,696</u>	<u>16,919,397</u>	<u>694,105</u>	<u>752,150</u>	<u>17,762,801</u>	<u>17,671,547</u>
Program Expenses						
Instruction	10,265,237	8,831,815	0	0	10,265,237	8,831,815
Support Services:						
Pupils	1,047,551	989,832	0	0	1,047,551	989,832
Instructional Staff	681,706	563,834	0	0	681,706	563,834
Board of Education	31,860	21,037	0	0	31,860	21,037
Administration	1,459,918	1,371,649	0	0	1,459,918	1,371,649
Fiscal Services	445,519	473,835	0	0	445,519	473,835
Business	14,175	13,295	0	0	14,175	13,295
Operation and Maintenance of Plant	1,373,039	1,241,528	0	0	1,373,039	1,241,528
Pupil Transportation	1,013,915	886,433	0	0	1,013,915	886,433
Central	67,434	80,841	0	0	67,434	80,841
Operation of Non-Instructional Services	127,914	122,219	0	0	127,914	122,219
Extracurricular Activities	460,426	493,591	0	0	460,426	493,591
Debt Service:						
Interest and Fiscal Charges	723,607	711,836	0	0	723,607	711,836
Food Service	0	0	672,123	653,675	672,123	653,675
Uniform School Supplies	0	0	7,749	7,178	7,749	7,178
Total expenses	<u>17,712,301</u>	<u>15,801,745</u>	<u>679,872</u>	<u>660,853</u>	<u>18,392,173</u>	<u>16,462,598</u>
Total Change in Net Assets	(643,605)	1,117,652	14,233	91,297	(629,372)	1,208,949
Beginning Net Assets	6,602,638	5,484,986	153,216	61,919	6,755,854	5,546,905
Ending Net Assets	<u>\$5,959,033</u>	<u>\$6,602,638</u>	<u>\$167,449</u>	<u>\$153,216</u>	<u>\$6,126,482</u>	<u>\$6,755,854</u>

Governmental Activities

Net assets of the District's governmental activities decreased by \$643,605. An increase in expenditures includes a 7% adjustment in wages and salaries and the related benefits which is reflective of two years of wage and salary freezes due to District budget reductions.

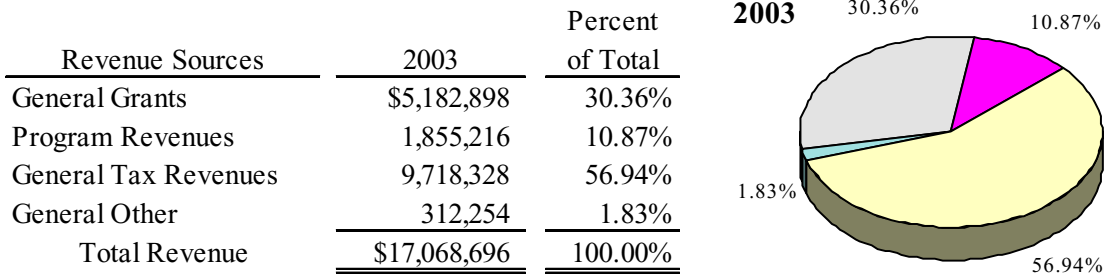
The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. In general, the overall revenue generated by the levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill 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.

LAKWOOD LOCAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003**

Unaudited

Property taxes made up 57% of revenues for governmental activities for Lakewood Local Schools in fiscal year 2003. The District's reliance upon tax revenues is demonstrated by the following graph:



Business-Type Activities

Net assets of the business-type activities increased by \$14,233. These programs had revenues of \$694,105 and expenses of \$679,872 for fiscal year 2003. The District had no significant changes in revenues or expenses. Business activities receive no support from tax revenues and remain self-supporting.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of \$2,792,016, which is below last year's total of \$3,241,620. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2003 and 2002.

	Fund Balance June 30, 2003	Fund Balance June 30, 2002	Increase (Decrease)
General	\$2,018,021	\$2,449,853	(\$431,832)
Debt Service	500,403	385,926	114,477
Building Acquisition and Construction	23,131	64,020	(40,889)
Other Governmental	250,461	341,821	(91,360)
Total	\$2,792,016	\$3,241,620	(\$449,604)

This space intentionally left blank.

LAKWOOD LOCAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003**

Unaudited

General Fund – The District's General Fund balance decrease is due to many factors. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2003 Revenues	2002 Revenues	Increase (Decrease)
Taxes	\$8,451,959	\$8,409,795	\$42,164
Tuition	273,224	256,345	16,879
Investment Earnings	79,920	113,850	(33,930)
Extracurricular Activities	137,759	157,907	(20,148)
Class Materials and Fees	18,655	21,264	(2,609)
Intermediate Sources	0	5,000	(5,000)
Intergovernmental - State	5,138,107	5,404,809	(266,702)
All Other Revenue	242,292	258,071	(15,779)
Total	\$14,341,916	\$14,627,041	(\$285,125)

General Fund revenues in 2003 decreased approximately 2% compared to revenues in fiscal year 2002. The primary factor contributing to this decrease was a decrease in State foundation revenues.

	2003 Expenditures	2002 Expenditures	Increase (Decrease)
Instruction	\$8,905,692	\$8,037,805	\$867,887
Supporting Services:			
Pupils	962,634	823,678	138,956
Instructional Staff	386,832	476,895	(90,063)
Board of Education	31,884	20,997	10,887
Administration	1,376,129	1,262,562	113,567
Fiscal Services	420,800	443,551	(22,751)
Business	14,113	13,056	1,057
Operation & Maintenance of Plant	1,311,548	1,205,729	105,819
Pupil Transportation	1,104,274	761,609	342,665
Central	49,665	52,651	(2,986)
Operation of Non-Instructional Services	17,665	61,890	(44,225)
Extracurricular Activities	163,955	174,766	(10,811)
Debt Service			
Principal Retirement	57,974	52,767	5,207
Interest and Fiscal Charges	17,848	21,816	(3,968)
Total	\$14,821,013	\$13,409,772	\$1,411,241

The expenditures increased by \$1,411,241 or 10.5% compared to the prior year. This is primarily due to wage and salary adjustments of 7% and the related benefits which are reflective of two years of wage and salary freezes due to the District budget reductions. The expenditures also include the purchase of two school busses and one handicapped bus.

LAKWOOD LOCAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003**

Unaudited

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. The most significant budgeted fund is the General Fund.

During the course of fiscal year 2003 the District amended its General Fund budget several times, none significant.

For the General Fund, budget basis revenue of \$14.1 million, did not significantly change over the original budget estimates of \$14.3 million. The General Fund had an adequate fund balance to cover expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2003 the District had \$18,539,010 net of accumulated depreciation invested in land, buildings, equipment and vehicles. Of this total, \$18,418,224 was related to governmental activities and \$120,786 to the business-type activities. The following table shows fiscal year 2002 and 2003 balances:

	Governmental Activities		Increase (Decrease)
	2003	2002	
	Land	\$275,555	\$275,555
Land Improvements	722,383	722,383	0
Buildings and Improvements	20,729,778	20,155,436	574,342
Furniture, Fixtures and Equipment	3,588,721	3,461,223	127,498
Vehicles	1,685,684	1,536,084	149,600
Less: Accumulated Depreciation	(8,583,897)	(7,746,979)	(836,918)
Totals	\$18,418,224	\$18,403,702	\$14,522

	Business-Type Activities		Increase (Decrease)
	2003	2002	
	Furniture and Equipment	\$312,246	\$305,043
Less: Accumulated Depreciation	(191,460)	(178,296)	(13,164)
Totals	\$120,786	\$126,747	(\$5,961)

The primary increase in buildings and improvements were from the House Bill 264 Improvements for District facilities. This includes new boilers at Hebron Elementary and Lakewood Local Middle School. The increases in furniture, fixtures and equipment include a new computer lab at the high school and other technology equipment purchases throughout the District. The increase in vehicles reflects the purchase of two new buses and one handicapped bus as well as two older buses being sold.

Additional information on the District's capital assets can be found in Note 7.

LAKWOOD LOCAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003**

Unaudited

Debt

At June 30, 2003, the District had \$15.1 million in bonds, notes and loans outstanding, \$525,179 due within one year. The following table summarizes the District's debt outstanding as of June 30, 2003:

	<u>2003</u>	<u>2002</u>
Governmental Activities:		
General Obligation Bond:		
School Improvement	\$14,216,870	\$14,591,870
Long-Term Notes Payable	841,650	165,000
EPA Loan Payable	26,300	33,815
Capital Leases Payable	210,294	231,853
Compensated Absences	<u>631,931</u>	<u>637,767</u>
Total Governmental Activities	15,927,045	15,660,305
Business-Type Activities:		
Compensated Absences	<u>14,827</u>	<u>15,660</u>
Totals	<u>\$15,941,872</u>	<u>\$15,675,965</u>

Under current state statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on 9% of the total assessed value of real and personal property. At June 30, 2003, the District's outstanding debt was below the legal limit. Additional information on the District's long-term debt can be found in Note 9.

ECONOMIC FACTORS

The District relies on its property taxes and State Foundation Funds to provide the funds necessary to maintain its educational programs. The District passed a five year emergency operating levy on May 6, 2003. The total amount of additional revenue from this emergency operating levy is \$2,058,646 per year and will be collected from both real estate and tangible personal property taxes.

In conclusion, the Lakewood Local School District has committed itself to financial excellence for many years.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, 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 Glenna Plaisted, Treasurer of Lakewood Local School District.

LAKWOOD LOCAL SCHOOL DISTRICT

Statement of Net Assets *June 30, 2003*

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 841,925	\$ 98,841	\$ 940,766
Cash and Cash Equivalents in Segregated Accounts	376	0	376
Investments	1,751,210	0	1,751,210
Receivables:			
Taxes	10,158,479	0	10,158,479
Accounts	6,342	59	6,401
Intergovernmental	271,072	0	271,072
Interest	10,960	0	10,960
Inventory Held for Resale	78,787	24,030	102,817
Prepaid Items	154,934	7,690	162,624
Restricted Assets:			
Cash and Cash Equivalents	32,227	0	32,227
Capital Assets, Net	18,418,224	120,786	18,539,010
Total Assets	31,724,536	251,406	31,975,942
Liabilities:			
Accounts Payable	106,709	1,457	108,166
Accrued Wages and Benefits	1,189,861	37,463	1,227,324
Intergovernmental Payable	418,617	30,210	448,827
Deferred Revenue - Taxes	8,048,044	0	8,048,044
Accrued Interest Payable	75,227	0	75,227
Long Term Liabilities:			
Due Within One Year	701,251	0	701,251
Due in More Than One Year	15,225,794	14,827	15,240,621
Total Liabilities	25,765,503	83,957	25,849,460
Net Assets:			
Invested in Capital Assets, Net of Related Debt	3,991,060	120,786	4,111,846
Restricted For:			
Capital Projects	23,131	0	23,131
Debt Service	493,673	0	493,673
Other Purposes	90,485	0	90,485
Unrestricted (Deficit)	1,360,684	46,663	1,407,347
Total Net Assets	\$ 5,959,033	\$ 167,449	\$ 6,126,482

See accompanying notes to the basic financial statements

LAKWOOD LOCAL SCHOOL DISTRICT

Statement of Activities **For the Fiscal Year Ended June 30, 2003**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Instruction	\$ 10,265,237	\$ 297,364	\$ 753,548	\$ 35,773
Support Services:				
Pupils	1,047,551	0	62,451	0
Instructional Staff	681,706	0	205,770	0
Board of Education	31,860	0	0	0
Administration	1,459,918	0	76,689	0
Fiscal Services	445,519	0	7,308	0
Business	14,175	0	0	0
Operation and Maintenance of Plant	1,373,039	0	0	0
Pupil Transportation	1,013,915	0	31,090	0
Central	67,434	0	8,283	0
Operation of Non-Instructional Services	127,914	6,232	52,809	0
Extracurricular Activities	460,426	301,004	16,895	0
Debt Service:				
Interest and Fiscal Charges	723,607	0	0	0
Total Governmental Activities	17,712,301	604,600	1,214,843	35,773
Business-Type Activities:				
Food Service	672,123	409,431	274,372	6,196
Uniform School Supplies	7,749	4,106	0	0
Total Business-Type Activities	679,872	413,537	274,372	6,196
Totals	\$ 18,392,173	\$ 1,018,137	\$ 1,489,215	\$ 41,969

General Revenues

Property Taxes Levied for:

 General Purposes

 Debt Service

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

LAKWOOD LOCAL SCHOOL DISTRICT

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (9,178,552)	\$ 0	\$ (9,178,552)
(985,100)	0	(985,100)
(475,936)	0	(475,936)
(31,860)	0	(31,860)
(1,383,229)	0	(1,383,229)
(438,211)	0	(438,211)
(14,175)	0	(14,175)
(1,373,039)	0	(1,373,039)
(982,825)	0	(982,825)
(59,151)	0	(59,151)
(68,873)	0	(68,873)
(142,527)	0	(142,527)
(723,607)	0	(723,607)
(15,857,085)	0	(15,857,085)
0	17,876	17,876
0	(3,643)	(3,643)
0	14,233	14,233
\$ (15,857,085)	\$ 14,233	\$ (15,842,852)
8,556,536	0	8,556,536
1,161,792	0	1,161,792
5,182,898	0	5,182,898
85,679	0	85,679
226,575	0	226,575
15,213,480	0	15,213,480
(643,605)	14,233	(629,372)
6,602,638	153,216	6,755,854
\$ 5,959,033	\$ 167,449	\$ 6,126,482

LAKEWOOD LOCAL SCHOOL DISTRICT

Balance Sheet Governmental Funds June 30, 2003

	General	Debt Service	Building Acquisition and Construction	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and Cash Equivalents	\$ 184,728	\$ 379,903	\$ 23,131	\$ 254,163	\$ 841,925
Cash and Cash Equivalents in Segregated Accounts	0	0	0	376	376
Investments	1,751,210	0	0	0	1,751,210
Receivables:					
Taxes	8,946,004	1,212,475	0	0	10,158,479
Accounts	3,522	0	0	2,820	6,342
Intergovernmental	126,389	0	0	144,683	271,072
Interest	10,960	0	0	0	10,960
Inventory Held for Resale	78,787	0	0	0	78,787
Prepaid Items	148,738	0	0	6,196	154,934
Restricted Assets:					
Cash and Cash Equivalents	32,227	0	0	0	32,227
Total Assets	\$ 11,282,565	\$ 1,592,378	\$ 23,131	\$ 408,238	\$ 13,306,312
Liabilities:					
Accounts Payable	54,095	0	0	52,614	106,709
Accrued Wages and Benefits	1,108,455	0	0	81,406	1,189,861
Intergovernmental Payable	283,028	0	0	16,765	299,793
Deferred Revenue - Taxes	7,761,504	1,091,975	0	0	8,853,479
Deferred Revenue	10,960	0	0	6,992	17,952
Compensated Absences Payable	46,502	0	0	0	46,502
Total Liabilities	9,264,544	1,091,975	0	157,777	10,514,296
Fund Balances:					
Reserved for Encumbrances	63,643	0	0	36,385	100,028
Reserved for Prepaid Items	148,738	0	0	6,196	154,934
Reserved for Supplies Inventory	78,787	0	0	0	78,787
Reserved for Debt Service	0	421,603	0	0	421,603
Reserved for Property Taxes	636,200	78,800	0	0	715,000
Reserved for Bus Purchase	32,227	0	0	0	32,227
Unreserved, Undesignated in:					
General Fund (Deficit)	1,058,426	0	0	0	1,058,426
Special Revenue Funds	0	0	0	207,880	207,880
Capital Projects Funds	0	0	23,131	0	23,131
Total Fund Balances	2,018,021	500,403	23,131	250,461	2,792,016
Total Liabilities and Funds Balances	\$ 11,282,565	\$ 1,592,378	\$ 23,131	\$ 408,238	\$ 13,306,312

See accompanying notes to the basic financial statements

LAKWOOD LOCAL SCHOOL DISTRICT

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
June 30, 2003***

Total Governmental Fund Balances	\$ 2,792,016
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	18,418,224
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.	823,387
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(16,074,594)
<i>Net Assets of Governmental Activities</i>	<u><u>\$ 5,959,033</u></u>

LAKEWOOD LOCAL SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Fiscal Year Ended June 30, 2003

	General	Debt Service	Building Acquisition and Construction	Other Governmental Funds	Total Governmental Funds
Revenues:					
Local Sources:					
Taxes	\$ 8,451,959	\$ 1,161,792	\$ 0	\$ 0	\$ 9,613,751
Tuition	273,224	0	0	0	273,224
Investment Earnings	79,920	0	838	0	80,758
Extracurricular Activities	137,759	0	0	163,245	301,004
Class Materials and Fees	18,655	0	0	0	18,655
Intermediate Sources	0	0	0	6,180	6,180
Intergovernmental - State	5,138,107	94,602	0	284,091	5,516,800
Intergovernmental - Federal	0	0	0	890,279	890,279
All Other Revenue	242,292	0	0	40,703	282,995
Total Revenue	14,341,916	1,256,394	838	1,384,498	16,983,646
Expenditures:					
Current:					
Instruction	8,905,692	0	0	759,092	9,664,784
Supporting Services:					
Pupils	962,634	0	0	93,246	1,055,880
Instructional Staff	386,832	0	0	261,680	648,512
Board of Education	31,884	0	0	0	31,884
Administration	1,376,129	0	0	105,774	1,481,903
Fiscal Services	420,800	18,783	0	3,338	442,921
Business	14,113	0	0	0	14,113
Operation & Maintenance of Plant	1,311,548	0	0	0	1,311,548
Pupil Transportation	1,104,274	0	0	0	1,104,274
Central	49,665	0	0	17,769	67,434
Operation of Non-Instructional Services	17,665	0	0	69,946	87,611
Extracurricular Activities	163,955	0	0	165,013	328,968
Capital Outlay	0	0	768,377	0	768,377
Debt Service:					
Principal Retirement	57,974	432,515	0	0	490,489
Interest & Fiscal Charges	17,848	690,619	0	0	708,467
Total Expenditures	14,821,013	1,141,917	768,377	1,475,858	18,207,165
Excess (Deficiency) of Revenues					
Over Expenditures	(479,097)	114,477	(767,539)	(91,360)	(1,223,519)
Other Financing Sources (Uses):					
Proceeds from the Sale of Fixed Assets	850	0	0	0	850
Proceeds from the Sale of Notes	0	0	726,650	0	726,650
Other Financing Sources - Capital Leases	36,415	0	0	0	36,415
Total Other Financing Sources (Uses)	37,265	0	726,650	0	763,915
Net Change in Fund Balance	(441,832)	114,477	(40,889)	(91,360)	(459,604)
Fund Balances at Beginning of Year	2,449,853	385,926	64,020	341,821	3,241,620
Increase (Decrease) in Inventory Reserve	10,000	0	0	0	10,000
Fund Balances End of Year	\$ 2,018,021	\$ 500,403	\$ 23,131	\$ 250,461	\$ 2,792,016

See accompanying notes to the basic financial statements

LAKEWOOD LOCAL SCHOOL DISTRICT

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For The Fiscal Year Ended June 30, 2003***

Net Change in Fund Balances - Total Governmental Funds \$ (459,604)

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

Governmental funds report capital outlays 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 by which capital outlays exceeded depreciation in the current period.	24,359
The net effect of various miscellaneous transactions involving capital assets (i.e., sales) is to decrease net assets.	(9,837)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	85,050
The issuance of long-term debt (e.g. notes, leases) provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(272,576)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(15,140)
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 the governmental funds.	
Compensated Absences	5,832
Pension Obligation (Intergovernmental Payable)	(11,689)
Change in Inventory	10,000
	<hr style="width: 100%; border: none; border-top: 1px solid black; margin-bottom: 5px;"/> 4,143
<i>Change in Net Assets of Governmental Activities</i>	<u><u>\$ (643,605)</u></u>

LAKWOOD LOCAL SCHOOL DISTRICT

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Taxes	\$ 8,289,759	\$ 8,289,759	\$ 8,289,759	\$ 0
Tuition	265,000	271,328	271,924	596
Investment Earnings	87,000	87,000	88,494	1,494
Extracurricular Activities	136,000	138,050	138,024	(26)
Class Material and Fees	18,912	17,862	18,647	785
Intergovernmental - State	5,249,905	5,088,308	5,096,701	8,393
All Other Revenues	241,380	240,030	242,837	2,807
Total Revenues	14,287,956	14,132,337	14,146,386	14,049
Expenditures:				
Current:				
Instructional Services	9,021,189	9,060,436	9,002,088	58,348
Support Services:				
Pupils	1,022,877	971,501	952,183	19,318
Instructional Staff	622,167	494,707	469,075	25,632
Board of Education	27,548	40,687	33,151	7,536
Administration	1,459,964	1,414,846	1,411,007	3,839
Fiscal Services	402,620	434,440	430,881	3,559
Business	13,932	14,058	14,044	14
Operation and Maintenance of Plant	1,722,431	1,701,535	1,354,983	346,552
Pupil Transportation	1,059,126	1,111,981	1,102,912	9,069
Central	54,831	55,834	51,205	4,629
Operation of Non-Instructional Services	44,320	45,743	42,515	3,228
Extracurricular Activities	130,455	173,522	166,698	6,824
Total Expenditures	15,581,460	15,519,290	15,030,742	488,548
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,293,504)	(1,386,953)	(884,356)	502,597

(Continued)

LAKWOOD LOCAL SCHOOL DISTRICT

***Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2003***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Proceeds from the Sale of Fixed Assets	850	850	850	0
Other Financing Sources - Capital Leases	36,415	36,415	36,415	0
Operating Transfers In	110,317	100,317	100,317	0
Operating Transfers Out	(100,317)	(100,317)	(100,317)	0
Advances In	67,875	67,875	67,875	0
Advances Out	(60,000)	(67,875)	(67,875)	0
Total Other Financing Sources (Uses):	55,140	37,265	37,265	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,238,364)	(1,349,688)	(847,091)	502,597
Fund Balance at Beginning of Year	2,290,779	2,290,779	2,290,779	0
Prior Year Encumbrances	439,153	439,153	439,153	0
Fund Balance at End of Year	\$ 1,491,568	\$ 1,380,244	\$ 1,882,841	\$ 502,597

See accompanying notes to the basic financial statements

LAKWOOD LOCAL SCHOOL DISTRICT

***Statement of Net Assets
Proprietary Funds
June 30, 2003***

	Business-Type Activities		
	Enterprise Funds		
	Major	Nonmajor	
	Food Service	Uniform School Supplies	Total
Assets:			
<i>Current Assets:</i>			
Cash and Cash Equivalents	\$ 87,517	\$ 11,324	\$ 98,841
Receivables:			
Accounts	59	0	59
Inventory Held for Resale	24,030	0	24,030
Prepaid Items	7,690	0	7,690
<i>Total Current Assets</i>	119,296	11,324	130,620
<i>Non Current Assets:</i>			
Capital Assets, Net	120,786	0	120,786
Total Assets	240,082	11,324	251,406
Liabilities:			
<i>Current Liabilities:</i>			
Accounts Payable	352	1,105	1,457
Accrued Wages and Benefits	37,463	0	37,463
Intergovernmental Payable	30,210	0	30,210
<i>Total Current Liabilities</i>	68,025	1,105	69,130
<i>Long Term Liabilities:</i>			
Compensated Absences Payable	14,827	0	14,827
Total Liabilities	82,852	1,105	83,957
Net Assets:			
Invested in Capital Assets, Net of Related Debt	120,786	0	120,786
Unrestricted	36,444	10,219	46,663
Total Net Assets	\$ 157,230	\$ 10,219	\$ 167,449

See accompanying notes to the basic financial statements

LAKWOOD LOCAL SCHOOL DISTRICT

Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2003

	Business-Type Activities		
	Enterprise Funds		
	Major	Nonmajor	
	Food Service	Uniform School Supplies	Total
Operating Revenues:			
Sales	\$ 408,353	\$ 0	\$ 408,353
Tuition and Fees	0	4,106	4,106
Total Operating Revenues	408,353	4,106	412,459
Operating Expenses:			
Salaries and Wages	231,230	0	231,230
Fringe Benefits	132,315	0	132,315
Contractual Services	9,352	0	9,352
Supplies and Materials	284,719	7,749	292,468
Depreciation	13,164	0	13,164
Other Operating Expense	1,343	0	1,343
Total Operating Expenses	672,123	7,749	679,872
Operating Loss	(263,770)	(3,643)	(267,413)
Nonoperating Revenue (Expenses):			
Operating Grants	274,372	0	274,372
Investment Earnings	1,078	0	1,078
Total Nonoperating Revenues (Expenses)	275,450	0	275,450
Net Income (Loss) before Contributions	11,680	(3,643)	8,037
Capital Contributions	6,196	0	6,196
Change in Net Assets	17,876	(3,643)	14,233
Net Assets Beginning of Year	139,354	13,862	153,216
Net Assets End of Year	<u>\$ 157,230</u>	<u>\$ 10,219</u>	<u>\$ 167,449</u>

See accompanying notes to the basic financial statements

LAKWOOD LOCAL SCHOOL DISTRICT

***Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2003***

	Business-Type Activities		
	Enterprise Funds		
	Major	Nonmajor	Total
Food Service	Uniform School Supply		
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$408,353	\$4,132	\$412,485
Cash Payments for Goods and Services	(248,432)	(6,982)	(255,414)
Cash Payments to Employees for Services and Benefits	(362,615)	0	(362,615)
Net Cash Used by Operating Activities	(202,694)	(2,850)	(205,544)
<u>Cash Flows from Noncapital Financing Activities:</u>			
Operating Grants Received	236,261	0	236,261
Net Cash Provided by Noncapital Financing Activities	236,261	0	236,261
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition of Capital Assets	(1,007)	0	(1,007)
Net Cash Used by Noncapital Financing Activities	(1,007)	0	(1,007)
<u>Cash Flows from Investing Activities:</u>			
Receipt of Interest	1,078	0	1,078
Net Cash Provided by Investing Activities	1,078	0	1,078
Net Increase (Decrease) in Cash and Cash Equivalents	33,638	(2,850)	30,788
Cash and Cash Equivalents at Beginning of Year	53,879	14,174	68,053
Cash and Cash Equivalents at End of Year	\$87,517	\$11,324	\$98,841
<u>Reconciliation of Operating Loss to Net Cash</u>			
<u>Used by Operating Activities:</u>			
Operating Loss	(\$263,770)	(\$3,643)	(\$267,413)
Adjustments to Reconcile Operating Loss to			
Net Cash Used by Operating Activities:			
Depreciation Expense	13,164	0	13,164
Donated Commodities Used During the Year	67,002	0	67,002
Changes in Assets and Liabilities:			
Decrease in Accounts Receivable	0	26	26
Increase in Inventory	(462)	0	(462)
Increase in Prepaid Items	(639)	0	(639)
Increase (Decrease) in Accounts Payable	(2,390)	767	(1,623)
Decrease in Accrued Wages and Benefits	(1,635)	0	(1,635)
Increase in Intergovernmental Payables	4,037	0	4,037
Decrease in Deferred Revenue	(17,168)	0	(17,168)
Decrease in Compensated Absences	(833)	0	(833)
Total Adjustments	61,076	793	61,869
Net Cash Used by Operating Activities	(202,694)	(2,850)	(205,544)

Schedule of Noncash Investing, Capital and Financing Activities:

During fiscal year 2003, the Food Service Fund received \$6,196 of capital assets from other funds and \$67,002 in donated commodities from the federal government.

See accompanying notes to the basic financial statements

LAKWOOD LOCAL SCHOOL DISTRICT

Statement of Net Assets
Fiduciary Funds
June 30, 2003

	Private Purpose Trust	
	Special Trust Fund	Agency
Assets:		
Cash and Cash Equivalents	\$ 900	\$ 4,454
Total Assets	<u>900</u>	<u>4,454</u>
Liabilities:		
Due to Students	0	4,454
Total Liabilities	<u>0</u>	<u>4,454</u>
Net Assets:		
Unrestricted	900	0
Total Net Assets	<u>\$ 900</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

LAKWOOD LOCAL SCHOOL DISTRICT

Statement of Changes in Net Assets
Fiduciary Fund
For the Fiscal Year Ended June 30, 2003

	Private Purpose Trust
	Special Trust Fund
Additions:	
Total Additions	\$0
Deductions:	
Community Gifts, Awards and Scholarships	150
Total Deductions	150
Change in Net Assets	(150)
Net Assets at Beginning of Year	1,050
Net Assets End of Year	\$ 900

See accompanying notes to the basic financial statements

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Lakewood Local School District, Ohio (the District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The District is governed by a locally elected five member Board of Education (the Board) which provides educational services. The Board controls the District's instructional support facilities staffed by approximately 106 non-certified and approximately 188 certified teaching personnel and administrative employees providing education to 2,277 students.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*," in that the financial statements include all organizations, activities, functions and component units for which the District (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either the District's ability to impose its will over the organization or the possibility that the organization will provide a financial benefit to, or impose a financial burden on, the District. There were no potential component units that met the criteria imposed by GASB Statement No. 14 to be included in the District's reporting entity. Based on the foregoing, the reporting entity of the District includes the following services: instructional (regular, special education), student guidance, extracurricular activities, food service, pupil transportation and care and upkeep of grounds and buildings.

Lakewood Local School District participates in three jointly governed organizations and one insurance purchasing pool. These organizations are the Licking Area Computer Association (LACA), Metropolitan Educational Council, Central Ohio Special Education Regional Resource Center and the Ohio School Boards Association Workers' Compensation Group Rating Plan. Information regarding these organizations is presented in Notes 12 and 13.

The accounting policies and financial reporting practices of the District conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of its significant accounting policies.

B. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. The various funds are summarized by type in the basic financial statements.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

The following fund types are used by the District:

Governmental Funds - These are funds through which most governmental functions typically are financed. The acquisition, use and balances of the District's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is based upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the District's major governmental funds:

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

Debt Service Fund - This fund is used for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Building Acquisition and Construction Fund - This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than that financed by proprietary funds).

The other governmental funds of the District account for grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds - The proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets and all liabilities associated with the operation of the proprietary funds are included on the balance sheet. The proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises in which the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The District's major enterprise fund is:

Food Services Fund - This fund accounts for the financial transactions related to the food service operations of the District.

The District has one other enterprise fund, the Uniform School Supplies Fund which is a nonmajor fund. This fund accounts for the purchase and sale of school supplies for use in the District. Profits derived from such sales are used for school purposes or activities connected with the school.

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Fiduciary Funds – Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary 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 District under a trust agreement for individuals, private organizations or other governments and therefore not available to support the District’s own programs. The District’s only trust fund is a private purpose trust that accounts for scholarship programs for students. The agency fund is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operation.

C. Basis of Presentation and Measurement Focus – Financial Statements

Government-wide Financial Statements – The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

Fund Financial Statements – Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation and Measurement Focus – Financial Statements (Continued)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

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

Private purpose trust funds are reported using the economic resources measurement focus.

D. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the District is considered to be 60 days after fiscal year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Under the modified accrual basis, the following revenue sources are considered susceptible to accrual at year end: property taxes, tuition, grants and entitlements, student fees, and interest on investments.

Current property taxes measurable at June 30, 2003, and which are not intended to finance fiscal 2003 operations, have been recorded as deferred revenues. Delinquent property taxes measurable and available (received within 60 days) and amounts available as an advance on future tax settlements are recognized as revenue at year end. Taxes available for advance and recognized as revenue but not received by the District prior to June 30, 2003 are reflected as a reservation of fund balance for future appropriations. The District is prohibited by law from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to the fiscal year end.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

The accrual basis of accounting is utilized for reporting purposes by the government-wide financial statements, proprietary funds and fiduciary funds. Revenues are recognized when they are earned and expenses are recognized when incurred.

Pursuant to GASB Statement No. 20, “*Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*,” the District follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

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.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as deferred revenue.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the 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.

E. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year.

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The primary level of budgetary control is at the fund level for all funds except the General Fund for which it is at the object level. Budgetary modifications may only be made by resolution of the Board of Education.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

1. Tax Budget

By January 15, the Superintendent and Treasurer submit an annual operating budget for the following fiscal year to the Board of Education for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by January 20 of each year for the period July 1 to June 30 of the following fiscal year.

2. Estimated Resources

Prior to March 15, the Board accepts by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during fiscal year 2003.

3. Appropriations

A temporary appropriation measure to control expenditures may be passed on or about July 1 of each year for the period July 1 through September 30. An annual appropriation resolution must be passed by October 1 of each year for the period July 1 through June 30. The appropriation resolution establishes spending controls at the fund level. The appropriation resolution may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. During the year, several supplemental appropriations were necessary to budget the use of contingency funds. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual-General Fund" are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

4. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

5. Budgetary Basis of Accounting

The District's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting. Encumbrances are recorded as the equivalent of expenditures (budgetary basis) as opposed to reservations of fund balance (GAAP basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund:

Net Change in Fund Balance	General Fund
GAAP Basis (as reported)	(\$441,832)
Increase (Decrease):	
Accrued Revenues at June 30, 2003, received during FY 2004	(1,315,411)
Accrued Revenues at June 30, 2002, received during FY 2003	1,116,643
Accrued Expenditures at June 30, 2003, paid during FY 2004	1,492,080
Accrued Expenditures at June 30, 2002, paid during FY 2003	(1,592,400)
FY 2002 Prepays for FY 2003	123,563
FY 2003 Prepays for FY 2004	(148,738)
Adjustment to Fair Value	3,328
Encumbrances Outstanding	(84,324)
Budget Basis	<u><u>(\$847,091)</u></u>

F. Cash and Cash Equivalents

During fiscal year 2003, cash and cash equivalents included amounts in demand deposits and the State Treasury Asset Reserve (STAR Ohio). STAR Ohio is a very liquid investment and is reported as a cash equivalent in the basic financial statements.

The District pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 4, "Cash and Cash Equivalents."

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the District records all its investments at fair value except for nonparticipating investment contracts (repurchase agreements) which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statements. Fair value is determined by quoted market prices. See Note 4, "Cash and Cash Equivalents."

The District has invested funds in the State Treasury Asset Reserve of Ohio during 2003. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2003.

H. Inventory

Inventory is stated at cost (first-in, first-out) in the governmental funds and at the lower of cost or market in the proprietary funds. The costs of inventory items are recorded as expenditures in the governmental and expendable trust funds when purchased and as expenses in the proprietary funds when used.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2003, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Capital Assets and Depreciation

Capital assets are defined by the District as assets with an initial, individual cost of more than \$600.

1. Property, Plant and Equipment - Governmental Activities

Governmental activities capital assets are those not directly related to the business-type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Assets, but they are not reported in the Fund Financial Statements.

LAKEWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation (Continued)

1. Property, Plant and Equipment - Governmental Activities (Continued)

Contributed capital assets are recorded at fair market value at the date received. The District does not possess any infrastructure. Estimated historical costs for governmental activities capital asset values were initially determined by identifying historical costs where such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

2. Property, Plant and Equipment - Business-Type Activities

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost). Contributed capital assets are recorded at fair market value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Assets and in the respective funds.

3. Depreciation

All capital assets are depreciated excluding land. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives (in years)</u>
Land Improvements	10 - 15
Buildings and Improvements	15 - 30
Furniture, Fixtures and Equipment	5 - 15
Vehicles	5 - 10

K. Long-Term Obligations

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds Payable	General Obligation Bond Retirement Fund
Long-Term Notes Payable	General Obligation Bond Retirement Fund
EPA Loan Payable	General Obligation Bond Retirement Fund
Intergovernmental Payable	General Fund
Compensated Absences	General Fund, Food Services Fund
Capital Leases	General Fund

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences

In accordance with GASB Statement No. 16, “*Accounting for Compensated Absences*,” vacation benefits are accrued as a liability when an employee’s right to receive compensation is attributable to services already rendered, and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Administrators and classified staff who work twelve month contracts are granted vacation leave based on length of service and position. Sick leave benefits are accrued as a liability using the vesting method. Employees may earn 15 days of sick leave per year up to a maximum of 220 days. Upon retirement, employees will receive one-fourth of the accumulated sick leave up to a maximum of 55 days. For governmental funds, that portion of unpaid compensated absences that is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account “Compensated Absences Payable.” The noncurrent portion of the liability is not reported. Compensated absences are expensed in the proprietary funds when earned and the related liability is reported within the fund.

M. Net Assets

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

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Pensions

The provision for pension costs is recorded when the related payroll is accrued and the obligation is incurred. Pension liabilities expected to be paid from current available financial resources are recorded as a fund liability.

O. 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 and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents set aside for bus purchases. A fund balance reserve has also been established for this amount.

Q. Reservations of Fund Balance

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for debt service, prepaid items, endowments, property taxes, bus purchase and encumbered amounts which have not been accrued at year end. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles, but not available for appropriation under State statute.

R. Estimates

The preparation of the 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 could differ from those estimates.

S. Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are sales for food service and tuition and fees for uniform school supplies. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 2 – PRIOR PERIOD ADJUSTMENTS AND RESTATEMENT OF FUND BALANCE/NET ASSETS

During the fiscal year ended June 30, 2003, the District discovered that grant revenue was not being recorded in the appropriate fund. The correction of recording grant revenue resulted in the restatement of the fund balance at June 30, 2002 of the General Fund and the other nonmajor governmental funds as follows:

	General Fund	Other Nonmajor Governmental Funds
Fund Balance at June 30, 2002 as reported	\$2,485,158	\$306,516
Reclassification of Revenue	(35,305)	35,305
Fund Balance at June 30, 2002 as restated	<u>\$2,449,853</u>	<u>\$341,821</u>

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2003

NOTE 2 – PRIOR PERIOD ADJUSTMENTS AND RESTATEMENT OF FUND BALANCE/NET ASSETS (Continued)

This prior period adjustment has no effect on the Net Assets of the Government-Wide statements.

During the fiscal year ended June 30, 2003, the District discovered that some capital assets had not been recorded in the Statement of Net Assets for Governmental Activities. The correction of this error resulted in the restatement of net assets at June 30, 2002 of the Governmental Activities as follows:

	Governmental Activities
Net Assets Balance at June 30, 2002 as reported	\$6,327,083
Correction of capital assets	275,555
Net Assets Balance at June 30, 2002 as restated	\$6,602,638

NOTE 3 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government – wide statement of activities. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

Amount by which capital outlays exceeded depreciation in the current period:

Capital Outlay	\$928,396
Depreciation Expense	(904,037)
	\$24,359

Amount of loss on disposal of capital assets net of proceeds received:

Loss on Disposal of Capital Asset	(\$8,987)
Proceeds Received	(850)
	(\$9,837)

Governmental revenues not reported in the funds:

Increase in Investment Earnings	\$4,921
Increase in Delinquent Tax Revenue	104,577
Decrease in Grants Receivable	(24,448)
	\$85,050

Net amount of long-term debt issuance and bond and lease principal payments:

Bond Principal Payment	\$375,000
Long-term Note Principal Payment	50,000
EPA Loan Principal Payment	7,515
Capital Lease Payment	57,974
Long-term Note Proceeds	(726,650)
Capital lease Proceeds	(36,415)
	(\$272,576)

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2003

NOTE 4 - CASH AND CASH EQUIVALENTS

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments.

Statutes require the classification of funds held by the District into three categories. Category 1 consists of “active” funds - those funds required to be kept in a “cash” or “near cash” status for immediate use by the District. Such funds must be maintained either as cash in the District Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of “inactive” funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of “interim” funds - those funds which are not needed for immediate use but, which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2003

NOTE 4 - CASH AND CASH EQUIVALENTS (Continued)

Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the District places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Based upon criteria described in GASB Statement No. 3, "*Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements*," collateral held in single financial institution collateral pools with securities being held by the pledging financial institutions' agent in the pool's name are classified as Category 3.

The Governmental Accounting Standards Board has established risk categories for deposits and investments as follows:

Deposits:

- Category 1 Insured or collateralized with securities held by the District or by its agent in the District's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent, in the District's name.
- Category 3 Collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

Investments:

- Category 1 Insured or registered, or securities held by the District or its agent in the District's name.
- Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the District's name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the District's name.

A. Deposits

At year end the carrying amount of the District's deposits was \$1,339,998 and the bank balance was \$1,640,565. Federal depository insurance covered \$100,000 of the bank balance and all remaining deposits were classified as Category 3.

Investment earnings of \$20,392 earned by other funds was credited to the General Fund as required by state statute.

LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003**

NOTE 4 - CASH AND CASH EQUIVALENTS (Continued)

B. Investments

The District's investments at June 30, 2003 were as follows:

	<u>Category 2</u>	<u>Category 3</u>	<u>Fair Value</u>
Categorized Investments			
Repurchase Agreements	\$0	\$403,160	\$403,160
United States Agency Securities	251,210	0	251,210
Noncategorized Investments			
STAR Ohio	<u>N/A</u>	<u>N/A</u>	<u>735,565</u>
Total Investments	<u>\$251,210</u>	<u>\$403,160</u>	<u>\$1,389,935</u>

C. Reconciliation of Cash, Cash Equivalents and Investments

The classification of cash, cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. Certificates of deposit with an original maturity of three months or less are treated as cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3.

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Combined Balance Sheet	\$978,723	\$1,751,210
Certificates of Deposit (with maturities of more than 3 months)	1,500,000	(1,500,000)
Repurchase Agreements	(403,160)	403,160
STAR Ohio	<u>(735,565)</u>	<u>735,565</u>
Per GASB Statement No. 3	<u>\$1,339,998</u>	<u>\$1,389,935</u>

NOTE 5 - PROPERTY TAXES

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the District. Real property taxes (other than public utility) collected during 2003 were levied after October 1, 2002 on assessed values as of January 1, 2002, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made the third year following reappraisal. The last revaluation was completed in 1999. Real property taxes are payable annually or semi-annually. The first payment is due December 31, with the remainder payable by June 20.

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2003

NOTE 5 - PROPERTY TAXES (Continued)

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semi-annually, the first payment is due April 30; with the remainder payable by September 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100 percent of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including Lakewood Local School District. The County Auditor periodically remits to the District its portion of the taxes collected. The assessed values upon which the fiscal year 2003 receipts were based are:

	2002 Second Half Collections	2003 First Half Collections
Agricultural/Residential and Other Real Estate	\$231,012,540	\$266,259,000
Public Utility Personal	15,072,540	15,193,360
Tangible Personal Property	<u>84,725,760</u>	<u>73,486,690</u>
Total Assessed Value	<u>\$330,810,840</u>	<u>\$354,939,050</u>
Tax rate per \$1,000 of assessed valuation	\$41.96	\$41.75

NOTE 6 - RECEIVABLES

Receivables at June 30, 2003 consisted of taxes, accounts, interest receivable and intergovernmental receivables.

LAKEWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003**

NOTE 7 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at June 30, 2003:

<i>Historical Cost:</i>	Restated			
Class	June 30, 2002	Additions	Deletions	June 30, 2003
Capital Assets not being depreciated:				
Land	\$275,555	\$0	\$0	\$275,555
Capital Assets being depreciated:				
Land Improvements	722,383	0	0	722,383
Buildings and Improvements	20,155,436	574,342	0	20,729,778
Furniture, Fixtures and Equipment	3,461,223	150,434	(22,936)	3,588,721
Vehicles	1,536,084	203,620	(54,020)	1,685,684
Total Cost	<u>\$26,150,681</u>	<u>\$928,396</u>	<u>(\$76,956)</u>	<u>\$27,002,121</u>
 Accumulated Depreciation:				
Class	June 30, 2002	Additions	Deletions	June 30, 2003
Land Improvements	(\$358,337)	(\$33,488)	\$0	(\$391,825)
Buildings and Improvements	(4,658,950)	(495,073)	0	(5,154,023)
Furniture, Fixtures and Equipment	(1,481,668)	(273,865)	13,099	(1,742,434)
Vehicles	(1,248,024)	(101,611)	54,020	(1,295,615)
Total Depreciation	<u>(\$7,746,979)</u>	<u>(\$904,037) *</u>	<u>\$67,119</u>	<u>(\$8,583,897)</u>
Net Value:	<u>\$18,403,702</u>			<u>\$18,418,224</u>

* Depreciation expenses were charged to governmental functions as follows:

Instruction	(\$515,908)
Support Services:	
Instructional Staff	(30,836)
Administration	(38,815)
Operations & Maintenance of Plant	(43,243)
Pupil Transportation	(103,345)
Extracurricular Activities	(131,587)
Other Noninstructional Services	(40,303)
Total Depreciation Expense	<u>(\$904,037)</u>

LAKWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003***

NOTE 7 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at June 30, 2003:

Historical Cost:

<u>Class</u>	<u>June 30, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2003</u>
Furniture and Equipment	\$305,043	\$7,203	\$0	\$312,246
Total Cost	<u>\$305,043</u>	<u>\$7,203</u>	<u>\$0</u>	<u>\$312,246</u>

Accumulated Depreciation:

<u>Class</u>	<u>June 30, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2003</u>
Furniture and Equipment	(\$178,296)	(\$13,164)	\$0	(\$191,460)
Total Depreciation	<u>(\$178,296)</u>	<u>(\$13,164)</u>	<u>\$0</u>	<u>(\$191,460)</u>

<i>Net Value:</i>	<u>\$126,747</u>	<u>(\$5,961)</u>	<u>\$0</u>	<u>\$120,786</u>
--------------------------	------------------	------------------	------------	------------------

NOTE 8 - DEFINED BENEFIT PENSION PLANS

All of the District's full-time employees participate in one of two separate retirement systems which are cost-sharing, multiple-employer defined benefit pension plans.

A. School Employees Retirement System of Ohio (SERS of Ohio)

All non-certified employees of the District, with minor exceptions, performing duties that do not require a certificate issued by the Ohio Department of Education are eligible to participate in the School Employees Retirement System of Ohio, a cost-sharing, multiple-employer public employee retirement system.

The SERS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and survivor benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. The SERS of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the SERS of Ohio. Interested parties may obtain a copy by making a written request to SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (614) 222-5853.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2003

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

A. School Employees Retirement System of Ohio (SERS of Ohio) (Continued)

The Ohio Revised Code provides statutory authority for District and employee contributions of 14% and 9% respectively. The contribution rates are determined actuarially, and are established and may be amended, up to statutory amounts, by the School Employees Retirement Board (Retirement Board) within the rates allowed by State statute. The required employer contribution rate is allocated to basic retirement benefits and health care by the Retirement Board. At June 30, 2002, (latest information available) 5.46% was allocated to fund the pension benefit and 8.54% to fund health care. The District's contributions to the SERS of Ohio for the years ending June 30, 2003, 2002, and 2001 were \$286,332, \$291,768, and \$277,356, respectively, which were equal to the required contributions for each year.

The Ohio Revised Code gives SERS the discretionary authority to provide postretirement health care to retirees and their dependents. Coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989 with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium. The portion of the 2002 employer contribution rate (latest information available) that was used to fund health care for the year 2002 was 8.54%. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between minimum pay and the member's pay, prorated for partial service credit. For fiscal year 2003, the minimum pay has been established as \$14,500. The amount contributed to fund health care benefits, including the surcharge amounted to \$216,850.

Health care benefits are financed on a pay-as-you-go basis. The number of retirees and covered dependents currently receiving benefits is approximately 50,000. The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 2002 (the latest information available) were \$182,946,777 and the target level was \$274.4 million. Net assets available for payment of benefits at June 30, 2002 was \$335.2 million.

B. State Teachers Retirement System of Ohio (STRS of Ohio)

All certified employees of the District are eligible to participate in the State Teachers Retirement System of Ohio, a cost-sharing, multiple-employer public employee retirement system.

The STRS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and survivor benefits based on eligible service credit to plan members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. The STRS of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the STRS of Ohio. Interested parties may obtain a copy by making a written request to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3371 or by calling (614) 227-4090.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2003

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

B. State Teachers Retirement System of Ohio (STRS of Ohio) (Continued)

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

The Ohio Revised Code provides statutory authority for District and employee contributions of 14% and 9.3%, respectively. The contribution requirements of plan members and the District are established and may be amended by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. At June 30, 2002, (latest information available) 9.5% was allocated to fund the pension benefit and 4.5% to fund health care. The District's contributions to the STRS of Ohio for the years ending June 30, 2003, 2002, and 2001 were \$1,098,955, \$1,026,156, and \$1,022,136, respectively, which were equal to the required contributions for each year.

STRS provides postemployment health care benefits to retirees and their dependents. Coverage includes hospitalization, physician fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Revised Code, the State Teachers Retirement Board has discretionary authority over how much, if any, of the health care cost will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium.

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2003

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

B. State Teachers Retirement System of Ohio (STRS of Ohio) (Continued)

Benefits are funded on a pay-as-you-go basis through an allocation of employer contributions to a Health Care Reserve Fund. For the fiscal year ended June 30, 2002, (latest information available) the board allocated employer contributions are equal to 4.5% of covered payroll to the Health Care Reserve Fund, which amounted to \$353,236 for the District. The balance of the Health Care Reserve Fund was \$3.011 billion at June 30, 2002 (the latest information available). For the fiscal year ended June 30, 2002, the net health care costs paid by STRS were \$354,697,000. There were 105,300 eligible benefit recipients.

NOTE 9 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

Details of the changes in long-term debt and other long-term obligations of the District for the year ended June 30, 2003 are as follows:

		Balance June 30, 2002	Issued	(Retired)	Balance June 30, 2003	Due Within One Year
Governmental Activities:						
(Long-Term Notes Payable)						
Energy Conservation Project	5.15%	\$165,000	\$0	(\$50,000)	\$115,000	\$55,000
Energy Conservation Project	5.50%	0	726,650	0	726,650	72,665
Total Long-Term Notes Payable		165,000	726,650	(50,000)	841,650	127,665
(EPA Loan Payable)						
Asbestos Federal EPA Loan	0.00%	33,815	0	(7,515)	26,300	7,514
(General Obligation Bonds Payable)						
School Improvement Bonds 1999a 3.0-5.0%		5,237,000	0	(135,000)	5,102,000	140,000
School Improvement Bonds 1999b 3.15-5.0%		9,354,870	0	(240,000)	9,114,870	250,000
Total General Obligation Bonds Payable		14,591,870	0	(375,000)	14,216,870	390,000
Capital Leases Payable		231,853	36,415	(57,974)	210,294	65,376
Compensated Absences		637,767	253,856	(259,692)	631,931	110,696
Total Governmental Activities		15,660,305	1,016,921	(750,181)	15,927,045	701,251
Business-Type Activities:						
Compensated Absences		15,660	2,424	(3,257)	14,827	0
Total Long Term Liabilities		\$15,675,965	\$1,019,345	(\$753,438)	\$15,941,872	\$701,251

The original amounts of the Long-Term Notes Payable of \$461,500 and \$726,650 were used to finance the cost of acquiring and installing energy conservation measures. The original amount of the Asbestos Loan was \$135,259. The original amounts of the General Obligation Bonds Payable of \$5,642,000 and \$9,949,870 were used to finance the cost of building a new high school facility.

LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003**

NOTE 9 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

A. Principal and Interest Requirements

A summary of the District's future long-term debt funding requirements, including principal and interest payments as of June 30, 2003, follows:

Years	Long-Term Notes Payable		EPA Loan Payable		General Obligation Bonds Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$127,665	\$42,984	\$7,514	\$0	\$390,000	\$648,915
2005	132,665	36,071	7,514	0	400,000	633,705
2006	72,665	30,374	7,515	0	415,000	617,605
2007	72,665	26,322	3,757	0	153,120	609,305
2008	72,665	22,270	0	0	133,750	609,305
2009-2013	363,325	50,633	0	0	2,365,000	2,801,413
2014-2018	0	0	0	0	2,940,000	2,202,786
2019-2023	0	0	0	0	3,720,000	1,406,241
2024-2027	0	0	0	0	3,700,000	381,250
Totals	<u>\$841,650</u>	<u>\$208,654</u>	<u>\$26,300</u>	<u>\$0</u>	<u>\$14,216,870</u>	<u>\$9,910,525</u>

NOTE 10 - CAPITAL LEASE COMMITMENTS

The District leases copiers and band instruments under capital leases. The cost of the equipment obtained under capital leases is \$328,235, which is included in the General Activities Capital Assets and the related liability is included in the Governmental Activities Long-Term Liabilities.

The following is a schedule of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 2003

Year Ending June 30,	Capital Lease
2004	\$78,518
2005	83,610
2006	73,032
Minimum Lease Payments	235,160
Less: Amount representing interest at the District's incremental borrowing rate of interest	(24,866)
Present Value of minimum lease payments	<u>\$210,294</u>

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2003

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; and natural disasters. During fiscal year 2003 the District contracted for various insurance coverages, as follows:

<u>Company</u>	<u>Coverages</u>	<u>Deductible</u>	<u>Coverage Amount</u>
Selective Insurance Company	Commercial Property	\$5,000	\$49,119,508
Selective Insurance Company	Inland Marine	\$500	75,000
Selective Insurance Company	Automobile Liability	\$500-Comprehensive \$500-Collision	2,000,000
Selective Insurance Company	General Liability		
	Per occurrence		2,000,000
	General Aggregate	\$1,000	4,000,000
National Union Fire Insurance	School Leaders Errors and Omissions	\$10,000	\$1,000,000

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

The District participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (the GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State, based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Company provides administrative, cost control and actuarial services to the GRP.

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2003

NOTE 12 - INSURANCE PURCHASING POOL

Ohio School Boards Association Workers' Compensation Group Rating Plan – The District participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

NOTE 13 - JOINTLY GOVERNED ORGANIZATIONS

A. Licking Area Computer Association

The District is a participant in the Licking Area Computer Association (LACA) which is a computer consortium. LACA is an association of public school districts within the boundaries of Licking and Muskingum 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 school districts. The governing board of LACA consists of thirteen members made up of the thirteen district superintendents. The continued existence of LACA is not dependent on the District's continued participation and no equity interest exists. The LACA constitution states that any school district withdrawing from the Association prior to dissolution forfeits their claim to the Association's fixed assets. The District paid LACA \$46,742 for services provided during the year. Financial information can be obtained from their fiscal agent, the Licking County Joint Vocational School, Cory Thompson, who serves as Treasurer, at 150 Price Road, Newark, Ohio 43055.

B. Metropolitan Education Council

The District participates in the Metropolitan Education Council (MEC), a jointly governed organization. The organization is composed of over 135 members, which includes school districts, joint vocational school, educational service centers and libraries covering 24 counties in Central Ohio. MEC helps its members purchase services, insurance, supplies, and other items at a discounted rate. The governing board of MEC is composed of either the superintendent, a designated representative or a member of the board of education for each participating school district in Franklin County (18 school districts), and one representative from each county. Each year, the participating school districts pay a membership fee to MEC to cover the costs of administering the program. The District's membership payment to MEC for fiscal year 2003 was \$910. Financial information may be obtained from the Metropolitan Educational Council, Denise Music, who serves as fiscal officer, at 6100 Channingway Blvd., Suite 604, Columbus, OH 43232.

LAKEWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003***

NOTE 13 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

C. Central Ohio Special Education Regional Resource Center

The Central Ohio Special Education Regional Resource Center (COSERRC) is a jointly governed organization operated by a Governing Board that is composed of superintendents of member school districts in Central Ohio (which comprise sixty percent of the Board), two parents of children with disabilities, one representative of a chartered nonpublic school, one representative of a county board of Mental Retardation and Developmental Disabilities, representatives of universities, and student and persons with disabilities representations. The District participates in the following services of COSERRC: Identification and Program Development Project, Regional Educational Assessment Programming Project, Instructional Resource Center Project, Early Childhood Services Project, and the Ohio Resource Center for Low Incidence and Severely Handicapped Project. These services are to assist the District in complying with mandates of Public Law 99-457 for educating children with disabilities. There is no financial commitment made by the districts involved in COSERRC. COSERRC is not dependent upon the continued participation of the District and the District does not maintain an equity interest in or financial responsibility for COSERRC. The District made no contributions to COSERRC during fiscal year 2003.

NOTE 14 – STATUTORY RESERVES

The District is required by state law to set aside certain general fund revenue amounts for textbook and capital acquisition into various reserves. The reserve for budget stabilization became optional under state law in fiscal year 2001. The District has elected not to continue this reserve and is depleting this reserve for instructional material purchases. The District also receives resources from the State of Ohio which are restricted by state law for the purchase of school buses. The balance of this allocation is also reflected as a reservation of fund balance in the general fund at fiscal year end. During the fiscal year ended June 30, 2003, the reserve activity (cash-basis) was as follows:

	Textbook Reserve	Capital Acquisition Reserve	Budget Stabilization Reserve	Total
Set-aside Cash Balance as of June 30, 2002	\$48,227	\$0	\$71,825	\$120,052
Current Year Set-Aside Requirement	302,249	302,249	0	604,498
Qualifying Disbursements	<u>(462,286)</u>	<u>(1,259,408)</u>	<u>(71,825)</u>	<u>(1,793,519)</u>
Total	<u>(\$111,810)</u>	<u>(\$957,159)</u>	<u>\$0</u>	<u>(\$1,068,969)</u>
Cash Balance Carried Forward to FY 2004	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Amount Restricted for bus purchases				<u>32,227</u>
Total Restricted Assets				<u>\$32,227</u>

Actual capital expenditures in excess of current year or accumulated set-aside requirements from the capital acquisition reserve may be carried forward to offset future years' capital acquisition reserve set-aside requirements. Actual cash balances in excess of required set-asides may also be carried forward to offset future years' set-aside requirements.

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2003

NOTE 15 - CONTINGENCIES

A. Grants

The District receives financial assistance from federal and state 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 adverse effect on the overall financial position of the District at June 30, 2003.

B. Litigation

The District is not a party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects as of June 30, 2003.

C. State School Funding

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding decision is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient..."

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

LAKWOOD LOCAL SCHOOL DISTRICT

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

***THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE
THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS.***



LAKEWOOD LOCAL SCHOOL DISTRICT

Nonmajor Governmental Funds

Special Revenue Funds

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

Public School Support Fund

To account for specific local revenue sources, other than taxes that are restricted to expenditures for specified purposes, curricular and extracurricular, approved by board resolutions.

Other Grant Fund

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 Activity Fund

To account for student activity programs which have student participation in the activity, but do not have student management of the programs. Typically this includes athletic programs, band, cheerleaders and other similar types of activities.

Auxiliary Services Fund

To account for monies which provide services and materials to pupils attending non-public schools within the District.

Career Development Fund

To account for funds from monies received and expended in conjunction with vocational education career development projects.

Teacher Development Fund

To account for receipts and expenditures necessary for providing assistance to local school districts for development of in-service programs. (The Balance Sheet is not presented because there are no assets or liabilities at year end.) (The Statement of Revenues, Expenditures and Changes in Fund Balances is not presented because there was no activity on a GAAP basis.)

Management Information System Fund

To account for costs related to hardware and software development or other costs associated with the requirements of the management information system.

Disadvantaged Pupil Impact Aid Fund

To account for monies received for the disadvantaged pupil impact aid. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Data Communications Fund

To account for monies received for the maintenance of the Ohio Educational Computer Network connections

SchoolNet Professional Development Fund

To account for funds from State grants to provide professional development for staff in technology.

(Continued)

LAKWOOD LOCAL SCHOOL DISTRICT

Special Revenue Funds

OhioReads Fund

To account for grant monies to be used for improving reading outcomes, especially on the fourth grade reading proficiency test and for operating expenditures associated with administering the program.

Summer Intervention Fund

To account for summer intervention services satisfying criteria defined in division (E) of section 3313.608 of the Ohio Revised Code. (The Balance Sheet is not presented because there are no assets or liabilities at year end.) (The Statement of Revenues, Expenditures and Changes in Fund Balances is not presented because there was no activity on a GAAP basis.)

Miscellaneous State Grants Fund

To account for various monies from State agencies which are not classified elsewhere

Eisenhower Professional Development Fund

To account for monies for strengthening instruction in science, mathematics, modern foreign languages, English, the arts and computer learning. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Title VI-B Fund

To account for federal monies received in providing an appropriate public education to all children with disabilities.

Title I Fund

To account for federal revenues received to meet the special needs of educationally deprived children.

Title V Fund

To account for federal revenues which assist in the reform of elementary and secondary education. Funds can be used for various materials, technology and projects implementing school improvement and parental involvement.

Drug Free School Grant Fund

To account for federal revenue funds to be used for drug abuse prevention, early intervention, rehabilitation referral and education.

Telecommunications Act Grant Fund

To account for revenues paid to the district for telecommunication services.

Goals 2000 Fund

To account for monies to support a broad range of education improvement programs such as student performance on the fourth and ninth grade State Proficiency tests. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

(Continued)

LAKWOOD LOCAL SCHOOL DISTRICT

Special Revenue Funds

Title II-A Fund

To account for federal monies received which are used to hire additional classroom teachers in grades 1 through 3, so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants Fund

To account for various revenues received through state agencies from the federal government or directly from the federal government which are not classified elsewhere.

Capital Projects Funds

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

SchoolNet Plus Fund

To account for monies received from state grant to provide computer workstations for all classrooms, grade 6. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

LAKWOOD LOCAL SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2003**

	Special Revenue			
	Public School Support	Other Grant	Student Activity	Auxiliary Services
Assets:				
Cash and Cash Equivalents	\$ 29,176	\$ 2,031	\$ 69,271	\$ 7,548
Cash and Cash Equivalents in Segregated Accounts	0	0	376	0
Receivables:				
Accounts	2,820	0	0	0
Intergovernmental	0	0	0	0
Prepaid Items	0	0	0	0
Restricted Assets:				
Total Assets	<u>\$ 31,996</u>	<u>\$ 2,031</u>	<u>\$ 69,647</u>	<u>\$ 7,548</u>
Liabilities:				
Accounts Payable	\$ 1,599	\$ 0	\$ 0	\$ 102
Accrued Wages and Benefits	0	0	0	0
Intergovernmental Payable	0	0	23	0
Deferred Revenue	0	0	0	0
Total Liabilities	<u>1,599</u>	<u>0</u>	<u>23</u>	<u>102</u>
Fund Balances:				
Reserved for Encumbrances	4,552	528	9,566	5,294
Reserved for Prepaid Items	0	0	0	0
Unreserved, Undesignated in:				
Special Revenue Funds (Deficit)	25,845	1,503	60,058	2,152
Total Fund Balances (Deficit)	<u>30,397</u>	<u>2,031</u>	<u>69,624</u>	<u>7,446</u>
Total Liabilities and Funds Balances	<u>\$ 31,996</u>	<u>\$ 2,031</u>	<u>\$ 69,647</u>	<u>\$ 7,548</u>

LAKWOOD LOCAL SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2003**

Special Revenue						
Career Development	Management Information System	Data Communications	Schoolnet Professional Development	OhioReads	Miscellaneous State Grants	
\$ 896	\$ 8,283	\$ 327	\$ 3,677	\$ 1,984	\$ 17,315	
0	0	0	0	0	0	
0	0	0	0	0	0	
0	0	0	0	0	0	
0	0	0	0	0	583	
<u>\$ 896</u>	<u>\$ 8,283</u>	<u>\$ 327</u>	<u>\$ 3,677</u>	<u>\$ 1,984</u>	<u>\$ 17,898</u>	
\$ 265	\$ 0	\$ 327	\$ 0	\$ 523	\$ 0	
0	0	0	0	0	7,346	
0	0	0	1,730	20	260	
0	0	0	0	0	0	
<u>265</u>	<u>0</u>	<u>327</u>	<u>1,730</u>	<u>543</u>	<u>7,606</u>	
31	0	0	895	1,668	0	
0	0	0	0	0	583	
<u>600</u>	<u>8,283</u>	<u>0</u>	<u>1,052</u>	<u>(227)</u>	<u>9,709</u>	
<u>631</u>	<u>8,283</u>	<u>0</u>	<u>1,947</u>	<u>1,441</u>	<u>10,292</u>	
<u>\$ 896</u>	<u>\$ 8,283</u>	<u>\$ 327</u>	<u>\$ 3,677</u>	<u>\$ 1,984</u>	<u>\$ 17,898</u>	

(Continued)

LAKWOOD LOCAL SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2003**

	Special Revenue			
	Title VI-B	Title I	Title V	Drug Free School Grant
Assets:				
Cash and Cash Equivalents	\$ 12,053	\$ 32,618	\$ 1,517	\$ 3,656
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Receivables:				
Accounts	0	0	0	0
Intergovernmental	45,699	74,246	0	1,858
Prepaid Items	1,197	3,271	0	0
Restricted Assets:				
Total Assets	<u>\$ 58,949</u>	<u>\$ 110,135</u>	<u>\$ 1,517</u>	<u>\$ 5,514</u>
Liabilities:				
Accounts Payable	\$ 37,566	\$ 4,286	\$ 0	\$ 1,596
Accrued Wages and Benefits	17,432	43,351	0	0
Intergovernmental Payable	3,951	8,041	25	0
Deferred Revenue	0	6,250	0	0
Total Liabilities	<u>58,949</u>	<u>61,928</u>	<u>25</u>	<u>1,596</u>
Fund Balances:				
Reserved for Encumbrances	794	6,250	0	2,594
Reserved for Prepaid Items	1,197	3,271	0	0
Unreserved, Undesignated in:				
Special Revenue Funds (Deficit)	(1,991)	38,686	1,492	1,324
Total Fund Balances (Deficit)	<u>0</u>	<u>48,207</u>	<u>1,492</u>	<u>3,918</u>
Total Liabilities and Funds Balances	<u>\$ 58,949</u>	<u>\$ 110,135</u>	<u>\$ 1,517</u>	<u>\$ 5,514</u>

LAKWOOD LOCAL SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2003**

Special Revenue			
Tele- communication Act Grant	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Governmental Funds
\$ 12,944	\$ 8,671	\$ 42,196	\$ 254,163
0	0	0	376
0	0	0	2,820
0	13,198	9,682	144,683
0	1,145	0	6,196
<u>\$ 12,944</u>	<u>\$ 23,014</u>	<u>\$ 51,878</u>	<u>\$ 408,238</u>
\$ 990	\$ 0	\$ 5,360	\$ 52,614
0	13,277	0	81,406
0	2,428	287	16,765
0	597	145	6,992
<u>990</u>	<u>16,302</u>	<u>5,792</u>	<u>157,777</u>
1,806	40	2,367	36,385
0	1,145	0	6,196
<u>10,148</u>	<u>5,527</u>	<u>43,719</u>	<u>207,880</u>
<u>11,954</u>	<u>6,712</u>	<u>46,086</u>	<u>250,461</u>
<u>\$ 12,944</u>	<u>\$ 23,014</u>	<u>\$ 51,878</u>	<u>\$ 408,238</u>

LAKWOOD LOCAL SCHOOL DISTRICT

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2003***

	Special Revenue			
	Public School Support	Other Grant	Student Activity	Auxiliary Services
Revenues:				
Local Sources:				
Extracurricular Activities	\$39,979	\$0	\$123,266	\$0
Intermediate Sources	0	5,080	0	0
Intergovernmental - State	0	0	0	55,009
Intergovernmental - Federal	0	0	0	0
All Other Revenue	4,727	0	8,168	0
Total Revenue	44,706	5,080	131,434	55,009
Expenditures:				
Current:				
Instruction	0	3,470	0	0
Supporting Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Fiscal Services	0	0	0	2,200
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	0	69,946
Extracurricular Activities	39,485	0	125,528	0
Debt Service:				
Total Expenditures	39,485	3,470	125,528	72,146
Net Change in Fund Balance	5,221	1,610	5,906	(17,137)
Fund Balances at Beginning of Year	25,176	421	63,718	24,583
Fund Balances End of Year	\$ 30,397	\$ 2,031	\$ 69,624	\$ 7,446

LAKWOOD LOCAL SCHOOL DISTRICT

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2003***

Special Revenue						
Career Development	Management Information System	Disadvantaged Pupil Impact Aid	Data Communications	SchoolNet Professional Development	OhioReads	Miscellaneous State Grants
\$0	\$0	\$0	\$0	\$0	\$0	\$0
1,100	0	0	0	0	0	0
0	8,283	32,768	0	4,600	34,000	113,658
0	0	0	0	0	0	0
0	0	0	0	0	0	0
1,100	8,283	32,768	0	4,600	34,000	113,658
0	0	0	0	0	36,267	0
1,188	0	42,610	0	0	0	0
0	0	0	0	8,025	0	111,052
0	0	0	0	0	0	2,396
0	0	0	0	0	0	0
0	6,834	0	3,429	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
1,188	6,834	42,610	3,429	8,025	36,267	113,448
(88)	1,449	(9,842)	(3,429)	(3,425)	(2,267)	210
719	6,834	9,842	3,429	5,372	3,708	10,082
\$ 631	\$ 8,283	\$ 0	\$ 0	\$ 1,947	\$ 1,441	\$ 10,292

(Continued)

LAKWOOD LOCAL SCHOOL DISTRICT

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2003***

	Special Revenue			
	Eisenhower Professional Development	Title VI-B	Title I	Title V
Revenues:				
Local Sources:				
Extracurricular Activities	\$0	\$0	\$0	\$0
Intermediate Sources	0	0	0	0
Intergovernmental - State	0	0	0	0
Intergovernmental - Federal	0	225,135	471,357	13,462
All Other Revenue	0	0	0	0
Total Revenue	0	225,135	471,357	13,462
Expenditures:				
Current:				
Instruction	0	150,660	409,502	0
Supporting Services:				
Pupils	3,581	6,388	0	12,582
Instructional Staff	0	0	107,367	0
Administration	0	89,381	0	0
Fiscal Services	0	0	1,138	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Debt Service:				
Total Expenditures	3,581	246,429	518,007	12,582
Net Change in Fund Balance	(3,581)	(21,294)	(46,650)	880
Fund Balances at Beginning of Year	3,581	21,294	94,857	612
Fund Balances End of Year	\$ 0	\$ 0	\$ 48,207	\$ 1,492

LAKWOOD LOCAL SCHOOL DISTRICT

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2003***

Drug Free School Grant	Tele- communication Act Grant	Special Revenue			Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds	Capital Projects	Total Nonmajor Governmental Funds
		Goals 2000	Title II-A				SchoolNet Plus	
\$0	\$0	\$0	\$0	\$0	\$163,245	\$0	\$163,245	
0	0	0	0	0	6,180	0	6,180	
0	0	0	0	0	248,318	35,773	284,091	
12,978	0	0	116,637	50,710	890,279	0	890,279	
0	27,808	0	0	0	40,703	0	40,703	
<u>12,978</u>	<u>27,808</u>	<u>0</u>	<u>116,637</u>	<u>50,710</u>	<u>1,348,725</u>	<u>35,773</u>	<u>1,384,498</u>	
570	1,303	0	105,928	15,619	723,319	35,773	759,092	
9,555	4,395	0	0	12,947	93,246	0	93,246	
0	23,928	5,615	3,704	1,989	261,680	0	261,680	
0	0	0	293	13,704	105,774	0	105,774	
0	0	0	0	0	3,338	0	3,338	
0	7,506	0	0	0	17,769	0	17,769	
0	0	0	0	0	69,946	0	69,946	
0	0	0	0	0	165,013	0	165,013	
<u>10,125</u>	<u>37,132</u>	<u>5,615</u>	<u>109,925</u>	<u>44,259</u>	<u>1,440,085</u>	<u>35,773</u>	<u>1,475,858</u>	
2,853	(9,324)	(5,615)	6,712	6,451	(91,360)	0	(91,360)	
<u>1,065</u>	<u>21,278</u>	<u>5,615</u>	<u>0</u>	<u>39,635</u>	<u>341,821</u>	<u>0</u>	<u>341,821</u>	
<u>\$ 3,918</u>	<u>\$ 11,954</u>	<u>\$ 0</u>	<u>\$ 6,712</u>	<u>\$ 46,086</u>	<u>\$ 250,461</u>	<u>\$ 0</u>	<u>\$ 250,461</u>	

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Fiscal Year Ended June 30, 2003***

GENERAL FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Local Sources:				
Taxes	\$ 8,289,759	\$ 8,289,759	\$ 8,289,759	\$ 0
Tuition	265,000	271,328	271,924	596
Investment Earnings	87,000	87,000	88,494	1,494
Extracurricular Activities	136,000	138,050	138,024	(26)
Class Material and Fees	18,912	17,862	18,647	785
Intergovernmental - State	5,249,905	5,088,308	5,096,701	8,393
All Other Revenues	241,380	240,030	242,837	2,807
Total Revenues	<u>14,287,956</u>	<u>14,132,337</u>	<u>14,146,386</u>	<u>14,049</u>
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	5,320,989	5,338,797	5,338,797	0
Fringe Benefits	1,384,754	1,370,954	1,370,624	330
Purchased Services	466,034	456,867	434,902	21,965
Supplies and Materials	297,433	316,290	297,034	19,256
Other Expenditures	13,464	13,464	13,464	0
Capital Outlay	87,033	110,064	109,560	504
Total Regular	<u>7,569,707</u>	<u>7,606,436</u>	<u>7,564,381</u>	<u>42,055</u>
Special:				
Salaries and Wages	639,594	643,139	643,094	45
Fringe Benefits	176,829	175,798	175,491	307
Purchased Services	219,889	225,223	212,260	12,963
Supplies and Materials	9,970	8,915	6,885	2,030
Capital Outlay	1,000	2,375	2,367	8
Total Special	<u>1,047,282</u>	<u>1,055,450</u>	<u>1,040,097</u>	<u>15,353</u>
Vocational:				
Salaries and Wages	222,333	217,868	217,868	0
Fringe Benefits	60,725	60,328	60,214	114
Purchased Services	1,650	622	0	622
Supplies and Materials	21,619	22,480	22,464	16
Capital Outlay	12,613	11,719	11,531	188
Total Vocational	<u>318,940</u>	<u>313,017</u>	<u>312,077</u>	<u>940</u>

(Continued)

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Fiscal Year Ended June 30, 2003***

	GENERAL FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Other:				
Other Expenditures	85,260	85,533	85,533	0
Total Other	85,260	85,533	85,533	0
Total Instructional Services	9,021,189	9,060,436	9,002,088	58,348
Support Services:				
Pupils:				
Salaries and Wages	676,143	666,384	666,312	72
Fringe Benefits	183,156	178,532	168,632	9,900
Purchased Services	6,263	4,167	2,934	1,233
Supplies and Materials	66,931	37,174	29,090	8,084
Other Expenditures	90,074	84,934	84,934	0
Capital Outlay	310	310	281	29
Total Pupils	1,022,877	971,501	952,183	19,318
Instructional Staff:				
Salaries and Wages	302,555	222,820	222,820	0
Fringe Benefits	131,350	103,483	101,325	2,158
Purchased Services	159,046	148,712	129,180	19,532
Supplies and Materials	27,218	17,694	13,752	3,942
Other Expenditures	485	485	485	0
Capital Outlay	1,513	1,513	1,513	0
Total Instructional Staff	622,167	494,707	469,075	25,632
Board of Education:				
Salaries and Wages	4,800	4,800	4,800	0
Fringe Benefits	953	954	944	10
Purchased Services	13,695	23,795	20,415	3,380
Supplies and Materials	3,811	2,311	1,762	549
Other Expenditures	4,289	8,827	5,230	3,597
Total Board of Education	27,548	40,687	33,151	7,536
Administration:				
Salaries and Wages	1,027,608	1,007,985	1,007,985	0
Fringe Benefits	298,347	290,926	289,006	1,920
Purchased Services	87,287	77,839	76,259	1,580
Supplies and Materials	8,698	6,993	6,775	218
Other Expenditures	25,863	20,572	20,451	121
Capital Outlay	12,161	10,531	10,531	0
Total Administration	1,459,964	1,414,846	1,411,007	3,839

(Continued)

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Fiscal Year Ended June 30, 2003***

	GENERAL FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Fiscal Services:				
Salaries and Wages	137,981	138,682	138,682	0
Fringe Benefits	59,898	58,468	57,147	1,321
Purchased Services	15,951	16,701	15,498	1,203
Supplies and Materials	3,931	4,000	3,745	255
Other Expenditures	171,785	203,515	202,735	780
Capital Outlay	13,074	13,074	13,074	0
Total Fiscal Services	<u>402,620</u>	<u>434,440</u>	<u>430,881</u>	<u>3,559</u>
Business:				
Salaries and Wages	5,232	5,358	5,358	0
Fringe Benefits	7,790	7,790	7,776	14
Other Expenditures	910	910	910	0
Total Business	<u>13,932</u>	<u>14,058</u>	<u>14,044</u>	<u>14</u>
Operation and Maintenance of Plant:				
Salaries and Wages	497,582	499,132	499,035	97
Fringe Benefits	202,110	197,733	196,449	1,284
Purchased Services	597,291	608,151	527,120	81,031
Supplies and Materials	184,584	156,258	96,282	59,976
Other Expenditures	1,036	1,036	1,036	0
Capital Outlay	239,828	239,225	35,061	204,164
Total Operation and Maintenance Of Plant	<u>1,722,431</u>	<u>1,701,535</u>	<u>1,354,983</u>	<u>346,552</u>
Pupil Transportation:				
Salaries and Wages	459,413	471,046	471,046	0
Fringe Benefits	220,612	221,517	219,753	1,764
Purchased Services	65,463	69,501	62,452	7,049
Supplies and Materials	105,949	145,295	145,164	131
Other Expenditures	1,969	1,989	1,864	125
Capital Outlay	205,720	202,633	202,633	0
Total Pupil Transportation	<u>1,059,126</u>	<u>1,111,981</u>	<u>1,102,912</u>	<u>9,069</u>
Central:				
Salaries and Wages	3,997	4,335	4,334	1
Fringe Benefits	408	808	649	159
Purchased Services	48,140	48,280	44,289	3,991
Supplies and Materials	2,211	2,311	1,833	478
Other Expenditures	75	100	100	0
Total Central	<u>54,831</u>	<u>55,834</u>	<u>51,205</u>	<u>4,629</u>
Total Support Services	<u>6,385,496</u>	<u>6,239,589</u>	<u>5,819,441</u>	<u>420,148</u>

(Continued)

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Fiscal Year Ended June 30, 2003***

	GENERAL FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Operation of Non-Instructional Services:				
Purchased Services	2,870	4,900	4,896	4
Supplies and Materials	9,254	9,124	5,900	3,224
Capital Outlay	32,196	31,719	31,719	0
Total Non-Instructional Services	<u>44,320</u>	<u>45,743</u>	<u>42,515</u>	<u>3,228</u>
Extracurricular Activities:				
Salaries and Wages	105,665	138,130	138,130	0
Fringe Benefits	16,485	27,086	23,353	3,733
Purchased Services	0	1,688	0	1,688
Other Expenditures	8,305	6,618	5,215	1,403
Total Extracurricular Activities	<u>130,455</u>	<u>173,522</u>	<u>166,698</u>	<u>6,824</u>
Total Expenditures	<u>15,581,460</u>	<u>15,519,290</u>	<u>15,030,742</u>	<u>488,548</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,293,504)	(1,386,953)	(884,356)	502,597
Other Financing Sources (Uses):				
Proceeds from the Sale of Fixed Assets	850	850	850	0
Other Financing Sources - Capital Lease	36,415	36,415	36,415	0
Operating Transfers In	110,317	100,317	100,317	0
Operating Transfers Out	(100,317)	(100,317)	(100,317)	0
Advances In	67,875	67,875	67,875	0
Advances Out	(60,000)	(67,875)	(67,875)	0
Total Other Financing Sources (Uses):	<u>55,140</u>	<u>37,265</u>	<u>37,265</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,238,364)	(1,349,688)	(847,091)	502,597
Fund Balance at Beginning of Year	2,290,779	2,290,779	2,290,779	0
Prior Year Encumbrances	439,153	439,153	439,153	0
Fund Balance at End of Year	<u>\$ 1,491,568</u>	<u>\$ 1,380,244</u>	<u>\$ 1,882,841</u>	<u>\$ 502,597</u>

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Debt Service Fund
For the Fiscal Year Ended June 30, 2003***

BOND RETIREMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,143,992	\$ 1,143,992	\$ 1,143,992	\$ 0
Intergovernmental - State	101,521	94,602	94,602	0
Total Revenues	1,245,513	1,238,594	1,238,594	0
Expenditures:				
Current:				
Support Services:				
Fiscal Services:				
Other Expenditures	20,000	18,783	18,783	0
Total Support Services	20,000	18,783	18,783	0
Debt Service:				
Principal Retirement	432,515	432,515	432,515	0
Interest and Fiscal Charges	690,619	690,619	690,619	0
Total Debt Service	1,123,134	1,123,134	1,123,134	0
Total Expenditures	1,143,134	1,141,917	1,141,917	0
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	102,379	96,677	96,677	0
Fund Balance at Beginning of Year				
Fund Balance at End of Year	\$ 385,605	\$ 379,903	\$ 379,903	\$ 0

LAKWOOD LOCAL SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Capital Projects Funds
For the Fiscal Year Ended June 30, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUILDING ACQUISITION AND CONSTRUCTION FUND				
Revenues:				
Investment Earnings	\$ 950	\$ 825	\$ 838	\$ 13
All Other Revenues	19,863	19,863	19,863	0
Total Revenues	<u>20,813</u>	<u>20,688</u>	<u>20,701</u>	<u>13</u>
Expenditures:				
Capital Outlay:				
Purchased Services	1,000	360	360	0
Supplies and Materials	23,000	7,951	7,951	0
Capital Outlay	735,650	760,426	760,426	0
Total Expenditures	<u>759,650</u>	<u>768,737</u>	<u>768,737</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(738,837)	(748,049)	(748,036)	13
Other Financing Sources (Uses):				
Proceeds from Sale of Notes	726,650	726,650	726,650	0
Total Other Financing Sources (Uses)	<u>726,650</u>	<u>726,650</u>	<u>726,650</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(12,187)	(21,399)	(21,386)	13
Fund Balance at Beginning of Year	44,517	44,517	44,517	0
Fund Balance at End of Year	<u>\$ 32,330</u>	<u>\$ 23,118</u>	<u>\$ 23,131</u>	<u>\$ 13</u>

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003***

PUBLIC SCHOOL SUPPORT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Local Sources:				
Extracurricular Activities	\$ 29,193	\$ 38,943	\$ 37,219	\$ (1,724)
All Other Revenues	6,575	5,748	4,797	(951)
Total Revenues	<u>35,768</u>	<u>44,691</u>	<u>42,016</u>	<u>(2,675)</u>
Expenditures:				
Extracurricular Activities:				
Purchased Services	10,807	10,807	5,640	5,167
Supplies and Materials	48,727	49,224	41,024	8,200
Capital Outlay	4,915	7,618	6,369	1,249
Total Expenditures	<u>64,449</u>	<u>67,649</u>	<u>53,033</u>	<u>14,616</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(28,681)	(22,958)	(11,017)	11,941
Fund Balance at Beginning of Year	24,521	24,521	24,521	0
Prior Year Encumbrances	10,221	10,221	10,221	0
Fund Balance at End of Year	<u>\$ 6,061</u>	<u>\$ 11,784</u>	<u>\$ 23,725</u>	<u>\$ 11,941</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003***

	OTHER GRANT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Local Sources:				
Intermediate Sources	\$ 3,580	\$ 5,080	\$ 5,080	\$ 0
Total Revenues	3,580	5,080	5,080	0
Expenditures:				
Instructional Services:				
Regular:				
Supplies and Materials	3,764	3,764	3,761	3
Total Instructional Services	3,764	3,764	3,761	3
Support Services:				
Instructional Staff:				
Supplies and Materials	237	237	237	0
Total Instructional Staff	237	237	237	0
Total Support Services	237	237	237	0
Total Expenditures	4,001	4,001	3,998	3
Excess (Deficiency) of Revenues Over (Under) Expenditures	(421)	1,079	1,082	3
Fund Balance at Beginning of Year	300	300	300	0
Prior Year Encumbrances	121	121	121	0
Fund Balance at End of Year	\$ 0	\$ 1,500	\$ 1,503	\$ 3

LAKWOOD LOCAL SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
STUDENT ACTIVITY FUND				
Revenues:				
Extracurricular Activities	\$ 170,763	\$ 133,135	\$ 123,266	\$ (9,869)
All Other Revenues	13,500	9,143	8,168	(975)
Total Revenues	<u>184,263</u>	<u>142,278</u>	<u>131,434</u>	<u>(10,844)</u>
Expenditures:				
Extracurricular Activities:				
Salaries and Wages	8,937	7,602	5,961	1,641
Purchased Services	74,369	43,360	36,852	6,508
Supplies and Materials	113,354	116,727	89,951	26,776
Other Expenditures	0	500	500	0
Capital Outlay	11,670	9,195	1,462	7,733
Total Extracurricular Activities	<u>208,330</u>	<u>177,384</u>	<u>134,726</u>	<u>42,658</u>
Total Expenditures	<u>208,330</u>	<u>177,384</u>	<u>134,726</u>	<u>42,658</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(24,067)	(35,106)	(3,292)	31,814
Other Financing Sources (Uses):				
Refund of Prior Year's Expenditures	224	224	0	(224)
Total Other Financing Sources (Uses):	<u>224</u>	<u>224</u>	<u>0</u>	<u>(224)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(23,843)	(34,882)	(3,292)	31,590
Fund Balance at Beginning of Year	59,011	59,011	59,011	0
Prior Year Encumbrances	3,985	3,985	3,985	0
Fund Balance at End of Year	<u>\$ 39,153</u>	<u>\$ 28,114</u>	<u>\$ 59,704</u>	<u>\$ 31,590</u>

LAKWOOD LOCAL SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
AUXILIARY SERVICES FUND				
Revenues:				
Intergovernmental - State	\$ 55,009	\$ 55,009	\$ 55,009	\$ 0
Total Revenues	<u>55,009</u>	<u>55,009</u>	<u>55,009</u>	<u>0</u>
Expenditures:				
Support Services:				
Fiscal Services:				
Other Expenditures	2,200	2,200	2,200	0
Total Fiscal Services	<u>2,200</u>	<u>2,200</u>	<u>2,200</u>	<u>0</u>
Total Support Services	<u>2,200</u>	<u>2,200</u>	<u>2,200</u>	<u>0</u>
Operation of Non-Instructional Services:				
Supplies and Materials	77,391	77,391	75,240	2,151
Total Operation of Non-Instructional Services	<u>77,391</u>	<u>77,391</u>	<u>75,240</u>	<u>2,151</u>
Total Expenditures	<u>79,591</u>	<u>79,591</u>	<u>77,440</u>	<u>2,151</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(24,582)	(24,582)	(22,431)	2,151
Fund Balance at Beginning of Year	8,030	8,030	8,030	0
Prior Year Encumbrances	16,553	16,553	16,553	0
Fund Balance at End of Year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 2,152</u>	<u>\$ 2,151</u>

LAKWOOD LOCAL SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003**

CAREER DEVELOPMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intermediate Sources	\$ 1,100	\$ 1,100	\$ 1,100	\$ 0
Total Revenues	1,100	1,100	1,100	0
Expenditures:				
Supporting Services:				
Pupils:				
Supplies and Materials	719	1,819	1,219	600
Total Expenditures	719	1,819	1,219	600
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	381	(719)	(119)	600
Fund Balance at Beginning of Year	719	719	719	0
Fund Balance at End of Year	\$ 1,100	\$ 0	\$ 600	\$ 600

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003***

TEACHER DEVELOPMENT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Support Services:				
Instructional Staff:				
Supplies and Materials	35	35	35	0
Total Expenditures	<u>35</u>	<u>35</u>	<u>35</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(35)	(35)	(35)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	35	35	35	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

LAKWOOD LOCAL SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003**

MANAGEMENT INFORMATION SYSTEM FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - State	\$ 8,000	\$ 8,283	\$ 8,283	\$ 0
Total Revenues	8,000	8,283	8,283	0
Expenditures:				
Support Services:				
Central:				
Salaries and Wages	16,111	12,800	4,518	8,282
Purchased Services	0	3,594	3,594	0
Total Expenditures	16,111	16,394	8,112	8,282
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,111)	(8,111)	171	8,282
Fund Balance at Beginning of Year	8,112	8,112	8,112	0
Fund Balance at End of Year	\$ 1	\$ 1	\$ 8,283	\$ 8,282

LAKWOOD LOCAL SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
DISADVANTAGED PUPIL IMPACT AID FUND				
Revenues:				
Intergovernmental - State	\$ 32,768	\$ 32,768	\$ 32,768	\$ 0
Total Revenues	<u>32,768</u>	<u>32,768</u>	<u>32,768</u>	<u>0</u>
Expenditures:				
Support Services:				
Pupils:				
Salaries and Wages	41,813	45,241	45,241	0
Fringe Benefits	<u>5,593</u>	<u>2,165</u>	<u>2,165</u>	<u>0</u>
Total Expenditures	<u>47,406</u>	<u>47,406</u>	<u>47,406</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,638)	(14,638)	(14,638)	0
Fund Balance at Beginning of Year	<u>14,638</u>	<u>14,638</u>	<u>14,638</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003***

DATA COMMUNICATIONS FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Support Services:				
Central:				
Purchased Services	3,429	3,429	3,429	0
Total Expenditures	<u>3,429</u>	<u>3,429</u>	<u>3,429</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,429)	(3,429)	(3,429)	0
Fund Balance at Beginning of Year	181	181	181	0
Prior Year Encumbrances	3,248	3,248	3,248	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

LAKWOOD LOCAL SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
SCHOOLNET PROFESSIONAL DEVELOPMENT FUND				
Revenues:				
Intergovernmental - State	\$ 4,600	\$ 4,600	\$ 4,600	\$ 0
Total Revenues	<u>4,600</u>	<u>4,600</u>	<u>4,600</u>	<u>0</u>
Expenditures:				
Support Services:				
Instructional Staff::				
Salaries and Wages	1,950	2,475	2,475	0
Fringe Benefits	81	155	81	74
Purchased Services	8,025	7,426	4,718	2,708
Total Expenditures	<u>10,056</u>	<u>10,056</u>	<u>7,274</u>	<u>2,782</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,456)	(5,456)	(2,674)	2,782
Fund Balance at Beginning of Year	5,456	5,456	5,456	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,782</u>	<u>\$ 2,782</u>

LAKWOOD LOCAL SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003**

	OHIOREADS FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - State	\$ 34,000	\$ 34,000	\$ 34,000	\$ 0
Total Revenues	34,000	34,000	34,000	0
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	7,000	5,000	5,000	0
Purchased Services	17,960	16,269	16,269	0
Supplies and Materials	15,835	19,526	19,526	0
Capital Outlay	33	33	33	0
Total Expenditures	40,828	40,828	40,828	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,828)	(6,828)	(6,828)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	6,828	6,828	6,828	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0	\$ 0

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003***

SUMMER INTERVENTION FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Supplies and Materials	54	54	54	0
Total Expenditures	54	54	54	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(54)	(54)	(54)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	54	54	54	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
MISCELLANEOUS STATE GRANTS FUND				
Revenues:				
Intergovernmental - State	\$ 104,809	\$ 104,809	\$ 113,658	\$ 8,849
Total Revenues	<u>104,809</u>	<u>104,809</u>	<u>113,658</u>	<u>8,849</u>
Expenditures:				
Support Services:				
Instructional Staff:				
Salaries and Wages	0	80,160	73,980	6,180
Fringe Benefits	0	28,304	26,018	2,286
Other Expenditures	0	4,031	4,031	0
Total Instructional Staff	<u>0</u>	<u>112,495</u>	<u>104,029</u>	<u>8,466</u>
Administration:				
Purchased Services	2,396	2,396	2,396	0
Total Administration	<u>2,396</u>	<u>2,396</u>	<u>2,396</u>	<u>0</u>
Total Expenditures	<u>2,396</u>	<u>114,891</u>	<u>106,425</u>	<u>8,466</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	102,413	(10,082)	7,233	17,315
Fund Balance at Beginning of Year	10,082	10,082	10,082	0
Fund Balance at End of Year	<u>\$ 112,495</u>	<u>\$ 0</u>	<u>\$ 17,315</u>	<u>\$ 17,315</u>

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
EISENHOWER PROFESSIONAL DEVELOPMENT FUND				
Revenues:				
Intergovernmental - Federal	\$ 1,470	\$ 1,470	\$ 1,470	\$ 0
Total Revenues	<u>1,470</u>	<u>1,470</u>	<u>1,470</u>	<u>0</u>
Expenditures:				
Support Services:				
Pupils:				
Salaries and Wages	1,100	1,100	1,100	0
Purchased Services	851	851	851	0
Supplies and Materials	1,840	1,840	1,840	0
Total Pupils	<u>3,791</u>	<u>3,791</u>	<u>3,791</u>	<u>0</u>
Instructional Staff:				
Purchased Services	131	131	131	0
Supplies and Materials	23	23	23	0
Total Instructional Staff	<u>154</u>	<u>154</u>	<u>154</u>	<u>0</u>
Total Expenditures	<u>3,945</u>	<u>3,945</u>	<u>3,945</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,475)	(2,475)	(2,475)	0
Fund Balance at Beginning of Year	1,138	1,138	1,138	0
Prior Year Encumbrances	1,337	1,337	1,337	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003***

	TITLE VI-B FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - Federal	\$ 229,226	\$ 229,226	\$ 183,527	\$ (45,699)
Total Revenues	<u>229,226</u>	<u>229,226</u>	<u>183,527</u>	<u>(45,699)</u>
Expenditures:				
Instructional Services:				
Special:				
Salaries and Wages	75,446	73,393	63,820	9,573
Fringe Benefits	20,763	15,232	13,376	1,856
Supplies and Materials	29,810	26,229	26,229	0
Capital Outlay	8,565	37,827	37,827	0
Total Instructional Services	<u>134,584</u>	<u>152,681</u>	<u>141,252</u>	<u>11,429</u>
Support Services:				
Pupils:				
Salaries and Wages	8,937	8,588	8,288	300
Fringe Benefits	2,170	2,170	2,170	0
Purchased Services	475	125	125	0
Supplies and Materials	414	414	414	0
Capital Outlay	6,435	1,055	1,055	0
Total Pupils	<u>18,431</u>	<u>12,352</u>	<u>12,052</u>	<u>300</u>
Administration:				
Salaries and Wages	83,741	73,437	67,812	5,625
Fringe Benefits	22,786	21,072	19,034	2,038
Purchased Services	35	35	35	0
Supplies and Materials	397	397	397	0
Other Expenditures	816	816	816	0
Total Administration	<u>107,775</u>	<u>95,757</u>	<u>88,094</u>	<u>7,663</u>
Total Support Services	<u>126,206</u>	<u>108,109</u>	<u>100,146</u>	<u>7,963</u>
Total Expenditures	<u>260,790</u>	<u>260,790</u>	<u>241,398</u>	<u>19,392</u>

(Continued)

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003***

	TITLE VI-B FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(31,564)	(31,564)	(57,871)	(26,307)
Other Financing Sources (Uses):				
Advances In	10,000	10,000	10,000	0
Advances Out	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>0</u>
Total Other Financing Sources (Uses):	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(31,564)	(31,564)	(57,871)	(26,307)
Fund Balance at Beginning of Year	31,430	31,430	31,430	0
Prior Year Encumbrances	<u>134</u>	<u>134</u>	<u>134</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (26,307)</u>	<u>\$ (26,307)</u>

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003***

	TITLE I FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Local Sources:				
Intergovernmental - Federal	\$ 566,381	\$ 565,394	\$ 491,147	\$ (74,247)
Total Revenues	<u>566,381</u>	<u>565,394</u>	<u>491,147</u>	<u>(74,247)</u>
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	10,265	18,865	14,140	4,725
Fringe Benefits	1,586	2,293	2,052	241
Total Regular	<u>11,851</u>	<u>21,158</u>	<u>16,192</u>	<u>4,966</u>
Special:				
Salaries and Wages	387,941	352,267	295,211	57,056
Fringe Benefits	93,369	97,248	84,827	12,421
Supplies and Materials	2,075	15,075	14,780	295
Total Special	<u>483,385</u>	<u>464,590</u>	<u>394,818</u>	<u>69,772</u>
Total Instructional Services	<u>495,236</u>	<u>485,748</u>	<u>411,010</u>	<u>74,738</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	5,790	18,291	16,665	1,626
Fringe Benefits	1,119	1,259	1,203	56
Purchased Services	44,625	38,025	31,121	6,904
Supplies and Materials	72,760	74,060	60,959	13,101
Total Instructional Staff	<u>124,294</u>	<u>131,635</u>	<u>109,948</u>	<u>21,687</u>
Fiscal Services:				
Salaries and Wages	0	1,000	1,000	0
Fringe Benefits	0	160	140	20
Total Fiscal Services	<u>0</u>	<u>1,160</u>	<u>1,140</u>	<u>20</u>
Total Support Services	<u>124,294</u>	<u>132,795</u>	<u>111,088</u>	<u>21,707</u>
Total Expenditures	<u>619,530</u>	<u>618,543</u>	<u>522,098</u>	<u>96,445</u>

(Continued)

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003***

	TITLE I FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(53,149)	(53,149)	(30,951)	22,198
Other Financing Sources (Uses):				
Advances In	16,000	16,000	16,000	0
Advances Out	<u>(16,000)</u>	<u>(16,000)</u>	<u>(16,000)</u>	<u>0</u>
Total Other Financing Sources (Uses):	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(53,149)	(53,149)	(30,951)	22,198
Fund Balance at Beginning of Year	52,400	52,400	52,400	0
Prior Year Encumbrances	<u>749</u>	<u>749</u>	<u>749</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 22,198</u>	<u>\$ 22,198</u>

LAKWOOD LOCAL SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003**

	TITLE V FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - Federal	\$ 14,880	\$ 14,880	\$ 14,880	\$ 0
Total Revenues	14,880	14,880	14,880	0
Expenditures:				
Support Services:				
Pupils:				
Salaries and Wages	13,070	13,070	11,553	1,517
Other Expenditures	1,052	1,052	1,052	0
Total Expenditures	14,122	14,122	12,605	1,517
Excess (Deficiency) of Revenues Over (Under) Expenditures	758	758	2,275	1,517
Other Financing Sources (Uses):				
Advances In	2,500	2,500	2,500	0
Advances Out	(2,500)	(2,500)	(2,500)	0
Total Other Financing Sources (Uses):	0	0	0	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	758	758	2,275	1,517
Fund Balance at Beginning of Year	(758)	(758)	(758)	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 1,517	\$ 1,517

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003***

DRUG FREE SCHOOL GRANT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - Federal	\$ 12,997	\$ 12,978	\$ 11,120	\$ (1,858)
Total Revenues	12,997	12,978	11,120	(1,858)
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	1,500	1,500	500	1,000
Fringe Benefits	0	184	70	114
Total Instructional Services	1,500	1,684	570	1,114
Support Services:				
Pupils:				
Purchased Services	4,000	3,026	3,026	0
Supplies and Materials	7,919	8,690	8,480	210
Other Expenditures	643	643	643	0
Total Support Services	12,562	12,359	12,149	210
Total Expenditures	14,062	14,043	12,719	1,324
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(1,065)	(1,065)	(1,599)	(534)
Fund Balance at Beginning of Year				
Prior Year Encumbrances	790	790	790	0
Fund Balance at End of Year	275	275	275	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ (534)	\$ (534)

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
TELECOMMUNICATIONS ACT GRANT FUND				
Revenues:				
All Other Revenues	\$ 30,000	\$ 30,000	\$ 27,808	\$ (2,192)
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>27,808</u>	<u>(2,192)</u>
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	0	1,000	1,000	0
Fringe Benefits	0	140	140	0
Purchased Services	510	510	163	347
Total Instructional Services	<u>510</u>	<u>1,650</u>	<u>1,303</u>	<u>347</u>
Support Services:				
Pupils:				
Capital Outlay	4,500	4,500	4,395	105
Total Pupils	<u>4,500</u>	<u>4,500</u>	<u>4,395</u>	<u>105</u>
Instructional Staff:				
Purchased Services	0	24,708	23,928	780
Total Instructional Staff	<u>0</u>	<u>24,708</u>	<u>23,928</u>	<u>780</u>
Central:				
Purchased Services	24,708	0	0	0
Supplies and Materials	9,407	8,267	5,538	2,729
Capital Outlay	7,240	7,240	4,031	3,209
Total Central	<u>41,355</u>	<u>15,507</u>	<u>9,569</u>	<u>5,938</u>
Total Support Services	<u>45,855</u>	<u>44,715</u>	<u>37,892</u>	<u>6,823</u>
Total Expenditures	<u>46,365</u>	<u>46,365</u>	<u>39,195</u>	<u>7,170</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,365)	(16,365)	(11,387)	4,978
Fund Balance at Beginning of Year	19,878	19,878	19,878	0
Prior Year Encumbrances	1,657	1,657	1,657	0
Fund Balance at End of Year	<u>\$ 5,170</u>	<u>\$ 5,170</u>	<u>\$ 10,148</u>	<u>\$ 4,978</u>

LAKWOOD LOCAL SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003**

	GOALS 2000 FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Support Services:				
Instructional Staff:				
Salaries and Wages	1,436	1,436	1,436	0
Purchased Services	3,344	3,344	3,344	0
Supplies and Materials	<u>1,306</u>	<u>1,306</u>	<u>1,306</u>	<u>0</u>
Total Expenditures	<u>6,086</u>	<u>6,086</u>	<u>6,086</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,086)	(6,086)	(6,086)	0
Fund Balance at Beginning of Year	<u>6,086</u>	<u>6,086</u>	<u>6,086</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

LAKEWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003***

	TITLE II-A FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Local Sources:				
Intergovernmental - Federal	\$ 117,295	\$ 117,234	\$ 104,036	\$ (13,198)
Total Revenues	<u>117,295</u>	<u>117,234</u>	<u>104,036</u>	<u>(13,198)</u>
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	95,000	79,666	68,991	10,675
Fringe Benefits	18,000	25,175	22,377	2,798
Supplies and Materials	299	0	0	0
Total Regular	<u>113,299</u>	<u>104,841</u>	<u>91,368</u>	<u>13,473</u>
Total Instructional Services	<u>113,299</u>	<u>104,841</u>	<u>91,368</u>	<u>13,473</u>
Support Services:				
Instructional Staff:				
Purchased Services	3,703	4,002	3,445	557
Supplies and Materials	0	8,098	299	7,799
Total Instructional Staff	<u>3,703</u>	<u>12,100</u>	<u>3,744</u>	<u>8,356</u>
Administration:				
Other Expenditures	293	293	293	0
Total Administration	<u>293</u>	<u>293</u>	<u>293</u>	<u>0</u>
Total Support Services	<u>3,996</u>	<u>12,393</u>	<u>4,037</u>	<u>8,356</u>
Total Expenditures	<u>117,295</u>	<u>117,234</u>	<u>95,405</u>	<u>21,829</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	8,631	8,631
Other Financing Sources (Uses):				
Advances In	16,875	16,875	16,875	0
Advances Out	(16,875)	(16,875)	(16,875)	0
Total Other Financing Sources (Uses):	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	0	0	8,631	8,631
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,631</u>	<u>\$ 8,631</u>

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
MISCELLANEOUS FEDERAL GRANTS FUND				
Revenues:				
Intergovernmental - Federal	\$ 47,487	\$ 47,450	\$ 48,521	\$ 1,071
Total Revenues	<u>47,487</u>	<u>47,450</u>	<u>48,521</u>	<u>1,071</u>
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	14,585	14,585	14,585	0
Fringe Benefits	2,695	2,695	2,695	0
Supplies and Materials	0	2,357	2,357	0
Total Regular	<u>17,280</u>	<u>19,637</u>	<u>19,637</u>	<u>0</u>
Special:				
Purchased Services	0	2,325	1,925	400
Capital Outlay	0	4,567	4,325	242
Total Special	<u>0</u>	<u>6,892</u>	<u>6,250</u>	<u>642</u>
Total Instructional Services	<u>17,280</u>	<u>26,529</u>	<u>25,887</u>	<u>642</u>
Support Services:				
Pupils:				
Salaries and Wages	2,243	1,560	1,000	560
Fringe Benefits	0	218	140	78
Purchased Services	7,929	12,263	10,947	1,316
Other Expenditures	400	400	400	0
Total Pupils	<u>10,572</u>	<u>14,441</u>	<u>12,487</u>	<u>1,954</u>
Instructional Staff:				
Purchased Services	1,558	1,860	1,860	0
Supplies and Materials	1,389	1,087	129	958
Total Instructional Staff	<u>2,947</u>	<u>2,947</u>	<u>1,989</u>	<u>958</u>
Administration:				
Salaries and Wages	0	14,000	11,047	2,953
Fringe Benefits	0	3,525	2,046	1,479
Supplies and Materials	0	1,000	638	362
Total Administration	<u>0</u>	<u>18,525</u>	<u>13,731</u>	<u>4,794</u>
Total Support Services	<u>13,519</u>	<u>35,913</u>	<u>28,207</u>	<u>7,706</u>
Total Expenditures	<u>30,799</u>	<u>62,442</u>	<u>54,094</u>	<u>8,348</u>

(Continued)

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003***

MISCELLANEOUS FEDERAL GRANTS FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,688	(14,992)	(5,573)	9,419
Other Financing Sources (Uses):				
Advances In	2,500	2,500	2,500	0
Advances Out	(2,500)	(2,500)	(2,500)	0
Total Other Financing Sources (Uses):	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	16,688	(14,992)	(5,573)	9,419
Fund Balance at Beginning of Year	<u>40,498</u>	<u>40,498</u>	<u>40,498</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 57,186</u></u>	<u><u>\$ 25,506</u></u>	<u><u>\$ 34,925</u></u>	<u><u>\$ 9,419</u></u>

LAKWOOD LOCAL SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2003**

SCHOOLNET PLUS FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - State	\$ 35,773	\$ 35,773	\$ 35,773	\$ 0
Total Revenues	35,773	35,773	35,773	0
Expenditures:				
Instructional Services:				
Regular:				
Capital Outlay	35,773	35,773	35,773	0
Total Expenditures	35,773	35,773	35,773	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0	\$ 0

LAKWOOD LOCAL SCHOOL DISTRICT

Fiduciary Funds

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

Agency Funds

Student Managed Activity Fund

To account for resources that belong to the student bodies of the various schools for sales and other revenue generating activities.

LAKWOOD LOCAL SCHOOL DISTRICT

Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended June 30, 2003

	Balance June 30, 2002	Additions	Deductions	Balance June 30, 2003
<u>Student Managed Activity Fund</u>				
Assets:				
Cash and Cash Equivalents	\$3,965	\$20,211	(\$19,722)	\$4,454
Total Assets	<u>\$3,965</u>	<u>\$20,211</u>	<u>(\$19,722)</u>	<u>\$4,454</u>
Liabilities:				
Due to Students	\$3,965	\$20,211	(\$19,722)	\$4,454
Total Liabilities	<u>\$3,965</u>	<u>\$20,211</u>	<u>(\$19,722)</u>	<u>\$4,454</u>

This Page is Intentionally Left Blank.

LAKWOOD LOCAL SCHOOL DISTRICT

*CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS*

This Page is Intentionally Left Blank.

LAKWOOD LOCAL SCHOOL DISTRICT

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
June 30, 2003***

Capital Assets

Land	\$275,555
Land Improvements	722,383
Buildings and Improvements	20,729,778
Furniture, Fixtures and Equipment	3,588,721
Vehicles	1,685,684
	<hr/>
Total Capital Assets	<u><u>\$27,002,121</u></u>

Investment in Capital Assets from:

Acquisitions Prior to 1996	\$5,643,205
General Fund	4,360,702
Capital Project Funds	16,301,501
Capital Leases	288,209
Donations	408,504
	<hr/>
Total Investment in Capital Assets	<u><u>\$27,002,121</u></u>

LAKWOOD LOCAL SCHOOL DISTRICT

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
June 30, 2003***

Function and Activity	Land	Land Improvements	Buildings and Improvements	Furniture, Fixtures and Equipment	Vehicles	Total
Instructional Services	\$134,055	\$0	\$19,362,775	\$2,940,157	\$0	\$22,436,987
Support Services:						
Administration	3,125	7,611	59,375	98,276	0	168,387
Fiscal Services	3,125	7,611	59,375	16,106	0	86,217
Operation and Maintenance of Plant	598	0	11,415	23,979	20,000	55,992
Pupil Transportation	597	0	11,414	30,814	1,641,084	1,683,909
Extracurricular Activities	0	410,012	332,934	479,389	24,600	1,246,935
Facility Acquisition and Improvement	134,055	297,149	892,490	0	0	1,323,694
Total Capital Assets	<u>\$275,555</u>	<u>\$722,383</u>	<u>\$20,729,778</u>	<u>\$3,588,721</u>	<u>\$1,685,684</u>	<u>\$27,002,121</u>

LAKWOOD LOCAL SCHOOL DISTRICT

***Capital Assets Used in the Operation of Governmental Funds
Schedule Changes by Function and Activity
For the Fiscal Year Ended June 30, 2003***

Function and Activity	June 30, 2002	Additions	Deletions	June 30, 2003
Instructional Services	\$22,300,533	\$142,165	(\$5,711)	\$22,436,987
Support Services:				
Administration	177,666	5,087	(14,366)	168,387
Fiscal Services	85,401	2,265	(1,449)	86,217
Operation and Maintenance of Plant	56,485	917	(1,410)	55,992
Pupil Transportation	1,534,309	203,620	(54,020)	1,683,909
Extracurricular Activities	1,246,935	0	0	1,246,935
Facility Acquisition and Improvement	749,352	574,342	0	1,323,694
Total Capital Assets	<u>\$26,150,681</u>	<u>\$928,396</u>	<u>(\$76,956)</u>	<u>\$27,002,121</u>



STATISTICAL SECTION



STATISTICAL TABLES

***T**HE FOLLOWING UNAUDITED STATISTICAL TABLES REFLECT SOCIAL AND ECONOMIC DATA, FINANCIAL TRENDS AND FISCAL CAPACITY OF THE DISTRICT.*

LAKEWOOD LOCAL SCHOOL DISTRICT

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1) LAST NINE YEARS

Year	Instructional Services	Pupils	Instructional Staff	Board of Education	Support Services			Operation and Maintenance of Plant	Subtotal Page 1
					Administration	Fiscal Services			
1995	\$5,621,927	\$501,881	\$307,036	\$0	\$1,011,863	\$298,413	\$929,749	\$8,670,869	
1996	6,211,145	562,744	352,989	0	1,051,286	332,930	915,925	9,427,019	
1997	6,491,047	592,672	325,139	0	1,166,611	383,831	1,038,213	9,997,513	
1998	6,858,959	652,172	398,775	0	1,241,727	348,715	1,054,673	10,555,021	
1999	7,423,477	687,770	381,268	44,482	1,322,896	336,237	1,257,965	11,454,095	
2000	7,537,944	740,460	403,396	21,042	1,249,101	470,326	1,398,746	11,821,015	
2001	8,440,543	905,096	783,822	17,346	1,263,031	379,774	1,231,753	13,021,365	
2002	8,538,773	998,705	539,832	20,997	1,335,265	467,165	1,205,729	13,106,466	
2003	9,629,011	1,055,880	648,512	31,884	1,481,903	442,921	1,311,548	14,601,659	

(1) Includes General Fund, Special Revenue Funds and Debt Service Fund
Data for 1994 is unavailable.

(Continued)

LAKEWOOD LOCAL SCHOOL DISTRICT

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1) LAST NINE YEARS

Year	Support Services			Operation of Non-Instructional Services	Extracurricular Activities	Other Expenditures and Capital Outlay	Debt Services	Subtotal Page 2	Total
	Pupil Transportation	Central							
1995	\$731,147	\$53,515	\$0	\$327,078	\$31,925	\$155,943	\$1,299,608	\$9,970,477	
1996	898,067	66,838	0	388,695	11,299	203,202	1,568,101	10,995,120	
1997	748,410	67,530	0	395,457	21,807	204,242	1,437,446	11,434,959	
1998	1,057,936	81,359	8,667	399,790	5,855	201,387	1,754,994	12,310,015	
1999	793,761	89,046	8,150	336,257	6,364	361,799	1,595,377	13,049,472	
2000	968,410	59,871	0	355,432	47,735	1,289,228	2,720,676	14,541,691	
2001	859,607	65,750	0	370,329	83,773	1,489,465	2,868,924	15,890,289	
2002	761,609	80,841	82,720	392,141	13,056	1,316,452	2,646,819	15,753,285	
2003	1,104,274	67,434	87,611	328,968	14,113	1,198,956	2,801,356	17,403,015	

(1) Includes General Fund, Special Revenue Funds and Debt Service Fund
Data for 1994 is unavailable.

LAKEWOOD LOCAL SCHOOL DISTRICT

GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST NINE YEARS

Year	Taxes	Tuition	Investment Earnings	Extracurricular Activities	Intergovernmental Revenues	Intermediate Sources	
						and All Other	Total
1995	\$6,249,635	\$336	\$61,420	\$0	\$3,993,400	\$229,807	\$10,534,598
1996	6,499,371	32,317	83,865	166,435	4,544,634	72,649	11,399,271
1997	8,372,853	56,687	116,628	212,735	4,606,866	50,200	13,415,969
1998	7,156,938	12,282	151,399	206,183	4,983,706	41,423	12,551,931
1999	8,005,362	29,445	164,713	174,413	5,461,331	76,443	13,911,707
2000	9,007,493	140,950	152,204	191,797	5,284,648	72,624	14,849,716
2001	9,241,565	270,058	220,724	213,453	5,733,889	176,115	15,855,804
2002	9,591,842	256,345	113,850	325,965	6,372,536	344,041	17,004,579
2003	9,613,751	273,224	79,920	301,004	6,371,306	307,830	16,947,035

(1) Includes General Fund, Special Revenue Funds and Debt Service Fund
Data for 1994 is unavailable.

LAKEWOOD LOCAL SCHOOL DISTRICT

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN CALENDAR YEARS

Collection Year	Total Tax Levy	Current Tax Collections	Delinquent Tax Collections	Total Tax Collections	Percent of Total		Accumulated Outstanding Delinquent Taxes	Percentage of Accumulated Delinquent Taxes to Total Tax Levy
					Tax Collections To Tax Levy	Tax Collections To Tax Levy		
1993	\$5,287,065	\$4,918,105	\$79,590	\$4,997,694	94.53%	94.53%	\$289,371	5.47%
1994	6,218,931	5,682,365	113,347	5,795,712	93.19%	93.19%	423,219	6.81%
1995	6,869,892	6,299,589	214,727	6,514,316	94.82%	94.82%	355,576	5.18%
1996	7,386,343	6,914,965	181,849	7,096,814	96.08%	96.08%	289,529	3.92%
1997	8,044,640	7,534,599	122,192	7,656,791	95.18%	95.18%	387,849	4.82%
1998	8,675,326	7,833,034	231,877	8,064,911	92.96%	92.96%	610,415	7.04%
1999	9,760,002	8,929,261	310,285	9,239,546	94.67%	94.67%	520,456	5.33%
2000	10,086,537	9,091,100	224,533	9,315,632	92.36%	92.36%	770,904	7.64%
2001	11,059,458	9,842,557	361,062	10,203,619	92.26%	92.26%	855,839	7.74%
2002	10,800,834	9,535,310	327,740	9,863,050	91.32%	91.32%	937,783	8.68%

Source: Licking County Auditor's Office

Presented on a calendar year basis because that is the manner
in which the information is maintained by the County.

LAKEWOOD LOCAL SCHOOL DISTRICT

ASSESSED VALUATIONS AND ESTIMATED TRUE VALUES OF TAXABLE PROPERTY LAST TEN CALENDAR YEARS

Tax Year	Real Property		Public Utility Personal		Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1993	\$137,070,930	\$391,631,229	\$19,497,050	\$19,497,050	\$52,567,790	\$210,271,160	\$209,135,770	\$621,399,439	33.66%
1994	139,531,590	398,661,686	19,552,360	19,552,360	54,807,194	219,228,776	213,891,144	637,442,822	33.55%
1995	143,784,770	410,813,629	19,094,380	19,094,380	55,397,050	221,588,200	218,276,200	651,496,209	33.50%
1996	169,029,710	482,942,029	19,063,140	19,063,140	61,537,820	246,151,280	249,630,670	748,156,449	33.37%
1997	176,338,070	503,823,057	19,346,020	19,346,020	65,714,580	262,858,320	261,398,670	786,027,397	33.26%
1998	184,066,960	525,905,600	20,964,300	20,964,300	79,105,530	316,422,120	284,136,790	863,292,020	32.91%
1999	218,224,200	623,497,714	18,991,850	18,991,850	71,015,660	284,062,640	308,231,710	926,552,204	33.27%
2000	221,019,420	631,484,057	19,703,930	19,703,930	76,473,440	305,893,760	317,196,790	957,081,747	33.14%
2001	231,012,540	660,035,829	15,072,540	15,072,540	84,725,760	338,903,040	330,810,840	1,014,011,409	32.62%
2002	266,259,000	760,740,000	15,193,360	15,193,360	73,486,690	293,946,760	354,939,050	1,069,880,120	33.18%

Source: Licking County Auditor

Presented on a calendar year basis because that is the manner in which the information is maintained by the County.

LAKEWOOD LOCAL SCHOOL DISTRICT

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (PER \$1,000 OF ASSESSED VALUATIONS) LAST TEN CALENDAR YEARS

Tax Year	Lakewood Local School District				Licking County		Special Taxing Districts	Total
	General Fund	Bond Retirement Fund	Joint Vocational School	County	Licking County			
1993	38.80	0.00	2.00	7.20	2.00	53.50	101.50	
1994	38.80	0.00	2.00	7.20	2.00	53.50	101.50	
1995	38.80	0.00	2.00	6.70	2.00	53.50	101.00	
1996	38.80	0.00	2.00	7.20	2.00	53.50	101.50	
1997	38.80	0.00	2.00	7.20	2.00	51.80	99.80	
1998	38.80	3.70	2.00	7.20	2.00	55.80	107.50	
1999	38.80	3.31	2.00	7.20	2.00	58.80	110.11	
2000	38.80	3.29	2.00	7.20	2.00	61.80	113.09	
2001	38.80	3.16	2.00	7.20	2.00	56.80	107.96	
2002	38.80	2.95	3.00	7.20	3.00	56.80	108.75	

Source: Licking County Auditor
Licking County Treasurer

Presented on a calendar year basis because that is the manner in which the information is maintained by the County.

LAKEWOOD LOCAL SCHOOL DISTRICT

COMPUTATION OF LEGAL DEBT MARGIN

JUNE 30, 2003

Net Assessed Valuation	\$354,939,050
Legal Debt Limitation (%) (1)	9.00%
Legal Debt Limitation (\$) (1)	31,944,515
Applicable District Debt Outstanding	14,216,870
Less: Applicable Debt Service Fund Amounts (2)	(230,808)
Net Indebtedness Subject to Limitation	13,986,062
Overall Legal Debt Margin	<u>\$17,958,453</u>
Legal Debt Limitation (%) (1)	0.10%
Legal Debt Limitation (\$) (1)	354,939
Applicable District Debt Outstanding	0
Unvoted Legal Debt Margin	<u>\$354,939</u>
Legal Debt Limitation (%) (1)	0.90%
Legal Debt Limitation (\$) (1)	3,194,451
Applicable District Debt Outstanding	(841,650)
Unvoted Energy Conservation Loans Legal Debt Margin	<u>\$2,352,801</u>

(1) Ohio Bond Law sets a limit of 9% for overall debt, 1/10 of 1% for unvoted debt, and 9/10 of 1% for energy conservation debt.

(2) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

LAKEWOOD LOCAL SCHOOL DISTRICT

RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA LAST TEN YEARS

Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Debt Service Funds Available (4)	Net Bonded Debt	Ratio of	
						Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
1994	5,487	\$209,135,770	\$0	\$0	\$0	0.00%	\$0.00
1995	5,448	213,891,144	0	0	0	0.00%	0.00
1996	5,168	218,276,200	0	0	0	0.00%	0.00
1997	5,135	249,630,670	0	0	0	0.00%	0.00
1998	5,348	261,398,670	0	0	0	0.00%	0.00
1999	5,286	284,136,790	15,591,870	134,403	15,457,467	5.44%	2,924.23
2000	5,083	308,231,710	15,301,870	184,671	15,117,199	4.90%	2,974.07
2001	5,094	317,196,790	14,951,870	163,310	14,788,560	4.66%	2,903.13
2002	5,136	330,810,840	14,591,870	224,224	14,367,646	4.34%	2,797.44
2003	5,136	354,939,050	14,216,870	230,808	13,986,062	3.94%	2,723.14

- (1) Source: U.S. Bureau of Census of Population - (a) City of Buckeye Lake and Hebron 1990 Census (b) City of Buckeye Lake and Hebron 2000 Census
- (2) Source: Licking County Auditor
- (3) Includes all general obligation bonded debt supported by property taxes
- (4) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

LAKEWOOD LOCAL SCHOOL DISTRICT

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST FIVE YEARS (2)**

Year	Debt Principal	Debt Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Tax Debt Service to General Governmental Expenditures
1999	\$0	\$122,722	\$122,722	\$13,049,472	0.94%
2000	290,000	699,135	989,135	14,541,691	6.80%
2001	350,000	688,880	1,038,880	15,890,289	6.54%
2002	360,000	676,640	1,036,640	15,753,285	6.58%
2003	375,000	663,263	1,038,263	17,403,015	5.97%

- (1) Includes General Fund, Special Revenue Funds and Debt Service Fund
- (2) No General Obligation Bonds prior to 1999.

Source: Lakewood Local School District, Treasurer's Office

LAKEWOOD LOCAL SCHOOL DISTRICT

**COMPUTATION OF ALL DIRECT AND OVERLAPPING GOVERNMENTAL DEBT
JUNE 30, 2003**

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to Lakewood Local School District</u>	<u>Amount Applicable to Lakewood Local School District</u>
Direct			
Lakewood Local School District	\$14,216,870	100.00%	\$14,216,870
Overlapping Subdivisions			
Licking County	8,117,630	11.67%	947,327
Village of Hebron	1,320,000	100.00%	1,320,000
Licking County Career Center -JVS	35,000,000	11.69%	4,091,500
		Subtotal	<u>6,358,827</u>
		Total	<u>\$20,575,697</u>

Source: Ohio Municipal Advisory Council, June 2003

LAKEWOOD LOCAL SCHOOL DISTRICT

DEMOGRAPHIC STATISTICS LAST TEN YEARS

Year	Buckeye Lake and Hebron City Population (1)	Licking County Population (2)	School Enrollment (3)	Unemployment Rate Licking County (4)
1994	a 5,487	135,205	2,225	5.7%
1995	a 5,448	136,880	2,388	4.8%
1996	a 5,168	133,975	2,409	5.1%
1997	a 5,135	135,686	2,433	3.9%
1998	a 5,348	141,393	2,436	3.8%
1999	a 5,286	143,697	2,376	3.8%
2000	b 5,083	145,927	2,339	3.6%
2001	b 5,094	147,275	2,338	3.2%
2002	b 5,136	148,731	2,278	3.6%
2003	b 5,136	148,731	2,277	4.5%

Source: (1) U.S. Bureau of Census of Population - (a) City of Buckeye Lake and Hebron 1990 Census (b) City of Buckeye Lake and Hebron 2000 Census
 (2) U.S. Bureau of Census of Population - (a) Licking County 1990 Census (b) Licking County 2000 Census
 (3) Lakewood Local School District, Board of Education
 (4) State Department of Labor

LAKEWOOD LOCAL SCHOOL DISTRICT

**PROPERTY VALUE AND CONSTRUCTION PERMITS
LAST SEVEN CALENDAR YEARS**

Year	Residential	
	Number of Permits	Property Value
1996	149	\$12,195,031
1997	142	12,084,561
1998	192	16,508,321
1999	237	20,450,177
2000	225	20,179,109
2001	209	20,246,616
2002	209	23,386,418

Source: City of Newark/Licking County Building Code Department
Data for 1993 - 1995 is unavailable

Presented on a calendar year basis because that is the manner in which the information is maintained by the City.

LAKEWOOD LOCAL SCHOOL DISTRICT

**PRINCIPAL TAXPAYERS (TANGIBLE PERSONAL PROPERTY TAX)
DECEMBER 31, 2002**

	Taxpayer	Assessed Valuation (Tax Duplicate)	Percentage of Total Assessed Valuation
1	Bayer Corporation	\$11,444,950	15.57%
2	GE Quartz Inc. (General Electric Co.)	8,417,400	11.45%
3	Diebold Inc	6,336,260	8.62%
4	Constar International	5,843,300	7.95%
5	Dow Chemical	5,192,790	7.07%
6	RR Donnelly & Sons Co.	4,810,400	6.55%
7	TKH Manufacturing of America	2,269,140	3.09%
8	Heritage Sportswear Inc	2,077,250	2.83%
9	TI Group Automotive Supply Corp. LLC	1,957,830	2.66%
10	Owens Corning Fiberglas	1,699,950	2.31%
	Sub-Total	50,049,270	68.10%
	All Others	23,437,420	31.90%
	Total	\$73,486,690	100.00%

Source: Licking County Auditor - Land and Buildings
Based on valuation of property in 2002

Presented on a calendar year basis because that is the manner
in which the information is maintained by the County.

LAKEWOOD LOCAL SCHOOL DISTRICT

**PRINCIPAL TAXPAYERS (REAL PROPERTY TAX)
DECEMBER 31, 2002**

	Taxpayer	Assessed Valuation (Tax Duplicate)	Percentage of Total Assessed Valuation
1	Diebold	\$1,844,650	0.69%
2	Black, Monte R & Susan K (MPW)	1,833,060	0.69%
3	Donnelly, RR & Sons Co	1,578,510	0.59%
4	G & C Diversified	1,537,520	0.58%
5	Hebron Business Park	1,525,270	0.57%
6	TI Group Automotive Supply Corp LLC	1,446,660	0.54%
7	Miles Inc	1,394,610	0.52%
8	Cranberry Pointe LTD	1,358,570	0.51%
9	RSN Holdings	1,273,200	0.48%
10	Zanworsky, Leon	1,273,200	0.48%
	Sub-Total	15,065,250	5.65%
	All Others	251,193,750	94.35%
	Total	\$266,259,000	100.00%

Source: Licking County Auditor - Land and Buildings
Based on valuation of property in 2002

Presented on a calendar year basis because that is the manner
in which the information is maintained by the County.

LAKEWOOD LOCAL SCHOOL DISTRICT

PRINCIPAL TAXPAYERS (PUBLIC UTILITY PERSONAL PROPERTY TAX) DECEMBER 31, 2002

Taxpayer	Assessed Valuation (Tax Duplicate)	Percentage of Total Assessed Valuation
1 Ohio Power	\$4,516,960	29.73%
2 United Telephone	1,885,830	12.41%
3 Columbia Gas Transmission	1,587,970	10.45%
4 Alltel	1,183,170	7.79%
5 National Gas & Oil Co.	772,760	5.09%
6 Licking Rural Electric	727,800	4.79%
7 Dominion Transmission Inc	718,370	4.73%
8 Columbus Southern Power	488,220	3.21%
9 Ohio Bell	332,910	2.19%
10 Dayton Power & Light	156,580	1.03%
Sub-Total	12,370,570	81.42%
All Others	2,822,790	18.58%
Total	\$15,193,360	100.00%

Source: Licking County Auditor - Land and Buildings
Based on valuation of property in 2002

Presented on a calendar year basis because that is the manner
in which the information is maintained by the County.

LAKEWOOD LOCAL SCHOOL DISTRICT

**PRINCIPAL EMPLOYERS
DECEMBER 31, 2002**

	Employer	Total Number of Employees
1	THK	218
2	Ecolab	140
3	Bear Creek	708
4	Allied Tube & Conduit	126
5	AFGD	91
6	Ohio Metal Tech	88
7	Sunfield	88
8	Heritage Sportswear	83
9	Renosol	71
10	The Bolter Co.	54

Source: Village of Hebron

Presented on a calendar year basis because that is the manner in which the information is maintained by the Employers.

LAKWOOD LOCAL SCHOOL DISTRICT

MISCELLANEOUS STATISTICS

JUNE 30, 2003

Date of Incorporation	1976
Form of Government	School - Political Subdivision
Area	115 square miles
Miles traveled by Transportation Fleet for the 2002-2003 School Year	293,147
Meals Served by Food Service Department for the 2002-2003 School Year	212,192

<u>School Buildings</u>	<u>Grade Levels</u>	<u>Enrollment</u>
Lakewood Local High School	9 - 12	721
Lakewood Local Middle School	6 - 8	499
Lakewood Local Intermeditae School	4-5	349
Lakewood Local Jackson Elementary School	K-3	255
Lakewood Local Hebron Elementary School	K-3	367

Source: District Treasurer's Office

LAKWOOD LOCAL SCHOOL DISTRICT

STAFF STATISTICS

JUNE 30, 2003

Average classroom teacher salary	\$40,346
Average classroom teacher experience	14 years
Districtwide student/teacher ratio	14.8 : 1

Certified Staff

Classroom Teachers	175
Instructional Support	1
Administrators and Supervisors	12

Support Staff

Administration	4
Operations	12
Maintenance	20
Transportation	26
Clerical	9
Aides	15
Food Service	20

Source: District Treasurer's Office

LAKWOOD LOCAL SCHOOL DISTRICT

TEACHERS EDUCATION AND EXPERIENCE STATISTICS

JUNE 30, 2003

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	24	13.7%
Bachelor's Degree-150 hrs	66	37.7%
Master's Degree	66	37.7%
Master's +15	19	10.9%
Total	175	100.0%

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	34	19.4%
6 - 10	32	18.3%
11 - 15	26	14.9%
16 - 20	17	9.7%
21 - 25	31	17.7%
26 and over	35	20.1%
Total	175	100.0%

Source: District Treasurer's Office

LAKWOOD LOCAL SCHOOL DISTRICT

COST PER PUPIL STATISTICS LAST NINE YEARS

<u>Fiscal Year</u>	<u>General Governmental Expenditures</u>	<u>Enrollment</u>	<u>Cost per Pupil</u>
1995	\$9,970,477	2,388	\$4,175
1996	10,995,120	2,409	4,564
1997	11,434,959	2,433	4,700
1998	12,310,015	2,436	5,053
1999	13,049,472	2,376	5,492
2000	14,541,691	2,339	6,217
2001	15,890,289	2,338	6,797
2002	15,753,285	2,278	6,915
2003	17,403,015	2,277	7,643

Source: District Treasurer's Office
Data for 1994 is unavailable.

LAKWOOD LOCAL SCHOOL DISTRICT

TRANSPORTATION STATISTICS JUNE 30, 2003

Number of assigned school buses in fleet	31
Average age of school buses in fleet	10
Number of bus drivers	23
Average number of years of experience	10
Number of miles driven per day	1,647
Number of miles driven annually	293,147
Average miles per bus	11,275

Students Transported per Day

Public School	1,082
Non-public School	51
Handicapped	15
Preschool	<u>19</u>
Total	1,167
Percent of student enrollment transported	70%

Source: District Treasurer's Office

LAKEWOOD LOCAL SCHOOL DISTRICT

**ENROLLMENT STATISTICS
LAST TEN YEARS**

Fiscal Year	K	1	2	3	4	5	6	7	8	9	10	11	12	Non-Grade	Total
1994	167	190	183	169	165	203	189	171	186	157	162	148	130	5	2,225
1995	202	198	191	175	185	181	217	206	173	195	167	167	125	6	2,388
1996	147	206	186	187	183	192	194	218	201	181	186	151	165	12	2,409
1997	167	183	185	183	201	191	197	189	212	205	174	181	154	11	2,433
1998	169	193	167	190	174	199	195	210	192	237	192	154	151	13	2,436
1999	157	181	158	174	186	172	195	207	199	235	175	176	143	18	2,376
2000	166	160	181	158	174	181	173	184	195	233	178	185	144	27	2,339
2001	173	174	160	176	155	173	184	191	193	226	182	175	160	16	2,338
2002	163	184	163	152	186	154	175	172	186	193	204	175	153	18	2,278
2003	172	170	179	169	163	186	149	169	181	202	208	158	153	18	2,277

Source: District Treasurer's Office
Based on October Count





**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

LAKESWOOD LOCAL SCHOOL DISTRICT

LICKING COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 15, 2004**