



LITTLE LANCERS

POPULAR ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDING JUNE 30, 2019

LAKEWOOD LOCAL SCHOOLS

HEBRON, OHIO

LAKEWOOD LOCAL SCHOOL DISTRICT

Administrative Office
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November 20, 2019

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, 2019. This report presents our District's finances in a format that is easier to understand, and is intended to communicate 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 Principle) 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.

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

Respectfully Submitted,

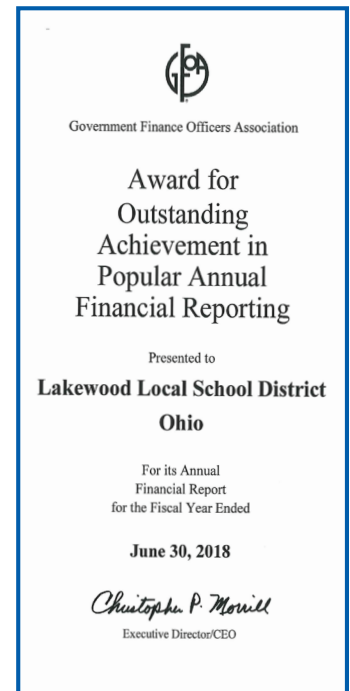


Glenna J. Plaisted
Treasurer/CFO

AWARD FOR OUTSTANDING ACHIEVEMENT POPULAR ANNUAL FINANCIAL REPORTING

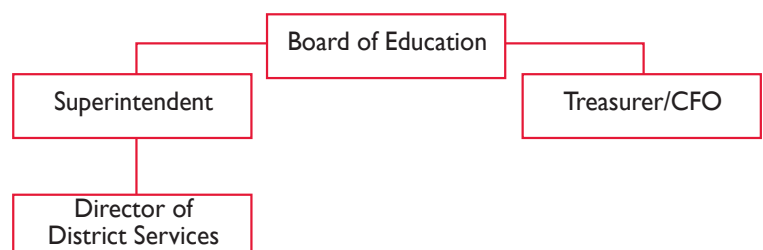
The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the Lakewood Local School District for its Popular Annual Financial Report for the fiscal year ended June 30, 2018. The Award for 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, 2019



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.

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.

* Please refer to the definitions on page 4.

** Please refer to the definitions on page 5.

^ Total revenues decreased 10.0% in FY19 which is attributed to \$1 million of tax revenues which was recognized in fiscal year 2018 instead of 2019 which resulted in a \$2 million decrease between the two years.

^^ Total expenditures decreased 2.7% in FY19. A \$1.6 million decrease in capital improvement projects offset the 3% increase in base salary for FY19.

Resources Taken In (shown in thousands)	FY19	FY18	FY17	FY16
Local Taxes	\$12,704	\$14,768	\$13,351	\$13,314
State and Federal Revenue	7,870	8,179	8,928	9,029
Investment Income	506	249	139	111
Tuition & Fees	1,012	1,297	1,244	883
Miscellaneous	128	187	160	320
Total Revenues & Resources^{(^)*}	\$22,220	\$24,680	\$23,822	\$23,657

Services Provided (shown in thousands) *	FY19	FY18	FY17	FY16
Instruction	\$14,590	\$13,949	\$12,773	\$12,127
Pupil Support	1,572	1,557	1,501	1,393
Instructional Staff	718	629	488	506
Board/Administration/Fiscal	2,867	2,769	2,685	2,648
Business Support	26	27	25	22
Plant Operation	2,217	2,106	2,402	1,973
Transportation	1,797	1,828	1,861	1,669
Central Support	39	22	23	27
Extracurricular	360	350	346	331
Non-Instructional	3	1	7	154
Capital Outlay	52	1,672	118	0
Debt Service	31	36	40	40
Total Expenditures & Services^{(^^)**}	\$24,272	\$24,946	\$22,269	\$20,890

Revenues & Resources Over Expenditures & Services	(\$2,052)	(\$266)	\$1,553	\$2,767
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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	FY19	FY18	FY17	FY16
Bond Payable	\$6,728,134	\$7,484,151	\$8,220,168	\$8,992,230
Energy Conservation Notes	367,083	458,854	550,624	692,648
Stadium Capital Lease Purchase Agreement	2,045,000	2,270,000	2,500,000	N/A

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.

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, 2019.

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.

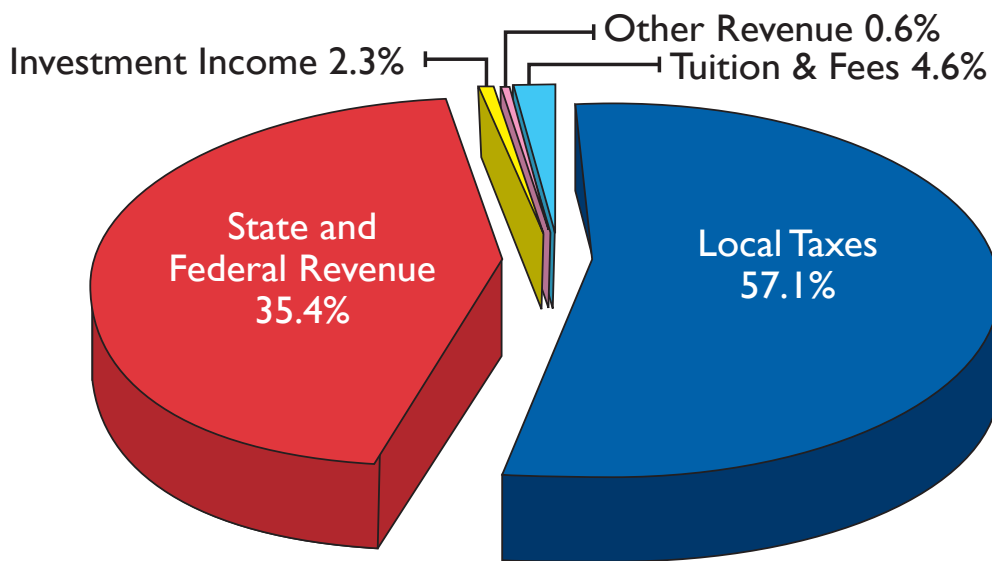
FUND BALANCE is the difference between assets and liabilities plus deferred inflows.

Assets (shown in thousands)	FY19	FY18	FY17	FY16
Cash and Investments	\$16,349	\$17,443	\$18,857	\$17,978
Receivables	14,743	14,483	14,057	14,073
Other Assets	313	328	303	284
Total Assets	\$31,405	\$32,254	\$33,217	\$32,335

Liabilities (shown in thousands)	FY19	FY18	FY17	FY16
Amounts Owed to Employees and Vendors	\$2,354	\$2,228	\$2,059	\$2,063
Deferred Inflows of Resources	14,069	12,492	12,963	13,173
Total Liabilities and Deferred Inflows	\$16,423	\$14,720	\$15,022	\$15,236
Assets over Liabilities and Deferred Inflows	\$14,982	\$17,534	\$18,195	\$17,099



OUR REVENUES AND RESOURCES FY19: WHERE THE GENERAL FUND MONEY COMES FROM



TOTAL REVENUES: \$22,220
(shown in thousands)

OUR REVENUES AND RESOURCES:

DEFINITIONS

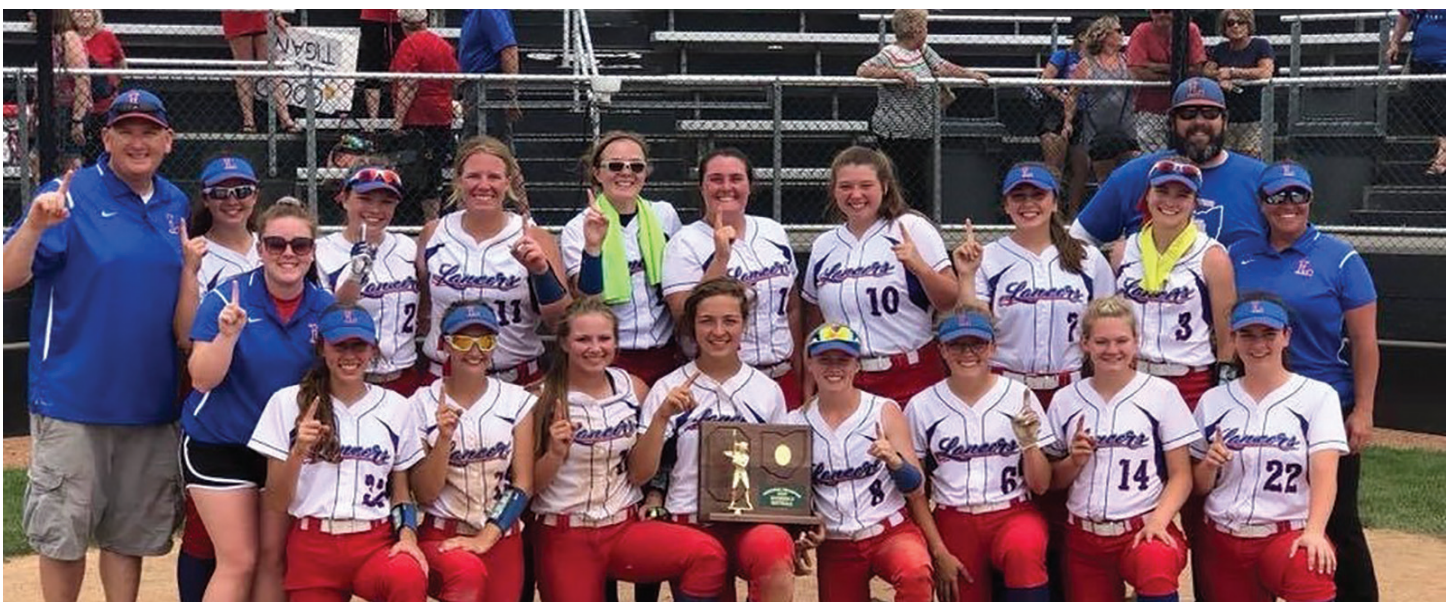
LOCAL TAXES are received from both residential and commercial properties and include real and public utility property taxes.

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

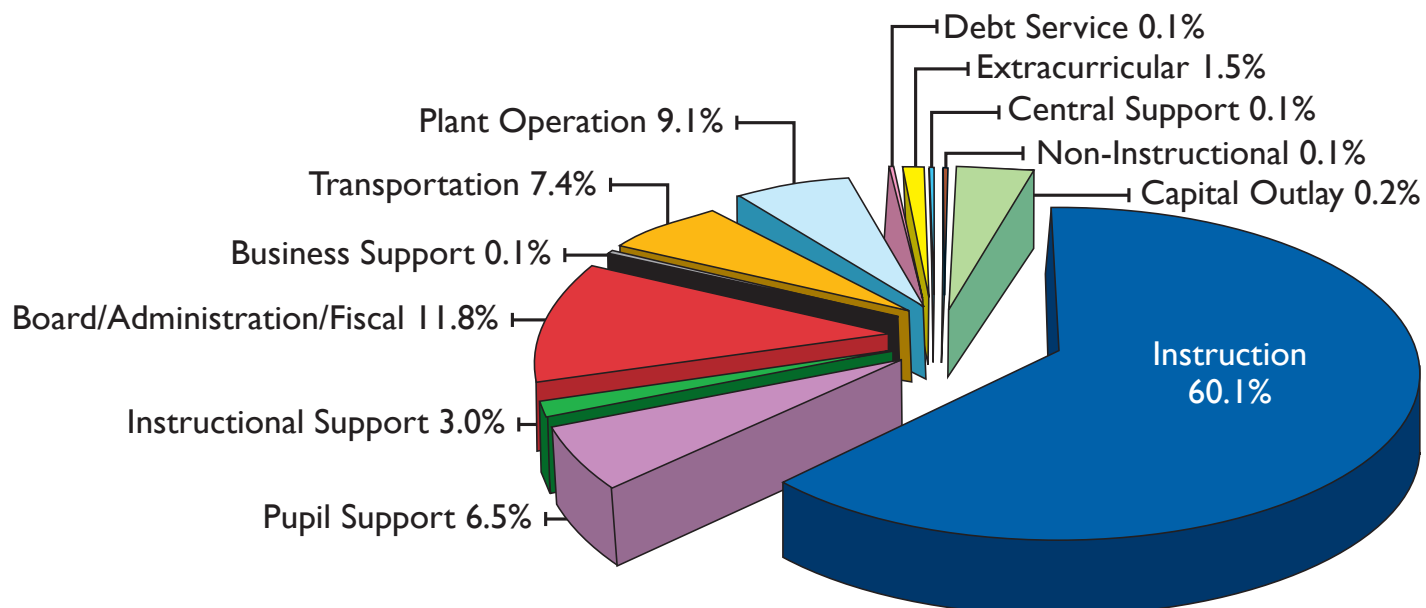
TUITION AND FEES are money received from patrons, other school districts, and other sources for education provided in the schools of the district.

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 FY19: WHERE THE MONEY GOES



TOTAL EXPENDITURES & SERVICES: \$24,272
(shown in thousands)

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 1,173 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.

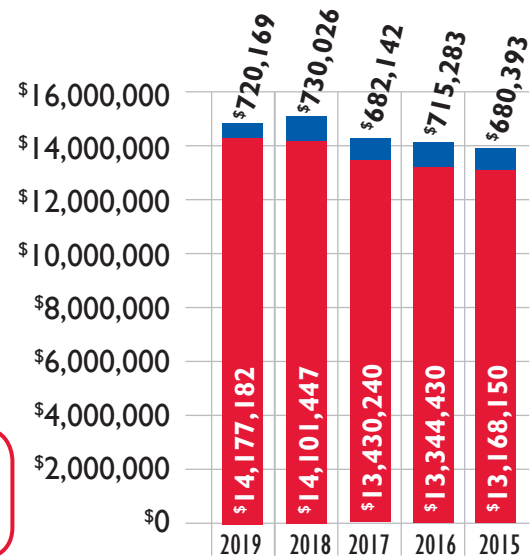
DEBT SERVICE expenditures relate to a HB264 energy conservation project principal and interest payments and the principal and interest payments on a stadium capital lease purchase agreement.

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 renewal levy for \$2,353,259 that was renewed in November 2017.

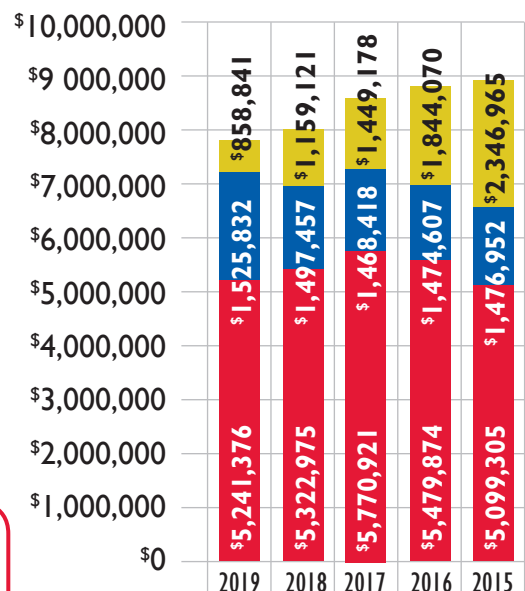
Operating Levy
Bond Retirement



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 and economic disadvantaged funding. Included in the FY19 Other State revenue is \$634,573 from the reimbursement of tangible personal property tax loss.

State Aid
Rollback & Homestead
Other State Revenues



ASSESSED VALUES OF REAL AND TANGIBLE PROPERTY

Collection Year	Residential/ Agricultural	Commercial/ Industrial	Public Utility	Tangible Personal	Total
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
2010	272,319,150	82,721,880	14,316,970	1,012,140	370,370,140

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	15.48	Various	Permanent
Emergency	4.70	4.70	2017	5 Year
Emergency	7.90	7.90	2010 ^{Renewed 11/2019}	10 Year
Bond Retirement	1.70	1.70	1998	28 Year
Total Rates	53.10	34.38	—	—

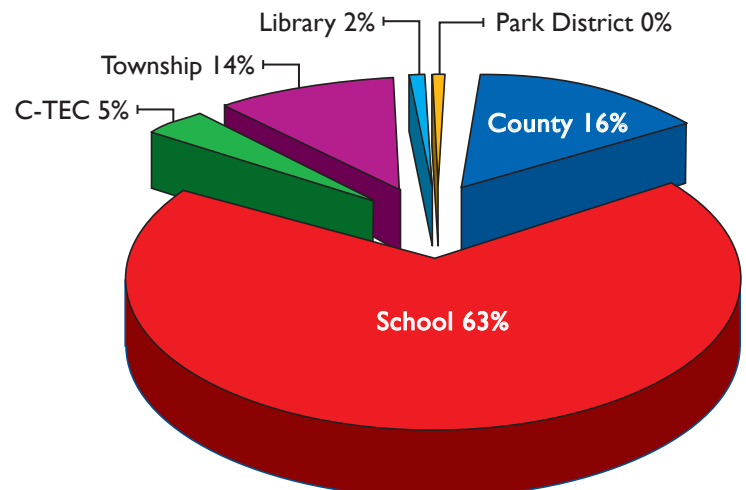
* Rates are for the 2018 tax year collected in calendar year 2019.

** 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?

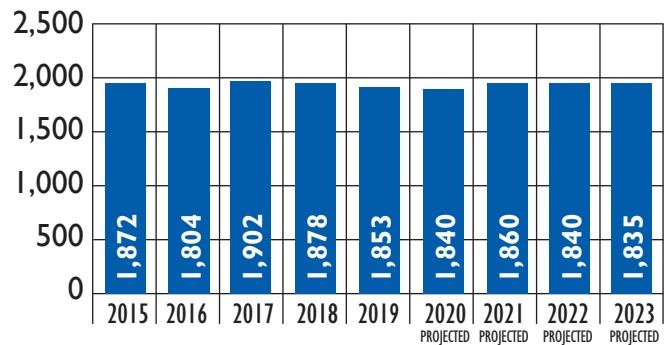
Shown to the right are the 2019 collection year amounts that would be charged to the owner of a \$100,000 home in the largest tax district of the District. The graph represents the percentage of each dollar going to each entity. The total of \$1,903.48 is the annual amount the owner of a \$100,000 home would pay in taxes.

Annual Cost	
School	\$1,203.19
County	305.96
Township	265.65
C-TEC	89.25
Library	31.63
Park District	7.80
Total	\$1,903.48



ENROLLMENT CURRENT TREND AND MOST LIKELY PROJECTION

The District served 1,853 students during the 2018-19 school year in grades K-12. Enrollment overall in the District reflects a declining trend. The District also operates a preschool which served 59 students and is not included in the above number. Based on historical trends, enrollment is projected to remain fairly flat.



MAJOR FINANCIAL INITIATIVES

The Lakewood Local School District is currently in good financial condition. The District has two emergency levies. The District's five year levy was renewed in November 2017. The District's ten year levy was renewed on November 5, 2019. These emergency levies represent roughly 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 the November 2019 operating renewal and some planned reduction of expenditures, the District should be able to meet its operating expenses through fiscal year 2023. As the District plans for the future, it will monitor fiscal years 2023 and 2024 to keep the District in a positive fund balance position.

The Board of Education in pursuit of addressing facility needs within the District has been transferring \$500,000 from the District General Fund to a Capital Projects Fund each of the past three fiscal years. The Capital Projects Fund has a current fund balance of \$1.5 million. It is anticipated that the Board will approve an additional transfer of \$500,000 from the General Fund to the Capital Projects Fund for the fiscal year ending June 30, 2020.

The District is also in pursuit of passing a bond issue to build a new elementary school (grades Pre-K through 5). The bond issue has had three unsuccessful attempts at the ballot. The District will go back to the voters for another attempt in March 2020.



DID YOU KNOW? ACADEMIC ACHIEVEMENTS

- ✓ The Board of Education formally adopted a Strategic Plan. This resulted in the development of a vision, mission, core values and strategies to focus the District's work for the next three to five years.
- ✓ The District curriculum audit was completed and recommendations for improvements were suggested. These recommendations have been used to help define strategies and action steps within our Strategic Plan.
- ✓ Our Preschool program maintains a 5-Star rating for Step Up to Quality from the Ohio Department of Education.
- ✓ 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.
- ✓ The District implemented a drug testing program for Lakewood High School and Middle School with the input of staff, students, parents and community members.
- ✓ Lakewood Middle School received a \$3,000 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.
- ✓ Teachers at Hebron, Jackson Intermediate and Lakewood Middle School are implementing Calm Classroom strategies in their classrooms 2-3 times each day. These strategies help students release stress and focus.
- ✓ 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.

2018–2019 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. As a District we have some areas to celebrate and some areas of focus.

Our overall District letter grade is a "D". The overall District letter grade was a new feature of the report card last year and is generated based on the combination of component grades. We were certainly disappointed to see an overall grade of "D" on our District report card. Although we realize the report card and the state testing that determines the report card grades are important, we do not believe it is the complete, definitive portrait of our school district, our students and our staff.

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.

D
District
Grade

Lakewood Local

Districts and schools report information for the Ohio School Report Cards on specific marks of performance, called measures, within broad categories called components. They receive grades for up to ten measures and six components.

Achievement

The Achievement Component represents whether student performance on state tests met established thresholds and how well students performed on tests overall. A new indicator measures chronic absenteeism. Performance Index 68.4%
Indicators Met 19.2%

D
Component
Grade

Progress

The Progress component looks closely at the growth that all students are making based on their past performances.
Value-Added
Overall Gifted
Lowest 20% in Achievement
Students with Disabilities

D
Component
Grade

Gap Closing

The Gap Closing component shows how well schools are meeting the performance expectations for our most vulnerable students in English language arts, math, graduation and English language proficiency.
Annual Measurable Objectives 86.9%

B
Component
Grade

Graduation Rate

The Graduation Rate component looks at the percent of students who are successfully finishing high school with a diploma in four or five years.
Graduation Rates
90.1% of students graduated in 4 years
92.1% of students graduated in 5 years

B
Component
Grade

Improving At-Risk K-3 Readers

This component looks at how successful the school is at improving at-risk K-3 readers.
Improving At-Risk K-3 Readers 23.8%

D
Component
Grade

Prepared for Success

Whether training in a technical field or preparing for work or college, the Prepared for Success component looks at how well prepared Ohio's students are for all future opportunities.

F
Component
Grade



VISION

LAKESIDE . . .

- Integrity
- Passion
- Innovation

. . . HOME

MISSION

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

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