

*LAKWOOD LOCAL SCHOOL DISTRICT*

---



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**June 30, 2015**



**LAKWOOD LOCAL SCHOOL DISTRICT**

---

**HEBRON, OHIO**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
June 30, 2015**

*Prepared by:*

**Ms. Glenna Plaisted  
Treasurer/CFO**



**LAKWOOD LOCAL SCHOOL DISTRICT**

---

**TABLE OF CONTENTS**

**I** **INTRODUCTORY SECTION**

**A** Letter of Transmittal .....v  
**B** Members of the Board of Education and Administration ..... xii  
**C** School District Organizational Chart..... xiii  
**D** Certificate of Achievement (GFOA) .....xiv

**II** **FINANCIAL SECTION**

**A** Independent Auditor’s Report.....1  
**B** Management’s Discussion and Analysis .....3  
**C** Basic Financial Statements:  
    Government-wide Financial Statements:  
        Statement of Net Position .....17  
        Statement of Activities .....18  
    Fund Financial Statements:  
        *Governmental Funds:*  
            Balance Sheet .....20  
            Reconciliation of Total Governmental Fund Balances to Net Position of  
                Governmental Activities .....21  
            Statement of Revenues, Expenditures and Changes in Fund Balances .....22  
            Reconciliation of the Statement of Revenues, Expenditures and Changes  
                in Fund Balances of Governmental Funds to the Statement of  
                    Activities .....24  
            Statement of Revenues, Expenditures and Changes in Fund Balance –  
                Budget and Actual (Non-GAAP Budgetary Basis):  
                    General Fund .....25  
                *Proprietary Fund:*  
                    Statement of Net Position .....26  
                    Statement of Revenues, Expenses and Changes in Fund Net Position.....27  
                    Statement of Cash Flows .....28  
                *Fiduciary Fund:*  
                    Statement of Assets and Liabilities.....29  
    Notes to the Basic Financial Statements.....30

**LAKWOOD LOCAL SCHOOL DISTRICT**

---

<b>D</b>	Required Supplemental Information:	
	Schedule of District’s Proportionate Share of the Net Pension Liability .....	71
	Schedule of District Contributions .....	72
<b>E</b>	Combining and Individual Fund Statements and Schedules:	
	Nonmajor Governmental Funds Statements:	
	Combining Balance Sheet – Nonmajor Governmental Funds .....	78
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	80
	Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis):	
	Major Governmental Funds:	
	<i>General Fund</i> .....	82
	<i>Debt Service Fund:</i>	
	Bond Retirement Fund.....	87
	Nonmajor Governmental Funds:	
	<i>Special Revenue Funds:</i>	
	Public School Support Fund .....	88
	Other Grant Fund .....	89
	Student Activity Fund .....	90
	Early Childhood Education Fund.....	91
	Data Communications Fund.....	92
	Special Education Part B-IDEA Fund.....	93
	Title I-School Improvement Fund.....	94
	Title I Fund .....	95
	IDEA Preschool Grant for Handicapped Fund .....	96
	Title II-A Fund.....	97
<b>F</b>	Fiduciary Fund – Agency Funds:	
	Statement of Changes in Assets and Liabilities.....	99

# LAKWOOD LOCAL SCHOOL DISTRICT

---

## III

### STATISTICAL SECTION

Net Position by Component - Last Ten Years.....	S 2
Changes in Net Position - Last Ten Years .....	S 4
Fund Balances, Governmental Funds - Last Ten Years .....	S 8
Changes in Fund Balances, Governmental Funds - Last Ten Years .....	S 10
Assessed Valuations and Estimated True Values of Taxable Property - Last Ten Calendar Years .....	S 14
Property Tax Rates of Direct and Overlapping Governments - Last Ten Calendar Years .....	S 16
Principal Taxpayers - Real Estate Tax - Current Year and Nine Years Ago .....	S 18
Principal Taxpayers - Public Utilities Property Tax - Current Year and Nine Years Ago .....	S 19
Property Tax Levies and Collections - Last Ten Years.....	S 20
Ratio of Outstanding Debt By Type - Last Ten Years .....	S 22
Ratios of General Bonded Debt Outstanding - Last Ten Years .....	S 24
Computation of Direct and Overlapping Debt Attributable to Governmental Activities - Current Year .....	S 27
Debt Limitations - Last Ten Years .....	S 28
Demographic and Economic Statistics - Last Ten Years .....	S 30
Principal Employers - Current Year and Nine Years Ago .....	S 33
School District Employees by Type - Last Ten Years .....	S 34
Operating Indicators - Cost per Pupil - Last Ten Years .....	S 36
Operating Indicators by Function - Last Ten Years .....	S 38
Operating Indicators - Teacher Base Salaries and Teachers by Education - Last Ten Years .....	S 40
Capital Asset Statistics by Building - Last Ten Years .....	S 42
Educational and Operating Statistics - Last Ten Years .....	S 44

**LAKWOOD LOCAL SCHOOL DISTRICT**

---





# *INTRODUCTORY SECTION*

---

---





Lakewood Local Schools • 525 East Main Street • P.O. Box 70 • Hebron, Ohio 43025 • 740-928-5878 • Fax 740-928-3152

November 12, 2015

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

The Comprehensive Annual Financial Report (CAFR) of the Lakewood Local School District (District) for the fiscal year ended June 30, 2015 is hereby submitted. This report was prepared by the Treasurer's Office and includes the unmodified opinion of our auditors.

The CAFR is prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

Responsibility for both the accuracy of the data, 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. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

Accounting principles generally accepted in the United States of America (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement 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.

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, special education services, and a broad range of co-curricular and extracurricular activities.

### **THE DISTRICT AND ITS FACILITIES**

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 1,872 students.

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

---

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

***For the Fiscal Year Ended June 30, 2015***

---

The District's facilities include 1 elementary school (grades K-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.

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 Interim 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 School District, acting as custodian of all School District funds and investing idle funds as permitted by Ohio law. Ms. Glenna Plaisted has served as Treasurer/CFO for the past fifteen years.

Great schools are important to the quality of life in the Villages of Hebron, Buckeye Lake and the Jackson town 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.

### **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 Assessments (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.

### **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. Administration and staff are prepared for the new state tests in 2015-2016. The Common CORE state standards and model curriculum have been implemented at all levels.

# ***LAKEWOOD LOCAL SCHOOL DISTRICT***

---

## ***Letter of Transmittal***

***For the Fiscal Year Ended June 30, 2015***

---

### **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. Teachers have incorporated the use of technology into their classrooms and enabled students to use technology to help facilitate life-long learning. Wireless access is now available in all district buildings, and the use of personal wireless devices is being utilized in our high school. 1-1 computing was piloted in four (4) of the District's 9<sup>th</sup> grade classes during second semester of 2014-2015. Full implementation of 1:1 for 9<sup>th</sup> and 10<sup>th</sup> graders began in the fall of 2015-2016.

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. Corrective Reading and Reading Mastery have been implemented to use for Tier 2 interventions. The District also uses STAR as a quality benchmark assessment tool in grades K-10.

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. Parental involvement is critical in the process of student needs and intervention plans.

### **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 three through eight. The curriculum includes enrichment activities, independent research and project based learning with an emphasis on higher level thinking skills.

Additionally, advanced placement courses in English, American History, Calculus AB and Chemistry are offered at the high school level.

# ***LAKEWOOD LOCAL SCHOOL DISTRICT***

---

***Letter of Transmittal  
For the Fiscal Year Ended June 30, 2015***

---

## **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.

## **CONTINUOUS IMPROVEMENT PLANNING**

The District's Continuous Improvement Plan includes these goals:

### **Goal #1**

All students will be reading on grade level by the third grade and every year thereafter as measured by common assessments.

### **Goal #2**

100% of students will show at least one-year of expected growth in mathematics according to value-added measures in grades 4-8 and through quality benchmark assessments in non-tested grades.

### **Goal #3**

90% of parents/families will participate in activities and effectively utilize resources designed for supporting student development in math and reading.

## **STATE REPORT CARD PERFORMANCE**

The data for the 2014-2015 State Report Card is not available at preparation of this report.

## **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: Harry and David Operations, THK Manufacturing of America, Heritage Sportswear, Inc., Kroger and Bayer Corporation.

# ***LAKWOOD LOCAL SCHOOL DISTRICT***

---

## ***Letter of Transmittal***

***For the Fiscal Year Ended June 30, 2015***

---

The District has two (2) emergency operating levies. One was passed on November 2, 2010 and generates \$3,528,880 per year. The second one was passed on May 7, 2013 and generates \$2,058,646 per year. These emergency levies represent 40% of the total tax related revenues for the District. The current revenue, along with the District's cash balance, will provide the District with necessary funds to meet its operating expenses through fiscal year 2020.

**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.

## **RECENT SIGNIFICANT ACCOMPLISHMENTS**

### **Financial**

The District received the Certificate of Excellence in Financial Reporting from the Government Finance Officers Association for the twelfth consecutive year.

The District received the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association for the sixth consecutive year.

### **Community**

Lakewood Local School District is the sponsor of the Lakewood Digital Academy. The Lakewood Digital Academy is an on-line community school that offers parents a choice of academic environments for their children. The Academy delivers educational services to children residing within the District. The District uses Ace Digital Academy to provide on-line curriculum for the Academy.

## **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 2015 CAFR.

To receive the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association for the 2015 Popular Annual Financial Report.

### **Instruction**

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. Schools will not receive a single, official grade that reflects their overall performance until 2018.

# **LAKWOOD LOCAL SCHOOL DISTRICT**

---

## ***Letter of Transmittal***

***For the Fiscal Year Ended June 30, 2015***

---

### **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.

**INTERNAL CONTROLS** – The Treasurer/CFO 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 Management Team is responsible for assisting with implementation of the established internal controls. Internal controls are 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.

**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, 2015, 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 broad object level (first 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.

**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.



## **LAKEWOOD LOCAL SCHOOL DISTRICT**

---

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

***For the Fiscal Year Ended June 30, 2015***

---

**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 for the fiscal year ended June 30, 2014. This was the twelfth year that the District has applied for and achieved this prestigious award. 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. 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.

**ACKNOWLEDGMENTS** – The preparation of the Comprehensive Annual Financial Report was made possible with the support and efforts of the staff in the Treasurer's Office and many other dedicated employees of the District. We also would like to recognize Donald J. Schonhardt & Associates, Inc. for their assistance in preparing this report.

In closing, without the continued support of the Board of Education, who values quality financial information, the preparation of this report would not have been possible.

Respectfully submitted,



Glenna J. Plaisted, CPA  
Treasurer/CFO



Mary Kay Andrews  
Interim Superintendent

# ***LAKEWOOD LOCAL SCHOOL DISTRICT***

---

## ***Members of the Board of Education and Administration For the Fiscal Year Ended June 30, 2015***

---

### ***Members of the Board of Education***

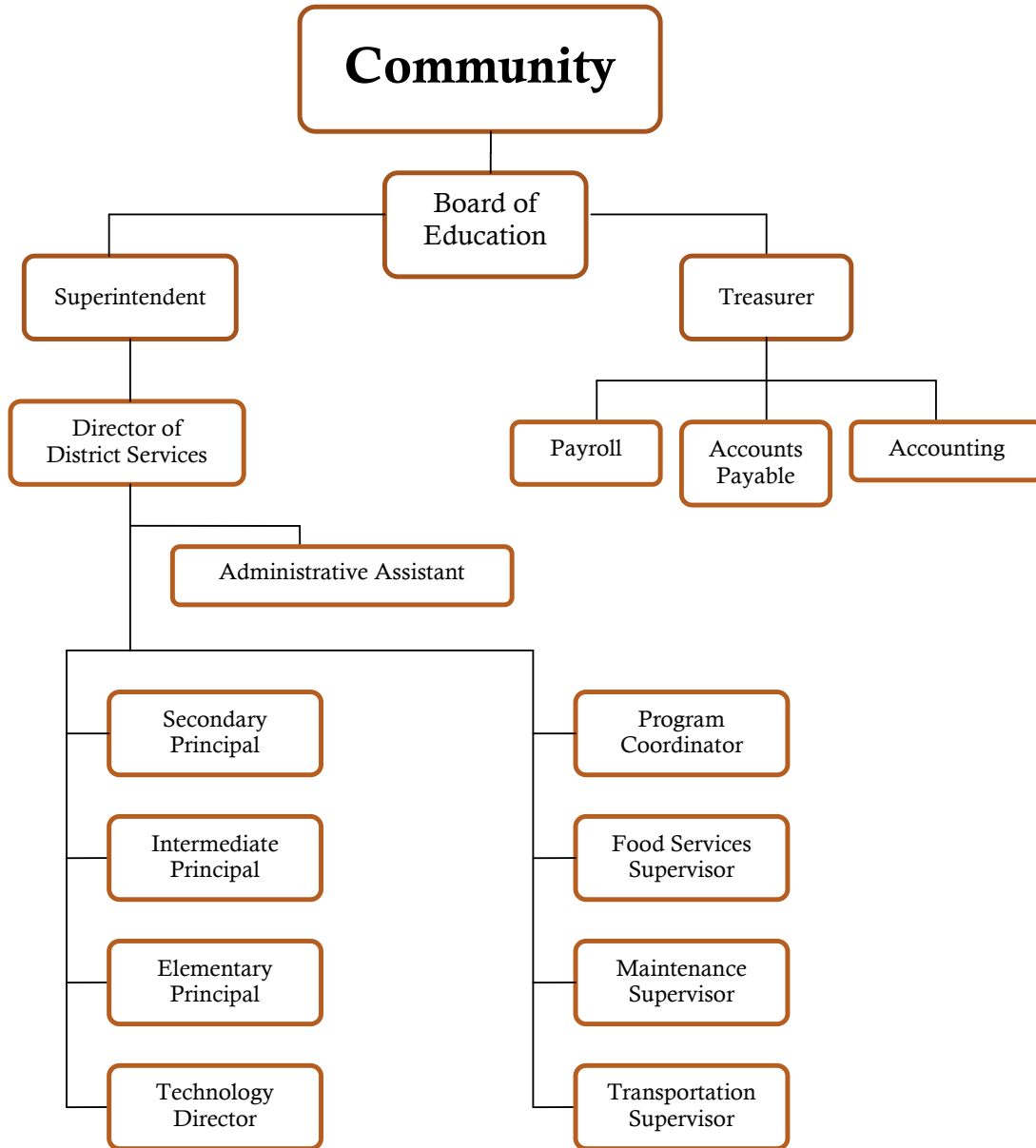
	<u>Began Service as A Board Member</u>	<u>Present Term Expires</u>
Judy White, President	January 1, 2006	December 31, 2017
Trisha Good, Vice President	January 1, 2008	December 31, 2017
Forrest Cooperrider	January 1, 2004	December 31, 2015
Tim Phillips	July 6, 2011	December 31, 2017
William Gulick Jr.	January 1, 2012	December 31, 2015

### ***Administration***

	<u>Position</u>	<u>Date of Hire</u>
Mary Kay Andrews	Interim Superintendent	January 1, 2015
Glenna J. Plaisted	Treasurer/CFO	May 15, 2000

# LAKEWOOD LOCAL SCHOOL DISTRICT

*Organizational Chart  
For the Fiscal Year Ended June 30, 2015*



**LAKWOOD LOCAL SCHOOL DISTRICT**

---

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

---



Government Finance Officers Association

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

Presented to

**Lakewood Local School District  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**



Executive Director/CEO

## *FINANCIAL SECTION*

---

---





# 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, the discretely presented component unit, 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, 2015, 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 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Lakewood Local School District, Licking County, Ohio, as of June 30, 2015, 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.

***Emphasis of Matter***

As discussed in Note 2 to the financial statements, during the fiscal year ended June 30, 2015, the Lakewood Local School District adopted the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*. We did not modify our opinion regarding this matter.

***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, Schedule of District's Proportionate Share of the Net Pension Liability, and Schedule of District 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 these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules 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, these statements and schedules are 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 12, 2015, 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.



Julian & Grube, Inc.  
November 12, 2015



# ***LAKEWOOD LOCAL SCHOOL DISTRICT***

---

## ***Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2015***

*Unaudited*

---

The management's discussion and analysis of Lakewood Local School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2015. 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 2015 are as follows:

- ❑ In total, net position increased \$4,199,421. Net position of governmental activities increased \$4,193,332, which represents a 28.6% increase from 2014. Net position of business-type activities increased \$6,089 or 5.5% from 2014.
- ❑ General revenues accounted for \$23,186,270 in revenue or 87.0% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for \$3,474,917 or 13.0% of total revenues of \$26,661,187.
- ❑ The District had \$21,541,693 in expenses related to governmental activities; only \$2,548,755 of these expenses were offset by program specific charges for services and sales, operating grants and contributions.
- ❑ Among major funds, the general fund had \$23,491,714 in revenues and \$19,880,932 in expenditures. During fiscal year 2015, the general fund's fund balance increased from \$10,661,244 to \$14,260,890.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts – management's discussion and analysis and the basic financial statements 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.

# ***LAKWOOD LOCAL SCHOOL DISTRICT***

---

***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015***

***Unaudited***

---

## **Government-wide Statements**

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how it has changed. Net-position (the difference between the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources) is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional nonfinancial factors such as the property tax base, current property tax laws, student enrollment growth and facility conditions.

The government-wide financial statements of the District are divided into two categories:

- **Governmental Activities** – Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.
- **Business-Type Activities** – This service is provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The District's food service is reported as business-type activities.

## **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

**Governmental Funds** – Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

## **LAKWOOD LOCAL SCHOOL DISTRICT**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015**

**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 2015 compared to 2014:

	Governmental Activities		Business-type Activities		Total	
	2015	Restated 2014	2015	Restated 2014	2015	Restated 2014
Current and other assets	\$31,248,909	\$27,471,503	\$125,478	\$200,602	\$31,374,387	\$27,672,105
Capital assets, Net	13,144,489	13,773,143	144,393	77,715	13,288,882	13,850,858
Total assets	<u>44,393,398</u>	<u>41,244,646</u>	<u>269,871</u>	<u>278,317</u>	<u>44,663,269</u>	<u>41,522,963</u>
Deferred outflows of resources	<u>2,155,684</u>	<u>1,830,652</u>	<u>23,871</u>	<u>21,296</u>	<u>2,179,555</u>	<u>1,851,948</u>
Net pension liability	25,943,011	30,833,220	266,098	312,669	26,209,109	31,145,889
Other long-term liabilities	10,831,002	11,800,606	15,993	19,783	10,846,995	11,820,389
Other liabilities	1,990,381	1,982,877	73,063	77,850	2,063,444	2,060,727
Total liabilities	<u>38,764,394</u>	<u>44,616,703</u>	<u>355,154</u>	<u>410,302</u>	<u>39,119,548</u>	<u>45,027,005</u>
Deferred inflows of resources	<u>18,265,316</u>	<u>13,132,555</u>	<u>43,188</u>	<u>0</u>	<u>18,308,504</u>	<u>13,132,555</u>
Net position (deficit):						
Net investment in capital assets	3,636,986	3,398,481	144,393	77,715	3,781,379	3,476,196
Restricted	838,419	858,268	0	0	838,419	858,268
Unrestricted	(14,956,033)	(18,930,709)	(248,993)	(188,404)	(15,205,026)	(19,119,113)
Total net deficit	<u>(\$10,480,628)</u>	<u>(\$14,673,960)</u>	<u>(\$104,600)</u>	<u>(\$110,689)</u>	<u>(\$10,585,228)</u>	<u>(\$14,784,649)</u>

During 2015, the District adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. 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 the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

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

---

***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015***

***Unaudited***

---

Under the new standards required by GASB 68, the net pension liability equals the District's proportionate share of each plan's collective:

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

GASB notes that pension 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. GASB noted that the unfunded portion of this pension 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 this liability. 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 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 pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system 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 pension system is responsible for the administration of the plan.

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. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, 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 pension 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 is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

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

As a result of implementing GASB 68, the District is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2014, from \$14,623,287 to a net deficit of \$14,673,960 in governmental activities and from \$180,684 to a net deficit of \$110,689 in business-type activities.

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

---

***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015***

***Unaudited***

---

At fiscal year-end for governmental activities, capital assets represented 30% 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, 2015 was \$3,636,986. 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, \$838,419, represents resources that are subject to external restriction on how they may be used. Excluding the effect of implementing GASB 68, the District has approximately \$14 million in unrestricted net position which may be used to meet the District's ongoing obligations to the students and creditors.

This space intentionally left blank.

## **LAKWOOD LOCAL SCHOOL DISTRICT**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015**

**Unaudited**

Changes in Net Position – The following table shows the changes in net position for fiscal years 2015 and 2014:

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues:						
Charges for Services and Sales	\$1,160,540	\$1,135,378	\$255,156	\$264,932	\$1,415,696	\$1,400,310
Operating Grants and Contributions	1,388,215	1,257,477	626,528	675,475	2,014,743	1,932,952
Capital Grants and Contributions	0	0	44,478	0	44,478	0
Total Program Revenues	<u>2,548,755</u>	<u>2,392,855</u>	<u>926,162</u>	<u>940,407</u>	<u>3,474,917</u>	<u>3,333,262</u>
General Revenues:						
Property Taxes	13,920,688	13,284,165	0	0	13,920,688	13,284,165
Grants and Entitlements	9,075,972	8,521,195	0	0	9,075,972	8,521,195
Other	189,610	199,062	0	0	189,610	199,062
Total General Revenues	<u>23,186,270</u>	<u>22,004,422</u>	<u>0</u>	<u>0</u>	<u>23,186,270</u>	<u>22,004,422</u>
Total Revenues	<u>25,735,025</u>	<u>24,397,277</u>	<u>926,162</u>	<u>940,407</u>	<u>26,661,187</u>	<u>25,337,684</u>
Program Expenses						
Instruction	12,620,972	12,499,288	0	0	12,620,972	12,499,288
Support Services:						
Pupils	1,376,862	1,424,694	0	0	1,376,862	1,424,694
Instructional Staff	416,746	355,036	0	0	416,746	355,036
Board of Education	81,842	94,778	0	0	81,842	94,778
Administration	1,876,291	1,821,632	0	0	1,876,291	1,821,632
Fiscal Services	650,991	692,254	0	0	650,991	692,254
Business	9,027	22,110	0	0	9,027	22,110
Operation and Maintenance of Plant	1,552,021	1,690,189	0	0	1,552,021	1,690,189
Pupil Transportation	1,624,650	1,645,923	0	0	1,624,650	1,645,923
Central	63,281	104,488	0	0	63,281	104,488
Operation of Non-Instructional Services	240,464	215,078	0	0	240,464	215,078
Extracurricular Activities	519,113	512,262	0	0	519,113	512,262
Interest and Fiscal Charges	509,433	535,225	0	0	509,433	535,225
Food Service	0	0	920,073	980,354	920,073	980,354
Total Expenses	<u>21,541,693</u>	<u>21,612,957</u>	<u>920,073</u>	<u>980,354</u>	<u>22,461,766</u>	<u>22,593,311</u>
Total Change in Net Position	4,193,332	2,784,320	6,089	(39,947)	4,199,421	2,744,373
Beginning Net Position (Deficit), Restated	(14,673,960)	N/A	(110,689)	N/A	(14,784,649)	N/A
Ending Net Deficit, Restated	<u>(\$10,480,628)</u>	<u>(\$14,673,960)</u>	<u>(\$104,600)</u>	<u>(\$110,689)</u>	<u>(\$10,585,228)</u>	<u>(\$14,784,649)</u>

## **LAKEWOOD LOCAL SCHOOL DISTRICT**

---

***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015***

***Unaudited***

---

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$1,535,973 for Governmental Activities and \$21,296 for Business-type Activities computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$1,102,277 for Governmental Activities and \$15,648 for Business-type Activities . Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

	Governmental Activities	Business-type Activities
Total 2015 program expenses under GASB 68	\$21,541,693	\$920,073
Pension expense under GASB 68	(1,102,277)	(15,648)
2015 contractually required contribution	1,640,795	21,606
Adjusted 2015 program expenses	22,080,211	926,031
Total 2014 program expenses under GASB 27	21,612,957	980,354
Increase in program expenses not related to pension	\$467,254	(\$54,323)

### ***Governmental Activities***

Net position of the District's governmental activities increased by \$4,193,332. Total governmental expenses of \$21,541,693 were offset by program revenues of \$2,548,755 and general revenues of \$23,186,270. Program revenues supported 11.8% of the total governmental expenses. The primary sources of revenues consist of property taxes and grants and entitlements which total \$22,996,660 and represent 99.2% 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.

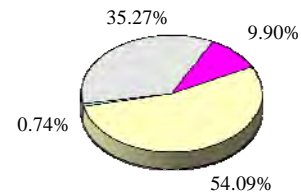
## **LAKWOOD LOCAL SCHOOL DISTRICT**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015**

**Unaudited**

The District passed a five year renewal emergency levy on May 7, 2013 that generates tax revenues of \$2,058,646 yearly. Voters also approved a new ten year emergency operating levy on November 2, 2010 for \$3,528,880. Fiscal year 2015 includes the total revenues generated from both these emergency levies. Property taxes made up 54% of revenues for governmental activities for the District in fiscal year 2015. The District's reliance upon tax revenues is demonstrated by the following graph:

Revenue Sources	2015	Percent of Total
General Grants	\$9,075,972	35.27%
Program Revenues	2,548,755	9.90%
Property Tax Revenues	13,920,688	54.09%
General Other	189,610	0.74%
Total Revenue	<u>\$25,735,025</u>	<u>100.00%</u>



### **Business-Type Activities**

Net position of the business-type activities increased by \$6,089. These programs had revenues of \$926,162 and expenses of \$920,073 for fiscal year 2015. Business activities receive no support from tax revenues; however, they have received support from governmental activities.

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

The District's governmental funds reported a combined fund balance of \$15,091,374, which is higher than last year's total of \$11,520,183. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2015 and 2014.

	Fund Balance June 30, 2015	Fund Balance June 30, 2014	Increase (Decrease)
General	\$14,260,890	\$10,661,244	\$3,599,646
Debt Service	704,400	781,024	(76,624)
Other Governmental	126,084	77,915	48,169
Total	<u>\$15,091,374</u>	<u>\$11,520,183</u>	<u>\$3,571,191</u>



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

---

***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015***

***Unaudited***

---

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

	2015	2014	Increase
	<u>Revenues</u>	<u>Revenues</u>	<u>(Decrease)</u>
Taxes	\$13,168,370	\$12,605,079	\$563,291
Tuition	698,547	650,229	48,318
Investment Earnings	60,360	52,248	8,112
Extracurricular Activities	25,447	27,396	(1,949)
Class Materials and Fees	54,377	50,416	3,961
Intergovernmental - State	9,005,185	8,568,586	436,599
Intergovernmental - Federal	93,525	47,378	46,147
All Other Revenue	<u>385,903</u>	<u>447,048</u>	<u>(61,145)</u>
Total	<u><u>\$23,491,714</u></u>	<u><u>\$22,448,380</u></u>	<u><u>\$1,043,334</u></u>

General Fund revenues in 2015 increased approximately 4.6% compared to revenues in fiscal year 2014. In fiscal year 2015, the District had increased tax collections due to the 2014 Licking County Triennial Update which reflected a total increase in valuations of \$17,928,288. Most of this increase was attributed to the increase in agricultural values, which represented 74.5% of the total valuation increase. The District also had an increase from Intergovernmental – State (foundation) revenues of 10.5% which was the cap under the foundation funding provisions.

This space intentionally left blank.

## **LAKWOOD LOCAL SCHOOL DISTRICT**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015**

**Unaudited**

	2015 Expenditures	2014 Expenditures	Increase (Decrease)
Instruction	\$11,633,028	\$11,374,884	\$258,144
Supporting Services:			
Pupils	1,287,793	1,349,492	(61,699)
Instructional Staff	330,334	224,431	105,903
Board of Education	82,111	94,778	(12,667)
Administration	1,972,212	1,783,829	188,383
Fiscal Services	650,039	684,054	(34,015)
Business	9,339	22,110	(12,771)
Operation & Maintenance of Plant	1,737,241	1,711,694	25,547
Pupil Transportation	1,614,427	1,696,832	(82,405)
Central	68,386	104,334	(35,948)
Operation of Non-Instructional Services	200,197	170,451	29,746
Extracurricular Activities	254,977	273,686	(18,709)
Debt Service:			
Principal Retirement	36,137	33,824	2,313
Interest and Fiscal Charges	4,711	7,023	(2,312)
Total	\$19,880,932	\$19,531,422	\$349,510

The expenditures increased by \$349,510 or 1.8% compared to the prior year. The District's budget is 77% personnel related. The District had a 1.75% increase in base salary for fiscal year 2015 and paid the negotiated step increase ranging from 0% to 5% based on the number of years of service and type of degree. That increase was offset with a \$194,000 reduction in personnel costs associated with the costs of replacing retiring staff. The District health insurance premiums increased 9.25% for the January 2015 renewal.

*Debt Service Fund* – The fund balance did not change significantly.

### **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 2015 the District amended its General Fund budget several times, none significant.

The General Fund budget basis revenue of \$23.3 million did change from the original budget estimates by around \$200,000.

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

## **LAKWOOD LOCAL SCHOOL DISTRICT**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015**

**Unaudited**

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

#### *Capital Assets*

At the end of fiscal 2015, the District had \$13,288,882 net of accumulated depreciation invested in land, buildings, equipment and vehicles. Of this total, \$13,144,489 was related to governmental activities and \$144,393 to the business-type activities. The following table shows fiscal year 2015 and 2014 balances:

	Governmental Activities		Change
	2015	2014	
Land	\$275,555	\$275,555	\$0
Land Improvements	1,109,939	1,022,856	87,083
Buildings and Improvements	22,409,395	22,334,058	75,337
Furniture, Fixtures and Equipment	3,716,273	3,742,036	(25,763)
Vehicles	2,188,220	2,316,366	(128,146)
Less: Accumulated Depreciation	(16,554,893)	(15,917,728)	(637,165)
Totals	\$13,144,489	\$13,773,143	(\$628,654)

	Business-Type Activities		Change
	2015	2014	
Furniture and Equipment	\$427,409	\$367,517	\$59,892
Less: Accumulated Depreciation	(283,016)	(289,802)	6,786
Totals	\$144,393	\$77,715	\$66,678

The change in capital asset additions/disposals was offset by depreciation for an overall decrease in governmental capital assets. Additional information on the District's capital assets can be found in Note 8.

This space intentionally left blank.

## **LAKEWOOD LOCAL SCHOOL DISTRICT**

---

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015**

**Unaudited**

---

### *Debt*

At June 30, 2015 the District had \$37.1 million in bonds, notes, loans, and other long-term obligations outstanding, \$968,552 due within one year. The following table summarizes the District's debt and other long-term liabilities outstanding as of June 30, 2015 and June 30, 2014:

	<u>2015</u>	<u>Restated 2014</u>
Governmental Activities:		
General Obligation Bonds:		
School Improvement	\$9,660,419	\$10,197,601
Energy Conservation Bonds Payable	881,276	1,065,238
Net Pension Liability	25,943,011	30,833,220
Capital Leases Payable	56,564	92,701
Compensated Absences	<u>232,743</u>	<u>445,066</u>
Total Governmental Activities	36,774,013	42,633,826
Business-Type Activities:		
Net Pension Liability	266,098	312,669
Compensated Absences	<u>15,993</u>	<u>19,783</u>
Total Business-Type Activities	<u>282,091</u>	<u>332,452</u>
Totals	<u><u>\$37,056,104</u></u>	<u><u>\$42,966,278</u></u>

Under current state statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on 9% of the total assessed value of real and personal property. At June 30, 2015, the District's outstanding debt was below the legal limit. Additional information on the District's long-term debt can be found in Note 11.

### **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 new ten year emergency operating levy on November 2, 2010. 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 passed on May 7, 2013. The total amount of revenue from this emergency operating levy is \$2,058,646 per year. 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 2016-2019.

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.

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

---

***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015***

***Unaudited***

---

### **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).

**LAKWOOD LOCAL SCHOOL DISTRICT**

---



## LAKEWOOD LOCAL SCHOOL DISTRICT

### Statement of Net Position June 30, 2015

	Governmental Activities	Business-Type Activities	Total	Component Unit Digital Academy
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 1,447,575	\$ 108,475	\$ 1,556,050	\$ 48,946
Investments	14,545,472	0	14,545,472	0
Receivables:				
Taxes	14,913,165	0	14,913,165	0
Accounts	1,373	897	2,270	0
Intergovernmental	74,520	0	74,520	0
Interest	18,192	0	18,192	0
Inventory	31,834	4,111	35,945	0
Prepaid Items	216,778	11,995	228,773	2,308
Capital Assets:				
Nondepreciable Capital Assets	275,555	0	275,555	0
Depreciable Capital Assets, Net	12,868,934	144,393	13,013,327	26,497
Total Capital Assets, Net	13,144,489	144,393	13,288,882	26,497
<b>Total Assets</b>	<b>44,393,398</b>	<b>269,871</b>	<b>44,663,269</b>	<b>77,751</b>
<b>Deferred Outflows of Resources:</b>				
Deferred Charge on Refunding	269,955	0	269,955	0
Pension	1,885,729	23,871	1,909,600	0
<b>Total Deferred Outflows of Resources</b>	<b>2,155,684</b>	<b>23,871</b>	<b>2,179,555</b>	<b>0</b>
<b>Liabilities:</b>				
Accounts Payable	43,730	499	44,229	0
Accrued Wages and Benefits	1,539,099	48,628	1,587,727	0
Intergovernmental Payable	369,167	23,936	393,103	71,919
Unearned Revenue	0	0	0	1,412
Accrued Interest Payable	38,385	0	38,385	0
Long Term Liabilities:				
Due Within One Year	952,559	15,993	968,552	0
Due in More Than One Year:				
Net Pension Liability	25,943,011	266,098	26,209,109	0
Other Amounts Due in More Than One Year	9,878,443	0	9,878,443	78,412
<b>Total Liabilities</b>	<b>38,764,394</b>	<b>355,154</b>	<b>39,119,548</b>	<b>151,743</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	13,563,869	0	13,563,869	0
Pension	4,701,447	43,188	4,744,635	0
<b>Total Deferred Inflows of Resources</b>	<b>18,265,316</b>	<b>43,188</b>	<b>18,308,504</b>	<b>0</b>
<b>Net Position (Deficit):</b>				
Net Investment in Capital Assets	3,636,986	144,393	3,781,379	26,497
Restricted For:				
Debt Service	700,042	0	700,042	0
Federally Funded Programs	61,618	0	61,618	3,503
Other Purposes	76,759	0	76,759	0
Unrestricted	(14,956,033)	(248,993)	(15,205,026)	(103,992)
<b>Total Net Deficit</b>	<b>\$ (10,480,628)</b>	<b>\$ (104,600)</b>	<b>\$ (10,585,228)</b>	<b>\$ (73,992)</b>

See accompanying notes to the basic financial statements

## **LAKEWOOD LOCAL SCHOOL DISTRICT**

### **Statement of Activities For the Fiscal Year Ended June 30, 2015**

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Instruction	\$ 12,620,972	\$ 759,132	\$ 1,140,236	\$ 0
Support Services:				
Pupils	1,376,862	0	128,132	0
Instructional Staff	416,746	0	68,672	0
Board of Education	81,842	0	0	0
Administration	1,876,291	73,127	25,375	0
Fiscal Services	650,991	0	0	0
Business	9,027	0	0	0
Operation and Maintenance of Plant	1,552,021	0	7,200	0
Pupil Transportation	1,624,650	0	0	0
Central	63,281	0	0	0
Operation of Non-Instructional Services	240,464	180,233	0	0
Extracurricular Activities	519,113	148,048	18,600	0
Interest and Fiscal Charges	509,433	0	0	0
<b>Total Governmental Activities</b>	21,541,693	1,160,540	1,388,215	0
<b>Business-Type Activities:</b>				
Food Service	920,073	255,156	626,528	44,478
<b>Total Business-Type Activities</b>	920,073	255,156	626,528	44,478
<b>Totals</b>	\$ 22,461,766	\$ 1,415,696	\$ 2,014,743	\$ 44,478
<b>Component Unit:</b>				
Digital Academy	\$ 340,367	\$ 8,413	\$ 18,680	\$ 0

**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 (Deficit) Beginning of Year, Restated

Net Deficit End of Year

See accompanying notes to the basic financial statements



**LAKWOOD LOCAL SCHOOL DISTRICT**

---

Net (Expense) Revenue and Changes in Net Position			Component Unit
Governmental Activities	Business-Type Activities	Total	Digital Academy
\$ (10,721,604)	\$ 0	\$ (10,721,604)	
(1,248,730)	0	(1,248,730)	
(348,074)	0	(348,074)	
(81,842)	0	(81,842)	
(1,777,789)	0	(1,777,789)	
(650,991)	0	(650,991)	
(9,027)	0	(9,027)	
(1,544,821)	0	(1,544,821)	
(1,624,650)	0	(1,624,650)	
(63,281)	0	(63,281)	
(60,231)	0	(60,231)	
(352,465)	0	(352,465)	
(509,433)	0	(509,433)	
<u>(18,992,938)</u>	<u>0</u>	<u>(18,992,938)</u>	
<u>0</u>	<u>6,089</u>	<u>6,089</u>	
<u>0</u>	<u>6,089</u>	<u>6,089</u>	
<u>(18,992,938)</u>	<u>6,089</u>	<u>(18,986,849)</u>	
			<u>\$ (313,274)</u>
13,002,282	0	13,002,282	0
918,406	0	918,406	0
9,075,972	0	9,075,972	196,468
65,975	0	65,975	11
<u>123,635</u>	<u>0</u>	<u>123,635</u>	<u>0</u>
<u>23,186,270</u>	<u>0</u>	<u>23,186,270</u>	<u>196,479</u>
4,193,332	6,089	4,199,421	(116,795)
<u>(14,673,960)</u>	<u>(110,689)</u>	<u>(14,784,649)</u>	<u>42,803</u>
<u>\$ (10,480,628)</u>	<u>\$ (104,600)</u>	<u>\$ (10,585,228)</u>	<u>\$ (73,992)</u>

## LAKEWOOD LOCAL SCHOOL DISTRICT

**Balance Sheet**  
**Governmental Funds**  
**June 30, 2015**

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 662,822	\$ 663,610	\$ 121,143	\$ 1,447,575
Investments	14,545,472	0	0	14,545,472
Receivables:				
Taxes	13,892,910	1,020,255	0	14,913,165
Accounts	1,373	0	0	1,373
Intergovernmental	10,329	0	64,191	74,520
Interest	18,192	0	0	18,192
Inventory	31,834	0	0	31,834
Prepaid Items	208,699	0	8,079	216,778
<b>Total Assets</b>	<b>\$ 29,371,631</b>	<b>\$ 1,683,865</b>	<b>\$ 193,413</b>	<b>\$ 31,248,909</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 43,141	\$ 0	\$ 589	\$ 43,730
Accrued Wages and Benefits	1,481,684	0	57,415	1,539,099
Intergovernmental Payable	359,842	0	9,325	369,167
Compensated Absences Payable	15,716	0	0	15,716
<b>Total Liabilities</b>	<b>1,900,383</b>	<b>0</b>	<b>67,329</b>	<b>1,967,712</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	12,618,431	945,438	0	13,563,869
Unavailable Revenue	591,927	34,027	0	625,954
<b>Total Deferred Inflows of Resources</b>	<b>13,210,358</b>	<b>979,465</b>	<b>0</b>	<b>14,189,823</b>
<b>Fund Balances:</b>				
Nonspendable	240,533	0	8,079	248,612
Restricted	12,293	704,400	118,005	834,698
Committed	204,164	0	0	204,164
Assigned	358,129	0	0	358,129
Unassigned	13,445,771	0	0	13,445,771
<b>Total Fund Balances</b>	<b>14,260,890</b>	<b>704,400</b>	<b>126,084</b>	<b>15,091,374</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 29,371,631</b>	<b>\$ 1,683,865</b>	<b>\$ 193,413</b>	<b>\$ 31,248,909</b>

See accompanying notes to the basic financial statements

**LAKEWOOD LOCAL SCHOOL DISTRICT**

---

***Reconciliation of Total Governmental Fund Balances to  
Net Position of Governmental Activities  
June 30, 2015***

---

<b>Total Governmental Fund Balances</b>		\$ 15,091,374
 <i>Amounts reported for governmental activities in the statement of net position are different because</i>		
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		13,144,489
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.		625,954
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	1,885,729	
Deferred Inflows - Pension	(4,701,447)	
Net Pension Liability	(25,943,011)	(28,758,729)
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	(881,276)	
General Obligation Bonds Payable	(8,489,991)	
Deferred loss on refunding (to be amortized as interest expense)	269,955	
Issuance Premium (to be amortized against interest expense)	(349,627)	
Interest Accretion (to be amortized as interest expense)	(820,801)	
Capital Leases Payable	(56,564)	
Compensated Absences Payable	(217,027)	
Accrued Interest Payable	(38,385)	(10,583,716)
 <b><i>Net Position of Governmental Activities</i></b>		 <b><u>\$ (10,480,628)</u></b>

See accompanying notes to the basic financial statements

## **LAKWOOD LOCAL SCHOOL DISTRICT**

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2015**

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Local Sources:				
Taxes	\$ 13,168,370	\$ 919,162	\$ 0	\$ 14,087,532
Tuition	698,547	0	0	698,547
Investment Earnings	60,360	0	0	60,360
Extracurricular Activities	25,447	0	122,601	148,048
Class Materials and Fees	54,377	0	0	54,377
Intermediate Sources	0	0	4,096	4,096
Intergovernmental - State	9,005,185	221,019	71,200	9,297,404
Intergovernmental - Federal	93,525	0	1,050,562	1,144,087
All Other Revenue	385,903	0	15,900	401,803
<b>Total Revenue</b>	<b>23,491,714</b>	<b>1,140,181</b>	<b>1,264,359</b>	<b>25,896,254</b>
<b>Expenditures:</b>				
Current:				
Instruction	11,633,028	0	861,887	12,494,915
Supporting Services:				
Pupils	1,287,793	0	128,533	1,416,326
Instructional Staff	330,334	0	63,568	393,902
Board of Education	82,111	0	0	82,111
Administration	1,972,212	0	26,455	1,998,667
Fiscal Services	650,039	11,379	115	661,533
Business	9,339	0	0	9,339
Operation and Maintenance of Plant	1,737,241	0	7,200	1,744,441
Pupil Transportation	1,614,427	0	0	1,614,427
Central	68,386	0	0	68,386
Operation of Non-Instructional Services	200,197	0	0	200,197
Extracurricular Activities	254,977	0	131,432	386,409
Debt Service:				
Principal Retirement	36,137	823,962	0	860,099
Interest and Fiscal Charges	4,711	381,464	0	386,175
<b>Total Expenditures</b>	<b>19,880,932</b>	<b>1,216,805</b>	<b>1,219,190</b>	<b>22,316,927</b>
Excess (Deficiency) of Revenues Over Expenditures	3,610,782	(76,624)	45,169	3,579,327

(Continued)

***LAKEWOOD LOCAL SCHOOL DISTRICT***

---

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	5,850	0	0	5,850
Transfers In	0	0	3,000	3,000
Transfers Out	(3,000)	0	0	(3,000)
<b>Total Other Financing Sources (Uses)</b>	<b>2,850</b>	<b>0</b>	<b>3,000</b>	<b>5,850</b>
Net Change in Fund Balance	3,613,632	(76,624)	48,169	3,585,177
<b>Fund Balances at Beginning of Year</b>	10,661,244	781,024	77,915	11,520,183
Decrease in Inventory Reserve	(13,986)	0	0	(13,986)
<b>Fund Balances End of Year</b>	<b>\$ 14,260,890</b>	<b>\$ 704,400</b>	<b>\$ 126,084</b>	<b>\$ 15,091,374</b>

See accompanying notes to the basic financial statements

---

**LAKEWOOD LOCAL SCHOOL DISTRICT**

---

***Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances of Governmental Funds  
To the Statement of Activities  
For the Fiscal Year Ended June 30, 2015***

---

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	3,585,177
<b><i>Amounts reported for governmental activities in the statement of activities are different because</i></b>		
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.		(624,549)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.		(4,105)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(161,229)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		1,640,795
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		(1,102,277)
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.		860,099
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditure is reported when due.		(130,318)
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	136,665	
Amortization of Deferred Loss on Refunding	(24,724)	
Amortization of Premium on Bond Issuance	31,784	
Change in Inventory	(13,986)	129,739
	<hr/>	<hr/>
<b><i>Change in Net Position of Governmental Activities</i></b>	<b>\$</b>	<b>4,193,332</b>

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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Local Sources:				
Taxes	\$ 12,881,081	\$ 13,022,090	\$ 13,022,090	\$ 0
Tuition	602,874	662,131	698,547	36,416
Investment Earnings	45,800	51,500	53,315	1,815
Class Material and Fees	49,895	53,101	55,198	2,097
Intergovernmental - State	8,984,779	8,989,173	9,018,149	28,976
Intergovernmental - Federal	50,000	22,000	95,452	73,452
All Other Revenues	458,125	458,878	494,462	35,584
Total Revenues	<u>23,072,554</u>	<u>23,258,873</u>	<u>23,437,213</u>	<u>178,340</u>
<b>Expenditures:</b>				
Current:				
Instructional Services	11,922,720	11,865,188	11,669,242	195,946
Support Services:				
Pupils	1,354,242	1,360,334	1,331,170	29,164
Instructional Staff	364,208	407,047	376,741	30,306
Board of Education	120,973	133,230	107,876	25,354
Administration	1,890,949	2,020,959	1,981,154	39,805
Fiscal Services	766,674	675,841	657,492	18,349
Business	42,697	40,738	21,557	19,181
Operation and Maintenance of Plant	1,920,861	2,098,470	1,976,332	122,138
Pupil Transportation	1,659,918	1,695,148	1,649,601	45,547
Central	134,981	72,035	71,631	404
Operation of Non-Instructional Services	238,810	210,358	202,842	7,516
Extracurricular Activities	247,555	241,078	219,688	21,390
Total Expenditures	<u>20,664,588</u>	<u>20,820,426</u>	<u>20,265,326</u>	<u>555,100</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	2,407,966	2,438,447	3,171,887	733,440
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	5,850	5,850	5,850	0
Transfers Out	0	(3,000)	(3,000)	0
Total Other Financing Sources (Uses):	<u>5,850</u>	<u>2,850</u>	<u>2,850</u>	<u>0</u>
Net Change in Fund Balance	2,413,816	2,441,297	3,174,737	733,440
Fund Balance at Beginning of Year	11,462,755	11,462,755	11,462,755	0
Prior Year Encumbrances	187,242	187,242	187,242	0
Fund Balance at End of Year	<u>\$ 14,063,813</u>	<u>\$ 14,091,294</u>	<u>\$ 14,824,734</u>	<u>\$ 733,440</u>

See accompanying notes to the basic financial statements

---

**LAKEWOOD LOCAL SCHOOL DISTRICT**

---

***Statement of Net Position***  
***Proprietary Fund***  
***June 30, 2015***

---

	Business-Type Activities
	<u>Enterprise Funds</u>
	<u>Food Service</u>
<b>Assets:</b>	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 108,475
Receivables:	
Accounts	897
Inventory Held for Resale	4,111
Prepaid Items	11,995
<i>Total Current Assets</i>	<u>125,478</u>
<i>Non Current Assets:</i>	
Capital Assets, Net	144,393
<b>Total Assets</b>	<u>269,871</u>
<b>Deferred Outflows of Resources:</b>	
Pension	<u>23,871</u>
<b>Liabilities:</b>	
<i>Current Liabilities:</i>	
Accounts Payable	499
Accrued Wages and Benefits	48,628
Intergovernmental Payable	23,936
Compensated Absences Payable - current	15,993
<i>Total Current Liabilities</i>	<u>89,056</u>
<i>Long Term Liabilities:</i>	
Net Pension Liability	<u>266,098</u>
<b>Total Liabilities</b>	<u>355,154</u>
<b>Deferred Inflows of Resources:</b>	
Pension	<u>43,188</u>
<b>Net Position (Deficit):</b>	
Net Investment in Capital Assets	144,393
Unrestricted	<u>(248,993)</u>
<b>Total Net Deficit</b>	<u>\$ (104,600)</u>

See accompanying notes to the basic financial statements



---

**LAKEWOOD LOCAL SCHOOL DISTRICT**

---

**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Fund**  
**For the Fiscal Year Ended June 30, 2015**

---

	Business-Type Activities
	Enterprise Funds
	Food Service
<b>Operating Revenues:</b>	
Sales	\$ 254,442
All Other Revenue	500
<b>Total Operating Revenues</b>	<u>254,942</u>
<b>Operating Expenses:</b>	
Salaries and Wages	275,112
Fringe Benefits	179,329
Contractual Services	25,747
Supplies and Materials	423,354
Depreciation	15,115
Other Operating Expense	1,075
<b>Total Operating Expenses</b>	<u>919,732</u>
Operating Loss	(664,790)
<b>Nonoperating Revenue (Expenses):</b>	
Intergovernmental Grants	626,528
Investment Earnings	214
Loss on Disposal of Capital Assets	(341)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>626,401</u>
Net Loss before Contributions	(38,389)
Capital Contributions	44,478
Change in Net Position	6,089
Net Deficit Beginning of Year, restated	(110,689)
Net Deficit End of Year	<u>\$ (104,600)</u>

See accompanying notes to the basic financial statements

## **LAKEWOOD LOCAL SCHOOL DISTRICT**

---

**Statement of Cash Flows**  
**Proprietary Fund**  
**For the Fiscal Year Ended June 30, 2015**

---

	Business-Type Activities
	Enterprise Fund
	Food Service
<b><u>Cash Flows from Operating Activities:</u></b>	
Cash Received from Customers	\$253,556
Cash Payments for Goods and Services	(370,544)
Cash Payments to Employees for Services and Benefits	(469,146)
Other Cash Received	500
Net Cash Used by Operating Activities	(585,634)
<b><u>Cash Flows from Noncapital Financing Activities:</u></b>	
Intergovernmental Grants Received	547,741
Net Cash Provided by Noncapital Financing Activities	547,741
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>	
Acquisition of Capital Assets	(37,656)
Net Cash Used by Noncapital Financing Activities	(37,656)
<b><u>Cash Flows from Investing Activities:</u></b>	
Receipt of Interest	214
Net Cash Provided by Investing Activities	214
Net Decrease in Cash and Cash Equivalents	(75,335)
Cash and Cash Equivalents at Beginning of Year	183,810
Cash and Cash Equivalents at End of Year	\$108,475
<b><u>Reconciliation of Operating Loss to Net Cash</u></b>	
<b><u>Used by Operating Activities:</u></b>	
Operating Loss	(\$664,790)
Adjustments to Reconcile Operating Loss to	
Net Cash Used by Operating Activities:	
Depreciation Expense	15,115
Donated Commodities Used During the Year	78,787
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(886)
Decrease in Inventory	346
Decrease in Prepaid Items	329
Increase in Deferred Outflow-Pension	(23,871)
Increase in Accounts Payable	499
Decrease in Accrued Wages and Benefits	(3,055)
Decrease in Intergovernmental Payables	(2,231)
Decrease in Compensated Absences	(3,790)
Decrease in Net Pension Liability	(25,275)
Increase in Deferred Inflow-Pension	43,188
Total Adjustments	79,156
Net Cash Used by Operating Activities	(\$585,634)

**Schedule of Noncash Investing, Capital and Financing Activities:**

During fiscal year 2015, the Food Service Fund received \$78,787 in donated commodities from the federal government.

During fiscal year 2015, the Food Service Fund received \$44,478 in capital assets purchased by General Fund.

See accompanying notes to the basic financial statements

**LAKEWOOD LOCAL SCHOOL DISTRICT**

---

***Statement of Assets and Liabilities***  
***Fiduciary Fund***  
***June 30, 2015***

---

	<u>Agency</u>
<b>Assets:</b>	
Cash and Cash Equivalents	<u>\$ 24,018</u>
<b>Total Assets</b>	<u><u>\$ 24,018</u></u>
<b>Liabilities:</b>	
Due to Students	<u>\$ 24,018</u>
<b>Total Liabilities</b>	<u><u>\$ 24,018</u></u>

See accompanying notes to the basic financial statements

# **LAKEWOOD LOCAL SCHOOL DISTRICT**

---

## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

---

### **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) which provides educational services. The Board controls the District's instructional support facilities staffed by approximately 102 non-certified and approximately 161 certified teaching personnel and administrative employees providing education to 1,872 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*", 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. The District has one component unit, the Lakewood Digital Academy (the "Academy"), for which the District appoints all of the Board and is able to significantly influence the programs and services performed by the Academy.

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), Metropolitan Educational Council, Central Ohio Special Education Regional Resource Center and the Sheakley/Better Business Bureau of Central Ohio, Inc., Workers' Compensation Group Rating Program. Information regarding these organizations is presented in Notes 13 and 14.

Discretely Presented Component Unit - The component unit column on the Financial Statements includes the financial data of the District's component unit. It is reported in a separate column to emphasize that it is legally separate from the District.

# ***LAKEWOOD LOCAL SCHOOL DISTRICT***

---

## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

---

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **A. Reporting Entity** (Continued)

The Lakewood Digital Academy (the "Academy") is a legally separate not-for-profit served by an appointed five-member Board of Directors which consists of residents of the Lakewood Local School District. The Academy, under a contractual agreement with the Lakewood Local School District, provides comprehensive educational programs of high quality, tied to state and national standards, which can be delivered to students in the kindergarten through grade 12 population. It is operated in cooperation with the District to provide an innovative and cost-effective solution to the special problems of disabled students, students removed from school for disciplinary reasons, students needing advanced or specialized courses, which are not available locally, and others who are not currently enrolled in any public school and who are not receiving a meaningful, comprehensive, and standards-based educational program. Based on the significant services provided by the District to the Academy, the Academy's purpose of servicing the students within the District, and the relationship between the Board of Education of the District and the Board of Directors of the Academy, the Academy is reflected as a component unit of the District.

The Treasurer/CFO of Lakewood Local School District is the Chief Financial Officer. The Academy operates on a fiscal year ending June 30. Separately issued financial statements can be obtained from Lakewood Digital Academy, 525 East Main Street, Post Office Box 70, Hebron, Ohio, 43025.

The accounting policies and financial reporting practices of the District, including the Academy 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.

#### **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.

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

---

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

---

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **B. Basis of Presentation - Fund Accounting** (Continued)

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.

***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 does 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.

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

---

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

---

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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.

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 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.

---

## **LAKEWOOD LOCAL SCHOOL DISTRICT**

---

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

---

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **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.

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.



# ***LAKEWOOD LOCAL SCHOOL DISTRICT***

---

## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

---

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **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 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 2015.

#### **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.

# **LAKEWOOD LOCAL SCHOOL DISTRICT**

---

## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

---

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **E. Budgetary Process (Continued)**

##### **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. Component Unit**

The contract between the Academy and the District requires a 5 year annual school budget for each year of the contract; however, the budget does not have to follow the provisions of Ohio Revised Code Section 5705.

##### **5. 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).

This space intentionally left blank.

**LAKEWOOD LOCAL SCHOOL DISTRICT**

---

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

**5. 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
	General Fund
GAAP Basis (as reported)	\$3,613,632
Increase (Decrease):	
Accrued Revenues at June 30, 2015, received during FY 2016	(712,446)
Accrued Revenues at June 30, 2014, received during FY 2015	691,349
Accrued Expenditures at June 30, 2015, paid during FY 2016	1,900,383
Accrued Expenditures at June 30, 2014, paid during FY 2015	(1,966,000)
FY 2014 Prepays for FY 2015	210,701
FY 2015 Prepays for FY 2016	(208,699)
Adjustment to Fair Value of Investments Perspective Difference-	(5,616)
Budgeted Special Revenue Fund reclassified as General Fund	3,711
Encumbrances Outstanding	(352,278)
Budget Basis	<u>\$3,174,737</u>

**F. Cash and Cash Equivalents**

During fiscal year 2015, 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 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."

# **LAKWOOD LOCAL SCHOOL DISTRICT**

---

## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

---

### **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."

The District has invested funds in the State Treasury Asset Reserve of Ohio during 2015. STAR 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 does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2015.

#### **H. Inventory**

Inventory is stated at cost (first-in, first-out) in the governmental funds and at the lower of cost or market in the proprietary funds. The costs of inventory items are recorded as expenditures in the governmental funds when purchased and as expenses in the proprietary funds when used.

#### **I. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2015, 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.

#### **J. Capital Assets and Depreciation**

Capital assets are defined by the District as assets with an initial, individual cost of more than \$600.

##### **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 Fund Financial Statements.

***LAKEWOOD LOCAL SCHOOL DISTRICT***

---

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Capital Assets and Depreciation (Continued)**

1. Property, Plant and Equipment - Governmental Activities (Continued)

Contributed capital assets are recorded at fair market value at 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). Contributed capital assets are recorded at fair market value at 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 funds.

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:

Description	Estimated Lives (in years)
Land Improvements	10 - 15
Buildings and Improvements	12 - 40
Furniture, Fixtures and Equipment	5 - 15
Vehicles	7 - 10

**K. Long-Term Obligations**

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

Obligation	Fund
General Obligation Bonds Payable	Debt Service Fund
Energy Conservation Bonds	Debt Service Fund
Compensated Absences	General Fund, Food Services Fund
Capital Leases	General Fund

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

---

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

---

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **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 and career technology. None of the restricted net position reported at June 30, 2015 was by enabling legislation.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

## **LAKEWOOD LOCAL SCHOOL DISTRICT**

---

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

---

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **N. Fund Balance**

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

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

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

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

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

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

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

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

---

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

---

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **O. Pensions**

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

##### **P. Interfund Activity**

The District has no exchange transactions between funds. 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 2015.



# **LAKEWOOD LOCAL SCHOOL DISTRICT**

---

## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

---

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **T. Bond Premiums, Bond Discounts, Gains 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 accreted 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 and for pension. 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 are explained in Note 9.

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, 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 are reported on the government-wide statement of net position explained in Note 9.

**LAKEWOOD LOCAL SCHOOL DISTRICT**

---

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015***

---

**NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION**

For fiscal year 2015, the District implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. The implementation of this pronouncement had the following effect on net position as reported June 30, 2014:

	<u>Governmental Activities</u>	<u>Food Service Fund</u>
Net position June 30, 2014	\$14,623,287	\$180,684
Adjustments:		
Net Pension Liability	(30,833,220)	(312,669)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>1,535,973</u>	<u>21,296</u>
Restated Net Position June 30, 2014	<u>(\$14,673,960)</u>	<u>(\$110,689)</u>

Other than employer contributions subsequent to the measurement date, the District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

This space intentionally left blank.

**LAKWOOD LOCAL SCHOOL DISTRICT**

---

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015**

---

**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	\$208,699	\$0	\$8,079	\$216,778
Supplies Inventory	31,834	0	0	31,834
Total Nonspendable	<u>240,533</u>	<u>0</u>	<u>8,079</u>	<u>248,612</u>
Restricted:				
Career Technology Education	12,293	0	0	12,293
Extracurricular Activities	0	0	64,466	64,466
Preschool	0	0	2,757	2,757
Targeted Academic Assistance	0	0	50,782	50,782
Debt Service Payments	0	704,400	0	704,400
Total Restricted	<u>12,293</u>	<u>704,400</u>	<u>118,005</u>	<u>834,698</u>
Committed:				
Building Maintenance and Renovation	204,164	0	0	204,164
Assigned:				
Encumbrances	317,318	0	0	317,318
Student and Staff Support	40,811	0	0	40,811
Total Assigned	<u>358,129</u>	<u>0</u>	<u>0</u>	<u>358,129</u>
Unassigned	<u>13,445,771</u>	<u>0</u>	<u>0</u>	<u>13,445,771</u>
Total Fund Balances	<u><u>\$14,260,890</u></u>	<u><u>\$704,400</u></u>	<u><u>\$126,084</u></u>	<u><u>\$15,091,374</u></u>

**LAKWOOD LOCAL SCHOOL DISTRICT**

---

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015***

---

**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	\$370,815
Depreciation Expense	(995,364)
	<u>(\$624,549)</u>

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

Gain on Disposal of Capital Asset	\$1,745
Proceeds Received	(5,850)
	<u>(\$4,105)</u>

*Governmental revenues not reported in the funds:*

Increase in Investment Earnings	\$5,615
Decrease in Delinquent Tax Revenue	(166,844)
	<u>(\$161,229)</u>

*Aamount of bond and lease principal payments:*

Bond Principal Payment	\$640,000
Energy Conservation Bond Principal Payment	183,962
Capital Lease Payment	36,137
	<u>\$860,099</u>

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

---

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

---

#### **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;

**LAKEWOOD LOCAL SCHOOL DISTRICT**

---

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015**

---

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

- 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, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

**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). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year end the carrying amount of the District's deposits was \$10,083,399 and the bank balance was \$10,563,256. Federal depository insurance covered \$10,500,000 of the bank balance and \$63,256 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 by the pledging institution's trust department not in the District's name	<u>\$63,256</u>
Total Balance	<u><u>\$63,256</u></u>

Investment earnings of \$3,131 earned by other funds was 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, 2015***

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

##### **B. Investments**

The District's investments at June 30, 2015 were as follows:

	Fair Value	Credit Rating	Investment Maturities (in Years)		
			less than 1	1-3	3-5
Repurchase Agreements	\$945,990	*	\$945,990	\$0	\$0
STAR Ohio	679	AAAm <sup>1</sup>	679	0	0
FHLB	694,072	AA+ <sup>1</sup>	279,890	170,040	244,142
FHLMC	2,482,641 <sup>a</sup>	AA+ <sup>1</sup>	200,272	1,996,657	285,712
FNMA	1,668,642 <sup>b</sup>	AA+ <sup>1</sup>	250,347	1,019,756	398,539
US Treasury Note	250,117	AA+ <sup>1</sup>	250,117	0	0
Total Investments	<u>\$6,042,141</u>		<u>\$1,927,295</u>	<u>\$3,186,453</u>	<u>\$928,393</u>

\* United States Treasury and United States Agency securities underlie the repurchase agreements. United States Agency securities are rated AA+ by Standard and Poor's.

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

<sup>a</sup> A \$275,327 security was called on August 25, 2015, a \$500,585 security was called on September 22, 2015 and \$585,834 in securities were called on September 25, 2015. \$489,609 in securities are callable in November 2015.

<sup>b</sup> A \$398,539 security is callable on October 29, 2015.

*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, 15.66% are in repurchase agreements, .01% are in STAR Ohio, 11.49% are in FHLB securities, 41.08% are in FHLMC securities, 27.62% are in FNMA securities, and 4.14% are in US Treasury Notes.

## LAKEWOOD LOCAL SCHOOL DISTRICT

### *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015*

#### 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. Of the District’s investment in repurchase agreements, the entire balance is collateralized by underlying securities pledged by the investment’s counterparty, not in the name of the District. 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	\$1,580,068	\$14,545,472
Certificates of Deposit (with original maturities of more than 3 months)	9,450,000	(9,450,000)
Repurchase Agreements	(945,990)	945,990
STAR Ohio	(679)	679
Per GASB Statement No. 3	<u>\$10,083,399</u>	<u>\$6,042,141</u>

##### **D. Component Unit**

At year end the carrying amount of the Academy’s deposits was \$48,946 and the bank balance was \$50,616. Federal depository insurance covered the entire bank balance. There are no significant statutory restrictions regarding the deposit and investment of funds by the Academy.



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

---

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

---

#### **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 2015 represents collections of calendar year 2014 taxes. Real property taxes received in calendar year 2015 were levied after April 1, 2014, on the assessed value listed as of January 1, 2014, 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 2015 represents collections of calendar year 2014 taxes. Public utility real and tangible personal property taxes received in calendar year 2015 became a lien December 31, 2013, were levied after April 1, 2014 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, 2015, are available to finance fiscal year 2015 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 2015 receipts were based are:

	<u>2014 Second Half Collections</u>	<u>2015 First Half Collections</u>
Agricultural/Residential and Other Real Estate	\$388,406,130	\$404,571,981
Public Utility Personal	<u>21,658,260</u>	<u>23,420,060</u>
Total Assessed Value	<u>\$410,064,390</u>	<u>\$427,992,041</u>
Tax rate per \$1,000 of assessed valuation	\$54.51	\$54.40

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

Receivables at June 30, 2015 consisted of taxes, accounts, interest and intergovernmental receivables.

**LAKWOOD LOCAL SCHOOL DISTRICT**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015**

**NOTE 8 - CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at June 30, 2015:

<i>Historical Cost:</i>				
<u>Class</u>	<u>Balance at June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2015</u>
<i>Capital Assets not being depreciated:</i>				
Land	\$275,555	\$0	\$0	\$275,555
Subtotal	<u>275,555</u>	<u>0</u>	<u>0</u>	<u>275,555</u>
<i>Capital Assets being depreciated:</i>				
Land Improvements	1,022,856	127,299	(40,216)	1,109,939
Buildings and Improvements	22,334,058	75,337	0	22,409,395
Furniture, Fixtures and Equipment	3,742,036	80,193	(105,956)	3,716,273
Vehicles	2,316,366	87,986	(216,132)	2,188,220
Subtotal	<u>29,415,316</u>	<u>370,815</u>	<u>(362,304)</u>	<u>29,423,827</u>
Total Cost	<u>\$29,690,871</u>	<u>\$370,815</u>	<u>(\$362,304)</u>	<u>\$29,699,382</u>
 <i>Accumulated Depreciation:</i>				
<u>Class</u>	<u>Balance at June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2015</u>
Land Improvements	(\$492,120)	(\$53,256)	\$40,216	(\$505,160)
Buildings and Improvements	(10,965,293)	(545,066)	0	(11,510,359)
Furniture, Fixtures and Equipment	(2,837,194)	(271,312)	101,851	(3,006,655)
Vehicles	(1,623,121)	(125,730)	216,132	(1,532,719)
Total Depreciation	<u>(\$15,917,728)</u>	<u>(\$995,364) *</u>	<u>\$358,199</u>	<u>(\$16,554,893)</u>
 <i>Net Value:</i>	 <u>\$13,773,143</u>			 <u>\$13,144,489</u>

**LAKWOOD LOCAL SCHOOL DISTRICT**

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015***

**NOTE 8 - CAPITAL ASSETS (Continued)**

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

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

Instruction	\$557,453
Support Services:	
Instructional Staff	30,789
Administration	36,415
Operations and Maintenance of Plant	50,417
Pupil Transportation	132,466
Extracurricular Activities	143,977
Other Noninstructional Services	43,847
Total Depreciation Expense	\$995,364

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

Summary by Category at June 30, 2015:

Class	Balance at June 30, 2014	Additions	Deletions	Balance at June 30, 2015
Furniture and Equipment	\$367,517	\$82,134	(\$22,242)	\$427,409
Accumulated Depreciation	(289,802)	(15,115)	21,901	(283,016)
<b>Net Value:</b>	\$77,715	\$67,019	(\$341)	\$144,393

**C. Component Unit Capital Assets**

Summary by Category at June 30, 2015:

Class	Balance at June 30, 2014	Additions	Deletions	Balance at June 30, 2015
Furniture and Equipment	\$181,866	\$24,230	(\$71,587)	\$134,509
Accumulated Depreciation	(167,233)	(12,304)	71,525	(108,012)
<b>Net Value:</b>	\$14,633	\$11,926	(\$62)	\$26,497

# **LAKEWOOD LOCAL SCHOOL DISTRICT**

---

## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

---

### **NOTE 9 - DEFINED BENEFIT PENSION PLANS**

All of the District's full-time employees participate in one of two separate retirement systems which are cost-sharing, multiple-employer defined benefit pension plans.

#### **A. Net Pension Liability**

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

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

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

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

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

**LAKEWOOD LOCAL SCHOOL DISTRICT**

---

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015**

---

**NOTE 9 - 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 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. One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the 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, 2015, the allocation to pension, death benefits, and Medicare B was 13.18 percent. The remaining 0.82 percent of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The District’s contractually required contribution to SERS was \$372,439 for fiscal year 2015. Of this amount \$23,026 is reported as an intergovernmental payable.

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

---

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

---

#### **NOTE 9 - DEFINED BENEFIT PENSION PLANS (Continued)**

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

###### ***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. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years 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 years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among investment choices by the member, and employer contributions 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 services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

## **LAKEWOOD LOCAL SCHOOL DISTRICT**

---

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

---

#### **NOTE 9 - DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2015, plan members were required to contribute 12 percent of their annual covered salary. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2015 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$1,289,962 for fiscal year 2015. Of this amount \$211,416 is reported as an intergovernmental payable.

**LAKEWOOD LOCAL SCHOOL DISTRICT**

---

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015**

---

**NOTE 9 - DEFINED BENEFIT PENSION PLANS (Continued)**

**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, 2014, 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. 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	\$4,587,897	\$21,621,212	\$26,209,109
Proportion of the Net Pension Liability	0.090653%	0.0888904%	
Pension Expense	\$269,807	\$848,118	\$1,117,925

At June 30, 2015, 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	\$39,048	\$208,151	\$247,199
School District contributions subsequent to the measurement date	372,439	1,289,962	1,662,401
Total Deferred Outflows of Resources	<u>\$411,487</u>	<u>\$1,498,113</u>	<u>\$1,909,600</u>

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Inflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$744,629	\$4,000,006	\$4,744,635
Total Deferred Inflows of Resources	<u>\$744,629</u>	<u>\$4,000,006</u>	<u>\$4,744,635</u>

\$1,662,401 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, 2016. 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:			
2016	(\$176,395)	(\$947,964)	(\$1,124,359)
2017	(176,395)	(947,964)	(1,124,359)
2018	(176,395)	(947,964)	(1,124,359)
2019	(176,396)	(947,963)	(1,124,359)
Total	<u>(\$705,581)</u>	<u>(\$3,791,855)</u>	<u>(\$4,497,436)</u>



---

## **LAKEWOOD LOCAL SCHOOL DISTRICT**

---

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

---

#### **NOTE 9 - 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, 2014, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	4.00 percent to 22 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.75 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation.

**LAKEWOOD LOCAL SCHOOL DISTRICT**

---

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015**

---

**NOTE 9 - DEFINED BENEFIT PENSION PLANS (Continued)**

**D. Actuarial Assumptions (Continued)**

Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1.00 %	0.00 %
US Stocks	22.50	5.00
Non-US Stocks	22.50	5.50
Fixed Income	19.00	1.50
Private Equity	10.00	10.00
Real Assets	10.00	5.00
Multi-Asset Strategies	15.00	7.50
Total	<u>100.00 %</u>	

**Discount Rate** - The total pension liability was calculated using the discount rate of 7.75 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 (7.75 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 7.75 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 (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
School District's proportionate share of the net pension liability	\$6,545,565	\$4,587,897	\$2,941,328

**LAKEWOOD LOCAL SCHOOL DISTRICT**

---

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015***

---

**NOTE 9 - DEFINED BENEFIT PENSION PLANS (Continued)**

**D. Actuarial Assumptions** (Continued)

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

The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment Rate of Return	7.75 percent, net of investment expenses
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males’ ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2014, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	<u>100.00 %</u>	

**LAKEWOOD LOCAL SCHOOL DISTRICT**

---

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015***

---

**NOTE 9 - DEFINED BENEFIT PENSION PLANS (Continued)**

**D. Actuarial Assumptions (Continued)**

***Discount Rate*** - The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2014. 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, 2014. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2014.

***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 7.75 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 (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$30,953,122	\$21,621,212	\$13,729,556

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

---

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

---

#### **NOTE 10 - POSTEMPLOYMENT BENEFITS**

##### **A. School Employee Retirement System**

Plan Description – The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. 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. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of 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 benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2015, 0.82 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount (\$20,450 for 2015), pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The District's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$68,302, \$49,905, and \$49,938 respectively; which were equal to the required contributions for each year.

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

---

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

---

#### **NOTE 10 - POSTEMPLOYMENT BENEFITS (Continued)**

##### **B. State Teachers Retirement System**

Plan Description – The District contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may 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 Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2015, STRS Ohio allocated employer contributions equal to zero percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$0, \$91,663, and \$90,962 respectively; which were equal to the required contributions for each year.

This space intentionally left blank.

## **LAKEWOOD LOCAL SCHOOL DISTRICT**

### **Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015**

#### **NOTE 11 - 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, 2015 are as follows:

		Restated Balance June 30, 2014	Issued	(Retired)	Balance June 30, 2015	Due Within One Year
<b>Governmental Activities:</b>						
(Energy Conservation Bonds Payable)						
Energy Conservation Project	5.00%	\$239,302	\$0	(\$92,191)	\$147,111	\$96,858
Energy Conservation Project	3.55%	825,936	0	(91,771)	734,165	91,770
Total Energy Conservation Bonds Payable		1,065,238	0	(183,962)	881,276	188,628
(General Obligation Bonds Payable)						
Refunding Bonds	2.75-4.1%	9,129,991	0	(640,000)	8,489,991	201,278
Premium on Refunding Bonds		381,411	0	(31,784)	349,627	0
Interest Accretion		686,199	134,602	0	820,801	473,722
Total General Obligation Bonds Payable		10,197,601	134,602	(671,784)	9,660,419	675,000
(Net Pension Liability)						
School Teachers Retirement System		25,755,046	0	(4,133,834)	21,621,212	0
School Employees Retirement System		5,078,174	0	(756,375)	4,321,799	0
Total Net Pension Liability		30,833,220	0	(4,890,209)	25,943,011	0
Capital Leases Payable		92,701	0	(36,137)	56,564	26,499
Compensated Absences		445,066	186,214	(398,537)	232,743	62,432
Total Governmental Activities		<u>\$42,633,826</u>	<u>\$320,816</u>	<u>(\$6,180,629)</u>	<u>\$36,774,013</u>	<u>\$952,559</u>
<b>Business-Type Activities:</b>						
Net Pension Liability-						
School Employees Retirement System		\$312,669	\$0	(\$46,571)	\$266,098	\$0
Compensated Absences		19,783	3,691	(7,481)	15,993	15,993
Total Business Type Activities		<u>\$332,452</u>	<u>\$3,691</u>	<u>(\$54,052)</u>	<u>\$282,091</u>	<u>\$15,993</u>

The original amounts of the Energy Conservation Bonds Payable, \$802,987 and \$917,707 were used to finance the cost of acquiring and installing energy conservation measures. The original amounts of the General Obligation Bonds Payable of \$9,999,991 were used to finance the cost of building a new high school facility.

The District pays obligations related to employee compensation from the fund benefitting from their service.

**LAKEWOOD LOCAL SCHOOL DISTRICT**

---

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015**

---

**NOTE 11- 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, 2015, follows:

Years	Energy Conservation Bonds Payable		General Obligation Bonds Payable	
	Principal	Interest	Principal	Interest
2016	\$188,628	\$30,920	\$201,278	\$800,494
2017	142,024	22,776	178,713	823,060
2018	91,771	18,153	670,000	313,372
2019	91,771	14,851	705,000	285,873
2020	91,771	11,547	730,000	257,172
2021-2025	275,311	14,850	4,115,000	813,962
2026-2027	0	0	1,890,000	79,034
Totals	<u>\$881,276</u>	<u>\$113,097</u>	<u>\$8,489,991</u>	<u>\$3,372,967</u>

**NOTE 12 - CAPITAL LEASE COMMITMENTS**

The District leases copiers under capital leases. The cost of the equipment obtained under capital leases is \$175,790, the accumulated depreciation is \$124,781 and the net book value is \$51,009, which is 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, 2015:

Year Ending June 30,	Capital Lease
2016	\$29,087
2017	26,735
2018	<u>4,456</u>
Minimum Lease Payments	60,278
Less: Amount representing interest at the District's incremental borrowing rate of interest	<u>(3,714)</u>
Present Value of minimum lease payments	<u>\$56,564</u>



**LAKEWOOD LOCAL SCHOOL DISTRICT**

---

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015***

---

**NOTE 13 - 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 2015 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	\$77,268,097
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	\$3,000,000
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 District participates in the Sheakley/Better Business Bureau of Central Ohio, Inc. Workers' Compensation Group Retrospective Rating Program (the GRP), an insurance purchasing pool. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State, based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley, Inc. provides administrative, cost control and actuarial services to the GRP.

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

---

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

---

#### **NOTE 14 - JOINTLY GOVERNED ORGANIZATIONS**

##### **A. Licking Area Computer Association**

The District is a participant in the Licking Area Computer Association (LACA) which is one of twenty-three 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 seventeen members made up of the seventeen 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 \$69,831 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. Metropolitan Educational Council**

The District participates in the Metropolitan Educational Council (MEC), 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. MEC helps its members purchase services, insurance, supplies, and other items at a discounted rate. The governing board of MEC is directed by 27 members which are composed of either the superintendent, a designated representative or a member of the board of education of a participating school district. Each year, the participating school districts pay a membership fee to MEC to cover the costs of administering the program. The District's membership payment to MEC for fiscal year 2015 was \$808. Financial information may be obtained from the Metropolitan Educational Council, Fiscal Officer, 2100 Citygate Dr., Columbus, OH 43219.

**LAKEWOOD LOCAL SCHOOL DISTRICT**

---

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015**

---

**NOTE 14 - 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 2015.

**NOTE 15 – RELATED PARTY TRANSACTIONS**

The Sponsorship Contract and the annual Purchased Services Contracts between the Lakewood Digital Academy and the District outlined the specific payments to be made during fiscal year 2015. During 2015, the Academy made payments to the District of \$220,976 for administrative and fiscal services, a management fee, for services of the Director, a technology director, special education related services and Sponsorship payments.

**NOTE 16 – SIGNIFICANT COMMITMENTS**

Significant encumbrances outstanding at fiscal year-end in the General Fund are \$317,318 and are reported as assigned fund balance.

As of June 30, 2015, the District had the following commitments with respect to capital improvements:

<u>Capital Projects</u>	<u>Remaining Construction Commitment</u>
High School Science Lab	\$27,440
Paving-Jackson Intermediate School	101,725

**NOTE 17 – SUBSEQUENT EVENTS**

On September 3, 2015, the District refunded \$8,110,000 in General Obligation Bonds by issuing School Improvement Refunding Bonds of \$8,055,000.

---

## **LAKEWOOD LOCAL SCHOOL DISTRICT**

---

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

---

#### **NOTE 18 – 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, 2015, the reserve activity (cash-basis) was as follows:

	<u>Capital Acquisition Reserve</u>
Set-aside Cash Balance as of June 30, 2014	\$0
Current Year Set-Aside Requirement	328,859
Current Year Qualifying Expenditures	<u>(714,880)</u>
Total	<u>(\$386,021)</u>
Set-aside Cash Balance Carried Forward to FY 2016	<u>\$0</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 19 - 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, 2015, 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, 2015.

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

District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year, 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, 2015 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.

---

**LAKWOOD LOCAL SCHOOL DISTRICT**

---

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

---

**State Teachers Retirement System**

Fiscal Year	<u>2013</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.08889036%	0.08889036%
District's proportionate share of the net pension liability (asset)	\$25,755,046	\$21,621,212
District's covered-employee payroll	\$9,096,169	\$9,154,592
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	283.14%	236.18%
Plan fiduciary net position as a percentage of the total pension liability	69.30%	74.70%

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

**School Employees Retirement System**

Fiscal Year	<u>2013</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.090653%	0.090653%
District's proportionate share of the net pension liability (asset)	\$5,390,843	\$4,587,897
District's covered-employee payroll	\$3,114,169	\$2,649,149
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	173.11%	173.18%
Plan fiduciary net position as a percentage of the total pension liability	65.52%	71.70%

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

Notes: The District implemented GASB Statement 68 in 2015.

Information prior to 2013 is not available.

The schedule is reported as of the measurement date of the Net Pension Liability.

***LAKEWOOD LOCAL SCHOOL DISTRICT***

---

***Required Supplemental Information  
Schedule of District Contributions  
Last Ten Fiscal Years***

---

**State Teachers Retirement System**

Fiscal Year	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Contractually required contribution	\$1,235,108	\$1,243,108	\$1,234,305	\$1,242,618
Contributions in relation to the contractually required contribution	<u>1,235,108</u>	<u>1,243,108</u>	<u>1,234,305</u>	<u>1,242,618</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered-employee payroll	\$9,500,831	\$9,562,369	\$9,494,654	\$9,558,600
Contributions as a percentage of covered-employee payroll	13.00%	13.00%	13.00%	13.00%

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

**School Employees Retirement System**

Fiscal Year	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Contractually required contribution	\$263,813	\$266,435	\$261,344	\$271,010
Contributions in relation to the contractually required contribution	<u>263,813</u>	<u>266,435</u>	<u>261,344</u>	<u>271,010</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered-employee payroll	\$2,493,507	\$2,494,710	\$2,661,344	\$2,754,167
Contributions as a percentage of covered-employee payroll	10.58%	10.68%	9.82%	9.84%

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

Notes: The District implemented GASB Statement 68 in 2015.

***LAKWOOD LOCAL SCHOOL DISTRICT***

---

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$1,263,299	\$1,252,624	\$1,223,564	\$1,182,502	\$1,190,097	\$1,289,962
<u>1,263,299</u>	<u>1,252,624</u>	<u>1,223,564</u>	<u>1,182,502</u>	<u>1,190,097</u>	<u>1,289,962</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$9,717,685	\$9,635,569	\$9,412,008	\$9,096,169	\$9,154,592	\$9,214,014
13.00%	13.00%	13.00%	13.00%	13.00%	14.00%

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$372,845	\$381,216	\$402,670	\$431,001	\$367,172	\$372,439
<u>372,845</u>	<u>381,216</u>	<u>402,670</u>	<u>431,001</u>	<u>367,172</u>	<u>372,439</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,753,656	\$3,032,745	\$2,993,829	\$3,114,169	\$2,649,149	\$2,825,789
13.54%	12.57%	13.45%	13.84%	13.86%	13.18%





*LAKWOOD LOCAL SCHOOL DISTRICT*

---

*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

---

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

---

# ***LAKEWOOD LOCAL SCHOOL DISTRICT***

---

---

## ***Nonmajor Governmental Funds***

---

---

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

---

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than amounts relating to private purpose trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

#### **Public School Support Fund**

To account for specific local revenue sources, other than taxes that are restricted to expenditures for specified purposes, curricular and extracurricular, approved by board resolutions. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

#### **Other Grant Fund**

To account for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specified purposes. (The Balance Sheet is not presented because there are no assets or liabilities at fiscal year-end.)

#### **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.)

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

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

#### **Title I-School Improvement Fund**

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

(Continued)

# *LAKWOOD LOCAL SCHOOL DISTRICT*

---

## *Special Revenue Funds*

---

### **Title I Fund**

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

### **IDEA Preschool Grant for Handicapped Fund**

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

### **Title II-A Fund**

To account for federal monies received which are used to hire additional classroom teachers in grades 1 through 3, so that the number of students per teacher will be reduced. (The Balance Sheet is not presented because there are no assets or liabilities at fiscal year-end.)

**LAKWOOD LOCAL SCHOOL DISTRICT**

---

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2015**

---

	<u>Student Activity</u>	<u>Early Childhood Education</u>	<u>Special Education Part B-IDEA</u>	<u>Title I School Improvement</u>
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 64,965	\$ 2,278	\$ 16,511	\$ 2,540
Receivables:				
Intergovernmental	0	2,511	0	6,680
Prepaid Items	<u>0</u>	<u>0</u>	<u>4,529</u>	<u>704</u>
<b>Total Assets</b>	<u>\$ 64,965</u>	<u>\$ 4,789</u>	<u>\$ 21,040</u>	<u>\$ 9,924</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 499	\$ 0	\$ 90	\$ 0
Accrued Wages and Benefits	0	1,773	14,885	4,223
Intergovernmental Payable	<u>0</u>	<u>259</u>	<u>1,536</u>	<u>205</u>
<b>Total Liabilities</b>	<u>499</u>	<u>2,032</u>	<u>16,511</u>	<u>4,428</u>
<b>Fund Balances:</b>				
Nonspendable	0	0	4,529	704
Restricted	<u>64,466</u>	<u>2,757</u>	<u>0</u>	<u>4,792</u>
<b>Total Fund Balances</b>	<u>64,466</u>	<u>2,757</u>	<u>4,529</u>	<u>5,496</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 64,965</u>	<u>\$ 4,789</u>	<u>\$ 21,040</u>	<u>\$ 9,924</u>

**LAKWOOD LOCAL SCHOOL DISTRICT**

---

---

<u>Title I</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 34,849	\$ 121,143
55,000	64,191
<u>2,846</u>	<u>8,079</u>
<u>\$ 92,695</u>	<u>\$ 193,413</u>
\$ 0	\$ 589
36,534	57,415
<u>7,325</u>	<u>9,325</u>
<u>43,859</u>	<u>67,329</u>
2,846	8,079
<u>45,990</u>	<u>118,005</u>
<u>48,836</u>	<u>126,084</u>
<u>\$ 92,695</u>	<u>\$ 193,413</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, 2015**

	<u>Other Grant</u>	<u>Student Activity</u>	<u>Early Childhood Education</u>	<u>Data Communications</u>
<b>Revenues:</b>				
Local Sources:				
Extracurricular Activities	\$ 0	\$ 122,601	\$ 0	\$ 0
Intermediate Sources	4,096	0	0	0
Intergovernmental - State	0	0	64,000	7,200
Intergovernmental - Federal	0	0	0	0
All Other Revenue	<u>0</u>	<u>15,900</u>	<u>0</u>	<u>0</u>
<b>Total Revenue</b>	<u>4,096</u>	<u>138,501</u>	<u>64,000</u>	<u>7,200</u>
<b>Expenditures:</b>				
Current:				
Instruction	4,346	0	61,784	0
Supporting Services:				
Pupils	0	0	0	0
Instructional Staff	1,385	0	32	0
Administration	0	1,080	0	0
Fiscal Services	115	0	0	0
Operation and Maintenance of Plant	0	0	0	7,200
Extracurricular Activities	<u>0</u>	<u>131,432</u>	<u>0</u>	<u>0</u>
<b>Total Expenditures</b>	<u>5,846</u>	<u>132,512</u>	<u>61,816</u>	<u>7,200</u>
Excess (Deficiency) of Revenues				
Over Expenditures	(1,750)	5,989	2,184	0
<b>Other Financing Sources (Uses):</b>				
Transfers In	<u>0</u>	<u>3,000</u>	<u>0</u>	<u>0</u>
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>3,000</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(1,750)	8,989	2,184	0
<b>Fund Balances at Beginning of Year</b>	<u>1,750</u>	<u>55,477</u>	<u>573</u>	<u>0</u>
<b>Fund Balances End of Year</b>	<u>\$ 0</u>	<u>\$ 64,466</u>	<u>\$ 2,757</u>	<u>\$ 0</u>

**LAKWOOD LOCAL SCHOOL DISTRICT**

---

Special Education Part B-IDEA	Title I School Improvement	Title I	IDEA Preschool Grant for Handicapped	Title II-A	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 122,601
0	0	0	0	0	4,096
0	0	0	0	0	71,200
399,030	60,432	481,637	9,729	99,734	1,050,562
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,900</u>
<u>399,030</u>	<u>60,432</u>	<u>481,637</u>	<u>9,729</u>	<u>99,734</u>	<u>1,264,359</u>
244,314	14,645	427,335	9,729	99,734	861,887
128,533	0	0	0	0	128,533
0	42,607	19,544	0	0	63,568
25,375	0	0	0	0	26,455
0	0	0	0	0	115
0	0	0	0	0	7,200
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>131,432</u>
<u>398,222</u>	<u>57,252</u>	<u>446,879</u>	<u>9,729</u>	<u>99,734</u>	<u>1,219,190</u>
808	3,180	34,758	0	0	45,169
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,000</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,000</u>
808	3,180	34,758	0	0	48,169
<u>3,721</u>	<u>2,316</u>	<u>14,078</u>	<u>0</u>	<u>0</u>	<u>77,915</u>
<u>\$ 4,529</u>	<u>\$ 5,496</u>	<u>\$ 48,836</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 126,084</u>

## **LAKEWOOD LOCAL SCHOOL DISTRICT**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Fiscal Year Ended June 30, 2015***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Local Sources:				
Taxes	\$ 12,881,081	\$ 13,022,090	\$ 13,022,090	\$ 0
Tuition	602,874	662,131	698,547	36,416
Investment Earnings	45,800	51,500	53,315	1,815
Class Material and Fees	49,895	53,101	55,198	2,097
Intergovernmental - State	8,984,779	8,989,173	9,018,149	28,976
Intergovernmental - Federal	50,000	22,000	95,452	73,452
All Other Revenues	458,125	458,878	494,462	35,584
Total Revenues	23,072,554	23,258,873	23,437,213	178,340
<b>Expenditures:</b>				
Instructional Services:				
Regular:				
Salaries and Wages	6,252,540	6,249,786	6,207,080	42,706
Fringe Benefits	2,134,725	2,117,282	2,113,167	4,115
Purchased Services	1,385,660	1,298,278	1,253,543	44,735
Supplies and Materials	169,416	135,028	118,324	16,704
Other Expenditures	6,609	6,609	6,609	0
Capital Outlay	191,368	194,435	194,136	299
Total Regular	10,140,318	10,001,418	9,892,859	108,559
Special:				
Salaries and Wages	837,350	814,207	810,866	3,341
Fringe Benefits	245,092	249,442	246,233	3,209
Purchased Services	438,340	556,568	493,457	63,111
Supplies and Materials	2,760	16,536	13,168	3,368
Other Expenditures	81,059	36,874	35,806	1,068
Capital Outlay	0	9,633	9,633	0
Total Special	1,604,601	1,683,260	1,609,163	74,097
Vocational:				
Salaries and Wages	108,750	110,241	110,241	0
Fringe Benefits	40,936	40,955	40,353	602
Purchased Services	800	962	338	624
Supplies and Materials	19,015	14,186	4,961	9,225
Capital Outlay	0	4,798	4,714	84
Total Vocational	169,501	171,142	160,607	10,535

(Continued)



## **LAKWOOD 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, 2015***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Other:				
Salaries and Wages	4,800	2,725	2,681	44
Fringe Benefits	1,500	875	425	450
Purchased Services	2,000	5,768	3,507	2,261
Total Other	8,300	9,368	6,613	2,755
Total Instructional Services	11,922,720	11,865,188	11,669,242	195,946
Support Services:				
Pupils:				
Salaries and Wages	855,751	849,003	837,252	11,751
Fringe Benefits	326,696	341,752	333,485	8,267
Purchased Services	122,891	116,576	109,803	6,773
Supplies and Materials	4,890	8,989	8,522	467
Other Expenditures	42,496	42,496	40,590	1,906
Capital Outlay	1,518	1,518	1,518	0
Total Pupils	1,354,242	1,360,334	1,331,170	29,164
Instructional Staff:				
Salaries and Wages	134,600	187,186	183,618	3,568
Fringe Benefits	96,276	87,096	79,810	7,286
Purchased Services	106,313	104,891	90,819	14,072
Supplies and Materials	23,125	23,980	18,600	5,380
Other Expenditures	108	108	108	0
Capital Outlay	3,786	3,786	3,786	0
Total Instructional Staff	364,208	407,047	376,741	30,306
Board of Education:				
Salaries and Wages	7,500	7,500	7,500	0
Fringe Benefits	2,000	1,957	1,806	151
Purchased Services	102,762	112,562	89,673	22,889
Supplies and Materials	0	2,500	2,011	489
Other Expenditures	8,711	8,711	6,886	1,825
Total Board of Education	120,973	133,230	107,876	25,354

(Continued)

## **LAKWOOD 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, 2015***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Administration:</b>				
Salaries and Wages	1,170,953	1,250,134	1,239,438	10,696
Fringe Benefits	466,262	490,772	485,326	5,446
Purchased Services	113,591	113,760	92,706	21,054
Supplies and Materials	7,018	7,718	6,955	763
Other Expenditures	126,294	133,507	131,661	1,846
Capital Outlay	6,831	25,068	25,068	0
Total Administration	1,890,949	2,020,959	1,981,154	39,805
<b>Fiscal Services:</b>				
Salaries and Wages	230,133	232,128	230,124	2,004
Fringe Benefits	119,250	122,842	121,237	1,605
Purchased Services	49,089	45,404	36,952	8,452
Supplies and Materials	5,674	5,674	4,995	679
Other Expenditures	272,528	269,173	263,564	5,609
Capital Outlay	90,000	620	620	0
Total Fiscal Services	766,674	675,841	657,492	18,349
<b>Business:</b>				
Salaries and Wages	8,000	8,000	7,434	566
Fringe Benefits	10,089	10,356	10,193	163
Purchased Services	5,000	5,000	400	4,600
Supplies and Materials	15,200	15,000	1,148	13,852
Other Expenditures	4,408	2,382	2,382	0
Total Business	42,697	40,738	21,557	19,181
<b>Operation and Maintenance of Plant:</b>				
Salaries and Wages	577,275	573,377	559,720	13,657
Fringe Benefits	308,164	303,532	301,080	2,452
Purchased Services	725,943	734,527	656,481	78,046
Supplies and Materials	85,650	101,750	76,678	25,072
Other Expenditures	875	875	640	235
Capital Outlay	222,954	384,409	381,733	2,676
Total Operation and Maintenance Of Plant	1,920,861	2,098,470	1,976,332	122,138

(Continued)

**LAKWOOD 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, 2015***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Pupil Transportation:				
Salaries and Wages	761,727	775,475	754,428	21,047
Fringe Benefits	430,951	452,448	448,730	3,718
Purchased Services	78,987	63,316	54,996	8,320
Supplies and Materials	298,314	307,314	295,077	12,237
Other Expenditures	1,034	1,104	879	225
Capital Outlay	88,905	95,491	95,491	0
Total Pupil Transportation	<u>1,659,918</u>	<u>1,695,148</u>	<u>1,649,601</u>	45,547
Central:				
Salaries and Wages	107,225	55,460	55,144	316
Fringe Benefits	17,021	12,936	12,848	88
Purchased Services	650	3,227	3,227	0
Other Expenditures	85	85	85	0
Capital Outlay	10,000	327	327	0
Total Central	<u>134,981</u>	<u>72,035</u>	<u>71,631</u>	404
Total Support Services	<u>8,255,503</u>	<u>8,503,802</u>	<u>8,173,554</u>	330,248
Operation of Non-Instructional Services:				
Salaries and Wages	118,482	120,232	118,725	1,507
Fringe Benefits	30,760	30,558	28,232	2,326
Purchased Services	36,530	6,530	3,755	2,775
Other Expenditures	7,802	7,802	6,894	908
Capital Outlay	45,236	45,236	45,236	0
Total Non-Instructional Services	<u>238,810</u>	<u>210,358</u>	<u>202,842</u>	7,516
Extracurricular Activities:				
Salaries and Wages	210,130	207,001	188,096	18,905
Fringe Benefits	37,425	34,077	31,592	2,485
Total Extracurricular Activities	<u>247,555</u>	<u>241,078</u>	<u>219,688</u>	21,390
Total Expenditures	<u>20,664,588</u>	<u>20,820,426</u>	<u>20,265,326</u>	555,100
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	2,407,966	2,438,447	3,171,887	733,440

(Continued)

**LAKWOOD 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, 2015***

---

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	5,850	5,850	5,850	0
Transfers Out	<u>0</u>	<u>(3,000)</u>	<u>(3,000)</u>	<u>0</u>
Total Other Financing Sources (Uses):	<u>5,850</u>	<u>2,850</u>	<u>2,850</u>	<u>0</u>
Net Change in Fund Balance	2,413,816	2,441,297	3,174,737	733,440
Fund Balance at Beginning of Year	11,462,755	11,462,755	11,462,755	0
Prior Year Encumbrances	<u>187,242</u>	<u>187,242</u>	<u>187,242</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 14,063,813</u>	<u>\$ 14,091,294</u>	<u>\$ 14,824,734</u>	<u>\$ 733,440</u>

**LAKWOOD 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, 2015**

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Local Sources:				
Taxes	\$ 825,324	\$ 904,062	\$ 904,062	\$ 0
Intergovernmental - State	202,427	221,019	221,019	0
Total Revenues	1,027,751	1,125,081	1,125,081	0
<b>Expenditures:</b>				
Current:				
Support Services:				
Fiscal Services:				
Other Expenditures	9,000	11,379	11,379	0
Total Fiscal Services	9,000	11,379	11,379	0
Debt Service:				
Principal Retirement	823,962	823,962	823,962	0
Interest and Fiscal Charges	381,663	381,464	381,464	0
Total Debt Service	1,205,625	1,205,426	1,205,426	0
Total Expenditures	1,214,625	1,216,805	1,216,805	0
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(186,874)	(91,724)	(91,724)	0
Fund Balance at Beginning of Year				
Fund Balance at End of Year	\$ 568,460	\$ 663,610	\$ 663,610	\$ 0

**LAKWOOD 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, 2015***

---

**PUBLIC SCHOOL SUPPORT FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Extracurricular Activities	\$ 36,700	\$ 30,248	\$ 25,670	\$ (4,578)
All Other Revenues	3,300	2,800	2,700	(100)
Total Revenues	40,000	33,048	28,370	(4,678)
<b>Expenditures:</b>				
Extracurricular Activities:				
Purchased Services	9,000	7,100	6,465	635
Supplies and Materials	45,048	35,048	25,616	9,432
Capital Outlay	3,750	3,000	0	3,000
Total Expenditures	57,798	45,148	32,081	13,067
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(17,798)	(12,100)	(3,711)	8,389
Fund Balance at Beginning of Year				
Prior Year Encumbrances	23,679	23,679	23,679	0
Fund Balance at End of Year	\$ 7,424	\$ 13,122	\$ 21,511	\$ 8,389

**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, 2015***

---

<b>OTHER GRANT FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u></u>
<b>Revenues:</b>				
Intermediate Sources	\$ 1,500	\$ 4,096	\$ 4,096	\$ 0
Total Revenues	<u>1,500</u>	<u>4,096</u>	<u>4,096</u>	<u>0</u>
<b>Expenditures:</b>				
Instructional Services:				
Regular:				
Supplies and Materials	1,750	4,346	4,346	0
Total Instructional Services	<u>1,750</u>	<u>4,346</u>	<u>4,346</u>	<u>0</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	1,200	1,200	1,200	0
Fringe Benefits	185	185	185	0
Total Instructional Staff	<u>1,385</u>	<u>1,385</u>	<u>1,385</u>	<u>0</u>
Fiscal Services:				
Other Expenditures	115	115	115	0
Total Support Services	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>0</u>
Total Expenditures	<u>3,250</u>	<u>5,846</u>	<u>5,846</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,750)	(1,750)	(1,750)	0
Fund Balance at Beginning of Year	1,510	1,510	1,510	0
Prior Year Encumbrances	240	240	240	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**LAKEWOOD LOCAL SCHOOL DISTRICT**

---

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2015**

---

<b>STUDENT ACTIVITY FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Extracurricular Activities	\$ 113,550	\$ 126,232	\$ 122,601	\$ (3,631)
All Other Revenues	<u>7,200</u>	<u>17,100</u>	<u>15,900</u>	<u>(1,200)</u>
Total Revenues	<u>120,750</u>	<u>143,332</u>	<u>138,501</u>	<u>(4,831)</u>
<b>Expenditures:</b>				
Support Services:				
Administration:				
Purchased Services	<u>1,080</u>	<u>1,080</u>	<u>1,080</u>	<u>0</u>
Total Support Services	<u>1,080</u>	<u>1,080</u>	<u>1,080</u>	<u>0</u>
Extracurricular Activities:				
Salaries and Wages	0	30	30	0
Fringe Benefits	0	4	4	0
Purchased Services	74,800	80,125	72,937	7,188
Supplies and Materials	42,450	68,089	55,131	12,958
Other Expenditures	2,100	3,300	1,500	1,800
Capital Outlay	<u>34,000</u>	<u>7,000</u>	<u>2,000</u>	<u>5,000</u>
Total Extracurricular Activities	<u>153,350</u>	<u>158,548</u>	<u>131,602</u>	<u>26,946</u>
Total Expenditures	<u>154,430</u>	<u>159,628</u>	<u>132,682</u>	<u>26,946</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(33,680)	(16,296)	5,819	22,115
<b>Other Financing Sources (Uses):</b>				
Operating Transfers In	<u>0</u>	<u>3,000</u>	<u>3,000</u>	<u>0</u>
Total Other Financing Sources (Uses):	<u>0</u>	<u>3,000</u>	<u>3,000</u>	<u>0</u>
Net Change in Fund Balance	(33,680)	(13,296)	8,819	22,115
Fund Balance at Beginning of Year	<u>55,477</u>	<u>55,477</u>	<u>55,477</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 21,797</u>	<u>\$ 42,181</u>	<u>\$ 64,296</u>	<u>\$ 22,115</u>



**LAKWOOD 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, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>EARLY CHILDHOOD EDUCATION FUND</b>				
<b>Revenues:</b>				
Intergovernmental - State	\$ 64,000	\$ 64,000	\$ 61,489	\$ (2,511)
Total Revenues	64,000	64,000	61,489	(2,511)
<b>Expenditures:</b>				
Instructional Services:				
Special:				
Salaries and Wages	41,761	48,497	46,233	2,264
Fringe Benefits	15,056	15,334	12,809	2,525
Purchased Services	500	260	260	0
Supplies and Materials	3,950	520	520	0
Capital Outlay	2,432	0	0	0
Total Instructional Services	63,699	64,611	59,822	4,789
Support Services:				
Pupils:				
Supplies and Materials	1,000	0	0	0
Total Pupils	1,000	0	0	0
Instructional Staff:				
Purchased Services	500	32	32	0
Supplies and Materials	175	0	0	0
Total Instructional Staff	675	32	32	0
Total Support Services	1,675	32	32	0
Total Expenditures	65,374	64,643	59,854	4,789
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,374)	(643)	1,635	2,278
<b>Other Financing Sources (Uses):</b>				
Refund of Prior Year's Receipts	0	(731)	(731)	0
Total Other Financing Sources (Uses):	0	(731)	(731)	0
Net Change in Fund Balance	(1,374)	(1,374)	904	2,278
Fund Balance at Beginning of Year	1,374	1,374	1,374	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 2,278	\$ 2,278

**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, 2015***

---

**DATA COMMUNICATIONS FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - State	\$ 7,200	\$ 7,200	\$ 7,200	\$ 0
Total Revenues	7,200	7,200	7,200	0
<b>Expenditures:</b>				
Support Services:				
Operation and Maintenance of Plant:				
Purchased Services	7,200	7,200	7,200	0
Total Expenditures	7,200	7,200	7,200	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

**LAKWOOD 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, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>SPECIAL EDUCATION PART B-IDEA FUND</b>				
<b>Revenues:</b>				
Intergovernmental - Federal	\$ 399,030	\$ 399,030	\$ 399,030	\$ 0
Total Revenues	399,030	399,030	399,030	0
<b>Expenditures:</b>				
Instructional Services:				
Special:				
Salaries and Wages	196,591	196,591	189,258	7,333
Fringe Benefits	54,149	54,149	54,016	133
Supplies and Materials	500	500	407	93
Total Instructional Services	251,240	251,240	243,681	7,559
Support Services:				
Pupils:				
Salaries and Wages	66,410	66,410	59,162	7,248
Fringe Benefits	65,392	65,392	64,933	459
Total Pupils	131,802	131,802	124,095	7,707
Instructional Staff:				
Salaries and Wages	1,000	1,000	0	1,000
Fringe Benefits	155	155	0	155
Total Instructional Staff	1,155	1,155	0	1,155
Administration:				
Purchased Services	25,375	25,375	25,375	0
Total Support Services	158,332	158,332	149,470	8,862
Total Expenditures	409,572	409,572	393,151	16,421
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,542)	(10,542)	5,879	16,421
Fund Balance at Beginning of Year	10,542	10,542	10,542	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 16,421	\$ 16,421

**LAKWOOD 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, 2015***

<b>TITLE I SCHOOL IMPROVEMENT FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Revenues:</b>				
Intergovernmental - Federal	\$ 67,572	\$ 67,572	\$ 60,611	\$ (6,961)
Total Revenues	<u>67,572</u>	<u>67,572</u>	<u>60,611</u>	<u>(6,961)</u>
<b>Expenditures:</b>				
Instructional Services:				
Regular:				
Salaries and Wages	4,800	0	0	0
Fringe Benefits	738	0	0	0
Purchased Services	0	4,618	4,618	0
Supplies and Materials	3,000	2,199	2,180	19
Capital Outlay	0	12,500	12,500	0
Total Instructional Services	<u>8,538</u>	<u>19,317</u>	<u>19,298</u>	<u>19</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	40,583	37,072	33,093	3,979
Fringe Benefits	15,128	14,797	13,912	885
Purchased Services	8,114	1,241	1,241	0
Supplies and Materials	64	0	0	0
Total Support Services	<u>63,889</u>	<u>53,110</u>	<u>48,246</u>	<u>4,864</u>
Total Expenditures	<u>72,427</u>	<u>72,427</u>	<u>67,544</u>	<u>4,883</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,855)	(4,855)	(6,933)	(2,078)
Fund Balance at Beginning of Year	4,855	4,855	4,855	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (2,078)</u>	<u>\$ (2,078)</u>

**LAKWOOD 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, 2015**

	TITLE I FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental - Federal	\$ 825,944	\$ 820,613	\$ 464,181	\$ (356,432)
Total Revenues	825,944	820,613	464,181	(356,432)
<b>Expenditures:</b>				
Instructional Services:				
Regular:				
Supplies and Materials	5,000	12,000	11,526	474
Total Regular	5,000	12,000	11,526	474
Special:				
Salaries and Wages	281,995	319,033	241,231	77,802
Fringe Benefits	99,710	90,377	83,785	6,592
Purchased Services	0	13,074	13,074	0
Capital Outlay	0	76,600	76,600	0
Total Special	381,705	499,084	414,690	84,394
Other:				
Salaries and Wages	64,950	12,250	9,075	3,175
Fringe Benefits	596	1,891	1,395	496
Purchased Services	12,189	2,326	2,326	0
Total Other	77,735	16,467	12,796	3,671
Total Instructional Services	464,440	527,551	439,012	88,539
Support Services:				
Instructional Staff:				
Purchased Services	369,055	294,750	23,840	270,910
Supplies and Materials	2,637	3,000	3,000	0
Total Support Services	371,692	297,750	26,840	270,910
Operation of Non-Instructional Services:				
Supplies and Materials	3,000	8,500	0	8,500
Total Expenditures	839,132	833,801	465,852	367,949
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,188)	(13,188)	(1,671)	11,517
Fund Balance at Beginning of Year	13,188	13,188	13,188	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 11,517	\$ 11,517

**LAKWOOD 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, 2015***

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - Federal	\$ 9,729	\$ 9,729	\$ 9,729	\$ 0
Total Revenues	9,729	9,729	9,729	0
<b>Expenditures:</b>				
Instructional Services:				
Special:				
Salaries and Wages	9,729	9,729	9,729	0
Total Expenditures	9,729	9,729	9,729	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

**LAKWOOD 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, 2015**

---

TITLE II-A FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental - Federal	\$ 100,930	\$ 99,734	\$ 99,734	\$ 0
Total Revenues	100,930	99,734	99,734	0
<b>Expenditures:</b>				
Instructional Services:				
Regular:				
Salaries and Wages	100,928	99,734	99,734	0
Total Expenditures	100,928	99,734	99,734	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	2	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 2	\$ 0	\$ 0	\$ 0

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

---

### ***Fiduciary Funds***

---

---

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***

---

#### **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.



**LAKWOOD LOCAL SCHOOL DISTRICT**

---

**Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2015**

---

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
<b><u>Student Managed Activity Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$24,300	\$25,545	(\$25,827)	\$24,018
Total Assets	<u>\$24,300</u>	<u>\$25,545</u>	<u>(\$25,827)</u>	<u>\$24,018</u>
Liabilities:				
Due to Students	\$24,300	\$25,545	(\$25,827)	\$24,018
Total Liabilities	<u>\$24,300</u>	<u>\$25,545</u>	<u>(\$25,827)</u>	<u>\$24,018</u>
<b><u>OHSAA Tournament Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$0	\$10,453	(\$10,453)	\$0
Total Assets	<u>\$0</u>	<u>\$10,453</u>	<u>(\$10,453)</u>	<u>\$0</u>
Liabilities:				
Due to Others	\$0	\$10,453	(\$10,453)	\$0
Total Liabilities	<u>\$0</u>	<u>\$10,453</u>	<u>(\$10,453)</u>	<u>\$0</u>
<b><u>Totals - All Agency Funds</u></b>				
Assets:				
Cash and Cash Equivalents	\$24,300	\$35,998	(\$36,280)	\$24,018
Total Assets	<u>\$24,300</u>	<u>\$35,998</u>	<u>(\$36,280)</u>	<u>\$24,018</u>
Liabilities:				
Due to Others	\$0	\$10,453	(\$10,453)	\$0
Due to Students	24,300	25,545	(25,827)	24,018
Total Liabilities	<u>\$24,300</u>	<u>\$35,998</u>	<u>(\$36,280)</u>	<u>\$24,018</u>

**LAKWOOD LOCAL SCHOOL DISTRICT**

---



## *STATISTICAL SECTION*

---

---



***STATISTICAL TABLES***

---

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

***Contents***

---

<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.	

**Sources Note:**

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

## *Lakewood Local School District*

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

	2006	2007	2008	2009
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$3,351,649	\$2,965,032	\$2,999,249	\$2,920,072
Restricted for:				
Debt Service	545,280	561,041	663,568	809,399
Bus Purchase	0	0	12,630	6,140
Federally Funded Programs	0	0	0	0
Other Purposes	0	0	0	0
Unrestricted	2,724,352	4,505,221	4,560,589	4,342,665
Total Governmental Activities Net Position	<u>\$6,621,281</u>	<u>\$8,031,294</u>	<u>\$8,236,036</u>	<u>\$8,078,276</u>
<b>Business-type Activities:</b>				
Net Investment in Capital Assets	\$100,086	\$90,694	\$78,894	\$77,306
Unrestricted (Deficit)	(8,020)	(69,344)	(40,193)	212
Total Business-type Activities Net Position	<u>\$92,066</u>	<u>\$21,350</u>	<u>\$38,701</u>	<u>\$77,518</u>
<b>Primary Government:</b>				
Net Investment in Capital Assets	\$3,451,735	\$3,055,726	\$3,078,143	\$2,997,378
Restricted	545,280	561,041	676,198	815,539
Unrestricted	2,716,332	4,435,877	4,520,396	4,342,877
Total Primary Government Net Position	<u>\$6,713,347</u>	<u>\$8,052,644</u>	<u>\$8,274,737</u>	<u>\$8,155,794</u>

Source: District Treasurer's Office

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

**Lakewood Local School District**

2010	2011	2012	2013	2014	2015
				*	
\$3,151,387	\$3,053,537	\$3,080,260	\$3,187,873	\$3,398,481	\$3,636,986
1,082,006	1,118,731	1,190,591	953,055	773,138	700,042
0	0	0	0	0	0
0	0	10,385	44,746	20,688	61,618
0	131,143	30,086	49,289	64,442	76,759
3,691,366	4,584,024	5,875,212	7,604,004	(18,930,709)	(14,956,033)
<u>\$7,924,759</u>	<u>\$8,887,435</u>	<u>\$10,186,534</u>	<u>\$11,838,967</u>	<u>(\$14,673,960)</u>	<u>(\$10,480,628)</u>
\$69,250	\$59,875	\$48,572	\$70,702	\$77,715	\$144,393
62,199	87,441	186,858	149,929	(188,404)	(248,993)
<u>\$131,449</u>	<u>\$147,316</u>	<u>\$235,430</u>	<u>\$220,631</u>	<u>(\$110,689)</u>	<u>(\$104,600)</u>
\$3,220,637	\$3,113,412	\$3,128,832	\$3,258,575	\$3,476,196	\$3,781,379
1,082,006	1,249,874	1,231,062	1,047,090	858,268	838,419
3,753,565	4,671,465	6,062,070	7,753,933	(19,119,113)	(15,205,026)
<u>\$8,056,208</u>	<u>\$9,034,751</u>	<u>\$10,421,964</u>	<u>\$12,059,598</u>	<u>(\$14,784,649)</u>	<u>(\$10,585,228)</u>

## *Lakewood Local School District*

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

	2006	2007	2008	2009
<b>Expenses</b>				
Governmental Activities:				
Instruction	\$11,550,480	\$11,924,997	\$12,302,597	\$12,633,476
Support Services:				
Pupils	1,101,372	1,203,075	1,328,800	1,336,465
Instructional Staff	515,859	437,342	479,753	410,672
Board of Education	35,171	55,443	52,022	50,581
Administration	1,576,704	1,550,432	1,609,024	1,698,850
Fiscal Services	551,205	618,603	639,771	629,272
Business	15,040	14,176	15,857	17,638
Operation and Maintenance of Plant	1,491,143	1,640,741	1,672,993	1,543,379
Pupil Transportation	1,347,349	1,446,278	1,530,009	1,491,670
Central	192,719	189,380	231,234	325,541
Operation of Non-Instructional Services	41,860	56,084	67,844	52,678
Extracurricular Activities	550,597	616,900	490,323	521,158
Interest and Fiscal Charges	572,388	711,383	669,526	616,719
<i>Total Governmental Activities Expenses</i>	<u>19,541,887</u>	<u>20,464,834</u>	<u>21,089,753</u>	<u>21,328,099</u>
Business-type Activities:				
Food Service	807,895	892,610	906,182	911,914
Uniform School Supplies	7,801	2,284	0	0
<i>Total Business-type Activities Expenses</i>	<u>815,696</u>	<u>894,894</u>	<u>906,182</u>	<u>911,914</u>
<i>Total Primary Government Expenses</i>	<u>\$20,357,583</u>	<u>\$21,359,728</u>	<u>\$21,995,935</u>	<u>\$22,240,013</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services				
Instruction	\$374,347	\$422,548	\$481,461	\$427,350
Support Services:				
Administration	0	0	0	0
Operation of Non-Instructional Services	3,130	7,247	90,634	122,210
Extracurricular Activities	224,277	221,389	166,301	170,671
Operating Grants and Contributions	1,130,065	1,104,624	1,095,397	933,186
Capital Grants and Contributions	0	0	13,366	0
<i>Total Governmental Activities</i>	<u>1,731,819</u>	<u>1,755,808</u>	<u>1,847,159</u>	<u>1,653,417</u>



**Lakewood Local School District**

2010	2011	2012	2013	2014	2015
\$13,547,787	\$13,150,165	\$12,333,823	\$12,351,032	\$12,499,288	\$12,620,972
1,312,081	1,224,974	1,339,037	1,406,457	1,424,694	1,376,862
386,414	281,544	257,656	357,042	355,036	416,746
81,589	54,198	70,084	89,155	94,778	81,842
1,816,833	1,889,652	1,880,781	1,933,761	1,821,632	1,876,291
590,518	600,845	617,723	680,434	692,254	650,991
19,125	19,723	20,952	22,403	22,110	9,027
1,551,761	1,551,640	1,585,727	1,718,852	1,690,189	1,552,021
1,589,527	1,543,782	1,530,781	1,592,255	1,645,923	1,624,650
314,949	281,113	284,079	90,763	104,488	63,281
61,088	45,099	59,427	73,594	215,078	240,464
521,163	537,562	526,540	483,728	512,262	519,113
593,824	575,861	550,947	653,040	535,225	509,433
<u>22,386,659</u>	<u>21,756,158</u>	<u>21,057,557</u>	<u>21,452,516</u>	<u>21,612,957</u>	<u>21,541,693</u>
916,439	953,088	898,959	930,083	980,354	920,073
0	0	0	0	0	0
<u>916,439</u>	<u>953,088</u>	<u>898,959</u>	<u>930,083</u>	<u>980,354</u>	<u>920,073</u>
<u>\$23,303,098</u>	<u>\$22,709,246</u>	<u>\$21,956,516</u>	<u>\$22,382,599</u>	<u>\$22,593,311</u>	<u>\$22,461,766</u>
\$379,277	\$400,842	\$504,070	\$479,394	\$714,405	\$759,132
0	74,513	125,625	92,292	127,884	73,127
0	0	0	0	153,529	180,233
133,349	139,843	141,550	138,859	139,560	148,048
1,779,854	1,596,451	911,323	899,632	1,257,477	1,388,215
0	51,000	0	0	0	0
<u>2,292,480</u>	<u>2,262,649</u>	<u>1,682,568</u>	<u>1,610,177</u>	<u>2,392,855</u>	<u>2,548,755</u>

(continued)

## *Lakewood Local School District*

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

	2006	2007	2008	2009
<b>Business-type Activities:</b>				
Charges for Services				
Food Service	407,322	408,877	369,761	345,558
Uniform School Supplies (1)	1,247	554	0	0
Operating Grants and Contributions	372,586	414,747	552,380	605,173
Capital Grants and Contributions	1,141	0	1,392	0
<i>Total Business-type Activities Program Revenues</i>	<u>782,296</u>	<u>824,178</u>	<u>923,533</u>	<u>950,731</u>
<i>Total Primary Government Program Revenues</i>	<u>2,514,115</u>	<u>2,579,986</u>	<u>2,770,692</u>	<u>2,604,148</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(17,810,068)	(18,709,026)	(19,242,594)	(19,674,682)
Business-type Activities	(33,400)	(70,716)	17,351	38,817
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$17,843,468)</u>	<u>(\$18,779,742)</u>	<u>(\$19,225,243)</u>	<u>(\$19,635,865)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$11,133,684	\$11,475,144	\$10,207,940	\$9,649,606
Debt Service	1,006,786	1,019,211	1,040,662	1,110,071
Grants and Entitlements not				
Restricted to Specific Programs	6,050,575	6,992,396	7,692,375	8,487,771
Investment Earnings	230,977	390,834	336,879	161,685
Miscellaneous	241,730	241,454	169,480	107,789
Transfers	(30,000)	0	0	0
<i>Total Governmental Activities</i>	<u>18,633,752</u>	<u>20,119,039</u>	<u>19,447,336</u>	<u>19,516,922</u>
Business-type Activities:				
Transfers	30,000	0	0	0
<i>Total Business-type Activities</i>	<u>30,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Primary Government</i>	<u>\$18,663,752</u>	<u>\$20,119,039</u>	<u>\$19,447,336</u>	<u>\$19,516,922</u>
<b>Change in Net Position</b>				
Governmental Activities	\$823,684	\$1,410,013	\$204,742	(\$157,760)
Business-type Activities	(3,400)	(70,716)	17,351	38,817
<i>Total Primary Government Change in Net Position</i>	<u>\$820,284</u>	<u>\$1,339,297</u>	<u>\$222,093</u>	<u>(\$118,943)</u>

Source: District Treasurer's Office

(1) Uniform School Supplies were eliminated in 2008.

**Lakewood Local School District**

2010	2011	2012	2013	2014	2015
327,032	305,258	299,813	283,204	264,932	255,156
0	0	0	0	0	0
643,338	663,697	687,260	615,150	675,475	626,528
0	0	0	16,930	0	44,478
<u>970,370</u>	<u>968,955</u>	<u>987,073</u>	<u>915,284</u>	<u>940,407</u>	<u>926,162</u>
<u>3,262,850</u>	<u>3,231,604</u>	<u>2,669,641</u>	<u>2,525,461</u>	<u>3,333,262</u>	<u>3,474,917</u>
(20,094,179)	(19,493,509)	(19,374,989)	(19,842,339)	(19,220,102)	(18,992,938)
53,931	15,867	88,114	(14,799)	(39,947)	6,089
<u>(\$20,040,248)</u>	<u>(\$19,477,642)</u>	<u>(\$19,286,875)</u>	<u>(\$19,857,138)</u>	<u>(\$19,260,049)</u>	<u>(\$18,986,849)</u>
\$9,844,340	\$10,519,556	\$10,951,598	\$12,319,747	\$12,443,682	\$13,002,282
1,217,236	978,147	1,000,239	749,321	840,483	918,406
8,710,003	8,861,970	8,611,887	8,272,161	8,521,195	9,075,972
78,975	31,769	31,405	24,272	49,826	65,975
90,108	64,743	78,959	129,271	149,236	123,635
0	0	0	0	0	0
<u>19,940,662</u>	<u>20,456,185</u>	<u>20,674,088</u>	<u>21,494,772</u>	<u>22,004,422</u>	<u>23,186,270</u>
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$19,940,662</u>	<u>\$20,456,185</u>	<u>\$20,674,088</u>	<u>\$21,494,772</u>	<u>\$22,004,422</u>	<u>\$23,186,270</u>
(\$153,517)	\$962,676	\$1,299,099	\$1,652,433	\$2,784,320	\$4,193,332
53,931	15,867	88,114	(14,799)	(39,947)	6,089
<u>(\$99,586)</u>	<u>\$978,543</u>	<u>\$1,387,213</u>	<u>\$1,637,634</u>	<u>\$2,744,373</u>	<u>\$4,199,421</u>

**Lakewood Local School District**

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

	2006	2007	2008	2009	2010
General Fund					
Nonspendable	\$0	\$0	\$0	\$0	\$0
Restricted	0	0	0	0	0
Committed	0	0	0	0	0
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Reserved	721,492	834,999	747,675	946,834	1,583,171
Unreserved	3,080,139	4,209,277	4,172,532	4,031,381	2,615,971
<i>Total General Fund</i>	<u>3,801,631</u>	<u>5,044,276</u>	<u>4,920,207</u>	<u>4,978,215</u>	<u>4,199,142</u>
All Other Governmental Funds					
Nonspendable	0	0	0	0	0
Restricted	0	0	0	0	0
Committed	0	0	0	0	0
Reserved	50,015	695,054	71,966	60,261	172,840
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	168,403	107,132	125,472	130,907	119,416
Debt Service Funds	529,315	0	616,915	747,349	897,885
Capital Projects Funds	0	0	47	0	0
<i>Total All Other Governmental Funds</i>	<u>747,733</u>	<u>802,186</u>	<u>814,400</u>	<u>938,517</u>	<u>1,190,141</u>
<i>Total Governmental Funds</i>	<u>\$4,549,364</u>	<u>\$5,846,462</u>	<u>\$5,734,607</u>	<u>\$5,916,732</u>	<u>\$5,389,283</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***

---



---

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

## *Lakewood Local School District*

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

	2006	2007	2008	2009
<b>Revenues:</b>				
Local Sources:				
Taxes	\$12,183,511	\$12,210,024	\$11,251,513	\$10,904,861
Tuition	303,508	347,816	402,852	352,668
Investment Earnings	224,462	397,615	333,443	161,884
Extracurricular Activities	224,277	221,389	166,301	170,671
Class Materials and Fees	55,809	56,886	60,959	54,727
Intermediate Sources	23,556	6,025	6,090	0
Intergovernmental - State	6,206,567	7,168,131	7,830,061	8,552,098
Intergovernmental - Federal	914,215	897,102	940,318	864,923
All Other Revenue	283,994	290,331	308,750	260,916
<b>Total Revenue</b>	<u>20,419,899</u>	<u>21,595,319</u>	<u>21,300,287</u>	<u>21,322,748</u>
<b>Expenditures:</b>				
Current:				
Instruction	11,096,012	11,485,943	11,939,626	12,064,984
Supporting Services:				
Pupils	1,099,402	1,226,925	1,325,390	1,311,184
Instructional Staff	489,263	406,706	449,601	364,416
Board of Education	35,171	55,443	52,022	50,581
Administration	1,479,957	1,478,088	1,608,052	1,652,690
Fiscal Services	559,667	635,286	655,847	631,868
Business	15,040	14,176	15,857	17,638
Operation and Maintenance of Plant	1,484,790	2,295,967	1,989,400	1,594,021
Pupil Transportation	1,327,560	1,572,993	1,583,046	1,470,345
Central	192,719	189,380	230,891	323,475
Operation of Non-Instructional Services	13,720	13,061	25,112	11,119
Extracurricular Activities	436,640	489,006	371,969	406,712
Debt Service:				
Principal Retirement	730,604	664,459	726,254	689,350
Interest and Fiscal Charges	605,224	578,255	584,020	554,214
<b>Total Expenditures</b>	<u>19,565,769</u>	<u>21,105,688</u>	<u>21,557,087</u>	<u>21,142,597</u>
Excess (Deficiency) of Revenues Over Expenditures	854,130	489,631	(256,800)	180,151

**Lakewood Local School District**

2010	2011	2012	2013	2014	2015
\$10,945,760	\$10,884,473	\$12,245,105	\$13,248,007	\$13,436,540	\$14,087,532
310,898	337,206	438,497	408,398	650,229	698,547
77,963	36,866	31,452	22,055	52,248	60,360
133,349	139,843	141,550	138,859	139,560	148,048
51,497	46,764	42,551	49,154	50,416	54,377
9,156	2,963	10,611	11,426	11,596	4,096
8,694,393	8,830,092	8,578,408	8,251,872	8,814,106	9,297,404
1,693,267	1,531,114	995,061	869,840	978,300	1,144,087
200,031	172,373	244,743	252,566	448,573	401,803
<u>22,116,314</u>	<u>21,981,694</u>	<u>22,727,978</u>	<u>23,252,177</u>	<u>24,581,568</u>	<u>25,896,254</u>
13,254,304	12,814,543	11,877,724	12,313,518	12,092,287	12,494,915
1,308,054	1,245,592	1,342,818	1,412,351	1,471,483	1,416,326
375,185	314,412	249,370	328,525	324,617	393,902
81,589	54,198	70,084	89,155	94,778	82,111
1,730,479	1,828,106	1,889,853	1,886,388	1,816,665	1,998,667
589,442	600,730	620,617	681,351	692,505	661,533
19,125	19,723	20,952	22,403	22,110	9,339
1,567,970	1,534,442	1,587,658	2,408,006	2,030,914	1,744,441
1,782,897	1,419,379	1,593,860	1,618,106	1,696,832	1,614,427
314,738	292,924	285,917	94,657	104,334	68,386
16,361	5,051	24,668	33,553	170,451	200,197
382,776	399,254	404,400	348,584	377,215	386,409
710,783	736,789	745,851	786,671	828,344	860,099
523,093	495,886	460,527	444,476	426,804	386,175
<u>22,656,796</u>	<u>21,761,029</u>	<u>21,174,299</u>	<u>22,467,744</u>	<u>22,149,339</u>	<u>22,316,927</u>
(540,482)	220,665	1,553,679	784,433	2,432,229	3,579,327

(Continued)

**Lakewood Local School District**

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

	2006	2007	2008	2009
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	833	44,279	9,472
School Energy Conservation Bonds Issued	0	802,984	0	0
Refunding General Obligation Bonds Issued	9,999,991	0	0	0
Premium on Refunding General Obligation Bonds	667,467	0	0	0
Other Financing Sources - Capital Leases	116,162	0	105,762	0
Payment to Refunded Bonds Escrow Agent	(10,517,195)	0	0	0
Transfers In	0	8,027	0	0
Transfers Out	(30,000)	(8,027)	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>236,425</u>	<u>803,817</u>	<u>150,041</u>	<u>9,472</u>
<b>Net Change in Fund Balance</b>	<u>\$1,090,555</u>	<u>\$1,293,448</u>	<u>(\$106,759)</u>	<u>\$189,623</u>
 <b>Debt Service as a Percentage of Noncapital Expenditures</b>	 6.94%	 6.18%	 6.33%	 5.96%

Source: District Treasurer's Office



***Lakewood Local School District***

---



---

2010	2011	2012	2013	2014	2015
3,112	19,614	23,393	6,039	2,392	5,850
0	0	0	917,707	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	58,218	0	115,438	0	0
0	0	0	0	0	0
0	0	20,000	0	0	3,000
0	0	(20,000)	0	0	(3,000)
<u>3,112</u>	<u>77,832</u>	<u>23,393</u>	<u>1,039,184</u>	<u>2,392</u>	<u>5,850</u>
<u>(\$537,370)</u>	<u>\$298,497</u>	<u>\$1,577,072</u>	<u>\$1,823,617</u>	<u>\$2,434,621</u>	<u>\$3,585,177</u>
5.59%	5.72%	5.79%	5.79%	5.85%	5.68%

## *Lakewood Local School District*

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

<b>Tax year</b>	<u>2005</u> *	<u>2006</u>	<u>2007</u>	<u>2008</u> **
<b>Real Property</b>				
Assessed	\$325,385,530	\$331,604,510	\$339,533,800	\$345,573,200
Actual	929,672,943	947,441,457	970,096,571	987,352,000
<b>Public Utility</b>				
Assessed	15,701,530	15,792,870	13,838,480	14,132,430
Actual	15,701,530	15,792,870	13,838,480	14,132,430
<b>Tangible Personal Property</b>				
Assessed	77,470,570	51,175,750	46,169,358	21,195,490
Actual	309,882,280	272,937,333	369,354,864	339,127,840
<b>Total</b>				
Assessed	418,557,630	398,573,130	399,541,638	380,901,120
Actual	1,255,256,753	1,236,171,660	1,353,289,915	1,340,612,270
<b>Assessed Value as a Percentage of Actual Value</b>	33.34%	32.24%	29.52%	28.41%
<b>Total Direct Tax Rate</b>	\$44.98	\$44.98	\$45.80	\$47.38

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% and Assessed Value of Tangible Personal Property is at 25% for 2005, at 18.75% for 2006, 12.5% for 2007, 6.25% for 2008, and 0% thereafter. Additionally, 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*

2009	2010	2011	2012	2013	2014
		*			**
\$355,041,030	\$358,258,840	\$372,060,130	\$378,886,250	\$388,406,130	\$404,571,981
1,014,402,943	1,023,596,686	1,063,028,943	1,082,532,143	1,109,731,800	1,155,919,946
14,316,970	15,135,460	16,483,410	16,994,710	21,658,260	23,420,060
14,316,970	15,135,460	16,483,410	16,994,710	21,658,260	23,420,060
1,012,140	0	0	0	0	0
10,121,400	0	0	0	0	0
370,370,140	373,394,300	388,543,540	395,880,960	410,064,390	427,992,041
1,038,841,313	1,038,732,146	1,079,512,353	1,099,526,853	1,131,390,060	1,179,340,006
35.65%	35.95%	35.99%	36.00%	36.24%	36.29%
\$47.82	\$57.23	\$56.92	\$54.33	\$54.51	\$54.40

## *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>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Direct District Rates</b>				
General Fund	42.75	42.75	43.50	44.60
Bond Retirement Fund	2.23	2.23	2.30	2.78
Total	44.98	44.98	45.80	47.38
<b>Overlapping Rates</b>				
Licking County Joint Vocational School	3.00	3.00	3.00	2.50
Licking County	7.20	7.40	7.40	7.10
<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	11.20	11.20	10.20 - 10.4
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***

2009	2010	2011	2012	2013	2014
45.10	54.56	54.42	53.33	52.89	52.40
2.72	2.67	2.50	1.00	1.62	2.00
<u>47.82</u>	<u>57.23</u>	<u>56.92</u>	<u>54.33</u>	<u>54.51</u>	<u>54.40</u>
2.50	2.52	2.54	2.48	2.56	2.54
7.40	7.70	7.70	7.70	7.70	8.00
4.40-5.40	4.40-5.40	4.40-5.40	4.40-5.40	4.40 - 5.40	4.10-5.40
11.20-11.40	11.20-11.40	11.20-11.40	11.20-11.40	11.20 - 11.40	11.20-12.20
13.20-13.30	13.20-13.30	13.20-13.30	13.20-13.30	13.20 - 13.30	13.30
5.80	5.80	5.80	5.80	5.80	5.80
7.20	7.20	7.20	7.20	7.20	7.20
2.70-4.90	2.70-4.90	2.70-4.90	2.70-4.90	2.70- 4.90	2.70-4.90
0.80-6.20	0.80-6.20	0.80-6.20	0.80-6.20	2.30 - 7.70	2.30-7.40

## *Lakewood Local School District*

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

Name of Taxpayer	Nature of Business	Calendar Year 2014		
		Assessed Value	Rank	Percent of Total Assessed Value
Harry & David Operations	Distributor	\$7,445,980	1	1.84%
THK Manufacturing of America	Linear Motion Devices	6,215,340	2	1.53%
Lexington O C LLC	Warehouse	5,322,020	3	1.31%
Southgate Co Limited Partnership	Developer	4,477,570	4	1.11%
111 Enterprise DR LLC	Warehouse	2,829,790	5	0.70%
Uhrman Development	Developer	2,072,600	6	0.51%
Coughlin Automotive Properties of Heath	Car Dealership	1,941,000	7	0.48%
Bayer Corporation	Manufacturing	1,883,460	8	0.47%
Four B's (New Jersey General Partnership)	Warehouse	1,883,000	9	0.47%
MPW Properties	Industrial Cleaning	1,765,130	10	0.44%
Subtotal		35,835,890		8.86%
All Others		368,736,091		91.14%
Total		<u>\$404,571,981</u>		<u>100.00%</u>

Name of Taxpayer	Nature of Business	Calendar Year 2005		
		Assessed Value	Rank	Percent of Total Assessed Value
Paragano Nazario	Warehouse	\$2,516,500	1	0.77%
Black, Monte R & Susan K	Industrial Cleaning	2,183,240	2	0.67%
R R Donnelly & Sons Co.	Printing	2,005,370	3	0.62%
Diebold	ATM Machines	1,991,200	4	0.61%
Bayer Polymers Inc.	Plastic Pettets	1,671,950	5	0.51%
Slater John & Virginia	Land Owner	1,664,540	6	0.51%
Southgate Company LTD Partnership	Developer	1,587,230	7	0.49%
Hebron Business Park	Developer	1,525,270	8	0.47%
Kroger Co.	Food	1,349,920	9	0.41%
G & C Diversified	Unknown	1,349,920	10	0.41%
Subtotal		17,845,140		5.47%
All Others		307,540,390		94.53%
Total		<u>\$325,385,530</u>		<u>100.00%</u>

Source: Licking County Auditor - Land and Buildings  
Based on valuation of property in 2014 and 2005

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 2014		
		Assessed Value	Rank	Percent of Total Assessed Value
Ohio Power Company	Electricity	\$11,185,150	1	47.76%
AEP Ohio Transmission Co	Electricity	5,342,780	2	22.81%
Columbus Gas Transmission Corp	Natural Gas	1,825,390	3	7.79%
National Gas and Oil	Propane	1,465,260	4	6.26%
Licking Rural Electric	Electricity	1,408,710	5	6.02%
Dominion Transmission Inc	Pipelines	936,100	6	4.00%
NGO Transmission Inc	Natural Gas	695,320	7	2.97%
Columbia Gas of Ohio Inc.	Propane	266,800	8	1.14%
Dayton Power & Light Co	Electricity	140,810	9	0.60%
Duke Energy Ohio Inc	Electricity	47,930	10	0.20%
Subtotal		23,314,250		99.55%
All Others		105,810		0.45%
Total		<u>\$23,420,060</u>		<u>100.00%</u>

Name of Taxpayer	Nature of Business	Calendar Year 2005		
		Assessed Value	Rank	Percent of Total Assessed Value
Ohio Power	Electricity	\$6,218,960	1	39.61%
Columbia Gas Transmission	Propane	1,735,060	2	11.05%
Alltel	Telephone	1,392,470	3	8.87%
United Telephone	Telephone	1,295,650	4	8.25%
Licking Rural Electric	Electricity	1,073,670	5	6.84%
Dominion Transmission Inc.	Pipelines	1,032,370	6	6.57%
National Gas and Oil Co.	Propane	1,015,600	7	6.47%
Columbus Southern power	Electricity	539,150	8	3.43%
Ohio Bell	Telephone	253,140	9	1.61%
Dayton Power and Light	Electricity	138,480	10	0.88%
Subtotal		14,694,550		93.58%
All Others		1,006,980		6.42%
Total		<u>\$15,701,530</u>		<u>100.00%</u>

Source: Licking County Auditor - Land and Buildings  
Based on valuation of property in 2014 and 2005

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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Total Tax Levy</b>	\$13,839,306	\$14,075,322	\$13,358,051	\$12,403,103
<b>Collections within the Fiscal Year of the Levy</b>				
Current Tax Collections	12,598,333	12,341,116	11,258,713	10,823,468
Percent of Levy Collected	91.03%	87.68%	84.28%	87.26%
Delinquent Tax Collections	<u>407,672</u>	<u>737,187</u>	<u>932,863</u>	<u>614,811</u>
Total Tax Collections	13,006,005	13,078,303	12,191,576	11,438,279
<b>Percent of Total Tax Collections To Tax Levy</b>	93.98%	92.92%	91.27%	92.22%
<b>Accumulated Outstanding Delinquent Taxes</b>	833,301	997,019	1,166,474	964,824
<b>Percentage of Accumulated Delinquent Taxes to Total Tax Levy</b>	6.02%	7.08%	8.73%	7.78%

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.

The County's current computer system is unable to track delinquent tax collections by tax year.



***Lakewood Local School District***

---



---

2009	2010	2011	2012	2013	2014
\$12,186,409	\$11,064,135	\$15,953,404	\$15,201,319	\$14,481,893	\$15,072,793
10,691,070	10,486,676	14,852,218	14,457,628	13,869,943	14,536,465
87.73%	94.78%	93.10%	95.11%	95.77%	96.44%
536,494	422,123	422,124	623,368	589,795	612,082
11,227,564	10,908,799	15,274,342	15,080,996	14,459,738	15,148,547
92.13%	98.60%	95.74%	99.21%	99.85%	100.50%
958,846	1,340,352	679,062	945,992	933,285	576,011
7.87%	12.11%	4.26%	6.22%	6.44%	3.82%

## *Lakewood Local School District*

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

	2006	2007	2008	2009
<b>Governmental Activities</b> (1)				
Energy Conservation Bonds Payable	\$508,655	\$1,207,539	\$1,069,628	\$928,414
EPA Loan Payable	3,758	0	0	0
General Obligation Bonds Payable	13,525,751	13,156,289	12,736,531	12,290,427
Capital Leases	203,918	142,317	159,736	116,600
Total Primary Government	<u>\$14,242,082</u>	<u>\$14,506,145</u>	<u>\$13,965,895</u>	<u>\$13,335,441</u>
<b>Population</b> (2)				
Village of Buckeye Lake and Village of Hebron	5,083	5,202	5,192	5,195
Outstanding Debt Per Capita	2,802	2,789	2,690	2,567
<b>Income</b> (3)				
Personal (in thousands)	155,077	167,302	176,123	179,648
Percentage of Personal Income	9.18%	8.67%	7.93%	7.42%

\* Restated for Deferred Charge on Refunding

**Sources:**

- (1) District Treasurer's Office
- (2) US Bureau of Census of Population - latest update is calendar year 2010 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***

---



---

2010	2011	2012	2013	2014	2015
		*			
\$783,729	\$635,398	\$483,237	\$1,244,758	\$1,065,238	\$881,276
0	0	0	0	0	0
11,837,649	11,369,250	11,240,539	10,724,872	10,197,601	9,660,419
70,502	85,262	51,572	126,525	92,701	56,564
<u>\$12,691,880</u>	<u>\$12,089,910</u>	<u>\$11,775,348</u>	<u>\$12,096,155</u>	<u>\$11,355,540</u>	<u>\$10,598,259</u>
5,237	5,082	5,082	5,082	5,082	5,082
2,424	2,379	2,317	2,380	2,234	2,085
179,357	176,721	190,529	202,518	203,377	203,377
7.08%	6.84%	6.18%	5.97%	5.58%	5.21%

## *Lakewood Local School District*

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

Year	2006	2007	2008	2009
<b>Population</b> (1)	5,083	5,202	5,192	5,195
<b>Assessed Value</b> (2)	418,557,630	398,573,130	399,541,638	380,901,120
<b>General Bonded Debt</b> (3)				
General Obligation Bonds	13,525,751	13,156,289	12,736,531	12,290,427
<b>Resources Available to Pay Principal</b> (4)	401,241	458,592	509,837	588,779
<b>Net General Bonded Debt</b>	13,124,510	12,697,697	12,226,694	11,701,648
<b>Ratio of Net Bonded Debt to Estimated Actual Value</b>	3.14%	3.19%	3.06%	3.07%
<b>Net Bonded Debt per Capita</b>	2,582.04	2,440.93	2,354.91	2,252.48

\* Restated for Deferred Charge on Refunding

**Source:**

- (1) U.S. Bureau of Census of Population - previous calendar year
- (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***

---



---

2010	2011	2012	2013	2014	2015
		*			
5,237	5,082	5,082	5,082	5,082	5,082
370,370,140	373,394,300	388,543,540	395,880,960	410,064,390	427,992,041
11,837,649	11,369,250	11,240,539	10,724,872	10,197,601	9,660,419
811,856	928,414	1,041,410	847,327	533,493	444,792
11,025,793	10,440,836	10,199,129	9,877,545	9,664,108	9,215,627
3.0%	2.8%	2.6%	2.5%	2.4%	2.2%
2,105.36	2,054.47	2,006.91	1,943.63	1,901.63	1,813.39



**Lakewood Local School District**

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
June 30, 2015*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to Lakewood Local School District (1)</u>	<u>Amount Applicable to Lakewood Local School District</u>
<b>Direct:</b>			
Lakewood Local School District	\$10,598,259	100.00%	\$10,598,259
<b>Overlapping:</b>			
Licking County	8,965,000	10.97%	983,461
Heath City	6,335,000	7.41%	469,424
Village of Hebron	1,930,000	100.00%	1,930,000
Licking County Career Center -JVS	21,555,935	10.61%	2,287,085
		Subtotal	<u>5,669,970</u>
		Total	<u><u>\$16,268,229</u></u>

**Source:** Ohio Municipal Advisory Council, June 2015

(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*

<b>Collection Year</b>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Net Assessed Valuation	\$418,557,630	\$398,573,130	\$399,541,638	\$380,901,120
Legal Debt Limitation (%) (1)	9.00%	9.00%	9.00%	9.00%
Legal Debt Limitation (\$) (1)	37,670,187	35,871,582	35,958,747	34,281,101
Applicable District Debt Outstanding	13,525,751	13,156,289	12,736,531	12,290,427
Less: Applicable Debt Service Fund Amounts (2)	(401,241)	(458,592)	(509,837)	(588,779)
Net Indebtedness Subject to Limitation	<u>13,124,510</u>	<u>12,697,697</u>	<u>12,226,694</u>	<u>11,701,648</u>
Overall Legal Debt Margin	<u>\$24,545,677</u>	<u>\$23,173,885</u>	<u>\$23,732,053</u>	<u>\$22,579,453</u>
Legal Debt Limitation (%) (1)	0.10%	0.10%	0.10%	0.10%
Legal Debt Limitation (\$) (1)	418,558	398,573	399,542	380,901
Applicable District Debt Outstanding	0	0	0	0
Unvoted Legal Debt Margin	<u>\$418,558</u>	<u>\$398,573</u>	<u>\$399,542</u>	<u>\$380,901</u>
Legal Debt Limitation (%) (1)	0.90%	0.90%	0.90%	0.90%
Legal Debt Limitation (\$) (1)	3,767,019	3,587,158	3,595,875	3,428,110
Applicable District Debt Outstanding	(508,655)	(1,207,539)	(1,069,628)	(928,414)
Unvoted Energy Conservation Loans Legal Debt Margin	<u>\$3,258,364</u>	<u>\$2,379,619</u>	<u>\$2,526,247</u>	<u>\$2,499,696</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**

2010	2011	2012	2013	2014	2015
\$370,370,140	\$373,394,300	\$388,543,540	\$395,880,960	\$410,064,390	\$427,992,041
9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
33,333,313	33,605,487	34,968,919	35,629,286	36,905,795	38,519,284
11,837,649	11,369,250	11,240,539	10,724,872	10,197,601	9,660,419
(811,856)	(928,414)	(1,041,410)	(847,327)	(533,493)	(444,792)
11,025,793	10,440,836	10,199,129	9,877,545	9,664,108	9,215,627
<u>\$22,307,520</u>	<u>\$23,164,651</u>	<u>\$24,769,790</u>	<u>\$25,751,741</u>	<u>\$27,241,687</u>	<u>\$29,303,657</u>
0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
370,370	373,394	388,544	395,881	410,064	427,992
0	0	0	0	0	0
<u>\$370,370</u>	<u>\$373,394</u>	<u>\$388,544</u>	<u>\$395,881</u>	<u>\$410,064</u>	<u>\$427,992</u>
0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
3,333,331	3,360,549	3,496,892	3,562,929	3,690,580	3,851,928
(783,729)	(635,398)	(483,237)	(1,244,758)	(1,065,238)	(881,276)
<u>\$2,549,602</u>	<u>\$2,725,151</u>	<u>\$3,013,655</u>	<u>\$2,318,171</u>	<u>\$2,625,342</u>	<u>\$2,970,652</u>

## *Lakewood Local School District*

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

<b>Calendar Year*</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Population</b> (1)				
Village of Buckeye Lake and Village of Hebron	5,083	5,202	5,192	5,195
Licking County	154,806	156,287	156,985	157,721
<b>Income</b> (2) (a)				
Total Personal (in thousands)	155,077	167,302	176,123	179,648
Per Capita	30,509	32,161	33,922	34,581
<b>Unemployment Rate</b> (3)				
Federal	5.0%	4.6%	4.6%	5.8%
State	5.9%	5.5%	5.6%	6.6%
Licking County	5.8%	5.1%	5.2%	6.1%
<b>Fiscal Year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>School Enrollment</b> (4)				
Grades K - 5	995	1,018	966	937
Grades 6 - 8	525	525	515	495
Grades 9 - 12	692	687	672	702
Non-Grade	5	4	29	29
Total	2,217	2,234	2,182	2,163

\* 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 2010.

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

(a) Per Capita Income is only available by County (2014 not available),  
Total Personal Income is a calculation

(3) State Department of Labor Statistics

(4) District Treasurer's Office, October enrollment figure.

***Lakewood Local School District***

2009	2010	2011	2012	2013	2014
5,237	5,082	5,082	5,082	5,082	5,082
158,488	166,492	167,248	167,537	168,375	169,390
179,357	176,721	190,529	202,518	203,377	203,377
34,248	34,774	37,491	39,850	40,019	40,019
9.3%	9.6%	8.9%	8.1%	7.4%	6.2%
10.2%	10.1%	8.6%	7.2%	7.4%	5.7%
9.3%	9.5%	8.0%	6.5%	6.9%	5.1%
2010	2011	2012	2013	2014	2015
912	851	864	839	816	797
504	507	484	500	445	409
707	670	671	643	658	610
30	57	44	51	51	56
<u>2,153</u>	<u>2,085</u>	<u>2,063</u>	<u>2,033</u>	<u>1,970</u>	<u>1,872</u>



## *Lakewood Local School District*

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

Employer	Nature of Business	2015	
		Number of Employees	Rank
Harry & David Operations	Distributor	1,200	1
THK Manufacturing of America	Linier Motion Devices	462	3
Heritage Sportswear	Clothing Manufacturing	170	2
Bayer Corporation	Ploymers	157	4
Kroger	Grocery	150	5
Sunfield	Machining	118	6
Hendrickson Axle	Auxiliary Axle Manufacturing	111	7
Dow	Chemical Manufacturing	90	8
Lear (formerly) Renosol	Machining	90	9
Ohio Metal Technologies	Metal Machining Automotive	86	10
Total		2,634	
Total Employment within the District		N/A	

Employer	Nature of Business	2006	
		Number of Employees	Rank
THK	Linier Motion Devices	298	1
Bear Creek	Distributor	255	2
Ecolab	Cleaning Supplies	138	3
AFG Fabrication	Glass Finishing	137	4
Sunfield	Steel Stamping	103	5
Heritage Sportswear	Clothing Dist.	93	6
The Boler Co.	Truck Axles	85	7
Allied Tube	Razor Wire/Fencing	86	8
Ohio Metal Tech	Auto Parts	74	9
Renosol	Foam Auto Seats	57	10
Total		1,326	
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*

	2006	2007	2008	2009	2010
<b>Supervisory</b>					
Instructional Administrators	3	4	3	4	3
Noninstructional Administrators	3	3	3	4	5
Principals	5	5	5	5	4
Assistant Principals	3	2	2	2	3
<b>Instruction</b>					
Classroom Teachers					
Elementary	67	67	68	64	63
Middle	44	44	43	41	37
High	49	49	51	50	50
<b>Student Services</b>					
Guidance Counselors	4	4	4	4	4
Social Workers	1	2	2	2	2
Psychologists	1	1	1	1	1
Librarians	4	4	4	4	4
Other Professional Non-Instructional	0	1	2	2	2
<b>Support Services</b>					
Clerical/Secretaries	15	14	14	16	16
Aides/Safety Monitors	16	15	17	16	18
Food Service	19	20	17	16	15
Maintenance/Grounds	23	22	19	19	17
Transportation	34	30	31	31	33
<i>Total Employees</i>	<u>291</u>	<u>287</u>	<u>286</u>	<u>281</u>	<u>277</u>

**Method:** 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

Source: District Treasurer's Office

*Lakewood Local School District*

---

---

2011	2012	2013	2014	2015
3	3	3	3	3
5	5	5	5	5
4	4	4	4	4
3	3	3	3	3
63	58	55	55	57
40	43	42	41	43
47	45	43	44	46
4	4	4	4	3
2	1	1	1	1
2	2	2	2	2
4	1	1	1	0
2	5	5	4	5
16	15	15	14	14
17	17	16	17	17
15	16	16	17	17
17	16	18	18	16
24	22	28	27	27
<u>268</u>	<u>260</u>	<u>261</u>	<u>260</u>	<u>263</u>

## *Lakewood Local School District*

### *Operating Indicators - Cost per Pupil Last Ten Years*

Fiscal Year	2006	2007	2008	2009	2010
Enrollment (October Count)	2,217	2,234	2,182	2,163	2,153
Modified Accrual Basis					
Operating Expenditures	19,565,769	21,105,688	21,557,087	21,142,597	22,656,796
Cost per Pupil	8,825	9,447	9,880	9,775	10,523
Percentage of Change	5.2%	7.0%	4.6%	(1.1%)	7.7%
Accrual Basis (1)					
Expenses	\$18,969,499	\$19,753,451	\$20,420,227	\$20,711,380	\$21,792,835
Cost per Pupil	8,556	8,842	9,358	9,575	10,122
Percentage of Change	5.9%	3.3%	5.8%	2.3%	5.7%
Teaching Staff	168	168	162	162	160

Source: District Treasurer's Office

(1) Expenses exclude interest and fiscal charges



***Lakewood Local School District***

---



---

2011	2012	2013	2014	2015
2,085	2,063	2,033	1,970	1,872
21,761,029	21,179,299	22,467,744	22,149,339	22,316,927
10,437	10,266	11,052	11,243	11,921
(0.8%)	(1.6%)	7.6%	1.7%	6.0%
\$21,180,297	\$20,506,610	\$20,799,476	\$21,077,732	\$21,032,260
10,158	9,940	10,231	10,699	11,235
0.4%	(2.1%)	2.9%	4.6%	5.0%
160	142	138	148	146

## *Lakewood Local School District*

### *Operating Indicators by Function Last Ten Years*

	2006	2007	2008	2009
<b>Governmental Activities</b>				
Pupils				
Enrollment	2,217	2,234	2,182	2,163
Graduates	158	160	145	149
Percent of Students with Disabilities	14.3%	14.0%	14.6%	14.8%
Board of Education				
Regularly scheduled board meeting per year	12	12	12	12
Fiscal Services				
Purchase Orders Processed	2,217	2,012	1,734	1,604
Checks Issued (non payroll)	2,899	2,833	2,645	2,536
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	1,727	1,754	1,760	1,496
Average Daily Bus Fleet Miles	2,722	2,299	2,156	2,213
Number of Buses	30	32	30	34
Extracurricular Activities				
High School Varsity Teams	16	16	16	16
<b>Business-Type Activities</b>				
Food Service				
Student Lunches Served Annually	222,440	223,445	232,741	225,851
Free/Reduced Student Lunches Served Annually	100,377	104,025	107,176	106,742

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

***Lakewood Local School District***

---



---

2010	2011	2012	2013	2014	2015
2,153	2,085	2,063	2,033	1,970	1,872
168	138	149	145	147	159
15.2%	15.2%	15.0%	15.0%	14.7%	16.0%
12	12	12	12	12	12
1,472	1,433	1,419	1,332	1,363	1,404
2,424	2,366	2,456	2,598	2,548	2,530
357,393	357,393	357,393	357,393	357,393	357,393
114	114	114	114	114	114
1,539	1,374	1,383	1,347	1,334	1,330
2,048	2,444	2,008	2,353	2,425	2,019
32	33	31	33	34	34
16	16	16	15	19	19
217,601	210,673	209,325	192,996	205,687	190,690
112,316	113,561	125,391	119,828	119,006	109,099

***Lakewood Local School District***

*Operating Indicators - Teacher Base Salaries  
Last Ten Years*

Fiscal Year	2006	2007	2008	2009	2010
Minimum Salary	27,914	28,961	29,830	30,606	31,402
Maximum Salary	59,177	61,542	63,389	65,038	66,729
District Average Salary (1)	49,866	47,691	49,038	49,410	52,771
County Average Salary (1)	46,289	47,110	49,633	49,961	51,707
State Average Salary (1)	50,772	53,536	53,410	54,656	55,958

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

(1) Average salary information is not available from the Ohio Department of Education for fiscal year 2015.

*Operating Indicators - Teacher by Education  
Last Ten Years*

Fiscal Year	2006	2007	2008	2009	2010
Bachelor's Degree	14	14	19	19	15
Bachelor + 15	53	49	44	43	36
Master's Degree	64	58	56	56	66
Master's Degree + 15	37	47	43	44	43
Total	168	168	162	162	160

Source: District Treasurer's Office

***Lakewood Local School District***

---

---

2011	2012	2013	2014	2015
31,402	31,402	31,716	31,875	32,433
66,729	66,729	67,397	67,734	68,920
53,293	51,491	47,559	47,455	47,455
51,585	51,585	51,214	50,858	50,858
56,715	56,715	56,307	55,916	55,916

2011	2012	2013	2014	2015
10	5	6	9	7
35	35	35	36	33
64	68	66	73	66
41	34	31	30	35
150	142	138	148	141

## *Lakewood Local School District*

### *Capital Asset Statistics by Building Last Ten Years*

	2006	2007	2008	2009	2010
<b>Secondary</b>					
Lakewood Local High School					
Square Footage	150,848	150,848	150,848	150,848	150,848
Capacity (students)	1,000	1,000	1,000	1,000	1,000
Enrollment	697	691	674	705	707
<b>Middle</b>					
Lakewood Local Middle School					
Square Footage	60,700	60,700	60,700	60,700	60,700
Capacity (students)	720	720	720	720	720
Enrollment	524	525	515	495	504
<b>Intermediate</b>					
Jackson Intermediate School (1)					
Square Footage	50,238	50,238	75,107	75,107	75,107
Capacity (students)	525	525	975	975	975
Enrollment	317	336	508	497	483
<b>Elementary</b>					
Lakewood Local Jackson Elementary School					
Square Footage	24,869	24,869	N/A	N/A	N/A
Capacity (students)	450	450	N/A	N/A	N/A
Enrollment	290	304	N/A	N/A	N/A
Lakewood Local Hebron Elementary School					
Square Footage	58,138	58,138	58,138	58,138	58,138
Capacity (students)	675	675	675	675	675
Enrollment	388	378	485	466	459
<b>All Other</b>					
Central Administration Building					
Square Footage	3,696	3,696	3,696	3,696	3,696
Transportation/Maintenance/Food Service Building					
Square Footage	8,904	8,904	8,904	8,904	8,904

(1) District realigned in 2008: Hebron Elementary (K-2), Jackson Intermediate (3-5), Middle School (6-8), High School (9-12)

Source: District Treasurer's Office

*Lakewood Local School District*

---



---

2011	2012	2013	2014	2015
150,848	150,848	150,848	150,848	150,848
1,000	1,000	1,000	1,000	1,000
670	671	646	658	610
60,700	60,700	60,700	60,700	60,700
720	720	720	720	720
507	484	500	445	409
75,107	75,107	75,107	75,107	75,107
975	975	975	975	975
437	434	421	412	412
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
58,138	58,138	58,138	58,138	58,138
675	675	675	675	675
471	474	466	455	441
3,696	3,696	3,696	3,696	3,696
8,904	8,904	8,904	8,904	8,904

## *Lakewood Local School District*

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

	2006	2007	2008	2009	2010
<b>Cost per Student (ODE) (1)</b>					
Lakewood	8,202	8,548	9,154	8,995	9,723
Ohio (Average)	9,356	9,586	9,939	10,184	10,512
<b>Attendance Rate (1)</b>					
Lakewood	94.60%	94.60%	94.60%	94.90%	94.80%
Ohio (Average)	94.10%	94.10%	94.20%	94.30%	94.30%
<b>Graduation Rate (1)(2)</b>					
Lakewood (a)	87.60%	94.70%	91.20%	96.10%	98.80%
Ohio (Average)	86.20%	86.10%	86.90%	84.60%	83.00%

**Source:**

District's Student Records and Ohio Department of Education

(1) ODE calculation is not based on GAAP financial reports. The 2015 figures were not yet available.

(2) The 2014 figures were not yet available.

(a) Beginning with FY12, the Graduation rates from ODE are calculated using a method required by federal law that tracks students when they transfer from school to school- Longitudinal Graduation 4 Year Rate.



*Lakewood Local School District*

---

---

2011	2012	2013	2014	2015
9,754 10,571	9,561 10,508	9,282 10,149	9,621 10,357	9,621 10,357
>95.00% 94.50%	>95.00% 94.50%	94.60% 94.20%	95.00% 94.30%	95.00% 94.30%
99.40% 84.30%	86.00% 81.30%	89.00% 82.20%	89.00% 82.20%	89.00% 82.20%

