



## HEBRON ELEMENTARY MONTHLY READING CELEBRATION

# POPULAR ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDING JUNE 30, 2020

LAKEWOOD LOCAL SCHOOLS  
HEBRON, OHIO

# LAKEWOOD LOCAL SCHOOL DISTRICT

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November 20, 2020

## 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 ending June 30, 2020. This report makes our District's finances easier to understand, and communicates our finances in an open and accountable manner.

The PAFR summarizes the financial activities and operating results reported in the Lakewood Local School District's audited Comprehensive Annual Financial Report (CAFR). The PAFR is unaudited and presented on a non-GAAP (Generally Accepted Accounting Principles) basis, which primarily deals with full disclosure and segregated funds. The statements presented on page 2 and 3 and the pie charts on pages 4 and 5 consist of the General Fund of the District. The General Fund is the largest fund from which most day-to-day programs and services are provided. For more detailed financial information, including a discussion of key changes in financial data from last fiscal year, our economic condition and outlook, 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](http://www.lakewoodlocal.k12.oh.us).

The publication of this report is a step towards our commitment to communicate in an open manner the Lakewood Local School District finances. 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@laca.org](mailto:gplaisted@laca.org)

Respectfully Submitted,

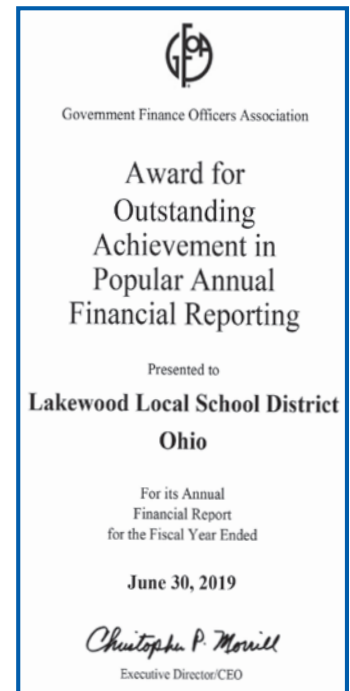


Glenna J. Plaisted  
Treasurer/CFO

## AWARD FOR OUTSTANDING ACHIEVEMENT POPULAR ANNUAL FINANCIAL REPORTING

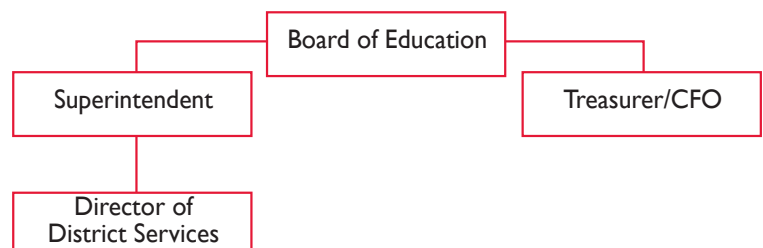
The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the Lakewood Local School District for its Popular Annual Financial Report for the fiscal year ended June 30, 2019. The Award for 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, 2020



## SUMMARIZED FINANCIAL REPORTS

Readers of the Financial Activity Statement and Financial Position Statement should keep in mind that the numbers in both reports are taken from the District's Comprehensive Annual Financial Report (CAFR), but are presented in a non-GAAP format. The Comprehensive Annual Financial Report can be obtained from the Treasurer's office or the Treasurer's office website page at [www.lakewoodlocal.k12.oh.us](http://www.lakewoodlocal.k12.oh.us).

### REVENUES AND RESOURCES OVER EXPENDITURES AND SERVICES

The Financial Activity Statement known in accounting terms as the income statement, provides a summary of the resources (revenues) and services (expenditures) of the District. This statement is the activity of the General Fund of the District.

\* Please refer to the definitions on Page 4 and Page 5.

^ Total revenues increased in FY20. This increase was due to an increase in tax revenues which were offset by a reduction in the State of Ohio foundation funding and a reduction in the tangible personal property tax loss reimbursement.

^^ Total expenditures increased 1.6% in FY20. There were increases for personnel salary adjustments and benefits. The increases were offset by savings related to operations when the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic and all buildings were closed for the remainder of the 2020 school year.

| Resources Taken In<br>(shown in thousands) * | FY20            | FY19            | FY18            | FY17            |
|--|-----------------|-----------------|-----------------|-----------------|
| Local Taxes                                  | \$14,719        | \$12,704        | \$14,768        | \$13,351        |
| State and Federal Revenue                    | 7,010           | 7,870           | 8,179           | 8,928           |
| Investment Income                            | 393             | 506             | 249             | 139             |
| Tuition & Fees                               | 1,423           | 1,012           | 1,297           | 1,244           |
| Other Revenues                               | 208             | 128             | 187             | 160             |
| <b>Total Revenues &amp; Resources (^)</b>    | <b>\$23,753</b> | <b>\$22,220</b> | <b>\$24,680</b> | <b>\$23,822</b> |

| Services Provided<br>(shown in thousands) *   | FY20            | FY19            | FY18            | FY17            |
|---|-----------------|-----------------|-----------------|-----------------|
| Instruction                                   | \$15,016        | \$14,590        | \$13,949        | \$12,773        |
| Pupil Support                                 | 1,355           | 1,572           | 1,557           | 1,501           |
| Instructional Support                         | 801             | 718             | 629             | 488             |
| Board/Administration/Fiscal                   | 2,887           | 2,867           | 2,769           | 2,685           |
| Business Support                              | 16              | 26              | 27              | 25              |
| Plant Operation                               | 2,128           | 2,217           | 2,106           | 2,402           |
| Transportation                                | 1,882           | 1,797           | 1,828           | 1,861           |
| Central Support                               | 68              | 39              | 22              | 23              |
| Extracurricular                               | 376             | 360             | 350             | 346             |
| Non-Instructional                             | 10              | 3               | 1               | 7               |
| Capital Outlay                                | 82              | 52              | 1,672           | 118             |
| Debt Service                                  | 31              | 31              | 36              | 40              |
| <b>Total Expenditures &amp; Services (^^)</b> | <b>\$24,652</b> | <b>\$24,272</b> | <b>\$24,946</b> | <b>\$22,269</b> |

|  |                |                  |                |                |
|--|----------------|------------------|----------------|----------------|
| <b>Revenues &amp; Resources Over Expenditures &amp; Services</b> | <b>(\$899)</b> | <b>(\$2,052)</b> | <b>(\$266)</b> | <b>\$1,553</b> |
|--|----------------|------------------|----------------|----------------|

## 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. This bond payable matures December 1, 2026.

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. This note matures August 1, 2022.

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. This lease payable matures December 1, 2026.

| Outstanding Debt                         | FY20        | FY19        | FY18        | FY17        |
|--|-------------|-------------|-------------|-------------|
| Bond Payable                             | \$5,962,117 | \$6,728,134 | \$7,484,151 | \$8,220,168 |
| Energy Conservation Note                 | 275,312     | 367,083     | 458,854     | 550,624     |
| Stadium Capital Lease Purchase Agreement | 1,815,000   | 2,045,000   | 2,270,000   | 2,500,000   |



## ASSETS OVER LIABILITIES

The Financial Position Statement, known in accounting terms as the Balance Sheet reports the assets available to provide services. Liabilities are the amounts for which the District is obligated to pay in the future. The fund balance represents the difference between the assets of the District and the liabilities it must pay. This statement represents the General Fund of the District.

**ASSETS** Cash and Investments - Cash is the amount of physical cash held by the District in checking accounts and on hand for paying expenditures. Investments consist of cash that is placed in a variety of investment options in order to earn interest.

Receivables represent amounts owed to the District at June 30, 2020.

**LIABILITIES** are those amounts that the District owed to employees, other governments or vendors for items or services that have been provided to the District.

Deferred Inflows are items that cannot be recognized as revenues in the period in which they are received, as the monies will not be available until a subsequent period.

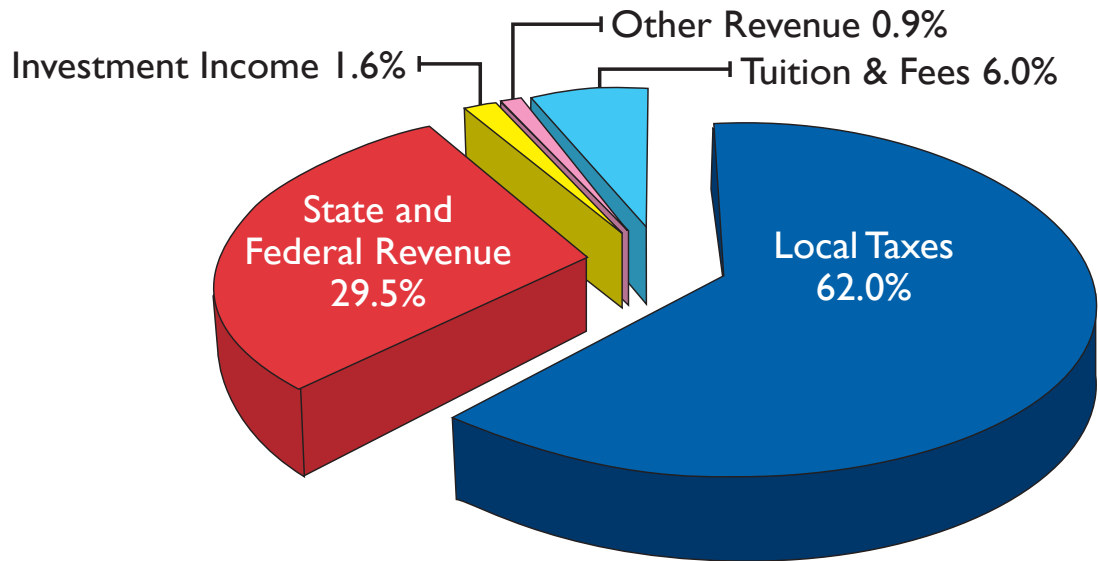
**FUND BALANCE** is the difference between assets and liabilities plus deferred inflows.

| <b>Assets</b><br>(shown in thousands) | <b>FY20</b>     | <b>FY19</b>     | <b>FY18</b>     | <b>FY17</b>     |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Cash and Investments                  | \$14,837        | \$16,349        | \$17,443        | \$18,857        |
| Receivables                           | 14,916          | 14,743          | 14,483          | 14,057          |
| Other Assets                          | 308             | 313             | 328             | 303             |
| <b>Total Assets</b>                   | <b>\$30,061</b> | <b>\$31,405</b> | <b>\$32,254</b> | <b>\$33,217</b> |

| <b>Liabilities</b><br>(shown in thousands)              | <b>FY20</b>     | <b>FY19</b>     | <b>FY18</b>     | <b>FY17</b>     |
|---|-----------------|-----------------|-----------------|-----------------|
| Amounts Owed<br>to Employees and Vendors                | \$2,539         | \$2,354         | \$2,228         | \$2,059         |
| Deferred Inflows of Resources                           | 13,939          | 14,069          | 12,492          | 12,963          |
| <b>Total Liabilities and<br/>Deferred Inflows</b>       | <b>\$16,478</b> | <b>\$16,423</b> | <b>\$14,720</b> | <b>\$15,022</b> |
| <b>Assets over Liabilities<br/>and Deferred Inflows</b> | <b>\$13,583</b> | <b>\$14,982</b> | <b>\$17,534</b> | <b>\$18,195</b> |



## OUR REVENUES AND RESOURCES FY20: **WHERE THE GENERAL FUND MONEY COMES FROM**



**TOTAL REVENUES: \$23,753**  
(shown in thousands)

## 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.

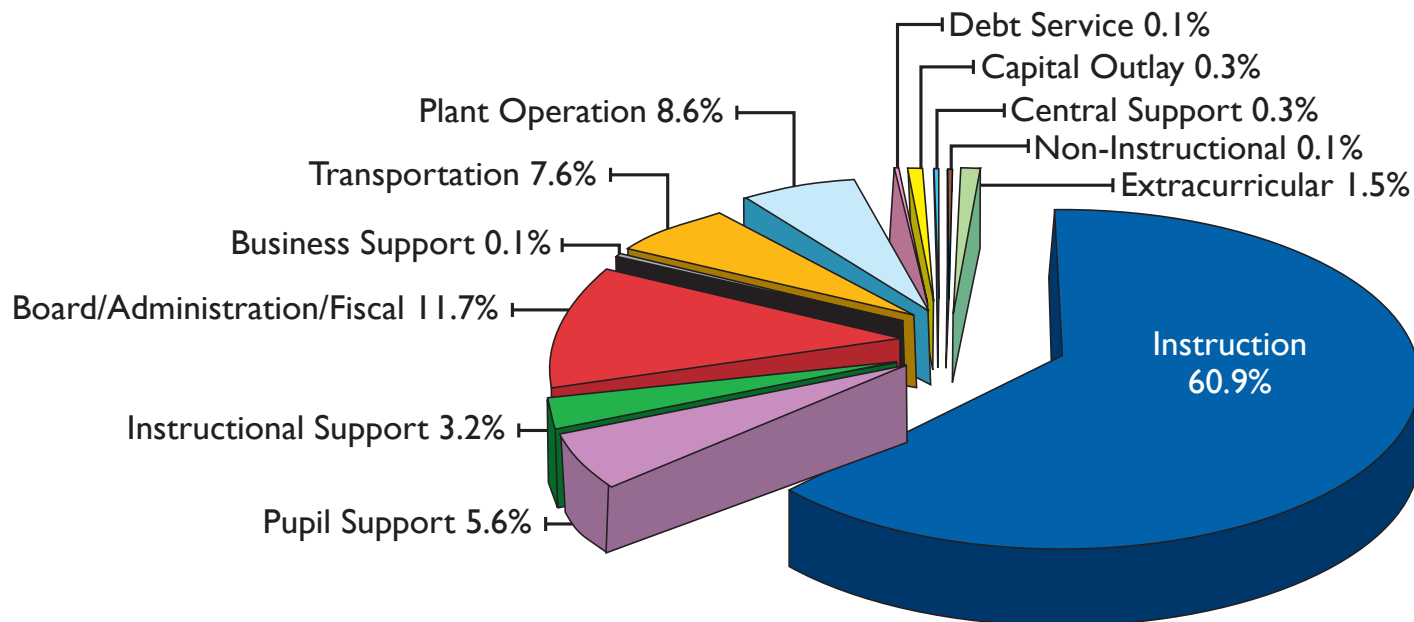
**TUITION AND FEES** are money received from patrons, other school districts, and other sources for education provided in the schools of the district.

**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 FY20: WHERE THE MONEY GOES



**TOTAL EXPENDITURES & SERVICES: \$24,652**  
(shown in thousands)

## OUR EXPENDITURES AND SERVICES:

### DEFINITIONS

**INSTRUCTION** expenditures is the largest 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 1,102 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.

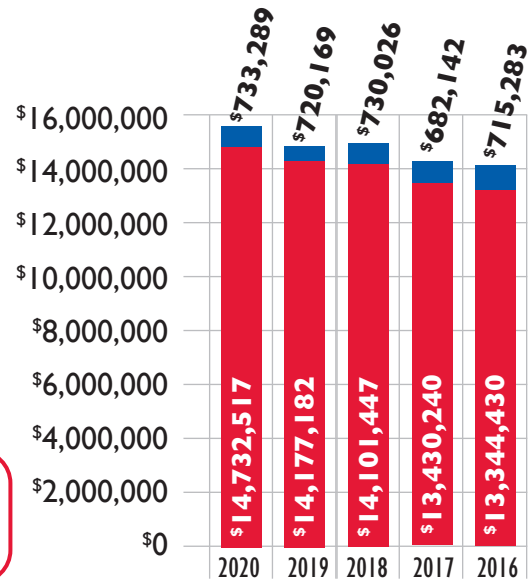
**DEBT SERVICE** expenditures relate to a HB264 energy conservation project principal and interest payments and the principal and interest payments on a stadium capital lease purchase agreement.

# 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.

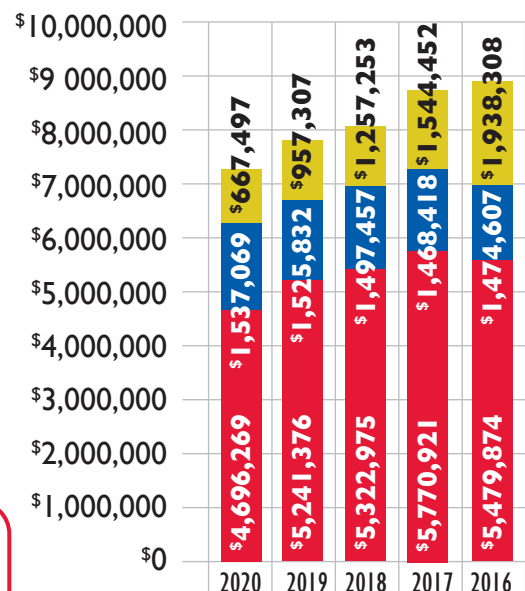
Operating Levy  
Bond Retirement



## STATE FUNDING

The chart to the right depicts the actual cash receipts for the District's General Fund from the State of Ohio. State Support comes primarily from Formula State Aid. A portion also comes from Rollback/Homestead reimbursements which represents 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 grants.

State Aid  
Rollback & Homestead  
Other State Revenues





## ASSESSED VALUES OF REAL AND TANGIBLE PERSONAL PROPERTY

| Collection Year | Residential/<br>Agricultural | Commercial/<br>Industrial | Public<br>Utility | Total          |
|-----------------|------------------------------|---------------------------|-------------------|----------------|
| 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    |
| 2015            | 293,216,068                  | 111,355,913               | 23,420,060        | 427,992,041    |
| 2014            | 283,894,030                  | 104,512,100               | 21,658,260        | 410,064,390    |
| 2013            | 282,944,030                  | 95,942,220                | 16,995,250        | 395,881,500    |
| 2012            | 282,686,360                  | 89,373,770                | 16,471,780        | 388,531,910    |
| 2011            | 274,285,750                  | 83,973,090                | 15,643,590        | 373,902,430    |

## 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        | 15.43            | Various       | Permanent       |
| Emergency          | 4.60         | 4.60             | 2017          | 5 Year          |
| Emergency          | 7.50         | 7.50             | 2019          | 10 Year         |
| Bond Retirement    | 1.70         | 1.70             | 1998          | 28 Year         |
| <b>Total Rates</b> | <b>52.60</b> | <b>33.83</b>     | —             | —               |

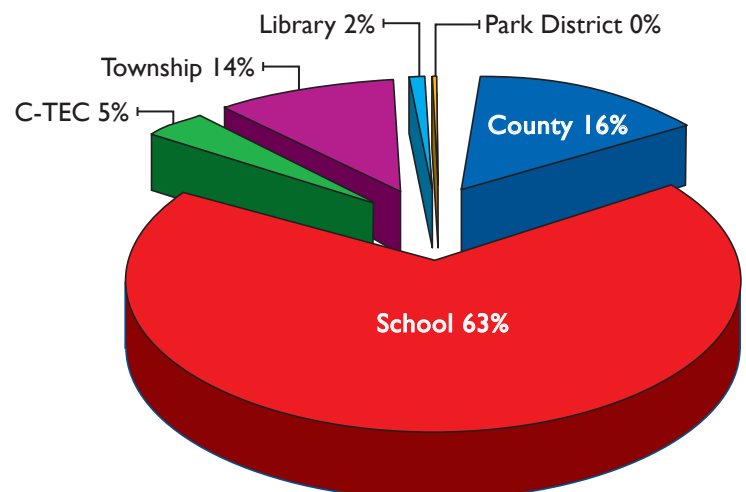
\* Rates are for the 2019 tax year collected in calendar year 2020.

\*\* 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 A DOLLAR OF YOUR REAL ESTATE TAX MONEY GO?

Shown to the right are the 2020 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 \$1,883.02 is the annual amount the owner of a \$100,000 home would pay in taxes.

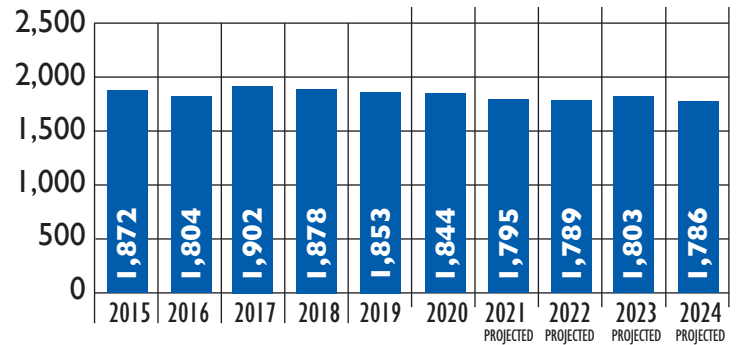
| Annual Cost   |                   |
|---------------|-------------------|
| School        | \$1,184.13        |
| County        | 305.47            |
| Township      | 264.83            |
| C-TEC         | 89.25             |
| Library       | 31.57             |
| Park District | 7.77              |
| <b>Total</b>  | <b>\$1,883.02</b> |





## ENROLLMENT CURRENT TREND AND MOST LIKELY PROJECTION

The District served 1,844 students during the 2019-20 school year in grades K-12. Overall enrollment in the District reflects a declining trend. The District also operates a preschool which served 58 students and is not included in the above number. Based on historical trends, enrollment is projected to continue on a declining trend. At this time, the impact of the COVID-19 pandemic on the projected enrollment decline for the 2020-21 school year is unknown.



## 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 37% 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 2024. 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 2024 and 2025 fund balance position.

In May 2020 the State of Ohio Governor ordered the Ohio Department of Education to reduce state foundation funding before the end of fiscal year 2020 by \$447,619. In July 2020 the State of Ohio further ordered the Ohio Department of Education to carry over the fiscal year 2020 reduced foundation funding levels to fiscal year 2021. In total the District's state foundation funding has been reduced by \$895,238 as a result of financial uncertainty in the State of Ohio's revenue budget due to the COVID-19 pandemic. At this time, it is unknown whether there will be further reductions to school district funding levels during this COVID-19 pandemic.

## MAJOR FINANCIAL INITIATIVES

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 (CAFR) for Fiscal Year ending June 30, 2019. 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 was the sixteenth consecutive year the District has received this award. The District has an initiative to receive this Certificate for the District's 2020 Comprehensive Annual Financial Report (CAFR).

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 ending June 30, 2019. This document is a useful tool in educating the public and staff on the revenues and expenditures of the District. This was the tenth consecutive year the District has received this award. The District has an initiative to receive this Award for the District's 2020 Popular Annual Financial Report (PAFR).

### Facilities

The Board of Education in pursuit of addressing facility needs within the District, has approved transfers out of the General Fund to a Capital Projects Fund totaling \$2,000,000 (\$500,000 per year) in fiscal years 2017 through 2020. The Capital Projects Fund was established for the purpose of accumulating resources for new and existing school facilities. In early fiscal year 2021, the District used \$750,000 of the Capital Projects Fund towards the replacement of the High School roof.

The District is also in the process of developing a 5 Year Capital Plan. It is anticipated that this Plan will be completed by the end of fiscal year 2021. This Plan will be used to prioritize the capital needs of the District and will be used for budgeting and planning purposes.

With the educational and facility challenges at our elementary grade level, the Board of Education is committed to addressing the long-term needs for our students and continues to have discussion on returning to the ballot with an elementary bond issue.

## DID YOU KNOW? ACADEMIC/OTHER ACHIEVEMENTS

- ✓ The District implemented its Strategic Plan. Action teams meet monthly to discuss the progress in each goal area.
- ✓ Lakewood Middle School received a grant from Making Middle Grades Work to implement key practices at Lakewood Middle School.
- ✓ All buildings have partnered with the Village Network to bring on-site counseling for referred students to the school buildings.
- ✓ Lakewood Preschool program maintains a 5-Star rating, the highest rate possible, for Step Up to Quality from the Ohio Department of Education.
- ✓ All buildings have implemented Calm Classroom strategies in their classrooms 2-3 times each day. These strategies help students release stress and focus.
- ✓ Lakewood High School maintains a Business Advisory Council. To date, more than 50 businesses have provided input on curriculum/job skills needed, provided mentorship/internship opportunities for students and offered training and credentialing for students.
- ✓ Teachers at Hebron Elementary used Project Based Learning as a strategy to hook students to learning, integrate subjects and provide students with opportunities to apply what they learned in authentic ways. Teachers also integrated design challenges into the classroom to teach students the problem solving framework and develop much needed 21st Century Skills.
- ✓ Refined a drug testing program for Lakewood High School and Middle School with the input of staff, students, parents and community members.

## MAJOR ACADEMIC INITIATIVES

We are working towards a balanced literacy framework for English Language Arts at the elementary levels. We have gradually implemented new program pieces, Foundations and Lucy Calkins' Reading Units of Study, to the framework. Teachers are receiving ongoing professional development and are collaborating around best practices in the implementation of these programs.

The Engage New York math program continues to be used in the District. Our K-8 Math Instructional Coach and Title I Math teacher, along with building teacher leaders, continue to provide professional development to teachers on a weekly to biweekly basis, model best practices, do intervention with groups of students and create resources (i.e., pacing guides, assessments, spiral reviews, how-to videos for teachers, students and parents).

Teachers at the high school will continue to focus on teaching and learning best practices for the implementation of the 1:1 Chromebook program. Teachers will receive differentiated training based on their needs. Teachers at all levels have received professional development related to flipped classroom and best practices for remote learning.

The District works with State Support Team 11 to implement the Ohio Improvement Process in all buildings. Goals and strategies related to student performance have been developed. Data on student performance and adult implementation is collected and monitored for effectiveness of school improvement strategies.

## 2019–2020 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. Due to the COVID-19 pandemic, Ohio State Testing was not completed for the 2019-2020 school year so the Report Card data is incomplete. The District did not receive an overall rating for this year.

The District continues to focus on engaging the students in our classrooms, providing opportunities for enrichment and intervention as needed. We will continue to be student-centered in our approach to teaching and learning. In working towards our District goals, we continue to review our curriculum, alignment and assessment practices.



## 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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