

Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2020



Thank You to Frontline Workers

**Lakewood Local School District
Hebron, Ohio**



LAKEWOOD...

- Integrity
- Passion
- Innovation

... Home

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



LAKEWOOD LOCAL SCHOOL DISTRICT

HEBRON, OHIO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
June 30, 2020**

Prepared by:

**Ms. Glenna Plaisted
Treasurer/CFO**



LAKEWOOD LOCAL SCHOOL DISTRICT

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LAKEWOOD LOCAL SCHOOL DISTRICT

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LAKEWOOD LOCAL SCHOOL DISTRICT

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INTRODUCTORY SECTION





November 20, 2020

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

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Lakewood Local School District (District) for the fiscal year ended June 30, 2020. This CAFR includes an opinion from our auditors, Julian & Grube, Inc. and conforms to accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). Responsibility for the accuracy of the data presented 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.

State law requires that an official report prepared on the GAAP basis be prepared annually within 150 days after the close of the year. The report includes the basic financial statements that provide information about the District's financial position and the results of financial operations.

This report will provide the taxpayers of the District with comprehensive financial data in a format that will enable them to gain a clear understanding of the District's finances. Copies will be made available upon request and/or can be printed from the District's website.

DISTRICT PROFILE

The Lakewood Local School District is located in southern Licking County approximately 25 miles east of Columbus, the state capital. The District encompasses approximately 115 square miles. The principle communities are the Village of Hebron, the Village of Buckeye Lake, Jacksontown and the surrounding farming townships. The District has a diversified industrial base as well as residential and agricultural communities. Interstate 70 and State Routes 79, 40 and 13 serve as the major transportation arteries. The District serves approximately 1,844 students in grades K-12. The District also serves 58 preschool students. The District's overall enrollment reflects a declining trend. Based on historical trends, enrollment is projected to continue on a declining trend.

The District's facilities include 1 elementary school (grades PreK-2), 1 intermediate school (grades 3-5), 1 middle school (grades 6-8), 1 high school (grades 9-12), a bus garage, the administrative building and an athletic complex. The high school is the District's newest facility built in 2000, Jackson Intermediate School built in 1972 and 1967, Middle School built in 1959 and Hebron Elementary built in 1914.

www.lakewoodlocal.k12.oh.us

LAKEWOOD LOCAL SCHOOL DISTRICT

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2020

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 approves an appropriation resolution which serves as the basis for control and authorization for all expenditures of District tax money.

The Superintendent is the chief executive officer of the District, responsible to the Board for total educational and support operations. Ms. Mary Kay Andrews served as Superintendent from January 1, 2015 through July 31, 2020. Dr. Mark Gleichauf is the District's new Superintendent effective August 1, 2020.

The Treasurer/CFO is the chief financial officer of the District, responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the District, acting as custodian of all District funds and investing idle funds as permitted by Ohio law. Ms. Glenna Plaisted has served as Treasurer/CFO since May 15, 2000.

Great schools are important to the quality of life in the Villages of Hebron, Buckeye Lake and the Jacksonstown area and help maintain the property values in the District. 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.

The District offers a full range of educational programs and services. These include elementary and secondary general studies, advanced placement courses, gifted education, college preparatory and tech prep courses, college credit plus courses, special education services, and a broad range of co-curricular and extracurricular activities.

CURRICULUM DEVELOPMENT

The Lakewood Local School District provides a comprehensive K-12 program: instruction, assessment, intervention and special needs programming. The curriculum supports the Ohio State Tests (Grades 3–12) and Diagnostic Tests (K-3). Advanced placement classes are offered in language arts, science, math and social studies at the high school. Also credit flex is available to help increase learning and engagement and assist students to graduate ready for success in college and their careers. All curricular areas are reviewed on a 5-year cycle by a committee of educators.

Lancer Virtual Academy, our remote learning program, provides online courses and teacher support for students who may want or need to take courses outside of the traditional school environment.

Young residents are also eligible to apply for acceptance into our pre-school program. The pre-school curriculum aligns with the Ohio Department of Education's Early Learning and Development Standards for preschool children, and includes instructional areas in: Approaches to Learning, Language and Literacy, Cognition, Social Emotional Development, Physical Well Being and Motor Development.

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2020

INSTRUCTION MATERIALS

The administration, staff, board members, and community have identified that keeping current with today's educational methodology and utilizing updated student textbooks, technology and materials are critical components necessary to provide students with a quality education. The Ohio state standards and model curriculum have been implemented at all levels.

TECHNOLOGY

Lakewood students are introduced to technology in preschool and encouraged to use technology to advance their learning potential. Students at every grade level are linked to the Internet. Wireless access is available in all district buildings. Currently all students have access to chromebooks in order to engage in the curriculum, complete work at school or work remotely at home. Students who lack internet at home are provided with hot spots so that they can complete remote assignments. Teachers have incorporated the use of technology into their classrooms and enabled students to use technology to help facilitate life-long learning and to access curriculum online when participating in remote learning.

The District has a web page which can be located at www.lakewoodlocal.k12.oh.us.

STAFF DEVELOPMENT

Locally provided staff development is an extremely important part of professional growth. The Superintendent, with the input from staff and building administrators, assess staff needs and plan after school sessions, in-service days, and summer sessions for certified staff consistent with the District goals. The emphasis on these professional development activities is to provide professional staff with the knowledge base required for implementation of effective teaching strategies and enhance instruction. In addition to locally provided staff development, the Lakewood Local School District supports staff members who attend conferences outside of the District and continually encourages staff to examine, understand, and implement best practices used in educational settings with emphasis on formative instructional practices.

INTERVENTION AND SPECIAL PROGRAMS

Lakewood Local School District recognizes its responsibility to offer academic instruction that is appropriate for every child. Student abilities and performance levels are measured and used to determine appropriate instruction. The MTSS (Multi-Tiered Systems of Support) model is used. Research-based programs such as Foundations, Spire and Math-U-See have been implemented to use for Tier 2 or Tier 3 interventions. The District also uses STAR as a quality benchmark assessment tool in grades K-8. Quarterly assessments have been developed in grades 9-12 to measure student mastery of course objectives in the core subject areas.

For those students requiring supplemental help or varied instructional methods, plans are developed and monitored by intervention assistance teams that include teachers, administrators and intervention specialists. Interventions for students are occurring within teachers' daily instruction as they differentiate instruction to meet the needs of individual students and during Academic Assist or Enrichment/Intervention periods. Parental involvement is critical in the process of understanding student needs and developing intervention plans. In addition, we engage parents via surveys, focus groups, Learning with Loved One events and participation on the District Strategic Plan Action Teams.

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2020

GIFTED AND TALENTED PROGRAMMING AND ADVANCED PLACEMENT COURSES

Opportunities for more challenging work are available through the Gifted and Talented Program. This program serves identified students in grades 3-12. The curriculum includes enrichment activities, independent research and project based learning with an emphasis on higher level thinking skills. Classroom teachers that teach gifted students completed at least 30 hours of gifted professional development each school year.

Advanced placement courses in English, American History, Calculus AB, Chemistry, European History, U.S. Government, Statistics and Biology are offered at the high school level. Students also participate in college level courses and earn dual credit (high school and university credit). Courses are offered at the high school and also various universities.

SPECIAL EDUCATION

The District serves students who are on Individualized Educational Programs. These students are served in the following programs: speech/language, multi-handicapped, cognitively disabled handicapped, severe emotionally disturbed, specific learning disabled, other health impaired and hearing impaired.

Program options and related services for students on Individualized Educational Plans are structured to provide a continuum of services based on individual needs. These options insure that all students are educated in the least restrictive environment possible. The Lakewood Local School District is committed to providing educational excellence for all students with disabilities, expanding their skills and aptitudes to be successful in the educational setting, in the community, and as adult contributors in society.

DISTRICT STRATEGIC PLAN

The District's Strategic Plan includes these goals:

Communication and Trust

At Lakewood, we build trust one interaction at a time.

Social Emotional Well-Being

Lakewood promotes a culture where all are physically and emotionally safe, by building relationships with our students, staff and their families.

Teaching and Learning

Lakewood invests in our staff by providing the tools and resources necessary to achieve high standards of excellence to reach every learner at every level.

Facilities and Learning Environments

Lakewood creates a modern learning environment that adapts to our population and supports our highly qualified staff, providing a culture and climate to foster student achievement in all areas while maintaining financial responsibility.

Goal specific action teams meet regularly to discuss progress towards the goals.

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2020

STATE 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 2019-20 school year so the Report Card data is incomplete.

The District did not receive an overall rating this year. Ohio State Tests were not given this year due to the COVID-19 pandemic. Because there is no test data, many of the components typically scored on the report card were not rated.

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. Not rated for the 2019-20 report card.

Gap Closing- This shows how well we meet performance expectations for sub-groups of students, such as our students with disabilities and economically disadvantaged. Not rated for the 2019-20 report card.

Progress- This measures the amount of growth students make from year to year. This is calculated based on three years of data. Not rated for the 2019-20 report card.

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. There was a dramatic increase of students on-track in Reading at each grade level. The percentage of students on-track increased by 24%-33% at each grade level. 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 who started at LHS, including students who may have moved and did not enroll elsewhere. Data reflects the graduating classes of 2018 and 2019. There was no component score given. Our 4-year graduation rate is 92.4% and our 5-year graduations rate is 92.9% as reported with ODE data. This is an increase over last year. Moreover, if we look at the graduation rate of students who attended Lakewood Schools for all four years of high school, the graduation rate increases. 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 2018 and 2019. 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. This year our score improved slightly. More students participated in ACT testing. The number of students earning Industry-Recognized Credentials increased by 3.4%.

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2020

We use this data, along with diagnostic and screening data, to develop our practice and guide our discussions. Our district team worked this summer to put plans in place to focus on areas of continued growth. Our building goals and Quality Profile are located on the District website under District Profile.

ECONOMIC CONDITION AND OUTLOOK

The District is located approximately 25 miles east from the metropolitan city of Columbus providing a wealth of opportunity for cultural, social and economic resources for its residents. Central Ohio Technical College and The Ohio State University of Newark share facilities and are located in the nearby City of Newark. Denison University is located in the adjoining Village of Granville. These colleges provide excellent educational opportunities for the Lakewood community.

The Villages of Hebron and Buckeye Lake offer excellent opportunities for business growth and expansion. Within the District's boundaries, an Industrial Park stimulates the economy through a diverse group of employers, from the small family operated business to major commercial/industrial and service corporations. The five largest employers in the District in terms of numbers of employees are: THK Manufacturing of America Inc., Harry & David Operations Inc., MPW Properties LLC, Hendrickson Axle, and RR Donnelley & Sons Co.

The District relies heavily on property tax revenues to maintain its educational programs. The District has two (2) temporary emergency operating levies. On November 7, 2017 the District passed a renewal of a five-year emergency levy which generates \$2,353,259 per year. A ten-year emergency renewal levy was passed on November 5, 2019 and generates \$3,528,880 per year. These emergency levies represent approximately 37% of the total tax related revenues for the District. With the passage of this renewal levy and some planned reduction of expenditures, the District should be able to meet its operating expenses through fiscal year 2024. As the District plans for the future, it will monitor fiscal years 2024 through 2025 to keep the District in a positive fund balance position.

Due to the COVID-19 pandemic, 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. The District's reduction was \$447,619. In July 2020 the State of Ohio further ordered the Ohio Department of Education to carry the fiscal year 2020 reduced foundation funding levels to fiscal year 2021. At this time, it is unknown as to whether there will be further reductions to the District's foundation funding level.

Long-Term Financial Planning

The District prepares a five-year forecast for use as a tool for long range planning. The five-year forecast projects local and state revenues, spending patterns within each area of the budget, and cash balances in the District's operating fund. The District uses the five-year forecast to provide a basis for making financial decisions, including the construction of the annual budget, adjustments to staffing levels, collective bargaining, and the placement of tax levies on the ballot.

The Board of Education 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.

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2020

RECENT INITIATIVES/ACCOMPLISHMENTS

There were a number of District initiatives/accomplishments made during the fiscal year ended June 30, 2020. Some of those were as follows:

Financial

The District received an unmodified opinion on the Fiscal Year 2019 audit with no citations or recommendations noted.

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 is the sixteenth 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 ending June 30, 2019. 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 tenth consecutive year the District has received this award.

Instructional/Other

- The District implemented its Strategic Plan. Action teams meet monthly to discuss the progress in each goal area.
- Maintained a Business Advisory Council at Lakewood High School. 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.
- Refined a drug testing program for Lakewood High School and Middle School with the input of staff, students, parents and community members.
- 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.
- Teachers at Hebron, Jackson Intermediate, Lakewood Middle School and Lakewood High School are implementing Calm Classroom strategies in their classrooms 2-3 times each day. These strategies help students release stress and focus.
- Lakewood Preschool earned a 5-star rating, the highest rate possible, for Step Up to Quality from the Ohio Department of Education.
- 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.

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2020

MAJOR INITIATIVES FOR THE FUTURE

Financial

To receive the Certificate of Excellence in Financial Reporting from the Government Finance Officers Association for the District's 2020 Comprehensive Annual Financial Report (CAFR).

To receive the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association for the 2020 Popular Annual Financial Report (PAFR).

Instructional

The District continues to seek improvement in the areas measured by the Local Report Card. An overall "A" rating on the Report Card is the goal, in addition to engaging the students and providing opportunities for enrichment and intervention as needed. In working towards our district goals and an "A" rating on the local report card, we continue to review our curriculum, alignment and assessment practices.

We are working towards a balanced literacy framework for English Language Arts at the elementary levels. We have gradually implemented new programs 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.

FINANCIAL 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.

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2020

INTERNAL CONTROLS – Management of the District is responsible for establishing internal controls 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 accounting principles generally accepted in the United States of America. 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.

MANAGEMENT’S DISCUSSION AND ANALYSIS – Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the management’s discussion and analysis (MD&A). This letter of transmittal should be read in conjunction with the MD&A as they are designed to complement each other. The Lakewood Local School District’s MD&A can be found immediately following the Independent Auditor’s Report.

RELEVANT FINANCIAL GUIDELINE – The Board of Education maintains a General Fund Balance Guideline. The fund balance guideline is equal to 60 days operational cash as the minimum operational benchmark for determining the ending General Fund balance needs. The minimum benchmark should be reflected on the five year forecast in the current year and the next three (3) projected years of the forecast.

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

As part of the District’s single audit, tests are made to determine the adequacy of the internal controls, including that portion relating to federal financial assistance programs, as well as to verify that the District has complied with applicable laws and regulations.

BUDGETARY CONTROLS – 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 certificate of estimated resources and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than custodial funds, are legally required to be budgeted and appropriated. The primary level of budgetary control required by Ohio Revised Code is at the fund level. The level of budgetary control imposed by the District (the level at which expenditures cannot legally exceed the appropriated amount) is established at the object level for the general fund and at the fund level for all other funds. Any budgetary modifications at these levels may only be made by resolution of the Board of Education. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts at year-end are carried forward to succeeding years and are not re-appropriated.

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2020

INDEPENDENT AUDIT – In compliance with State statute, the basic financial statements have been audited by Julian & Grube, Inc. The independent auditor concluded that the District's financial statements for the year ended June 30, 2020, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The Independent Auditor's Report is presented as the first component of the financial section of this report.

AWARDS AND ACKNOWLEDGMENTS

AWARDS – The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the Lakewood Local School District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of State and local government financial reports. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements, with contents conforming to program standards. A Certificate of Achievement is valid for a period of one year only. Lakewood Local School District has received a Certificate of Achievement for the last seventeen years. We believe that our current comprehensive annual financial report continues to meet the program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the School District received the Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) from GFOA for the year ended June 30, 2019. The PAFR is a condensed, more user-friendly financial report intended to provide highlights of the District's financial condition. This was the eleventh year the District produced a PAFR and received the award.

ACKNOWLEDGMENTS – The publication of this report is a major step toward the commitment to professionalizing the financial reporting of the Lakewood Local School District and significantly increases the accountability of the School District to the taxpayers.

The accomplishment of this report would not have been possible without the assistance, support, and efforts of the staff of the Treasurer's office and various administrators and employees of the School District. A special thank you is extended to Donald J. Schonhardt & Associates, Inc. for their assistance in preparing this report.

Finally, sincere appreciation is extended to the Board of Education, where commitment to excellence begins. Without their support, this CAFR would not have been possible.

Respectfully submitted,



Glenna J. Plaisted, CPA, CGMA
Treasurer/CFO



LAKEWOOD LOCAL SCHOOL DISTRICT

Members of the Board of Education and Administration For the Fiscal Year Ended June 30, 2020

Members of the Board of Education

	<u>Began Service as A Board Member</u>	<u>Present Term Expires</u>
Tara Houdeshell, President	January 1, 2018	December 31, 2021
Jonathan Lynch, Vice President	January 1, 2018	December 31, 2021
Nathan Corum	June 20, 2018	December 31, 2023
Brittany Misner	May 10, 2018	December 31, 2023
Bill Pollard	January 1, 2018	December 31, 2021

Treasurer/CFO

	<u>Position</u>
Glenna J. Plaisted	Treasurer/CFO

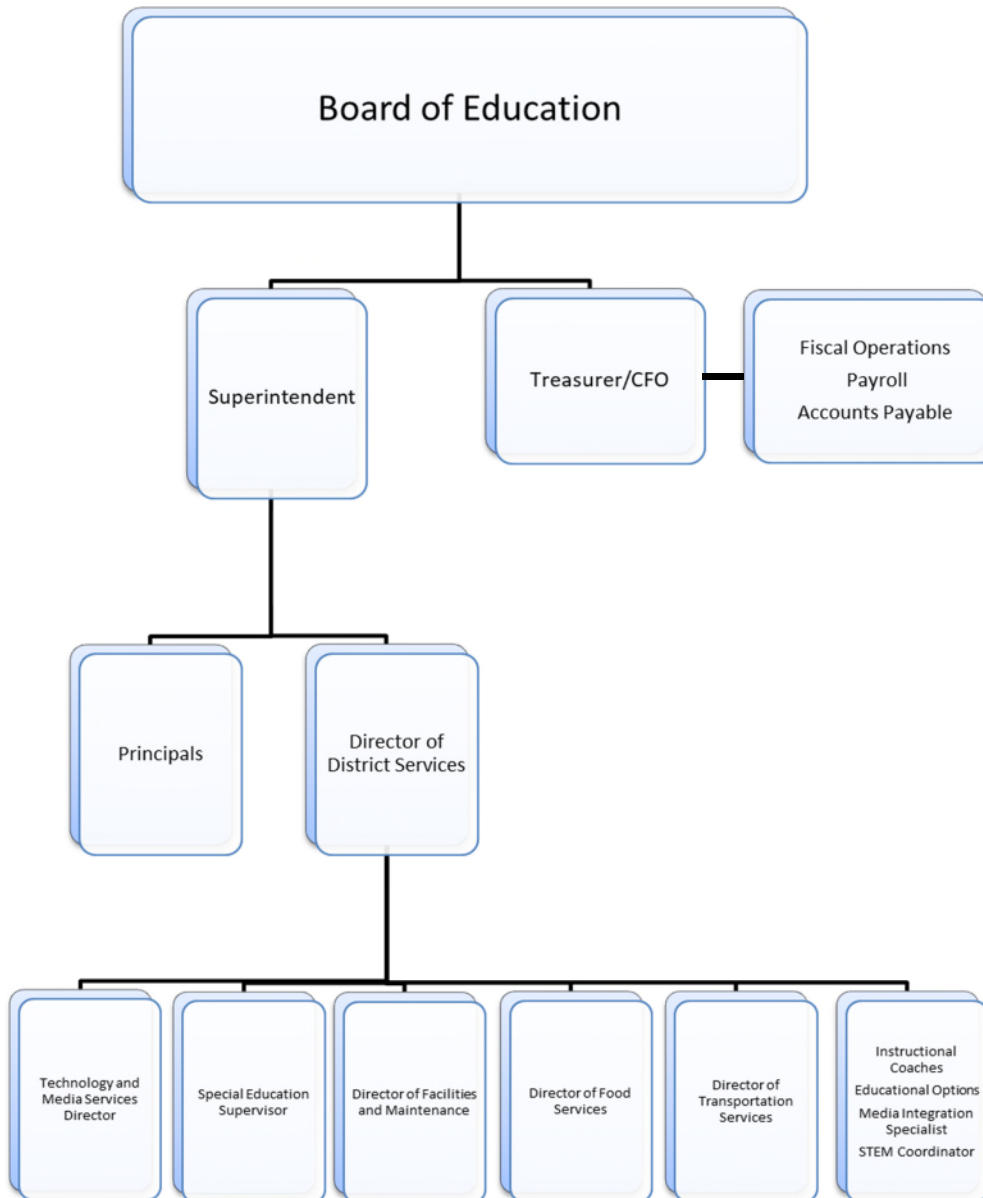
Administration

	<u>Position</u>
Mary Kay Andrews	Superintendent
Patricia Pickering	Director of District Services

LAKEWOOD LOCAL SCHOOL DISTRICT

Organizational Chart

For the Fiscal Year Ended June 30, 2020



LAKEWOOD LOCAL SCHOOL DISTRICT

*Government Finance Officers Association of the United States and Canada
Certificate of Achievement for Excellence in Financial Reporting*



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Lakewood Local School District
Ohio**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



Independent Auditor's Report

Lakewood Local School District
Licking County
525 East Main Street, P.O. Box 70
Hebron, Ohio 43025

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lakewood Local School District, Licking County, Ohio, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Lakewood Local School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lakewood Local School District, Licking County, Ohio, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the general fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As described in Note 2 to the financial statements, in 2020, the Lakewood Local School District adopted new accounting guidance, GASBS No. 84, *Fiduciary Activities*. As described in Note 20 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Lakewood Local School District. Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis, and schedules of net pension and other post-employment benefit assets and liabilities and pension and other post-employment benefit contributions* listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2020, on our consideration of the Lakewood Local School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Lakewood Local School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lakewood Local School District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
November 20, 2020



LAKEWOOD LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2020

Unaudited

The management's 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, 2020. 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 2020 are as follows:

- ❑ In total, net position decreased \$1,744,504. Net position of governmental activities decreased \$1,589,352, which represents a 60.4% decrease from 2019. Net position of business-type activities decreased \$155,152 or 30.4% from 2019.
- ❑ General revenues accounted for \$23,362,247 in revenue or 85.0% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for \$4,107,431 or 15.0% of total revenues of \$27,469,678
- ❑ The District had \$28,229,812 in expenses related to governmental activities; only \$3,278,213 of these expenses were offset by program specific charges for services and sales, and grants and contributions.
- ❑ Among major funds, the general fund had \$23,752,677 in revenues and \$24,651,628 in expenditures. During fiscal year 2020, the general fund's fund balance decreased from \$14,981,618 to \$13,583,358.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – management's discussion and analysis and the basic financial statements, required supplemental information 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.

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

LAKEWOOD LOCAL SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020***

Unaudited

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 position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. 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 position and how it has changed. Net-position (the difference between the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources) is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position 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 – This service is 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 is reported as business-type 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 Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

LAKEWOOD LOCAL SCHOOL DISTRICT

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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 athletic tournament monies and is reported as a custodial fund. All of the District's fiduciary activities are reported in a separate Statement of Changes in Net Position. 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 Statement of Net Position provides a perspective of the District as a whole. The following table provides a summary of the District's net position for 2020 compared to 2019:

	Governmental Activities		Business-type Activities		Total	
	2020	Restated 2019	2020	2019	2020	Restated 2019
Assets:						
Current and other assets	\$34,208,456	\$34,844,279	\$50,057	\$94,246	\$34,258,513	\$34,938,525
Net OPEB Asset	1,490,617	1,441,683	0	0	1,490,617	1,441,683
Capital assets, Net	16,024,886	16,689,278	87,835	91,398	16,112,721	16,780,676
Total assets	<u>51,723,959</u>	<u>52,975,240</u>	<u>137,892</u>	<u>185,644</u>	<u>51,861,851</u>	<u>53,160,884</u>
Deferred outflows of resources:						
Refunding	48,834	55,810	0	0	48,834	55,810
Pension	4,931,620	6,726,644	74,557	162,734	5,006,177	6,889,378
OPEB	631,096	425,174	35,943	34,292	667,039	459,466
Total deferred outflows of resources	<u>5,611,550</u>	<u>7,207,628</u>	<u>110,500</u>	<u>197,026</u>	<u>5,722,050</u>	<u>7,404,654</u>
Liabilities:						
Net pension liability	25,048,821	24,552,363	528,885	520,109	25,577,706	25,072,472
Net OPEB liability	2,209,949	2,355,975	227,136	253,945	2,437,085	2,609,920
Other long-term liabilities	8,419,404	9,554,770	7,066	6,740	8,426,470	9,561,510
Other liabilities	2,612,591	2,463,225	67,788	68,139	2,680,379	2,531,364
Total liabilities	<u>38,290,765</u>	<u>38,926,333</u>	<u>830,875</u>	<u>848,933</u>	<u>39,121,640</u>	<u>39,775,266</u>
Deferred inflows of resources:						
Property Tax	14,371,315	14,488,792	0	0	14,371,315	14,488,792
Pension	1,198,492	1,662,773	14,664	15,538	1,213,156	1,678,311
OPEB	2,432,453	2,473,134	67,741	27,935	2,500,194	2,501,069
Total deferred inflows of resources	<u>18,002,260</u>	<u>18,624,699</u>	<u>82,405</u>	<u>43,473</u>	<u>18,084,665</u>	<u>18,668,172</u>
Net position (deficit):						
Net investment in capital assets	7,983,828	7,537,301	87,835	91,398	8,071,663	7,628,699
Restricted	1,073,372	802,573	0	0	1,073,372	802,573
Unrestricted	<u>(8,014,716)</u>	<u>(5,708,038)</u>	<u>(752,723)</u>	<u>(601,134)</u>	<u>(8,767,439)</u>	<u>(6,309,172)</u>
Total net position (deficit)	<u>\$1,042,484</u>	<u>\$2,631,836</u>	<u>(\$664,888)</u>	<u>(\$509,736)</u>	<u>\$377,596</u>	<u>\$2,122,100</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

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Unaudited

The implementation of GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" in fiscal year 2015 and GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions in fiscal year 2018," significantly revised accounting for costs and liabilities related to pension and to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

At fiscal year-end for governmental activities, capital assets represented 31% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture, fixtures, equipment, and vehicles. Net investment in capital assets, at June 30, 2020 was \$7,983,828. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$1,073,372, represents resources that are subject to external restriction on how they may be used. Excluding the effect of GASB 68 and GASB 75, the District has approximately \$15.8 million in unrestricted net position which may be used to meet the District's ongoing obligations to the students and creditors.

LAKEWOOD LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2020

Unaudited

Changes in Net Position – The following table shows the changes in net position for fiscal years 2020 and 2019:

	Governmental Activities		Business-type Activities		Total	
	2020	Restated 2019	2020	2019	2020	Restated 2019
Revenues						
Program Revenues:						
Charges for Services and Sales	\$1,590,610	\$1,402,942	\$277,454	\$368,147	\$1,868,064	\$1,771,089
Operating Grants and Contributions	1,687,603	1,274,106	551,764	597,819	2,239,367	1,871,925
Total Program Revenues	3,278,213	2,677,048	829,218	965,966	4,107,431	3,643,014
General Revenues:						
Property Taxes	15,809,351	13,701,588	0	0	15,809,351	13,701,588
Grants and Entitlements	6,952,514	7,879,658	0	0	6,952,514	7,879,658
Other	600,382	590,216	0	0	600,382	590,216
Total General Revenues	23,362,247	22,171,462	0	0	23,362,247	22,171,462
Total Revenues	26,640,460	24,848,510	829,218	965,966	27,469,678	25,814,476
Program Expenses						
Instruction	16,976,745	13,698,720	0	0	16,976,745	13,698,720
Support Services:						
Pupils	1,843,701	1,530,987	0	0	1,843,701	1,530,987
Instructional Staff	1,023,491	799,038	0	0	1,023,491	799,038
Board of Education	103,668	34,420	0	0	103,668	34,420
Administration	2,194,614	1,908,916	0	0	2,194,614	1,908,916
Fiscal Services	839,968	760,212	0	0	839,968	760,212
Business	17,437	26,181	0	0	17,437	26,181
Operation and Maintenance of Plant	2,159,063	2,084,371	0	0	2,159,063	2,084,371
Pupil Transportation	2,023,523	1,836,521	0	0	2,023,523	1,836,521
Central	40,214	38,329	0	0	40,214	38,329
Operation of Non-Instructional Services	47,032	48,134	0	0	47,032	48,134
Extracurricular Activities	743,100	717,343	0	0	743,100	717,343
Interest and Fiscal Charges	217,256	241,956	0	0	217,256	241,956
Food Service	0	0	984,370	1,030,232	984,370	1,030,232
Total Expenses	28,229,812	23,725,128	984,370	1,030,232	29,214,182	24,755,360
Total Change in Net Position (Deficit)	(1,589,352)	1,123,382	(155,152)	(64,266)	(1,744,504)	1,059,116
Beginning Net Position (Deficit), Restated	2,631,836	1,508,454	(509,736)	(445,470)	2,122,100	1,062,984
Ending Net Position (Deficit)	\$1,042,484	\$2,631,836	(\$664,888)	(\$509,736)	\$377,596	\$2,122,100

LAKEWOOD LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020

Unaudited

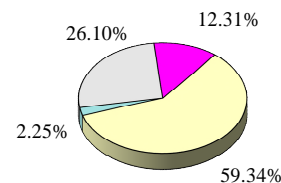
Governmental Activities

Net position of the District's governmental activities decreased by \$1,589,352. This decrease is attributable to the increase in pension and OPEB expense in fiscal year 2020. The decrease was partially offset by increased tax revenue for fiscal year 2020 compared to fiscal year 2019. Fiscal year 2019 tax revenues were lower as a result of lower tax advances being available in 2019. Total governmental expenses of \$28,229,812 were offset by program revenues of \$3,278,213 and general revenues of \$23,362,247. Program revenues supported 11.6% of the total governmental expenses. The primary sources of revenues consist of property taxes and grants and entitlements which total \$22,761,865 and represent 97.4% of total general governmental revenue.

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. It increases as a result of new construction or collection from a new voted levy. Although school districts experience inflationary growth in expenses, tax revenue does not keep pace with increased expenses. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.00 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and the 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 and the school district would collect the same dollar value generated in the year it passed. Thus, school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service.

The District has a five-year emergency levy renewal that passed November 7, 2017 and generates tax revenues of \$2,353,259 yearly. Voters also renewed a new ten-year emergency operating levy on November 5, 2019 for \$3,528,880. Fiscal year 2020 includes the total revenues generated from both these emergency levies. Property taxes made up 59% of revenues for governmental activities for the District in fiscal year 2020. The District's reliance upon tax revenues is demonstrated by the following chart:

Revenue Sources	2020	Percent of Total
General Grants	\$6,952,514	26.10%
Program Revenues	3,278,213	12.31%
Property Tax Revenues	15,809,351	59.34%
General Other	600,382	2.25%
Total Revenue	<u>\$26,640,460</u>	<u>100.00%</u>



Business-Type Activities

Net position of the business-type activities decreased by \$155,152. These programs had revenues of \$829,218 and expenses of \$984,370 for fiscal year 2020. Business activities receive no support from tax revenues; however, they have received support from governmental activities.

LAKEWOOD LOCAL SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020***

Unaudited

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of \$16,638,477, which is lower than last year's restated total of \$17,273,740. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2020 and 2019.

	Fund Balance June 30, 2020	Restated Fund Balance June 30, 2019	Increase (Decrease)
General	\$13,583,358	\$14,981,618	(\$1,398,260)
Debt Service	763,143	693,470	69,673
Other Governmental	2,291,976	1,598,652	693,324
Total	<u>\$16,638,477</u>	<u>\$17,273,740</u>	<u>(\$635,263)</u>

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

	2020 Revenues	2019 Revenues	Increase (Decrease)
Taxes	\$14,719,106	\$12,704,043	\$2,015,063
Tuition	1,361,525	940,057	421,468
Investment Earnings	392,764	506,348	(113,584)
Extracurricular Activities	25,659	44,636	(18,977)
Class Materials and Fees	61,436	71,986	(10,550)
Intergovernmental - State	6,900,836	7,729,647	(828,811)
Intergovernmental - Federal	109,149	140,221	(31,072)
All Other Revenue	182,202	83,546	98,656
Total	<u>\$23,752,677</u>	<u>\$22,220,484</u>	<u>\$1,532,193</u>

General Fund revenues in 2020 increased approximately 6.9% compared to revenues in fiscal year 2019. A couple factors contributed to the increase in tax revenues in fiscal year 2020. The District recognized approximately \$500 thousand in additional revenues from the increase in assessed values of new construction of residential property and also a 15% increase in Public Utility Personal Property assessed values. The remaining increase is attributable to tax advances that are available and fluctuate on an annual basis. Fiscal year 2019 tax revenues were lower as a result of lower tax advances being available in 2019.

The increase in tax revenues is offset by a decrease in the Intergovernmental – State revenues. 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. The District's reduction for fiscal year 2020 was \$447,619. In addition to this reduction the District had a significant reduction in the reimbursement for loss of tangible personal property tax revenues provided from the Ohio Department of Taxation of \$379,177. This reimbursement is completely phased out after fiscal year 2020, except for the portion of the reimbursement related to the District's emergency operating levy.

LAKEWOOD LOCAL SCHOOL DISTRICT

***Management's Discussion and Analysis
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Unaudited

	2020 Expenditures	2019 Expenditures	Increase (Decrease)
Instruction	\$15,015,934	\$14,590,148	\$425,786
Supporting Services:			
Pupils	1,355,164	1,572,055	(216,891)
Instructional Staff	801,243	717,687	83,556
Board of Education	102,531	156,324	(53,793)
Administration	1,988,655	1,961,535	27,120
Fiscal Services	795,209	749,402	45,807
Business	15,792	26,294	(10,502)
Operation & Maintenance of Plant	2,127,765	2,216,526	(88,761)
Pupil Transportation	1,881,923	1,797,350	84,573
Central	67,843	38,645	29,198
Operation of Non-Instructional Services	10,471	3,246	7,225
Extracurricular Activities	375,797	359,709	16,088
Capital Outlay	81,849	51,947	29,902
Debt Service:			
Principal Retirement	30,107	29,364	743
Interest and Fiscal Charges	1,345	2,088	(743)
Total	<u>\$24,651,628</u>	<u>\$24,272,320</u>	<u>\$379,308</u>

The District's expenditures increased by \$379,308 or 1.6% compared to the prior year. The District's budget is 72% personnel related. The District had between a 2.25 to 2.5% increase in base salary for fiscal year 2020 and paid the negotiated step increase ranging from 0% to 3% based on the number of years of service and type of degree. The District had a 5% health insurance adjustment for the January 2020 renewal. These increases were offset by some savings relative to District operations when the United States and 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 fiscal year 2020.

Debt Service Fund – The fund balance increased \$69,673. This increase can be attributed to fiscal year 2019 tax revenues being lower as a result of lower tax advances being available in 2019.

LAKEWOOD LOCAL SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020***

Unaudited

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal year 2020 the District amended its General Fund budget several times. The final budget did not change significantly over the original budget. The School District closely monitors its resources and uses and if necessary, modifies appropriations on a timely basis.

The final General Fund budget basis revenue of \$23.9 million did not significantly change from the original budget estimates.

Total original appropriations compared to the final appropriations did not change materially in total; however, appropriations did change between the different expense object categories of the General Fund. The General Fund transferred \$500,000 to the Capital Projects Fund.

Actual expenditures compared to the final budget resulted in an overall positive variance.

LAKEWOOD LOCAL SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020***

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2020, the District had \$16,112,721 net of accumulated depreciation invested in land, buildings, equipment and vehicles. Of this total, \$16,024,886 was related to governmental activities and \$87,835 to the business-type activities. The following table shows fiscal year 2020 and 2019 balances:

	Governmental Activities		Change
	2020	2019	
Land	\$410,817	\$410,817	\$0
Land Improvements	3,727,960	3,724,028	3,932
Buildings and Improvements	25,569,863	25,467,897	101,966
Furniture, Fixtures and Equipment	4,373,091	4,199,664	173,427
Vehicles	2,545,266	2,539,456	5,810
Less: Accumulated Depreciation	(20,602,111)	(19,652,584)	(949,527)
Totals	<u>\$16,024,886</u>	<u>\$16,689,278</u>	<u>(\$664,392)</u>
	Business-Type Activities		Change
	2020	2019	
Furniture and Equipment	\$400,757	\$408,863	(\$8,106)
Less: Accumulated Depreciation	(312,922)	(317,465)	4,543
Totals	<u>\$87,835</u>	<u>\$91,398</u>	<u>(\$3,563)</u>

The change in capital asset additions/disposals was offset by depreciation. Additional information on the District's capital assets can be found in Note 9.

LAKEWOOD LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020

Unaudited

Debt

At June 30, 2020 the District had \$8.4 million in bonds, leases, and other long-term obligations outstanding, \$1,190,054 due within one year. The following table summarizes the District's debt and other long-term liabilities outstanding as of June 30, 2020 and June 30, 2019:

	<u>2020</u>	<u>2019</u>
Governmental Activities:		
General Obligation Bonds:		
School Improvement	\$5,962,117	\$6,728,134
Energy Conservation Bonds Payable	275,312	367,083
Financed Capital Lease Payable	1,815,000	2,045,000
Capital Leases Payable	37,463	67,570
Compensated Absences	<u>329,512</u>	<u>346,983</u>
Total Governmental Activities	8,419,404	9,554,770
Business-Type Activities:		
Compensated Absences	<u>7,066</u>	<u>6,740</u>
Total Business-Type Activities	<u>7,066</u>	<u>6,740</u>
Totals	<u><u>\$8,426,470</u></u>	<u><u>\$9,561,510</u></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, 2020, the District's outstanding debt was below the legal limit. Additional information on the District's long-term debt can be found in Note 12.

LAKEWOOD LOCAL SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020***

Unaudited

CURRENT FINANCIAL RELATED ACTIVITIES

As the preceding information shows, the District relies heavily upon property taxes, grants and entitlements to provide the funds necessary to maintain its educational programs. The District has a ten-year emergency operating levy that was renewed on November 5, 2019. The total amount of revenue from this emergency operating levy is \$3,528,880 per year. The District also has a five-year emergency operating levy that was renewed on November 7, 2017. The total amount of revenue from this emergency operating levy is \$2,353,259 per year. The combined annual revenue of these two emergency levies is \$5,882,139 and is substantial relative to the total tax revenues of the District.

On May 5, 2020 the State of Ohio Governor ordered the Ohio Department of Education to reduce state foundation funding before the end of fiscal year 2020. The District's reduction for fiscal year 2020 was \$447,619. In July 2020 the State of Ohio further ordered the Ohio Department of Education to carry the fiscal year 2020 reduced foundation funding levels to fiscal year 2021. At this time, it is unknown as to whether there will be further reductions to school district funding levels.

The District has a General Fund Balance Guideline whose purpose is to preserve financial stability. The cash reserve is equal to 60 days operational cash as the minimum operational benchmark for determining the ending cash needs of the General Fund. The minimum benchmark should be reflected on the five year forecast in the current year and the next three (3) projected years of the forecast. The current revenue, along with the District's cash balance, will provide the District with the necessary funds to meet its operating expenses in fiscal years 2021 through 2024. The District implemented a Plan of Reductions for fiscal year 2021 of \$447,619. It is anticipated that additional planned reductions will occur in fiscal year 2022 and beyond. As the District approaches the renewal date for the 5-year emergency operating levy, the District is evaluating the financial needs to determine if a renewal of the 5 year operating levy is sufficient to meet the needs of the District. As the District plans for the future, it will monitor the projected revenues and expenditures for fiscal years 2024 and 2025 to keep the District in a positive fund balance position.

The Board of Education and administration of the District must continue to maintain careful financial planning and prudent fiscal management in order to preserve the financial stability of the District.

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/CFO, Lakewood Local School District, 525 East Main Street, Post Office Box 70, Hebron, Ohio 43025, or email at gplaisted@laca.org.

LAKEWOOD LOCAL SCHOOL DISTRICT

Statement of Net Position June 30, 2020

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 10,031,685	\$ 21,760	\$ 10,053,445
Investments	7,752,292	0	7,752,292
Receivables:			
Taxes	15,758,059	0	15,758,059
Accounts	260,650	0	260,650
Intergovernmental	77,405	0	77,405
Interest	13,084	0	13,084
Inventory	25,479	8,828	34,307
Prepaid Items	289,802	19,469	309,271
Net OPEB Asset	1,490,617	0	1,490,617
Capital Assets:			
Nondepreciable Capital Assets	410,817	0	410,817
Depreciable Capital Assets, Net	15,614,069	87,835	15,701,904
Total Capital Assets, Net	16,024,886	87,835	16,112,721
Total Assets	51,723,959	137,892	51,861,851
Deferred Outflows of Resources:			
Deferred Charge on Refunding	48,834	0	48,834
Pension	4,931,620	74,557	5,006,177
OPEB	631,096	35,943	667,039
Total Deferred Outflows of Resources	5,611,550	110,500	5,722,050
Liabilities:			
Accounts Payable	218,008	1,847	219,855
Accrued Wages and Benefits	1,872,320	60,632	1,932,952
Intergovernmental Payable	499,835	5,309	505,144
Accrued Interest Payable	22,428	0	22,428
Long Term Liabilities:			
Due Within One Year	1,190,054	0	1,190,054
Due in More Than One Year:			
Net Pension Liability	25,048,821	528,885	25,577,706
Net OPEB Liability	2,209,949	227,136	2,437,085
Other Amounts Due in More Than One Year	7,229,350	7,066	7,236,416
Total Liabilities	38,290,765	830,875	39,121,640
Deferred Inflows of Resources:			
Property Taxes	14,371,315	0	14,371,315
Pension	1,198,492	14,664	1,213,156
OPEB	2,432,453	67,741	2,500,194
Total Deferred Inflows of Resources	18,002,260	82,405	18,084,665

LAKEWOOD LOCAL SCHOOL DISTRICT

	Governmental Activities	Business-Type Activities	Total
Net Position:			
Net Investment in Capital Assets	7,983,828	87,835	8,071,663
Restricted For:			
Debt Service	758,122	0	758,122
Federal and State Funded Programs	187,015	0	187,015
Other Purposes	128,235	0	128,235
Unrestricted (Deficit)	(8,014,716)	(752,723)	(8,767,439)
Total Net Position	<u><u>\$ 1,042,484</u></u>	<u><u>\$ (664,888)</u></u>	<u><u>\$ 377,596</u></u>

See accompanying notes to the basic financial statements

LAKEWOOD LOCAL SCHOOL DISTRICT

Statement of Activities For the Fiscal Year Ended June 30, 2020

		Program Revenues	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions
Governmental Activities:			
Instruction	\$ 16,976,745	\$ 1,468,705	\$ 990,133
Support Services:			
Pupils	1,843,701	0	538,034
Instructional Staff	1,023,491	0	128,335
Board of Education	103,668	0	0
Administration	2,194,614	0	12,000
Fiscal Services	839,968	0	0
Business	17,437	0	0
Operation and Maintenance of Plant	2,159,063	0	10,193
Pupil Transportation	2,023,523	0	0
Central	40,214	0	0
Operation of Non-Instructional Services	47,032	0	1,640
Extracurricular Activities	743,100	121,905	7,268
Interest and Fiscal Charges	217,256	0	0
Total Governmental Activities	28,229,812	1,590,610	1,687,603
Business-Type Activities:			
Food Service	984,370	277,454	551,764
Total Business-Type Activities	984,370	277,454	551,764
Totals	\$ 29,214,182	\$ 1,868,064	\$ 2,239,367

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 Position

Net Position Beginning of Year, Restated

Net Position End of Year

See accompanying notes to the basic financial statements

LAKEWOOD LOCAL SCHOOL DISTRICT

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (14,517,907)	\$ 0	\$ (14,517,907)
(1,305,667)	0	(1,305,667)
(895,156)	0	(895,156)
(103,668)	0	(103,668)
(2,182,614)	0	(2,182,614)
(839,968)	0	(839,968)
(17,437)	0	(17,437)
(2,148,870)	0	(2,148,870)
(2,023,523)	0	(2,023,523)
(40,214)	0	(40,214)
(45,392)	0	(45,392)
(613,927)	0	(613,927)
(217,256)	0	(217,256)
<u>(24,951,599)</u>	<u>0</u>	<u>(24,951,599)</u>
<u>0</u>	<u>(155,152)</u>	<u>(155,152)</u>
<u>0</u>	<u>(155,152)</u>	<u>(155,152)</u>
<u>(24,951,599)</u>	<u>(155,152)</u>	<u>(25,106,751)</u>
14,653,961	0	14,653,961
1,155,390	0	1,155,390
6,952,514	0	6,952,514
390,333	0	390,333
210,049	0	210,049
<u>23,362,247</u>	<u>0</u>	<u>23,362,247</u>
(1,589,352)	(155,152)	(1,744,504)
<u>2,631,836</u>	<u>(509,736)</u>	<u>2,122,100</u>
<u>\$ 1,042,484</u>	<u>\$ (664,888)</u>	<u>\$ 377,596</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

Balance Sheet **Governmental Funds** **June 30, 2020**

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 7,084,478	\$ 661,533	\$ 2,285,674	\$ 10,031,685
Investments	7,752,292	0	0	7,752,292
Receivables:				
Taxes	14,620,337	1,137,722	0	15,758,059
Accounts	260,650	0	0	260,650
Intergovernmental	9,623	0	67,782	77,405
Interest	13,084	0	0	13,084
Interfund Loan Receivable	12,681	0	0	12,681
Inventory	25,479	0	0	25,479
Prepaid Items	282,319	0	7,483	289,802
Total Assets	<u>\$ 30,060,943</u>	<u>\$ 1,799,255</u>	<u>\$ 2,360,939</u>	<u>\$ 34,221,137</u>
Liabilities:				
Accounts Payable	\$ 213,979	\$ 0	\$ 4,029	\$ 218,008
Accrued Wages and Benefits	1,833,212	0	39,108	1,872,320
Intergovernmental Payable	492,086	0	7,749	499,835
Interfund Loans Payable	0	0	12,681	12,681
Total Liabilities	<u>2,539,277</u>	<u>0</u>	<u>63,567</u>	<u>2,602,844</u>
Deferred Inflows of Resources:				
Property Taxes	13,352,610	1,018,705	0	14,371,315
Unavailable Revenue	585,698	17,407	5,396	608,501
Total Deferred Inflows of Resources	<u>13,938,308</u>	<u>1,036,112</u>	<u>5,396</u>	<u>14,979,816</u>
Fund Balances:				
Nonspendable	307,798	0	7,483	315,281
Restricted	17,099	763,143	291,976	1,072,218
Committed	204,164	0	0	204,164
Assigned	3,101,246	0	2,000,000	5,101,246
Unassigned	9,953,051	0	(7,483)	9,945,568
Total Fund Balances	<u>13,583,358</u>	<u>763,143</u>	<u>2,291,976</u>	<u>16,638,477</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 30,060,943</u>	<u>\$ 1,799,255</u>	<u>\$ 2,360,939</u>	<u>\$ 34,221,137</u>

See accompanying notes to the basic financial statements

LAKEWOOD LOCAL SCHOOL DISTRICT

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities June 30, 2020

Total Governmental Fund Balances	\$	16,638,477
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***Amounts reported for governmental activities in the
statement of net position are different because***

Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		16,024,886
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		608,501
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The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:

Deferred Outflows - Pension	4,931,620		
Deferred Inflows - Pension	(1,198,492)		
Net Pension Liability	<u>(25,048,821)</u>		(21,315,693)

The net OPEB liability/asset is not due and payable nor available in the current period; therefore, the liability/asset and related deferred inflows/outflows are not reported in governmental funds:

Deferred Outflows - OPEB	631,096		
Deferred Inflows - OPEB	(2,432,453)		
Net OPEB Asset	1,490,617		
Net OPEB Liability	<u>(2,209,949)</u>		(2,520,689)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Energy Conservation Bonds Payable	(275,312)		
General Obligation Bonds Payable	(5,745,000)		
Deferred loss on refunding (to be amortized as interest expense)	48,834		
Issuance Premium (to be amortized against interest expense)	(217,117)		
Capital Leases Payable	(1,852,463)		
Compensated Absences Payable	(329,512)		
Accrued Interest Payable	<u>(22,428)</u>		(8,392,998)

<i>Net Position of Governmental Activities</i>	\$	<u>1,042,484</u>
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See accompanying notes to the basic financial statements

LAKEWOOD LOCAL SCHOOL DISTRICT

***Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2020***

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Local Sources:				
Taxes	\$ 14,719,106	\$ 1,158,438	\$ 0	\$ 15,877,544
Tuition	1,361,525	0	0	1,361,525
Investment Earnings	392,764	0	0	392,764
Extracurricular Activities	25,659	0	96,246	121,905
Class Materials and Fees	61,436	0	0	61,436
Intermediate Sources	0	0	33,320	33,320
Intergovernmental - State	6,900,836	222,854	505,602	7,629,292
Intergovernmental - Federal	109,149	0	863,546	972,695
All Other Revenue	182,202	0	43,340	225,542
Total Revenue	23,752,677	1,381,292	1,542,054	26,676,023
Expenditures:				
Current:				
Instruction	15,015,934	0	705,217	15,721,151
Supporting Services:				
Pupils	1,355,164	0	366,043	1,721,207
Instructional Staff	801,243	0	134,839	936,082
Board of Education	102,531	0	0	102,531
Administration	1,988,655	0	13,080	2,001,735
Fiscal Services	795,209	11,782	0	806,991
Business	15,792	0	0	15,792
Operation and Maintenance of Plant	2,127,765	0	16,165	2,143,930
Pupil Transportation	1,881,923	0	0	1,881,923
Central	67,843	0	0	67,843
Operation of Non-Instructional Services	10,471	0	1,640	12,111
Extracurricular Activities	375,797	0	111,746	487,543
Capital Outlay	81,849	0	0	81,849
Debt Service:				
Principal Retirement	30,107	1,056,771	0	1,086,878
Interest and Fiscal Charges	1,345	243,066	0	244,411
Total Expenditures	24,651,628	1,311,619	1,348,730	27,311,977
Excess (Deficiency) of Revenues Over (Under) Expenditures	(898,951)	69,673	193,324	(635,954)

LAKEWOOD LOCAL SCHOOL DISTRICT

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses):				
Sale of Capital Assets	4,525	0	0	4,525
Transfers In	0	0	500,000	500,000
Transfers Out	(500,000)	0	0	(500,000)
Total Other Financing Sources (Uses)	(495,475)	0	500,000	4,525
Net Change in Fund Balance	(1,394,426)	69,673	693,324	(631,429)
Fund Balances at Beginning of Year, Restated	14,981,618	693,470	1,598,652	17,273,740
Decrease in Inventory	(3,834)	0	0	(3,834)
Fund Balances End of Year	<u>\$ 13,583,358</u>	<u>\$ 763,143</u>	<u>\$ 2,291,976</u>	<u>\$ 16,638,477</u>

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, 2020***

Net Change in Fund Balances - Total Governmental Funds \$ (631,429)

***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 depreciation exceeded capital outlays in the current period. (649,280)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position. (15,112)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (35,563)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 2,015,058

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (3,777,793)

Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability/asset are reported as OPEB expense in the statement of activities. 377,097

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 position. This amount is the net effect of these differences in the treatment of long-term debt and related items. 1,117,895

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditure is reported when due. 3,114

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	17,471		
Amortization of Deferred Loss on Refunding	(6,976)		
Change in Inventory	(3,834)		
	<u>17,471</u>	<u>(6,976)</u>	<u>(3,834)</u>
			6,661

Change in Net Position of Governmental Activities **\$ (1,589,352)**

See accompanying notes to the basic financial statements

LAKEWOOD 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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Taxes	\$ 14,435,492	\$ 14,407,406	\$ 14,407,406	\$ 0
Tuition	1,060,000	1,357,699	1,361,545	3,846
Investment Earnings	402,500	393,300	356,574	(36,726)
Extracurricular Activities	4,850	4,700	4,762	62
Class Material and Fees	71,000	71,375	63,012	(8,363)
Intergovernmental - State	7,323,374	7,376,622	6,900,836	(475,786)
Intergovernmental - Federal	125,000	125,000	119,622	(5,378)
All Other Revenues	122,180	177,756	176,383	(1,373)
Total Revenues	23,544,396	23,913,858	23,390,140	(523,718)
Expenditures:				
Current:				
Instructional Services	14,943,587	15,203,241	15,021,124	182,117
Support Services:				
Pupils	1,630,017	1,550,323	1,334,870	215,453
Instructional Staff	876,957	861,533	824,459	37,074
Board of Education	202,346	145,894	103,628	42,266
Administration	2,048,613	2,028,853	1,990,881	37,972
Fiscal Services	818,115	825,464	796,685	28,779
Business	44,982	28,085	17,673	10,412
Operation and Maintenance of Plant	2,412,066	2,337,990	2,196,253	141,737
Pupil Transportation	1,861,833	1,901,759	1,871,416	30,343
Central	109,420	77,962	70,910	7,052
Operation of Non-Instructional Services	1,000	1,000	235	765
Extracurricular Activities	378,118	379,736	349,959	29,777
Capital Outlay	104,072	476,194	475,276	918
Total Expenditures	25,431,126	25,818,034	25,053,369	764,665
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,886,730)	(1,904,176)	(1,663,229)	240,947
Other Financing Sources (Uses):				
Sale of Capital Assets	3,000	5,000	4,525	(475)
Transfers Out	(500,000)	(500,000)	(500,000)	0
Total Other Financing Sources (Uses):	(497,000)	(495,000)	(495,475)	(475)
Net Change in Fund Balance	(2,383,730)	(2,399,176)	(2,158,704)	240,472
Fund Balance at Beginning of Year	16,087,837	16,087,837	16,087,837	0
Prior Year Encumbrances	218,194	218,194	218,194	0
Fund Balance at End of Year	\$ 13,922,301	\$ 13,906,855	\$ 14,147,327	\$ 240,472

See accompanying notes to the basic financial statements

LAKEWOOD LOCAL SCHOOL DISTRICT

***Statement of Net Position
Proprietary Fund
June 30, 2020***

	Business-Type Activities <u>Enterprise Funds</u> <u>Food Service</u>
Assets:	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 21,760
Receivables:	
Inventory Held for Resale	8,828
Prepaid Items	<u>19,469</u>
<i>Total Current Assets</i>	50,057
<i>Non Current Assets:</i>	
Capital Assets, Net	<u>87,835</u>
Total Assets	<u>137,892</u>
Deferred Outflows of Resources:	
Pension	74,557
OPEB	<u>35,943</u>
Total Deferred Outflows of Resources	<u>110,500</u>
Liabilities:	
<i>Current Liabilities:</i>	
Accounts Payable	1,847
Accrued Wages and Benefits	60,632
Intergovernmental Payable	<u>5,309</u>
<i>Total Current Liabilities</i>	67,788
<i>Long Term Liabilities:</i>	
Compensated Absences Payable	7,066
Net Pension Liability	528,885
Net OPEB Liability	<u>227,136</u>
<i>Total Long-term Liabilities</i>	<u>763,087</u>
Total Liabilities	<u>830,875</u>
Deferred Inflows of Resources:	
Pension	14,664
OPEB	<u>67,741</u>
Total Deferred Inflows of Resources	<u>82,405</u>
Net Position:	
Net Investment in Capital Assets	87,835
Unrestricted	<u>(752,723)</u>
Total Net Position	<u>\$ (664,888)</u>

See accompanying notes to the basic financial statements

LAKEWOOD LOCAL SCHOOL DISTRICT

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2020

	Business-Type Activities
	<u>Enterprise Funds</u>
	<u>Food Service</u>
Operating Revenues:	
Sales	\$ 276,547
All Other Revenue	400
Total Operating Revenues	<u>276,947</u>
Operating Expenses:	
Salaries and Wages	289,819
Fringe Benefits	329,753
Contractual Services	10,710
Supplies and Materials	340,845
Depreciation	12,038
Other Operating Expense	1,205
Total Operating Expenses	<u>984,370</u>
Operating Loss	(707,423)
Nonoperating Revenue:	
Intergovernmental Grants	551,764
Investment Earnings	507
Total Nonoperating Revenues	<u>552,271</u>
Change in Net Position	(155,152)
Net Position Beginning of Year	<u>(509,736)</u>
Net Position End of Year	<u><u>\$ (664,888)</u></u>

See accompanying notes to the basic financial statements

LAKEWOOD LOCAL SCHOOL DISTRICT

Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2020

	Business-Type Activities
	Enterprise Fund
	Food Service
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$276,947
Cash Payments for Goods and Services	(287,383)
Cash Payments to Employees for Services and Benefits	(515,445)
Net Cash Used by Operating Activities	(525,881)
<u>Cash Flows from Noncapital Financing Activities:</u>	
Intergovernmental Grants Received	481,570
Net Cash Provided by Noncapital Financing Activities	481,570
<u>Cash Flows from Capital and Related Financing Activities:</u>	
Acquisition of Capital Assets	(8,475)
Net Cash Used by Capital Financing Activities	(8,475)
<u>Cash Flows from Investing Activities:</u>	
Receipt of Interest	507
Net Cash Provided by Investing Activities	507
Net Decrease in Cash and Cash Equivalents	(52,279)
Cash and Cash Equivalents at Beginning of Year	74,039
Cash and Cash Equivalents at End of Year	\$21,760
<u>Reconciliation of Operating Loss to Net Cash</u>	
<u>Used by Operating Activities:</u>	
Operating Loss	(\$707,423)
Adjustments to Reconcile Operating Loss to	
Net Cash Used by Operating Activities:	
Depreciation Expense	12,038
Donated Commodities Used During the Year	70,194
Changes in Assets and Deferred Outflows and	
Liabilities and Deferred Inflows:	
Increase in Inventory	(1,894)
Increase in Prepaid Items	(6,196)
Decrease in Deferred Outflow-Pension	88,177
Increase in Deferred Outflow-OPEB	(1,651)
Increase in Accounts Payable	1,847
Increase in Accrued Wages and Benefits	6,342
Decrease in Intergovernmental Payables	(8,540)
Increase in Compensated Absences	326
Increase in Net Pension Liability	8,776
Decrease in Net OPEB Liability	(26,809)
Decrease in Deferred Inflow-Pension	(874)
Increase in Deferred Inflow-OPEB	39,806
Total Adjustments	181,542
Net Cash Used by Operating Activities	(\$525,881)

Schedule of Noncash Investing, Capital and Financing Activities:

During fiscal year 2020, the Food Service Fund received \$70,194 in donated commodities from the federal government.

See accompanying notes to the basic financial statements

LAKEWOOD LOCAL SCHOOL DISTRICT

***Statement of Changes in Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2020***

	<u>Custodial</u>
Additions:	
Extracurricular Admissions Collected for Others	\$ 11,411
Total Additions	<u>11,411</u>
Deductions:	
Distribution of Collections to Others	<u>11,411</u>
Total Deductions	<u>11,411</u>
Change in Net Position	0
Net Position at Beginning of Year	<u>0</u>
Net Position End of Year	<u><u>\$ 0</u></u>

See accompanying notes to the basic financial statements

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

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). Members are elected at-large for staggering four year terms. The District provides educational services as authorized by State statute and federal guidelines. The Board controls the District’s instructional support facilities staffed by approximately 96 non-certified employees, 149 certificated employees and 15 administrative employees providing education to 1,844 students in grades K-12 and also to 58 preschool students.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, “*The Financial Reporting Entity*,” as amended by GASB Statement No. 39 “*Determining Whether Certain Organizations Are Component Units*”, and GASB Statement No. 61, “*The Financial Reporting Entity: Omnibus*” in that the financial statements include all organizations, activities, functions and component units for which the District (the reporting entity) is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization’s resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes. There were no potential component units that met the criteria to be included in the District’s reporting entity.

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), META Solutions (META), and the Ohio SchoolComp Workers’ Compensation Group Retrospective Rating Program. Information regarding these organizations is presented in Notes 14 and 15.

The accounting policies and financial reporting practices of the District conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principals. The following is a summary of its significant accounting policies.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

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.

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 deferred outflows of resources and all liabilities and deferred inflows of resources 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 position.

Enterprise Fund - This fund is 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.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Fiduciary Funds – Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial 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 custodial fund accounts for tournament money for the Ohio High School Athletic Association.

C. Basis of Presentation and Measurement Focus – Financial Statements

Government-wide Financial Statements – The statement of net position 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, 2020

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 deferred outflows of resources and current liabilities and deferred inflows of resources, 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, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

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.

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.

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.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Non-exchange 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 unearned 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 non-exchange 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 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 custodial funds are legally required to be budgeted and appropriated; however, only the General Fund and major Special Revenue funds are required to be presented as basic financial statements. 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.

1. 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 2020.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

2. 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 except for the General Fund which is at the object 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.

3. 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.

4. Budgetary Basis of Accounting

The District's budgetary process accounts for certain transactions on a basis other than accounting principles generally accepted in the United States of America (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).

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

4. Budgetary Basis of Accounting (Continued)

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
	<u>General Fund</u>
GAAP Basis (as reported)	(\$1,394,426)
Increase (Decrease):	
Accrued Revenues at June 30, 2020, received during FY 2021	(965,386)
Accrued Revenues at June 30, 2019, received during FY 2020	666,604
Accrued Expenditures at June 30, 2020, paid during FY 2021	2,539,277
Accrued Expenditures at June 30, 2019, paid during FY 2020	(2,354,305)
FY 2019 Prepays for FY 2020	283,673
FY 2020 Prepays for FY 2021	(282,319)
Adjustment to Fair Value of Investments	(38,230)
Perspective Difference-	
Budgeted Special Revenue Fund reclassified as General Fund	(3,796)
Encumbrances Outstanding	<u>(609,796)</u>
Budget Basis	<u><u>(\$2,158,704)</u></u>

F. Cash and Cash Equivalents

During fiscal year 2020, 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 cash equivalents and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 5, "Cash, Cash Equivalents and Investments."

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

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 and certificates of deposit) 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 5, “Cash, Cash Equivalents and Investments.”

During 2020, the District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, “Certain External Investment Pools and Pool Participants.” The District measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value. For 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

H. Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market using the first in, first out (FIFO) method and are expensed when used. On fund financial statements, inventories of governmental funds are valued at cost while inventories of proprietary funds are stated at lower of cost or market. Donated commodities are presented at their entitlement value. For all funds, cost is determined using the FIFO method, and are determined by physical count. Inventory in governmental funds consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time of purchase. Reported inventories in these funds are equally offset by a nonspendable fund balance, which indicates they do not represent available spendable resources. Inventories of proprietary funds consist of donated and purchased food. Inventories are accounted for using the purchase method on the governmental fund financial statements and using the consumption method on the government-wide and proprietary fund financial statements.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2020, 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.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation

Capital assets are defined by the District as assets with an initial, individual cost of more than \$600 for capital assets acquired prior to July 1, 2015 and more than \$1,000 for capital assets acquired subsequent to July 1, 2015.

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 Position, but they are not reported in the Governmental Fund Financial Statements.

Donated capital assets are recorded at their acquisition value as of 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). Donated capital assets are recorded at their acquisition value as of the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Position and in the respective fund.

3. Depreciation

All capital assets are depreciated excluding land and construction in progress. 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	12 - 40
Furniture, Fixtures and Equipment	5 - 15
Vehicles	7 - 10

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Long-Term Obligations

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

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds Payable	Debt Service Fund
Energy Conservation Bonds	Debt Service Fund
Compensated Absences, Pension and OPEB Liabilities	General Fund, Food Services Fund
Capital Leases	General Fund, Debt Service Fund

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. Supervisory personnel and classified exempt employees who work twelve month contracts are granted vacation leave based on length of service. Sick leave benefits are accrued as a liability using the vesting method. Employees may earn 15 days of sick leave per year. Upon retirement, employees will receive one-fourth of the accumulated sick leave up to a maximum of 55 or 65 days depending on the employee’s position.

Compensated absences accumulated by governmental fund type and proprietary fund type employees are reported as an expense when earned in the government-wide financial statements. For governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not recorded. For proprietary funds, the entire compensated absences amount is reported as a fund liability. See Note 1K for funds liquidating compensated absences.

M. Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets, net of related deferred outflows of resources and deferred inflows of resources. Net position is 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. Net position restricted for other purposes is for extracurricular activities, career technology, and local grants. None of the restricted net position reported at June 30, 2020 was by enabling legislation. The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

Restricted – The fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District Board of Education. Those committed amounts cannot be used for any other purpose unless the District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which policies includes giving the Treasurer the authority to constrain monies for intended purposes.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Pensions/Other Postemployment Benefits (OPEB)

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

P. Interfund Activity

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund loans receivables/payables”. 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. Interfund activity within governmental activities and business-type activities are eliminated for reporting on the government-wide financial statements.

Q. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America 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.

R. 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. 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.

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. There were no extraordinary or special items reported for fiscal year 2020.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. Bond Premiums, Bond Discounts, Gains/Losses on Refunding and Issuance Costs

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium and discount. Bond issuance costs are expensed. Bond premiums are deferred and amortized over the term of the bonds. Any gain or loss on refunding is allocated over the life of the old debt or the new debt whichever is shorter.

On the governmental fund financial statements, governmental fund types recognize issuance costs, bond premiums, and bond discounts in the current period. The face amount of the debt issue is reported as other financing sources. Premiums and discounts received on debt issuances are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

U. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. For the District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, for pension and for OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 10 and 11, respectively.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, unavailable amounts, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes, investment earnings, grants, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position explained in Notes 10 and 11, respectively.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

V. Fair Value

The District categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLES

For 2020, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 84, “Fiduciary Activities,” and Statement No. 90, “Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61.”

GASB Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments.

The implementation of GASB 84 had the following effect on net position and fund balance as reported June 30, 2019:

	Governmental Activities	Other Governmental Funds	Total Governmental Funds
Net Position/Fund Balance June 30, 2019	\$2,600,009	\$1,566,825	\$17,241,913
Adjustments:			
GASB 84 Fund Reclassification	<u>31,827</u>	<u>31,827</u>	<u>31,827</u>
Restated Net Position/ Fund Balance June 30, 2019	<u>\$2,631,836</u>	<u>\$1,598,652</u>	<u>\$17,273,740</u>

GASB Statement No. 90 establishes criteria for reporting a government’s majority equity interest in a legally separate organization. The implementation of this statement did not result in a restatement of the District’s financial statements.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 3 – FUND BALANCES

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

Fund Balances	General Fund	Debt Service	Other Governmental Funds	Total Governmental Funds
Nonspendable:				
Prepaid Items	\$282,319	\$0	\$7,483	\$289,802
Supplies Inventory	25,479	0	0	25,479
Total Nonspendable	<u>307,798</u>	<u>0</u>	<u>7,483</u>	<u>315,281</u>
Restricted:				
Career Technology Education	17,099	0	0	17,099
Local Grants	0	0	46,166	46,166
Extracurricular Activities	0	0	64,191	64,191
Student Wellness	0	0	171,848	171,848
Student Support	0	0	9,771	9,771
Debt Service Payments	0	763,143	0	763,143
Total Restricted	<u>17,099</u>	<u>763,143</u>	<u>291,976</u>	<u>1,072,218</u>
Committed:				
Building Maintenance and Renovation	204,164	0	0	204,164
Assigned:				
Services and Supplies	450,150	0	0	450,150
Projected Budgetary Deficit	2,592,845	0	0	2,592,845
Capital Improvements	0	0	2,000,000	2,000,000
Student and Staff Support	58,251	0	0	58,251
Total Assigned	<u>3,101,246</u>	<u>0</u>	<u>2,000,000</u>	<u>5,101,246</u>
Unassigned	9,953,051	0	(7,483)	9,945,568
Total Fund Balances	<u><u>\$13,583,358</u></u>	<u><u>\$763,143</u></u>	<u><u>\$2,291,976</u></u>	<u><u>\$16,638,477</u></u>

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 4 – 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 position 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 depreciation exceeded capital outlays in the current period:

Capital Outlay	\$629,209
Depreciation Expense	(1,278,489)
	<u>(\$649,280)</u>

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

Loss on Disposal of Capital Asset	(\$10,587)
Proceeds Received	(4,525)
	<u>(\$15,112)</u>

Governmental revenues not reported in the funds:

Decrease in Investment Earnings	(\$2,431)
Increase in Tuition Revenue	\$37,519
Decrease in Grants Revenue	(2,458)
Decrease in Delinquent Tax Revenue	(68,193)
	<u>(\$35,563)</u>

Amount of current year contractually required contributions deferred:

Pension Contributions	\$1,950,592
OPEB Contributions	64,466
	<u>\$2,015,058</u>

Amount of bond and lease principal payments:

Bond Principal Payment	\$735,000
Energy Conservation Bond Principal Payment	91,771
Premium on Refunding General Obligation Bond Proceeds	31,017
Capital Lease Payment	260,107
	<u>\$1,117,895</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 5 – CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments. The District has adopted an Investment Policy that follows Ohio Revised Code Chapter 135 and applies the prudent person standard. The prudent person standard requires the Treasurer/CFO to exercise the care, skill and experience that a prudent person would use to manage his/her personal financial affairs and to seek investments that will preserve principal while maximizing income.

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, in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit 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, or by savings or deposit accounts including, but limited to, passbook accounts.

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;
- Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
- Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 5 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

- 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;
- The State Treasury Asset Reserve of Ohio (STAR Ohio);
- Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies; and
- Certain banker's acceptance and commercial paper notes for a period not to exceed one-hundred-eighty days and two-hundred-seventy days, respectively, from the purchase date in an amount not to exceed forty percent of the interim monies available for investment at any one time, if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned. Protection of District cash and deposits is provided by the Federal Deposit Insurance Corporation as well as qualified securities pledged by the institution holding the assets. The District has no policy on custodial credit risk and is governed by Ohio Revised Code. 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). Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 5 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

A. Deposits (Continued)

At year end the carrying amount of the District's deposits was \$607,324 and the bank balance was \$1,211,583. Federal depository insurance covered \$1,038,303 of the bank balance and \$173,280 was uninsured. Of the remaining uninsured bank balance, the District was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held in the Ohio Pooled Collateral System.	<u>\$173,280</u>
Total Balance	<u><u>\$173,280</u></u>

Investment earnings of \$65,020 earned by other funds were credited to the General Fund as required by state statute.

B. Investments

The District's investments at June 30, 2020 were as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years)</u>		
			<u>less than 1</u>	<u>1-3</u>	<u>3-5</u>
STAR Ohio (amortized cost)	\$9,446,121	AAAm ¹	\$9,446,121	\$0	\$0
FHLB	498,336 a	AA+ ¹	0	0	498,336
FHLMC	2,212,657 b	AA+ ¹	0	1,879,645	333,012
FFCB	1,119,730 c	AA+ ¹	0	430,018	689,712
FNMA	400,058 d	AA+ ¹	0	400,058	0
US Treasury Note	1,229,438	AA+ ¹	1,229,438	0	0
Commercial Paper	2,292,073	A-1/A-1+ ¹	2,292,073	0	0
Total Investments	<u><u>\$17,198,413</u></u>		<u><u>\$12,967,632</u></u>	<u><u>\$2,709,721</u></u>	<u><u>\$1,521,060</u></u>

¹ Standard & Poor's

^a \$241,615 in securities are callable on January 2021 and \$256,721 in securities are callable in February 2021.

^b \$400,009 in securities were called in September 2020, \$400,057 in securities are callable in October 2020, \$299,942 in securities are callable in November 2020, \$333,011 in securities are callable in January 2021 and \$380,259 in securities are callable in June 2021.

^c \$250,321 in securities were called in September 2020.

^d \$400,058 in securities are callable in October 2020.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 5 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

B. Investments (Continued)

The District's investments in federal agency securities (FHLB, FHLMC, FFCB, FNMA), US Treasury Notes, and commercial paper are valued using quoted prices in markets that are not considered to be active dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date. The District has no investment policy that limits investment purchases beyond the requirements of Ohio Revised Code.

Investment Credit Risk – The District has no investment policy that limits its investment choices other than the limitation of State statute for “interim” funds described previously.

Concentration of Credit Risk – The District places no limit on the amount the District may invest in one issuer. Of the District's total investments, 54.91% are in STAR Ohio, 2.90% are in FHLB securities, 12.87% are in FHLMC securities, 6.51% are in FFCB securities, 2.33% are in FNMA securities, 7.15% are in US Treasury Notes and 13.33% are in Commercial Paper.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District has no policy on custodial credit risk and is governed by Ohio Revised Code as described under Deposits.

C. Reconciliation of Cash, Cash Equivalents and Investments

The classification of cash, cash equivalents and investments on the 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.

	Cash and Cash Equivalents	Investments
Per Financial Statements	\$10,053,445	\$7,752,292
STAR Ohio	(9,446,121)	9,446,121
Per GASB Statement No. 3	<u>\$607,324</u>	<u>\$17,198,413</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the District fiscal year runs from July through June. First half tax collections are received by the District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real and public utility property located in the District. Real property tax revenue received in calendar year 2020 represents collections of calendar year 2019 taxes. Real property taxes received in calendar year 2020 were levied after April 1, 2019, on the assessed value listed as of January 1, 2019, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2020 represents collections of calendar year 2019 taxes. Public utility real and tangible personal property taxes received in calendar year 2020 became a lien December 31, 2018, were levied after April 1, 2019 and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The District receives property taxes from Licking County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2020, are available to finance fiscal year 2020 operations. The amount available to be advanced can vary based on the date the tax bills are sent. The assessed values upon which the fiscal year 2020 receipts were based are:

	2019 Second Half Collections	2020 First Half Collections
Agricultural/Residential and Other Real Estate	\$435,415,202	\$442,278,789
Public Utility Personal	31,890,550	36,716,240
Total Assessed Value	<u>\$467,305,752</u>	<u>\$478,995,029</u>
Tax rate per \$1,000 of assessed valuation	\$53.10	\$52.60

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 6 - PROPERTY TAXES (Continued)

Tax Abatement

The District incurs a reduction in property taxes through tax abatement agreements entered into by other governments with property owners that reduce the District's taxes.

As of June 30, 2020, other governmental entities provided tax abatements through the Community Reinvestment Area (CRA) program. Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

During fiscal year 2020, the District's property tax revenues were reduced under agreements entered into by other governments as follows:

Government Entering Into Agreement	District Taxes Abated
Village of Hebron	\$ 87,192
City of Heath	23,267
Licking County	81,495
Total	<u>\$ 191,954</u>

NOTE 7 - RECEIVABLES

Receivables at June 30, 2020 consisted of taxes, accounts, interest and intergovernmental receivables.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 8 - INTERFUND ACTIVITY

A. Interfund Receivables and Payables

Following is a summary of interfund receivables and payables for all funds at June 30, 2020:

Fund	Interfund Loans Receivable	Interfund Loans Payable
General Fund	\$12,681	\$0
Nonmajor Governmental Funds	0	12,681
Total All Funds	<u>\$12,681</u>	<u>\$12,681</u>

The Interfund Loan is a short-term loan to cover temporary cash deficits.

B. Interfund Transfers

Following is a summary of transfers in and out for all funds for fiscal year 2020:

Fund	Transfers In	Transfers Out
General Fund	\$0	\$500,000
Nonmajor Governmental Funds	500,000	0
Total All Funds	<u>\$500,000</u>	<u>\$500,000</u>

Transfers from the General Fund were used to provide additional resources for the nonmajor governmental funds. All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 9 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at June 30, 2020:

<i>Historical Cost:</i>				
<u>Class</u>	<u>Balance at June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2020</u>
<i>Capital Assets not being depreciated:</i>				
Land	\$410,817	\$0	\$0	\$410,817
Subtotal	410,817	0	0	410,817
<i>Capital Assets being depreciated:</i>				
Land Improvements	3,724,028	36,697	(32,765)	3,727,960
Buildings and Improvements	25,467,897	101,966	0	25,569,863
Furniture, Fixtures and Equipment	4,199,664	305,030	(131,603)	4,373,091
Vehicles	2,539,456	185,516	(179,706)	2,545,266
Subtotal	35,931,045	629,209	(344,074)	36,216,180
Total Cost	\$36,341,862	\$629,209	(\$344,074)	\$36,626,997
<i>Accumulated Depreciation:</i>				
<u>Class</u>	<u>Balance at June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2020</u>
Land Improvements	(\$890,304)	(\$237,200)	\$32,765	(\$1,094,739)
Buildings and Improvements	(13,800,248)	(655,286)	0	(14,455,534)
Furniture, Fixtures and Equipment	(3,279,194)	(207,125)	116,491	(3,369,828)
Vehicles	(1,682,838)	(178,878)	179,706	(1,682,010)
Total Depreciation	(\$19,652,584)	(\$1,278,489) *	\$328,962	(\$20,602,111)
<i>Net Value:</i>	<u>\$16,689,278</u>			<u>\$16,024,886</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 9 - CAPITAL ASSETS (Continued)

A. Governmental Activities Capital Assets (Continued)

* Depreciation expenses were charged to governmental functions as follows:

Instruction	\$670,609
Support Services:	
Instructional Staff	32,662
Administration	37,408
Operations and Maintenance of Plant	59,016
Pupil Transportation	182,494
Other Noninstructional Services	45,157
Extracurricular Activities	<u>251,143</u>
Total Depreciation Expense	<u><u>\$1,278,489</u></u>

B. Business-Type Activities Capital Assets

Summary by Category at June 30, 2020:

Class	Balance at June 30, 2019	Additions	Deletions	Balance at June 30, 2020
Furniture, Fixtures and Equipment	\$408,863	\$8,475	(\$16,581)	\$400,757
Accumulated Depreciation	<u>(317,465)</u>	<u>(12,038)</u>	<u>16,581</u>	<u>(312,922)</u>
Net Value:	<u><u>\$91,398</u></u>	<u><u>(\$3,563)</u></u>	<u><u>\$0</u></u>	<u><u>\$87,835</u></u>

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 10 - 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. Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions are financed; however, the District does receive the benefit of employees' services in exchange for compensation including pension.

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

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

B. Plan Description

School Employees Retirement System (SERS)

Plan Description –District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit Age 65 with 5 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2020, the allocation to pension, death benefits, and Medicare B was 14 percent. No amount was allocated to the Health Care Fund.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

B. Plan Description (Continued)

The District's contractually required contribution to SERS was \$475,384 for fiscal year 2020. Of this amount \$28,042 is reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

Plan Description –District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 28 years of service, or 33 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

B. Plan Description (Continued)

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2020, the employer rate was 14% and the member rate was 14% of covered payroll. The fiscal year 2020 contribution rates were equal to the statutory maximum rates, and the full employer contribution was allocated to the pension fund.

The District's contractually required contribution to STRS was \$1,519,519 for fiscal year 2020. Of this amount \$382,294 is reported as an intergovernmental payable.

C. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

C. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	\$5,674,731	\$19,902,975	\$25,577,706
Proportion of the Net Pension Liability -2020	0.0948448%	0.09000007%	
Proportion of the Net Pension Liability -2019	<u>0.0933341%</u>	<u>0.08971837%</u>	
Percentage Change	<u>0.0015107%</u>	<u>0.00028170%</u>	
Pension Expense	\$1,030,503	\$2,887,680	\$3,918,183

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$143,897	\$162,045	\$305,942
Change of assumptions	0	2,337,990	2,337,990
District contributions subsequent to the measurement date	475,384	1,519,519	1,994,903
Changes in proportionate share	<u>140,570</u>	<u>226,772</u>	<u>367,342</u>
Total Deferred Outflows of Resources	<u>\$759,851</u>	<u>\$4,246,326</u>	<u>\$5,006,177</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$86,156	\$86,156
Net difference between projected and actual earnings on pension plan investments	72,840	972,752	1,045,592
Changes in proportionate share	<u>68,492</u>	<u>12,916</u>	<u>81,408</u>
Total Deferred Inflows of Resources	<u>\$141,332</u>	<u>\$1,071,824</u>	<u>\$1,213,156</u>

\$1,994,903 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2021	\$216,169	\$1,308,145	\$1,524,314
2022	(109,499)	328,629	219,130
2023	(4,846)	(110,500)	(115,346)
2024	<u>41,311</u>	<u>128,709</u>	<u>170,020</u>
Total	<u>\$143,135</u>	<u>\$1,654,983</u>	<u>\$1,798,118</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions

School Employees Retirement System (SERS)

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2019, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.5 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal (level percent of payroll)

For 2019, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disable members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

The most recent experience study was completed June 30, 2015.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions (Continued)

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalanced uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

Discount Rate - The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions (Continued)

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	\$7,952,326	\$5,674,731	\$3,764,682

State Teachers Retirement System (STRS)

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019, actuarial valuation, compared with July 1, 2018 are presented below:

	July 1, 2019	July 1, 2018
Inflation	2.50 percent	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	7.45 percent, net of investment expenses, including inflation
Discount Rate	7.45 percent	7.45 percent
Payroll Increases	3 percent	3 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	0.0 percent, effective July 1, 2017

For the July 1, 2018 and July 1, 2019 actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the July 1, 2018 and July 1, 2019, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions (Continued)

Asset Class	Target Allocation *	Long Term Expected Rate of Return **
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	

*Target weights will be phased in over a 24-month period concluding on July 1, 2019.

**10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate - The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2019. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2019.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net pension liability	\$29,085,980	\$19,902,975	\$12,129,090

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 11 - DEFINED BENEFIT OPEB PLANS

A. Net OPEB Liability (Asset)

The net OPEB liability (asset) reported on the statement of net position represents a liability (asset) for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability (asset) represents the District's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the District's obligation to annually required payments. The District cannot control benefit terms or the manner in which OPEB are financed; however, the District does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded OPEB liabilities within 30 years. If the OPEB amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net OPEB liability (asset). Resulting adjustments to the net OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded or surplus benefits is presented as a long-term net OPEB liability or net OPEB asset on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

B. Plan Description

School Employees Retirement System (SERS)

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

B. Plan Description (Continued)

In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2020, 0.0 percent of covered payroll was contributed to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2020, this amount was \$19,600. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2020, the District's surcharge obligation was \$64,466.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$64,466 for fiscal year 2020, which is reported as an intergovernmental payable.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

B. Plan Description (Continued)

State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2021. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2020, STRS did not allocate any employer contributions to post-employment health care.

C. OPEB Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability (asset) was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability (asset) was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability (Asset)	\$2,437,085	(\$1,490,617)	\$946,468
Proportion of the Net OPEB Liability (Asset) -2020	0.09691010%	0.09000007%	
Proportion of the Net OPEB Liability (Asset) -2019	0.09407590%	0.08971837%	
Percentage Change	<u>0.00283420%</u>	<u>0.00028170%</u>	
OPEB Expense	\$87,823	(\$453,574)	(\$365,751)

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements **For the Fiscal Year Ended June 30, 2020**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

C. OPEB Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$35,774	\$135,136	\$170,910
Changes of assumptions	178,001	31,332	209,333
Net difference between projected and actual earnings on OPEB plan investments	5,850	0	5,850
Changes in proportionate share	202,509	13,971	216,480
District contributions subsequent to the measurement date	64,466	0	64,466
Total Deferred Outflows of Resources	<u>\$486,600</u>	<u>\$180,439</u>	<u>\$667,039</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$535,411	\$75,838	\$611,249
Changes of assumptions	136,566	1,634,289	1,770,855
Changes in proportionate share	24,471	0	24,471
Net difference between projected and actual earnings on OPEB plan investments	0	93,619	93,619
Total Deferred Inflows of Resources	<u>\$696,448</u>	<u>\$1,803,746</u>	<u>\$2,500,194</u>

\$64,466 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2021	(\$119,296)	(\$354,923)	(\$474,219)
2022	(29,932)	(354,923)	(384,855)
2023	(28,213)	(317,398)	(345,611)
2024	(28,493)	(304,242)	(332,735)
2025	(43,331)	(296,108)	(339,439)
Thereafter	(25,049)	4,287	(20,762)
Total	<u>(\$274,314)</u>	<u>(\$1,623,307)</u>	<u>(\$1,897,621)</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

D. Actuarial Assumptions

School Employees Retirement System (SERS)

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation, prepared as of June 30, 2019, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.13 percent
Prior Measurement Date	3.62 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	3.22 percent
Prior Measurement Date	3.70 percent
Medical Trend Assumption	
Medicare - Measurement Date	5.25 to 4.75 percent
Pre-Medicare - Measurement Date	7.00 to 4.75 percent
Medicare - Prior Measurement Date	5.375 to 4.75 percent
Pre-Medicare - Prior Measurement Date	7.25 to 4.75 percent

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

D. Actuarial Assumptions (Continued)

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

D. Actuarial Assumptions (Continued)

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2019 was 3.22%. The discount rate used to measure the total OPEB liability at June 30, 2018 was 3.70%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.13%, as of June 30, 2019 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rates – The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.22%) and higher (4.22%) than the current discount rate (3.22%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate.

	1% Decrease (2.22%)	Current Discount Rate (3.22%)	1% Increase (4.22%)
School District's proportionate share of the net OPEB liability	\$2,958,159	\$2,437,085	\$2,022,770

	1% Decrease (6.00% Decreasing to 3.75%)	Current Trend Rate (7.00% Decreasing to 4.75%)	1% Increase (8.00% Decreasing to 5.75%)
School District's proportionate share of the net OPEB liability	\$1,952,599	\$2,437,085	\$3,079,881

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

D. Actuarial Assumptions (Continued)

State Teachers Retirement System (STRS)

The total OPEB liability in the June 30, 2019 and 2018 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Inflation	2.50%	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.45%, net of investment expenses, including inflation	7.45%, net of investment expenses, including inflation
Payroll Increases	3.00%	3.00%
Cost-of-Living Adjustments (COLA)	0.0%, effective July 1, 2017	0.0%, effective July 1, 2017
Blended Discount Rate of Return	7.45%	7.45%
Health Care Cost Trends	4.93% to 9.62% initial, 4.0% ultimate	(5.23)% to 8% initial, 4.0% ultimate

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

There was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

D. Actuarial Assumptions (Continued)

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation *</u>	<u>Long-Term Expected Rate of Return **</u>
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	<u>100.00 %</u>	

*Target weights will be phased in over a 24-month period concluding on

** 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actual rate of return, without net value added by management.

Discount Rate - The discount rate used to measure the total OPEB liability (asset) was 7.45 percent as of June 30, 2019 and June 30, 2018. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability (asset) as of June 30, 2019.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

D. Actuarial Assumptions (Continued)

Sensitivity of the District's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount and Health Care Cost Trend Rates – The net OPEB liability (asset) is sensitive to changes in the discount and health care cost trend rates. To illustrate the potential impact the following table presents the net OPEB liability (asset) calculated using the discount rate of 7.45 percent, as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent), or one percentage point higher (8.45 percent) than the current rate. Also shown is the net OPEB liability (asset) calculated using a health care cost trend rate this is one percentage point lower and one percentage point higher.

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net OPEB liability (asset)	(\$1,271,945)	(\$1,490,617)	(\$1,674,469)

	1% Decrease in Trend Rate	Current Trend Rate	1% Increase in Trend Rate
School District's proportionate share of the net OPEB liability (asset)	(\$1,690,291)	(\$1,490,617)	(\$1,246,064)

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 12 - 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 fiscal year ended June 30, 2020 are as follows:

		Balance June 30, 2019	Issued	(Retired)	Balance June 30, 2020	Due Within One Year
Governmental Activities:						
(Energy Conservation Bonds Payable)						
Energy Conservation Project	3.55%	\$367,083	\$0	(\$91,771)	\$275,312	\$91,771
(General Obligation Bonds Payable)						
School Improvement						
Refunding Bonds 2016	2.00-3.00%	6,480,000	0	(735,000)	5,745,000	750,000
Premium on Refunding Bonds		248,134	0	(31,017)	217,117	0
Total General Obligation Bonds Payable		6,728,134	0	(766,017)	5,962,117	750,000
Financed Capital Lease Payable	2.87%	2,045,000	0	(230,000)	1,815,000	240,000
Total Long-Term Debt		9,140,217	0	(1,087,788)	8,052,429	1,081,771
Capital Leases Payable		67,570	0	(30,107)	37,463	19,622
Compensated Absences		346,983	250,653	(268,124)	329,512	88,661
Total Other Long-Term Liabilities		414,553	250,653	(298,231)	366,975	108,283
Total Governmental Activities		\$9,554,770	\$250,653	(\$1,386,019)	\$8,419,404	\$1,190,054
Business-Type Activities:						
Compensated Absences		\$6,740	\$3,325	(\$2,999)	\$7,066	\$0
Total Other Long-Term Liabilities		\$6,740	\$3,325	(\$2,999)	\$7,066	\$0

The original amount of the Energy Conservation Bonds Payable \$917,707 was used to finance the cost of acquiring and installing energy conservation measures. The original amounts of the General Obligation Bonds Payable of \$8,055,000 were used to finance the cost of building a new high school facility. The original amount of the Financed Capital Lease Payable of \$2,500,000 was used to finance the cost of building a stadium.

The District pays compensated absences from the General Fund and Food Services Fund (Enterprise Fund).

The District's net pension liability and net OPEB liability (asset) are described in Notes 10 and 11, respectively.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 12- 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, 2020, follows:

Years	Energy Conservation Bonds Payable		General Obligation Bonds Payable		Financed Capital Lease Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$91,771	\$4,941	\$750,000	\$159,350	\$240,000	\$48,647
2022	91,771	6,606	770,000	138,300	245,000	41,687
2023	91,770	3,303	800,000	114,750	250,000	34,584
2024	0	0	820,000	90,450	260,000	27,265
2025	0	0	840,000	65,550	265,000	19,731
2026-2027	0	0	1,765,000	53,325	555,000	16,000
Totals	<u>\$275,312</u>	<u>\$14,850</u>	<u>\$5,745,000</u>	<u>\$621,725</u>	<u>\$1,815,000</u>	<u>\$187,914</u>

NOTE 13 - CAPITAL LEASE COMMITMENTS

The District leases a stadium and copiers under capital leases. The cost of the stadium was \$2,928,700 of which \$2,500,000 was obtained under the capital lease; the accumulated depreciation is \$405,404 and the net book value is \$2,523,296. The cost of the equipment obtained under capital leases is \$147,684, the accumulated depreciation is \$111,258 and the net book value is \$36,426. These are included in the Governmental Activities Capital Assets and the related liability is included in the Governmental Activities Long-Term Liabilities. Capital lease payments have been reclassified and are reflected as debt service expenditures paid out of the General Fund in the financial statements for the governmental funds. These expenditures are reflected as function expenditures on the budgetary statements.

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, 2020:

Year Ending June 30,	Capital Lease
2021	\$308,959
2022	304,771
2023	284,584
2024	287,265
2025	284,731
2026-2027	571,000
Minimum Lease Payments	2,041,310
Less: Amount representing interest at the District's incremental borrowing rate of interest	(188,847)
Present Value of minimum lease payments	<u>\$1,852,463</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 14 - 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; natural disasters; and injuries to employees. During fiscal year 2020 the District contracted with insurance providers for various insurance coverages, as follows:

Insurance Provider	Coverage	Deductible	Aggregate
		\$1,000/Comprehensive	
Liberty Mutual Insurance	Fleet Insurance	\$1,000/Collision	\$1,000,000
Liberty Mutual Insurance	Buildings and Contents	\$5,000	\$83,508,771
Liberty Mutual Insurance	School District Liability	\$0	\$2,000,000
Liberty Mutual Insurance	School Leaders Errors and Omissions	\$2,500	\$1,000,000
Liberty Mutual Insurance	Umbrella Policy	\$0	\$3,000,000
Liberty Mutual Insurance	Cyber Liability	\$0	\$100,000
Travelers Casualty & Surety Co. of America	Employee Bond	\$0	\$100,000

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.

Pool -The Ohio SchoolComp Workers' Compensation Group Retrospective Rating Program - The Ohio SchoolComp Workers' Compensation Group Retrospective Rating Program (Program) is a shared risk pool among school districts in Ohio. Section 4123.29, Ohio Revised Code, permits the establishment of employer group retrospective rating plans for workers' compensation rating purposes. The Program is governed by the Ohio School Board Association (OSBA) Executive Committee that consists of seven members as follows: the president of OSBA, Immediate Past President of OSBA, and five representatives elected from the participating school districts.

The Program, a Bureau of Workers' Compensation certified sponsor, established the program based upon guidelines set forth by the Bureau of Workers' Compensation (BWC). The Program created a group of school districts that will practice effective workplace safety and claims management to achieve lower premiums for workers compensation coverage than they would individually. The participating school districts continue to pay their own premiums and have the opportunity to receive retrospective premium adjustments based upon the combined performance of the group. Depending upon that performance, the participating school districts can receive either a premium refund or an assessment levied by BWC. The Program's third party administrator (TPA), Comp Management, Inc., provides administrative, cost-control, and actuarial services to the Program. The cost of the TPA will be paid by each school district in proportion to its payroll to the total payroll of the group.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS

A. Licking Area Computer Association

The District is a participant in the Licking Area Computer Association (LACA) which is one of nineteen Information Technology Centers (ITC's) in the State of Ohio that makes up the Ohio Education Computer Network (OECN). LACA is a non-profit organization, owned and governed by the schools it serves. LACA services twenty-nine school districts, educational service centers, community schools, and nonpublic schools within the boundaries of Licking, Muskingum, Fairfield, Perry, Knox, and Medina 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 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 capital assets. The District paid LACA \$152,837 for services provided during the year. LACA reorganized as a regional council of governments (COG) effective July 1, 2020. Financial information can be obtained from their fiscal agent, the Career and Technology Education Centers of Licking County, Treasurer, at 150 Price Road, Newark, Ohio 43055.

B. Metropolitan Educational Technology Association

The District participates in the Metropolitan Educational Technology Association (META), a jointly governed organization created as a regional council of governments pursuant to Chapter 167 of the Ohio Revised Code. META operates as, and has all the powers of, a data acquisition site/information technology center pursuant to applicable provisions of the Ohio Revised Code. The organization was formed for the purpose of identifying, developing, and providing to members and non-members innovative educational and technological services and products, as well as expanded opportunities for cooperative purchasing. The General Assembly of META consists of one delegate from every member school district. The delegate is the superintendent of the school district or the superintendent's designee. The degree of control exercised by any participating school district is limited to its representation on the General Assembly. The General Assembly exercises total control over the operation of META including budgeting, appropriating, contracting, and designating management. The District paid \$1,140 to META during fiscal year 2020 for services. META memberships became free effective July 1, 2017. Financial information can be obtained from Metropolitan Educational Technology Association, 2100 Citygate Drive, Columbus, Ohio 43219.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 16 – SIGNIFICANT COMMITMENTS

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. Significant encumbrances outstanding at fiscal year-end in the General Fund are \$609,796 and in Other Governmental Funds are \$869,794.

As of June 30, 2020, the District had the following commitments with respect to capital improvements:

Capital Projects	Remaining Construction Commitment	Expected Completion
High School Roof	\$928,427	2020

NOTE 17 – STATUTORY RESERVES

The District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by year end or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years. During the fiscal year ended June 30, 2020, the reserve activity (cash-basis) was as follows:

	Capital Acquisition Reserve
Set-aside Cash Balance as of June 30, 2019	\$0
Current Year Set-Aside Requirement	328,602
Current Year Qualifying Expenditures	(632,251)
Total	(\$303,649)
Set-aside Cash Balance Carried Forward to FY 2021	\$0

The District had qualifying expenditures during the fiscal year that reduced the capital improvements set-aside amounts below zero. Actual capital expenditures in excess of current year or accumulated set-aside requirements from the capital acquisition reserve may not be carried forward to offset future years' capital acquisition reserve set-aside requirements.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 18 - CONTINGENCIES

A. Grants

The District receives financial assistance from federal 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. However, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2020, if applicable, cannot be determined at this time.

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, 2020.

C. Foundation Funding

District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year-end.

For fiscal years 2020 and 2021, the School Foundation funding was to be frozen at the fiscal year 2019 amounts. On May 2, 2020 the State of Ohio Governor ordered the Ohio Department of Education to reduce state foundation funding before the end of fiscal year 2020. The District's reduction for fiscal year 2020 was \$447,619. In July 2020 the State of Ohio further ordered the Ohio Department of Education to carry the fiscal year 2020 reduced foundation funding levels to fiscal year 2021. At this time, it is unknown as to whether there will be further reductions to school funding levels.

NOTE 19 - COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Equities - The accumulated deficit at June 30, 2020 of \$664,888 in the Food Service Fund (Enterprise Fund) arose from the recognition of expenses on the accrual basis. The General Fund is liable for any deficits in this fund and provides transfers when cash is required, not when accruals occur.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 20 – COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. The investments of the pension and other employee benefit plans in which the District participates may incur a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

LAKEWOOD LOCAL SCHOOL DISTRICT

***R*_{REQUIRED} *S*_{SUPPLEMENTARY} *I*_{NFORMATION}**

LAKEWOOD LOCAL SCHOOL DISTRICT

***Required Supplementary Information
Schedule of District's Proportionate Share of the Net Pension Liability
Last Seven Fiscal Years***

State Teachers Retirement System

	<u>2014</u>	<u>2015</u>	<u>2016</u>
District's proportion of the net pension liability	0.08889036%	0.08889036%	0.08835719%
District's proportionate share of the net pension liability	\$25,755,046	\$21,621,212	\$24,419,343
District's covered payroll	\$9,096,169	\$9,154,592	\$9,214,014
District's proportionate share of the net pension liability as a percentage of its covered payroll	283.14%	236.18%	265.02%
Plan fiduciary net position as a percentage of the total pension liability	69.30%	74.70%	72.10%

Source: District Treasurer's Office and State Teachers Retirement System

School Employees Retirement System

	<u>2014</u>	<u>2015</u>	<u>2016</u>
District's proportion of the net pension liability	0.090653%	0.090653%	0.0883081%
District's proportionate share of the net pension liability	\$5,390,843	\$4,587,897	\$5,038,946
District's covered payroll	\$3,114,169	\$2,649,149	\$2,825,789
District's proportionate share of the net pension liability as a percentage of its covered payroll	173.11%	173.18%	178.32%
Plan fiduciary net position as a percentage of the total pension liability	65.52%	71.70%	69.16%

Source: District Treasurer's Office and School Employees Retirement System

Notes: The District implemented GASB Statement 68 in 2015.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2014 is not available. Amounts presented as of the District's measurement date which is the prior year end.

LAKEWOOD LOCAL SCHOOL DISTRICT

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
0.08812947%	0.08924790%	0.08971837%	0.09000007%
\$29,499,590	\$21,201,030	\$19,727,055	\$19,902,975
\$9,486,993	\$9,588,993	\$10,514,914	\$10,927,036
310.95%	221.10%	187.61%	182.14%
66.80%	75.30%	77.30%	77.40%

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
0.0909524%	0.0866878%	0.0933341%	0.0948448%
\$6,656,876	\$5,179,405	\$5,345,417	\$5,674,731
\$2,824,043	\$2,896,536	\$3,005,570	\$3,384,859
235.72%	178.81%	177.85%	167.65%
62.98%	69.50%	71.36%	70.85%

LAKEWOOD LOCAL SCHOOL DISTRICT

Required Supplementary Information Schedule of District's Pension Contributions Last Ten Fiscal Years

State Teachers Retirement System

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Contractually required contribution	\$1,252,624	\$1,223,564	\$1,182,502	\$1,190,097
Contributions in relation to the contractually required contribution	<u>1,252,624</u>	<u>1,223,564</u>	<u>1,182,502</u>	<u>1,190,097</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered payroll	\$9,635,569	\$9,412,008	\$9,096,169	\$9,154,592
Contributions as a percentage of covered payroll	13.00%	13.00%	13.00%	13.00%

Source: District Treasurer's Office and State Teachers Retirement System

School Employees Retirement System

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Contractually required contribution	\$381,216	\$402,670	\$431,001	\$367,172
Contributions in relation to the contractually required contribution	<u>381,216</u>	<u>402,670</u>	<u>431,001</u>	<u>367,172</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered payroll	\$3,032,745	\$2,993,829	\$3,114,169	\$2,649,149
Contributions as a percentage of covered payroll	12.57%	13.45%	13.84%	13.86%

Source: District Treasurer's Office and School Employees Retirement System

Notes: The District implemented GASB Statement 68 in 2015.

LAKEWOOD LOCAL SCHOOL DISTRICT

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$1,289,962	\$1,328,179	\$1,342,459	\$1,472,088	\$1,529,785	\$1,519,519
<u>1,289,962</u>	<u>1,328,179</u>	<u>1,342,459</u>	<u>1,472,088</u>	<u>1,529,785</u>	<u>1,519,519</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$9,214,014	\$9,486,993	\$9,588,993	\$10,514,914	\$10,927,036	\$10,853,707
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$372,439	\$395,366	\$405,515	\$405,752	\$456,956	\$475,384
<u>372,439</u>	<u>395,366</u>	<u>405,515</u>	<u>405,752</u>	<u>456,956</u>	<u>475,384</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,825,789	\$2,824,043	\$2,896,536	\$3,005,570	\$3,384,859	\$3,395,600
13.18%	14.00%	14.00%	13.50%	13.50%	14.00%



LAKEWOOD LOCAL SCHOOL DISTRICT

Required Supplementary Information

Schedule of District's Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability (Asset)

Last Four Fiscal Years

State Teachers Retirement System

Fiscal Year	2017	2018	2019	2020
District's proportion of the net OPEB liability (asset)	0.08812947%	0.08924790%	0.08971837%	0.09000007%
District's proportionate share of the net OPEB liability (asset)	\$4,713,187	\$3,482,124	(\$1,441,683)	(\$1,490,617)
District's covered payroll	\$9,486,993	\$9,588,993	\$10,514,914	\$10,927,036
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	49.68%	36.31%	(13.71%)	(13.64%)
Plan fiduciary net position as a percentage of the total OPEB liability	37.30%	47.10%	176.00%	174.74%

Source: District Treasurer's Office and State Teachers Retirement System

School Employees Retirement System

Fiscal Year	2017	2018	2019	2020
District's proportion of the net OPEB liability	0.09147650%	0.08776140%	0.09407590%	0.09691010%
District's proportionate share of the net OPEB liability	\$2,607,419	\$2,355,285	\$2,609,920	\$2,437,085
District's covered payroll	\$2,824,043	\$2,896,536	\$3,005,570	\$3,384,859
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	92.33%	81.31%	86.84%	72.00%
Plan fiduciary net position as a percentage of the total OPEB liability	11.49%	12.46%	13.57%	15.57%

Source: District Treasurer's Office and School Employees Retirement System

Notes: The District implemented GASB Statement 75 in 2018.

The schedule is intended to show ten years of information. Additional years

will be displayed as they become available. Information prior to 2017 is not available.

The schedule is reported as of the measurement date of the Net OPEB Liability (Asset), which is the prior year end.

LAKEWOOD LOCAL SCHOOL DISTRICT

Required Supplementary Information
Schedule of District's Other Postemployment Benefit (OPEB) Contributions
Last Ten Fiscal Years

State Teachers Retirement System

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Contractually required contribution	\$96,356	\$94,120	\$90,962	\$91,546
Contributions in relation to the contractually required contribution	<u>96,356</u>	<u>94,120</u>	<u>90,962</u>	<u>91,546</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered payroll	\$9,635,569	\$9,412,008	\$9,096,169	\$9,154,592
Contributions as a percentage of covered payroll	1.00%	1.00%	1.00%	1.00%

Source: District Treasurer's Office and State Teachers Retirement System

School Employees Retirement System

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Contractually required contribution	\$81,418	\$54,394	\$49,938	\$49,905
Contributions in relation to the contractually required contribution	<u>81,418</u>	<u>54,394</u>	<u>49,938</u>	<u>49,905</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered payroll	\$3,032,745	\$2,993,829	\$3,114,169	\$2,649,149
Contributions as a percentage of covered payroll	2.68%	1.82%	1.60%	1.88%

Source: District Treasurer's Office and School Employees Retirement System

Notes: The District implemented GASB Statement 75 in 2018.

LAKEWOOD LOCAL SCHOOL DISTRICT

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$0	\$0	\$0	\$0	\$0	\$0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$9,214,014	\$9,486,993	\$9,588,993	\$10,514,914	\$10,927,036	\$10,853,707
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$68,302	\$43,311	\$46,876	\$63,138	\$74,728	\$64,466
<u>68,302</u>	<u>43,311</u>	<u>46,876</u>	<u>63,138</u>	<u>74,728</u>	<u>64,466</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,825,789	\$2,824,043	\$2,896,536	\$3,005,570	\$3,384,859	\$3,395,600
2.42%	1.53%	1.62%	2.10%	2.21%	1.90%

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2020

NET PENSION LIABILITY

SERS

Changes in benefit terms – For fiscal year 2020 and 2019, there were no changes to benefit terms. For fiscal year 2018, the following were the most significant changes in benefits that affected the total pension liability since the prior measurement date:

- The cost-of-living adjustment was changed from a fixed 3.00 percent to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.5 percent with a floor of 0 percent beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendars 2018, 2019, and 2020.

Changes in assumptions – For fiscal year 2020, 2019, and 2018, there were no changes in assumptions.

STRS

Changes in benefit terms – For fiscal year 2020 and 2019, there were no changes to benefit terms. For fiscal year 2018, the cost of living adjustment (COLA) was reduced to 0 percent effective July 1, 2017.

Changes in assumptions – For fiscal year 2020 and 2019, there were no changes in assumptions. For fiscal year 2018, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Inflation assumptions were lowered from 2.75 percent to 2.50 percent.
- Investment return assumptions were lowered from 7.75 percent to 7.45 percent.
- Total salary increases rates were lowered by decreasing merit component of the individual salary increases, as well as by 0.25 percent due to lower inflation.
- Payroll growth assumptions were lowered to 3.00 percent.
- Updated the health and disability mortality assumption to the RP-2014 mortality tables with generational improvement scale MP-2016.
- Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

NET OPEB LIABILITY (ASSET)

SERS

Changes in benefit terms – For fiscal year 2020, 2019, and 2018, there were no changes to benefit terms.

Changes in assumptions – For fiscal year 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond index rate decreased from 3.62 percent to 3.13 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70 percent to 3.22 percent.
- The medical trend assumption rate changed as follows:
 - Medicare – 2019 – 5.375 to 4.75 percent, 2020 – 5.25 to 4.75 percent
 - Pre-Medicare – 2019 – 7.25 to 4.75 percent, 2020 – 7.00 to 4.75

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2020

SERS (Continued)

For fiscal year 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond index rate increased from 3.56 percent to 3.62 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63 percent to 3.70 percent.
- The medical trend assumption rate changed as follows:
 - Medicare – 2018 – 5.50 to 5.00 percent, 2019 – 5.375 to 4.75 percent
 - Pre-Medicare – 2018 – 7.50 to 5.00 percent, 2019 – 7.25 to 4.75

For fiscal year 2018, the following was the most significant change of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate was increased from 2.98 percent to 3.63.

STRS

Changes in benefit terms – For fiscal year 2020, the following was the most significant change in benefit terms that affected the total OPEB liability since the prior measurement date:

- The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

For fiscal year 2019, the following was the most significant change in benefit terms that affected the total OPEB liability since the prior measurement date:

- The subsidy multiplier for non-Medicare benefit recipients increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements were scheduled to be discontinued beginning January 1, 2020, though the STRS Board voted in June 2019 to extend the current Medicare Part B partial reimbursement for one year.

For fiscal year 2018, STRS has the following changes in benefit terms since the previous measurement date:

- The HealthSpan HMO plans were eliminated.
- The subsidy multiplier for non-Medicare benefit recipients was reduced to 1.9 percent per year of service from 2.1 percent.
- Medicare Part B premium reimbursements were discontinued for survivors and beneficiaries who were age 65 by 2008 and either receiving a benefit or named as a beneficiary as of January 1, 2008.
- The remaining Medicare Part B premium reimbursements will be phased out over a three-year period.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2020

STRS (Continued)

Changes in assumptions – For fiscal year 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The health care trend assumption rate changed from 6 to 11 percent initial, 4.5 percent ultimate to:
 - Medical Medicare – 4.93 percent initial, 4 percent ultimate
 - Medical Pre-Medicare – 5.87 percent initial, 4 percent ultimate
 - Prescription Drug Medicare – 9.62 percent initial, 4 percent ultimate
 - Prescription Drug Pre-Medicare – 7.73 percent initial, 4 percent ultimate

For fiscal year 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate increased from a 4.13 percent blended discount rate to 7.45 percent.
- The health care trend assumption rate changed from 6 to 11 percent initial, 4.5 percent ultimate to:
 - Medical Medicare – 5 percent initial, 4 percent ultimate
 - Medical Pre-Medicare – 6 percent initial, 4 percent ultimate
 - Prescription Drug Medicare – -5.23 percent initial, 4 percent ultimate
 - Prescription Drug Pre-Medicare – 8 percent initial, 4 percent ultimate

For fiscal year 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB 74.
- The long-term rate of return was reduced to 7.45 percent.
- Valuation-year per capita health costs were updated.
- The percentage of future retirees electing each option was updated based on current data.
- The assumed future trend rates were modified.
- Decrement rates including mortality, disability, retirement, and withdrawal were modified.
- The assumed percentage of future disabled retirees assumed to elect health coverage was decreased from 84 percent to 65 percent, and the assumed percentage of terminated vested participants assumed to elect health coverage at retirement was decreased from 47 percent to 30 percent.
- The assumed salary scale was modified.

LAKEWOOD LOCAL SCHOOL DISTRICT

***C*OMBINING AND *I*NDIVIDUAL *F*UND
*S*TATEMENTS AND *S*CHEDULES**

***T*HE 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. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

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 Managed Activity Fund

To account for student activity programs which have student participation in the activity and have student management of the programs.

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, chorus, yearbook and other similar types of activities.

Early Childhood Education Fund

To account for state grants received to be used for preschool programs for three and four year olds.

Data Communications Fund

To account for monies received for the maintenance of the Ohio Educational Computer Network connections. (The Balance Sheet is not presented because there are no assets or liabilities at fiscal year-end.)

Ohio High Schools That Work/Making Middle Grades Work Fund

To account for state grants received to raise student achievement by improving academic and career technical instruction and student performance.

Student Wellness and Success Fund

To account for monies received to assist the District to plan and launch health and wellness services to meet the needs of student wellness initiatives.

Miscellaneous State Grants Fund

To account for various monies from State agencies which are not classified elsewhere. (The Balance Sheet is not presented because there are no assets or liabilities at fiscal year-end.)

(Continued)

LAKEWOOD LOCAL SCHOOL DISTRICT

Special Revenue Funds

Elementary/Secondary School Emergency Relief Fund

To account for federal monies received to address the impact COVID-19 had and continues to have on elementary and secondary schools. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because there are no assets or liabilities and there was no activity during the year.)

Special Education Part B-IDEA Fund

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

Title I-School Improvement Fund

To account for federal revenues received to be used to help improve the teaching and learning of children failing, or most at risk of failing to meet challenging State academic achievement standards.

Title I Fund

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

IDEA Preschool Grant for Handicapped Fund

To account for federal revenue funds to be used for the improvement and expansion of services for handicapped children ages three (3) through five (5) years. (The Balance Sheet is not presented because there are no assets or liabilities at fiscal year-end.)

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. (The Balance Sheet is not presented because there are no assets or liabilities at fiscal year-end.)

Miscellaneous Federal Grants Fund

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

Capital Projects Funds

The Capital Projects Fund is 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.

Capital Projects Fund

To account for the accumulation of funds for one or more capital projects.

LAKEWOOD LOCAL SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020**

	Other Grant	Student Managed Activity	Student Activity
Assets:			
Cash and Cash Equivalents	\$ 46,166	\$ 29,891	\$ 34,300
Receivables:			
Intergovernmental	0	0	0
Prepaid Items	0	0	0
Total Assets	<u>\$ 46,166</u>	<u>\$ 29,891</u>	<u>\$ 34,300</u>
Liabilities:			
Accounts Payable	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	0	0	0
Intergovernmental Payable	0	0	0
Interfund Loans Payable	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources:			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:			
Nonspendable	0	0	0
Restricted	46,166	29,891	34,300
Assigned	0	0	0
Unassigned	0	0	0
Total Fund Balances	<u>46,166</u>	<u>29,891</u>	<u>34,300</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 46,166</u>	<u>\$ 29,891</u>	<u>\$ 34,300</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

Early Childhood Education	Ohio High Schools That Work/Making Middle Grades Work	Student Wellness and Success	Special Education Part B-IDEA	Title I School Improvement	Title I
\$ 215	\$ 0	\$ 175,102	\$ 0	\$ 0	\$ 0
582	451	0	20,452	8,551	20,982
1,375	0	0	6,108	0	0
<u>\$ 2,172</u>	<u>\$ 451</u>	<u>\$ 175,102</u>	<u>\$ 26,560</u>	<u>\$ 8,551</u>	<u>\$ 20,982</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
1,711	0	0	20,544	0	16,853
461	0	3,254	3,575	0	459
0	451	0	2,441	8,551	304
<u>2,172</u>	<u>451</u>	<u>3,254</u>	<u>26,560</u>	<u>8,551</u>	<u>17,616</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,366</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,366</u>
1,375	0	0	6,108	0	0
0	0	171,848	0	0	0
0	0	0	0	0	0
<u>(1,375)</u>	<u>0</u>	<u>0</u>	<u>(6,108)</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>171,848</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 2,172</u>	<u>\$ 451</u>	<u>\$ 175,102</u>	<u>\$ 26,560</u>	<u>\$ 8,551</u>	<u>\$ 20,982</u>

(Continued)

LAKEWOOD LOCAL SCHOOL DISTRICT

Combining Balance Sheet Nonmajor Governmental Funds June 30, 2020

	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds	Capital Projects	Total Nonmajor Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 0	\$ 285,674	\$ 2,000,000	\$ 2,285,674
Receivables:				
Intergovernmental	16,764	67,782	0	67,782
Prepaid Items	0	7,483	0	7,483
Total Assets	<u>\$ 16,764</u>	<u>\$ 360,939</u>	<u>\$ 2,000,000</u>	<u>\$ 2,360,939</u>
Liabilities:				
Accounts Payable	\$ 4,029	\$ 4,029	\$ 0	\$ 4,029
Accrued Wages and Benefits	0	39,108	0	39,108
Intergovernmental Payable	0	7,749	0	7,749
Interfund Loans Payable	934	12,681	0	12,681
Total Liabilities	<u>4,963</u>	<u>63,567</u>	<u>0</u>	<u>63,567</u>
Deferred Inflows of Resources:				
Unavailable Revenue	2,030	5,396	0	5,396
Total Deferred Inflows of Resources	<u>2,030</u>	<u>5,396</u>	<u>0</u>	<u>5,396</u>
Fund Balances:				
Nonspendable	0	7,483	0	7,483
Restricted	9,771	291,976	0	291,976
Assigned	0	0	2,000,000	2,000,000
Unassigned	0	(7,483)	0	(7,483)
Total Fund Balances	<u>9,771</u>	<u>291,976</u>	<u>2,000,000</u>	<u>2,291,976</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 16,764</u>	<u>\$ 360,939</u>	<u>\$ 2,000,000</u>	<u>\$ 2,360,939</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Fiscal Year Ended June 30, 2020

	Other Grant	Student Managed Activity	Student Activity	Early Childhood Education	Data Communications
Revenues:					
Local Sources:					
Extracurricular Activities	\$ 0	\$ 13,241	\$ 83,005	\$ 0	\$ 0
Intermediate Sources	33,320	0	0	0	0
Intergovernmental - State	0	0	0	94,896	7,200
Intergovernmental - Federal	0	0	0	0	0
All Other Revenue	36,305	2,175	4,860	0	0
Total Revenue	69,625	15,416	87,865	94,896	7,200
Expenditures:					
Current:					
Instruction	31,819	0	0	85,681	0
Supporting Services:					
Pupils	0	0	0	0	0
Instructional Staff	3,845	0	0	715	0
Administration	0	0	1,080	8,500	0
Operation and Maintenance of Plant	1,157	0	0	0	7,200
Operation of Non-Instructional Services	0	0	0	0	0
Extracurricular Activities	0	17,352	94,394	0	0
Total Expenditures	36,821	17,352	95,474	94,896	7,200
Excess (Deficiency) of Revenues Over Expenditures	32,804	(1,936)	(7,609)	0	0
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balance	32,804	(1,936)	(7,609)	0	0
Fund Balances at Beginning of Year, Restated	13,362	31,827	41,909	0	0
Fund Balances End of Year	\$ 46,166	\$ 29,891	\$ 34,300	\$ 0	\$ 0

(Continued)

LAKEWOOD LOCAL SCHOOL DISTRICT

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Fiscal Year Ended June 30, 2020

	Ohio High Schools That Work/Making Middle Grades Work	Student Wellness and Success	Miscellaneous State Grants	Special Education Part B-IDEA	Title I School Improvement
Revenues:					
Local Sources:					
Extracurricular Activities	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intermediate Sources	0	0	0	0	0
Intergovernmental - State	5,860	397,646	0	0	0
Intergovernmental - Federal	0	0	0	398,389	8,551
All Other Revenue	0	0	0	0	0
Total Revenue	5,860	397,646	0	398,389	8,551
Expenditures:					
Current:					
Instruction	1,536	0	0	244,714	4,045
Supporting Services:					
Pupils	0	217,898	0	148,145	0
Instructional Staff	4,324	7,900	0	2,030	4,506
Administration	0	0	0	3,500	0
Operation and Maintenance of Plant	0	0	5,345	0	0
Operation of Non-Instructional Services	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
Total Expenditures	5,860	225,798	5,345	398,389	8,551
Excess (Deficiency) of Revenues Over Expenditures	0	171,848	(5,345)	0	0
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balance	0	171,848	(5,345)	0	0
Fund Balances at Beginning of Year, Restated	0	0	5,345	0	0
Fund Balances End of Year	\$ 0	\$ 171,848	\$ 0	\$ 0	\$ 0

LAKEWOOD LOCAL SCHOOL DISTRICT

<u>Title I</u>	<u>IDEA Preschool Grant for Handicapped</u>	<u>Title II-A</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 96,246	\$ 0	\$ 96,246
0	0	0	0	33,320	0	33,320
0	0	0	0	505,602	0	505,602
355,658	14,342	51,346	35,260	863,546	0	863,546
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>43,340</u>	<u>0</u>	<u>43,340</u>
<u>355,658</u>	<u>14,342</u>	<u>51,346</u>	<u>35,260</u>	<u>1,542,054</u>	<u>0</u>	<u>1,542,054</u>
247,840	14,750	51,346	23,486	705,217	0	705,217
0	0	0	0	366,043	0	366,043
106,178	0	0	5,341	134,839	0	134,839
0	0	0	0	13,080	0	13,080
0	0	0	2,463	16,165	0	16,165
1,640	0	0	0	1,640	0	1,640
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>111,746</u>	<u>0</u>	<u>111,746</u>
<u>355,658</u>	<u>14,750</u>	<u>51,346</u>	<u>31,290</u>	<u>1,348,730</u>	<u>0</u>	<u>1,348,730</u>
0	(408)	0	3,970	193,324	0	193,324
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>500,000</u>	<u>500,000</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>500,000</u>	<u>500,000</u>
0	(408)	0	3,970	193,324	500,000	693,324
<u>0</u>	<u>408</u>	<u>0</u>	<u>5,801</u>	<u>98,652</u>	<u>1,500,000</u>	<u>1,598,652</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,771</u>	<u>\$ 291,976</u>	<u>\$ 2,000,000</u>	<u>\$ 2,291,976</u>

LAKEWOOD 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, 2020***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Local Sources:				
Taxes	\$ 14,435,492	\$ 14,407,406	\$ 14,407,406	\$ 0
Tuition	1,060,000	1,357,699	1,361,545	3,846
Investment Earnings	402,500	393,300	356,574	(36,726)
Extracurricular Activities	4,850	4,700	4,762	62
Class Material and Fees	71,000	71,375	63,012	(8,363)
Intergovernmental - State	7,323,374	7,376,622	6,900,836	(475,786)
Intergovernmental - Federal	125,000	125,000	119,622	(5,378)
All Other Revenues	122,180	177,756	176,383	(1,373)
Total Revenues	<u>23,544,396</u>	<u>23,913,858</u>	<u>23,390,140</u>	<u>(523,718)</u>
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	7,004,844	6,975,646	6,965,995	9,651
Fringe Benefits	2,572,200	2,583,539	2,571,145	12,394
Purchased Services	1,632,104	1,769,020	1,721,082	47,938
Supplies and Materials	391,628	392,275	379,468	12,807
Other Expenditures	10,228	10,228	10,228	0
Capital Outlay	68,272	76,195	76,111	84
Total Regular	<u>11,679,276</u>	<u>11,806,903</u>	<u>11,724,029</u>	<u>82,874</u>
Special:				
Salaries and Wages	1,039,300	1,017,368	1,010,305	7,063
Fringe Benefits	424,347	412,422	406,274	6,148
Purchased Services	728,351	803,482	741,256	62,226
Supplies and Materials	13,656	14,111	5,922	8,189
Other Expenditures	412,722	500,082	499,490	592
Total Special	<u>2,618,376</u>	<u>2,747,465</u>	<u>2,663,247</u>	<u>84,218</u>
Vocational:				
Salaries and Wages	210,472	212,327	211,716	611
Fringe Benefits	61,209	65,462	64,495	967
Purchased Services	863	1,561	1,410	151
Supplies and Materials	44,032	37,870	28,393	9,477
Capital Outlay	59,428	62,453	62,453	0
Total Vocational	<u>376,004</u>	<u>379,673</u>	<u>368,467</u>	<u>11,206</u>

(Continued)

LAKEWOOD 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, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other:				
Salaries and Wages	169,700	164,324	163,699	625
Fringe Benefits	75,765	77,701	76,652	1,049
Purchased Services	24,466	27,175	25,030	2,145
Total Other	269,931	269,200	265,381	3,819
Total Instructional Services	14,943,587	15,203,241	15,021,124	182,117
Support Services:				
Pupils:				
Salaries and Wages	1,011,966	974,409	790,708	183,701
Fringe Benefits	393,624	366,933	348,673	18,260
Purchased Services	154,107	142,727	130,720	12,007
Supplies and Materials	12,422	12,288	11,593	695
Other Expenditures	57,898	50,545	49,755	790
Capital Outlay	0	3,421	3,421	0
Total Pupils	1,630,017	1,550,323	1,334,870	215,453
Instructional Staff:				
Salaries and Wages	452,768	447,733	436,310	11,423
Fringe Benefits	228,120	218,682	206,879	11,803
Purchased Services	112,886	102,755	96,981	5,774
Supplies and Materials	35,971	44,588	43,577	1,011
Other Expenditures	39,212	38,015	30,952	7,063
Capital Outlay	8,000	9,760	9,760	0
Total Instructional Staff	876,957	861,533	824,459	37,074
Board of Education:				
Salaries and Wages	7,500	7,500	7,500	0
Fringe Benefits	1,765	1,757	1,709	48
Purchased Services	181,000	123,500	81,931	41,569
Supplies and Materials	3,066	3,066	2,417	649
Other Expenditures	9,015	10,071	10,071	0
Total Board of Education	202,346	145,894	103,628	42,266

(Continued)

LAKEWOOD 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, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Administration:				
Salaries and Wages	1,228,350	1,228,579	1,206,043	22,536
Fringe Benefits	492,204	485,391	480,228	5,163
Purchased Services	110,876	117,045	109,626	7,419
Supplies and Materials	12,633	14,573	13,633	940
Other Expenditures	189,050	175,258	173,349	1,909
Capital Outlay	15,500	8,007	8,002	5
Total Administration	2,048,613	2,028,853	1,990,881	37,972
Fiscal Services:				
Salaries and Wages	314,000	307,139	304,307	2,832
Fringe Benefits	116,460	131,622	121,003	10,619
Purchased Services	88,405	88,034	74,022	14,012
Supplies and Materials	12,435	5,381	4,645	736
Other Expenditures	271,815	275,784	275,204	580
Capital Outlay	15,000	17,504	17,504	0
Total Fiscal Services	818,115	825,464	796,685	28,779
Business:				
Salaries and Wages	10,500	10,000	8,436	1,564
Fringe Benefits	1,967	3,570	3,061	509
Supplies and Materials	30,000	12,000	3,674	8,326
Other Expenditures	2,515	2,515	2,502	13
Total Business	44,982	28,085	17,673	10,412
Operation and Maintenance of Plant:				
Salaries and Wages	708,700	715,728	705,691	10,037
Fringe Benefits	316,367	342,297	336,089	6,208
Purchased Services	1,112,353	998,171	883,934	114,237
Supplies and Materials	131,983	125,183	118,256	6,927
Other Expenditures	1,309	1,309	1,034	275
Capital Outlay	141,354	155,302	151,249	4,053
Total Operation and Maintenance Of Plant	2,412,066	2,337,990	2,196,253	141,737

(Continued)

LAKEWOOD 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, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Pupil Transportation:				
Salaries and Wages	876,900	900,802	899,192	1,610
Fringe Benefits	500,717	547,258	540,073	7,185
Purchased Services	67,876	48,255	39,776	8,479
Supplies and Materials	229,250	218,354	205,600	12,754
Other Expenditures	1,574	1,574	1,259	315
Capital Outlay	185,516	185,516	185,516	0
Total Pupil Transportation	1,861,833	1,901,759	1,871,416	30,343
Central:				
Salaries and Wages	20,000	20,000	19,686	314
Fringe Benefits	8,105	8,501	8,015	486
Purchased Services	12,319	7,064	3,064	4,000
Supplies and Materials	14,100	11,793	9,541	2,252
Other Expenditures	26	26	26	0
Capital Outlay	54,870	30,578	30,578	0
Total Central	109,420	77,962	70,910	7,052
Total Support Services	10,004,349	9,757,863	9,206,775	551,088
Operation of Non-Instructional Services:				
Purchased Services	1,000	1,000	235	765
Total Non-Instructional Services	1,000	1,000	235	765
Extracurricular Activities:				
Salaries and Wages	300,931	310,218	285,921	24,297
Fringe Benefits	71,437	63,768	58,288	5,480
Purchased Services	5,750	5,750	5,750	0
Total Extracurricular Activities	378,118	379,736	349,959	29,777
Capital Outlay:				
Capital Outlay	104,072	476,194	475,276	918
Total Capital Outlay	104,072	476,194	475,276	918
Total Expenditures	25,431,126	25,818,034	25,053,369	764,665
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(1,886,730)	(1,904,176)	(1,663,229)	240,947

(Continued)

LAKEWOOD 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, 2020***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	3,000	5,000	4,525	(475)
Transfers Out	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>0</u>
Total Other Financing Sources (Uses):	<u>(497,000)</u>	<u>(495,000)</u>	<u>(495,475)</u>	<u>(475)</u>
Net Change in Fund Balance	(2,383,730)	(2,399,176)	(2,158,704)	240,472
Fund Balance at Beginning of Year	16,087,837	16,087,837	16,087,837	0
Prior Year Encumbrances	<u>218,194</u>	<u>218,194</u>	<u>218,194</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 13,922,301</u>	<u>\$ 13,906,855</u>	<u>\$ 14,147,327</u>	<u>\$ 240,472</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds - Debt Service Fund – Bond Retirement Fund
For the Fiscal Year Ended June 30, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Taxes	\$ 735,454	\$ 1,123,648	\$ 1,123,648	\$ 0
Intergovernmental - State	201,193	222,854	222,854	0
Total Revenues	936,647	1,346,502	1,346,502	0
Expenditures:				
Current:				
Support Services:				
Fiscal Services:				
Other Expenditures	12,000	12,000	11,782	218
Total Fiscal Services	12,000	12,000	11,782	218
Debt Service:				
Principal Retirement	1,056,771	1,056,771	1,056,771	0
Interest and Fiscal Charges	243,138	243,066	243,066	0
Total Debt Service	1,299,909	1,299,837	1,299,837	0
Total Expenditures	1,311,909	1,311,837	1,311,619	218
Excess (Deficiency) of Revenues Over (Under) Expenditures	(375,262)	34,665	34,883	218
Fund Balance at Beginning of Year	626,650	626,650	626,650	0
Fund Balance at End of Year	\$ 251,388	\$ 661,315	\$ 661,533	\$ 218

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, 2020***

PUBLIC SCHOOL SUPPORT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Extracurricular Activities	\$ 26,700	\$ 26,505	\$ 21,311	\$ (5,194)
All Other Revenues	4,500	3,408	2,908	(500)
Total Revenues	<u>31,200</u>	<u>29,913</u>	<u>24,219</u>	<u>(5,694)</u>
Expenditures:				
Extracurricular Activities:				
Purchased Services	12,000	11,500	7,190	4,310
Supplies and Materials	25,474	28,974	14,043	14,931
Capital Outlay	1,000	1,000	0	1,000
Total Extracurricular Activities	<u>38,474</u>	<u>41,474</u>	<u>21,233</u>	<u>20,241</u>
Total Expenditures	<u>38,474</u>	<u>41,474</u>	<u>21,233</u>	<u>20,241</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(7,274)	(11,561)	2,986	14,547
Fund Balance at Beginning of Year	<u>29,451</u>	<u>29,451</u>	<u>29,451</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 22,177</u></u>	<u><u>\$ 17,890</u></u>	<u><u>\$ 32,437</u></u>	<u><u>\$ 14,547</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, 2020***

	OTHER GRANT FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intermediate Sources	\$ 24,500	\$ 33,320	\$ 33,320	\$ 0
All Other Revenues	0	36,305	36,305	0
Total Revenues	<u>24,500</u>	<u>69,625</u>	<u>69,625</u>	<u>0</u>
Expenditures:				
Instructional Services:				
Regular:				
Purchased Services	1,000	6,666	4,766	1,900
Supplies and Materials	7,095	25,554	11,501	14,053
Capital Outlay	0	10,000	0	10,000
Total Regular	<u>8,095</u>	<u>42,220</u>	<u>16,267</u>	<u>25,953</u>
Vocational:				
Supplies and Materials	5,921	5,974	5,974	0
Capital Outlay	0	4,948	4,948	0
Total Vocational	<u>5,921</u>	<u>10,922</u>	<u>10,922</u>	<u>0</u>
Total Instructional Services	<u>14,016</u>	<u>53,142</u>	<u>27,189</u>	<u>25,953</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	1,050	1,050	1,050	0
Fringe Benefits	162	161	161	0
Purchased Services	2,634	2,634	2,634	0
Total Instructional Staff	<u>3,846</u>	<u>3,845</u>	<u>3,845</u>	<u>0</u>
Operation and Maintenance of Plant:				
Capital Outlay	0	5,000	1,157	3,843
Total Support Services	<u>3,846</u>	<u>8,845</u>	<u>5,002</u>	<u>3,843</u>
Total Expenditures	<u>17,862</u>	<u>61,987</u>	<u>32,191</u>	<u>29,796</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,638	7,638	37,434	29,796
Fund Balance at Beginning of Year	10,788	10,788	10,788	0
Prior Year Encumbrances	2,574	2,574	2,574	0
Fund Balance at End of Year	<u>\$ 20,000</u>	<u>\$ 21,000</u>	<u>\$ 50,796</u>	<u>\$ 29,796</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, 2020***

STUDENT MANAGED ACTIVITY FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Extracurricular Activities	\$ 38,980	\$ 13,622	\$ 13,241	\$ (381)
All Other Revenues	24,000	3,775	2,175	(1,600)
Total Revenues	<u>62,980</u>	<u>17,397</u>	<u>15,416</u>	<u>(1,981)</u>
Expenditures:				
Extracurricular Activities:				
Purchased Services	32,100	9,930	7,393	2,537
Supplies and Materials	25,000	14,369	9,959	4,410
Other Expenditures	2,500	1,500	0	1,500
Capital Outlay	7,500	0	0	0
Total Extracurricular Activities	<u>67,100</u>	<u>25,799</u>	<u>17,352</u>	<u>8,447</u>
Total Expenditures	<u>67,100</u>	<u>25,799</u>	<u>17,352</u>	<u>8,447</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,120)	(8,402)	(1,936)	6,466
Other Financing Sources (Uses):				
Operating Transfers In	718	4,416	1,412	(3,004)
Operating Transfers Out	(718)	(1,412)	(1,412)	0
Total Other Financing Sources (Uses):	<u>0</u>	<u>3,004</u>	<u>0</u>	<u>(3,004)</u>
Net Change in Fund Balance	(4,120)	(5,398)	(1,936)	3,462
Fund Balance at Beginning of Year	<u>31,827</u>	<u>31,827</u>	<u>31,827</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 27,707</u></u>	<u><u>\$ 26,429</u></u>	<u><u>\$ 29,891</u></u>	<u><u>\$ 3,462</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, 2020***

	STUDENT ACTIVITY FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Extracurricular Activities	\$ 108,450	\$ 88,528	\$ 83,155	\$ (5,373)
All Other Revenues	17,850	6,210	4,860	(1,350)
Total Revenues	126,300	94,738	88,015	(6,723)
Expenditures:				
Support Services:				
Administration:				
Purchased Services	1,080	1,080	1,080	0
Total Support Services	1,080	1,080	1,080	0
Extracurricular Activities:				
Purchased Services	77,250	70,225	65,512	4,713
Supplies and Materials	28,775	25,437	18,590	6,847
Other Expenditures	11,550	10,263	9,713	550
Total Extracurricular Activities	117,575	105,925	93,815	12,110
Total Expenditures	118,655	107,005	94,895	12,110
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,645	(12,267)	(6,880)	5,387
Fund Balance at Beginning of Year	40,848	40,848	40,848	0
Fund Balance at End of Year	\$ 48,493	\$ 28,581	\$ 33,968	\$ 5,387

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, 2020***

EARLY CHILDHOOD EDUCATION FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - State	\$ 96,000	\$ 96,000	\$ 94,314	\$ (1,686)
Total Revenues	96,000	96,000	94,314	(1,686)
Expenditures:				
Instructional Services:				
Special:				
Salaries and Wages	59,000	59,001	58,609	392
Fringe Benefits	24,000	24,449	24,449	0
Supplies and Materials	3,000	2,700	2,231	469
Total Instructional Services	86,000	86,150	85,289	861
Support Services:				
Instructional Staff:				
Purchased Services	1,500	1,350	715	635
Total Instructional Staff	1,500	1,350	715	635
Administration:				
Purchased Services	8,500	8,500	8,500	0
Total Administration	8,500	8,500	8,500	0
Total Support Services	10,000	9,850	9,215	635
Total Expenditures	96,000	96,000	94,504	1,496
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	(190)	(190)
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ (190)	\$ (190)

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, 2020***

DATA COMMUNICATIONS FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental - State	<u>\$ 7,200</u>	<u>\$ 7,200</u>	<u>\$ 7,200</u>	<u>\$ 0</u>
Total Revenues	<u>7,200</u>	<u>7,200</u>	<u>7,200</u>	<u>0</u>
Expenditures:				
Support Services:				
Operation and Maintenance of Plant:				
Purchased Services	<u>7,200</u>	<u>7,200</u>	<u>7,200</u>	<u>0</u>
Total Expenditures	<u>7,200</u>	<u>7,200</u>	<u>7,200</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</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, 2020***

OHIO HIGH SCHOOLS THAT WORK/MAKING MIDDLE GRADES WORK FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental - State	\$ 5,891	\$ 5,891	\$ 5,409	\$ (482)
Total Revenues	<u>5,891</u>	<u>5,891</u>	<u>5,409</u>	<u>(482)</u>
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	<u>1,500</u>	<u>1,567</u>	<u>1,536</u>	<u>31</u>
Total Instructional Services	<u>1,500</u>	<u>1,567</u>	<u>1,536</u>	<u>31</u>
Support Services:				
Instructional Staff:				
Purchased Services	<u>1,500</u>	<u>1,433</u>	<u>1,433</u>	<u>0</u>
Supplies and Materials	<u>2,891</u>	<u>2,891</u>	<u>2,891</u>	<u>0</u>
Total Support Services	<u>4,391</u>	<u>4,324</u>	<u>4,324</u>	<u>0</u>
Total Expenditures	<u>5,891</u>	<u>5,891</u>	<u>5,860</u>	<u>31</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	(451)	(451)
Fund Balance at Beginning of Year	(2,891)	(2,891)	(2,891)	0
Prior Year Encumbrances	<u>2,891</u>	<u>2,891</u>	<u>2,891</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (451)</u>	<u>\$ (451)</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, 2020***

STUDENT WELLNESS AND SUCCESS FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - State	\$ 389,628	\$ 397,646	\$ 397,646	\$ 0
Total Revenues	389,628	397,646	397,646	0
Expenditures:				
Support Services:				
Pupils:				
Salaries and Wages	0	185,919	185,919	0
Fringe Benefits	0	28,725	28,725	0
Total Pupils	0	214,644	214,644	0
Instructional Staff:				
Other Expenditures	0	7,900	7,900	0
Total Instructional Staff	0	7,900	7,900	0
Pupil Transportation:				
Purchased Services	389,628	167,085	0	167,085
Total Expenditures	389,628	389,629	222,544	167,085
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	8,017	175,102	167,085
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 8,017	\$ 175,102	\$ 167,085

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, 2020***

MISCELLANEOUS STATE GRANTS FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Support Services:				
Operations and Maintenance of Plant:				
Purchased Services	<u> 5,345</u>	<u> 5,345</u>	<u> 5,345</u>	<u> 0</u>
Total Expenditures	<u> 5,345</u>	<u> 5,345</u>	<u> 5,345</u>	<u> 0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(5,345)	(5,345)	(5,345)	0
Fund Balance at Beginning of Year	2,575	2,575	2,575	0
Prior Year Encumbrances	<u>2,770</u>	<u>2,770</u>	<u>2,770</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, 2020***

ELEMENTARY/SECONDARY SCHOOL EMERGENCY RELIEF FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - Federal	\$ 0	\$ 292,857	\$ 0	\$ (292,857)
Total Revenues	0	292,857	0	(292,857)
Expenditures:				
Instructional Services:				
Regular:				
Supplies and Materials	0	217,857	21,600	196,257
Total Instructional Services	0	217,857	21,600	196,257
Support Services:				
Instructional Staff:				
Supplies and Materials	0	75,000	75,000	0
Total Expenditures	0	292,857	96,600	196,257
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	(96,600)	(96,600)
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ (96,600)	\$ (96,600)

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, 2020***

SPECIAL EDUCATION PART B-IDEA FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental - Federal	\$ 433,238	\$ 431,718	\$ 410,965	\$ (20,753)
Total Revenues	433,238	431,718	410,965	(20,753)
Expenditures:				
Instructional Services:				
Special:				
Salaries and Wages	191,695	191,695	182,387	9,308
Fringe Benefits	65,495	66,889	66,889	0
Supplies and Materials	2,000	4,337	4,306	31
Total Instructional Services	259,190	262,921	253,582	9,339
Support Services:				
Pupils:				
Salaries and Wages	77,870	77,870	70,696	7,174
Fringe Benefits	85,109	82,330	82,330	0
Total Pupils	162,979	160,200	153,026	7,174
Instructional Staff:				
Salaries and Wages	1,200	1,200	1,200	0
Fringe Benefits	185	185	185	0
Purchased Services	2,472	0	0	0
Supplies and Materials	645	645	645	0
Total Instructional Staff	4,502	2,030	2,030	0
Administration:				
Purchased Services	3,500	3,500	3,500	0
Total Administration	3,500	3,500	3,500	0
Total Support Services	170,981	165,730	158,556	7,174
Total Expenditures	430,171	428,651	412,138	16,513
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,067	3,067	(1,173)	(4,240)
Other Financing Sources (Uses):				
Transfers In	2,064	2,064	2,064	0
Transfers Out	(2,064)	(2,064)	(2,064)	0
Total Other Financing Sources (Uses):	0	0	0	0
Net Change in Fund Balance	3,067	3,067	(1,173)	(4,240)
Fund Balance at Beginning of Year	(3,833)	(3,833)	(3,833)	0
Prior Year Encumbrances	766	766	766	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ (4,240)	\$ (4,240)

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, 2020***

TITLE I SCHOOL IMPROVEMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - Federal	\$ 0	\$ 32,500	\$ 0	\$ (32,500)
Total Revenues	0	32,500	0	(32,500)
Expenditures:				
Instructional Services:				
Regular:				
Supplies and Materials	0	4,875	4,800	75
Total Instructional Services	0	4,875	4,800	75
Support Services:				
Instructional Staff:				
Salaries and Wages	0	3,450	1,825	1,625
Fringe Benefits	0	533	281	252
Purchased Services	0	23,642	2,400	21,242
Total Support Services	0	27,625	4,506	23,119
Total Expenditures	0	32,500	9,306	23,194
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	(9,306)	(9,306)
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ (9,306)	\$ (9,306)

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, 2020***

	TITLE I FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - Federal	\$ 383,904	\$ 404,504	\$ 381,662	\$ (22,842)
Total Revenues	383,904	404,504	381,662	(22,842)
Expenditures:				
Instructional Services:				
Special:				
Salaries and Wages	237,618	242,175	233,710	8,465
Fringe Benefits	0	9,364	9,364	0
Total Special	237,618	251,539	243,074	8,465
Other:				
Salaries and Wages	23,092	29,095	29,095	0
Fringe Benefits	0	607	607	0
Total Other	23,092	29,702	29,702	0
Total Instructional Services	260,710	281,241	272,776	8,465
Support Services:				
Instructional Staff:				
Salaries and Wages	117,906	117,906	105,692	12,214
Total Instructional Staff	117,906	117,906	105,692	12,214
Pupil Transportation:				
Purchased Services	548	565	0	565
Total Support Services	118,454	118,471	105,692	12,779
Operation of Non-Instructional Services:				
Purchased Services	2,882	2,934	1,640	1,294
Total Expenditures	382,046	402,646	380,108	22,538
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,858	1,858	1,554	(304)
Fund Balance at Beginning of Year	(1,858)	(1,858)	(1,858)	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ (304)	\$ (304)

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, 2020***

IDEA PRESCHOOL GRANT FOR HANDICAPPED FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental - Federal	\$ 14,758	\$ 14,750	\$ 14,750	\$ 0
Total Revenues	<u>14,758</u>	<u>14,750</u>	<u>14,750</u>	<u>0</u>
Expenditures:				
Instructional Services:				
Special:				
Salaries and Wages	<u>14,758</u>	<u>14,750</u>	<u>14,750</u>	<u>0</u>
Total Expenditures	<u>14,758</u>	<u>14,750</u>	<u>14,750</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</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, 2020***

	TITLE II-A FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - Federal	\$ 46,807	\$ 51,346	\$ 51,346	\$ 0
Total Revenues	46,807	51,346	51,346	0
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	46,807	51,346	51,346	0
Total Expenditures	46,807	51,346	51,346	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

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, 2020***

MISCELLANEOUS FEDERAL GRANTS FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental - Federal	\$ 47,273	\$ 48,054	\$ 30,527	\$ (17,527)
Total Revenues	<u>47,273</u>	<u>48,054</u>	<u>30,527</u>	<u>(17,527)</u>
Expenditures:				
Instructional Services:				
Regular:				
Purchased Services	14,114	14,114	14,114	0
Supplies and Materials	3,512	12,727	12,378	349
Capital Outlay	10,962	7,328	7,328	0
Total Instructional Services	<u>28,588</u>	<u>34,169</u>	<u>33,820</u>	<u>349</u>
Support Services:				
Instructional Staff:				
Purchased Services	4,800	0	0	0
Supplies and Materials	5,341	5,341	5,341	0
Total Instructional Staff	<u>10,141</u>	<u>5,341</u>	<u>5,341</u>	<u>0</u>
Operation and Maintenance of Plant:				
Supplies and Materials	5,859	5,859	5,745	114
Total Support Services	<u>16,000</u>	<u>11,200</u>	<u>11,086</u>	<u>114</u>
Total Expenditures	<u>44,588</u>	<u>45,369</u>	<u>44,906</u>	<u>463</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,685	2,685	(14,379)	(17,064)
Fund Balance at Beginning of Year	(9,886)	(9,886)	(9,886)	0
Prior Year Encumbrances	7,201	7,201	7,201	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (17,064)</u>	<u>\$ (17,064)</u>

LAKEWOOD 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, 2020***

CAPITAL PROJECTS FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Capital Outlay:				
Capital Outlay	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>0</u>
Total Expenditures	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(750,000)	(750,000)	(750,000)	0
Other Financing Sources (Uses):				
Transfers In	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>0</u>
Net Change in Fund Balance	(250,000)	(250,000)	(250,000)	0
Fund Balance at Beginning of Year	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 1,250,000</u></u>	<u><u>\$ 1,250,000</u></u>	<u><u>\$ 1,250,000</u></u>	<u><u>\$ 0</u></u>

STATISTICAL SECTION



STATISTICAL TABLES

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

Contents

Financial Trends	S 2 – S 13
These schedules contain trend information to help the reader understand how the District's financial position has changed over time.	
Revenue Capacity	S 14 – S 21
These schedules contain information to help the reader understand and assess the factors affecting the District's ability to generate its most significant local revenue sources, the property tax.	
Debt Capacity	S 22 – S 29
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Economic and Demographic Information	S 30 – S 33
These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 34 – S 45
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	
Sources Note:	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	

Lakewood Local School District

Net Position by Component Last Ten Years (accrual basis of accounting)

	2011	2012	2013	2014
Governmental Activities:				*
Net Investment in Capital Assets	\$3,053,537	\$3,080,260	\$3,187,873	\$3,398,481
Restricted for:				
Debt Service	1,118,731	1,190,591	953,055	773,138
Federally Funded Programs	0	10,385	44,746	20,688
Other Purposes	131,143	30,086	49,289	64,442
Unrestricted (Deficit)	4,584,024	5,875,212	7,604,004	(18,930,709)
Total Governmental Activities Net Position	<u>\$8,887,435</u>	<u>\$10,186,534</u>	<u>\$11,838,967</u>	<u>(\$14,673,960)</u>
Business-type Activities:				
Net Investment in Capital Assets	\$59,875	\$48,572	\$70,702	\$77,715
Unrestricted (Deficit)	87,441	186,858	149,929	(188,404)
Total Business-type Activities Net Position	<u>\$147,316</u>	<u>\$235,430</u>	<u>\$220,631</u>	<u>(\$110,689)</u>
Primary Government:				
Net Investment in Capital Assets	\$3,113,412	\$3,128,832	\$3,258,575	\$3,476,196
Restricted	1,249,874	1,231,062	1,047,090	858,268
Unrestricted	4,671,465	6,062,070	7,753,933	(19,119,113)
Total Primary Government Net Position	<u>\$9,034,751</u>	<u>\$10,421,964</u>	<u>\$12,059,598</u>	<u>(\$14,784,649)</u>

Source: District Treasurer's Office

* Restated for implementation of GASB 68, Accounting and Reporting for Pensions.

** Restated for implementation of GASB 75, Accounting and Reporting for Other Postemployment Benefits

*** Restated for implementaion of GASB 84, Fiduciary Activities

Lakewood Local School District

2015	2016	2017	2018	2019	2020
		**		***	
\$3,636,986	\$3,741,768	\$4,355,534	\$7,250,065	\$7,537,301	\$7,983,828
700,042	696,827	606,001	798,920	688,383	758,122
61,618	79,445	0	0	14,063	187,015
76,759	98,708	90,851	54,233	100,127	128,235
(14,956,033)	(11,405,743)	(17,594,072)	(6,622,821)	(5,708,038)	(8,014,716)
<u>(\$10,480,628)</u>	<u>(\$6,788,995)</u>	<u>(\$12,541,686)</u>	<u>\$1,480,397</u>	<u>\$2,631,836</u>	<u>\$1,042,484</u>
\$144,393	\$132,142	\$115,913	\$102,808	\$91,398	\$87,835
(248,993)	(260,669)	(560,322)	(548,278)	(601,134)	(752,723)
<u>(\$104,600)</u>	<u>(\$128,527)</u>	<u>(\$444,409)</u>	<u>(\$445,470)</u>	<u>(\$509,736)</u>	<u>(\$664,888)</u>
\$3,781,379	\$3,873,910	\$4,471,447	\$7,352,873	\$7,628,699	\$8,071,663
838,419	874,980	696,852	853,153	802,573	1,073,372
(15,205,026)	(11,666,412)	(18,154,394)	(7,171,099)	(6,309,172)	(8,767,439)
<u>(\$10,585,228)</u>	<u>(\$6,917,522)</u>	<u>(\$12,986,095)</u>	<u>\$1,034,927</u>	<u>\$2,122,100</u>	<u>\$377,596</u>

Lakewood Local School District

Changes in Net Position Last Ten Years (accrual basis of accounting)

	2011	2012	2013	2014
Expenses				
Governmental Activities:				
Instruction	\$13,150,165	\$12,333,823	\$12,351,032	\$12,499,288
Support Services:				
Pupils	1,224,974	1,339,037	1,406,457	1,424,694
Instructional Staff	281,544	257,656	357,042	355,036
Board of Education	54,198	70,084	89,155	94,778
Administration	1,889,652	1,880,781	1,933,761	1,821,632
Fiscal Services	600,845	617,723	680,434	692,254
Business	19,723	20,952	22,403	22,110
Operation and Maintenance of Plant	1,551,640	1,585,727	1,718,852	1,690,189
Pupil Transportation	1,543,782	1,530,781	1,592,255	1,645,923
Central	281,113	284,079	90,763	104,488
Operation of Non-Instructional Services	45,099	59,427	73,594	215,078
Extracurricular Activities	537,562	526,540	483,728	512,262
Interest and Fiscal Charges	575,861	550,947	653,040	535,225
<i>Total Governmental Activities Expenses</i>	<u>21,756,158</u>	<u>21,057,557</u>	<u>21,452,516</u>	<u>21,612,957</u>
Business-type Activities:				
Food Service	953,088	898,959	930,083	980,354
<i>Total Business-type Activities Expenses</i>	<u>953,088</u>	<u>898,959</u>	<u>930,083</u>	<u>980,354</u>
<i>Total Primary Government Expenses</i>	<u>\$22,709,246</u>	<u>\$21,956,516</u>	<u>\$22,382,599</u>	<u>\$22,593,311</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Instruction	\$400,842	\$504,070	\$479,394	\$714,405
Support Services:				
Administration	74,513	125,625	92,292	127,884
Operation of Non-Instructional Services	0	0	0	153,529
Extracurricular Activities	139,843	141,550	138,859	139,560
Operating Grants and Contributions	1,596,451	911,323	899,632	1,257,477
Capital Grants and Contributions	51,000	0	0	0
<i>Total Governmental Activities</i>	<u>2,262,649</u>	<u>1,682,568</u>	<u>1,610,177</u>	<u>2,392,855</u>
<i>Program Revenues</i>	<u>2,262,649</u>	<u>1,682,568</u>	<u>1,610,177</u>	<u>2,392,855</u>

Lakewood Local School District

*					
2015	2016	2017	2018	2019	2020
\$12,620,972	\$13,345,921	\$14,940,596	\$6,499,863	\$13,698,720	\$16,976,745
1,376,862	1,457,380	1,701,739	942,383	1,530,987	1,843,701
416,746	591,749	704,846	428,326	799,038	1,023,491
81,842	113,093	90,134	174,438	34,420	103,668
1,876,291	1,885,623	2,046,793	961,114	1,908,916	2,194,614
650,991	665,621	747,064	643,616	760,212	839,968
9,027	21,627	26,278	24,802	26,181	17,437
1,552,021	1,679,574	1,737,436	1,593,046	2,084,371	2,159,063
1,624,650	1,591,323	1,786,288	1,608,005	1,836,521	2,023,523
63,281	34,528	23,814	15,121	38,329	40,214
240,464	195,606	49,796	46,340	48,134	47,032
519,113	551,485	624,287	578,496	717,343	743,100
509,433	418,683	277,373	266,558	241,956	217,256
<u>21,541,693</u>	<u>22,552,213</u>	<u>24,756,444</u>	<u>13,782,108</u>	<u>23,725,128</u>	<u>28,229,812</u>
920,073	895,269	984,409	938,537	1,030,232	984,370
<u>920,073</u>	<u>895,269</u>	<u>984,409</u>	<u>938,537</u>	<u>1,030,232</u>	<u>984,370</u>
<u>\$22,461,766</u>	<u>\$23,447,482</u>	<u>\$25,740,853</u>	<u>\$14,720,645</u>	<u>\$24,755,360</u>	<u>\$29,214,182</u>
\$759,132	\$887,993	\$1,250,111	\$1,307,061	\$1,233,510	\$1,468,705
73,127	28,129	44	276	0	0
180,233	0	0	0	0	0
148,048	135,620	141,481	179,888	169,432	121,905
1,388,215	1,653,224	1,438,208	1,282,931	1,274,106	1,687,603
<u>0</u>	<u>0</u>	<u>0</u>	<u>458,000</u>	<u>0</u>	<u>0</u>
<u>2,548,755</u>	<u>2,704,966</u>	<u>2,829,844</u>	<u>3,228,156</u>	<u>2,677,048</u>	<u>3,278,213</u>

(continued)

Lakewood Local School District

Changes in Net Position Last Ten Years (accrual basis of accounting)

	2011	2012	2013	2014
Business-type Activities:				
Charges for Services				
Food Service	305,258	299,813	283,204	264,932
Operating Grants and Contributions	663,697	687,260	615,150	675,475
Capital Grants and Contributions	0	0	16,930	0
<i>Total Business-type Activities Program Revenues</i>	<u>968,955</u>	<u>987,073</u>	<u>915,284</u>	<u>940,407</u>
<i>Total Primary Government Program Revenues</i>	<u>3,231,604</u>	<u>2,669,641</u>	<u>2,525,461</u>	<u>3,333,262</u>
Net (Expense)/Revenue				
Governmental Activities	(19,493,509)	(19,374,989)	(19,842,339)	(19,220,102)
Business-type Activities	15,867	88,114	(14,799)	(39,947)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$19,477,642)</u>	<u>(\$19,286,875)</u>	<u>(\$19,857,138)</u>	<u>(\$19,260,049)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$10,519,556	\$10,951,598	\$12,319,747	\$12,443,682
Debt Service	978,147	1,000,239	749,321	840,483
Grants and Entitlements not				
Restricted to Specific Programs	8,861,970	8,611,887	8,272,161	8,521,195
Investment Earnings	31,769	31,405	24,272	49,826
Miscellaneous	64,743	78,959	129,271	149,236
<i>Total Governmental Activities</i>	<u>20,456,185</u>	<u>20,674,088</u>	<u>21,494,772</u>	<u>22,004,422</u>
Business-type Activities:				
<i>Total Business-type Activities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Primary Government</i>	<u>\$20,456,185</u>	<u>\$20,674,088</u>	<u>\$21,494,772</u>	<u>\$22,004,422</u>
Change in Net Position				
Governmental Activities	\$962,676	\$1,299,099	\$1,652,433	\$2,784,320
Business-type Activities	15,867	88,114	(14,799)	(39,947)
<i>Total Primary Government Change in Net Position</i>	<u>\$978,543</u>	<u>\$1,387,213</u>	<u>\$1,637,634</u>	<u>\$2,744,373</u>

Source: District Treasurer's Office

* Restated for implementaion of GASB 84, Fiduciary Activities

Lakewood Local School District

*					
2015	2016	2017	2018	2019	2020
255,156	309,230	331,827	348,571	368,147	277,454
626,528	538,906	581,800	588,905	597,819	551,764
44,478	23,206	0	0	0	0
926,162	871,342	913,627	937,476	965,966	829,218
3,474,917	3,576,308	3,743,471	4,165,632	3,643,014	4,107,431
(18,992,938)	(19,847,247)	(21,926,600)	(10,553,952)	(21,048,080)	(24,951,599)
6,089	(23,927)	(70,782)	(1,061)	(64,266)	(155,152)
<u>(\$18,986,849)</u>	<u>(\$19,871,174)</u>	<u>(\$21,997,382)</u>	<u>(\$10,555,013)</u>	<u>(\$21,112,346)</u>	<u>(\$25,106,751)</u>
\$13,002,282	\$13,341,342	\$13,226,848	\$14,666,904	\$12,719,183	\$14,653,961
918,406	931,637	812,141	1,295,631	982,405	1,155,390
9,075,972	9,057,291	8,902,300	8,221,497	7,879,658	6,952,514
65,975	112,905	144,950	240,795	503,506	390,333
123,635	95,705	119,568	151,208	86,710	210,049
23,186,270	23,538,880	23,205,807	24,576,035	22,171,462	23,362,247
0	0	0	0	0	0
<u>\$23,186,270</u>	<u>\$23,538,880</u>	<u>\$23,205,807</u>	<u>\$24,576,035</u>	<u>\$22,171,462</u>	<u>\$23,362,247</u>
\$4,193,332	\$3,691,633	\$1,279,207	\$14,022,083	\$1,123,382	(\$1,589,352)
6,089	(23,927)	(70,782)	(1,061)	(64,266)	(155,152)
<u>\$4,199,421</u>	<u>\$3,667,706</u>	<u>\$1,208,425</u>	<u>\$14,021,022</u>	<u>\$1,059,116</u>	<u>(\$1,744,504)</u>

Lakewood Local School District

Fund Balances, Governmental Funds Last Ten Years (modified accrual basis of accounting)

	2011	2012	2013	2014	2015
General Fund					
Nonspendable	\$261,229	\$229,239	\$250,644	\$256,521	\$240,533
Restricted	14,083	12,283	6,888	7,215	12,293
Committed	204,164	204,164	204,164	204,164	204,164
Assigned	198,049	105,140	329,917	191,468	358,129
Unassigned	3,839,276	5,473,304	6,951,255	10,001,876	13,445,771
<i>Total General Fund</i>	<u>4,516,801</u>	<u>6,024,130</u>	<u>7,742,868</u>	<u>10,661,244</u>	<u>14,260,890</u>
All Other Governmental Funds					
Nonspendable	6,032	1,144	3,187	11,908	8,079
Restricted	1,112,862	1,195,082	1,340,481	847,031	822,405
Committed	39,994	24,412	0	0	0
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Total All Other Governmental Funds	<u>1,158,888</u>	<u>1,220,638</u>	<u>1,343,668</u>	<u>858,939</u>	<u>830,484</u>
<i>Total Governmental Funds</i>	<u>\$5,675,689</u>	<u>\$7,244,768</u>	<u>\$9,086,536</u>	<u>\$11,520,183</u>	<u>\$15,091,374</u>

Source: District Treasurer's Office

* Restated for implementaion of GASB 84, Fiduciary Activities

Lakewood Local School District

*				
2016	2017	2018	2019	2020
\$283,967	\$303,362	\$328,326	\$312,986	\$307,798
22,740	19,542	9,111	7,684	17,099
204,164	204,164	204,164	204,164	204,164
598,691	3,087,642	502,612	1,964,573	3,101,246
15,989,454	14,580,746	16,489,732	12,492,211	9,953,051
17,099,016	18,195,456	17,533,945	14,981,618	13,583,358
28,374	12,952	10,273	9,940	7,483
768,912	1,429,966	851,657	792,122	1,055,119
0	0	0	0	0
0	500,000	1,000,000	1,500,000	2,000,000
(19,895)	(12,952)	(10,273)	(9,940)	(7,483)
777,391	1,929,966	1,851,657	2,292,122	3,055,119
\$17,876,407	\$20,125,422	\$19,385,602	\$17,273,740	\$16,638,477

Lakewood Local School District

Changes in Fund Balances, Governmental Funds Last Ten Years (modified accrual basis of accounting)

	2011	2012	2013	2014
Revenues:				
Local Sources:				
Taxes	\$10,884,473	\$12,245,105	\$13,248,007	\$13,436,540
Tuition	337,206	438,497	408,398	650,229
Investment Earnings	36,866	31,452	22,055	52,248
Extracurricular Activities	139,843	141,550	138,859	139,560
Class Materials and Fees	46,764	42,551	49,154	50,416
Intermediate Sources	2,963	10,611	11,426	11,596
Intergovernmental - State	8,830,092	8,578,408	8,251,872	8,814,106
Intergovernmental - Federal	1,531,114	995,061	869,840	978,300
All Other Revenue	172,373	244,743	252,566	448,573
Total Revenue	<u>21,981,694</u>	<u>22,727,978</u>	<u>23,252,177</u>	<u>24,581,568</u>
Expenditures:				
Current:				
Instruction	12,814,543	11,877,724	12,313,518	12,092,287
Supporting Services:				
Pupils	1,245,592	1,342,818	1,412,351	1,471,483
Instructional Staff	314,412	249,370	328,525	324,617
Board of Education	54,198	70,084	89,155	94,778
Administration	1,828,106	1,889,853	1,886,388	1,816,665
Fiscal Services	600,730	620,617	681,351	692,505
Business	19,723	20,952	22,403	22,110
Operation and Maintenance of Plant	1,534,442	1,587,658	2,408,006	2,030,914
Pupil Transportation	1,419,379	1,593,860	1,618,106	1,696,832
Central	292,924	285,917	94,657	104,334
Operation of Non-Instructional Services	5,051	24,668	33,553	170,451
Extracurricular Activities	399,254	404,400	348,584	377,215
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	736,789	745,851	786,671	828,344
Interest and Fiscal Charges	495,886	460,527	444,476	426,804
Total Expenditures	<u>21,761,029</u>	<u>21,174,299</u>	<u>22,467,744</u>	<u>22,149,339</u>
Excess (Deficiency) of Revenues Over Expenditures	220,665	1,553,679	784,433	2,432,229

Lakewood Local School District

*					
2015	2016	2017	2018	2019	2020
\$14,087,532	\$14,248,738	\$14,169,147	\$16,067,795	\$13,686,900	\$15,877,544
698,547	827,692	1,174,718	1,220,174	940,057	1,361,525
60,360	110,693	138,938	248,916	506,348	392,764
148,048	135,620	141,481	179,888	169,432	121,905
54,377	55,707	69,111	76,523	71,986	61,436
4,096	14,522	11,265	20,751	9,963	33,320
9,297,404	9,220,982	9,095,333	8,401,513	8,067,273	7,629,292
1,144,087	1,249,940	1,297,851	1,062,016	1,051,645	972,695
401,803	282,582	132,870	181,958	115,760	225,542
<u>25,896,254</u>	<u>26,146,476</u>	<u>26,230,714</u>	<u>27,459,534</u>	<u>24,619,364</u>	<u>26,676,023</u>
12,494,915	13,106,643	13,744,523	14,728,313	15,324,959	15,721,151
1,416,326	1,484,913	1,623,056	1,721,318	1,714,295	1,721,207
393,902	681,181	649,305	742,318	850,100	936,082
82,111	113,146	89,586	176,071	156,324	102,531
1,998,667	1,891,636	1,891,555	1,919,922	1,976,644	2,001,735
661,533	671,329	716,347	698,923	760,721	806,991
9,339	21,811	25,520	26,506	26,294	15,792
1,744,441	1,984,513	2,411,178	2,118,221	2,228,896	2,143,930
1,614,427	1,668,532	1,861,033	1,828,136	1,798,865	1,881,923
68,386	27,123	23,219	21,741	38,645	67,843
200,197	154,352	6,703	3,380	5,244	12,111
386,409	427,445	463,952	547,327	485,708	487,543
0	0	1,871,288	2,418,275	51,947	81,849
860,099	1,010,052	889,852	1,059,832	1,071,135	1,086,878
386,175	343,663	258,028	293,663	269,015	244,411
<u>22,316,927</u>	<u>23,586,339</u>	<u>26,525,145</u>	<u>28,303,946</u>	<u>26,758,792</u>	<u>27,311,977</u>
3,579,327	2,560,137	(294,431)	(844,412)	(2,139,428)	(635,954)
					(Continued)

Lakewood Local School District

Changes in Fund Balances, Governmental Funds Last Ten Years (modified accrual basis of accounting)

	2011	2012	2013	2014
Other Financing Sources (Uses):				
Sale of Capital Assets	19,614	23,393	6,039	2,392
School Energy Conservation Bonds Issued	0	0	917,707	0
Refunding General Obligation Bonds Issued	0	0	0	0
Premium on Refunding General Obligation Bonds	0	0	0	0
Other Financing Sources - Capital Leases	58,218	0	115,438	0
Payment to Refunded Bonds Escrow Agent	0	0	0	0
Transfers In	0	20,000	0	0
Transfers Out	0	(20,000)	0	0
Total Other Financing Sources (Uses)	<u>77,832</u>	<u>23,393</u>	<u>1,039,184</u>	<u>2,392</u>
Net Change in Fund Balance	<u>\$298,497</u>	<u>\$1,577,072</u>	<u>\$1,823,617</u>	<u>\$2,434,621</u>
 Debt Service as a Percentage of Noncapital Expenditures	 5.72%	 5.79%	 5.79%	 5.85%

Source: District Treasurer's Office

* Restated for implementaion of GASB 84, Fiduciary Activities

Lakewood Local School District

*					
2015	2016	2017	2018	2019	2020
5,850	5,600	52,777	12,979	2,108	4,525
0	0	0	0	0	0
0	8,055,000	0	0	0	0
0	372,202	0	0	0	0
0	62,770	2,500,000	84,914	0	0
0	(8,273,386)	0	0	0	0
3,000	0	500,000	500,000	500,000	500,000
(3,000)	0	(500,000)	(500,000)	(500,000)	(500,000)
5,850	222,186	2,552,777	97,893	2,108	4,525
\$3,585,177	\$2,782,323	\$2,258,346	(\$746,519)	(\$2,137,320)	(\$631,429)

5.68%

5.93%

4.88%

5.43%

5.10%

4.99%

Lakewood Local School District

Assessed Valuations and Estimated True Values of Taxable Property Last Ten Calendar Years

Tax year	2010	2011	2012	2013
		*		
Real Property				
Assessed	\$358,258,840	\$372,060,130	\$378,886,250	\$388,406,130
Actual	1,023,596,686	1,063,028,943	1,082,532,143	1,109,731,800
Public Utility				
Assessed	15,135,460	16,483,410	16,994,710	21,658,260
Actual	15,135,460	16,483,410	16,994,710	21,658,260
Total				
Assessed	373,394,300	388,543,540	395,880,960	410,064,390
Actual	1,038,732,146	1,079,512,353	1,099,526,853	1,131,390,060
Assessed Value as a Percentage of Actual Value	35.95%	35.99%	36.00%	36.24%
Total Direct Tax Rate	\$57.23	\$56.92	\$54.33	\$54.51

Source: Licking County Auditor

* Reappraisal

** Update

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

Assessed value of Real Property is at 35%, Assessed value of Public Utility is at 100%.

Lakewood Local School District

2014	2015	2016	2017	2018	2019
**			*		
\$404,571,981	\$395,670,850	\$398,698,788	\$431,277,342	\$435,415,202	\$442,278,789
1,155,919,946	1,130,488,143	1,139,139,394	1,232,220,977	1,244,043,434	1,263,653,683
23,420,060	27,025,450	29,234,730	30,572,020	31,890,550	36,716,240
23,420,060	27,025,450	29,234,730	30,572,020	31,890,550	36,716,240
427,992,041	422,696,300	427,933,518	461,849,362	467,305,752	478,995,029
1,179,340,006	1,157,513,593	1,168,374,124	1,262,792,997	1,275,933,984	1,300,369,923
36.29%	36.52%	36.63%	36.57%	36.62%	36.84%
\$54.40	\$54.20	\$54.20	\$53.20	\$53.10	\$52.60

Lakewood Local School District

Property Tax Rates of Direct and Overlapping Governments
(per \$1,000 of assessed value)
Last Ten Calendar Years

Tax year	2010	2011	2012	2013
Direct District Rates				
General Fund	54.56	54.42	53.33	52.89
Bond Retirement Fund	2.67	2.50	1.00	1.62
Total	57.23	56.92	54.33	54.51
Overlapping Rates				
Licking County Joint Vocational School	2.52	2.54	2.48	2.56
Licking County	7.70	7.70	7.70	7.70
Special Taxing Districts				
City				
Heath	4.40-5.40	4.40-5.40	4.40-5.40	4.40 - 5.40
Villages				
Buckeye Lake	11.20-11.40	11.20-11.40	11.20-11.40	11.20 - 11.40
Hebron	13.20-13.30	13.20-13.30	13.20-13.30	13.20 - 13.30
Townships				
Bowling Green	5.80	5.80	5.80	5.80
Franklin	7.20	7.20	7.20	7.20
Licking	2.70-4.90	2.70-4.90	2.70-4.90	2.70- 4.90
Union	0.80-6.20	0.80-6.20	0.80-6.20	2.30 - 7.70

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.

Note: Ohio Revised Code Sections 5705.02 and 5705.07 require a vote of the people
for any millage exceeding the "unvoted" or "inside" millage.

Lakewood Local School District

2014	2015	2016	2017	2018	2019
52.40	52.40	52.40	51.40	51.40	50.90
2.00	1.80	1.80	1.80	1.70	1.70
54.40	54.20	54.20	53.20	53.10	52.60
2.54	2.58	2.57	2.55	2.55	2.55
8.00	8.00	8.00	9.50	9.50	9.50
4.10-5.40	5.60-6.40	5.60-6.40	5.60-6.40	5.60-6.40	5.60-6.40
11.20-12.20	11.10-12.20	11.10-12.20	16.10-17.20	16.10-17.20	21.10-22.20
13.30	13.30	13.30	13.30	13.30	13.30
5.80	5.80	5.80	5.80	5.10	5.80
7.20	7.20	7.20	7.20	7.20	7.20
2.70-4.90	3.10-4.90	6.10-7.90	6.10-7.90	6.10-7.90	6.10-7.90
2.30-7.40	2.30-7.40	4.10-7.40	5.60-7.40	5.60-7.40	5.60-7.40

Lakewood Local School District

Principal Taxpayers Real Estate Tax Current Year and Nine Years Ago

		Calendar Year 2019		
Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
Southgate Company Limited Partnership	Developer	6,399,480	1	1.45%
Harry & David Operations Inc.	Distributor	5,250,010	2	1.19%
Lexington O C LLC	Warehouse	5,005,020	3	1.13%
THK Manufacturing of America Inc.	Linear Motion Devices	3,724,990	4	0.84%
Hebron Business Park LTD	Network/Cloud Services	2,240,000	5	0.51%
Covestro LLC	Manufacturer - Polymers	2,208,270	6	0.50%
Uhrman Development LLC	Developer	2,100,000	7	0.47%
Four B's (New Jersey General Partnership)	Warehouse	1,925,000	8	0.44%
POSH Properties NO 12 1601 S Liberty Family Limited	Developer	1,890,010	9	0.43%
MPW Properties LLC	Industrial Cleaning	1,750,040	10	0.40%
	Subtotal	32,492,820		7.36%
	All Others	409,785,969		92.64%
	Total	\$442,278,789		100.00%

		Calendar Year 2010		
Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
Paragano, Nazario	Warehouse	\$2,468,660	1	0.68%
G&C Diversified LLC	General Contractor	2,365,450	2	0.66%
Southgate Co. Limited Partnership	Developer	2,081,630	3	0.58%
Donnelly RR & Sons Co.	Printing	2,005,370	4	0.56%
MPW Properties LLC	Industrial Cleaning	1,887,350	5	0.53%
Bayer Polymers LLC	Distributor	1,883,460	6	0.53%
The Kroger Co	Food	1,675,280	7	0.47%
Hebron Business Park LTD	Developer	1,452,430	8	0.41%
Zazsorsky, Leon	Developer	1,347,920	9	0.38%
Coughlin Automotive Properties of Heath	Automotive	1,345,270	10	0.38%
	Subtotal	18,512,820		5.18%
	All Others	339,746,020		94.82%
	Total	\$358,258,840		100.00%

Source: Licking County Auditor - Land and Buildings
Based on valuation of property in 2019 and 2010

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 Utilities Property Tax Current Year and Nine Years Ago

Name of Taxpayer	Nature of Business	Calendar Year 2019		
		Assessed Value	Rank	Percent of Total Assessed Value
Ohio Power Company	Electricity	\$18,666,300	1	50.84%
Columbia Gas Transmission Corp	Natural Gas	\$5,874,430	3	16.00%
AEP Ohio Transmission Co., Inc.	Electricity	\$4,798,570	2	13.07%
National Gas and Oil Corp	Propane	\$1,975,260	4	5.38%
Dominion Transmission Inc.	Pipelines	\$1,806,540	6	4.92%
Licking Rural Electric Inc.	Electricity	\$1,547,600	5	4.22%
NGO Transmission Inc.	Natural Gas	\$1,164,170	7	3.17%
Columbia Gas of Ohio	Propane	\$561,220	8	1.53%
Dayton Power & Light Co	Electricity	\$232,400	9	0.63%
Duke Energy Ohio Inc.	Electricity	\$79,660	10	0.22%
Subtotal		36,706,150		99.98%
All Others		10,090		0.02%
Total		\$36,716,240		100.00%

Name of Taxpayer	Nature of Business	Calendar Year 2010		
		Assessed Value	Rank	Percent of Total Assessed Value
Ohio Power Company	Electricity	\$8,011,620	1	52.93%
Columbia Gas Of Ohio	Propane Pipe Lines	1,724,860	2	11.40%
Licking Rural Elec. Inc.	Electricity	1,313,840	3	8.68%
Columbus Southern Power Co.	Electricity	1,307,680	4	8.64%
National Gas & Oil	Propane Pipe Lines	1,293,060	5	8.54%
Dominion Transmission Inc.	Propane Pipe Lines	851,380	6	5.63%
NGO Transmission Inc.	Propane Pipe Lines	419,110	7	2.77%
Dayton Power & Light Co.	Electricity	162,630	8	1.07%
Duke Energy Ohio Inc.	Electricity	38,330	9	0.25%
Buckeye Power Inc.	Electricity	5,750	10	0.04%
Subtotal		15,128,260		99.95%
All Others		7,200		0.05%
Total		\$15,135,460		100.00%

Source: Licking County Auditor - Land and Buildings
Based on valuation of property in 2019 and 2010

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 Levies and Collections Last Ten Years

Collection Year	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Total Tax Levy	\$11,064,135	\$15,953,404	\$15,201,319	\$14,481,893
Collections within the Fiscal Year of the Levy				
Current Tax Collections	10,486,676	14,852,218	14,457,628	13,869,943
Percent of Levy Collected	94.78%	93.10%	95.11%	95.77%
Delinquent Tax Collections	<u>422,123</u>	<u>422,124</u>	<u>623,368</u>	<u>589,795</u>
Total Tax Collections	10,908,799	15,274,342	15,080,996	14,459,738
Percent of Total Tax Collections To Tax Levy	98.60%	95.74%	99.21%	99.85%
Accumulated Outstanding Delinquent Taxes	1,340,352	679,062	945,992	933,285
Percentage of Accumulated Delinquent Taxes to Total Tax Levy	12.11%	4.26%	6.22%	6.44%

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

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$15,072,793	\$15,646,211	\$15,786,873	\$15,873,468	\$16,426,928	\$16,919,735
14,536,465	15,097,508	15,232,195	15,423,233	16,107,572	16,590,799
96.44%	96.49%	96.49%	97.16%	98.06%	98.06%
<u>612,082</u>	<u>464,878</u>	<u>453,056</u>	<u>254,186</u>	<u>449,882</u>	<u>463,378</u>
15,148,547	15,562,386	15,685,251	15,677,419	16,557,454	17,054,177
100.50%	99.46%	99.36%	98.76%	100.79%	100.79%
576,011	638,307	546,685	451,838	626,265	645,053
3.82%	4.08%	3.46%	2.85%	3.81%	3.81%

Lakewood Local School District

Ratio of Outstanding Debt By Type Last Ten Years

	2011	2012	2013	2014
Governmental Activities ⁽¹⁾		*		
Energy Conservation Bonds Payable	\$635,398	\$483,237	\$1,244,758	\$1,065,238
General Obligation Bonds Payable	11,369,250	11,240,539	10,724,872	10,197,601
Capital Leases	85,262	51,572	126,525	92,701
Total Primary Government	<u>\$12,089,910</u>	<u>\$11,775,348</u>	<u>\$12,096,155</u>	<u>\$11,355,540</u>
Population ⁽²⁾				
Village of Buckeye Lake and Village of Hebron	5,082	5,082	5,082	5,082
Outstanding Debt Per Capita	2,379	2,317	2,380	2,234
Income ⁽³⁾				
Personal (in thousands)	176,721	190,529	202,518	203,377
Percentage of Personal Income	6.84%	6.18%	5.97%	5.58%

* Restated for Deferred Charge on Refunding

Sources:

- (1) District Treasurer's Office
- (2) US Bureau of Census of Population - latest update is calendar year 2019 which is used for the following fiscal year calculation.
- (3) US Department of Commerce, Bureau of Economic Analysis
 - (a) Per Capita Income is only available by County. Total Personal Income is a calculation based on previous calendar year.

Lakewood Local School District

2015	2016	2017	2018	2019	2020
\$881,276	\$692,648	\$550,624	\$458,854	\$367,083	\$275,312
9,660,419	8,922,230	8,220,168	7,484,151	6,728,134	5,962,117
56,564	82,910	2,545,082	2,366,934	2,112,570	1,852,463
<u>\$10,598,259</u>	<u>\$9,697,788</u>	<u>\$11,315,874</u>	<u>\$10,309,939</u>	<u>\$9,207,787</u>	<u>\$8,089,892</u>
5,082	5,082	5,168	5,251	5,348	5,348
2,085	1,908	2,190	1,963	1,722	1,513
202,441	211,315	218,177	232,157	245,034	246,324
5.24%	4.59%	5.19%	4.44%	3.76%	3.28%

Lakewood Local School District

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2011	2012	2013	2014
		*		
Population ⁽¹⁾	5,082	5,082	5,082	5,082
Assessed Value ⁽²⁾	373,394,300	388,543,540	395,880,960	410,064,390
General Bonded Debt ⁽³⁾				
General Obligation Bonds	11,369,250	11,240,539	10,724,872	10,197,601
Resources Available to Pay Principal ⁽⁴⁾	928,414	1,041,410	847,327	533,493
Net General Bonded Debt	10,440,836	10,199,129	9,877,545	9,664,108
Ratio of Net Bonded Debt to Estimated Actual Value	2.8%	2.6%	2.5%	2.4%
Net Bonded Debt per Capita	2,054.47	2,006.91	1,943.63	1,901.63

* Restated for Deferred Charge on Refunding

Source:

- (1) U.S. Bureau of Census of Population - latest update is calendar year 2019
- (2) 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

2015	2016	2017	2018	2019	2020
5,082	5,082	5,168	5,251	5,348	5,348
427,992,041	422,696,300	427,933,518	461,849,362	467,305,752	478,995,029
9,660,419	8,922,230	8,220,168	7,484,151	6,728,134	5,962,117
444,792	437,421	411,361	448,350	469,288	505,710
9,215,627	8,484,809	7,808,807	7,035,801	6,258,846	5,456,407
2.2%	2.0%	1.8%	1.5%	1.3%	1.1%
1,813.39	1,669.58	1,510.99	1,339.90	1,170.32	1,020.27



Lakewood Local School District

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2020*

Jurisdiction	Gross Debt Outstanding	Percentage Applicable to Lakewood Local School District (1)	Amount Applicable to Lakewood Local School District
Direct:			
Lakewood Local School District	\$8,089,892	100.00%	\$8,089,892
Overlapping:			
Licking County	28,903,188	10.43%	3,014,603
Heath City	2,178,000	7.86%	171,191
Village of Hebron	1,090,000	100.00%	1,090,000
Franklin Township	220,255	94.82%	208,846
Licking County Career & Technical Center (C-Tec)	12,555,000	10.02%	1,258,011
		Subtotal	5,742,651
		Total	\$13,832,543

Source: Ohio Municipal Advisory Council, June 2020

(1) Overlapping percentage was calculated by dividing each overlapping subdivision's assessed valuation within the District by the subdivision's total assessed valuation.

Lakewood Local School District

Debt Limitations Last Ten Years

Collection Year	2011	2012	2013	2014
Net Assessed Valuation	\$373,394,300	\$388,543,540	\$395,880,960	\$410,064,390
Legal Debt Limitation (%) (1)	9.00%	9.00%	9.00%	9.00%
Legal Debt Limitation (\$) (1)	33,605,487	34,968,919	35,629,286	36,905,795
Applicable District Debt Outstanding	11,369,250	11,240,539	10,724,872	10,197,601
Less: Applicable Debt Service Fund Amounts (2)	(928,414)	(1,041,410)	(847,327)	(533,493)
Net Indebtedness Subject to Limitation	10,440,836	10,199,129	9,877,545	9,664,108
Overall Legal Debt Margin	<u>\$23,164,651</u>	<u>\$24,769,790</u>	<u>\$25,751,741</u>	<u>\$27,241,687</u>
Legal Debt Limitation (%) (1)	0.10%	0.10%	0.10%	0.10%
Legal Debt Limitation (\$) (1)	373,394	388,544	395,881	410,064
Applicable District Debt Outstanding	0	0	0	0
Unvoted Legal Debt Margin	<u>\$373,394</u>	<u>\$388,544</u>	<u>\$395,881</u>	<u>\$410,064</u>
Legal Debt Limitation (%) (1)	0.90%	0.90%	0.90%	0.90%
Legal Debt Limitation (\$) (1)	3,360,549	3,496,892	3,562,929	3,690,580
Applicable District Debt Outstanding	(635,398)	(483,237)	(1,244,758)	(1,065,238)
Unvoted Energy Conservation Loans Legal Debt Margin	<u>\$2,725,151</u>	<u>\$3,013,655</u>	<u>\$2,318,171</u>	<u>\$2,625,342</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

2015	2016	2017	2018	2019	2020
\$427,992,041	\$422,696,300	\$427,933,518	\$461,849,362	\$467,305,752	\$478,995,029
9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
38,519,284	38,042,667	38,514,017	41,566,443	42,057,518	43,109,553
9,660,419	8,922,230	8,220,168	7,484,151	6,728,134	5,962,117
(444,792)	(437,421)	(411,361)	(448,350)	(469,288)	(505,710)
9,215,627	8,484,809	7,808,807	7,035,801	6,258,846	5,456,407
\$29,303,657	\$29,557,858	\$30,705,210	\$34,530,642	\$35,798,672	\$37,653,146
0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
427,992	422,696	427,934	461,849	467,306	478,995
0	0	0	0	0	0
\$427,992	\$422,696	\$427,934	\$461,849	\$467,306	\$478,995
0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
3,851,928	3,804,267	3,851,402	4,156,644	4,205,752	4,310,955
(881,276)	(692,648)	(550,624)	(458,854)	(367,083)	(275,312)
\$2,970,652	\$3,111,619	\$3,300,778	\$3,697,790	\$3,838,669	\$4,035,643

Lakewood Local School District

Demographic and Economic Statistics Last Ten Years

Calendar Year*	2010	2011	2012	2013
Population ⁽¹⁾				
Village of Buckeye Lake and Village of Hebron	5,082	5,082	5,082	5,082
Licking County	166,492	167,248	167,537	168,375
Income ^{(2) (a)}				
Total Personal (in thousands)	176,721	190,529	202,518	203,377
Per Capita	34,774	37,491	39,850	40,019
Unemployment Rate ⁽³⁾				
Federal	9.6%	8.9%	8.1%	7.4%
State	10.1%	8.6%	7.2%	7.4%
Licking County	9.5%	8.0%	6.5%	6.9%
Fiscal Year**	2011	2012	2013	2014
School Enrollment ⁽⁴⁾				
Grades K - 5	851	864	839	816
Grades 6 - 8	507	484	500	445
Grades 9 - 12	670	671	643	658
Non-Grade	57	44	51	51
Total	2,085	2,063	2,033	1,970

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

(1) US Bureau of Census of Population - latest update is calendar year 2019.

(2) US Department of Commerce, Bureau of Economic Analysis

(a) Per Capita Income is only available by County (2019 not available),
Total Personal Income is a calculation

(3) State Department of Labor Statistics

** Presented on a fiscal year basis

(4) Student enrollment is based on the October count using the Educational Management System for fiscal years 2010 through 2016, while student enrollment for fiscal years 2017 through 2020 are based on the year end count.

Lakewood Local School District

2014	2015	2016	2017	2018	2019
5,082	5,082	5,168	5,251	5,320	5,348
169,390	170,570	172,198	173,448	175,769	176,862
202,441	211,315	218,177	232,157	245,034	246,324
39,835	41,581	42,217	44,212	46,059	46,059
6.2%	5.3%	4.9%	4.4%	3.9%	3.7%
5.7%	4.9%	4.9%	5.0%	4.6%	4.1%
5.1%	4.4%	4.3%	4.2%	4.0%	3.7%
2015	2016	2017	2018	2019	2020
797	805	819	814	817	828
409	430	461	449	434	422
610	567	622	615	602	594
56	2	0	0	0	0
1,872	1,804	1,902	1,878	1,853	1,844



Lakewood Local School District

Principal Employers Current Year and Nine Years Ago

		2020	
Employer	Nature of Business	Number of Employees	Rank
THK Manufacturing of America Inc	Linear Motion Devices	551	1
Harry & David Operations Inc	Distributor	350	2
MPW Properties LLC	Industrial Cleaning	340	3
Hendrickson Axle	Auxiliary Axle Manufacturing	225	4
RR Donnelley & Sons Co.	Printing	210	5
Covestro LLC	Polymers	183	6
Heritage Sportswear	Sportswear Clothing	177	7
Momentive	Adhesives	160	8
Allied Tube & Conduit	Tubing	155	9
Kroger Company	Grocery	154	10
Total		2,505	
Total Employment within the District		N/A	
		2011	
Employer	Nature of Business	Number of Employees	Rank
THK	Linear Motion Devices	350	1
Heritage Sportswear	Clothing Company	198	2
Kroger	Food	105	3
Renosol Corp.	Foam Auto Seats	96	4
Harry & David	Distributor	90	5
Hendrickson International	Axles	82	6
Sunfield Corp.	Steel Stamping	75	7
AFGD	Glass Finishing	72	8
Ohio Metal Technologies	Auto Parts	60	9
State Industrial	Cleaning Supplies	60	10
Total		1,188	
Total Employment within the District		N/A	

Sources: Village of Hebron Administrative Offices - This information is based on 2019 information as the Village of Hebron was unable to get updates numbers due to the COVID-19 pandemic.
N/A - not available

Lakewood Local School District

School District Employees by Type Last Ten Years

	2011	2012	2013	2014
Supervisory				
Superintendent/Director of District Services	2	2	2	2
Department Administrators	6	6	6	6
Principals	4	4	4	4
Assistant Principals	3	3	3	3
Instruction				
Classroom Teachers				
Elementary	60	55	52	52
Middle	40	43	42	41
High	47	45	43	44
Educational Options	0	0	0	0
Instructional Support				
Coaches- Literacy/Math	0	0	0	0
Stem Coordinator	0	0	0	0
Student Services				
Guidance Counselors	4	4	4	4
Social Workers	2	1	1	1
Psychologists	2	2	2	2
Librarians	4	1	1	1
Speech Language	3	3	3	3
Media Intergration Specialist (Grade 6-12)	0	0	0	0
Support Services				
Clerical/Secretaries	12	12	12	10
Aides/Monitors	17	17	16	17
Fiscal /Accounting	3	3	3	3
Food Service	15	16	16	17
Library Technicians	2	4	4	4
Maintenance/Grounds	17	16	18	18
Technology Coordinator	1	1	1	1
Transportation	24	22	28	27
<i>Total Employees</i>	<u>268</u>	<u>260</u>	<u>261</u>	<u>260</u>

Method: 1.00 for each employee position

Source: District Treasurer's Office

Lakewood Local School District

2015	2016	2017	2018	2019	2020
2	2	2	2	2	2
6	6	6	6	6	6
4	4	4	4	4	4
3	3	3	3	3	3
54	56	57	60	55	55
43	39	39	37	37	37
45	45	44	42	42	41
0	0	1	1	1	1
1	2	2	2	2	2
0	0	0	0	1	1
3	3	3	3	3	3
1	1	1	1	1	1
2	2	2	2	2	2
0	1	0	0	0	0
3	3	3	3	3	3
0	1	1	1	1	1
10	10	10	10	10	10
17	17	17	17	16	17
3	3	3	3	3	3
17	14	14	14	15	15
4	4	4	4	4	4
17	17	18	17	17	17
1	1	1	1	1	1
27	27	28	28	28	28
263	261	263	261	257	257

Lakewood Local School District

Cost per Pupil Last Ten Years

Fiscal Year	2011	2012	2013	2014	2015
Enrollment (1)	2,085	2,063	2,033	1,970	1,872
Modified Accrual Basis					
Operating Expenditures	\$21,761,029	\$21,179,299	\$22,467,744	\$22,149,339	\$22,316,927
Cost per Pupil	10,437	10,266	11,052	11,243	11,921
Percentage of Change	(0.8%)	(1.6%)	7.6%	1.7%	6.0%
Accrual Basis (2)					
Expenses	\$21,180,297	\$20,506,610	\$20,799,476	\$21,077,732	\$21,032,260
Cost per Pupil	10,158	9,940	10,231	10,699	11,235
Percentage of Change	0.4%	(2.1%)	2.9%	4.6%	5.0%
Teaching Staff	147	143	137	137	142

Source: District Treasurer's Office

(1) Student Enrollment is based on the October Count using the Educational Management System for fiscal years 2011 through 2016, whole student enrollment for fiscal years 2017 through 2020 are based on the year end count.

(2) Expenses exclude interest and fiscal charges

Lakewood Local School District

2016	2017	2018	2019	2020
1,804	1,902	1,878	1,853	1,844
\$23,586,339	\$26,525,145	\$28,303,946	\$26,733,057	\$27,311,977
13,074	13,946	15,071	14,427	14,811
9.7%	6.7%	8.1%	(4.3%)	2.7%
\$22,133,530	\$24,479,071	\$13,515,550	\$23,457,437	\$28,012,556
12,269	12,870	7,197	12,659	15,191
9.2%	4.9%	(44.1%)	75.9%	20.0%
140	141	140	135	134

Lakewood Local School District

Operational Information Last Ten Years

	2011	2012	2013	2014
Governmental Activities				
Pupils				
Enrollment	2,085	2,063	2,033	1,970
Graduates	138	149	145	147
Percent of Students with Disabilities	15.2%	15.0%	15.0%	14.7%
Board of Education				
Regularly scheduled board meeting per year	12	12	12	12
Fiscal Services				
Purchase Orders Processed	1,433	1,419	1,332	1,363
Checks Issued (non payroll)	2,366	2,456	2,598	2,548
Operation and Maintenance of Plant				
District Square Footage Maintained	357,393	357,393	357,393	357,393
District Square Acreage Maintained	114	114	114	114
Pupil Transportation				
Average Daily Students Transported	1,374	1,383	1,347	1,334
Average Daily Bus Fleet Miles	2,444	2,008	2,353	2,425
Number of Buses	33	31	33	34
Extracurricular Activities				
High School Varsity Teams	16	16	15	19
Business-Type Activities				
Food Service				
Student Lunches Served Annually	210,673	209,325	192,996	205,687
Free/Reduced Student Lunches Served Annually	113,561	125,391	119,828	119,006

Source: District Treasurer's Office and Ohio Department of Education Report Card Data

Student enrollment is based on the October count using the Educational Management System for fiscal years 2011 through 2016, while student enrollment for fiscal years 2017 through 2020 are based on the year end count.

During fiscal year 2020, the State of Ohio mandated a school closure on March 17, 2020 for a COVID-19 pandemic.

Lakewood Local School District

2015	2016	2017	2018	2019	2020
1,872	1,804	1,902	1,878	1,853	1,844
159	134	159	156	134	123
16.0%	17.5%	17.0%	17.4%	18.4%	21.0%
12	12	12	12	12	12
1,404	1,437	1,412	1,594	1,683	1,446
2,530	2,598	2,589	2,202	2,218	1,929
357,393	357,393	357,393	357,393	358,245	358,245
114	114	114	114	114	114
1,330	1,357	1,191	1,191	1,173	1,102
2,019	2,038	2,399	2,352	2,366	1,926
34	34	34	30	29	29
19	19	19	19	21	21
190,690	176,446	181,867	175,942	173,826	140,863
109,099	103,649	108,337	100,738	104,578	92,698

Lakewood Local School District

Teachers' Salaries Last Ten Years

Fiscal Year	2011	2012	2013	2014	2015
Minimum Salary (1)	31,402	31,402	31,716	31,875	32,433
Maximum Salary (2)	66,729	66,729	67,397	67,734	68,920
District Average Salary (3)	53,293	51,491	47,559	47,455	48,135
State Average Salary (3)	56,715	58,120	56,307	55,916	55,913

Full Time Equivalent Teachers by Education Last Ten Years

Fiscal Year	2011	2012	2013	2014	2015
Bachelor's Degree	10	5	6	9	7
Bachelor + 15	35	35	35	35	33
Master's Degree	61	67	66	65	66
Master's Degree + 15	41	34	30	28	36
Total	147	141	137	137	142

Source: District Treasurer's Office Personnel Records

(1) Starting Teacher with no experience - per negotiated agreement.

(2) Teacher with a Master degree plus more than 30 hours of additional education - per negotiated agreement.

(3) Provided by the Ohio Department of Education.

N/A means not available at the time this report was prepared

Lakewood Local School District

2016	2017	2018	2019	2020
33,406	34,408	35,096	36,962	37,794
70,988	73,117	74,579	78,544	80,312
50,259	56,787	58,691	60,827	62,771
55,294	56,985	58,186	63,916	N/A

2016	2017	2018	2019	2020
6	6	7	8	11
25	19	17	18	21
70	72	61	56	52
39	44	55	53	50
140	141	140	135	134

Lakewood Local School District

Building Statistics Last Ten Years

	2011	2012	2013	2014	2015
Secondary					
Lakewood Local High School					
Constructed in 2000					
Total Building Square Footage	150,848	150,848	150,848	150,848	150,848
Student Capacity	1,000	1,000	1,000	1,000	1,000
Enrollment Grades 9-12	670	671	646	658	629
Instruction Classrooms	44	44	44	44	44
Administrators	N/A	N/A	N/A	N/A	N/A
Certified Staff	N/A	N/A	N/A	N/A	N/A
Classified Staff	N/A	N/A	N/A	N/A	N/A
Middle					
Lakewood Local Middle School					
Constructed in 1959					
Total Building Square Footage	60,700	60,700	60,700	60,700	60,700
Student Capacity	720	720	720	720	720
Enrollment Grades 6-8	507	484	500	445	443
Instruction Classrooms	32	32	32	32	32
Administrators	N/A	N/A	N/A	N/A	N/A
Certified Staff	N/A	N/A	N/A	N/A	N/A
Classified Staff	N/A	N/A	N/A	N/A	N/A
Intermediate					
Jackson Intermediate School					
Constructed in 1972 and 1967					
Total Building Square Footage	75,107	75,107	75,107	75,107	75,107
Student Capacity	975	975	975	975	975
Enrollment Grades 3-5	437	434	421	412	421
Instruction Classrooms	40	40	40	40	40
Administrators	N/A	N/A	N/A	N/A	N/A
Certified Staff	N/A	N/A	N/A	N/A	N/A
Classified Staff	N/A	N/A	N/A	N/A	N/A
Elementary					
Lakewood Local Hebron Elementary School					
Constructed in 1914					
Total Building Square Footage	58,138	58,138	58,138	58,138	58,138
Student Capacity	675	675	675	675	675
Enrollment Grades K-2	471	474	466	455	451
Instruction Classrooms	36	36	36	36	36
Administrators	N/A	N/A	N/A	N/A	N/A
Certified Staff	N/A	N/A	N/A	N/A	N/A
Classified Staff	N/A	N/A	N/A	N/A	N/A
All Other					
Central Administration Building					
Total Building Square Footage	3,696	3,696	3,696	3,696	3,696
Superintendent/Director of District Services	N/A	N/A	N/A	N/A	N/A
Department Administrators	N/A	N/A	N/A	N/A	N/A
Classified Staff	N/A	N/A	N/A	N/A	N/A
Transportation/Maintenance/Food Service Building					
Total Building Square Footage	8,904	8,904	8,904	8,904	8,904
Department Administrators	N/A	N/A	N/A	N/A	N/A
Classified Staff	N/A	N/A	N/A	N/A	N/A

Source: District Treasurer's Office

Starting in fiscal year 2018 the District added additional staffing information for each building.

N/A: Information Unavailable

Lakewood Local School District

2016	2017	2018	2019	2020
150,848	150,848	150,848	150,848	150,848
1,000	1,000	1,000	1,000	1,000
623	622	615	602	594
44	44	44	44	44
N/A	N/A	3	4	4
N/A	N/A	48	48	47
N/A	N/A	16	15	16
60,700	60,700	60,700	61,552	61,552
720	720	720	720	720
429	461	449	434	422
32	32	32	32	32
N/A	N/A	2	2	2
N/A	N/A	39	39	39
N/A	N/A	13	12	12
75,107	75,107	75,107	75,107	75,107
975	975	975	975	975
432	403	407	407	417
40	40	40	40	40
N/A	N/A	2	2	2
N/A	N/A	33	31	31
N/A	N/A	19	20	20
58,138	58,138	58,138	58,138	58,138
675	675	675	675	675
456	416	407	410	411
36	36	36	36	36
N/A	N/A	1	1	1
N/A	N/A	32	30	30
N/A	N/A	14	14	14
3,696	3,696	3,696	3,696	3,696
N/A	N/A	N/A	2	2
N/A	N/A	N/A	1	1
N/A	N/A	N/A	5	5
8,904	8,904	8,904	8,904	8,904
N/A	N/A	N/A	3	3
N/A	N/A	N/A	28	28

Lakewood Local School District

Educational and Operating Statistics Last Ten Years

	2011	2012	2013	2014	2015
Cost per Student (ODE)					
Lakewood	9,754	9,561	9,282	8,887	9,278
State (Average)	10,571	10,508	10,149	9,536	9,904
Attendance Rate					
Lakewood	>95.00%	>95.00%	94.60%	95.00%	95.00%
State (Average)	94.50%	94.50%	94.20%	94.30%	94.10%
Graduation Rate					
Lakewood	99.40%	86.00%	89.00%	87.00%	95.00%
State (Average)	82.40%	83.80%	82.20%	82.20%	83.00%

Source:

Ohio Department of Education local report cards

N/A means not available at the time this report was prepared

Lakewood Local School District

2016	2017	2018	2019	2020
9,918	10,800	9,631	12,937	10,262
9,837	10,445	9,356	12,472	9,883
94.80%	94.50%	94.20%	93.80%	95.70%
94.10%	93.90%	93.70%	93.50%	N/A
95.00%	90.80%	89.90%	90.10%	92.40%
83.60%	84.10%	85.30%	85.90%	N/A

