

# Comprehensive Annual Financial Report (CAFR)

**For the Fiscal Year Ended June 30, 2019**



**Students Supporting Lakewood**

**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***

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***HEBRON, OHIO***

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
June 30, 2019**

*Prepared by:*

**Ms. Glenna Plaisted  
Treasurer/CFO**



# **LAKEWOOD LOCAL SCHOOL DISTRICT**

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## *INTRODUCTORY SECTION*

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November 20, 2019

To the Board of Education 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, 2019. 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 1,853 students in grades K-12. The District also serves 59 preschool students.

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](http://www.lakewoodlocal.k12.oh.us)**

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**LAKEWOOD LOCAL SCHOOL DISTRICT**

## ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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### ***Letter of Transmittal***

***For the Fiscal Year Ended June 30, 2019***

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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 has served as Superintendent since January 1, 2015.

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 Jacksontown 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.

Lancer Connect, our educational options 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.

### **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.

## ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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***For the Fiscal Year Ended June 30, 2019***

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### **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. Students also have access to tablets and/or Chromebook at all four buildings. The high school is 1:1, meaning every student has a Chromebook for instructional use 24 hours a day, 7 days a week. Teachers have incorporated the use of technology into their classrooms and enabled students to use technology to help facilitate life-long learning.

The District has a web page which can be located at [www.lakewoodlocal.k12.oh.us](http://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 RTI and 3-Tier Problem Solving model are 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 the development of the District Strategic Plan.

### **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 this school year.

## ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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### ***Letter of Transmittal***

***For the Fiscal Year Ended June 30, 2019***

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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.

### **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. As a District we have some areas to celebrate and some areas of focus.

## ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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### ***Letter of Transmittal***

***For the Fiscal Year Ended June 30, 2019***

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

**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. Our component grade is a “D”. This is the same grade we earned the last two years. We are pleased that we increased the number of indicators met from last year to this year. Compared to the 2018 report card, we increased achievement in several indicators, showing in some areas significant gains in achievement as measured by the Ohio State Tests (OST). Even though the percentages do not meet the state standard of 80% proficient, this indicates we are on the right path.

**Gap Closing-** This shows how well we meet performance expectations for sub-groups of students, such as our students with disabilities and economically disadvantaged. This measure was completely revamped during the 2017-2018 school year. Our District earned a letter grade of “B”. This is a significant increase over the “F” we received last year as we focus on the needs of all groups of students.

**Progress-** This measures the amount of growth students make from year to year. This is calculated based on three years of data. Progress scores for the District are a “D” this year. However, there is evidence that student growth is above expected growth in most areas, in all buildings, when you look at the last two years of data in Reading and Math.

**Improving At-Risk K-3 Reading-** Our District earned a “D” this year for this component of the local report card. This measures our success rate of moving students in grades K-3 from off-track to on-track from fall to fall. Although we saw a decrease in ‘Improving At-Risk Readers Component’ at Hebron Elementary School and Jackson Intermediate School, 99% of our non-exempt students met the Third Grade Reading Guarantee. 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 2017 and 2018. We earned a component score of “B” for the second year with a 4-year graduation rate of 90.1% and a 5-year graduations rate of 92.1% as reported with ODE data. However, 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 gradation for all students despite the challenging graduation requirements that have been set.

## ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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### ***Letter of Transmittal***

***For the Fiscal Year Ended June 30, 2019***

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Prepared for Success-This measures whether students are training in a technical field or preparing for work or college. Data reflects the graduating classes of 2017 and 2018. Our District component grade for this measure is an “F”. 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.

We use all of this data to develop our practice and guide our discussions. Before the final release of the report card, our district teams 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 are expected to 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 2023. As the District plans for the future, it will monitor fiscal years 2023-2024 to keep the District in a positive fund balance position.

### **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.

## ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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### ***Letter of Transmittal***

***For the Fiscal Year Ended June 30, 2019***

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

The District had a bond issue on the November 2019 ballot which was defeated. The Board of Education voted to go back on the ballot to build a new elementary school (grades Pre-K through 5) in March 2020. This will be the fourth attempt for a bond issue to build a new elementary school.

### **RECENT INITIATIVES/ACCOMPLISHMENTS**

There were a number of District initiatives/accomplishments made during the fiscal year ended June 30, 2019. Some of those were as follows:

#### **Financial**

The District received an unmodified opinion on the Fiscal Year 2018 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, 2018. 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, 2018. 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 Board of Education formally adopted a Strategic Plan. This resulted in the development of a vision, mission, core values and strategies to focus the district's work for the next three to five years.
- The District curriculum audit was completed and recommendations for improvements were suggested. These recommendations have been used to help define strategies and action steps within our Strategic Plan.
- 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.
- Implemented a drug testing program for Lakewood High School and Middle School with the input of staff, students, parents and community members.
- Received an additional \$3,000 grant from Making Middle Grades Work to implement key practices at Lakewood Middle School.
- All buildings have partnered with the Village Network to bring on-site counseling for referred students to the school buildings.

## ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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### ***Letter of Transmittal***

***For the Fiscal Year Ended June 30, 2019***

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- Teachers at Hebron, Jackson Intermediate and Lakewood Middle School are implementing Calm Classroom strategies in their classrooms 2-3 times each day. These strategies help students release stress and focus.
- 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 21<sup>st</sup> Century Skills.

### **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 2019 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 2019 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.

### **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***

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### ***Letter of Transmittal***

***For the Fiscal Year Ended June 30, 2019***

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**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 generally accepted accounting principles. 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 is designed to complement the MD&A and should be read in conjunction with it. The Lakewood Local School District’s MD&A can be found immediately following the Independent Auditor’s Report.

**RELEVANT FINANCIAL GUIDELINE** – In January 2017, the Board of Education passed a resolution to adopt 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. The results of the District’s single audit for the fiscal year ended June 30, 2019, as of this writing, revealed no instances of material weaknesses in internal control or significant violations of 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 agency 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***

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### ***Letter of Transmittal***

***For the Fiscal Year Ended June 30, 2019***

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**INDEPENDENT AUDIT** – This report includes an unmodified audit report regarding the District's financial statements. The audit was conducted by Julian & Grube, Inc. The Independent Auditor's Report on the basic financial statements is included in 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, 2018. 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 generally accepted accounting principles and applicable legal requirements, with contents conforming to program standards. A Certificate of Achievement is valid for a period of one year only. 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, 2018. The PAFR is a condensed, more user-friendly financial report intended to provide highlights of the District's financial condition.

**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



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## ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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### ***Members of the Board of Education and Administration For the Fiscal Year Ended June 30, 2019***

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#### ***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, 2019
Brittany Misner	May 10, 2018	December 31, 2019
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

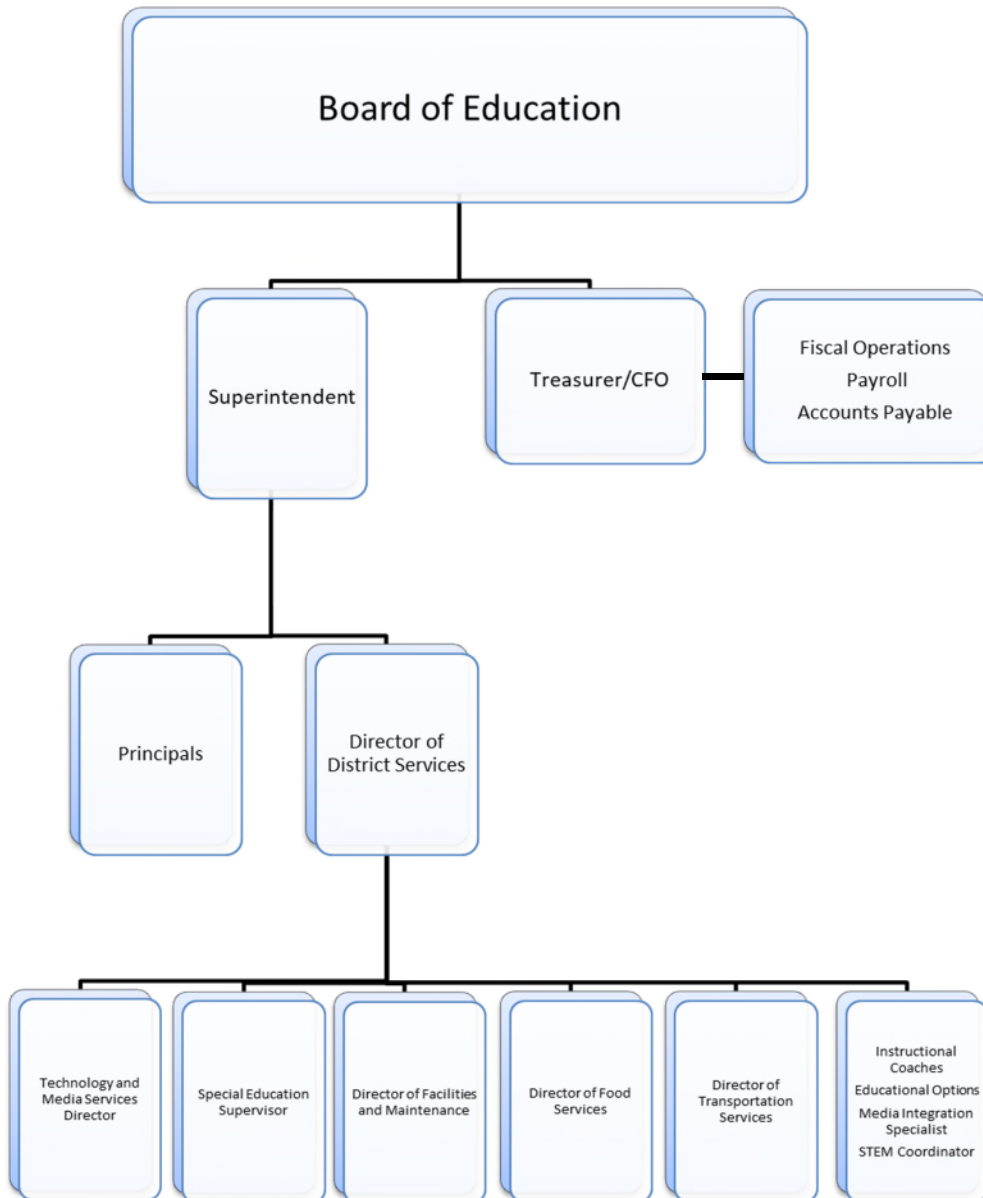
# ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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## ***Organizational Chart***

***For the Fiscal Year Ended June 30, 2019***

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**LAKEWOOD LOCAL SCHOOL DISTRICT**

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

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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, 2018**

*Christopher P. Morill*

Executive Director/CEO

## ***FINANCIAL SECTION***

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## **Julian & Grube, Inc.**

*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

### **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, 2019, 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 preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider 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 to the extent needed to opine 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 management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

### ***Opinion***

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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis* and schedules of net pension and other post-employment benefit liabilities/asset and pension and other post-employment benefit contributions, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

#### ***Supplementary and Other Information***

Our audit was conducted to opine on the Lakewood Local School District's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other 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, 2019, on our consideration of the Lakewood Local School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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, 2019



# ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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## ***Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019***

***Unaudited***

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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, 2019. 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 2019 are as follows:

- ❑ In total, net position increased \$1,055,346. Net position of governmental activities increased \$1,119,612, which represents a 75.6% increase from 2018. Net position of business-type activities decreased \$64,266 or 14.4% from 2018.
- ❑ General revenues accounted for \$22,171,462 in revenue or 86.0% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for \$3,613,509 or 14.0% of total revenues of \$25,784,971
- ❑ The District had \$23,699,393 in expenses related to governmental activities; only \$2,647,543 of these expenses were offset by program specific charges for services and sales, and grants and contributions.
- ❑ Among major funds, the general fund had \$22,220,484 in revenues and \$24,272,320 in expenditures. During fiscal year 2019, the general fund's fund balance decreased from \$17,533,945 to \$14,981,618.

### **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***

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***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019***

***Unaudited***

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## **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**

## **Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019**

**Unaudited**

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

Fiduciary Funds – The District is the trustee, or fiduciary, for various student-managed activity programs listed as an agency fund. All of the District's fiduciary activities are reported in a separate Statement of Assets and Liabilities. 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 2019 compared to 2018:

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Assets:</b>						
Current and other assets	\$34,812,452	\$35,127,830	\$94,246	\$89,156	\$34,906,698	\$35,216,986
Net OPEB Asset	1,441,683	0	0	0	1,441,683	0
Capital assets, Net	16,689,278	17,497,218	91,398	102,808	16,780,676	17,600,026
Total assets	<u>52,943,413</u>	<u>52,625,048</u>	<u>185,644</u>	<u>191,964</u>	<u>53,129,057</u>	<u>52,817,012</u>
<b>Deferred outflows of resources:</b>						
Refunding	55,810	62,786	0	0	55,810	62,786
Pension	6,726,644	8,000,983	162,734	194,860	6,889,378	8,195,843
OPEB	425,174	252,003	34,292	12,144	459,466	264,147
Total deferred outflows of resources	<u>7,207,628</u>	<u>8,315,772</u>	<u>197,026</u>	<u>207,004</u>	<u>7,404,654</u>	<u>8,522,776</u>
<b>Liabilities:</b>						
Net pension liability	24,552,363	25,885,284	520,109	495,151	25,072,472	26,380,435
Net OPEB liability	2,355,975	5,612,244	253,945	225,165	2,609,920	5,837,409
Other long-term liabilities	9,554,770	10,649,437	6,740	10,498	9,561,510	10,659,935
Other liabilities	2,463,225	2,316,127	68,139	72,088	2,531,364	2,388,215
Total liabilities	<u>38,926,333</u>	<u>44,463,092</u>	<u>848,933</u>	<u>802,902</u>	<u>39,775,266</u>	<u>45,265,994</u>
<b>Deferred inflows of resources:</b>						
Property Tax	14,488,792	13,039,743	0	0	14,488,792	13,039,743
Pension	1,662,773	1,250,195	15,538	12,144	1,678,311	1,262,339
OPEB	2,473,134	707,393	27,935	29,392	2,501,069	736,785
Total deferred inflows of resources	<u>18,624,699</u>	<u>14,997,331</u>	<u>43,473</u>	<u>41,536</u>	<u>18,668,172</u>	<u>15,038,867</u>
<b>Net position (deficit):</b>						
Net investment in capital assets	7,537,301	7,250,065	91,398	102,808	7,628,699	7,352,873
Restricted	770,746	853,153	0	0	770,746	853,153
Unrestricted	(5,708,038)	(6,622,821)	(601,134)	(548,278)	(6,309,172)	(7,171,099)
Total net position (deficit)	<u>\$2,600,009</u>	<u>\$1,480,397</u>	<u>(\$509,736)</u>	<u>(\$445,470)</u>	<u>\$2,090,273</u>	<u>\$1,034,927</u>

## ***LAKEWOOD LOCAL SCHOOL DISTRICT***

---

### ***Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019***

***Unaudited***

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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.

## ***LAKEWOOD LOCAL SCHOOL DISTRICT***

---

### ***Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019***

***Unaudited***

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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 32% 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, 2019 was \$7,537,301. 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, \$770,746, 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 \$16.7 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, 2019**

**Unaudited**

Changes in Net Position – The following table shows the changes in net position for fiscal years 2019 and 2018:

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues:						
Charges for Services and Sales	\$1,373,437	\$1,487,225	\$368,147	\$348,571	\$1,741,584	\$1,835,796
Operating Grants and Contributions	1,274,106	1,282,931	597,819	588,905	1,871,925	1,871,836
Capital Grants and Contributions	0	458,000	0	0	0	458,000
Total Program Revenues	2,647,543	3,228,156	965,966	937,476	3,613,509	4,165,632
General Revenues:						
Property Taxes	13,701,588	15,962,535	0	0	13,701,588	15,962,535
Grants and Entitlements	7,879,658	8,221,497	0	0	7,879,658	8,221,497
Other	590,216	392,003	0	0	590,216	392,003
Total General Revenues	22,171,462	24,576,035	0	0	22,171,462	24,576,035
Total Revenues	24,819,005	27,804,191	965,966	937,476	25,784,971	28,741,667
Program Expenses						
Instruction	13,698,720	6,499,863	0	0	13,698,720	6,499,863
Support Services:						
Pupils	1,530,987	942,383	0	0	1,530,987	942,383
Instructional Staff	799,038	428,326	0	0	799,038	428,326
Board of Education	34,420	174,438	0	0	34,420	174,438
Administration	1,908,916	961,114	0	0	1,908,916	961,114
Fiscal Services	760,212	643,616	0	0	760,212	643,616
Business	26,181	24,802	0	0	26,181	24,802
Operation and Maintenance of Plant	2,084,371	1,593,046	0	0	2,084,371	1,593,046
Pupil Transportation	1,836,521	1,608,005	0	0	1,836,521	1,608,005
Central	38,329	15,121	0	0	38,329	15,121
Operation of Non-Instructional Services	48,134	46,340	0	0	48,134	46,340
Extracurricular Activities	691,608	578,496	0	0	691,608	578,496
Interest and Fiscal Charges	241,956	266,558	0	0	241,956	266,558
Food Service	0	0	1,030,232	938,537	1,030,232	938,537
Total Expenses	23,699,393	13,782,108	1,030,232	938,537	24,729,625	14,720,645
Total Change in Net Position (Deficit)	1,119,612	14,022,083	(64,266)	(1,061)	1,055,346	14,021,022
Beginning Net Position (Deficit)	1,480,397	(12,541,686)	(445,470)	(444,409)	1,034,927	(12,986,095)
Ending Net Position (Deficit)	\$2,600,009	\$1,480,397	(\$509,736)	(\$445,470)	\$2,090,273	\$1,034,927

## LAKEWOOD LOCAL SCHOOL DISTRICT

### *Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019*

*Unaudited*

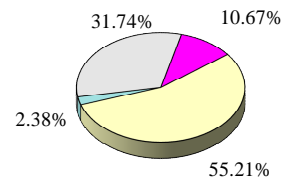
#### ***Governmental Activities***

Net position of the District's governmental activities increased by \$1,119,612. Part of this increase can be attributed to changes in the net pension and net OPEB liabilities both of which decreased in fiscal year 2019. This increase was partially offset by a decrease in tax revenue as a result of advance property tax payments made in fiscal year 2018 due to changes in the Federal Tax code. Total governmental expenses of \$23,699,393 were offset by program revenues of \$2,647,543 and general revenues of \$22,171,462. Program revenues supported 11.2% of the total governmental expenses. The primary sources of revenues consist of property taxes and grants and entitlements which total \$21,581,246 and represent 97.3% 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 passed a five year renewal emergency levy on November 7, 2017 that generates tax revenues of \$2,353,259 yearly. Voters also approved a new ten year emergency operating levy on November 2, 2010 for \$3,528,880. Fiscal year 2019 includes the total revenues generated from both these emergency levies. Property taxes made up 55% of revenues for governmental activities for the District in fiscal year 2019. The District's reliance upon tax revenues is demonstrated by the following chart:

Revenue Sources	2019	Percent of Total
General Grants	\$7,879,658	31.74%
Program Revenues	2,647,543	10.67%
Property Tax Revenues	13,701,588	55.21%
General Other	590,216	2.38%
Total Revenue	<u>\$24,819,005</u>	<u>100.00%</u>



#### ***Business-Type Activities***

Net position of the business-type activities decreased by \$64,266. These programs had revenues of \$965,966 and expenses of \$1,030,232 for fiscal year 2019. 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, 2019***

***Unaudited***

## **FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS**

The District's governmental funds reported a combined fund balance of \$17,241,913, which is lower than last year's total of \$19,385,602. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2019 and 2018.

	Fund Balance June 30, 2019	Fund Balance June 30, 2018	Increase (Decrease)
General	\$14,981,618	\$17,533,945	(\$2,552,327)
Debt Service	693,470	806,573	(113,103)
Other Governmental	1,566,825	1,045,084	521,741
Total	<u>\$17,241,913</u>	<u>\$19,385,602</u>	<u>(\$2,143,689)</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:

	2019 Revenues	2018 Revenues	Increase (Decrease)
Taxes	\$12,704,043	\$14,767,637	(\$2,063,594)
Tuition	940,057	1,220,174	(280,117)
Investment Earnings	506,348	248,916	257,432
Extracurricular Activities	44,636	29,198	15,438
Class Materials and Fees	71,986	76,523	(4,537)
Intergovernmental - State	7,729,647	8,077,685	(348,038)
Intergovernmental - Federal	140,221	101,217	39,004
All Other Revenue	83,546	158,366	(74,820)
Total	<u>\$22,220,484</u>	<u>\$24,679,716</u>	<u>(\$2,459,232)</u>

General Fund revenues in 2019 decreased approximately 10.0% compared to revenues in fiscal year 2018. During fiscal year 2019, the District had a decrease in Taxes. The decrease in Taxes is a result of recognizing an additional \$1 million in Advance Tax payments in fiscal year 2018 for payment of property taxes prior to December 31, 2017 due to changes in the Federal Tax Code. The \$1 million of tax revenues which was recognized in fiscal year 2018 instead of fiscal year 2019 resulted in a \$2 million decrease between the two years.

## **LAKEWOOD LOCAL SCHOOL DISTRICT**

### ***Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019***

***Unaudited***

	2019 Expenditures	2018 Expenditures	Increase (Decrease)
Instruction	\$14,590,148	\$13,948,780	\$641,368
Supporting Services:			
Pupils	1,572,055	1,557,397	14,658
Instructional Staff	717,687	629,153	88,534
Board of Education	156,324	176,071	(19,747)
Administration	1,961,535	1,906,163	55,372
Fiscal Services	749,402	687,057	62,345
Business	26,294	26,506	(212)
Operation & Maintenance of Plant	2,216,526	2,105,803	110,723
Pupil Transportation	1,797,350	1,828,136	(30,786)
Central	38,645	21,741	16,904
Operation of Non-Instructional Services	3,246	832	2,414
Extracurricular Activities	359,709	350,464	9,245
Capital Outlay	51,947	1,671,809	(1,619,862)
Debt Service:			
Principal Retirement	29,364	33,062	(3,698)
Interest and Fiscal Charges	2,088	2,845	(757)
Total	<u>\$24,272,320</u>	<u>\$24,945,819</u>	<u>(\$673,499)</u>

The expenditures decreased by \$673,499 or 2.7% compared to the prior year. The District's budget is 72% personnel related. The District had an 3% increase in base salary for fiscal year 2019 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 0% health insurance adjustment for the January 2019 renewal. The District's capital outlay also decreased because the District completed its larger capital improvement projects in fiscal year 2018.

*Debt Service Fund* – The fund balance decreased \$113,103. During fiscal year 2019, the District had a decrease in Taxes. This decrease can be attributed to the increase in fiscal year 2018 of Available Tax Advances that was the result of an increase in taxpayers paying their property taxes prior to December 31, 2017 due to changes in the Federal Tax Code.

## ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019***

***Unaudited***

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### **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 2019 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 \$23.4 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.

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## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019***

***Unaudited***

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### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### *Capital Assets*

At the end of fiscal 2019, the District had \$16,780,676 net of accumulated depreciation invested in land, buildings, equipment and vehicles. Of this total, \$16,689,278 was related to governmental activities and \$91,398 to the business-type activities. The following table shows fiscal year 2019 and 2018 balances:

	Governmental Activities		Change
	2019	2018	
Land	\$410,817	\$410,817	\$0
Land Improvements	3,724,028	3,679,255	44,773
Buildings and Improvements	25,467,897	25,006,804	461,093
Furniture, Fixtures and Equipment	4,199,664	4,140,116	59,548
Vehicles	2,539,456	2,528,484	10,972
Construction in Progress	0	326,871	(326,871)
Less: Accumulated Depreciation	(19,652,584)	(18,595,129)	(1,057,455)
Totals	<u>\$16,689,278</u>	<u>\$17,497,218</u>	<u>(\$807,940)</u>

	Business-Type Activities		Change
	2019	2018	
Furniture and Equipment	\$408,863	\$408,863	\$0
Less: Accumulated Depreciation	(317,465)	(306,055)	(11,410)
Totals	<u>\$91,398</u>	<u>\$102,808</u>	<u>(\$11,410)</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**

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***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019***

***Unaudited***

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***Debt***

At June 30, 2019 the District had \$9.6 million in bonds, leases, and other long-term obligations outstanding, \$1,180,177 due within one year. The following table summarizes the District's debt and other long-term liabilities outstanding as of June 30, 2019 and June 30, 2018:

	<u>2019</u>	<u>2018</u>
Governmental Activities:		
General Obligation Bonds:		
School Improvement	\$6,728,134	\$7,484,151
Energy Conservation Bonds Payable	367,083	458,854
Financed Capital Lease Payable	2,045,000	2,270,000
Capital Leases Payable	67,570	96,934
Compensated Absences	<u>346,983</u>	<u>339,498</u>
Total Governmental Activities	9,554,770	10,649,437
Business-Type Activities:		
Compensated Absences	<u>6,740</u>	<u>10,498</u>
Total Business-Type Activities	<u>6,740</u>	<u>10,498</u>
Totals	<u>\$9,561,510</u>	<u>\$10,659,935</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, 2019, 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***

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***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019***

***Unaudited***

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### **CURRENT FINANCIAL RELATED ACTIVITIES**

As the preceding information shows, the District relies heavily upon property taxes and grants and entitlements to provide the funds necessary to maintain its educational programs. The District passed a ten year renewal operating levy 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 renewal 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.

In January 2017, the Board passed a resolution to adopt a General Fund Balance Guideline whose purpose was to preserve financial stability. The cash reserve is equal to up to 60 days operational cash as the minimum operational benchmark for determining the ending cash needs for 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 2020-2022. With the passage of the ten year renewal operating levy and some planned reduction of expenditures, the District should be able to meet its operating expenses through 2023. As the District plans for the future, it will monitor fiscal years 2023-2024 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](mailto:gplaisted@laca.org).



# LAKEWOOD LOCAL SCHOOL DISTRICT

## Statement of Net Position June 30, 2019

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 10,722,306	\$ 74,039	\$ 10,796,345
Investments	7,813,733	0	7,813,733
Receivables:			
Taxes	15,597,239	0	15,597,239
Accounts	223,686	0	223,686
Intergovernmental	115,007	0	115,007
Interest	17,555	0	17,555
Inventory	29,313	6,934	36,247
Prepaid Items	293,613	13,273	306,886
Net OPEB Asset	1,441,683	0	1,441,683
Capital Assets:			
Nondepreciable Capital Assets	410,817	0	410,817
Depreciable Capital Assets, Net	16,278,461	91,398	16,369,859
Total Capital Assets, Net	16,689,278	91,398	16,780,676
<b>Total Assets</b>	<b>52,943,413</b>	<b>185,644</b>	<b>53,129,057</b>
<b>Deferred Outflows of Resources:</b>			
Deferred Charge on Refunding	55,810	0	55,810
Pension	6,726,644	162,734	6,889,378
OPEB	425,174	34,292	459,466
<b>Total Deferred Outflows of Resources</b>	<b>7,207,628</b>	<b>197,026</b>	<b>7,404,654</b>
<b>Liabilities:</b>			
Accounts Payable	229,729	0	229,729
Accrued Wages and Benefits	1,858,847	54,290	1,913,137
Intergovernmental Payable	349,107	13,849	362,956
Accrued Interest Payable	25,542	0	25,542
Long Term Liabilities:			
Due Within One Year	1,180,177	0	1,180,177
Due in More Than One Year:			
Net Pension Liability	24,552,363	520,109	25,072,472
Net OPEB Liability	2,355,975	253,945	2,609,920
Other Amounts Due in More Than One Year	8,374,593	6,740	8,381,333
<b>Total Liabilities</b>	<b>38,926,333</b>	<b>848,933</b>	<b>39,775,266</b>
<b>Deferred Inflows of Resources:</b>			
Property Taxes	14,488,792	0	14,488,792
Pension	1,662,773	15,538	1,678,311
OPEB	2,473,134	27,935	2,501,069
<b>Total Deferred Inflows of Resources</b>	<b>18,624,699</b>	<b>43,473</b>	<b>18,668,172</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	7,537,301	91,398	7,628,699
Restricted For:			
Debt Service	688,383	0	688,383
Federally Funded Programs	14,063	0	14,063
Other Purposes	68,300	0	68,300
Unrestricted (Deficit)	(5,708,038)	(601,134)	(6,309,172)
<b>Total Net Position</b>	<b>\$ 2,600,009</b>	<b>\$ (509,736)</b>	<b>\$ 2,090,273</b>

See accompanying notes to the basic financial statements

# **LAKEWOOD LOCAL SCHOOL DISTRICT**

## **Statement of Activities For the Fiscal Year Ended June 30, 2019**

		Program Revenues	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions
<b>Governmental Activities:</b>			
Instruction	\$ 13,698,720	\$ 1,233,510	\$ 944,056
Support Services:			
Pupils	1,530,987	0	145,679
Instructional Staff	799,038	0	130,662
Board of Education	34,420	0	0
Administration	1,908,916	0	12,000
Fiscal Services	760,212	0	0
Business	26,181	0	0
Operation and Maintenance of Plant	2,084,371	0	20,753
Pupil Transportation	1,836,521	0	656
Central	38,329	0	0
Operation of Non-Instructional Services	48,134	0	3,233
Extracurricular Activities	691,608	139,927	17,067
Interest and Fiscal Charges	241,956	0	0
<b>Total Governmental Activities</b>	<b>23,699,393</b>	<b>1,373,437</b>	<b>1,274,106</b>
<b>Business-Type Activities:</b>			
Food Service	1,030,232	368,147	597,819
<b>Total Business-Type Activities</b>	<b>1,030,232</b>	<b>368,147</b>	<b>597,819</b>
<b>Totals</b>	<b>\$ 24,729,625</b>	<b>\$ 1,741,584</b>	<b>\$ 1,871,925</b>

### **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

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
\$ (11,521,154)	\$ 0	\$ (11,521,154)
(1,385,308)	0	(1,385,308)
(668,376)	0	(668,376)
(34,420)	0	(34,420)
(1,896,916)	0	(1,896,916)
(760,212)	0	(760,212)
(26,181)	0	(26,181)
(2,063,618)	0	(2,063,618)
(1,835,865)	0	(1,835,865)
(38,329)	0	(38,329)
(44,901)	0	(44,901)
(534,614)	0	(534,614)
(241,956)	0	(241,956)
<u>(21,051,850)</u>	<u>0</u>	<u>(21,051,850)</u>
<u>0</u>	<u>(64,266)</u>	<u>(64,266)</u>
<u>0</u>	<u>(64,266)</u>	<u>(64,266)</u>
<u>(21,051,850)</u>	<u>(64,266)</u>	<u>(21,116,116)</u>
12,719,183	0	12,719,183
982,405	0	982,405
7,879,658	0	7,879,658
503,506	0	503,506
86,710	0	86,710
<u>22,171,462</u>	<u>0</u>	<u>22,171,462</u>
1,119,612	(64,266)	1,055,346
<u>1,480,397</u>	<u>(445,470)</u>	<u>1,034,927</u>
<u>\$ 2,600,009</u>	<u>\$ (509,736)</u>	<u>\$ 2,090,273</u>

# LAKEWOOD LOCAL SCHOOL DISTRICT

## **Balance Sheet Governmental Funds June 30, 2019**

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 8,534,990	\$ 626,650	\$ 1,560,666	\$ 10,722,306
Investments	7,813,733	0	0	7,813,733
Receivables:				
Taxes	14,474,265	1,122,974	0	15,597,239
Accounts	223,536	0	150	223,686
Intergovernmental	20,096	0	94,911	115,007
Interest	17,555	0	0	17,555
Interfund Loan Receivable	7,610	0	0	7,610
Inventory	29,313	0	0	29,313
Prepaid Items	283,673	0	9,940	293,613
<b>Total Assets</b>	<b>\$ 31,404,771</b>	<b>\$ 1,749,624</b>	<b>\$ 1,665,667</b>	<b>\$ 34,820,062</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 227,476	\$ 0	\$ 2,253	\$ 229,729
Accrued Wages and Benefits	1,784,581	0	74,266	1,858,847
Intergovernmental Payable	342,248	0	6,859	349,107
Interfund Loans Payable	0	0	7,610	7,610
<b>Total Liabilities</b>	<b>2,354,305</b>	<b>0</b>	<b>90,988</b>	<b>2,445,293</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	13,453,093	1,035,699	0	14,488,792
Unavailable Revenue	615,755	20,455	7,854	644,064
<b>Total Deferred Inflows of Resources</b>	<b>14,068,848</b>	<b>1,056,154</b>	<b>7,854</b>	<b>15,132,856</b>
<b>Fund Balances:</b>				
Nonspendable	312,986	0	9,940	322,926
Restricted	7,684	693,470	66,825	767,979
Committed	204,164	0	0	204,164
Assigned	1,964,573	0	1,500,000	3,464,573
Unassigned	12,492,211	0	(9,940)	12,482,271
<b>Total Fund Balances</b>	<b>14,981,618</b>	<b>693,470</b>	<b>1,566,825</b>	<b>17,241,913</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 31,404,771</b>	<b>\$ 1,749,624</b>	<b>\$ 1,665,667</b>	<b>\$ 34,820,062</b>

See accompanying notes to the basic financial statements

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## LAKEWOOD LOCAL SCHOOL DISTRICT

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### ***Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities June 30, 2019***

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<b>Total Governmental Fund Balances</b>	\$	17,241,913
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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.		16,689,278
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		644,064
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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	6,726,644		
Deferred Inflows - Pension	(1,662,773)		
Net Pension Liability	<u>(24,552,363)</u>		(19,488,492)

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	425,174		
Deferred Inflows - OPEB	(2,473,134)		
Net OPEB Asset	1,441,683		
Net OPEB Liability	<u>(2,355,975)</u>		(2,962,252)

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	(367,083)		
General Obligation Bonds Payable	(6,480,000)		
Deferred loss on refunding (to be amortized as interest expense)	55,810		
Issuance Premium (to be amortized against interest expense)	(248,134)		
Capital Leases Payable	(2,112,570)		
Compensated Absences Payable	(346,983)		
Accrued Interest Payable	<u>(25,542)</u>		(9,524,502)

<b><i>Net Position of Governmental Activities</i></b>	<b><u>\$</u></b>	<b><u>2,600,009</u></b>
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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, 2019**

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Local Sources:				
Taxes	\$ 12,704,043	\$ 982,857	\$ 0	\$ 13,686,900
Tuition	940,057	0	0	940,057
Investment Earnings	506,348	0	0	506,348
Extracurricular Activities	44,636	0	95,291	139,927
Class Materials and Fees	71,986	0	0	71,986
Intermediate Sources	0	0	9,963	9,963
Intergovernmental - State	7,729,647	224,057	113,569	8,067,273
Intergovernmental - Federal	140,221	0	911,424	1,051,645
All Other Revenue	83,546	0	32,214	115,760
<b>Total Revenue</b>	<b>22,220,484</b>	<b>1,206,914</b>	<b>1,162,461</b>	<b>24,589,859</b>
<b>Expenditures:</b>				
Current:				
Instruction	14,590,148	0	734,811	15,324,959
Supporting Services:				
Pupils	1,572,055	0	142,240	1,714,295
Instructional Staff	717,687	0	132,413	850,100
Board of Education	156,324	0	0	156,324
Administration	1,961,535	0	15,109	1,976,644
Fiscal Services	749,402	11,319	0	760,721
Business	26,294	0	0	26,294
Operation and Maintenance of Plant	2,216,526	0	12,370	2,228,896
Pupil Transportation	1,797,350	0	1,515	1,798,865
Central	38,645	0	0	38,645
Operation of Non-Instructional Services	3,246	0	1,998	5,244
Extracurricular Activities	359,709	0	100,264	459,973
Capital Outlay	51,947	0	0	51,947
Debt Service:				
Principal Retirement	29,364	1,041,771	0	1,071,135
Interest and Fiscal Charges	2,088	266,927	0	269,015
<b>Total Expenditures</b>	<b>24,272,320</b>	<b>1,320,017</b>	<b>1,140,720</b>	<b>26,733,057</b>
Excess (Deficiency) of Revenues Over Expenditures	(2,051,836)	(113,103)	21,741	(2,143,198)

## ***LAKEWOOD LOCAL SCHOOL DISTRICT***

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	2,108	0	0	2,108
Transfers In	0	0	500,000	500,000
Transfers Out	(500,000)	0	0	(500,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(497,892)</b>	<b>0</b>	<b>500,000</b>	<b>2,108</b>
Net Change in Fund Balance	(2,549,728)	(113,103)	521,741	(2,141,090)
<b>Fund Balances at Beginning of Year</b>	<b>17,533,945</b>	<b>806,573</b>	<b>1,045,084</b>	<b>19,385,602</b>
Decrease in Inventory	(2,599)	0	0	(2,599)
<b>Fund Balances End of Year</b>	<b>\$ 14,981,618</b>	<b>\$ 693,470</b>	<b>\$ 1,566,825</b>	<b>\$ 17,241,913</b>

See accompanying notes to the basic financial statements

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## LAKEWOOD LOCAL SCHOOL DISTRICT

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***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, 2019***

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Net Change in Fund Balances - Total Governmental Funds \$ (2,141,090)

***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. (805,638)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position. (2,302)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 229,146

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 2,005,844

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (2,296,275)

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. 3,041,817

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. 1,102,152

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditure is reported when due. 3,018

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	(7,485)	
Amortization of Deferred Loss on Refunding	(6,976)	
Change in Inventory	(2,599)	(17,060)

***Change in Net Position of Governmental Activities*** \$ 1,119,612

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, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Local Sources:				
Taxes	\$ 13,856,750	\$ 13,851,543	\$ 13,851,543	\$ 0
Tuition	1,190,075	1,059,115	1,052,291	(6,824)
Investment Earnings	275,000	423,330	447,933	24,603
Extracurricular Activities	8,000	6,242	4,832	(1,410)
Class Material and Fees	75,490	72,634	70,670	(1,964)
Intergovernmental - State	7,657,259	7,731,397	7,729,647	(1,750)
Intergovernmental - Federal	134,000	150,000	135,290	(14,710)
All Other Revenues	107,189	127,474	130,048	2,574
Total Revenues	<u>23,303,763</u>	<u>23,421,735</u>	<u>23,422,254</u>	<u>519</u>
<b>Expenditures:</b>				
Current:				
Instructional Services	14,673,875	14,726,790	14,468,586	258,204
Support Services:				
Pupils	1,644,122	1,611,868	1,570,611	41,257
Instructional Staff	770,639	781,549	758,127	23,422
Board of Education	172,529	193,121	169,237	23,884
Administration	1,995,661	1,983,838	1,952,158	31,680
Fiscal Services	761,104	758,861	748,373	10,488
Business	57,658	38,508	27,984	10,524
Operation and Maintenance of Plant	2,228,747	2,423,577	2,272,819	150,758
Pupil Transportation	1,808,335	1,820,643	1,802,576	18,067
Central	26,927	51,697	40,145	11,552
Operation of Non-Instructional Services	1,027	2,903	2,903	0
Extracurricular Activities	341,472	340,222	319,719	20,503
Capital Outlay	530,189	188,499	186,071	2,428
Total Expenditures	<u>25,012,285</u>	<u>24,922,076</u>	<u>24,319,309</u>	<u>602,767</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,708,522)	(1,500,341)	(897,055)	603,286
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	3,000	2,000	2,108	108
Transfers Out	(500,000)	(500,000)	(500,000)	0
Total Other Financing Sources (Uses):	<u>(497,000)</u>	<u>(498,000)</u>	<u>(497,892)</u>	<u>108</u>
Net Change in Fund Balance	(2,205,522)	(1,998,341)	(1,394,947)	603,394
Fund Balance at Beginning of Year	17,223,571	17,223,571	17,223,571	0
Prior Year Encumbrances	259,213	259,213	259,213	0
Fund Balance at End of Year	<u>\$ 15,277,262</u>	<u>\$ 15,484,443</u>	<u>\$ 16,087,837</u>	<u>\$ 603,394</u>

See accompanying notes to the basic financial statements

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## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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***Statement of Net Position***  
***Proprietary Fund***  
***June 30, 2019***

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	Business-Type Activities Enterprise Funds Food Service
<b>Assets:</b>	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 74,039
Inventory Held for Resale	6,934
Prepaid Items	13,273
<i>Total Current Assets</i>	94,246
<i>Non Current Assets:</i>	
Capital Assets, Net	91,398
<b>Total Assets</b>	185,644
<b>Deferred Outflows of Resources:</b>	
Pension	162,734
OPEB	34,292
<b>Total Deferred Outflows of Resources</b>	197,026
<b>Liabilities:</b>	
<i>Current Liabilities:</i>	
Accrued Wages and Benefits	54,290
Intergovernmental Payable	13,849
<i>Total Current Liabilities</i>	68,139
<i>Long Term Liabilities:</i>	
Compensated Absences Payable	6,740
Net Pension Liability	520,109
Net OPEB Liability	253,945
<i>Total Long-term Liabilities</i>	780,794
<b>Total Liabilities</b>	848,933
<b>Deferred Inflows of Resources:</b>	
Pension	15,538
OPEB	27,935
<b>Total Deferred Inflows of Resources</b>	43,473
<b>Net Position:</b>	
Net Investment in Capital Assets	91,398
Unrestricted	(601,134)
<b>Total Net Position</b>	\$ (509,736)

See accompanying notes to the basic financial statements

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## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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***Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Fund  
For the Fiscal Year Ended June 30, 2019***

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	Business-Type Activities
	Enterprise Funds
	Food Service
<b>Operating Revenues:</b>	
Sales	\$ 366,848
<b>Total Operating Revenues</b>	<u>366,848</u>
<b>Operating Expenses:</b>	
Salaries and Wages	294,101
Fringe Benefits	293,714
Contractual Services	12,388
Supplies and Materials	417,579
Depreciation	11,410
Other Operating Expense	1,040
<b>Total Operating Expenses</b>	<u>1,030,232</u>
Operating Loss	(663,384)
<b>Nonoperating Revenue:</b>	
Intergovernmental Grants	597,819
Investment Earnings	1,299
<b>Total Nonoperating Revenues</b>	<u>599,118</u>
Change in Net Position	(64,266)
Net Position Beginning of Year	<u>(445,470)</u>
Net Position End of Year	<u>\$ (509,736)</u>

See accompanying notes to the basic financial statements

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## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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***Statement of Cash Flows***  
***Proprietary Fund***  
***For the Fiscal Year Ended June 30, 2019***

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	Business-Type Activities
	Enterprise Fund
	Food Service
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$367,104
Cash Payments for Goods and Services	(334,094)
Cash Payments to Employees for Services and Benefits	(529,307)
Net Cash Used by Operating Activities	(496,297)
<u>Cash Flows from Noncapital Financing Activities:</u>	
Intergovernmental Grants Received	499,287
Net Cash Provided by Noncapital Financing Activities	499,287
<u>Cash Flows from Investing Activities:</u>	
Receipt of Interest	1,299
Net Cash Provided by Investing Activities	1,299
Net Increase in Cash and Cash Equivalents	4,289
Cash and Cash Equivalents at Beginning of Year	69,750
Cash and Cash Equivalents at End of Year	\$74,039
<u>Reconciliation of Operating Loss to Net Cash</u>	
<u>Used by Operating Activities:</u>	
Operating Loss	(\$663,384)
Adjustments to Reconcile Operating Loss to	
Net Cash Used by Operating Activities:	
Depreciation Expense	11,410
Donated Commodities Used During the Year	98,532
Changes in Assets and Deferred Outflows and	
Liabilities and Deferred Inflows:	
Decrease in Accounts Receivable	256
Increase in Inventory	(1,619)
Decrease in Prepaid Items	562
Decrease in Deferred Outflow-Pension	32,126
Increase in Deferred Outflow-OPEB	(22,148)
Decrease in Accrued Wages and Benefits	(2,432)
Decrease in Intergovernmental Payables	(1,517)
Decrease in Compensated Absences	(3,758)
Increase in Net Pension Liability	24,958
Increase in Net OPEB Liability	28,780
Increase in Deferred Inflow-Pension	3,394
Decrease in Deferred Inflow-OPEB	(1,457)
Total Adjustments	167,087
Net Cash Used by Operating Activities	(\$496,297)

Schedule of Noncash Investing, Capital and Financing Activities:

During fiscal year 2019, the Food Service Fund received \$98,532 in donated commodities from the federal government.

See accompanying notes to the basic financial statements

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## ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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***Statement of Assets and Liabilities***  
***Fiduciary Fund***  
***June 30, 2019***

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	<u>Agency</u>
<b>Assets:</b>	
Cash and Cash Equivalents	<u>\$ 31,827</u>
<b>Total Assets</b>	<u><u>\$ 31,827</u></u>
<b>Liabilities:</b>	
Due to Students	<u>\$ 31,827</u>
<b>Total Liabilities</b>	<u><u>\$ 31,827</u></u>

See accompanying notes to the basic financial statements

# ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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### **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 91 non-certified employees, 152 certificated employees and 15 administrative employees providing education to 1,853 students in grades K-12 and also to 59 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), Central Ohio Special Education Regional Resource Center 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 as applicable to governmental units. The following is a summary of its significant accounting policies.

## ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **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***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **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 agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations or other governments and therefore not available to support the District's own programs. The District's agency funds account for various student-managed activity programs and tournament money for the Ohio High School Athletic Association. The agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operation.

##### **C. Basis of Presentation and Measurement Focus – Financial Statements**

***Government-wide Financial Statements*** – The statement of net 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.

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## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **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***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **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 agency 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 2019.

## ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **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).

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## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **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)	(\$2,549,728)
Increase (Decrease):	
Accrued Revenues at June 30, 2019, received during FY 2020	(666,604)
Accrued Revenues at June 30, 2018, received during FY 2019	1,987,636
Accrued Expenditures at June 30, 2019, paid during FY 2020	2,354,305
Accrued Expenditures at June 30, 2018, paid during FY 2019	(2,228,492)
FY 2018 Prepays for FY 2019	296,414
FY 2019 Prepays for FY 2020	(283,673)
Adjustment to Fair Value of Investments	(75,475)
Perspective Difference- Budgeted Special Revenue Fund reclassified as General Fund	(11,136)
Encumbrances Outstanding	<u>(218,194)</u>
Budget Basis	<u><u>(\$1,394,947)</u></u>

##### **F. Cash and Cash Equivalents**

During fiscal year 2019, cash and cash equivalents included amounts in demand deposits, certificates of deposit 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***

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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### **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 2019, 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 2019, 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, 2019, 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, 2019***

### **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

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## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **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 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, 2019 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**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **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***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **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 2019.

# ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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### **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***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **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 generally accepted accounting principles. 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 fiscal year 2019, the District implemented GASB Statement No. 83, “Certain Asset Retirement Obligations” and GASB Statement No. 88, “Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements”.

Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs.

The primary objective of Statement No. 88 is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

The implementation of these GASB Statements had no impact on beginning of year fund balance/net position.

# **LAKEWOOD LOCAL SCHOOL DISTRICT**

## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

### **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	\$283,673	\$0	\$9,940	\$293,613
Supplies Inventory	29,313	0	0	29,313
Total Nonspendable	<u>312,986</u>	<u>0</u>	<u>9,940</u>	<u>322,926</u>
Restricted:				
Career Technology Education	7,684	0	0	7,684
Local Grants	0	0	13,362	13,362
Extracurricular Activities	0	0	41,909	41,909
Preschool	0	0	408	408
School Safety	0	0	5,345	5,345
Student Support	0	0	5,801	5,801
Debt Service Payments	0	693,470	0	693,470
Total Restricted	<u>7,684</u>	<u>693,470</u>	<u>66,825</u>	<u>767,979</u>
Committed:				
Building Maintenance and Renovation	204,164	0	0	204,164
Assigned:				
Services and Supplies	167,970	0	0	167,970
Projected Budgetary Deficit	1,741,472	0	0	1,741,472
Capital Improvements	0	0	1,500,000	1,500,000
Student and Staff Support	55,131	0	0	55,131
Total Assigned	<u>1,964,573</u>	<u>0</u>	<u>1,500,000</u>	<u>3,464,573</u>
Unassigned	12,492,211	0	(9,940)	12,482,271
Total Fund Balances	<u><u>\$14,981,618</u></u>	<u><u>\$693,470</u></u>	<u><u>\$1,566,825</u></u>	<u><u>\$17,241,913</u></u>

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## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **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	\$467,936
Depreciation Expense	(1,273,574)
	<u>(\$805,638)</u>

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

Loss on Disposal of Capital Asset	(\$194)
Proceeds Received	(2,108)
	<u>(\$2,302)</u>

*Governmental revenues not reported in the funds:*

Decrease in Investment Earnings	(\$2,842)
Increase in Tuition Revenue	\$209,484
Increase in Grants Revenue	7,816
Increase in Delinquent Tax Revenue	14,688
	<u>\$229,146</u>

*Amount of current year contractually required contributions deferred:*

Pension Contributions	\$1,942,279
OPEB Contributions	63,565
	<u>\$2,005,844</u>

*Amount of bond and lease principal payments:*

Bond Principal Payment	\$725,000
Energy Conservation Bond Principal Payment	91,771
Premium on Refunding General Obligation Bond Proceeds	31,017
Capital Lease Payment	254,364
	<u>\$1,102,152</u>

## ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **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 or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

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

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

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

## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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

- 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.

#### **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.

At year end the carrying amount of the District's deposits was \$590,534 and the bank balance was \$1,168,515. Federal depository insurance covered \$1,107,695 of the bank balance and \$60,820 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>\$60,820</u>
Total Balance	<u><u>\$60,820</u></u>

Investment earnings of \$60,350 earned by other funds were credited to the General Fund as required by state statute.

# **LAKEWOOD LOCAL SCHOOL DISTRICT**

## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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

#### **B. Investments**

The District's investments at June 30, 2019 were as follows:

	Fair Value	Credit Rating	Investment Maturities (in Years)		
			less than 1	1-3	3-5
STAR Ohio (amortized cost)	\$10,487,638	AAAm <sup>1</sup>	\$10,487,638	\$0	\$0
FHLB	399,561	a AA+ <sup>1</sup>	169,507	230,054	0
FHLMC	1,672,281	b AA+ <sup>1</sup>	0	1,281,111	391,170
FFCB	791,875	c AA+ <sup>1</sup>	0	0	791,875
FNMA	2,106,303	d AA+ <sup>1</sup>	978,319	1,127,984	0
Commercial Paper	2,593,713	A-1/A-1+ <sup>1</sup>	2,593,713	0	0
Total Investments	<u>\$18,051,371</u>		<u>\$14,229,177</u>	<u>\$2,639,149</u>	<u>\$1,183,045</u>

<sup>1</sup> Standard & Poor's

<sup>a</sup> \$230,054 in securities were called on July 30, 2019.

<sup>b</sup> \$398,978 in securities are callable in October 2019, \$391,170 in securities are callable in December 2019, \$501,004 in securities are callable in May 2020, and \$381,128 in securities are callable in June 2020.

<sup>c</sup> \$281,111 in securities are callable in April 2020, and \$260,692 in securities are callable in June 2020.

<sup>d</sup> \$317,858 in securities are callable in October 2019, and \$810,126 in securities are callable in November 2019.

The District's investments in federal agency securities (FHLB, FHLMC, FFCB, FNMA) 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, 58.10% are in STAR Ohio, 2.21% are in FHLB securities, 9.26% are in FHLMC securities, 4.39% are in FFCB securities, 11.67% are in FNMA securities, and 14.37% are in Commercial Paper.

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## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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

##### **B. Investments (Continued)**

*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.

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Financial Statements	\$10,828,172	\$7,813,733
Certificates of Deposit (with original maturities of more than 3 months)	250,000	(250,000)
STAR Ohio	<u>(10,487,638)</u>	<u>10,487,638</u>
Per GASB Statement No. 3	<u>\$590,534</u>	<u>\$18,051,371</u>

## ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **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 2019 represents collections of calendar year 2018 taxes. Real property taxes received in calendar year 2019 were levied after April 1, 2018, on the assessed value listed as of January 1, 2018, 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 2019 represents collections of calendar year 2018 taxes. Public utility real and tangible personal property taxes received in calendar year 2019 became a lien December 31, 2017, were levied after April 1, 2018 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, 2019, are available to finance fiscal year 2019 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 2019 receipts were based are:

	2018 Second Half Collections	2019 First Half Collections
Agricultural/Residential and Other Real Estate	\$431,277,342	\$435,415,202
Public Utility Personal	30,572,020	31,890,550
Total Assessed Value	<u>\$461,849,362</u>	<u>\$467,305,752</u>
Tax rate per \$1,000 of assessed valuation	\$53.20	\$53.10

## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **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, 2019, 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 2019, 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	\$ 102,174
City of Heath	23,535
Licking County	88,825
Total	<u>\$ 214,534</u>

#### **NOTE 7 - RECEIVABLES**

Receivables at June 30, 2019 consisted of taxes, accounts, interest and intergovernmental receivables.

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## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **NOTE 8 - INTERFUND ACTIVITY**

##### **A. Interfund Receivables and Payables**

Following is a summary of interfund receivables and payables for all funds at June 30, 2019:

Fund	Interfund Loans Receivable	Interfund Loans Payable
General Fund	\$7,610	\$0
Nonmajor Governmental Funds	0	7,610
Total All Funds	<u>\$7,610</u>	<u>\$7,610</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 2019:

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, 2019**

### **NOTE 9 - CAPITAL ASSETS**

#### **A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at June 30, 2019:

<i>Historical Cost:</i>				
Class	Balance at June 30, 2018	Additions	Deletions	Balance at June 30, 2019
<b>Capital Assets not being depreciated:</b>				
Land	\$410,817	\$0	\$0	\$410,817
Construction In Progress	326,871	0	(326,871)	0
Subtotal	737,688	0	(326,871)	410,817
<b>Capital Assets being depreciated:</b>				
Land Improvements	3,679,255	44,773	0	3,724,028
Buildings and Improvements	25,006,804	461,093	0	25,467,897
Furniture, Fixtures and Equipment	4,140,116	113,131	(53,583)	4,199,664
Vehicles	2,528,484	175,810	(164,838)	2,539,456
Subtotal	35,354,659	794,807	(218,421)	35,931,045
Total Cost	\$36,092,347	\$794,807	(\$545,292)	\$36,341,862
<i>Accumulated Depreciation:</i>				
Class	Balance at June 30, 2018	Additions	Deletions	Balance at June 30, 2019
Land Improvements	(\$654,677)	(\$235,627)	\$0	(\$890,304)
Buildings and Improvements	(13,150,030)	(650,218)	0	(13,800,248)
Furniture, Fixtures and Equipment	(3,114,384)	(216,091)	51,281	(3,279,194)
Vehicles	(1,676,038)	(171,638)	164,838	(1,682,838)
Total Depreciation	(\$18,595,129)	(\$1,273,574) *	\$216,119	(\$19,652,584)
<b>Net Value:</b>	\$17,497,218			\$16,689,278

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## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **NOTE 9 - CAPITAL ASSETS (Continued)**

##### **A. Governmental Activities Capital Assets (Continued)**

\* Depreciation expenses were charged to governmental functions as follows:

Instruction	\$673,618
Support Services:	
Instructional Staff	32,917
Administration	35,874
Operations and Maintenance of Plant	55,392
Pupil Transportation	177,912
Other Noninstructional Services	45,433
Extracurricular Activities	<u>252,428</u>
Total Depreciation Expense	<u><u>\$1,273,574</u></u>

##### **B. Business-Type Activities Capital Assets**

Summary by Category at June 30, 2019:

Class	Balance at June 30, 2018	Additions	Deletions	Balance at June 30, 2019
Furniture and Equipment	\$408,863	\$0	\$0	\$408,863
Accumulated Depreciation	<u>(306,055)</u>	<u>(11,410)</u>	<u>0</u>	<u>(317,465)</u>
<b>Net Value:</b>	<u><u>\$102,808</u></u>	<u><u>(\$11,410)</u></u>	<u><u>\$0</u></u>	<u><u>\$91,398</u></u>

## ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **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.

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## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **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](http://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.

Effective January 1, 2018, cost-of-living adjustment (COLA) changed from a fixed 3% annual increase to one based on the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%. The Board has enacted a three-year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018. HB 49 also provided the SERS Retirement Board with the authority to award or suspend the COLA, or to adjust the COLA above or below CPI-W; however, any adjustment above or below CPI-W could only be enacted if the system's actuary determines it would not materially impair the fiscal integrity of the system, or is necessary to preserve the fiscal integrity of the system.

## ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)**

##### **B. Plan Description** (Continued)

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, 2019, the allocation to pension, death benefits, and Medicare B was 13.5 percent. The remaining 0.5% was allocated to the Health Care Fund.

The District's contractually required contribution to SERS was \$456,956 for fiscal year 2019. Of this amount \$26,578 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](http://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 will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, cost-of-living adjustment (COLA) was reduced to 0%. Members are eligible to retire at age 60 with five year of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five year of service on August 1, 2026.

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.

## ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)**

##### **B. Plan Description** (Continued)

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.

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, 2019, the employer rate was 14% and the member rate was 14% of covered payroll. The fiscal year 2019 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$1,529,785 for fiscal year 2019. Of this amount \$253,948 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, 2018, 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, 2019**

### **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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$5,345,417	\$19,727,055	\$25,072,472
Proportion of the Net Pension Liability -2019	0.0933341%	0.08971837%	
Proportion of the Net Pension Liability -2018	<u>0.0866878%</u>	<u>0.08924790%</u>	
Percentage Change	<u>0.0066463%</u>	<u>0.00047047%</u>	
Pension Expense	\$492,206	\$1,909,009	\$2,401,215

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$293,160	\$455,361	\$748,521
Change of assumptions	120,713	3,496,008	3,616,721
District contributions subsequent to the measurement date	456,956	1,529,785	1,986,741
Changes in proportionate share	<u>270,426</u>	<u>266,969</u>	<u>537,395</u>
Total Deferred Outflows of Resources	<u>\$1,141,255</u>	<u>\$5,748,123</u>	<u>\$6,889,378</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$0	\$128,831	\$128,831
Net difference between projected and actual earnings on pension plan investments	148,105	1,196,227	1,344,332
Changes in proportionate share	<u>148,826</u>	<u>56,322</u>	<u>205,148</u>
Total Deferred Inflows of Resources	<u>\$296,931</u>	<u>\$1,381,380</u>	<u>\$1,678,311</u>

\$1,986,741 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 year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2020	\$490,910	\$1,699,847	\$2,190,757
2021	117,300	1,175,963	1,293,263
2022	(175,423)	199,553	24,130
2023	<u>(45,419)</u>	<u>(238,405)</u>	<u>(283,824)</u>
Total	<u>\$387,368</u>	<u>\$2,836,958</u>	<u>\$3,224,326</u>

## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **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, 2018, 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

For 2018, 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 for the five year period ended June 30, 2015.

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## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)**

##### **D. Actuarial Assumptions** (Continued)

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 (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return 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 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.

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## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **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	\$7,529,423	\$5,345,417	\$3,514,274

#### ***State Teachers Retirement System (STRS)***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2018, actuarial valuation, compared with July 1, 2017 are presented below:

	July 1, 2018	July 1, 2017
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, 2017 and July 1, 2018, 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, 2017 and July 1, 2018, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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:

# LAKEWOOD LOCAL SCHOOL DISTRICT

## Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019

### 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	<u>100.00 %</u>	

\* 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.

\*\* The target allocation percentage is effective as of July 1, 2017.  
Target weights will be phased in over a 24-month period  
concluding on July 1, 2019.

**Discount Rate** - The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2018. The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2017. 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, 2018. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2018.

**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	\$28,808,767	\$19,727,055	\$12,040,618

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## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **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. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any 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 retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **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](http://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 2019, 0.5 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 2019, this amount was \$21,600. 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 2019, the District's surcharge obligation was \$57,805.

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 \$74,728 for fiscal year 2019. Of this amount, \$58,789 is reported as an intergovernmental payable.

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## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **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, 2020. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://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, 2019, 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, 2018, 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)	\$2,609,920	(\$1,441,683)	\$1,168,237
Proportion of the Net OPEB Liability (Asset) -2019	0.0940759%	0.08971837%	
Proportion of the Net OPEB Liability -2018	<u>0.0877614%</u>	<u>0.08924790%</u>	
Percentage Change	<u>0.0063145%</u>	<u>0.00047047%</u>	
OPEB Expense	\$98,702	(\$3,124,181)	(\$3,025,479)

# **LAKEWOOD LOCAL SCHOOL DISTRICT**

## **Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019**

### **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, 2019, 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>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$42,603	\$168,391	\$210,994
Changes in proportionate share	156,978	16,766	173,744
District contributions subsequent to the measurement date	74,728	0	74,728
Total Deferred Outflows of Resources	<u>\$274,309</u>	<u>\$185,157</u>	<u>\$459,466</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$0	\$83,997	\$83,997
Changes of assumptions	234,482	1,964,407	2,198,889
Changes in proportionate share	49,568	0	49,568
Net difference between projected and actual earnings on OPEB plan investments	3,915	164,700	168,615
Total Deferred Inflows of Resources	<u>\$287,965</u>	<u>\$2,213,104</u>	<u>\$2,501,069</u>

\$74,728 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, 2020. 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:			
2020	(\$94,576)	(\$363,288)	(\$457,864)
2021	(66,986)	(363,288)	(430,274)
2022	20,394	(363,288)	(342,894)
2023	22,061	(325,885)	(303,824)
2024	21,789	(312,759)	(290,970)
Thereafter	8,934	(299,439)	(290,505)
Total	<u>(\$88,384)</u>	<u>(\$2,027,947)</u>	<u>(\$2,116,331)</u>

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## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **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 date of June 30, 2018 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	3.62 percent
Prior Measurement Date	3.56 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	3.70 percent
Prior Measurement Date	3.63 percent
Medical Trend Assumption	
Medicare - Measurement Date	5.375 to 4.75 percent
Pre-Medicare - Measurement Date	7.25 to 4.75 percent
Medicare - Prior Measurement Date	5.50 to 5.00 percent
Pre-Medicare - Prior Measurement Date	7.50 to 5.00 percent

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## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **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, 2019

### 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, 2018 was 3.70%. The discount rate used to measure the total OPEB liability at June 30, 2017 was 3.63%. 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, 2026. 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, 2025 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.62%, as of June 30, 2018 (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 (2.70%) and higher (4.70%) than the current discount rate (3.70%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.25% decreasing to 3.75%) and higher (8.25% decreasing to 5.75%) than the current rate.

	1% Decrease (2.70%)	Current Discount Rate (3.70%)	1% Increase (4.70%)
District's proportionate share of the net OPEB liability	\$3,166,932	\$2,609,920	\$2,168,870
	1% Decrease (6.25% Decreasing to 3.75%)	Current Trend Rate (7.25% Decreasing to 4.75%)	1% Increase (8.25% Decreasing to 5.75%)
District's proportionate share of the net OPEB liability	\$2,105,726	\$2,609,920	\$3,277,562

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## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)**

##### **D. Actuarial Assumptions** (Continued)

##### ***State Teachers Retirement System (STRS)***

The total OPEB liability (asset) in the June 30, 2018 and 2017 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	June 30, 2018	June 30, 2017
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%	4.13%
Health Care Cost Trends-Medical	5.00% to 6% initial, 4.0% ultimate	6% to 11% initial, 4.5% ultimate
Health Care Cost Trends - Prescription Drug	(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, 2018 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, the discount rate was increased from 4.13 percent to 7.45 percent based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*. Valuation year per capita health care costs were updated.

Also since the prior measurement date, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. Non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued January 1, 2020.

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## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **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>	

\* 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.

\*\* The target allocation percentage is effective as of July 1, 2017. Target weights will be phased in over a 24-month period concluding on July 1, 2019.

**Discount Rate** - The discount rate used to measure the total OPEB liability (asset) was 7.45 percent as of 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 of current plan members. Therefore, the long-term expected rate of return on OPEB plan assets of 7.45% was used to measure the total OPEB liability (asset) as of June 30, 2018.

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## LAKEWOOD LOCAL SCHOOL DISTRICT

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### *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019*

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#### 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%)
District's proportionate share of the net OPEB liability (asset)	(\$1,235,657)	(\$1,441,683)	(\$1,614,837)

	1% Decrease in Trend Rate	Current Trend Rate	1% Increase in Trend Rate
District's proportionate share of the net OPEB liability (asset)	(\$1,605,063)	(\$1,441,683)	(\$1,275,758)

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# **LAKEWOOD LOCAL SCHOOL DISTRICT**

## **Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019**

### **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, 2019 are as follows:

		Balance June 30, 2018	Issued	(Retired)	Balance June 30, 2019	Due Within One Year
<b>Governmental Activities:</b>						
(Energy Conservation Bonds Payable)						
Energy Conservation Project	3.55%	\$458,854	\$0	(\$91,771)	\$367,083	\$91,771
(General Obligation Bonds Payable)						
School Improvement						
Refunding Bonds 2016	2.00-3.00%	7,205,000	0	(725,000)	6,480,000	735,000
Premium on Refunding Bonds		279,151	0	(31,017)	248,134	0
Total General Obligation Bonds Payable		7,484,151	0	(756,017)	6,728,134	735,000
Financed Capital Lease Payable	2.87%	2,270,000	0	(225,000)	2,045,000	230,000
Total Long-Term Debt		10,213,005	0	(1,072,788)	9,140,217	1,056,771
Capital Leases Payable		96,934	0	(29,364)	67,570	30,107
Compensated Absences		339,498	252,313	(244,828)	346,983	93,299
Total Other Long-Term Liabilities		436,432	252,313	(274,192)	414,553	123,406
Total Governmental Activities		\$10,649,437	\$252,313	(\$1,346,980)	\$9,554,770	\$1,180,177
<b>Business-Type Activities:</b>						
Compensated Absences		\$10,498	\$3,243	(\$7,001)	\$6,740	\$0
Total Other Long-Term Liabilities		\$10,498	\$3,243	(\$7,001)	\$6,740	\$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.

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## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **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, 2019, follows:

Years	Energy Conservation Bonds Payable		General Obligation Bonds Payable		Financed Capital Lease Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$91,771	\$11,547	\$735,000	\$176,200	\$230,000	\$55,391
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
2025-2027	0	0	2,605,000	118,875	820,000	35,731
Totals	<u>\$367,083</u>	<u>\$26,397</u>	<u>\$6,480,000</u>	<u>\$797,925</u>	<u>\$2,045,000</u>	<u>\$243,305</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 \$174,076 and the net book value is \$2,754,624. The cost of the equipment obtained under capital leases is \$147,684, the accumulated depreciation is \$81,855 and the net book value is \$65,829. These are included in the Governmental Activities Capital Assets and the related liability is included in the Governmental Activities Long-Term Liabilities.

The following is a schedule of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 2019:

Year Ending June 30,	Capital Lease
2020	\$316,843
2021	308,959
2022	304,771
2023	284,584
2024	287,265
2025-2027	<u>855,731</u>
Minimum Lease Payments	2,358,153
Less: Amount representing interest at the District's incremental borrowing rate of interest	<u>(245,583)</u>
Present Value of minimum lease payments	<u>\$2,112,570</u>

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## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **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 2019 the District contracted with insurance providers for various insurance coverages, as follows:

Insurance Provider	Coverage	Deductible	Aggregate
Wright Specialty Insurance Company	Fleet Insurance	\$500/Comprehensive \$500/Collision	\$1,000,000
Wright Specialty Insurance Company	Buildings and Contents	\$5,000	\$82,586,141
Wright Specialty Insurance Company	School District Liability	\$0	\$2,000,000
Wright Specialty Insurance Company	School Leaders Errors and Omissions	\$2,500	\$1,000,000
Wright Specialty Insurance Company	Umbrella Policy	\$0	\$4,000,000
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.

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 assessment. 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***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **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 make up the Ohio Education Computer Network (OECN). LACA is a non-profit organization, owned and governed by the schools it serves. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of LACA consists of twenty members made up of the twenty district superintendents. The continued existence of LACA is not dependent on the District's continued participation and no equity interest exists. The LACA constitution states that any school district withdrawing from the Association prior to dissolution forfeits their claim to the Association's capital assets. The District paid LACA \$121,958 for services provided during the year. 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. META Solutions**

The District participates in META Solutions (META), a jointly governed organization. The organization is composed of over 250 members, which includes school districts, joint vocational schools, educational service centers and libraries covering over 50 counties in Ohio. META helps its members purchase services, insurance, supplies, and other items at a discounted rate. The governing board of META is directed by 11 members which are composed of superintendents of the board of education of a participating school district. The District paid META \$1,140 for utility monitoring services in fiscal year 2019. Financial information may be obtained from the META Solutions, Fiscal Officer, 2100 Citygate Dr., Columbus, OH 43219.

## ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS (Continued)**

##### **C. Central Ohio Special Education Regional Resource Center**

The Central Ohio Special Education Regional Resource Center (COSERRC) is a jointly governed organization operated by a Governing Board that is composed of superintendents of member school districts in Central Ohio (which comprise sixty percent of the Board), two parents of children with disabilities, one representative of a chartered nonpublic school, one representative of a county board of Mental Retardation and Developmental Disabilities, representatives of universities, and student and persons with disabilities representations. The District participates in the following services of COSERRC: Identification and Program Development Project, Regional Educational Assessment Programming Project, Instructional Resource Center Project, Early Childhood Services Project, and the Ohio Resource Center for Low Incidence and Severely Handicapped Project. These services are to assist the District in complying with mandates of Public Law 99-457 for educating children with disabilities. There is no financial commitment made by the districts involved in COSERRC. COSERRC is not dependent upon the continued participation of the District and the District does not maintain an equity interest in or financial responsibility for COSERRC. The District made no contributions to COSERRC during fiscal year 2019.

#### **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 \$218,194.

## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **NOTE 17 – STATUTORY RESERVES**

The District is required by state law to set aside certain general fund revenue amounts for capital acquisition into a reserve. During the fiscal year ended June 30, 2019, the reserve activity (cash-basis) was as follows:

	<u>Capital Acquisition Reserve</u>
Set-aside Cash Balance as of June 30, 2018	\$0
Current Year Set-Aside Requirement	339,027
Current Year Qualifying Expenditures	<u>(1,106,051)</u>
Total	<u>(\$767,024)</u>
Set-aside Cash Balance Carried Forward to FY 2020	<u><u>\$0</u></u>

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.

#### **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, 2019, 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, 2019.

##### **C. Foundation Funding**

District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional Districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2019 Foundation funding for the District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District. For fiscal years 2020 and 2021, the Foundation funding will be frozen at fiscal year 2019 amounts.

## ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019***

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#### **NOTE 19 - COMPLIANCE AND ACCOUNTABILITY**

Deficit Fund Equities - The accumulated deficit at June 30, 2019 of \$509,736 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.

#### **NOTE 20 – SUBSEQUENT EVENTS**

On November 5, 2019, a ten-year emergency levy renewal which generates \$3,528,880 per year was passed.

On November 6, 2019, the Board voted to approve the final resolution to go back on the ballot to build a new elementary school (grades Pre-K through 5) in March 2020. This will be the fourth attempt for a bond issue to build a new elementary school.

***LAKEWOOD LOCAL SCHOOL DISTRICT***

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***R*<sub>REQUIRED</sub> *S*<sub>SUPPLEMENTARY</sub> *I*<sub>INFORMATION</sub>**

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## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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

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#### **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.

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***LAKEWOOD LOCAL SCHOOL DISTRICT***

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

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

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**LAKEWOOD LOCAL SCHOOL DISTRICT**

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

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**State Teachers Retirement System**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Contractually required contribution	\$1,263,299	\$1,252,624	\$1,223,564	\$1,182,502
Contributions in relation to the contractually required contribution	<u>1,263,299</u>	<u>1,252,624</u>	<u>1,223,564</u>	<u>1,182,502</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered payroll	\$9,717,685	\$9,635,569	\$9,412,008	\$9,096,169
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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Contractually required contribution	\$372,845	\$381,216	\$402,670	\$431,001
Contributions in relation to the contractually required contribution	<u>372,845</u>	<u>381,216</u>	<u>402,670</u>	<u>431,001</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered payroll	\$2,753,656	\$3,032,745	\$2,993,829	\$3,114,169
Contributions as a percentage of covered payroll	13.54%	12.57%	13.45%	13.84%

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

Notes: The District implemented GASB Statement 68 in 2015.

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***LAKEWOOD LOCAL SCHOOL DISTRICT***

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<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$1,190,097	\$1,289,962	\$1,328,179	\$1,342,459	\$1,472,088	\$1,529,785
<u>1,190,097</u>	<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>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$9,154,592	\$9,214,014	\$9,486,993	\$9,588,993	\$10,514,914	\$10,927,036
13.00%	14.00%	14.00%	14.00%	14.00%	14.00%

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$367,172	\$372,439	\$395,366	\$405,515	\$405,752	\$456,956
<u>367,172</u>	<u>372,439</u>	<u>395,366</u>	<u>405,515</u>	<u>405,752</u>	<u>456,956</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,649,149	\$2,825,789	\$2,824,043	\$2,896,536	\$3,005,570	\$3,384,859
13.86%	13.18%	14.00%	14.00%	13.50%	13.50%



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**LAKEWOOD LOCAL SCHOOL DISTRICT**

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**Required Supplementary Information****Schedule of District's Proportionate Share of the Net Other Postemployment Benefits (OPEB)  
Liability (Asset)****Last Three Fiscal Years**

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**State Teachers Retirement System**

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

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

**School Employees Retirement System**

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

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.

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## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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

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**State Teachers Retirement System**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Contractually required contribution	\$97,177	\$96,356	\$94,120	\$90,962
Contributions in relation to the contractually required contribution	<u>97,177</u>	<u>96,356</u>	<u>94,120</u>	<u>90,962</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered payroll	\$9,717,685	\$9,635,569	\$9,412,008	\$9,096,169
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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Contractually required contribution	\$64,558	\$81,418	\$54,394	\$49,938
Contributions in relation to the contractually required contribution	<u>64,558</u>	<u>81,418</u>	<u>54,394</u>	<u>49,938</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered payroll	\$2,753,656	\$3,032,745	\$2,993,829	\$3,114,169
Contributions as a percentage of covered payroll	2.34%	2.68%	1.82%	1.60%

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

Notes: The District implemented GASB Statement 75 in 2018.

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***LAKEWOOD LOCAL SCHOOL DISTRICT***

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<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$91,546	\$0	\$0	\$0	\$0	\$0
<u>91,546</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>
\$9,154,592	\$9,214,014	\$9,486,993	\$9,588,993	\$10,514,914	\$10,927,036
1.00%	0.00%	0.00%	0.00%	0.00%	0.00%

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$49,905	\$68,302	\$43,311	\$46,876	\$63,138	\$74,728
<u>49,905</u>	<u>68,302</u>	<u>43,311</u>	<u>46,876</u>	<u>63,138</u>	<u>74,728</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,649,149	\$2,825,789	\$2,824,043	\$2,896,536	\$3,005,570	\$3,384,859
1.88%	2.42%	1.53%	1.62%	2.10%	2.21%

## ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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### ***Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2019***

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#### **NET PENSION LIABILITY**

##### **SERS**

###### **Changes in benefit terms**

For fiscal year 2019, the following were the most significant changes in benefit terms that affected the total pension liability since the prior measurement date:

- The SERS Board has enacted a three-year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.

###### **Changes in assumptions**

There were no changes in assumptions since the prior measurement date.

##### **STRS**

###### **Changes in benefit terms**

There were no changes in benefit terms since the prior measurement date.

###### **Changes in assumptions**

There were no changes in assumptions since the prior measurement date.

## ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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### ***Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2019***

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#### **NET OPEB LIABILITY (ASSET)**

##### **SERS**

###### **Changes in benefit terms**

There were no changes in benefit terms since the prior measurement date.

###### **Changes in assumptions**

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

- The discount rate was increased from 3.63% to 3.70%
- The health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and for Pre-Medicare from a range of 7.50%-5.00% to a range of 7.25%-4.75%
- The municipal bond index rate increased from 3.56% to 3.62% and the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.

##### **STRS**

###### **Changes in benefit terms**

For fiscal year 2019, STRS has the following changes in benefit terms since the previous measurement date:

- The subsidy multiplier for non-Medicare benefit recipients was increased from 1.9% to 1.944% per year of service effective January 1, 2019.
- The non-Medicare frozen subsidy base premium was increased effective January 1, 2019.

###### **Changes in assumptions**

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 was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45%.
- Valuation year per capita health care costs were updated.
- The trend rates decreased from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.



***LAKEWOOD LOCAL SCHOOL DISTRICT***

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

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

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## ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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### ***Nonmajor Governmental Funds***

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#### ***Special Revenue Funds***

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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 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 School That Works/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. (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.)

##### **Miscellaneous State Grants Fund**

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

##### **Special Education Part B-IDEA Fund**

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

(Continued)

## ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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### ***Special Revenue Funds***

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#### **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.

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

### ***Capital Projects Funds***

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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, 2019**

	Other Grant	Student Activity	Early Childhood Education	Miscellaneous State Grants
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 13,362	\$ 41,959	\$ 0	\$ 5,345
Receivables:				
Accounts	0	150	0	0
Intergovernmental	0	0	0	0
Prepaid Items	0	0	1,311	0
<b>Total Assets</b>	<u>\$ 13,362</u>	<u>\$ 42,109</u>	<u>\$ 1,311</u>	<u>\$ 5,345</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 200	\$ 0	\$ 0
Accrued Wages and Benefits	0	0	1,311	0
Intergovernmental Payable	0	0	0	0
Interfund Loans Payable	0	0	0	0
<b>Total Liabilities</b>	<u>0</u>	<u>200</u>	<u>1,311</u>	<u>0</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable Revenue	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances:</b>				
Nonspendable	0	0	1,311	0
Restricted	13,362	41,909	0	5,345
Assigned	0	0	0	0
Unassigned	0	0	(1,311)	0
<b>Total Fund Balances</b>	<u>13,362</u>	<u>41,909</u>	<u>0</u>	<u>5,345</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 13,362</u>	<u>\$ 42,109</u>	<u>\$ 1,311</u>	<u>\$ 5,345</u>

# ***LAKEWOOD LOCAL SCHOOL DISTRICT***

Special Education Part B-IDEA	Title I	IDEA Preschool Grant for Handicapped	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds	Capital Projects	Total Nonmajor Governmental Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 60,666	\$ 1,500,000	\$ 1,560,666
0	0	0	0	150	0	150
37,385	45,121	408	11,997	94,911	0	94,911
8,629	0	0	0	9,940	0	9,940
<u>\$ 46,014</u>	<u>\$ 45,121</u>	<u>\$ 408</u>	<u>\$ 11,997</u>	<u>\$ 165,667</u>	<u>\$ 1,500,000</u>	<u>\$ 1,665,667</u>
\$ 538	\$ 0	\$ 0	\$ 1,515	\$ 2,253	\$ 0	\$ 2,253
31,819	41,136	0	0	74,266	0	74,266
6,233	626	0	0	6,859	0	6,859
3,067	1,858	0	2,685	7,610	0	7,610
<u>41,657</u>	<u>43,620</u>	<u>0</u>	<u>4,200</u>	<u>90,988</u>	<u>0</u>	<u>90,988</u>
4,357	1,501	0	1,996	7,854	0	7,854
<u>4,357</u>	<u>1,501</u>	<u>0</u>	<u>1,996</u>	<u>7,854</u>	<u>0</u>	<u>7,854</u>
8,629	0	0	0	9,940	0	9,940
0	0	408	5,801	66,825	0	66,825
0	0	0	0	0	1,500,000	1,500,000
(8,629)	0	0	0	(9,940)	0	(9,940)
<u>0</u>	<u>0</u>	<u>408</u>	<u>5,801</u>	<u>66,825</u>	<u>1,500,000</u>	<u>1,566,825</u>
<u>\$ 46,014</u>	<u>\$ 45,121</u>	<u>\$ 408</u>	<u>\$ 11,997</u>	<u>\$ 165,667</u>	<u>\$ 1,500,000</u>	<u>\$ 1,665,667</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, 2019

	Other Grant	Student Activity	Early Childhood Education	Data Communications	Miscellaneous State Grants
<b>Revenues:</b>					
Local Sources:					
Extracurricular Activities	\$ 0	\$ 95,291	\$ 0	\$ 0	\$ 0
Intermediate Sources	9,963	0	0	0	0
Intergovernmental - State	0	0	95,817	7,200	10,552
Intergovernmental - Federal	0	0	0	0	0
All Other Revenue	21,707	10,507	0	0	0
<b>Total Revenue</b>	<b>31,670</b>	<b>105,798</b>	<b>95,817</b>	<b>7,200</b>	<b>10,552</b>
<b>Expenditures:</b>					
Current:					
Instruction	21,002	0	86,132	0	37
Supporting Services:					
Pupils	0	0	0	0	0
Instructional Staff	5,025	0	1,185	0	0
Administration	0	990	8,500	0	0
Operation and Maintenance of Plant	0	0	0	7,200	5,170
Pupil Transportation	0	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0	0
Extracurricular Activities	0	100,264	0	0	0
<b>Total Expenditures</b>	<b>26,027</b>	<b>101,254</b>	<b>95,817</b>	<b>7,200</b>	<b>5,207</b>
Excess of Revenues Over Expenditures	5,643	4,544	0	0	5,345
<b>Other Financing Sources:</b>					
Transfers In	0	0	0	0	0
<b>Total Other Financing Sources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balance	5,643	4,544	0	0	5,345
<b>Fund Balances at Beginning of Year</b>	<b>7,719</b>	<b>37,365</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances End of Year</b>	<b>\$ 13,362</b>	<b>\$ 41,909</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 5,345</b>

# ***LAKEWOOD LOCAL SCHOOL DISTRICT***

Special Education Part B-IDEA	Title I	IDEA Preschool Grant for Handicapped	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds	Capital Projects	Total Nonmajor Governmental Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 95,291	\$ 0	\$ 95,291
0	0	0	0	0	9,963	0	9,963
0	0	0	0	0	113,569	0	113,569
405,137	398,415	12,556	62,132	33,184	911,424	0	911,424
0	0	0	0	0	32,214	0	32,214
405,137	398,415	12,556	62,132	33,184	1,162,461	0	1,162,461
254,179	282,249	12,148	62,132	16,932	734,811	0	734,811
142,240	0	0	0	0	142,240	0	142,240
3,099	114,168	0	0	8,936	132,413	0	132,413
5,619	0	0	0	0	15,109	0	15,109
0	0	0	0	0	12,370	0	12,370
0	0	0	0	1,515	1,515	0	1,515
0	1,998	0	0	0	1,998	0	1,998
0	0	0	0	0	100,264	0	100,264
405,137	398,415	12,148	62,132	27,383	1,140,720	0	1,140,720
0	0	408	0	5,801	21,741	0	21,741
0	0	0	0	0	0	500,000	500,000
0	0	0	0	0	0	500,000	500,000
0	0	408	0	5,801	21,741	500,000	521,741
0	0	0	0	0	45,084	1,000,000	1,045,084
\$ 0	\$ 0	\$ 408	\$ 0	\$ 5,801	\$ 66,825	\$ 1,500,000	\$ 1,566,825

# 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, 2019***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Local Sources:				
Taxes	\$ 13,856,750	\$ 13,851,543	\$ 13,851,543	\$ 0
Tuition	1,190,075	1,059,115	1,052,291	(6,824)
Investment Earnings	275,000	423,330	447,933	24,603
Extracurricular Activities	8,000	6,242	4,832	(1,410)
Class Material and Fees	75,490	72,634	70,670	(1,964)
Intergovernmental - State	7,657,259	7,731,397	7,729,647	(1,750)
Intergovernmental - Federal	134,000	150,000	135,290	(14,710)
All Other Revenues	107,189	127,474	130,048	2,574
Total Revenues	23,303,763	23,421,735	23,422,254	519
<b>Expenditures:</b>				
Instructional Services:				
Regular:				
Salaries and Wages	7,024,158	7,048,262	6,975,781	72,481
Fringe Benefits	2,712,894	2,643,263	2,641,698	1,565
Purchased Services	1,569,338	1,643,481	1,574,708	68,773
Supplies and Materials	276,651	357,400	347,467	9,933
Other Expenditures	6,904	6,905	6,905	0
Capital Outlay	9,616	12,969	12,903	66
Total Regular	11,599,561	11,712,280	11,559,462	152,818
Special:				
Salaries and Wages	968,324	960,743	948,886	11,857
Fringe Benefits	387,645	400,697	396,520	4,177
Purchased Services	808,678	745,016	675,058	69,958
Supplies and Materials	14,578	24,737	22,795	1,942
Other Expenditures	374,324	347,324	345,810	1,514
Total Special	2,553,549	2,478,517	2,389,069	89,448
Vocational:				
Salaries and Wages	202,301	206,598	204,235	2,363
Fringe Benefits	64,268	64,708	63,240	1,468
Purchased Services	5,525	3,113	2,175	938
Supplies and Materials	18,209	28,606	23,681	4,925
Capital Outlay	12,787	3,303	1,495	1,808
Total Vocational	303,090	306,328	294,826	11,502

(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, 2019***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other:				
Salaries and Wages	131,900	134,500	131,080	3,420
Fringe Benefits	54,024	63,380	62,817	563
Purchased Services	31,751	31,785	31,332	453
Total Other	217,675	229,665	225,229	4,436
Total Instructional Services	14,673,875	14,726,790	14,468,586	258,204
Support Services:				
Pupils:				
Salaries and Wages	991,761	986,716	978,362	8,354
Fringe Benefits	419,298	401,506	397,089	4,417
Purchased Services	160,664	150,553	134,190	16,363
Supplies and Materials	13,385	14,079	10,608	3,471
Other Expenditures	59,014	59,014	50,362	8,652
Total Pupils	1,644,122	1,611,868	1,570,611	41,257
Instructional Staff:				
Salaries and Wages	409,424	414,071	410,724	3,347
Fringe Benefits	178,879	182,594	168,362	14,232
Purchased Services	111,536	107,977	104,179	3,798
Supplies and Materials	22,766	43,984	42,030	1,954
Other Expenditures	15,395	13,395	13,304	91
Capital Outlay	32,639	19,528	19,528	0
Total Instructional Staff	770,639	781,549	758,127	23,422
Board of Education:				
Salaries and Wages	7,500	7,500	7,500	0
Fringe Benefits	2,250	2,237	1,519	718
Purchased Services	149,317	169,933	150,649	19,284
Supplies and Materials	3,252	3,252	1,275	1,977
Other Expenditures	10,210	10,199	8,294	1,905
Total Board of Education	172,529	193,121	169,237	23,884

(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, 2019***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Administration:				
Salaries and Wages	1,178,861	1,197,619	1,188,495	9,124
Fringe Benefits	497,298	476,859	469,987	6,872
Purchased Services	117,639	109,245	103,259	5,986
Supplies and Materials	14,277	20,040	12,839	7,201
Other Expenditures	177,526	167,965	166,637	1,328
Capital Outlay	10,060	12,110	10,941	1,169
Total Administration	1,995,661	1,983,838	1,952,158	31,680
Fiscal Services:				
Salaries and Wages	300,550	296,375	293,436	2,939
Fringe Benefits	109,749	107,590	106,398	1,192
Purchased Services	77,711	87,703	84,920	2,783
Supplies and Materials	7,327	7,330	6,041	1,289
Other Expenditures	263,767	256,613	255,497	1,116
Capital Outlay	2,000	3,250	2,081	1,169
Total Fiscal Services	761,104	758,861	748,373	10,488
Business:				
Salaries and Wages	9,350	10,580	10,580	0
Fringe Benefits	13,472	13,505	13,243	262
Purchased Services	400	0	0	0
Supplies and Materials	31,928	11,928	1,666	10,262
Other Expenditures	2,508	2,495	2,495	0
Total Business	57,658	38,508	27,984	10,524
Operation and Maintenance of Plant:				
Salaries and Wages	684,831	685,775	670,228	15,547
Fringe Benefits	279,728	286,037	283,811	2,226
Purchased Services	986,543	1,042,538	936,910	105,628
Supplies and Materials	162,166	172,276	144,945	27,331
Other Expenditures	904	904	879	25
Capital Outlay	114,575	236,047	236,046	1
Total Operation and Maintenance Of Plant	2,228,747	2,423,577	2,272,819	150,758

(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, 2019***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Pupil Transportation:				
Salaries and Wages	841,819	856,322	855,556	766
Fringe Benefits	506,077	492,036	488,465	3,571
Purchased Services	77,774	79,073	75,916	3,157
Supplies and Materials	231,664	241,944	231,536	10,408
Other Expenditures	1,089	1,089	924	165
Capital Outlay	149,912	150,179	150,179	0
Total Pupil Transportation	1,808,335	1,820,643	1,802,576	18,067
Central:				
Salaries and Wages	18,500	18,500	18,347	153
Fringe Benefits	2,913	6,387	6,294	93
Purchased Services	3,500	18,006	7,201	10,805
Supplies and Materials	2,000	8,790	8,289	501
Other Expenditures	14	14	14	0
Total Central	26,927	51,697	40,145	11,552
Total Support Services	9,465,722	9,663,662	9,342,030	321,632
Operation of Non-Instructional Services:				
Purchased Services	1,027	703	703	0
Capital Outlay	0	2,200	2,200	0
Total Non-Instructional Services	1,027	2,903	2,903	0
Extracurricular Activities:				
Salaries and Wages	251,155	281,554	263,678	17,876
Fringe Benefits	84,567	52,918	50,291	2,627
Purchased Services	5,750	5,750	5,750	0
Total Extracurricular Activities	341,472	340,222	319,719	20,503
Capital Outlay:				
Capital Outlay	530,189	188,499	186,071	2,428
Total Capital Outlay	530,189	188,499	186,071	2,428
Total Expenditures	25,012,285	24,922,076	24,319,309	602,767
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(1,708,522)	(1,500,341)	(897,055)	603,286

(Continued)

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## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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***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, 2019***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	3,000	2,000	2,108	108
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>(498,000)</u>	<u>(497,892)</u>	<u>108</u>
 Net Change in Fund Balance	 (2,205,522)	 (1,998,341)	 (1,394,947)	 603,394
 Fund Balance at Beginning of Year	 17,223,571	 17,223,571	 17,223,571	 0
Prior Year Encumbrances	<u>259,213</u>	<u>259,213</u>	<u>259,213</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 15,277,262</u>	<u>\$ 15,484,443</u>	<u>\$ 16,087,837</u>	<u>\$ 603,394</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, 2019***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Local Sources:				
Taxes	\$ 1,141,727	\$ 1,115,307	\$ 1,115,307	\$ 0
Intergovernmental - State	223,732	224,317	224,057	(260)
Total Revenues	<u>1,365,459</u>	<u>1,339,624</u>	<u>1,339,364</u>	<u>(260)</u>
<b>Expenditures:</b>				
Current:				
Support Services:				
Fiscal Services:				
Other Expenditures	12,000	11,319	11,319	0
Total Fiscal Services	<u>12,000</u>	<u>11,319</u>	<u>11,319</u>	<u>0</u>
Debt Service:				
Principal Retirement	1,041,771	1,041,771	1,041,771	0
Interest and Fiscal Charges	267,164	266,927	266,927	0
Total Debt Service	<u>1,308,935</u>	<u>1,308,698</u>	<u>1,308,698</u>	<u>0</u>
Total Expenditures	<u>1,320,935</u>	<u>1,320,017</u>	<u>1,320,017</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	44,524	19,607	19,347	(260)
Fund Balance at Beginning of Year	607,303	607,303	607,303	0
Fund Balance at End of Year	<u>\$ 651,827</u>	<u>\$ 626,910</u>	<u>\$ 626,650</u>	<u>\$ (260)</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, 2019***

<b>PUBLIC SCHOOL SUPPORT FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Extracurricular Activities	\$ 28,000	\$ 41,079	\$ 39,849	\$ (1,230)
All Other Revenues	4,100	6,407	6,060	(347)
Total Revenues	<u>32,100</u>	<u>47,486</u>	<u>45,909</u>	<u>(1,577)</u>
<b>Expenditures:</b>				
Extracurricular Activities:				
Purchased Services	12,800	15,027	12,004	3,023
Supplies and Materials	29,697	34,281	22,769	11,512
Capital Outlay	2,200	0	0	0
Total Extracurricular Activities	<u>44,697</u>	<u>49,308</u>	<u>34,773</u>	<u>14,535</u>
Total Expenditures	<u>44,697</u>	<u>49,308</u>	<u>34,773</u>	<u>14,535</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,597)	(1,822)	11,136	12,958
Fund Balance at Beginning of Year	14,907	14,907	14,907	0
Prior Year Encumbrances	3,408	3,408	3,408	0
Fund Balance at End of Year	<u>\$ 5,718</u>	<u>\$ 16,493</u>	<u>\$ 29,451</u>	<u>\$ 12,958</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, 2019***

	OTHER GRANT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intermediate Sources	\$ 0	\$ 9,963	\$ 9,963	\$ 0
All Other Revenues	0	20,707	21,707	1,000
Total Revenues	0	30,670	31,670	1,000
<b>Expenditures:</b>				
Instructional Services:				
Regular:				
Purchased Services	0	5,520	5,520	0
Supplies and Materials	1,084	21,234	16,507	4,727
Capital Outlay	0	5,000	0	5,000
Total Instructional Services	1,084	31,754	22,027	9,727
Support Services:				
Instructional Staff:				
Purchased Services	7,660	6,035	5,974	61
Supplies and Materials	0	1,625	1,625	0
Total Support Services	7,660	7,660	7,599	61
Total Expenditures	8,744	39,414	29,626	9,788
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,744)	(8,744)	2,044	10,788
Fund Balance at Beginning of Year	6,141	6,141	6,141	0
Prior Year Encumbrances	2,603	2,603	2,603	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 10,788	\$ 10,788

# 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, 2019***

	STUDENT ACTIVITY FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Extracurricular Activities	\$ 115,050	\$ 96,092	\$ 95,141	\$ (951)
All Other Revenues	29,350	13,350	10,507	(2,843)
Total Revenues	144,400	109,442	105,648	(3,794)
<b>Expenditures:</b>				
Support Services:				
Administration:				
Purchased Services	1,080	1,080	990	90
Total Support Services	1,080	1,080	990	90
Extracurricular Activities:				
Purchased Services	82,250	71,644	69,035	2,609
Supplies and Materials	23,316	25,582	22,911	2,671
Other Expenditures	9,550	9,978	9,445	533
Capital Outlay	18,000	4,500	0	4,500
Total Extracurricular Activities	133,116	111,704	101,391	10,313
Total Expenditures	134,196	112,784	102,381	10,403
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,204	(3,342)	3,267	6,609
Fund Balance at Beginning of Year	37,265	37,265	37,265	0
Prior Year Encumbrances	316	316	316	0
Fund Balance at End of Year	\$ 47,785	\$ 34,239	\$ 40,848	\$ 6,609

# **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, 2019***

## **EARLY CHILDHOOD EDUCATION FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - State	\$ 102,063	\$ 102,063	\$ 101,880	\$ (183)
Total Revenues	102,063	102,063	101,880	(183)
<b>Expenditures:</b>				
Instructional Services:				
Special:				
Salaries and Wages	63,527	64,471	64,471	0
Fringe Benefits	23,609	25,253	25,253	0
Purchased Services	3,500	0	0	0
Supplies and Materials	4,000	5,044	5,044	0
Total Instructional Services	94,636	94,768	94,768	0
Support Services:				
Pupils:				
Supplies and Materials	500	0	0	0
Total Pupils	500	0	0	0
Instructional Staff:				
Purchased Services	1,000	1,368	1,185	183
Total Instructional Staff	1,000	1,368	1,185	183
Administration:				
Purchased Services	8,500	8,500	8,500	0
Total Administration	8,500	8,500	8,500	0
Total Support Services	10,000	9,868	9,685	183
Total Expenditures	104,636	104,636	104,453	183
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,573)	(2,573)	(2,573)	0
Fund Balance at Beginning of Year	2,573	2,573	2,573	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0	\$ 0

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## LAKEWOOD LOCAL SCHOOL DISTRICT

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***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, 2019***

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DATA COMMUNICATIONS FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental - State	\$ 7,200	\$ 7,200	\$ 7,200	\$ 0
Total Revenues	<u>7,200</u>	<u>7,200</u>	<u>7,200</u>	<u>0</u>
<b>Expenditures:</b>				
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>

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## LAKEWOOD LOCAL SCHOOL DISTRICT

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***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, 2019***

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### OHIO HIGH SCHOOLS THAT WORK/MAKING MIDDLE GRADES WORK FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - State	\$ 3,000	\$ 3,000	\$ 0	\$ (3,000)
Total Revenues	3,000	3,000	0	(3,000)
<b>Expenditures:</b>				
Support Services:				
Instructional Staff:				
Supplies and Materials	3,000	3,000	2,891	109
Total Expenditures	3,000	3,000	2,891	109
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	(2,891)	(2,891)
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ (2,891)	\$ (2,891)

# **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, 2019***

## **MISCELLANEOUS STATE GRANTS FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - State	\$ 450	\$ 10,964	\$ 10,964	\$ 0
Total Revenues	450	10,964	10,964	0
<b>Expenditures:</b>				
Instructional Services:				
Special:				
Supplies and Materials	537	37	37	0
Total Instructional Services	537	37	37	0
Support Services:				
Operations and Maintenance of Plant:				
Purchased Services	0	10,515	7,940	2,575
Total Operation and Maintenance of Plant	0	10,515	7,940	2,575
Total Expenditures	537	10,552	7,977	2,575
Excess (Deficiency) of Revenues Over (Under) Expenditures	(87)	412	2,987	2,575
Fund Balance at Beginning of Year	(948)	(948)	(948)	0
Prior Year Encumbrances	536	536	536	0
Fund Balance at End of Year	\$ (499)	\$ 0	\$ 2,575	\$ 2,575

# 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, 2019***

SPECIAL EDUCATION PART B-IDEA FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - Federal	\$ 456,389	\$ 451,169	\$ 413,784	\$ (37,385)
Total Revenues	456,389	451,169	413,784	(37,385)
<b>Expenditures:</b>				
Instructional Services:				
Regular:				
Purchased Services	4,000	2,792	0	2,792
Total Regular	4,000	2,792	0	2,792
Special:				
Salaries and Wages	196,362	205,805	195,694	10,111
Fringe Benefits	67,002	67,040	63,620	3,420
Supplies and Materials	2,500	3,523	3,523	0
Total Special	265,864	276,368	262,837	13,531
Total Instructional Services	269,864	279,160	262,837	16,323
Support Services:				
Pupils:				
Salaries and Wages	77,859	76,945	69,332	7,613
Fringe Benefits	96,458	81,387	73,214	8,173
Total Pupils	174,317	158,332	142,546	15,786
Instructional Staff:				
Salaries and Wages	0	1,250	0	1,250
Fringe Benefits	0	193	0	193
Purchased Services	3,000	2,000	2,000	0
Supplies and Materials	1,101	1,865	1,865	0
Total Instructional Staff	4,101	5,308	3,865	1,443
Administration:				
Purchased Services	5,357	5,619	5,619	0
Total Administration	5,357	5,619	5,619	0
Total Support Services	183,775	169,259	152,030	17,229
Total Expenditures	453,639	448,419	414,867	33,552
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,750	2,750	(1,083)	(3,833)
Fund Balance at Beginning of Year	(3,250)	(3,250)	(3,250)	0
Prior Year Encumbrances	500	500	500	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ (3,833)	\$ (3,833)

# **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, 2019***

	TITLE I FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental - Federal	\$ 401,324	\$ 399,916	\$ 354,795	\$ (45,121)
Total Revenues	401,324	399,916	354,795	(45,121)
<b>Expenditures:</b>				
Instructional Services:				
Special:				
Salaries and Wages	276,550	217,764	191,648	26,116
Fringe Benefits	0	35,022	35,022	0
Total Special	276,550	252,786	226,670	26,116
Other:				
Salaries and Wages	25,000	25,000	21,993	3,007
Fringe Benefits	0	4,802	4,802	0
Total Other	25,000	29,802	26,795	3,007
Total Instructional Services	301,550	282,588	253,465	29,123
Support Services:				
Instructional Staff:				
Salaries and Wages	95,861	102,346	90,097	12,249
Fringe Benefits	0	11,093	11,093	0
Total Instructional Staff	95,861	113,439	101,190	12,249
Pupil Transportation:				
Purchased Services	656	656	0	656
Total Pupil Transportation	656	656	0	656
Total Support Services	96,517	114,095	101,190	12,905
Operation of Non-Instructional Services:				
Purchased Services	3,257	3,233	1,998	1,235
Total Expenditures	401,324	399,916	356,653	43,263
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	(1,858)	(1,858)
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ (1,858)	\$ (1,858)

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## LAKEWOOD LOCAL SCHOOL DISTRICT

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***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, 2019***

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IDEA PRESCHOOL GRANT FOR HANDICAPPED FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental - Federal	\$ 12,808	\$ 12,556	\$ 12,148	\$ (408)
Total Revenues	12,808	12,556	12,148	(408)
<b>Expenditures:</b>				
Instructional Services:				
Special:				
Salaries and Wages	12,808	12,556	12,148	408
Total Expenditures	12,808	12,556	12,148	408
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

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## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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***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, 2019***

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	TITLE II-A FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental - Federal	\$ 62,132	\$ 62,132	\$ 62,132	\$ 0
Total Revenues	62,132	62,132	62,132	0
<b>Expenditures:</b>				
Instructional Services:				
Regular:				
Salaries and Wages	62,132	62,132	62,132	0
Total Expenditures	62,132	62,132	62,132	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, 2019***

MISCELLANEOUS FEDERAL GRANTS FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Local Sources:				
Intergovernmental - Federal	\$ 30,426	\$ 35,180	\$ 23,183	\$ (11,997)
Total Revenues	30,426	35,180	23,183	(11,997)
<b>Expenditures:</b>				
Instructional Services:				
Regular:				
Purchased Services	11,900	11,900	11,900	0
Supplies and Materials	5,000	5,032	5,032	0
Capital Outlay	4,550	4,162	4,162	0
Total Instructional Services	21,450	21,094	21,094	0
Support Services:				
Instructional Staff:				
Purchased Services	4,321	6,080	4,321	1,759
Supplies and Materials	2,000	4,967	4,615	352
Total Instructional Staff	6,321	11,047	8,936	2,111
Operation and Maintenance of Plant:				
Salaries and Wages	1,000	0	0	0
Fringe Benefits	155	0	0	0
Purchased Services	500	0	0	0
Supplies and Materials	1,000	3,039	3,039	0
Total Operation and Maintenance Of Plant	2,655	3,039	3,039	0
Total Support Services	8,976	14,086	11,975	2,111
Total Expenditures	30,426	35,180	33,069	2,111
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	(9,886)	(9,886)
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ (9,886)	\$ (9,886)

# **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, 2019***

	<b>CAPITAL PROJECTS FUND</b>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Total Revenues	<u>\$          0</u>	<u>\$          0</u>	<u>\$          0</u>	<u>\$          0</u>
<b>Expenditures:</b>				
Capital Outlay:				
Capital Outlay	<u>300,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>300,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(300,000)	0	0	0
<b>Other Financing Sources (Uses):</b>				
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	200,000	500,000	500,000	0
Fund Balance at Beginning of Year	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>
Fund Balance at End of Year	<u>\$  1,200,000</u>	<u>\$  1,500,000</u>	<u>\$  1,500,000</u>	<u>\$          0</u>

## ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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### ***Fiduciary Funds***

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

### ***Agency Funds***

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#### **Student Managed Activity Fund**

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

#### **Ohio High School Athletic Association (OHSAA) Tournament Fund**

To account for athletic tournament monies held by the District in a custodial capacity.

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**LAKEWOOD LOCAL SCHOOL DISTRICT**

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***Statement of Changes in Assets and Liabilities***  
***Agency Funds***  
***For the Fiscal Year Ended June 30, 2019***

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	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<b><u>Student Managed Activity Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$28,057	\$29,505	(\$25,735)	\$31,827
Total Assets	<u>\$28,057</u>	<u>\$29,505</u>	<u>(\$25,735)</u>	<u>\$31,827</u>
Liabilities:				
Due to Students	\$28,057	\$29,505	(\$25,735)	\$31,827
Total Liabilities	<u>\$28,057</u>	<u>\$29,505</u>	<u>(\$25,735)</u>	<u>\$31,827</u>
<b><u>OHSAA Tournament Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$0	\$9,163	(\$9,163)	\$0
Total Assets	<u>\$0</u>	<u>\$9,163</u>	<u>(\$9,163)</u>	<u>\$0</u>
Liabilities:				
Due to Others	\$0	\$9,163	(\$9,163)	\$0
Total Liabilities	<u>\$0</u>	<u>\$9,163</u>	<u>(\$9,163)</u>	<u>\$0</u>
<b><u>Totals - All Agency Funds</u></b>				
Assets:				
Cash and Cash Equivalents	\$28,057	\$38,668	(\$34,898)	\$31,827
Total Assets	<u>\$28,057</u>	<u>\$38,668</u>	<u>(\$34,898)</u>	<u>\$31,827</u>
Liabilities:				
Due to Others	\$0	\$9,163	(\$9,163)	\$0
Due to Students	28,057	29,505	(25,735)	31,827
Total Liabilities	<u>\$28,057</u>	<u>\$38,668</u>	<u>(\$34,898)</u>	<u>\$31,827</u>

## *STATISTICAL SECTION*

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## ***STATISTICAL TABLES***

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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***

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<b>Financial Trends</b>	S 2 – S 13
These schedules contain trend information to help the reader understand how the District's financial position has changed over time.	
<b>Revenue Capacity</b>	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.	
<b>Debt Capacity</b>	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.	
<b>Economic and Demographic Information</b>	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.	
<b>Operating Information</b>	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.	
<b>Sources Note:</b>	
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)*

	2010	2011	2012	2013
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$3,151,387	\$3,053,537	\$3,080,260	\$3,187,873
Restricted for:				
Debt Service	1,082,006	1,118,731	1,190,591	953,055
Federally Funded Programs	0	0	10,385	44,746
Other Purposes	0	131,143	30,086	49,289
Unrestricted (Deficit)	3,691,366	4,584,024	5,875,212	7,604,004
Total Governmental Activities Net Position	<u>\$7,924,759</u>	<u>\$8,887,435</u>	<u>\$10,186,534</u>	<u>\$11,838,967</u>
<b>Business-type Activities:</b>				
Net Investment in Capital Assets	\$69,250	\$59,875	\$48,572	\$70,702
Unrestricted (Deficit)	62,199	87,441	186,858	149,929
Total Business-type Activities Net Position	<u>\$131,449</u>	<u>\$147,316</u>	<u>\$235,430</u>	<u>\$220,631</u>
<b>Primary Government:</b>				
Net Investment in Capital Assets	\$3,220,637	\$3,113,412	\$3,128,832	\$3,258,575
Restricted	1,082,006	1,249,874	1,231,062	1,047,090
Unrestricted	3,753,565	4,671,465	6,062,070	7,753,933
Total Primary Government Net Position	<u>\$8,056,208</u>	<u>\$9,034,751</u>	<u>\$10,421,964</u>	<u>\$12,059,598</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

***Lakewood Local School District***

2014	2015	2016	2017	2018	2019
*			**		
\$3,398,481	\$3,636,986	\$3,741,768	\$4,355,534	\$7,250,065	\$7,537,301
773,138	700,042	696,827	606,001	798,920	688,383
20,688	61,618	79,445	0	0	14,063
64,442	76,759	98,708	90,851	54,233	68,300
(18,930,709)	(14,956,033)	(11,405,743)	(17,594,072)	(6,622,821)	(5,708,038)
<u>(\$14,673,960)</u>	<u>(\$10,480,628)</u>	<u>(\$6,788,995)</u>	<u>(\$12,541,686)</u>	<u>\$1,480,397</u>	<u>\$2,600,009</u>
\$77,715	\$144,393	\$132,142	\$115,913	\$102,808	\$91,398
(188,404)	(248,993)	(260,669)	(560,322)	(548,278)	(601,134)
<u>(\$110,689)</u>	<u>(\$104,600)</u>	<u>(\$128,527)</u>	<u>(\$444,409)</u>	<u>(\$445,470)</u>	<u>(\$509,736)</u>
\$3,476,196	\$3,781,379	\$3,873,910	\$4,471,447	\$7,352,873	\$7,628,699
858,268	838,419	874,980	696,852	853,153	770,746
(19,119,113)	(15,205,026)	(11,666,412)	(18,154,394)	(7,171,099)	(6,309,172)
<u>(\$14,784,649)</u>	<u>(\$10,585,228)</u>	<u>(\$6,917,522)</u>	<u>(\$12,986,095)</u>	<u>\$1,034,927</u>	<u>\$2,090,273</u>

## *Lakewood Local School District*

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

	2010	2011	2012	2013
<b>Expenses</b>				
Governmental Activities:				
Instruction	\$13,547,787	\$13,150,165	\$12,333,823	\$12,351,032
Support Services:				
Pupils	1,312,081	1,224,974	1,339,037	1,406,457
Instructional Staff	386,414	281,544	257,656	357,042
Board of Education	81,589	54,198	70,084	89,155
Administration	1,816,833	1,889,652	1,880,781	1,933,761
Fiscal Services	590,518	600,845	617,723	680,434
Business	19,125	19,723	20,952	22,403
Operation and Maintenance of Plant	1,551,761	1,551,640	1,585,727	1,718,852
Pupil Transportation	1,589,527	1,543,782	1,530,781	1,592,255
Central	314,949	281,113	284,079	90,763
Operation of Non-Instructional Services	61,088	45,099	59,427	73,594
Extracurricular Activities	521,163	537,562	526,540	483,728
Interest and Fiscal Charges	593,824	575,861	550,947	653,040
<i>Total Governmental Activities Expenses</i>	<u>22,386,659</u>	<u>21,756,158</u>	<u>21,057,557</u>	<u>21,452,516</u>
Business-type Activities:				
Food Service	916,439	953,088	898,959	930,083
<i>Total Business-type Activities Expenses</i>	<u>916,439</u>	<u>953,088</u>	<u>898,959</u>	<u>930,083</u>
<i>Total Primary Government Expenses</i>	<u>\$23,303,098</u>	<u>\$22,709,246</u>	<u>\$21,956,516</u>	<u>\$22,382,599</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services				
Instruction	\$379,277	\$400,842	\$504,070	\$479,394
Support Services:				
Administration	0	74,513	125,625	92,292
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	133,349	139,843	141,550	138,859
Operating Grants and Contributions	1,779,854	1,596,451	911,323	899,632
Capital Grants and Contributions	0	51,000	0	0
<i>Total Governmental Activities</i>	<u>2,292,480</u>	<u>2,262,649</u>	<u>1,682,568</u>	<u>1,610,177</u>
<i>Program Revenues</i>	<u>2,292,480</u>	<u>2,262,649</u>	<u>1,682,568</u>	<u>1,610,177</u>

***Lakewood Local School District***

2014	2015	2016	2017	2018	2019
\$12,499,288	\$12,620,972	\$13,345,921	\$14,940,596	\$6,499,863	\$13,698,720
1,424,694	1,376,862	1,457,380	1,701,739	942,383	1,530,987
355,036	416,746	591,749	704,846	428,326	799,038
94,778	81,842	113,093	90,134	174,438	34,420
1,821,632	1,876,291	1,885,623	2,046,793	961,114	1,908,916
692,254	650,991	665,621	747,064	643,616	760,212
22,110	9,027	21,627	26,278	24,802	26,181
1,690,189	1,552,021	1,679,574	1,737,436	1,593,046	2,084,371
1,645,923	1,624,650	1,591,323	1,786,288	1,608,005	1,836,521
104,488	63,281	34,528	23,814	15,121	38,329
215,078	240,464	195,606	49,796	46,340	48,134
512,262	519,113	551,485	624,287	578,496	691,608
535,225	509,433	418,683	277,373	266,558	241,956
<u>21,612,957</u>	<u>21,541,693</u>	<u>22,552,213</u>	<u>24,756,444</u>	<u>13,782,108</u>	<u>23,699,393</u>
980,354	920,073	895,269	984,409	938,537	1,030,232
<u>980,354</u>	<u>920,073</u>	<u>895,269</u>	<u>984,409</u>	<u>938,537</u>	<u>1,030,232</u>
<u>\$22,593,311</u>	<u>\$22,461,766</u>	<u>\$23,447,482</u>	<u>\$25,740,853</u>	<u>\$14,720,645</u>	<u>\$24,729,625</u>
\$714,405	\$759,132	\$887,993	\$1,250,111	\$1,307,061	\$1,233,510
127,884	73,127	28,129	44	276	0
153,529	180,233	0	0	0	0
139,560	148,048	135,620	141,481	179,888	139,927
1,257,477	1,388,215	1,653,224	1,438,208	1,282,931	1,274,106
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>458,000</u>	<u>0</u>
<u>2,392,855</u>	<u>2,548,755</u>	<u>2,704,966</u>	<u>2,829,844</u>	<u>3,228,156</u>	<u>2,647,543</u>

(continued)

## *Lakewood Local School District*

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

	2010	2011	2012	2013
Business-type Activities:				
Charges for Services				
Food Service	327,032	305,258	299,813	283,204
Operating Grants and Contributions	643,338	663,697	687,260	615,150
Capital Grants and Contributions	0	0	0	16,930
<i>Total Business-type Activities Program Revenues</i>	<u>970,370</u>	<u>968,955</u>	<u>987,073</u>	<u>915,284</u>
<i>Total Primary Government Program Revenues</i>	<u>3,262,850</u>	<u>3,231,604</u>	<u>2,669,641</u>	<u>2,525,461</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(20,094,179)	(19,493,509)	(19,374,989)	(19,842,339)
Business-type Activities	53,931	15,867	88,114	(14,799)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$20,040,248)</u>	<u>(\$19,477,642)</u>	<u>(\$19,286,875)</u>	<u>(\$19,857,138)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$9,844,340	\$10,519,556	\$10,951,598	\$12,319,747
Debt Service	1,217,236	978,147	1,000,239	749,321
Grants and Entitlements not				
Restricted to Specific Programs	8,710,003	8,861,970	8,611,887	8,272,161
Investment Earnings	78,975	31,769	31,405	24,272
Miscellaneous	90,108	64,743	78,959	129,271
<i>Total Governmental Activities</i>	<u>19,940,662</u>	<u>20,456,185</u>	<u>20,674,088</u>	<u>21,494,772</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>\$19,940,662</u>	<u>\$20,456,185</u>	<u>\$20,674,088</u>	<u>\$21,494,772</u>
<b>Change in Net Position</b>				
Governmental Activities	(\$153,517)	\$962,676	\$1,299,099	\$1,652,433
Business-type Activities	53,931	15,867	88,114	(14,799)
<i>Total Primary Government Change in Net Position</i>	<u>(\$99,586)</u>	<u>\$978,543</u>	<u>\$1,387,213</u>	<u>\$1,637,634</u>

Source: District Treasurer's Office

***Lakewood Local School District***

2014	2015	2016	2017	2018	2019
264,932	255,156	309,230	331,827	348,571	368,147
675,475	626,528	538,906	581,800	588,905	597,819
0	44,478	23,206	0	0	0
940,407	926,162	871,342	913,627	937,476	965,966
3,333,262	3,474,917	3,576,308	3,743,471	4,165,632	3,613,509
(19,220,102)	(18,992,938)	(19,847,247)	(21,926,600)	(10,553,952)	(21,051,850)
(39,947)	6,089	(23,927)	(70,782)	(1,061)	(64,266)
<u>(\$19,260,049)</u>	<u>(\$18,986,849)</u>	<u>(\$19,871,174)</u>	<u>(\$21,997,382)</u>	<u>(\$10,555,013)</u>	<u>(\$21,116,116)</u>
\$12,443,682	\$13,002,282	\$13,341,342	\$13,226,848	\$14,666,904	\$12,719,183
840,483	918,406	931,637	812,141	1,295,631	982,405
8,521,195	9,075,972	9,057,291	8,902,300	8,221,497	7,879,658
49,826	65,975	112,905	144,950	240,795	503,506
149,236	123,635	95,705	119,568	151,208	86,710
22,004,422	23,186,270	23,538,880	23,205,807	24,576,035	22,171,462
0	0	0	0	0	0
<u>\$22,004,422</u>	<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>
\$2,784,320	\$4,193,332	\$3,691,633	\$1,279,207	\$14,022,083	\$1,119,612
(39,947)	6,089	(23,927)	(70,782)	(1,061)	(64,266)
<u>\$2,744,373</u>	<u>\$4,199,421</u>	<u>\$3,667,706</u>	<u>\$1,208,425</u>	<u>\$14,021,022</u>	<u>\$1,055,346</u>

## *Lakewood Local School District*

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

	2010	2011	2012	2013	2014
General Fund					
Nonspendable	\$0	\$261,229	\$229,239	\$250,644	\$256,521
Restricted	0	14,083	12,283	6,888	7,215
Committed	0	204,164	204,164	204,164	204,164
Assigned	0	198,049	105,140	329,917	191,468
Unassigned	0	3,839,276	5,473,304	6,951,255	10,001,876
Reserved	1,583,171	0	0	0	0
Unreserved	2,615,971	0	0	0	0
<i>Total General Fund</i>	<u>4,199,142</u>	<u>4,516,801</u>	<u>6,024,130</u>	<u>7,742,868</u>	<u>10,661,244</u>
All Other Governmental Funds					
Nonspendable	0	6,032	1,144	3,187	11,908
Restricted	0	1,112,862	1,195,082	1,340,481	847,031
Committed	0	39,994	24,412	0	0
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Reserved	172,840	0	0	0	0
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	119,416	0	0	0	0
Debt Service Funds	897,885	0	0	0	0
<i>Total All Other Governmental Funds</i>	<u>1,190,141</u>	<u>1,158,888</u>	<u>1,220,638</u>	<u>1,343,668</u>	<u>858,939</u>
<i>Total Governmental Funds</i>	<u><u>\$5,389,283</u></u>	<u><u>\$5,675,689</u></u>	<u><u>\$7,244,768</u></u>	<u><u>\$9,086,536</u></u>	<u><u>\$11,520,183</u></u>

Source: District Treasurer's Office

Note: The District implemented GASB 54 in 2011 which established new fund balance classifications for governmental funds.

***Lakewood Local School District***

2015	2016	2017	2018	2019
\$240,533	\$283,967	\$303,362	\$328,326	\$312,986
12,293	22,740	19,542	9,111	7,684
204,164	204,164	204,164	204,164	204,164
358,129	598,691	3,087,642	502,612	1,964,573
13,445,771	15,989,454	14,580,746	16,489,732	12,492,211
0	0	0	0	0
0	0	0	0	0
14,260,890	17,099,016	18,195,456	17,533,945	14,981,618
8,079	28,374	12,952	10,273	9,940
822,405	768,912	1,429,966	851,657	760,295
0	0	0	0	0
0	0	500,000	1,000,000	1,500,000
0	(19,895)	(12,952)	(10,273)	(9,940)
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
830,484	777,391	1,929,966	1,851,657	2,260,295
\$15,091,374	\$17,876,407	\$20,125,422	\$19,385,602	\$17,241,913

# *Lakewood Local School District*

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

	2010	2011	2012	2013
<b>Revenues:</b>				
Local Sources:				
Taxes	\$10,945,760	\$10,884,473	\$12,245,105	\$13,248,007
Tuition	310,898	337,206	438,497	408,398
Investment Earnings	77,963	36,866	31,452	22,055
Extracurricular Activities	133,349	139,843	141,550	138,859
Class Materials and Fees	51,497	46,764	42,551	49,154
Intermediate Sources	9,156	2,963	10,611	11,426
Intergovernmental - State	8,694,393	8,830,092	8,578,408	8,251,872
Intergovernmental - Federal	1,693,267	1,531,114	995,061	869,840
All Other Revenue	200,031	172,373	244,743	252,566
<b>Total Revenue</b>	<u>22,116,314</u>	<u>21,981,694</u>	<u>22,727,978</u>	<u>23,252,177</u>
<b>Expenditures:</b>				
Current:				
Instruction	13,254,304	12,814,543	11,877,724	12,313,518
Supporting Services:				
Pupils	1,308,054	1,245,592	1,342,818	1,412,351
Instructional Staff	375,185	314,412	249,370	328,525
Board of Education	81,589	54,198	70,084	89,155
Administration	1,730,479	1,828,106	1,889,853	1,886,388
Fiscal Services	589,442	600,730	620,617	681,351
Business	19,125	19,723	20,952	22,403
Operation and Maintenance of Plant	1,567,970	1,534,442	1,587,658	2,408,006
Pupil Transportation	1,782,897	1,419,379	1,593,860	1,618,106
Central	314,738	292,924	285,917	94,657
Operation of Non-Instructional Services	16,361	5,051	24,668	33,553
Extracurricular Activities	382,776	399,254	404,400	348,584
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	710,783	736,789	745,851	786,671
Interest and Fiscal Charges	523,093	495,886	460,527	444,476
<b>Total Expenditures</b>	<u>22,656,796</u>	<u>21,761,029</u>	<u>21,174,299</u>	<u>22,467,744</u>
Excess (Deficiency) of Revenues Over Expenditures	(540,482)	220,665	1,553,679	784,433

***Lakewood Local School District***

2014	2015	2016	2017	2018	2019
\$13,436,540	\$14,087,532	\$14,248,738	\$14,169,147	\$16,067,795	\$13,686,900
650,229	698,547	827,692	1,174,718	1,220,174	940,057
52,248	60,360	110,693	138,938	248,916	506,348
139,560	148,048	135,620	141,481	179,888	139,927
50,416	54,377	55,707	69,111	76,523	71,986
11,596	4,096	14,522	11,265	20,751	9,963
8,814,106	9,297,404	9,220,982	9,095,333	8,401,513	8,067,273
978,300	1,144,087	1,249,940	1,297,851	1,062,016	1,051,645
448,573	401,803	282,582	132,870	181,958	115,760
<u>24,581,568</u>	<u>25,896,254</u>	<u>26,146,476</u>	<u>26,230,714</u>	<u>27,459,534</u>	<u>24,589,859</u>
12,092,287	12,494,915	13,106,643	13,744,523	14,728,313	15,324,959
1,471,483	1,416,326	1,484,913	1,623,056	1,721,318	1,714,295
324,617	393,902	681,181	649,305	742,318	850,100
94,778	82,111	113,146	89,586	176,071	156,324
1,816,665	1,998,667	1,891,636	1,891,555	1,919,922	1,976,644
692,505	661,533	671,329	716,347	698,923	760,721
22,110	9,339	21,811	25,520	26,506	26,294
2,030,914	1,744,441	1,984,513	2,411,178	2,118,221	2,228,896
1,696,832	1,614,427	1,668,532	1,861,033	1,828,136	1,798,865
104,334	68,386	27,123	23,219	21,741	38,645
170,451	200,197	154,352	6,703	3,380	5,244
377,215	386,409	427,445	463,952	547,327	459,973
0	0	0	1,871,288	2,418,275	51,947
828,344	860,099	1,010,052	889,852	1,059,832	1,071,135
426,804	386,175	343,663	258,028	293,663	269,015
<u>22,149,339</u>	<u>22,316,927</u>	<u>23,586,339</u>	<u>26,525,145</u>	<u>28,303,946</u>	<u>26,733,057</u>
2,432,229	3,579,327	2,560,137	(294,431)	(844,412)	(2,143,198)
					(Continued)

# *Lakewood Local School District*

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

	2010	2011	2012	2013
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	3,112	19,614	23,393	6,039
School Energy Conservation Bonds Issued	0	0	0	917,707
Refunding General Obligation Bonds Issued	0	0	0	0
Premium on Refunding General Obligation Bonds	0	0	0	0
Other Financing Sources - Capital Leases	0	58,218	0	115,438
Payment to Refunded Bonds Escrow Agent	0	0	0	0
Transfers In	0	0	20,000	0
Transfers Out	0	0	(20,000)	0
<b>Total Other Financing Sources (Uses)</b>	<u>3,112</u>	<u>77,832</u>	<u>23,393</u>	<u>1,039,184</u>
<b>Net Change in Fund Balance</b>	<u>(\$537,370)</u>	<u>\$298,497</u>	<u>\$1,577,072</u>	<u>\$1,823,617</u>
 <b>Debt Service as a Percentage of Noncapital Expenditures</b>	 5.59%	 5.72%	 5.79%	 5.79%

Source: District Treasurer's Office

***Lakewood Local School District***

2014	2015	2016	2017	2018	2019
2,392	5,850	5,600	52,777	12,979	2,108
0	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
0	(3,000)	0	(500,000)	(500,000)	(500,000)
2,392	5,850	222,186	2,552,777	97,893	2,108
\$2,434,621	\$3,585,177	\$2,782,323	\$2,258,346	(\$746,519)	(\$2,141,090)

5.85%	5.68%	5.93%	4.88%	5.43%	5.10%
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## ***Lakewood Local School District***

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

<b>Tax year</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
			*	
<b>Real Property</b>				
Assessed	\$355,041,030	\$358,258,840	\$372,060,130	\$378,886,250
Actual	1,014,402,943	1,023,596,686	1,063,028,943	1,082,532,143
<b>Public Utility</b>				
Assessed	14,316,970	15,135,460	16,483,410	16,994,710
Actual	14,316,970	15,135,460	16,483,410	16,994,710
<b>Tangible Personal Property</b>				
Assessed	1,012,140	0	0	0
Actual	10,121,400	0	0	0
<b>Total</b>				
Assessed	370,370,140	373,394,300	388,543,540	395,880,960
Actual	1,038,841,313	1,038,732,146	1,079,512,353	1,099,526,853
<b>Assessed Value as a Percentage of Actual Value</b>	35.65%	35.95%	35.99%	36.00%
<b>Total Direct Tax Rate</b>	\$47.82	\$57.23	\$56.92	\$54.33

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%.  
Telephone and telecommunications property was reclassified to general business  
personal property and assessed at 10% for 2009 and 0% from 2010 forward.

***Lakewood Local School District***

2013	2014	2015	2016	2017	2018
	**			*	
\$388,406,130	\$404,571,981	\$395,670,850	\$398,698,788	\$431,277,342	\$435,415,202
1,109,731,800	1,155,919,946	1,130,488,143	1,139,139,394	1,232,220,977	1,244,043,434
21,658,260	23,420,060	27,025,450	29,234,730	30,572,020	31,890,550
21,658,260	23,420,060	27,025,450	29,234,730	30,572,020	31,890,550
0	0	0	0	0	0
0	0	0	0	0	0
410,064,390	427,992,041	422,696,300	427,933,518	461,849,362	467,305,752
1,131,390,060	1,179,340,006	1,157,513,593	1,168,374,124	1,262,792,997	1,275,933,984
36.24%	36.29%	36.52%	36.63%	36.57%	36.62%
\$54.51	\$54.40	\$54.20	\$54.20	\$53.20	\$53.10

## ***Lakewood Local School District***

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

<b>Tax year</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Direct District Rates</b>				
General Fund	45.10	54.56	54.42	53.33
Bond Retirement Fund	2.72	2.67	2.50	1.00
Total	47.82	57.23	56.92	54.33
<b>Overlapping Rates</b>				
Licking County Joint Vocational School	2.50	2.52	2.54	2.48
Licking County	7.40	7.70	7.70	7.70
<b>Special Taxing Districts</b>				
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	0.80-6.20

**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***

2013	2014	2015	2016	2017	2018
52.89	52.40	52.40	52.40	51.40	51.40
1.62	2.00	1.80	1.80	1.80	1.70
54.51	54.40	54.20	54.20	53.20	53.10
2.56	2.54	2.58	2.57	2.55	2.55
7.70	8.00	8.00	8.00	9.50	9.50
4.40 - 5.40	4.10-5.40	5.60-6.40	5.60-6.40	5.60-6.40	5.60-6.40
11.20 - 11.40	11.20-12.20	11.10-12.20	11.10-12.20	16.10-17.20	16.10-17.20
13.20 - 13.30	13.30	13.30	13.30	13.30	13.30
5.80	5.80	5.80	5.80	5.80	5.10
7.20	7.20	7.20	7.20	7.20	7.20
2.70- 4.90	2.70-4.90	3.10-4.90	6.10-7.90	6.10-7.90	6.10-7.90
2.30 - 7.70	2.30-7.40	2.30-7.40	4.10-7.40	5.60-7.40	5.60-7.40

## *Lakewood Local School District*

*Principal Taxpayers  
Real Estate Tax  
Current Year and Nine Years Ago*

Name of Taxpayer	Nature of Business	Calendar Year 2018		
		Assessed Value	Rank	Percent of Total Assessed Value
Southgate Company Limited Partnership	Developer	6,070,190	1	1.39%
Harry & David Operations Inc	Distributor	5,250,010	2	1.21%
Lexington O C LLC	Warehouse	5,005,020	3	1.24%
THK Manufacturing of America Inc	Linear Motion Devices	3,724,990	4	0.86%
Hebron Business Park LTD	Network/Cloud Services	2,240,000	5	0.51%
Covestro LLC	Manufacturer - Polymers	2,208,270	6	0.51%
Uhrman Development LLC	Developer	2,100,000	7	0.48%
Four B's ( New Jersey General Partnership)	Warehouse	1,925,000	8	0.44%
MPW Properties LLC	Industrial Cleaning	1,750,040	9	0.40%
Coughlin Automotive Properties of Heath LLC	Car Dealership	1,732,510	10	0.40%
Subtotal		32,006,030		7.44%
All Others		403,409,172		92.56%
Total		<u>\$435,415,202</u>		<u>100.00%</u>

Name of Taxpayer	Nature of Business	Calendar Year 2009		
		Assessed Value	Rank	Percent of Total Assessed Value
Paragano Nazario	Warehouse	\$2,468,660	1	0.70%
G & C Diversified	General Contractor	1,904,530	2	0.54%
Bayer	Plastic Pellets	1,883,460	3	0.53%
MPW Properties	Developer	1,725,510	4	0.49%
RR Donnelley & Sons Co.	Printing	1,605,770	5	0.45%
Hebron Business Park	Developer	1,452,430	6	0.41%
Kroger Company	Food	1,289,470	7	0.36%
Diebold	ATM Machines	1,282,440	8	0.36%
Zazworsky, Leon	Developer	1,228,080	9	0.35%
Dow Chemical	Research	1,144,500	10	0.32%
Subtotal		15,984,850		4.51%
All Others		339,056,180		95.49%
Total		<u>\$355,041,030</u>		<u>100.00%</u>

Source: Licking County Auditor - Land and Buildings  
Based on valuation of property in 2018 and 2009

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 2018		
		Assessed Value	Rank	Percent of Total Assessed Value
Ohio Power Company	Electricity	\$17,184,520	1	53.89%
AEP Ohio Transmission Co., Inc.	Electricity	\$4,894,850	2	15.35%
Columbia Gas Transmission Corp	Natural Gas	\$3,270,920	3	10.26%
National Gas and Oil Corp	Propane	\$1,908,040	4	5.98%
Licking Rural Electric Inc.	Electricity	\$1,533,980	5	4.82%
Dominion Transmission Inc.	Pipelines	\$1,453,220	6	4.56%
NGO Transmission Inc.	Natural Gas	\$801,250	7	2.51%
Columbia Gas of Ohio	Propane	\$546,930	8	1.72%
Dayton Power & Light Co	Electricity	\$219,010	9	0.69%
Duke Energy Ohio Inc	Electricity	\$67,830	10	0.21%
Subtotal		31,880,550		99.99%
All Others		10,000		0.01%
Total		<u>\$31,890,550</u>		<u>100.00%</u>

Name of Taxpayer	Nature of Business	Calendar Year 2009		
		Assessed Value	Rank	Percent of Total Assessed Value
Ohio Power	Electricity	\$7,531,980	1	52.61%
Columbia Gas	Propane Pipe Lines	1,510,230	2	10.55%
National Gas and Oil	Propane Pipe Lines	1,279,830	3	8.94%
Licking Rural Electric	Electricity	1,255,340	4	8.77%
Columbus Southern Power	Electricity	1,164,540	5	8.13%
Domminion Transmission Inc.	Propane Pipe Lines	878,140	6	6.13%
NGO Transmission	Propane Pipe Lines	499,220	7	3.49%
Dayton Power	Electricity	156,370	8	1.09%
Duke Energy	Electricity	33,140	9	0.23%
Buckeye Power	Electricity	5,230	10	0.04%
Subtotal		14,314,020		99.98%
All Others		2,950		0.02%
Total		<u>\$14,316,970</u>		<u>100.00%</u>

Source: Licking County Auditor - Land and Buildings  
Based on valuation of property in 2018 and 2009

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*

<b>Collection Year</b>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Total Tax Levy</b>	\$12,186,409	\$11,064,135	\$15,953,404	\$15,201,319
<b>Collections within the Fiscal Year of the Levy</b>				
Current Tax Collections	10,691,070	10,486,676	14,852,218	14,457,628
Percent of Levy Collected	87.73%	94.78%	93.10%	95.11%
Delinquent Tax Collections	<u>536,494</u>	<u>422,123</u>	<u>422,124</u>	<u>623,368</u>
Total Tax Collections	11,227,564	10,908,799	15,274,342	15,080,996
<b>Percent of Total Tax Collections To Tax Levy</b>	92.13%	98.60%	95.74%	99.21%
<b>Accumulated Outstanding Delinquent Taxes</b>	958,846	1,340,352	679,062	945,992
<b>Percentage of Accumulated Delinquent Taxes to Total Tax Levy</b>	7.87%	12.11%	4.26%	6.22%

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***

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<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$14,481,893	\$15,072,793	\$15,646,211	\$15,786,873	\$15,873,468	\$16,426,928
13,869,943	14,536,465	15,097,508	15,232,195	15,423,233	16,107,572
95.77%	96.44%	96.49%	96.49%	97.16%	98.06%
<u>589,795</u>	<u>612,082</u>	<u>464,878</u>	<u>453,056</u>	<u>254,186</u>	<u>449,882</u>
14,459,738	15,148,547	15,562,386	15,685,251	15,677,419	16,557,454
99.85%	100.50%	99.46%	99.36%	98.76%	100.79%
933,285	576,011	638,307	546,685	451,838	626,265
6.44%	3.82%	4.08%	3.46%	2.85%	3.81%

## *Lakewood Local School District*

### *Ratio of Outstanding Debt By Type Last Ten Years*

	2010	2011	2012	2013
<b>Governmental Activities</b> <sup>(1)</sup>			*	
Energy Conservation Bonds Payable	\$783,729	\$635,398	\$483,237	\$1,244,758
General Obligation Bonds Payable	11,837,649	11,369,250	11,240,539	10,724,872
Capital Leases	70,502	85,262	51,572	126,525
Total Primary Government	<u>\$12,691,880</u>	<u>\$12,089,910</u>	<u>\$11,775,348</u>	<u>\$12,096,155</u>
<b>Population</b> <sup>(2)</sup>				
Village of Buckeye Lake and Village of Hebron	5,237	5,082	5,082	5,082
Outstanding Debt Per Capita	2,424	2,379	2,317	2,380
<b>Income</b> <sup>(3)</sup>				
Personal (in thousands)	179,357	176,721	190,529	202,518
Percentage of Personal Income	7.08%	6.84%	6.18%	5.97%

\* Restated for Deferred Charge on Refunding

#### **Sources:**

- (1) District Treasurer's Office
- (2) US Bureau of Census of Population - latest update is calendar year 2018 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***

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2014	2015	2016	2017	2018	2019
\$1,065,238	\$881,276	\$692,648	\$550,624	\$458,854	\$367,083
10,197,601	9,660,419	8,922,230	8,220,168	7,484,151	6,728,134
92,701	56,564	82,910	2,545,082	2,366,934	2,112,570
<u>\$11,355,540</u>	<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>
5,082	5,082	5,082	5,168	5,251	5,320
2,234	2,085	1,908	2,190	1,963	1,731
203,377	202,441	211,315	218,177	232,157	235,208
5.58%	5.24%	4.59%	5.19%	4.44%	3.91%

## ***Lakewood Local School District***

### *Ratios of General Bonded Debt Outstanding Last Ten Years*

Year	2010	2011	2012	2013
			*	
<b>Population</b> <sup>(1)</sup>	5,237	5,082	5,082	5,082
<b>Assessed Value</b> <sup>(2)</sup>	370,370,140	373,394,300	388,543,540	395,880,960
<b>General Bonded Debt</b> <sup>(3)</sup>				
General Obligation Bonds	11,837,649	11,369,250	11,240,539	10,724,872
<b>Resources Available to Pay Principal</b> <sup>(4)</sup>	811,856	928,414	1,041,410	847,327
<b>Net General Bonded Debt</b>	11,025,793	10,440,836	10,199,129	9,877,545
<b>Ratio of Net Bonded Debt to Estimated Actual Value</b>	3.0%	2.8%	2.6%	2.5%
<b>Net Bonded Debt per Capita</b>	2,105.36	2,054.47	2,006.91	1,943.63

\* Restated for Deferred Charge on Refunding

#### **Source:**

- (1) U.S. Bureau of Census of Population - latest update is calendar year 2018
- (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***

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2014	2015	2016	2017	2018	2019
5,082	5,082	5,082	5,168	5,251	5,320
410,064,390	427,992,041	422,696,300	427,933,518	461,849,362	467,305,752
10,197,601	9,660,419	8,922,230	8,220,168	7,484,151	6,728,134
533,493	444,792	437,421	411,361	448,350	469,288
9,664,108	9,215,627	8,484,809	7,808,807	7,035,801	6,258,846
2.4%	2.2%	2.0%	1.8%	1.5%	1.3%
1,901.63	1,813.39	1,669.58	1,510.99	1,339.90	1,176.47



## ***Lakewood Local School District***

### *Computation of Direct and Overlapping Debt Attributable to Governmental Activities June 30, 2019*

<b>Jurisdiction</b>	<b>Gross Debt Outstanding</b>	<b>Percentage Applicable to Lakewood Local School District (1)</b>	<b>Amount Applicable to Lakewood Local School District</b>
<b>Direct:</b>			
Lakewood Local School District	\$9,207,787	100.00%	\$9,207,787
<b>Overlapping:</b>			
Licking County	29,591,108	10.48%	3,101,148
Heath City	2,633,000	7.82%	205,901
Village of Hebron	1,270,000	100.00%	1,270,000
Franklin Township	240,736	94.74%	228,073
Licking County Career & Technical Center (C-Tec)	14,795,000	10.15%	1,501,693
		Subtotal	6,306,815
		Total	\$15,514,602

**Source:** Ohio Municipal Advisory Council, June 2019

(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	2010	2011	2012	2013
Net Assessed Valuation	\$370,370,140	\$373,394,300	\$388,543,540	\$395,880,960
Legal Debt Limitation (%) (1)	9.00%	9.00%	9.00%	9.00%
Legal Debt Limitation (\$) (1)	33,333,313	33,605,487	34,968,919	35,629,286
Applicable District Debt Outstanding	11,837,649	11,369,250	11,240,539	10,724,872
Less: Applicable Debt Service Fund Amounts (2)	(811,856)	(928,414)	(1,041,410)	(847,327)
Net Indebtedness Subject to Limitation	11,025,793	10,440,836	10,199,129	9,877,545
Overall Legal Debt Margin	<u>\$22,307,520</u>	<u>\$23,164,651</u>	<u>\$24,769,790</u>	<u>\$25,751,741</u>
Legal Debt Limitation (%) (1)	0.10%	0.10%	0.10%	0.10%
Legal Debt Limitation (\$) (1)	370,370	373,394	388,544	395,881
Applicable District Debt Outstanding	0	0	0	0
Unvoted Legal Debt Margin	<u>\$370,370</u>	<u>\$373,394</u>	<u>\$388,544</u>	<u>\$395,881</u>
Legal Debt Limitation (%) (1)	0.90%	0.90%	0.90%	0.90%
Legal Debt Limitation (\$) (1)	3,333,331	3,360,549	3,496,892	3,562,929
Applicable District Debt Outstanding	(783,729)	(635,398)	(483,237)	(1,244,758)
Unvoted Energy Conservation Loans Legal Debt Margin	<u>\$2,549,602</u>	<u>\$2,725,151</u>	<u>\$3,013,655</u>	<u>\$2,318,171</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***

2014	2015	2016	2017	2018	2019
\$410,064,390	\$427,992,041	\$422,696,300	\$427,933,518	\$461,849,362	\$467,305,752
9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
36,905,795	38,519,284	38,042,667	38,514,017	41,566,443	42,057,518
10,197,601	9,660,419	8,922,230	8,220,168	7,484,151	6,728,134
(533,493)	(444,792)	(437,421)	(411,361)	(448,350)	(469,288)
9,664,108	9,215,627	8,484,809	7,808,807	7,035,801	6,258,846
<u>\$27,241,687</u>	<u>\$29,303,657</u>	<u>\$29,557,858</u>	<u>\$30,705,210</u>	<u>\$34,530,642</u>	<u>\$35,798,672</u>
0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
410,064	427,992	422,696	427,934	461,849	467,306
0	0	0	0	0	0
<u>\$410,064</u>	<u>\$427,992</u>	<u>\$422,696</u>	<u>\$427,934</u>	<u>\$461,849</u>	<u>\$467,306</u>
0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
3,690,580	3,851,928	3,804,267	3,851,402	4,156,644	4,205,752
(1,065,238)	(881,276)	(692,648)	(550,624)	(458,854)	(367,083)
<u>\$2,625,342</u>	<u>\$2,970,652</u>	<u>\$3,111,619</u>	<u>\$3,300,778</u>	<u>\$3,697,790</u>	<u>\$3,838,669</u>

## ***Lakewood Local School District***

### *Demographic and Economic Statistics Last Ten Years*

<b>Calendar Year*</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Population</b> (1)				
Village of Buckeye Lake and Village of Hebron	5,237	5,082	5,082	5,082
Licking County	158,488	166,492	167,248	167,537
<b>Income</b> (2) (a)				
Total Personal (in thousands)	179,357	176,721	190,529	202,518
Per Capita	34,248	34,774	37,491	39,850
<b>Unemployment Rate</b> (3)				
Federal	9.3%	9.6%	8.9%	8.1%
State	10.2%	10.1%	8.6%	7.2%
Licking County	9.3%	9.5%	8.0%	6.5%
<b>Fiscal Year**</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>School Enrollment</b> (4)				
Grades K - 5	912	851	864	839
Grades 6 - 8	504	507	484	500
Grades 9 - 12	707	670	671	643
Non-Grade	30	57	44	51
Total	2,153	2,085	2,063	2,033

\* 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 2018.

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

(a) Per Capita Income is only available by County (2018 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 2019 are based on the final funded year end count.

***Lakewood Local School District***

2013	2014	2015	2016	2017	2018
5,082	5,082	5,082	5,168	5,251	5,320
168,375	169,390	170,570	172,198	173,448	175,769
203,377	202,441	211,315	218,177	232,157	235,208
40,019	39,835	41,581	42,217	44,212	44,212
7.4%	6.2%	5.3%	4.9%	4.4%	3.9%
7.4%	5.7%	4.9%	4.9%	5.0%	4.6%
6.9%	5.1%	4.4%	4.3%	4.2%	4.0%
2014	2015	2016	2017	2018	2019
816	797	805	819	814	817
445	409	430	461	449	434
658	610	567	622	615	602
51	56	2	0	0	0
1,970	1,872	1,804	1,902	1,878	1,853



## *Lakewood Local School District*

### *Principal Employers Current Year and Nine Years Ago*

		2019	
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	

		2010	
Employer	Nature of Business	Number of Employees	Rank
Harry & David Operations	Distributor	275	1
THK Manufacturing of America Inc	Linear Motion Devices	275	2
Heritage Sportswear Inc.	Sportswear Clothing	198	3
Ohio Metal Technologies	Auto Parts	130	4
Kroger Company	Grocery	105	5
Renosol Corporation	Foam Auto Seats	96	6
Sunfield Corporation	Steel Stamping	89	7
Hendrickson International	Axles	82	8
AFGD	Glass Finishing	72	9
Buckeye Outdoors	Retail Sporting Goods	50	10
Total		1,372	
Total Employment within the District		N/A	

**Sources:** Village of Hebron Administrative Offices  
N/A - not available

## **Lakewood Local School District**

### *School District Employees by Type Last Ten Years*

	2010	2011	2012	2013	2014
<b>Supervisory</b>					
Superintendent/Director of District Services	2	2	2	2	2
Department Administrators	6	6	6	6	6
Principals	4	4	4	4	4
Assistant Principals	3	3	3	3	3
<b>Instruction</b>					
Classroom Teachers					
Elementary	60	60	55	52	52
Middle	37	40	43	42	41
High	50	47	45	43	44
Educational Options	0	0	0	0	0
<b>Instructional Support</b>					
Coaches- Literacy/Math	0	0	0	0	0
Stem Coordinator	0	0	0	0	0
<b>Student Services</b>					
Guidance Counselors	4	4	4	4	4
Social Workers	2	2	1	1	1
Psychologists	1	2	2	2	2
Librarians	4	4	1	1	1
Speech Language	3	3	3	3	3
Media Intergration Specialist (Grade 6-12)	0	0	0	0	0
<b>Support Services</b>					
Clerical/Secretaries	12	12	12	12	10
Aides/Monitors	18	17	17	16	17
Fiscal /Accounting	3	3	3	3	3
Food Service	15	15	16	16	17
Library Technicians	2	2	4	4	4
Maintenance/Grounds	17	17	16	18	18
Technology Coordinator	1	1	1	1	1
Transportation	33	24	22	28	27
<i>Total Employees</i>	<u>277</u>	<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
2	2	2	2	2
6	6	6	6	6
4	4	4	4	4
3	3	3	3	3
54	56	57	60	56
43	39	39	37	37
45	45	44	42	41
0	0	1	1	1
1	2	2	2	2
0	0	0	0	1
3	3	3	3	3
1	1	1	1	1
2	2	2	2	2
0	1	0	0	0
3	3	3	3	3
0	1	1	1	1
10	10	10	10	10
17	17	17	17	16
3	3	3	3	3
17	14	14	14	15
4	4	4	4	4
17	17	18	17	17
1	1	1	1	1
27	27	28	28	28
263	261	263	261	257

***Lakewood Local School District***

*Cost per Pupil  
Last Ten Years*

Fiscal Year	2010	2011	2012	2013	2014
Enrollment (1)	2,153	2,085	2,063	2,033	1,970
Modified Accrual Basis					
Operating Expenditures	\$22,656,796	\$21,761,029	\$21,179,299	\$22,467,744	\$22,149,339
Cost per Pupil	10,523	10,437	10,266	11,052	11,243
Percentage of Change	7.7%	(0.8%)	(1.6%)	7.6%	1.7%
Accrual Basis (2)					
Expenses	\$21,792,835	\$21,180,297	\$20,506,610	\$20,799,476	\$21,077,732
Cost per Pupil	10,122	10,158	9,940	10,231	10,699
Percentage of Change	5.7%	0.4%	(2.1%)	2.9%	4.6%
Teaching Staff	147	147	143	137	137

Source: District Treasurer's Office

(1) Student Enrollment is based on the October Count using the Educational Management System for fiscal years 2010 through 2016, whole student enrollment for fiscal years 2017 through 2019 are based on the final funded year end count.

(2) Expenses exclude interest and fiscal charges

***Lakewood Local School District***

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2015	2016	2017	2018	2019
1,872	1,804	1,902	1,878	1,853
\$22,316,927	\$23,586,339	\$26,525,145	\$28,303,946	\$26,733,057
11,921	13,074	13,946	15,071	14,427
6.0%	9.7%	6.7%	8.1%	(4.3%)
\$21,032,260	\$22,133,530	\$24,479,071	\$13,515,550	\$23,457,437
11,235	12,269	12,870	7,197	12,659
5.0%	9.2%	4.9%	(44.1%)	75.9%
142	140	141	140	135

## *Lakewood Local School District*

### *Operational Information Last Ten Years*

	2010	2011	2012	2013
<b>Governmental Activities</b>				
Pupils				
Enrollment	2,153	2,085	2,063	2,033
Graduates	168	138	149	145
Percent of Students with Disabilities	15.2%	15.2%	15.0%	15.0%
Board of Education				
Regularly scheduled board meeting per year	12	12	12	12
Fiscal Services				
Purchase Orders Processed	1,472	1,433	1,419	1,332
Checks Issued (non payroll)	2,424	2,366	2,456	2,598
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	1,539	1,374	1,383	1,347
Average Daily Bus Fleet Miles	2,048	2,444	2,008	2,353
Number of Buses	32	33	31	33
Extracurricular Activities				
High School Varsity Teams	16	16	16	15
<b>Business-Type Activities</b>				
Food Service				
Student Lunches Served Annually	217,601	210,673	209,325	192,996
Free/Reduced Student Lunches Served Annually	112,316	113,561	125,391	119,828

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 2010 through 2016, while student enrollment for fiscal years 2017 through 2019 are based on the final funded year end count.

***Lakewood Local School District***

2014	2015	2016	2017	2018	2019
1,970	1,872	1,804	1,902	1,878	1,853
147	159	134	159	156	134
14.7%	16.0%	17.5%	17.0%	17.4%	18.4%
12	12	12	12	12	12
1,363	1,404	1,437	1,412	1,594	1,683
2,548	2,530	2,598	2,589	2,202	2,218
357,393	357,393	357,393	357,393	357,393	358,245
114	114	114	114	114	114
1,334	1,330	1,357	1,191	1,191	1,173
2,425	2,019	2,038	2,399	2,352	2,366
34	34	34	34	30	29
19	19	19	19	19	21
205,687	190,690	176,446	181,867	175,942	173,826
119,006	109,099	103,649	108,337	100,738	104,578

## ***Lakewood Local School District***

### *Teachers' Salaries Last Ten Years*

Fiscal Year	2010	2011	2012	2013	2014
Minimum Salary (1)	31,402	31,402	31,402	31,716	31,875
Maximum Salary (2)	66,729	66,729	66,729	67,397	67,734
District Average Salary (3)	52,771	53,293	51,491	47,559	47,455
State Average Salary (3)	55,958	56,715	58,120	56,307	55,916

### *Full Time Equivalent Teachers by Education Last Ten Years*

Fiscal Year	2010	2011	2012	2013	2014
Bachelor's Degree	13	10	5	6	9
Bachelor + 15	34	35	35	35	35
Master's Degree	61	61	67	66	65
Master's Degree + 15	39	41	34	30	28
Total	147	147	141	137	137

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.

***Lakewood Local School District***

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2015	2016	2017	2018	2019
32,433	33,406	34,408	35,096	36,962
68,920	70,988	73,117	74,579	78,544
48,135	50,259	56,787	58,691	60,827
55,913	55,294	56,985	58,186	63,916

2015	2016	2017	2018	2019
7	6	6	7	8
33	25	19	17	18
66	70	72	61	56
36	39	44	55	53
142	140	141	140	135

# *Lakewood Local School District*

## *Building Statistics Last Ten Years*

	2010	2011	2012	2013	2014
<b>Secondary</b>					
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	707	670	671	646	658
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
<b>Middle</b>					
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	504	507	484	500	445
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
<b>Intermediate</b>					
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	483	437	434	421	412
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
<b>Elementary</b>					
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	459	471	474	466	455
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
<b>All Other</b>					
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***

2015	2016	2017	2018	2019
150,848	150,848	150,848	150,848	150,848
1,000	1,000	1,000	1,000	1,000
629	623	622	615	602
44	44	44	44	44
N/A	N/A	N/A	3	4
N/A	N/A	N/A	46	46
N/A	N/A	N/A	16	15
60,700	60,700	60,700	60,700	61,552
720	720	720	720	720
443	429	461	449	434
32	32	32	32	32
N/A	N/A	N/A	2	2
N/A	N/A	N/A	42	40
N/A	N/A	N/A	13	12
75,107	75,107	75,107	75,107	75,107
975	975	975	975	975
421	432	403	407	407
40	40	40	40	40
N/A	N/A	N/A	2	2
N/A	N/A	N/A	32	31
N/A	N/A	N/A	19	20
58,138	58,138	58,138	58,138	58,138
675	675	675	675	675
451	456	416	407	410
36	36	36	36	36
N/A	N/A	N/A	1	1
N/A	N/A	N/A	32	31
N/A	N/A	N/A	14	14
3,696	3,696	3,696	3,696	3,696
N/A	N/A	N/A	N/A	2
N/A	N/A	N/A	N/A	1
N/A	N/A	N/A	N/A	5
8,904	8,904	8,904	8,904	8,904
N/A	N/A	N/A	N/A	3
N/A	N/A	N/A	N/A	28

## ***Lakewood Local School District***

### *Educational and Operating Statistics Last Ten Years*

	2010	2011	2012	2013	2014
<b>Cost per Student (ODE)</b>					
Lakewood	9,723	9,754	9,561	9,282	8,887
State (Average)	10,512	10,571	10,508	10,149	9,536
<b>Attendance Rate</b>					
Lakewood	94.80%	>95.00%	>95.00%	94.60%	95.00%
State (Average)	94.30%	94.50%	94.50%	94.20%	94.30%
<b>Graduation Rate</b>					
Lakewood	98.80%	99.40%	86.00%	89.00%	87.00%
State (Average)	80.60%	82.40%	83.80%	82.20%	82.20%

**Source:**

Ohio Department of Education local report cards

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

***Lakewood Local School District***

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2015	2016	2017	2018	2019
9,278	9,918	10,800	9,631	12,937
9,904	9,837	10,445	9,356	12,472
95.00%	94.80%	94.50%	94.20%	93.80%
94.10%	94.10%	93.90%	93.70%	93.50%
95.00%	95.00%	90.80%	89.90%	90.10%
83.00%	83.60%	84.10%	85.30%	N/A

