



## HEBRON ELEMENTARY LITTLE LANCERS

# POPULAR ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021

LAKEWOOD LOCAL SCHOOLS  
HEBRON, OHIO

# LAKEWOOD LOCAL SCHOOL DISTRICT

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November 30, 2021

## LAKEWOOD LOCAL SCHOOL DISTRICT COMMUNITY MEMBERS,

We are pleased to present the Lakewood Local School District's Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2021. As steward of the community's investments in its schools, the District is committed to ensuring residents have easy access to and understanding of Lakewood Local's finances.

The PAFR summarizes the financial activities and operating results reported in the Lakewood Local School District's audited Comprehensive Annual Financial Report. The PAFR is unaudited and presented on a non-GAAP (Generally Accepted Accounting Principle) basis. The PAFR does not include full disclosures or segregated funds. The General Fund is the largest fund from which most day-to-day programs and services are provided. Some readers may be interested in exploring the more Comprehensive Annual Financial Report. For more detailed financial information, including a discussion of key changes in financial data from last fiscal year, our economic condition and outlook, and our initiatives and accomplishments, please refer to a copy of the Comprehensive Annual Financial Report, which is available under the Treasurer's webpage at [www.lakewoodlocal.k12.oh.us/TreasurerCFO](http://www.lakewoodlocal.k12.oh.us/TreasurerCFO).

The publication of this report is part of our commitment to transparency. We would like to thank our community for their encouragement in creating a report designed to more adequately address their needs as taxpayers, as well as for the opportunity to serve them. Questions, comments and feedback regarding this report are encouraged, so please do not hesitate to contact me by phone or email at (740) 928-1928 or at [gplaisted@lakewoodlocal.org](mailto:gplaisted@lakewoodlocal.org).

Respectfully Submitted,

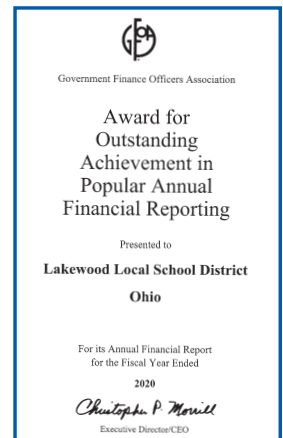


Glenna J. Plaisted  
Treasurer/CFO

## AWARD FOR OUTSTANDING ACHIEVEMENT POPULAR ANNUAL FINANCIAL REPORTING

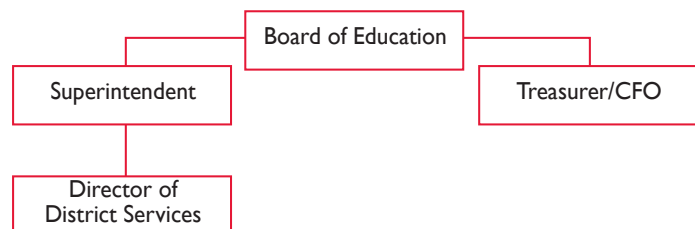
The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the Lakewood Local School District for its Popular Annual Financial Report for the fiscal year ended June 30, 2020. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.



## ADMINISTRATIVE STRUCTURE

As of June 30, 2021



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## REVENUES AND RESOURCES OVER EXPENDITURES AND SERVICES (INCOME STATEMENT)

The income statement provides a summary of the district revenues and resources compared to the expenditures and services provided by the District. The amounts below reflect the General Fund.

Revenues & Resources (shown in thousands) #	FY21	FY20	FY19	FY18
Local Taxes	\$15,070	\$14,719	\$12,704	\$14,768
State and Federal Revenue	7,080	7,010	7,870	8,179
Investment Income	47	393	506	249
Tuition & Fees	1,507	1,423	1,012	1,297
Other Revenues	376	208	128	187
<b>Total Revenues &amp; Resources</b>	<b>\$24,080</b>	<b>\$23,753</b>	<b>\$22,220</b>	<b>\$24,680</b>
Expenditures & Services (shown in thousands) #	FY21	FY20	FY19	FY18
Instruction *	\$14,991	\$15,016	\$14,590	\$13,949
Pupil Support	1,203	1,355	1,572	1,557
Instructional Support**	933	801	718	629
Board/Administration/Fiscal	2,880	2,887	2,867	2,769
Business Support	14	16	26	27
Plant Operation	2,178	2,128	2,217	2,106
Transportation	1,918	1,882	1,797	1,828
Central Support	82	68	39	22
Extracurricular	381	376	360	350
Non-Instructional	42	10	3	1
Capital Outlay	394	82	52	1,672
Debt Service	38	31	31	36
<b>Total Expenditures &amp; Services</b>	<b>\$25,054</b>	<b>\$24,652</b>	<b>\$24,272</b>	<b>\$24,946</b>
<b>Revenues &amp; Resources (under) Expenditures &amp; Services</b>	<b>(\$974)</b>	<b>(\$899)</b>	<b>(\$2,052)</b>	<b>(\$266)</b>

# Please refer to the definitions on Page 4 and Page 5.

\* Includes expenditures for teachers, teaching supplies, teaching equipment, and regular, special and vocational instruction.

\*\* Includes expenditures that help teachers.

## OUTSTANDING DEBT AT YEAR END – ALL FUNDS

Tax Dollars are received for the payment of principal and interest on a voter approved bond issue related to the construction of a new high school and other building renovations. This is not part of the General Fund.

Tax Dollars are received for the payment of principal and interest on one energy conservation project. These payments are included in the General Fund and not the Debt Service Fund.

Tax dollars are also received for the payment of principal and interest on a stadium capital lease purchase agreement which was funded in February, 2017 for \$2,500,000. These payments are included in the General Fund and not the Debt Service Fund.

Outstanding Debt	FY21	FY20	FY19	FY18
Bond Payable	\$5,181,100	\$5,962,117	\$6,728,134	\$7,484,151
Energy Conservation Note	183,541	275,312	367,083	458,854
Stadium Capital Lease Purchase Agreement	1,575,000	1,815,000	2,045,000	2,270,000



## ASSETS OVER LIABILITIES AND DEFERRED INFLOWS (BALANCE SHEET)

The Financial Position Statement, known in accounting terms as the Balance Sheet, reports the assets the District has available to provide services along with the liabilities (amounts for which the District is obligated to pay in the future) and deferred inflows (primarily, assets that do not finance the current fiscal year). The District's net position (net worth) is found by subtracting the District's liabilities and deferred inflows from its assets. The amounts below are for the District's General Fund.

<b>Assets</b> (shown in thousands)	<b>FY21</b>	<b>FY20</b>	<b>FY19</b>	<b>FY18</b>
Cash and Investments**	\$13,822	\$14,837	\$16,349	\$17,443
Receivables	16,158	14,916	14,743	14,483
Other Assets	333	308	313	328
<b>Total Assets</b>	<b>\$30,313</b>	<b>\$30,061</b>	<b>\$31,405</b>	<b>\$32,254</b>

<b>Liabilities</b> (shown in thousands)	<b>FY21</b>	<b>FY20</b>	<b>FY19</b>	<b>FY18</b>
Amounts Owed to Employees and Vendors	\$2,304	\$2,539	\$2,354	\$2,228
Deferred Inflows of Resources	15,389	13,939	14,069	12,492
<b>Total Liabilities and Deferred Inflows</b>	<b>\$17,693</b>	<b>\$16,478</b>	<b>\$16,423</b>	<b>\$14,720</b>
<b>Assets over Liabilities and Deferred Inflows</b>	<b>\$12,620</b>	<b>\$13,583</b>	<b>\$14,982</b>	<b>\$17,534</b>

\*\* The District has had operating deficits since 2018. This results in a declining cash balance year after year.

## FIVE - YEAR FORECAST (Cash Basis)

	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>
Beginning Balance	\$14,912,948	\$13,962,952	\$13,069,705	\$11,203,167	\$7,277,204
+ Revenue	24,725,281	24,141,577	24,312,656	23,485,027	22,652,840
- Expenditures	(25,675,277)	(25,034,824)	(26,179,194)	(27,410,990)	(28,718,070)
Revenue (Deficit)	(949,996)	(893,247)	(1,866,538)	(3,925,963)	(6,065,230)
Ending Balance without levy renewal	13,962,952	13,069,705	11,203,167	7,277,204	1,211,974
<b>Emergency Levy Renewal*</b>				<b>\$1,146,802</b>	<b>\$2,293,664</b>

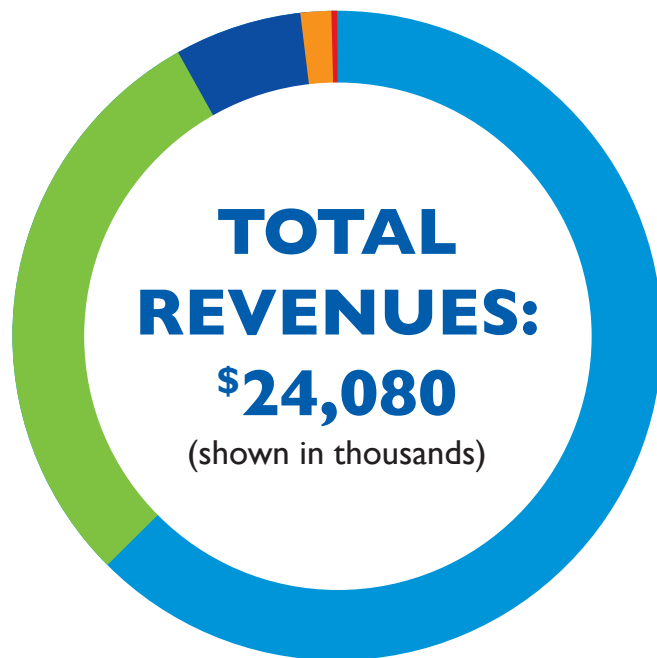
The District is forecasting operating deficits. Our current five-year forecast, presented on a cash basis, projects Lakewood Local School will maintain at least a \$1.2 million end-of-year cash balance through June 30, 2025. Current operating deficits are quickly depleting cash balances.

\* The District has a five year emergency levy whose collections will end in calendar year 2023. The District's plan is to place this emergency levy renewal on the ballot in November 2022. This line represents the revenue generated from the five year emergency levy renewal.



## OUR REVENUES AND RESOURCES FY21: WHERE THE GENERAL FUND MONEY COMES FROM

62.6%	Local Taxes
29.4%	State & Federal Revenue
6.3%	Tuition & Fees
1.5%	Other Revenue
0.2%	Investment Income



## OUR REVENUES AND RESOURCES:

### DEFINITIONS

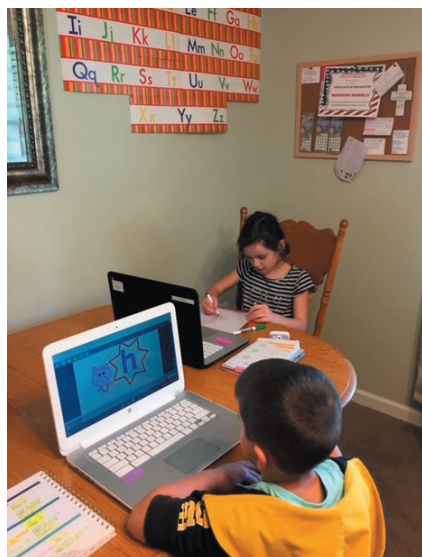
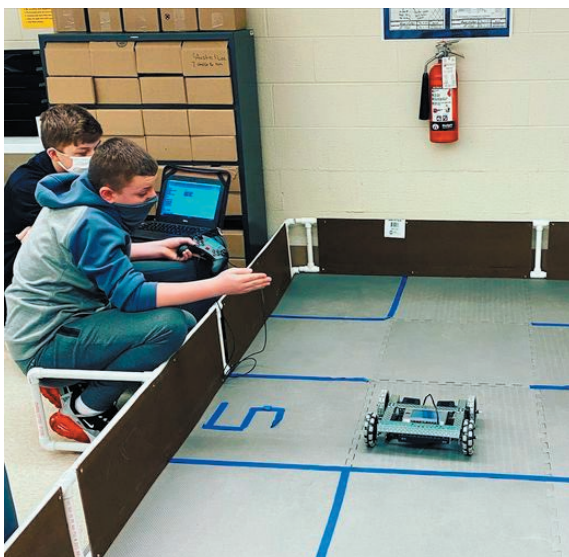
**LOCAL TAXES** are received from both residential and commercial properties and include real and public utility property taxes.

**STATE AND FEDERAL REVENUES** include formula state aid, homestead/rollback reimbursement, tangible personal property reimbursement and monies received from both state and federal grants.

**TUITION AND FEES** are money received from patrons, other school districts, and other sources for education provided in the schools of the district.

**INVESTMENT EARNINGS** are interest earned on monies invested by the School District.

**OTHER REVENUES** are money received which are not classified elsewhere.



## OUR EXPENDITURES AND SERVICES FY21: WHERE THE MONEY GOES



60%	Instruction
11.4%	Board/Fiscal Administration
8.6%	Plant Operation
7.7%	Transportation
4.8%	Pupil Support
3.7%	Instructional Support
1.6%	Capital Outlay
1.5%	Extracurricular
0.3%	Central Support
0.2%	Non-Instructional
0.1%	Business Support
0.1%	Debt Service

## OUR EXPENDITURES AND SERVICES:

### DEFINITIONS

**INSTRUCTION** is the largest expenditure category and relates to the direct instruction of our students. Students are directly impacted by expenditures from this category.

**PUPIL SUPPORT** expenditures include all guidance services, health/safety monitors, health aids, nurses, speech, hearing, occupational therapy, physical therapy and psychological services.

**INSTRUCTIONAL SUPPORT** expenditures include library services, technology integration, curriculum development, staff training and licensed professional development committee.

**BOARD/ADMINISTRATION/FISCAL** expenditures represent those of the administration and Board of Education's operation of the District. Also included in this category is school building secretarial support and financial services, such as payroll, accounts payable and receivable, auditing, budgeting and reporting and fringe benefits administration.

**BUSINESS SUPPORT** expenditures include business services such as copier expenditures and courier services.

**PLANT OPERATION** expenditures relate to the safe and efficient environment of the school including building maintenance, grounds and custodial services.

**TRANSPORTATION** expenditures relate to providing transportation (mostly by bus) to all students who live in the Lakewood Local School District, consistent with Board of Education policies and the laws of the State of Ohio. On average the bus fleet transports approximately 693 students to Lakewood Local Schools.

**CENTRAL SUPPORT** expenditures include technology maintenance and computer network maintenance contracts.

**EXTRACURRICULAR** expenditures account for the salaries, benefits, and supplies for club and athletic related activities.

**NON-INSTRUCTIONAL** expenditures account for non-instructional services provided to the food service operation.

**CAPITAL OUTLAY** expenditures account for building and other facility additions and improvements.

**DEBT SERVICE** expenditures relate to a HB264 energy conservation project principal and interest payments and the principal and interest payments on a stadium capital lease purchase agreement.

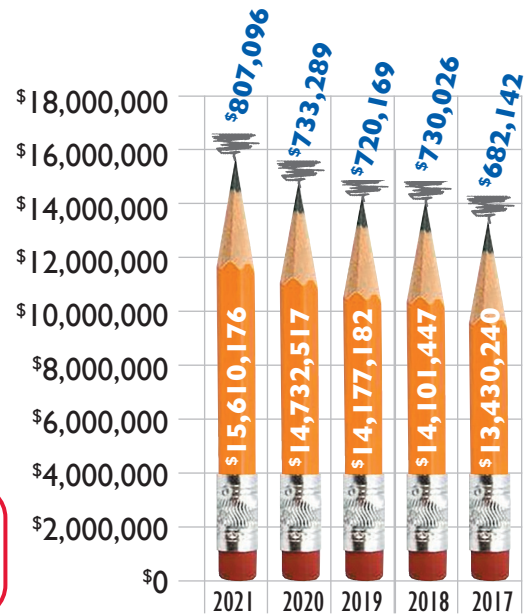


# SOURCES OF FUNDING: WHERE DOES THE MONEY COME FROM?

## LOCAL PROPERTY TAXES

To the right is a graph depicting the amount of cash collections received by the District's General Fund and Bond Retirement Fund from real and public utility property taxes. Lakewood Local School District is very fortunate and appreciative for all the support that it receives from the community. Property taxes provide the largest source of local revenue to operate and maintain our school and are received from both residential and commercial properties. The district has two emergency operating levies, a 10 year levy that was renewed in November, 2019 for \$3,528,880 and a 5 year levy for \$2,353,259 that was renewed in November 2017.

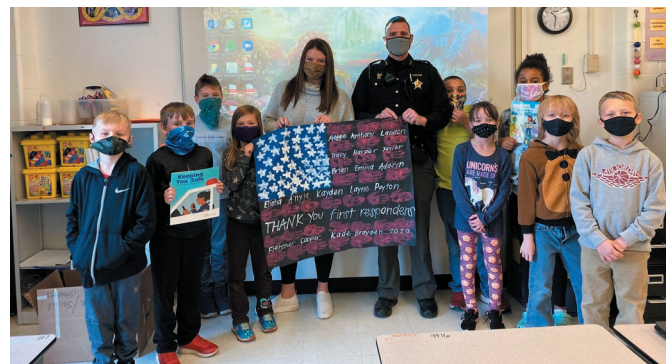
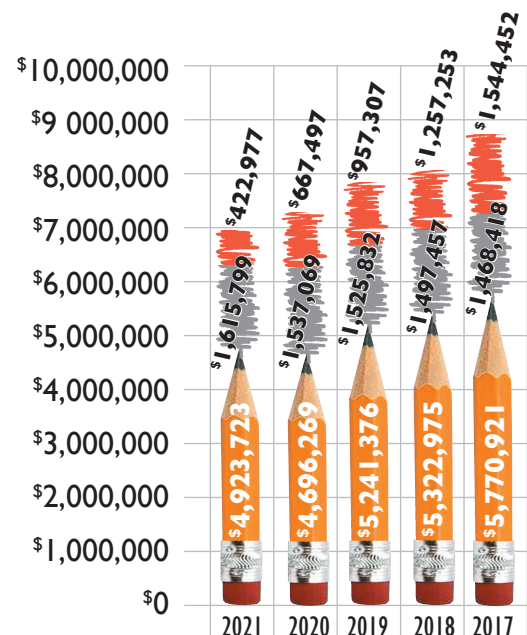
Operating Levy  
Bond Retirement



## STATE FUNDING

The chart to the right depicts the actual cash receipts for the District's General Fund from the State of Ohio. The primary components of state revenues are unrestricted state aid, consisting of State Foundation and property tax allocations which include rollback and homestead payments. Rollback and homestead payments represent the portion of the local tax bills paid by the State instead of the local taxpayers. Other State revenue includes tangible personal property tax loss reimbursement, career tech weighted aid, economic disadvantaged funding, casino revenues, special education catastrophic cost reimbursement and Ohio Bureau of Workers Compensation grant monies.

State Aid  
Rollback & Homestead  
Other State Revenues



## ASSESSED VALUES OF REAL AND PUBLIC UTILITY PROPERTY

Collection Year	Residential/ Agricultural	Commercial/ Industrial	Public Utility	Total
2021	\$ 399,640,900	\$ 121,351,394	\$ 38,771,990	\$ 559,764,284
2020	329,034,400	113,244,389	36,716,240	478,995,029
2019	322,978,000	112,437,202	31,890,550	467,305,752
2018	320,881,210	110,396,132	30,572,020	461,849,362
2017	294,980,100	103,718,688	29,234,730	427,933,518
2016	292,955,630	102,715,220	27,025,450	422,696,300

In collection year 2021, the District's 2020 triennial update year included on average a 22.67% increase in residential values and a 6.44% increase in commercial/industrial values. New construction for agricultural/residential values included on average a 2.11% increase.

## UNBUNDLING THE TAX RATE

Type	Gross Rate**	Effective Rate**	Year Approved	Length Approved
Inside-Operating*	4.60	4.60	N/A	Permanent
Voted-Operating*	34.20	15.40	Various	Permanent
Emergency	4.20	4.20	2017	5 Year
Emergency	6.40	6.40	2019	10 Year
Bond Retirement	1.70	1.70	1998	28 Year
<b>Total Rates</b>	<b>51.10</b>	<b>32.30</b>	—	—

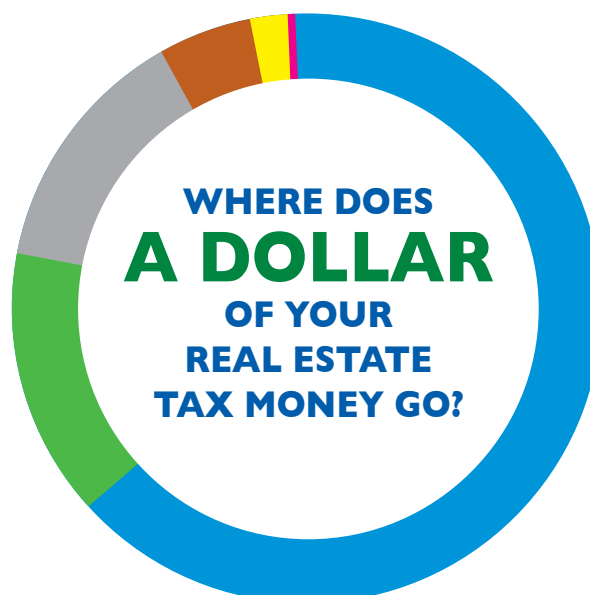
\* Rates are for the 2020 tax year collected in calendar year 2021.

\*\* The difference between the gross and effective rate is due to tax reduction factors that generally prevent changes in voted taxes when valuation of existing real property is increased or decreased.

## WHERE DOES YOUR REAL ESTATE TAX MONEY GO?

Shown below are the 2021 collection year amounts that would be charged to the owner of a \$100,000 home in the largest tax district of the District. The graph represents the percentage of each dollar going to each entity. The total of \$1,578.57 is the annual amount the owner of a \$100,000 home would pay in taxes.

Annual Cost	
School	\$1,009.82
County	244.10
Township	216.99
C-TEC	78.16
Library	23.66
Park District	5.84
<b>Total</b>	<b>\$1,578.57</b>

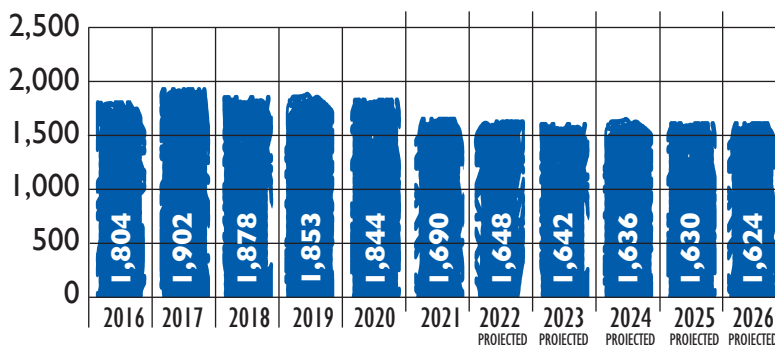


63.9%	School
15.5%	County
13.7%	Township
5.0%	C-TEC
1.5%	Library
.4%	Park District



## ENROLLMENT HISTORICAL AND PROJECTED ENROLLMENT

The District served 1,690 students during the 2020-21 school year in grades K-12. Enrollment overall in the District reflects a declining trend. The District also operates a preschool which served 40 students and is not included in the above number. Based on historical trends, enrollment is projected to continue to decline.



## ECONOMIC CONDITION AND OUTLOOK

The Lakewood Local School District is currently in good financial condition. The District relies heavily on property tax revenues to maintain its educational programs. The District has two temporary emergency operating levies. The District's five year levy was renewed in November 2017 and the District's ten year levy was renewed in November 2019. These emergency levies represent approximately 41% of the total tax related revenues for the District. Passing these renewal levies maintains current District operations, allowing the District to pay for things like salaries, utilities, maintenance and

existing programming. With the passage of these renewal levies and implementing planned reduction of expenditures over the next couple years, the District will meet its operating expenses through fiscal year 2025. The District implemented a Plan of Reductions for fiscal year 2021 and additional planned reductions will occur in fiscal years 2022 and beyond. As the District plans for the future, it will monitor fiscal years 2025 and 2026 to keep the District in a positive fund balance position.

## FINANCIAL ACCOMPLISHMENTS

The District received the Certificate of Excellence in Financial Reporting from the Government Finance Officers Association for the Lakewood Local School District Comprehensive Annual Report for Fiscal Year ended June 30, 2020. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. This is the eighteenth consecutive year the District has received this award.

The District received the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association for the Lakewood Local School District Popular Annual Financial Report (PAFR) for the Fiscal Year ended June 30,

2020. This colorful easy to read document is a useful tool in educating the public and staff on the revenues and expenditures of the School District. This is the twelfth consecutive year the District has received this award.

The District completed its initial 5 Year Capital Plan. The 5 Year Capital Plan will be updated annually. This Plan allows the District to budget intelligently for the future as we are tasked to maintain our schools and facilities. It incorporates all areas of the District including technology, transportation, food service, building and grounds, athletics and each of the school buildings. It provides transparency to the District's plans for the finances necessary to complete these projects.

## MAJOR FINANCIAL INITIATIVES

One challenge the District faces when reviewing the five-year forecast is a declining cash balance. As the District approaches the renewal date for the five-year emergency operating levy, the District will be evaluating the District's projected financial needs to determine if the renewal of the five-year emergency operating levy is enough or will the District need to seek additional revenues. The District implemented a Plan of Reductions for fiscal year 2021 resulting in a savings of \$447,619. A Plan of Reductions was also implemented during fiscal year 2022.

The District has had five unfavorable attempts at the ballot for a new PreK-5 Elementary School bond issue. With the educational challenges and the physical condition of Hebron Elementary School, the Board of Education and Administration are in support of decommissioning Hebron Elementary by August 2023. The Hebron Elementary students will be relocated to the Jackson Intermediate buildings and a modular classroom building. The costs of the decommission and the relocation has yet to be determined.

## 2020-2021 REPORT CARD PERFORMANCE

The Ohio Department of Education's (ODE) Ohio School Report Cards are designed to give each school district a clear picture of the progress in raising achievement and preparing our students for their futures. The information provided in the Report Card outlines areas that ODE views as most critical to successful learning.

The District did not receive an overall rating this year. The 2020-2021 report card did not have grades or ratings per Ohio Law. Below is the data received from the 2020-2021 school year.

**Achievement Component-** This represents the level of proficiency of students on the state tests. It is made up of two parts: performance index and indicators met. The District had a Performance Index of 72 out of 120, or 60%. We did not meet any of the Indicators.

**Gap Closing-** This shows how well we meet performance expectations for sub-groups of students, such as our students with disabilities and economically disadvantaged. The District did not meet the Annual Measurable Objectives (AMOs) in any subgroup for Reading or Math, but exceeded the AMOs in Graduation Rate for all subgroups.

**Progress-** This measures the amount of growth students make from year to year. This is calculated based on three years of data. The students made more than expected growth in English Language Arts at all grade levels. The students also made at or more than expected growth in Math at 5, 6, 8, Algebra and Geometry. Students were below expected growth in Math 7.

**Improving At-Risk K-3 Reading-** There is no component score given. This component measures our success rate of moving students in grades K-3 from off-track to on-track from fall to fall. The percentage of students that increased to on-track was 28%. 72% of students

grades K-3 are on-track based on Fall Diagnostic Assessments. We use Renaissance STAR assessments to determine student on-track status and provide individualized Reading Improvement and Monitoring Plans (RIMPS) for all students who are deemed to be off-track.

**Graduation Rate-** This is the percent of students who graduate that started at LHS, including students who may have moved and did not enroll elsewhere. Data reflects the graduating classes of 2019 and 2020. There was no component score given. Our 4-year graduation rate is 95.3% and our 5-year graduations rate is 93.8% as reported with ODE data. This is an increase over last year and is higher than the state averages. We continue to focus heavily on finding pathways to graduation for all students despite the challenging graduation requirements that have been set.

**Prepared for Success-** This measures whether students are training in a technical field or preparing for work or college. There was no component score given. This data reflects the graduating classes of 2019 and 2020. This measure awards credits for students who earn remediation-free scores on the ACT for English, reading and math exams, earn an honors Diploma or earn high marks on an industry-recognized credentialing test in one of 13 high-demand career fields. Districts get bonus points for students who achieve at least one of the above and earn a score of 3 or higher on at least one AP Exam or earn at least 3 credits in College Credit Plus (CCP) courses. 25.5% of students participated in the College Credit Plus program and 14.6% of students took AP courses. 80% of the AP students earned a 3 or better on their AP exams. 17.2% of students received Honors Diplomas. 15% of student earned industry credentials.

## PERFORMANCE DATA FROM THE 2020-21 STATE REPORT CARD

Graduation Rate ( 4 year)	95.3%
Student Attendance Rate	90.9%
Class of 2018 Entering College Within 2 Years	47.4%
% Meeting Third Grade Reading Guarantee	99.0%
% of Funds Spent on Classroom Instruction	67.6%
Teachers with Master's Degrees	74.2%
Average Experience of Teachers	18 years

Source: 2020-21 State Report Card.



## VISION

### LAKEWOOD . . .

- Integrity
- Passion
- Innovation

. . . HOME

## MISSION

We are a community of learners inspiring each child to explore, grow, and achieve.

Lakewood Local School District  
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