

LAKESWOOD LOCAL SCHOOL DISTRICT
LICKING COUNTY
SINGLE AUDIT
JULY 1, 2012 - JUNE 30, 2013





Dave Yost • Auditor of State

Board of Education
Lakewood Local School District
525 East Main Street
P.O. Box 70
Hebron, Ohio 43201

We have reviewed the *Independent Auditor's Report* of the Lakewood Local School District, Licking County, prepared by Wilson, Shannon & Snow, Inc., for the audit period July 1, 2012 through June 30, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Lakewood Local School District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

December 31, 2013

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**LAKWOOD LOCAL SCHOOL DISTRICT
LICKING COUNTY**

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**LAKWOOD LOCAL SCHOOL DISTRICT
LICKING COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

FEDERAL GRANTOR\ Pass Through Grantor\ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
National School Breakfast Program	N/A	10.553	\$ 182,107	\$ -	\$ 182,107	\$ -
National School Lunch Program	N/A	10.555	369,498	51,902	369,498	51,902
Total Nutrition Cluster			<u>551,605</u>	<u>51,902</u>	<u>551,605</u>	<u>51,902</u>
State Administrative Expenses for Child Nutrition	N/A	10.560	20,000	-	11,676	-
Total U.S. Department of Agriculture			<u>571,605</u>	<u>51,902</u>	<u>563,281</u>	<u>51,902</u>
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education:</i>						
Title I Grants to Local Educational Agencies	N/A	84.010	308,692	-	318,072	-
Special Education Cluster:						
Special Education Grants to States	N/A	84.027	353,067	-	366,373	-
Special Education Preschool Grants	N/A	84.173	9,995	-	9,995	-
Total Special Education Cluster			<u>363,062</u>	<u>-</u>	<u>376,368</u>	<u>-</u>
Improving Teacher Quality State Grants	N/A	84.367	97,511	-	97,511	-
Total U.S. Department of Education			<u>769,265</u>	<u>-</u>	<u>791,951</u>	<u>-</u>
Total Federal Awards			<u>\$ 1,340,870</u>	<u>\$ 51,902</u>	<u>\$ 1,355,232</u>	<u>\$ 51,902</u>

The accompanying notes are an integral part of this schedule.

**LAKWOOD LOCAL SCHOOL DISTRICT
LICKING COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) is a summary of the activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B - CHILD NUTRITION CLUSTER

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures in the Schedule, the District assumes it expends federal monies first.

NOTE C – FOOD DONATION PROGRAM

The District reports commodities consumed on the Schedule at entitlement value. The District allocated donated commodities to the respective program that benefited from use of those donated food commodities.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED
BY GOVERNMENT AUDITING STANDARDS**

Board of Education
Lakewood Local School District
525 East Main Street, P.O. Box 70
Hebron, Ohio 43025

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the 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, (the District) as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 4, 2013.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Wilson, Shannon & Snow, Inc.

CERTIFIED PUBLIC ACCOUNTANTS
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Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



November 4, 2013
Newark, Ohio



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE AND THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES
SCHEDULE REQUIRED BY OMB CIRCULAR A-133**

Board of Education
Lakewood Local School District
525 East Main Street, P.O. Box 70
Hebron, Ohio 43025

To the Board of Education:

Report on Compliance for Each Major Federal Program

We have audited the Lakewood Local School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the Lakewood Local School District's major federal programs for the fiscal year ended June 30, 2013. The *Summary of Audit Results* in the accompanying schedule of findings identifies the District's major federal programs.

Management's Responsibility

The District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for each of the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

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Opinion on Each Major Federal Program

In our opinion, the Lakewood Local School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the fiscal year ended June 30, 2013.

Report on Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

Report on Federal Awards Receipts and Expenditures Schedule

We have also audited the basic 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 (the District) as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated November 4, 2013. We conducted our audit to opine on the District' basic financial statements. The accompanying federal awards receipts and expenditures schedule presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Wilson, Shuman & Snow, Inc.

November 4, 2013
Newark, Ohio

**LAKESWOOD LOCAL SCHOOL DISTRICT
LICKING COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505**

JUNE 30, 2013

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for each major federal program?	No
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in its internal control for each major federal program?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Education Cluster: Special Education Grants to States \ CFDA #84.027, Special Education Preschool Grants \ CFDA #84.173 Title I \ CFDA #84.010
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

**LAKWOOD LOCAL SCHOOL DISTRICT
LICKING COUNTY**

**SCHEDULE OF FINDINGS
*OMB CIRCULAR A-133 §.505***

JUNE 30, 2013

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None.

3. FINDINGS FOR FEDERAL AWARDS

None.



INDEPENDENT AUDITOR'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Education
Lakewood Local School District
525 East Main Street, P.O. Box 70
Hebron, Ohio 43025

To the Board of Education:

Ohio Rev. Code Section 117.53 states “the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school.”

Accordingly, we have performed the procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether the Lakewood Local School District, Licking County (the District) has updated its anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the District amended its anti-harassment policy at its meeting on November 10, 2010 to include prohibiting harassment, intimidation, or bullying of any student “on a school bus” or by an “electronic act”.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.

Wilson, Shannon & Snow, Inc.

November 4, 2013
Newark, Ohio

Wilson, Shannon & Snow, Inc.

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LAKWOOD LOCAL SCHOOL DISTRICT



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
June 30, 2013



LAKWOOD LOCAL SCHOOL DISTRICT

HEBRON, OHIO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
June 30, 2013**

Prepared by:

**Ms. Glenna Plaisted
Treasurer/CFO**



LAKWOOD LOCAL SCHOOL DISTRICT

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LAKWOOD LOCAL SCHOOL DISTRICT

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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 4, 2013

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, 2013 is hereby submitted. This report was prepared by the Treasurer's Office and includes the unqualified 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 2,033 students.

LAKWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2013

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 School District tax money.

The Superintendent is the chief executive officer of the School District, responsible to the Board for total educational and support operations. Mr. Jay Gault has served as Superintendent since August 1, 2005.

The Treasurer/CFO is the chief financial officer of the School 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 thirteen years.

Great schools are important to the quality of life in the Villages of Hebron, Buckeye Lake and the Jacksontown area and help maintain the property values in the District. But beyond these considerations, the educational program itself is of primary importance. The Lakewood Local School District continuously strives toward providing students with a quality education. It is therefore appropriate to review the foundation on which the District's programs are built.

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 Achievement Assessments (OAA) and Diagnostic Tests (K-8), as well as the Ohio Graduation Tests (OGT) at the high school level. 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 preparing for the implementation of the new state tests in 2014-2015. The new common CORE state standards and model curriculum have been introduced and implementation has begun at all levels.

TECHNOLOGY

Lakewood students are introduced to technology in preschool and encouraged to use technology to advance their learning potential. Students at every grade level are linked to the Internet. 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 is just around the corner.

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2013

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

STAFF DEVELOPMENT

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

INTERVENTION AND SPECIAL PROGRAMS

Lakewood Local School District recognizes its responsibility to offer academic instruction that is appropriate for every child. Student abilities and performance levels are measured and used to determine appropriate instruction. The 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 MAPS 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 four 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.

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.

LAKEWOOD LOCAL SCHOOL DISTRICT

***Letter of Transmittal
For the Fiscal Year Ended June 30, 2013***

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 District received a "C" on Performance Indicators and a "B" on the Performance Index for the 2012-2013 school year.

ECONOMIC CONDITION AND OUTLOOK

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

The Villages of Hebron and Buckeye Lake offer excellent opportunities for business growth and expansion. Within the District's boundaries an Industrial Park stimulates the economy through a diverse group of employers, from the small family operated business to major commercial/industrial and service corporations. The five largest employers in the District in terms of numbers of employees are: THK Manufacturing of America, Kroger Company, Heritage Sportswear, Inc., Bayer, and Harry and David.

The District passed a new ten year emergency levy 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 passed a five year renewal emergency levy on May 7, 2013 which generates \$2,058,646 per year. These emergency levies represent 43% 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 2018.

LAKWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2013

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 tenth consecutive year.

The District received the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association for the fourth 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 2013 CAFR.

To receive the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association for the 2013 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.

The District also seeks to achieve its Ohio Improvement Process District Improvement Plan Goals. See those listed under Continuous Improvement Planning.

LAKWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2013

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, 2013, 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 Wilson, Shannon & Snow, Inc. The Independent Auditor’s Report on the basic financial statements is included in the financial section of this report.

LAKWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2013

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, 2012. This was the tenth 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.

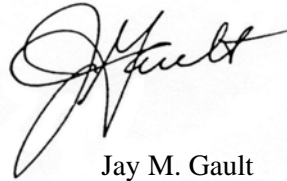
ACKNOWLEDGMENTS – The preparation of the Comprehensive Annual Financial Report was made possible with the support and efforts of the staff in the Treasurer's Office and many other dedicated employees of the District. We also would like to recognize Donald J. Schonhardt & Associates, Inc. for their assistance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



Jay M. Gault
Superintendent

LAKWOOD LOCAL SCHOOL DISTRICT

Members of the Board of Education and Administration For the Fiscal Year Ended June 30, 2013

Members of the Board of Education

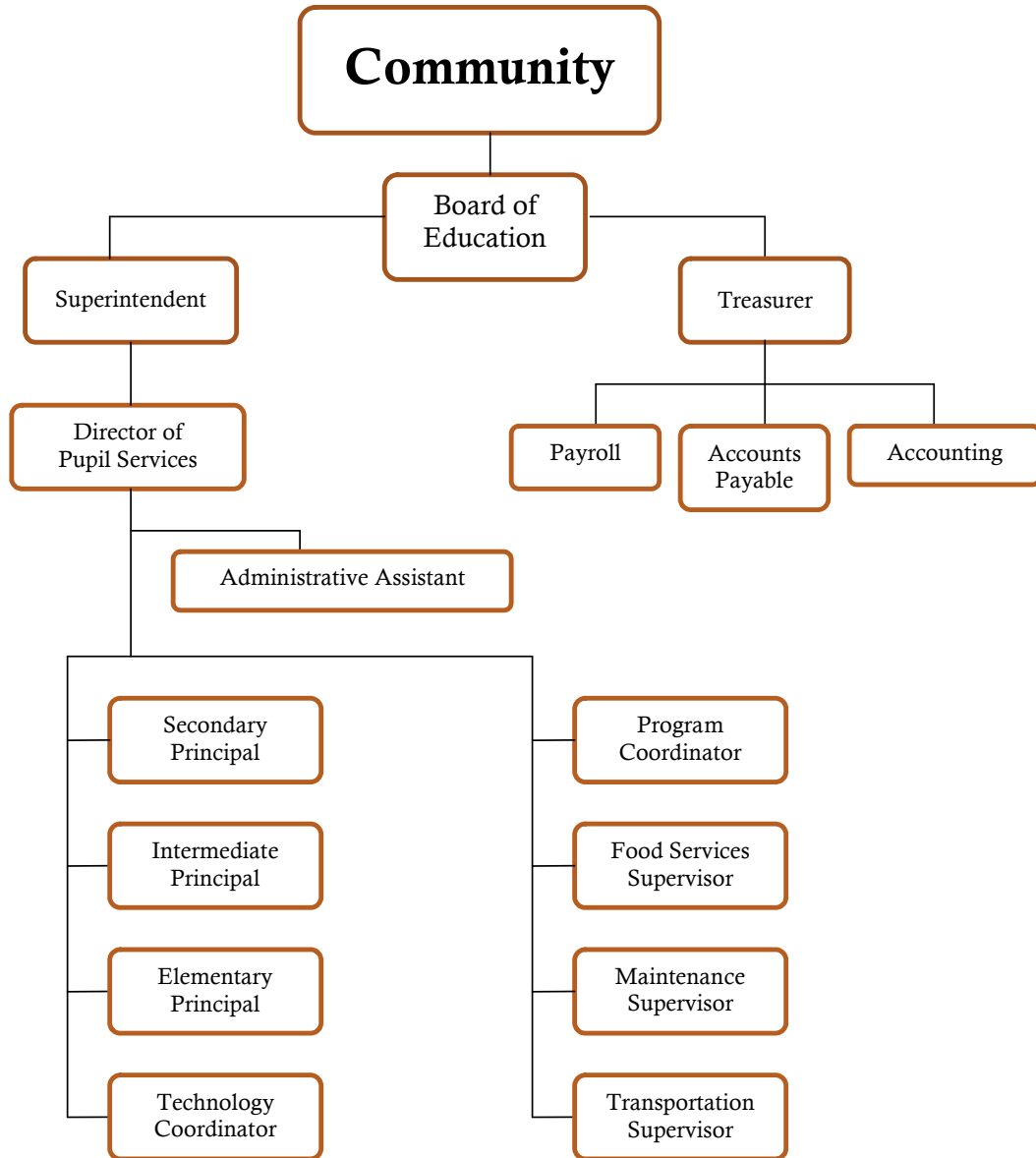
	<u>Began Service as A Board Member</u>	<u>Present Term Expires</u>
Judy White, President	January 1, 2006	December 31, 2013
Trisha Good, Vice President	January 1, 2008	December 31, 2013
Forrest Cooperrider	January 1, 2004	December 31, 2015
Tim Phillips	July 6, 2011	December 31, 2015
William Gulick Jr.	January 1, 2012	December 31, 2015

Administration

	<u>Position</u>	<u>Date of Hire</u>
Jay M. Gault	Superintendent	August 1, 2005
Glenna J. Plaisted	Treasurer/CFO	May 15, 2000

LAKEWOOD LOCAL SCHOOL DISTRICT

Organizational Chart For the Fiscal Year Ended June 30, 2013



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, 2012



Executive Director/CEO

FINANCIAL SECTION





Board of Education
Lakewood Local School District
525 East Main Street
P.O. Box 70
Hebron, Ohio 43025

INDEPENDENT AUDITOR'S REPORT

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 (the District), as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the 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 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 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.

Wilson, Shannon & Snow, Inc.

CERTIFIED PUBLIC ACCOUNTANTS

Ten West Locust Street

Newark, Ohio 43055

(740) 345-6611

1-800-523-6611

FAX (740) 345-5635

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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* 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 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.

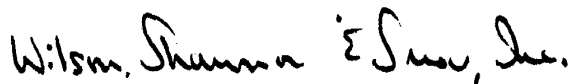
The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. 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 4, 2013 on our consideration of the 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 District's internal control over financial reporting and compliance.



November 4, 2013
Newark, Ohio



LAKEWOOD LOCAL SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013***

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, 2013. 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 2013 are as follows:

- ❑ In total, net position increased \$1,637,634. Net position of governmental activities increased \$1,652,433, which represents a 16.2% increase from 2012. Net position of business-type activities decreased \$14,799 or 6.3% from 2012.
- ❑ General revenues accounted for \$21,494,772 in revenue or 89.5% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for \$2,525,461 or 10.5% of total revenues of \$24,020,233.
- ❑ The District had \$21,452,516 in expenses related to governmental activities; only \$1,610,177 of these expenses were offset by program specific charges for services and sales, operating grants and contributions.
- ❑ Among major funds, the general fund had \$21,293,816 in revenues and \$19,739,118 in expenditures. During fiscal year 2013, the general fund's fund balance increased from \$6,048,542 to \$7,742,868.

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.

LAKEWOOD LOCAL SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013***

Unaudited

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

LAKEWOOD LOCAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013**

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 2013 compared to 2012:

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$24,560,159	\$24,346,061	\$262,439	\$283,794	\$24,822,598	\$24,629,855
Capital assets, Net	14,085,919	13,878,069	70,702	48,572	14,156,621	13,926,641
Total assets	<u>38,646,078</u>	<u>38,224,130</u>	<u>333,141</u>	<u>332,366</u>	<u>38,979,219</u>	<u>38,556,496</u>
Deferred outflows of resources	<u>319,403</u>	<u>344,127</u>	<u>0</u>	<u>0</u>	<u>319,403</u>	<u>344,127</u>
Long-term liabilities outstanding	12,600,827	12,533,332	19,422	23,445	12,620,249	12,556,777
Other liabilities	2,967,312	2,946,338	93,088	73,491	3,060,400	3,019,829
Total liabilities	<u>15,568,139</u>	<u>15,479,670</u>	<u>112,510</u>	<u>96,936</u>	<u>15,680,649</u>	<u>15,576,606</u>
Deferred inflows of resources	<u>11,558,375</u>	<u>12,902,053</u>	<u>0</u>	<u>0</u>	<u>11,558,375</u>	<u>12,902,053</u>
Net position:						
Net investment in capital assets	3,187,873	3,080,260	70,702	48,572	3,258,575	3,128,832
Restricted	1,047,090	1,231,062	0	0	1,047,090	1,231,062
Unrestricted	7,604,004	5,875,212	149,929	186,858	7,753,933	6,062,070
Total net position	<u>\$11,838,967</u>	<u>\$10,186,534</u>	<u>\$220,631</u>	<u>\$235,430</u>	<u>\$12,059,598</u>	<u>\$10,421,964</u>

At fiscal year-end for governmental activities, capital assets represented 36% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture, fixtures, equipment, and vehicles. Net investment in capital assets, at June 30, 2013 was \$3,187,873. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$1,047,090, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$7,604,004 may be used to meet the District's ongoing obligations to the students and creditors.

LAKEWOOD LOCAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013**

Unaudited

Changes in Net Position – The following table shows the changes in net position for fiscal years 2013 and 2012:

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program Revenues:						
Charges for Services and Sales	\$710,545	\$771,245	\$283,204	\$299,813	\$993,749	\$1,071,058
Operating Grants and Contributions	899,632	911,323	615,150	687,260	1,514,782	1,598,583
Capital Grants and Contributions	0	0	16,930	0	16,930	0
Total Program Revenues	<u>1,610,177</u>	<u>1,682,568</u>	<u>915,284</u>	<u>987,073</u>	<u>2,525,461</u>	<u>2,669,641</u>
General Revenues:						
Property Taxes	13,069,068	11,951,837	0	0	13,069,068	11,951,837
Grants and Entitlements	8,272,161	8,611,887	0	0	8,272,161	8,611,887
Other	153,543	110,364	0	0	153,543	110,364
Total General Revenues	<u>21,494,772</u>	<u>20,674,088</u>	<u>0</u>	<u>0</u>	<u>21,494,772</u>	<u>20,674,088</u>
Total Revenues	<u>23,104,949</u>	<u>22,356,656</u>	<u>915,284</u>	<u>987,073</u>	<u>24,020,233</u>	<u>23,343,729</u>
Program Expenses						
Instruction	12,351,032	12,333,823	0	0	12,351,032	12,333,823
Support Services:						
Pupils	1,406,457	1,339,037	0	0	1,406,457	1,339,037
Instructional Staff	357,042	257,656	0	0	357,042	257,656
Board of Education	89,155	70,084	0	0	89,155	70,084
Administration	1,933,761	1,880,781	0	0	1,933,761	1,880,781
Fiscal Services	680,434	617,723	0	0	680,434	617,723
Business	22,403	20,952	0	0	22,403	20,952
Operation and Maintenance of Plant	1,718,852	1,585,727	0	0	1,718,852	1,585,727
Pupil Transportation	1,592,255	1,530,781	0	0	1,592,255	1,530,781
Central	90,763	284,079	0	0	90,763	284,079
Operation of Non-Instructional Services	73,594	59,427	0	0	73,594	59,427
Extracurricular Activities	483,728	526,540	0	0	483,728	526,540
Interest and Fiscal Charges	653,040	550,947	0	0	653,040	550,947
Food Service	0	0	930,083	898,959	930,083	898,959
Total Expenses	<u>21,452,516</u>	<u>21,057,557</u>	<u>930,083</u>	<u>898,959</u>	<u>22,382,599</u>	<u>21,956,516</u>
Total Change in Net Position	1,652,433	1,299,099	(14,799)	88,114	1,637,634	1,387,213
Beginning Net Position	10,186,534	8,887,435	235,430	147,316	10,421,964	9,034,751
Ending Net Position	<u>\$11,838,967</u>	<u>\$10,186,534</u>	<u>\$220,631</u>	<u>\$235,430</u>	<u>\$12,059,598</u>	<u>\$10,421,964</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013**

Unaudited

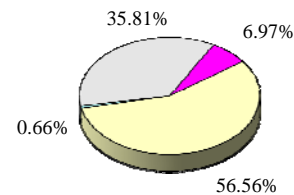
Governmental Activities

Net position of the District's governmental activities increased by \$1,652,433. Total governmental expenses of \$21,452,516 were offset by program revenues of \$1,610,177 and general revenues of \$21,494,772. Program revenues supported 7.5% of the total governmental expenses. The primary sources of revenues consist of property taxes and grants and entitlements which total \$21,341,229 and represent 99.3% of total general governmental revenue.

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. It increases as a result of new construction or collection from a new voted levy. Although school districts experience inflationary growth in expenses, tax revenue does not keep pace with increased expenses. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.00 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and the inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00 and the school district would collect the same dollar value generated in the year it passed. Thus, school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service.

The District passed a five year renewal emergency levy on 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 2013 includes the total revenues generated from both these emergency levies. Property taxes made up 57% of revenues for governmental activities for the District in fiscal year 2013. The District's reliance upon tax revenues is demonstrated by the following graph:

Revenue Sources	2013	Percent of Total
General Grants	\$8,272,161	35.81%
Program Revenues	1,610,177	6.97%
Property Tax Revenues	13,069,068	56.56%
General Other	153,543	0.66%
Total Revenue	<u>\$23,104,949</u>	<u>100.00%</u>



Business-Type Activities

Net position of the business-type activities decreased by \$14,799. These programs had revenues of \$915,284 and expenses of \$930,083 for fiscal year 2013. The District had reductions in revenues primarily due to the decrease in Federal School Lunch and Breakfast Program funding. This decrease was attributable to lower enrollment, lower percentage number on free and reduced, and the change in reimbursement amount from serving breakfast in the classroom to serving it in a common area. The increase in expenditures is primarily attributable to the mandatory changes in the nutritional requirements as required by the Healthy Hunger Free Kid's Act 2010. Food costs are up dramatically. Business activities receive no support from tax revenues; however, they have received support from governmental activities.

LAKEWOOD LOCAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013**

Unaudited

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of \$9,086,536, which is higher than last year's total of \$7,244,768. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2013 and 2012.

	Fund Balance June 30, 2013	Restated Fund Balance June 30, 2012	Increase (Decrease)
General	\$7,742,868	\$6,048,542	\$1,694,326
Debt Service	973,995	1,155,755	(181,760)
Other Governmental	369,673	40,471	329,202
Total	\$9,086,536	\$7,244,768	\$1,841,768

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:

	2013 Revenues	Restated 2012 Revenues	Increase (Decrease)
Taxes	\$12,452,239	\$11,222,832	\$1,229,407
Tuition	408,398	438,497	(30,099)
Investment Earnings	22,055	31,452	(9,397)
Extracurricular Activities	44,898	39,929	4,969
Class Materials and Fees	49,154	42,551	6,603
Intermediate Sources	500	0	500
Intergovernmental - State	8,027,909	8,321,952	(294,043)
Intergovernmental - Federal	42,729	56,234	(13,505)
All Other Revenue	245,934	244,543	1,391
Total	\$21,293,816	\$20,397,990	\$895,826

General Fund revenues in 2013 increased approximately 4.4% compared to revenues in fiscal year 2012. The 2012 tax revenues included the first full year of collection for the ten year emergency operating levy approved in November 2010. The 2012 tax revenues also included a reduction in revenues attributable to an over collection by the County Auditor on an Emergency Levy of \$883,839. The decrease in Intergovernmental-State can be attributed to the reduction in revenues from the phase-out of the tangible personal property reimbursement.

LAKWOOD LOCAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013**

Unaudited

	2013 Expenditures	Restated 2012 Expenditures	Increase (Decrease)
Instruction	\$11,621,973	\$11,091,808	\$530,165
Supporting Services:			
Pupils	1,332,471	1,227,284	105,187
Instructional Staff	316,062	226,189	89,873
Board of Education	89,155	70,084	19,071
Administration	1,850,439	1,858,794	(8,355)
Fiscal Services	669,549	606,641	62,908
Business	22,403	20,952	1,451
Operation & Maintenance of Plant	1,795,119	1,587,658	207,461
Pupil Transportation	1,618,106	1,593,860	24,246
Central	94,657	278,717	(184,060)
Operation of Non-Instructional Services	13,553	24,668	(11,115)
Extracurricular Activities	267,011	276,204	(9,193)
Debt Service:			
Principal Retirement	40,485	33,690	6,795
Interest and Fiscal Charges	8,135	5,094	3,041
Total	\$19,739,118	\$18,901,643	\$837,475

The expenditures increased by \$837,475 or 4.4% compared to the prior year. The District's budget is 78% personnel related. The District had a 1% increase in base salary for fiscal year 2013 and paid the negotiated step increase ranging from 0% to 5% based on the number of years of service and type of degree. Those not receiving a dollar amount associated with their step received a one-time stipend. The District also saw a reduction in health insurance premiums which was the result of a 0% increase in health insurance renewal for 2013 and the continued offering of an Incentive Plan for Insurance Opt-Out.

In fiscal year 2013, the District modified some Expenditure Uniform School Accounting System codes, as recommended by the Ohio Department of Education, to align with the U.S. Department of Education reporting. These coding reclassifications resulted in certain expenditure variance between categories shown above. In fiscal year 2013 the District did incur some additional costs related to paving at our high school and also the purchase of computer laptops for all professional staff.

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

LAKEWOOD LOCAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013**

Unaudited

GENERAL FUND BUDGETARY HIGHLIGHTS

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

During the course of fiscal year 2013 the District amended its General Fund budget several times, none significant.

For the General Fund, the budget basis revenue of \$20.5 million did not significantly change from the original budget estimates.

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2013, the District had \$14,156,621 net of accumulated depreciation invested in land, buildings, equipment and vehicles. Of this total, \$14,085,919 was related to governmental activities and \$70,702 to the business-type activities. The following table shows fiscal year 2013 and 2012 balances:

	Governmental Activities		Change
	2013	2012	
Land	\$275,555	\$275,555	\$0
Land Improvements	904,401	900,785	3,616
Buildings and Improvements	21,717,021	21,717,021	0
Furniture, Fixtures and Equipment	3,712,496	3,641,732	70,764
Vehicles	2,147,076	2,141,684	5,392
Construction in Progress	403,844	0	403,844
Less: Accumulated Depreciation	(15,074,474)	(14,798,708)	(275,766)
Totals	<u>\$14,085,919</u>	<u>\$13,878,069</u>	<u>\$207,850</u>

	Business-Type Activities		Change
	2013	2012	
Furniture and Equipment	\$357,410	\$325,217	\$32,193
Less: Accumulated Depreciation	(286,708)	(276,645)	(10,063)
Totals	<u>\$70,702</u>	<u>\$48,572</u>	<u>\$22,130</u>

The increase in governmental capital assets is primarily due to new window installations, laptop computer purchases and paving of the high school parking lot.

Additional information on the District's capital assets can be found in Note 8.

LAKEWOOD LOCAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013**

Unaudited

Debt

At June 30, 2013 the District had \$12.6 million in bonds, notes, loans, and other long-term obligations outstanding, \$900,883 due within one year. The following table summarizes the District's debt and other long-term liabilities outstanding as of June 30, 2013 and June 30, 2012:

	<u>2013</u>	<u>2012</u>
Governmental Activities:		
General Obligation Bonds:		
School Improvement	\$10,724,872	\$11,240,539
Energy Conservation Bonds Payable	1,244,758	483,237
Capital Leases Payable	126,525	51,572
Compensated Absences	<u>504,672</u>	<u>757,984</u>
Total Governmental Activities	12,600,827	12,533,332
Business-Type Activities:		
Compensated Absences	<u>19,422</u>	<u>23,445</u>
Totals	<u>\$12,620,249</u>	<u>\$12,556,777</u>

Deferred Loss on Refunding as of June 30, 2012, was reclassified from a Long-term Liability to a Deferred Outflow of Resources.

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, 2013, 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 2014-2018.

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, 2013***

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.

LAKEWOOD LOCAL SCHOOL DISTRICT

Statement of Net Position June 30, 2013

	Governmental Activities	Business-Type Activities	Total	Component Unit Digital Academy
Assets:				
Cash and Cash Equivalents	\$ 707,281	\$ 243,806	\$ 951,087	\$ 85,247
Investments	9,448,431	0	9,448,431	0
Receivables:				
Taxes	13,929,385	0	13,929,385	0
Accounts	105,633	1,559	107,192	342
Intergovernmental	104,425	0	104,425	0
Interest	11,173	0	11,173	0
Inventory	46,794	7,050	53,844	0
Prepaid Items	207,037	10,024	217,061	1,078
Capital Assets:				
Nondepreciable Capital Assets	679,399	0	679,399	0
Depreciable Capital Assets, Net	13,406,520	70,702	13,477,222	24,090
Total Capital Assets, Net	14,085,919	70,702	14,156,621	24,090
Total Assets	38,646,078	333,141	38,979,219	110,757
Deferred Outflows of Resources:				
Deferred Charge on Refunding	319,403	0	319,403	0
Liabilities:				
Accounts Payable	158,481	18,974	177,455	0
Accrued Wages and Benefits	1,411,112	46,625	1,457,737	0
Intergovernmental Payable	417,733	27,489	445,222	58,090
Unearned Revenue	933,285	0	933,285	2,917
Accrued Interest Payable	46,701	0	46,701	0
Long Term Liabilities:				
Due Within One Year	900,883	0	900,883	0
Due in More Than One Year	11,699,944	19,422	11,719,366	0
Total Liabilities	15,568,139	112,510	15,680,649	61,007
Deferred Inflows of Resources:				
Property Taxes	11,558,375	0	11,558,375	0
Net Position:				
Net Investment in Capital Assets	3,187,873	70,702	3,258,575	24,090
Restricted For:				
Debt Service	953,055	0	953,055	0
Federally Funded Programs	44,746	0	44,746	0
Other Purposes	49,289	0	49,289	0
Unrestricted	7,604,004	149,929	7,753,933	25,660
Total Net Position	\$ 11,838,967	\$ 220,631	\$ 12,059,598	\$ 49,750

See accompanying notes to the basic financial statements

LAKWOOD LOCAL SCHOOL DISTRICT

Statement of Activities For the Fiscal Year Ended June 30, 2013

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Instruction	\$ 12,351,032	\$ 479,394	\$ 699,897	\$ 0
Support Services:				
Pupils	1,406,457	0	88,360	0
Instructional Staff	357,042	0	41,840	0
Board of Education	89,155	0	0	0
Administration	1,933,761	92,292	33,174	0
Fiscal Services	680,434	0	0	0
Business	22,403	0	0	0
Operation and Maintenance of Plant	1,718,852	0	7,200	0
Pupil Transportation	1,592,255	0	0	0
Central	90,763	0	0	0
Operation of Non-Instructional Services	73,594	0	20,000	0
Extracurricular Activities	483,728	138,859	9,161	0
Interest and Fiscal Charges	653,040	0	0	0
Total Governmental Activities	21,452,516	710,545	899,632	0
Business-Type Activities:				
Food Service	930,083	283,204	615,150	16,930
Total Business-Type Activities	930,083	283,204	615,150	16,930
Totals	\$ 22,382,599	\$ 993,749	\$ 1,514,782	\$ 16,930
Component Unit:				
Digital Academy	\$ 332,305	\$ 7,817	\$ 18,182	\$ 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 Beginning of Year

Net Position 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
\$ (11,171,741)	\$ 0	\$ (11,171,741)	
(1,318,097)	0	(1,318,097)	
(315,202)	0	(315,202)	
(89,155)	0	(89,155)	
(1,808,295)	0	(1,808,295)	
(680,434)	0	(680,434)	
(22,403)	0	(22,403)	
(1,711,652)	0	(1,711,652)	
(1,592,255)	0	(1,592,255)	
(90,763)	0	(90,763)	
(53,594)	0	(53,594)	
(335,708)	0	(335,708)	
(653,040)	0	(653,040)	
(19,842,339)	0	(19,842,339)	
0	(14,799)	(14,799)	
0	(14,799)	(14,799)	
(19,842,339)	(14,799)	(19,857,138)	
			\$ (306,306)
12,319,747	0	12,319,747	0
749,321	0	749,321	0
8,272,161	0	8,272,161	301,478
24,272	0	24,272	75
129,271	0	129,271	18
21,494,772	0	21,494,772	301,571
1,652,433	(14,799)	1,637,634	(4,735)
10,186,534	235,430	10,421,964	54,485
\$ 11,838,967	\$ 220,631	\$ 12,059,598	\$ 49,750

LAKWOOD LOCAL SCHOOL DISTRICT

***Balance Sheet
Governmental Funds
June 30, 2013***

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 223,769	\$ 20,323	\$ 463,189	\$ 707,281
Investments	8,508,789	939,642	0	9,448,431
Receivables:				
Taxes	13,355,226	574,159	0	13,929,385
Accounts	105,633	0	0	105,633
Intergovernmental	15,703	0	88,722	104,425
Interest	11,173	0	0	11,173
Inventory	46,794	0	0	46,794
Prepaid Items	203,850	0	3,187	207,037
Total Assets	\$ 22,470,937	\$ 1,534,124	\$ 555,098	\$ 24,560,159
Liabilities:				
Accounts Payable	\$ 63,909	\$ 0	\$ 94,572	\$ 158,481
Accrued Wages and Benefits	1,352,259	0	58,853	1,411,112
Intergovernmental Payable	415,227	0	2,506	417,733
Compensated Absences Payable	23,163	0	0	23,163
Total Liabilities	1,854,558	0	155,931	2,010,489
Deferred Inflows of Resources:				
Property Taxes	11,957,292	534,368	0	12,491,660
Unavailable Revenue	916,219	25,761	29,494	971,474
Total Deferred Inflows of Resources	12,873,511	560,129	29,494	13,463,134
Fund Balances:				
Nonspendable	250,644	0	3,187	253,831
Restricted	6,888	973,995	366,486	1,347,369
Committed	204,164	0	0	204,164
Assigned	329,917	0	0	329,917
Unassigned	6,951,255	0	0	6,951,255
Total Fund Balances	7,742,868	973,995	369,673	9,086,536
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 22,470,937	\$ 1,534,124	\$ 555,098	\$ 24,560,159

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, 2013

Total Governmental Fund Balances \$ 9,086,536

***Amounts reported for governmental activities in the
statement of net position are different because***

Capital Assets used in governmental activities are not
resources and therefore are not reported in the funds. 14,085,919

Other long-term assets are not available to pay for current-
period expenditures and therefore are deferred in the funds. 971,474

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	(1,244,758)	
General Obligation Bonds Payable	(9,744,991)	
Deferred loss on refunding (to be amortized as interest expense)	319,403	
Issuance Premium (to be amortized against interest expense)	(413,195)	
Interest Accretion (to be amortized as interest expense)	(566,686)	
Capital Leases Payable	(126,525)	
Compensated Absences Payable	(481,509)	
Accrued Interest Payable	(46,701)	(12,304,962)

Net Position of Governmental Activities **\$ 11,838,967**

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, 2013

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Local Sources:				
Taxes	\$ 12,452,239	\$ 795,768	\$ 0	\$ 13,248,007
Tuition	408,398	0	0	408,398
Investment Earnings	22,055	0	0	22,055
Extracurricular Activities	44,898	0	93,961	138,859
Class Materials and Fees	49,154	0	0	49,154
Intermediate Sources	500	0	10,926	11,426
Intergovernmental - State	8,027,909	216,763	7,200	8,251,872
Intergovernmental - Federal	42,729	0	827,111	869,840
All Other Revenue	245,934	0	6,632	252,566
Total Revenue	21,293,816	1,012,531	945,830	23,252,177
Expenditures:				
Current:				
Instruction	11,621,973	0	691,545	12,313,518
Supporting Services:				
Pupils	1,332,471	0	79,880	1,412,351
Instructional Staff	316,062	0	12,463	328,525
Board of Education	89,155	0	0	89,155
Administration	1,850,439	0	35,949	1,886,388
Fiscal Services	669,549	11,764	38	681,351
Business	22,403	0	0	22,403
Operation and Maintenance of Plant	1,795,119	0	612,887	2,408,006
Pupil Transportation	1,618,106	0	0	1,618,106
Central	94,657	0	0	94,657
Operation of Non-Instructional Services	13,553	0	20,000	33,553
Extracurricular Activities	267,011	0	81,573	348,584
Debt Service:				
Principal Retirement	40,485	746,186	0	786,671
Interest and Fiscal Charges	8,135	436,341	0	444,476
Total Expenditures	19,739,118	1,194,291	1,534,335	22,467,744
Excess (Deficiency) of Revenues Over Expenditures	1,554,698	(181,760)	(588,505)	784,433

(Continued)

LAKWOOD LOCAL SCHOOL DISTRICT

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses):				
Sale of Capital Assets	6,039	0	0	6,039
School Energy Conservation Bonds Issued	0	0	917,707	917,707
Other Financing Sources - Capital Leases	115,438	0	0	115,438
Total Other Financing Sources (Uses)	121,477	0	917,707	1,039,184
Net Change in Fund Balance	1,676,175	(181,760)	329,202	1,823,617
Fund Balances at Beginning of Year, Restated	6,048,542	1,155,755	40,471	7,244,768
Increase in Inventory Reserve	18,151	0	0	18,151
Fund Balances End of Year	\$ 7,742,868	\$ 973,995	\$ 369,673	\$ 9,086,536

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, 2013

Net Change in Fund Balances - Total Governmental Funds \$ 1,823,617

Amounts reported for governmental activities in the statement of activities are different because

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. 259,526

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net position. (51,676)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (147,228)

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. (246,474)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditure is reported when due. (115,446)

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	205,081	
Amortization of Deferred Loss on Refunding	(24,724)	
Amortization of Deferred Charge for Bond Issuance Costs	(100,178)	
Amortization of Premium on Bond Issuance	31,784	
Change in Inventory	18,151	130,114

Change in Net Position of Governmental Activities \$ 1,652,433

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, 2013**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Taxes	\$ 11,689,518	\$ 11,757,332	\$ 11,757,332	\$ 0
Tuition	399,454	387,027	408,418	21,391
Investment Earnings	25,500	29,500	29,230	(270)
Class Material and Fees	40,730	49,170	49,861	691
Intergovernmental - State	7,962,572	8,038,070	8,027,909	(10,161)
Intergovernmental - Federal	40,000	43,000	45,417	2,417
All Other Revenues	202,961	220,141	225,907	5,766
Total Revenues	20,360,735	20,524,240	20,544,074	19,834
Expenditures:				
Current:				
Instructional Services	11,784,831	11,880,067	11,705,746	174,321
Support Services:				
Pupils	1,260,833	1,424,230	1,345,381	78,849
Instructional Staff	357,257	299,711	271,952	27,759
Board of Education	114,020	103,576	98,191	5,385
Administration	1,948,156	1,976,479	1,937,135	39,344
Fiscal Services	652,699	695,912	682,722	13,190
Business	21,552	25,758	23,576	2,182
Operation and Maintenance of Plant	1,794,238	2,142,482	2,062,744	79,738
Pupil Transportation	1,623,507	1,643,550	1,616,838	26,712
Central	263,296	97,386	96,854	532
Operation of Non-Instructional Services	23,317	24,317	19,321	4,996
Extracurricular Activities	209,865	228,781	222,836	5,945
Total Expenditures	20,053,571	20,542,249	20,083,296	458,953
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	307,164	(18,009)	460,778	478,787
Other Financing Sources (Uses):				
Sale of Capital Assets	2,599	5,599	6,039	440
Total Other Financing Sources (Uses):	2,599	5,599	6,039	440
Net Change in Fund Balance	309,763	(12,410)	466,817	479,227
Fund Balance at Beginning of Year	7,813,011	7,813,011	7,813,011	0
Prior Year Encumbrances	110,460	110,460	110,460	0
Fund Balance at End of Year	\$ 8,233,234	\$ 7,911,061	\$ 8,390,288	\$ 479,227

See accompanying notes to the basic financial statements

LAKEWOOD LOCAL SCHOOL DISTRICT

Statement of Net Position
Proprietary Fund
June 30, 2013

	Business-Type Activities
	<u>Enterprise Funds</u>
	<u>Food Service</u>
Assets:	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 243,806
Receivables:	
Accounts	1,559
Inventory Held for Resale	7,050
Prepaid Items	<u>10,024</u>
<i>Total Current Assets</i>	262,439
<i>Non Current Assets:</i>	
Capital Assets, Net	<u>70,702</u>
Total Assets	<u>333,141</u>
Liabilities:	
<i>Current Liabilities:</i>	
Accounts Payable	18,974
Accrued Wages and Benefits	46,625
Intergovernmental Payable	<u>27,489</u>
<i>Total Current Liabilities</i>	93,088
<i>Long Term Liabilities:</i>	
Compensated Absences Payable	<u>19,422</u>
Total Liabilities	<u>112,510</u>
Net Position:	
Net Investment in Capital Assets	70,702
Unrestricted	<u>149,929</u>
Total Net Position	<u>\$ 220,631</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, 2013

	Business-Type Activities
	<u>Enterprise Funds</u>
	<u>Food Service</u>
Operating Revenues:	
Sales	\$ 282,847
Total Operating Revenues	<u>282,847</u>
Operating Expenses:	
Salaries and Wages	270,899
Fringe Benefits	169,473
Contractual Services	14,436
Supplies and Materials	460,963
Depreciation	12,750
Other Operating Expense	1,042
Total Operating Expenses	<u>929,563</u>
Operating Loss	(646,716)
Nonoperating Revenue (Expenses):	
Intergovernmental Grants	615,150
Investment Earnings	357
Loss on Disposal of Capital Assets	(520)
Total Nonoperating Revenues (Expenses)	<u>614,987</u>
Net Loss before Contributions	(31,729)
Capital Contributions	16,930
Change in Net Position	(14,799)
Net Position Beginning of Year	<u>235,430</u>
Net Position End of Year	<u><u>\$ 220,631</u></u>

See accompanying notes to the basic financial statements

LAKEWOOD LOCAL SCHOOL DISTRICT

Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2013

	Business-Type Activities
	Enterprise Funds
	Food Service
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$281,288
Cash Payments for Goods and Services	(413,876)
Cash Payments to Employees for Services and Benefits	(442,245)
Net Cash Used by Operating Activities	(574,833)
<u>Cash Flows from Noncapital Financing Activities:</u>	
Intergovernmental Grants Received	563,248
Net Cash Provided by Noncapital Financing Activities	563,248
<u>Cash Flows from Investing Activities:</u>	
Receipt of Interest	357
Net Cash Provided by Investing Activities	357
Net Decrease in Cash and Cash Equivalents	(11,228)
Cash and Cash Equivalents at Beginning of Year	255,034
Cash and Cash Equivalents at End of Year	\$243,806
<u>Reconciliation of Operating Loss to Net Cash</u>	
<u>Used by Operating Activities:</u>	
Operating Loss	(\$646,716)
Adjustments to Reconcile Operating Loss to	
Net Cash Used by Operating Activities:	
Depreciation Expense	12,750
Donated Commodities Used During the Year	51,902
<u>Changes in Assets and Liabilities:</u>	
Increase in Accounts Receivable	(1,559)
Decrease in Inventory	10,159
Decrease in Prepaid Items	1,527
Increase in Accounts Payable	504
Decrease in Accrued Wages and Benefits	(944)
Increase in Intergovernmental Payables	1,567
Decrease in Compensated Absences	(4,023)
Total Adjustments	71,883
Net Cash Used by Operating Activities	(\$574,833)

Schedule of Noncash Investing, Capital and Financing Activities:

At June 30, 2013, the Food Service Fund had an outstanding liability of \$18,470 for capital assets.

During fiscal year 2013, the Food Service Fund received \$51,902 in donated commodities from the federal government. The Food Service Fund also received \$16,930 in capital assets from other funds.

See accompanying notes to the basic financial statements

LAKWOOD LOCAL SCHOOL DISTRICT

Statement of Assets and Liabilities
Fiduciary Funds
June 30, 2013

	<u>Agency</u>
Assets:	
Cash and Cash Equivalents	<u>\$ 20,763</u>
Total Assets	<u><u>\$ 20,763</u></u>
Liabilities:	
Due to Students	<u>\$ 20,763</u>
Total Liabilities	<u><u>\$ 20,763</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, 2013

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 98 non-certified and approximately 162 certified teaching personnel and administrative employees providing education to 2,033 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 Better Business Bureau of Central Ohio, Inc., Workers' Compensation Group Rating Program. Information regarding these organizations is presented in Notes 13 and 14.

Discreetly 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, 2013

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, including home-schooled students, 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, liabilities, 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, 2013

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 all liabilities 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 fund accounts for various student-managed activity programs. The agency fund is 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, 2013

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 current liabilities, 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 assets. 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, 2013

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, 2013

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 2013.

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, 2013

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).

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LAKEWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013***

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)	\$1,676,175
Increase (Decrease):	
Accrued Revenues at June 30, 2013, received during FY 2014	(614,224)
Accrued Revenues at June 30, 2012, received during FY 2013	796,574
Accrued Expenditures at June 30, 2013, paid during FY 2014	1,854,558
Accrued Expenditures at June 30, 2012, paid during FY 2013	(2,927,763)
FY 2012 Prepays for FY 2013	200,596
FY 2013 Prepays for FY 2014	(203,850)
Adjustment to Fair Value of Investments	5,872
Perspective Difference- Budgeted Special Revenue Fund reclassified as General Fund	(14,061)
Encumbrances Outstanding	(307,060)
Budget Basis	<u>\$466,817</u>

F. Cash and Cash Equivalents

During fiscal year 2013, 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, 2013

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 2013. 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, 2013.

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, 2013, 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, 2013***

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:

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

K. Long-Term Obligations

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

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds Payable	Debt Service Fund
Energy Conservation Bonds	Debt Service Fund
Compensated Absences	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, 2013

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.

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. None of the restricted net position reported at June 30, 2013 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, 2013

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 School 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, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Pensions

The provision for pension costs is recorded when the related payroll is accrued and the obligation is incurred. Pension liabilities expected to be paid from current available financial resources are recorded as a fund liability.

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 2013.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2013

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. The District only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. 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.

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. 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.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2013

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE – RESTATEMENT OF FUND BALANCE

For 2013 the District implemented GASB Statement No. 62, “*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*,” GASB Statement No. 63, “*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*” and GASB Statement No. 65, “*Items Previously Reported as Assets and Liabilities*”.

Statement No. 62 incorporated into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure issued on or before November 30, 1989 which does not conflict with or contradict GASB pronouncements.

Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. GASB 63 standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government’s net position.

Statement No. 65 provides guidance on how to properly classify items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources. In addition, guidance is provided on recognizing certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues).

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

The District also reclassified one of its funds which resulted in the restatement of the fund balances of the General Fund and the nonmajor governmental funds as follows:

	General Fund	Nonmajor Governmental Funds
Fund Balance at June 30, 2012 as reported	\$6,024,130	\$64,883
Change in Fund Classification	24,412	(24,412)
Fund Balance at June 30 2012 as restated	<u>\$6,048,542</u>	<u>\$40,471</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013**

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	\$203,850	\$0	\$3,187	\$207,037
Supplies Inventory	46,794	0	0	46,794
Total Nonspendable	<u>250,644</u>	<u>0</u>	<u>3,187</u>	<u>253,831</u>
Restricted:				
Career Technology Education	6,888	0	0	6,888
Local Grants	0	0	1,004	1,004
Extracurricular Activities	0	0	41,397	41,397
Targeted Academic Assistance	0	0	12,065	12,065
Debt Service Payments	0	973,995	0	973,995
Capital Improvements	0	0	312,020	312,020
Total Restricted	<u>6,888</u>	<u>973,995</u>	<u>366,486</u>	<u>1,347,369</u>
Committed:				
Building Maintenance and Renovation	204,164	0	0	204,164
Assigned:				
Assigned to Other Purposes	291,302	0	0	291,302
Student and Staff Support	38,615	0	0	38,615
Total Assigned	<u>329,917</u>	<u>0</u>	<u>0</u>	<u>329,917</u>
Unassigned	6,951,255	0	0	6,951,255
Total Fund Balances	<u><u>\$7,742,868</u></u>	<u><u>\$973,995</u></u>	<u><u>\$369,673</u></u>	<u><u>\$9,086,536</u></u>

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2013

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	\$1,205,865
Depreciation Expense	(946,339)
	<u>\$259,526</u>

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

Gain on Disposal of Capital Asset	(\$45,637)
Proceeds Received	(6,039)
	<u>(\$51,676)</u>

Governmental revenues not reported in the funds:

Decrease in Investment Earnings	\$2,217
Decrease in Grants Revenue	29,494
Decrease in Delinquent Tax Revenue	(178,939)
	<u>(\$147,228)</u>

Net amount of long-term debt issuance and bond and lease principal payments:

Bond Principal Payment	\$590,000
Energy Conservation Bond Principal Payment	156,186
Energy Conservation Bond Proceeds	(917,707)
Capital Lease Proceeds	(115,438)
Capital Lease Payment	40,485
	<u>(\$246,474)</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2013

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, 2013**

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 \$6,692,230 and the bank balance was \$6,811,155. Federal depository insurance covered \$6,807,214 of the bank balance and \$3,941 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>\$3,941</u>
Total Balance	<u><u>\$3,941</u></u>

Investment earnings of \$4,889 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, 2013

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

B. Investments

The District's investments at June 30, 2013 were as follows:

	Fair Value	Credit Rating	Investment Maturities (in Years)		
			less than 1	1-3	3-5
Repurchase Agreements	\$878,942	*	\$878,942	\$0	\$0
STAR Ohio	678	AAAm ¹	678	0	0
FHLB	940,251 ^a	AA+ ¹	0	940,251	0
FHLMC	579,041	AA+ ¹	0	399,955	179,086
FFCB	235,166	AA+ ¹	0	235,166	0
FNMA	619,098 ^b	AA+ ¹	0		619,098
US Treasury Note	100,066	AA+ ¹	0	100,066	0
Toyota Motor Credit	374,809	A-1 ¹	374,809	0	0
Total Investments	\$3,728,051		\$1,254,429	\$1,675,438	\$798,184

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

¹ Standard & Poor's

^a \$180,075 security was called on September 12, 2013.

^b \$248,599 security is callable on November 28, 2013 and a \$247,003 security is callable on February 17, 2015.

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date.

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, 23.58% are in repurchase agreements, .02% are in STAR Ohio, 25.22% are in FHLB securities, 15.53% are in FHLMC securities, 6.31% are in FFCB securities, 16.61% are in FNMA securities, 2.68% are in US Treasury Notes and 10.05% are in Toyota Motor Credit Commercial Paper.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. 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.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2013

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

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	\$971,850	\$9,448,431
Certificates of Deposit (with original maturities of more than 3 months)	6,600,000	(6,600,000)
Repurchase Agreements	(878,942)	878,942
STAR Ohio	(678)	678
Per GASB Statement No. 3	<u>\$6,692,230</u>	<u>\$3,728,051</u>

D. Component Unit

At year end the carrying amount of the Academy's deposits was \$85,247 and the bank balance was \$88,625. Federal depository insurance covered the entire bank balance. There are no significant statutory restrictions regarding the deposit and investment of funds by the Academy.

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 2013 represents collections of calendar year 2012 taxes. Real property taxes received in calendar year 2013 were levied after April 1, 2012, on the assessed value listed as of January 1, 2012, 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 2013 represents collections of calendar year 2012 taxes. Public utility real and tangible personal property taxes received in calendar year 2013 became a lien December 31, 2011, were levied after April 1, 2012 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.

LAKEWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013***

NOTE 6 - PROPERTY TAXES (Continued)

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, 2013, are available to finance fiscal year 2013 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 2013 receipts were based are:

	2012 Second Half <u>Collections</u>	2013 First Half <u>Collections</u>
Agricultural/Residential and Other Real Estate	\$372,060,130	\$378,886,250
Public Utility Personal	<u>16,483,410</u>	<u>16,994,710</u>
Total Assessed Value	<u>\$388,543,540</u>	<u>\$395,880,960</u>
Tax rate per \$1,000 of assessed valuation	\$56.92	\$54.33

NOTE 7 - RECEIVABLES

Receivables at June 30, 2013 consisted of taxes, accounts, interest and intergovernmental receivables.

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LAKEWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013**

NOTE 8 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at June 30, 2013:

<i>Historical Cost:</i>				
<u>Class</u>	<u>Balance at June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2013</u>
<i>Capital Assets not being depreciated:</i>				
Land	\$275,555	\$0	\$0	\$275,555
Construction In Progress	0	403,844	0	403,844
Subtotal	<u>275,555</u>	<u>403,844</u>	<u>0</u>	<u>679,399</u>
<i>Capital Assets being depreciated:</i>				
Land Improvements	900,785	295,374	(291,758)	904,401
Buildings and Improvements	21,717,021	0	0	21,717,021
Furniture, Fixtures and Equipment	3,641,732	349,647	(278,883)	3,712,496
Vehicles	2,141,684	157,000	(151,608)	2,147,076
Subtotal	<u>28,401,222</u>	<u>802,021</u>	<u>(722,249)</u>	<u>28,480,994</u>
Total Cost	<u>\$28,676,777</u>	<u>\$1,205,865</u>	<u>(\$722,249)</u>	<u>\$29,160,393</u>
 <i>Accumulated Depreciation:</i>				
<u>Class</u>	<u>Balance at June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2013</u>
Land Improvements	(\$682,917)	(\$37,586)	\$250,830	(\$469,673)
Buildings and Improvements	(9,904,688)	(525,713)	0	(10,430,401)
Furniture, Fixtures and Equipment	(2,698,481)	(253,561)	268,135	(2,683,907)
Vehicles	(1,512,622)	(129,479)	151,608	(1,490,493)
Total Depreciation	<u>(\$14,798,708)</u>	<u>(\$946,339) *</u>	<u>\$670,573</u>	<u>(\$15,074,474)</u>
 <i>Net Value:</i>	 <u>\$13,878,069</u>			 <u>\$14,085,919</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013***

NOTE 8 - CAPITAL ASSETS (Continued)

A. Governmental Activities Capital Assets (Continued)

* Depreciation expenses were charged to governmental functions as follows:

Instruction	\$519,786
Support Services:	
Instructional Staff	28,517
Administration	38,774
Operations and Maintenance of Plant	52,813
Pupil Transportation	131,264
Extracurricular Activities	135,144
Other Noninstructional Services	40,041
Total Depreciation Expense	\$946,339

B. Business-Type Activities Capital Assets

Summary by Category at June 30, 2013:

Class	Balance at June 30, 2012	Additions	Deletions	Balance at June 30, 2013
Furniture and Equipment	\$325,217	\$35,400	(\$3,207)	\$357,410
Accumulated Depreciation	(276,645)	(12,750)	2,687	(286,708)
Net Value:	\$48,572	\$22,650	(\$520)	\$70,702

C. Component Unit Capital Assets

Summary by Category at June 30, 2013:

Class	Balance at June 30, 2012	Additions	Deletions	Balance at June 30, 2013
Furniture and Equipment	\$186,925	\$5,536	(\$7,119)	\$185,342
Accumulated Depreciation	(159,525)	(8,846)	7,119	(161,252)
Net Value:	\$27,400	(\$3,310)	\$0	\$24,090

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2013

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. School Employee Retirement System

Plan Description - The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained on SERS' website, www.ohsers.org under Employers/Audit Resources.

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, 2013, the allocation to pension and death benefits was 13.10 percent. The remaining 0.90 percent of the 14 percent employer contribution rate is allocated to the Medicare B and Health Care funds. The District's contributions for pension obligations to SERS for the fiscal years ended June 30, 2013, 2012 and 2011 were \$407,956, \$380,216 and \$358,167 respectively, which were equal to the required contributions for each year.

B. State Teachers Retirement System

Plan Description - The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. 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

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2013

NOTE 9 - DEFINED BENEFIT PENSION PLANS (Continued)

B. State Teachers Retirement System (Continued)

Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor 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 - For the fiscal year ended June 30, 2013, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2012, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2013, 2012, and 2011 were \$1,182,502, \$1,223,564, and \$1,252,624, respectively; which were equal to the required contributions for each year. Contributions to the DC and Combined Plans for fiscal year 2013 were \$44,913 made by the District and \$32,081 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Retirement System. As of June 30, 2013, three members of the Board of Education have elected Social Security. The contribution rate is 6.2 percent of wages.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2013

NOTE 10 - POSTEMPLOYMENT BENEFITS

A. School Employee Retirement System

Plan Description – The District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B 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 Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website, www.ohsers.org under Employers/Audit Resources.

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 2013, 0.16 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2013, this amount was \$20,525.

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, 2013, 2012, and 2011 were \$49,938, \$54,394, and \$81,418 respectively; which were equal to the required contributions for each year.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2013, this actuarially required allocation was 0.74 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2013, 2012, and 2011 were \$23,045, \$22,454, and \$23,049 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, 2013

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 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 2013, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2013, 2012, and 2011 were \$90,962, \$94,120, and \$96,356 respectively; which were equal to the required contributions for each year.

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LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2013

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, 2013 are as follows:

		Balance			Balance	Due Within
		June 30, 2012	Issued	(Retired)	June 30, 2013	One Year
Governmental Activities:						
(Energy Conservation Bonds Payable)						
Energy Conservation Project	5.50%	\$72,665	\$0	(\$72,665)	\$0	\$0
Energy Conservation Project	5.00%	410,572	0	(83,521)	327,051	87,749
Energy Conservation Project	3.55%	0	917,707	0	917,707	91,771
Total Energy Conservation Bonds Payable		483,237	917,707	(156,186)	1,244,758	179,520
(General Obligation Bonds Payable)						
School Improvement Bonds 1999a	3.0-5.0%	200,000	0	(185,000)	15,000	15,000
School Improvement Bonds 1999b	3.15-5.0%	675,000	0	(330,000)	345,000	345,000
School Improvement Refunding Bonds	2.75-4.1%	9,459,991	0	(75,000)	9,384,991	255,000
		10,334,991	0	(590,000)	9,744,991	615,000
Premium on Refunding Bonds		444,979	0	(31,784)	413,195	0
Interest Accretion		460,569	106,117	0	566,686	0
Total General Obligation Bonds Payable		11,240,539	106,117	(621,784)	10,724,872	615,000
Capital Leases Payable		51,572	115,438	(40,485)	126,525	33,824
Compensated Absences		757,984	260,533	(513,845)	504,672	72,539
Total Governmental Activities		\$12,533,332	\$1,399,795	(\$1,332,300)	\$12,600,827	\$900,883
Business-Type Activities:						
Compensated Absences		\$23,445	\$16,832	(\$20,855)	\$19,422	\$0
Total Long Term Liabilities		\$23,445	\$16,832	(\$20,855)	\$19,422	\$0

Deferred Loss on Refunding as of June 30, 2012, was reclassified from a Long-term Liability to a Deferred Outflow of Resources.

The original amounts of the Energy Conservation Bonds Payable \$726,650, \$802,987, and \$917,707 were used to finance the cost of acquiring and installing energy conservation measures which were capital and non-capital in nature. The original amounts of the General Obligation Bonds Payable of \$952,000, \$2,059,870 and \$9,999,991 were used to finance the cost of building a new high school facility.

LAKEWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013**

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, 2013, follows:

Years	Energy Conservation Bonds Payable		General Obligation Bonds Payable	
	Principal	Interest	Principal	Interest
2014	\$179,520	\$46,635	\$615,000	\$373,346
2015	183,962	38,890	640,000	342,772
2016	188,629	30,920	201,278	800,494
2017	142,024	22,776	178,713	823,060
2018	91,771	18,153	670,000	313,372
2019-2023	458,852	41,248	3,810,000	1,130,863
2024-2027	0	0	3,630,000	305,178
Totals	<u>\$1,244,758</u>	<u>\$198,622</u>	<u>\$9,744,991</u>	<u>\$4,089,085</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 \$55,039 and the net book value is \$120,751, 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, 2013:

Year Ending June 30,	Capital Lease
2014	\$40,846
2015	40,847
2016	29,087
2017	26,735
2018	4,456
Minimum Lease Payments	141,971
Less: Amount representing interest at the District's incremental borrowing rate of interest	(15,446)
Present Value of minimum lease payments	<u>\$126,525</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013***

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 2013 the District contracted with insurance providers for various insurance coverages, as follows:

Insurance Provider	Coverage	Deductible	Aggregate
Ohio Casualty Insurance Company	Fleet Insurance	\$1,000/Comprehensive \$1,000/Collision	\$1,000,000
Ohio Casualty Insurance Company	Buildings and Contents	\$5,000	\$71,111,278
Ohio Casualty Insurance Company	School District Liability	\$0	\$2,000,000
Ohio Casualty Insurance Company	School Leaders Errors and Omissions	\$2,500	\$1,000,000
Ohio Casualty 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 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, 2013

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 \$80,240 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 200 members, which includes school districts, joint vocational schools, educational service centers and libraries covering 24 counties in Central 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 for each participating school district in Franklin County, and one representative from each county. 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 2013 was \$838. Financial information may be obtained from the Metropolitan Educational Council, Sue Ward, 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, 2013

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 2013.

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 2013. During 2013, the Academy made payments to the District of \$269,422 for administrative and fiscal services, a management fee, for services of the Director, a student assistant specialist, special education related services and Sponsorship payments. The District also had a receivable of \$55,840 from the Academy which is included in “Accounts Receivable” on the Statement of Net Position and the Balance Sheet.

NOTE 16 – SIGNIFICANT COMMITMENTS

Significant encumbrances outstanding at fiscal year-end in the General Fund are \$258,061 and are reported as assigned fund balance.

As of June 30, 2013, the District had the following commitments with respect to capital improvements:

<u>Capital Projects</u>	<u>Remaining Construction Commitment</u>
Middle School Windows - Energy Conservation Project (HB264)	\$394,614

LAKEWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013***

NOTE 17 – STATUTORY RESERVES

The District is required by state law to set aside certain general fund revenue amounts for capital acquisition into a reserve. During the fiscal year ended June 30, 2013, the reserve activity (cash-basis) was as follows:

	<u>Capital Acquisition Reserve</u>
Set-aside Cash Balance as of June 30, 2012	\$0
Current Year Set-Aside Requirement	342,187
Current Year Qualifying Expenditures	<u>(838,338)</u>
Total	<u>(\$496,151)</u>
Set-aside Cash Balance Carried Forward to FY 2014	<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 18 - CONTINGENCIES

A. Grants

The District receives financial assistance from federal agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability. However, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2013, 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, 2013.

LAKWOOD LOCAL SCHOOL DISTRICT



LAKWOOD LOCAL SCHOOL DISTRICT

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

LAKWOOD LOCAL SCHOOL DISTRICT

Nonmajor Governmental Funds

Special Revenue Funds

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

Public School Support Fund

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

Other Grant Fund

To account for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specified purposes.

Student 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.

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 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 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 year end.)

Miscellaneous Federal Grants Fund

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

Capital Projects Fund

The Capital Projects Fund is used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

Building Fund

To account for the acquisition, construction and improvement of capital facilities as authorized by Chapter 5705 of the Ohio Revised Code.

LAKWOOD LOCAL SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013**

	<u>Other Grant</u>	<u>Student Activity</u>	<u>Special Education Part B-IDEA</u>	<u>Title I School Improvement</u>	<u>Title I</u>
Assets:					
Cash and Cash Equivalents	\$ 1,474	\$ 42,147	\$ 5,524	\$ 7,096	\$ 4,010
Receivables:					
Intergovernmental	0	0	26,228	2,000	60,494
Prepaid Items	<u>0</u>	<u>0</u>	<u>1,137</u>	<u>2,050</u>	<u>0</u>
Total Assets	<u>\$ 1,474</u>	<u>\$ 42,147</u>	<u>\$ 32,889</u>	<u>\$ 11,146</u>	<u>\$ 64,504</u>
Liabilities:					
Accounts Payable	\$ 470	\$ 750	\$ 0	\$ 2,434	\$ 0
Accrued Wages and Benefits	0	0	29,904	0	28,949
Intergovernmental Payable	<u>0</u>	<u>0</u>	<u>1,848</u>	<u>238</u>	<u>420</u>
Total Liabilities	<u>470</u>	<u>750</u>	<u>31,752</u>	<u>2,672</u>	<u>29,369</u>
Deferred Inflows of Resources:					
Unavailable Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>29,494</u>
Fund Balances:					
Nonspendable	0	0	1,137	2,050	0
Restricted	<u>1,004</u>	<u>41,397</u>	<u>0</u>	<u>6,424</u>	<u>5,641</u>
Total Fund Balances	<u>1,004</u>	<u>41,397</u>	<u>1,137</u>	<u>8,474</u>	<u>5,641</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,474</u>	<u>\$ 42,147</u>	<u>\$ 32,889</u>	<u>\$ 11,146</u>	<u>\$ 64,504</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds	Building	Total Nonmajor Governmental Funds
\$ 8,324	\$ 68,575	\$ 394,614	\$ 463,189
0	88,722	0	88,722
<u>0</u>	<u>3,187</u>	<u>0</u>	<u>3,187</u>
<u>\$ 8,324</u>	<u>\$ 160,484</u>	<u>\$ 394,614</u>	<u>\$ 555,098</u>
\$ 8,324	\$ 11,978	\$ 82,594	\$ 94,572
0	58,853	0	58,853
<u>0</u>	<u>2,506</u>	<u>0</u>	<u>2,506</u>
<u>8,324</u>	<u>73,337</u>	<u>82,594</u>	<u>155,931</u>
<u>0</u>	<u>29,494</u>	<u>0</u>	<u>29,494</u>
0	3,187	0	3,187
<u>0</u>	<u>54,466</u>	<u>312,020</u>	<u>366,486</u>
<u>0</u>	<u>57,653</u>	<u>312,020</u>	<u>369,673</u>
<u>\$ 8,324</u>	<u>\$ 160,484</u>	<u>\$ 394,614</u>	<u>\$ 555,098</u>

LAKWOOD LOCAL SCHOOL DISTRICT

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2013***

	Other Grant	Student Activity	Data Communications	Special Education Part B-IDEA	Title I School Improvement
Revenues:					
Local Sources:					
Extracurricular Activities	\$ 0	\$ 93,961	\$ 0	\$ 0	\$ 0
Intermediate Sources	10,926	0	0	0	0
Intergovernmental - State	0	0	7,200	0	0
Intergovernmental - Federal	0	0	0	379,295	68,472
All Other Revenue	6,632	0	0	0	0
Total Revenue	17,558	93,961	7,200	379,295	68,472
Expenditures:					
Current:					
Instruction	15,005	0	0	260,613	57,214
Supporting Services:					
Pupils	128	0	0	79,752	0
Instructional Staff	1,511	0	0	2,793	2,784
Administration	0	949	0	35,000	0
Fiscal Services	38	0	0	0	0
Operation and Maintenance of Plant	0	0	7,200	0	0
Operation of Non-Instructional Services	0	0	0	0	0
Extracurricular Activities	0	81,573	0	0	0
Total Expenditures	16,682	82,522	7,200	378,158	59,998
Excess (Deficiency) of Revenues					
Over Expenditures	876	11,439	0	1,137	8,474
Other Financing Sources (Uses):					
School Energy Conservation Bonds Issued	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balance	876	11,439	0	1,137	8,474
Fund Balances at Beginning of Year, Restated	128	29,958	0	0	0
Fund Balances End of Year	\$ 1,004	\$ 41,397	\$ 0	\$ 1,137	\$ 8,474

LAKWOOD LOCAL SCHOOL DISTRICT

Title I	IDEA Preschool Grant for Handicapped	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds	Building	Total Nonmajor Governmental Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 93,961	\$ 0	\$ 93,961
0	0	0	0	10,926	0	10,926
0	0	0	0	7,200	0	7,200
251,838	9,995	97,511	20,000	827,111	0	827,111
0	0	0	0	6,632	0	6,632
<u>251,838</u>	<u>9,995</u>	<u>97,511</u>	<u>20,000</u>	<u>945,830</u>	<u>0</u>	<u>945,830</u>
251,207	9,995	97,511	0	691,545	0	691,545
0	0	0	0	79,880	0	79,880
5,375	0	0	0	12,463	0	12,463
0	0	0	0	35,949	0	35,949
0	0	0	0	38	0	38
0	0	0	0	7,200	605,687	612,887
0	0	0	20,000	20,000	0	20,000
0	0	0	0	81,573	0	81,573
<u>256,582</u>	<u>9,995</u>	<u>97,511</u>	<u>20,000</u>	<u>928,648</u>	<u>605,687</u>	<u>1,534,335</u>
(4,744)	0	0	0	17,182	(605,687)	(588,505)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>917,707</u>	<u>917,707</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>917,707</u>	<u>917,707</u>
(4,744)	0	0	0	17,182	312,020	329,202
<u>10,385</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>40,471</u>	<u>0</u>	<u>40,471</u>
<u>\$ 5,641</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 57,653</u>	<u>\$ 312,020</u>	<u>\$ 369,673</u>

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, 2013***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Taxes	\$ 11,689,518	\$ 11,757,332	\$ 11,757,332	\$ 0
Tuition	399,454	387,027	408,418	21,391
Investment Earnings	25,500	29,500	29,230	(270)
Class Material and Fees	40,730	49,170	49,861	691
Intergovernmental - State	7,962,572	8,038,070	8,027,909	(10,161)
Intergovernmental - Federal	40,000	43,000	45,417	2,417
All Other Revenues	202,961	220,141	225,907	5,766
Total Revenues	20,360,735	20,524,240	20,544,074	19,834
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	6,427,719	6,331,129	6,308,693	22,436
Fringe Benefits	2,096,633	2,016,030	1,997,095	18,935
Purchased Services	1,170,911	1,288,610	1,258,938	29,672
Supplies and Materials	182,069	140,009	131,974	8,035
Other Expenditures	8,428	8,428	8,428	0
Capital Outlay	26,766	162,090	161,487	603
Total Regular	9,912,526	9,946,296	9,866,615	79,681
Special:				
Salaries and Wages	846,810	821,961	802,177	19,784
Fringe Benefits	223,001	222,771	216,927	5,844
Purchased Services	337,650	356,673	296,974	59,699
Supplies and Materials	6,145	5,986	5,787	199
Other Expenditures	239,500	311,225	311,120	105
Total Special	1,653,106	1,718,616	1,632,985	85,631
Vocational:				
Salaries and Wages	123,801	126,664	126,332	332
Fringe Benefits	47,763	39,550	38,646	904
Purchased Services	0	110	110	0
Supplies and Materials	12,148	10,873	8,782	2,091
Capital Outlay	19,759	16,128	16,128	0
Total Vocational	203,471	193,325	189,998	3,327

(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, 2013***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Other:				
Salaries and Wages	8,700	8,700	3,860	4,840
Fringe Benefits	1,500	1,485	655	830
Purchased Services	5,528	11,645	11,633	12
Total Other	15,728	21,830	16,148	5,682
Total Instructional Services	11,784,831	11,880,067	11,705,746	174,321
Support Services:				
Pupils:				
Salaries and Wages	827,456	852,775	845,135	7,640
Fringe Benefits	305,747	322,183	308,168	14,015
Purchased Services	55,980	170,472	124,926	45,546
Supplies and Materials	36,750	41,555	30,514	11,041
Other Expenditures	34,900	34,900	34,300	600
Capital Outlay	0	2,345	2,338	7
Total Pupils	1,260,833	1,424,230	1,345,381	78,849
Instructional Staff:				
Salaries and Wages	184,700	125,646	124,253	1,393
Fringe Benefits	79,834	59,620	49,362	10,258
Purchased Services	83,971	85,766	76,390	9,376
Supplies and Materials	8,608	23,690	16,958	6,732
Other Expenditures	144	144	144	0
Capital Outlay	0	4,845	4,845	0
Total Instructional Staff	357,257	299,711	271,952	27,759
Board of Education:				
Salaries and Wages	7,500	7,500	7,500	0
Fringe Benefits	7,800	2,354	1,723	631
Purchased Services	89,530	83,722	79,621	4,101
Supplies and Materials	0	1,000	858	142
Other Expenditures	9,190	9,000	8,489	511
Total Board of Education	114,020	103,576	98,191	5,385

(Continued)

LAKEWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Fiscal Year Ended June 30, 2013***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Administration:				
Salaries and Wages	1,259,206	1,244,413	1,234,400	10,013
Fringe Benefits	528,682	486,285	465,913	20,372
Purchased Services	91,446	101,579	95,685	5,894
Supplies and Materials	7,575	7,942	5,046	2,896
Other Expenditures	58,743	125,155	125,005	150
Capital Outlay	2,504	11,105	11,086	19
Total Administration	1,948,156	1,976,479	1,937,135	39,344
Fiscal Services:				
Salaries and Wages	238,050	234,050	232,668	1,382
Fringe Benefits	122,773	124,549	118,800	5,749
Purchased Services	26,298	38,030	34,075	3,955
Supplies and Materials	4,675	6,519	5,164	1,355
Other Expenditures	260,903	292,764	292,015	749
Total Fiscal Services	652,699	695,912	682,722	13,190
Business:				
Salaries and Wages	8,500	8,500	7,582	918
Fringe Benefits	8,977	8,963	8,715	248
Purchased Services	0	4,325	3,309	1,016
Other Expenditures	4,075	3,970	3,970	0
Total Business	21,552	25,758	23,576	2,182
Operation and Maintenance of Plant:				
Salaries and Wages	545,683	553,582	548,583	4,999
Fringe Benefits	263,324	259,173	258,085	1,088
Purchased Services	646,815	734,252	703,226	31,026
Supplies and Materials	87,078	88,578	78,355	10,223
Other Expenditures	609	609	609	0
Capital Outlay	250,729	506,288	473,886	32,402
Total Operation and Maintenance Of Plant	1,794,238	2,142,482	2,062,744	79,738

(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, 2013***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Pupil Transportation:				
Salaries and Wages	735,810	730,163	720,794	9,369
Fringe Benefits	424,491	398,044	394,472	3,572
Purchased Services	54,877	79,914	71,454	8,460
Supplies and Materials	242,342	277,442	272,131	5,311
Other Expenditures	987	987	987	0
Capital Outlay	165,000	157,000	157,000	0
Total Pupil Transportation	1,623,507	1,643,550	1,616,838	26,712
Central:				
Salaries and Wages	77,500	77,500	77,500	0
Fringe Benefits	17,753	18,605	18,246	359
Purchased Services	80,573	1,200	1,027	173
Supplies and Materials	8,074	0	0	0
Other Expenditures	74,396	81	81	0
Capital Outlay	5,000	0	0	0
Total Central	263,296	97,386	96,854	532
Total Support Services	8,035,558	8,409,084	8,135,393	273,691
Operation of Non-Instructional Services:				
Purchased Services	6,407	6,407	4,688	1,719
Supplies and Materials	1,410	1,410	0	1,410
Other Expenditures	15,500	16,500	14,633	1,867
Total Non-Instructional Services	23,317	24,317	19,321	4,996
Extracurricular Activities:				
Salaries and Wages	183,595	193,185	188,853	4,332
Fringe Benefits	26,270	35,596	33,983	1,613
Total Extracurricular Activities	209,865	228,781	222,836	5,945
Total Expenditures	20,053,571	20,542,249	20,083,296	458,953

(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, 2013***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	307,164	(18,009)	460,778	478,787
Other Financing Sources (Uses):				
Sale of Capital Assets	<u>2,599</u>	<u>5,599</u>	<u>6,039</u>	<u>440</u>
Total Other Financing Sources (Uses):	<u>2,599</u>	<u>5,599</u>	<u>6,039</u>	<u>440</u>
Net Change in Fund Balance	309,763	(12,410)	466,817	479,227
Fund Balance at Beginning of Year	7,813,011	7,813,011	7,813,011	0
Prior Year Encumbrances	<u>110,460</u>	<u>110,460</u>	<u>110,460</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 8,233,234</u>	<u>\$ 7,911,061</u>	<u>\$ 8,390,288</u>	<u>\$ 479,227</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds - Debt Service Fund – Bond Retirement Fund
For the Fiscal Year Ended June 30, 2013**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Taxes	\$ 991,496	\$ 829,119	\$ 829,118	\$ (1)
Intergovernmental - State	251,227	217,093	216,763	(330)
Total Revenues	1,242,723	1,046,212	1,045,881	(331)
Expenditures:				
Current:				
Support Services:				
Fiscal Services:				
Other Expenditures	14,000	11,764	11,764	0
Total Fiscal Services	14,000	11,764	11,764	0
Debt Service:				
Principal Retirement	746,186	746,186	746,186	0
Interest and Fiscal Charges	436,341	436,341	436,341	0
Total Debt Service	1,182,527	1,182,527	1,182,527	0
Total Expenditures	1,196,527	1,194,291	1,194,291	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	46,196	(148,079)	(148,410)	(331)
Other Financing Sources (Uses):				
Transfers In	88	88	88	0
Transfers Out	(88)	(88)	(88)	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	46,196	(148,079)	(148,410)	(331)
Fund Balance at Beginning of Year	1,108,375	1,108,375	1,108,375	0
Fund Balance at End of Year	\$ 1,154,571	\$ 960,296	\$ 959,965	\$ (331)

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, 2013**

PUBLIC SCHOOL SUPPORT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Extracurricular Activities	\$ 42,300	\$ 46,810	\$ 44,802	\$ (2,008)
All Other Revenues	4,000	8,317	9,161	844
Total Revenues	<u>46,300</u>	<u>55,127</u>	<u>53,963</u>	<u>(1,164)</u>
Expenditures:				
Extracurricular Activities:				
Purchased Services	9,000	13,265	9,770	3,495
Supplies and Materials	46,902	46,876	29,431	17,445
Other Expenditures	1,000	0	0	0
Capital Outlay	4,000	2,637	1,637	1,000
Total Expenditures	<u>60,902</u>	<u>62,778</u>	<u>40,838</u>	<u>21,940</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,602)	(7,651)	13,125	20,776
Other Financing Sources (Uses):				
Net Change in Fund Balance	(14,602)	(7,651)	13,125	20,776
Fund Balance at Beginning of Year	23,909	23,909	23,909	0
Prior Year Encumbrances	726	726	726	0
Fund Balance at End of Year	<u>\$ 10,033</u>	<u>\$ 16,984</u>	<u>\$ 37,760</u>	<u>\$ 20,776</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, 2013**

OTHER GRANT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Local Sources:				
Intermediate Sources	\$ 2,270	\$ 10,926	\$ 10,926	\$ 0
Intergovernmental - Federal	5,547	0	0	0
All Other Revenues	0	6,632	6,632	0
Total Revenues	<u>7,817</u>	<u>17,558</u>	<u>17,558</u>	<u>0</u>
Expenditures:				
Instructional Services:				
Regular:				
Supplies and Materials	7,352	8,408	8,408	0
Capital Outlay	0	6,632	6,632	0
Total Instructional Services	<u>7,352</u>	<u>15,040</u>	<u>15,040</u>	<u>0</u>
Support Services:				
Pupils:				
Purchased Services	528	528	528	0
Total Pupils	528	528	528	0
Instructional Staff:				
Salaries and Wages	400	400	400	0
Fringe Benefits	62	62	62	0
Purchased Services	0	561	561	0
Supplies and Materials	0	500	500	0
Total Instructional Staff	462	1,523	1,523	0
Fiscal Services:				
Purchased Services	38	38	38	0
Total Fiscal Services	38	38	38	0
Total Support Services	1,028	2,089	2,089	0
Total Expenditures	<u>8,380</u>	<u>17,129</u>	<u>17,129</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	(563)	429	429	0
Fund Balance at Beginning of Year				
	128	128	128	0
Prior Year Encumbrances				
	435	435	435	0
Fund Balance at End of Year				
	<u>\$ 0</u>	<u>\$ 992</u>	<u>\$ 992</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, 2013***

STUDENT ACTIVITY FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Extracurricular Activities	\$ 91,850	\$ 94,243	\$ 93,961	\$ (282)
All Other Revenues	<u>8,500</u>	<u>3,000</u>	<u>0</u>	<u>(3,000)</u>
Total Revenues	<u>100,350</u>	<u>97,243</u>	<u>93,961</u>	<u>(3,282)</u>
Expenditures:				
Support Services:				
Administration:				
Purchased Services	<u>900</u>	<u>1,031</u>	<u>1,031</u>	<u>0</u>
Total Support Services	<u>900</u>	<u>1,031</u>	<u>1,031</u>	<u>0</u>
Extracurricular Activities:				
Salaries and Wages	0	80	80	0
Fringe Benefits	0	18	18	0
Purchased Services	61,355	57,915	45,689	12,226
Supplies and Materials	30,200	41,065	30,180	10,885
Other Expenditures	3,700	3,724	3,724	0
Capital Outlay	<u>11,000</u>	<u>2,567</u>	<u>2,567</u>	<u>0</u>
Total Extracurricular Activities	<u>106,255</u>	<u>105,369</u>	<u>82,258</u>	<u>23,111</u>
Total Expenditures	<u>107,155</u>	<u>106,400</u>	<u>83,289</u>	<u>23,111</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(6,805)	(9,157)	10,672	19,829
Fund Balance at Beginning of Year				
Prior Year Encumbrances	<u>1,680</u>	<u>1,680</u>	<u>1,680</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 23,858</u>	<u>\$ 21,506</u>	<u>\$ 41,335</u>	<u>\$ 19,829</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, 2013**

DATA COMMUNICATIONS FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental - State	\$ 7,200	\$ 7,200	\$ 7,200	\$ 0
Total Revenues	7,200	7,200	7,200	0
Expenditures:				
Support Services:				
Operation and Maintenance of Plant:				
Purchased Services	0	7,200	7,200	0
Total Operation and Maintenance of Plant	0	7,200	7,200	0
Central:				
Purchased Services	7,200	0	0	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				
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, 2013***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
SPECIAL EDUCATION PART B-IDEA FUND				
Revenues:				
Intergovernmental - Federal	\$ 379,295	\$ 379,295	\$ 353,067	\$ (26,228)
Total Revenues	379,295	379,295	353,067	(26,228)
Expenditures:				
Instructional Services:				
Special:				
Salaries and Wages	220,088	220,087	202,184	17,903
Fringe Benefits	46,753	43,769	43,769	0
Supplies and Materials	1,000	1,000	1,000	0
Total Instructional Services	267,841	264,856	246,953	17,903
Support Services:				
Pupils:				
Salaries and Wages	70,916	69,016	64,301	4,715
Fringe Benefits	21,164	21,760	14,956	6,804
Supplies and Materials	0	4,700	4,601	99
Capital Outlay	704	0	0	0
Total Pupils	92,784	95,476	83,858	11,618
Instructional Staff:				
Purchased Services	7,500	2,793	2,793	0
Total Instructional Staff	7,500	2,793	2,793	0
Administration:				
Purchased Services	30,000	35,000	35,000	0
Total Administration	30,000	35,000	35,000	0
Total Support Services	130,284	133,269	121,651	11,618
Total Expenditures	398,125	398,125	368,604	29,521
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,830)	(18,830)	(15,537)	3,293
Fund Balance at Beginning of Year	18,830	18,830	18,830	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 3,293	\$ 3,293

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, 2013***

TITLE I SCHOOL IMPROVEMENT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Intergovernmental - Federal	\$ 110,000	\$ 165,000	\$ 66,472	\$ (98,528)
Total Revenues	<u>110,000</u>	<u>165,000</u>	<u>66,472</u>	<u>(98,528)</u>
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	0	80,000	36,421	43,579
Fringe Benefits	0	14,180	5,625	8,555
Supplies and Materials	<u>0</u>	<u>20,000</u>	<u>16,975</u>	<u>3,025</u>
Total Instructional Services	<u>0</u>	<u>114,180</u>	<u>59,021</u>	<u>55,159</u>
Support Services:				
Instructional Staff:				
Purchased Services	110,000	45,820	4,575	41,245
Supplies and Materials	<u>0</u>	<u>5,000</u>	<u>4,644</u>	<u>356</u>
Total Support Services	<u>110,000</u>	<u>50,820</u>	<u>9,219</u>	<u>41,601</u>
Total Expenditures	<u>110,000</u>	<u>165,000</u>	<u>68,240</u>	<u>96,760</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	(1,768)	(1,768)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,768)</u>	<u>\$ (1,768)</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, 2013***

	TITLE I FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - Federal	\$ 313,133	\$ 302,714	\$ 242,219	\$ (60,495)
Total Revenues	<u>313,133</u>	<u>302,714</u>	<u>242,219</u>	<u>(60,495)</u>
Expenditures:				
Instructional Services:				
Special:				
Salaries and Wages	236,872	257,901	229,392	28,509
Fringe Benefits	193	26,741	15,199	11,542
Total Special	<u>237,065</u>	<u>284,642</u>	<u>244,591</u>	<u>40,051</u>
Other:				
Purchased Services	20,297	8,730	8,730	0
Total Instructional Services	<u>257,362</u>	<u>293,372</u>	<u>253,321</u>	<u>40,051</u>
Support Services:				
Instructional Staff:				
Purchased Services	76,258	29,829	5,375	24,454
Total Support Services	<u>76,258</u>	<u>29,829</u>	<u>5,375</u>	<u>24,454</u>
Total Expenditures	<u>333,620</u>	<u>323,201</u>	<u>258,696</u>	<u>64,505</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,487)	(20,487)	(16,477)	4,010
Fund Balance at Beginning of Year	20,487	20,487	20,487	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,010</u>	<u>\$ 4,010</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, 2013**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental - Federal	\$ 9,995	\$ 9,995	\$ 9,995	\$ 0
Total Revenues	9,995	9,995	9,995	0
Expenditures:				
Instructional Services:				
Special:				
Salaries and Wages	9,995	9,995	9,995	0
Total Expenditures	9,995	9,995	9,995	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, 2013**

	TITLE II-A FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - Federal	\$ 98,611	\$ 97,511	\$ 97,511	\$ 0
Total Revenues	98,611	97,511	97,511	0
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	98,611	97,511	97,511	0
Total Expenditures	98,611	97,511	97,511	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, 2013**

MISCELLANEOUS FEDERAL GRANTS FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental - Federal	\$ 0	\$ 20,000	\$ 20,000	\$ 0
Total Revenues	0	20,000	20,000	0
Expenditures:				
Operation of Non-Instructional Services:				
Purchased Services	0	3,232	3,232	0
Capital Outlay	0	16,768	16,768	0
Total Expenditures	0	20,000	20,000	0
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year				
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0	\$ 0

LAKEWOOD LOCAL SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Fund
For the Fiscal Year Ended June 30, 2013**

BUILDING FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Support Services:				
Operation and Maintenance of Plant:				
Purchased Services	183,547	305,822	305,822	0
Capital Outlay	734,160	611,885	611,885	0
Total Expenditures	<u>917,707</u>	<u>917,707</u>	<u>917,707</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(917,707)	(917,707)	(917,707)	0
Other Financing Sources (Uses):				
School Energy Conservation Bonds Issued	917,707	917,707	917,707	0
Total Other Financing Sources (Uses)	<u>917,707</u>	<u>917,707</u>	<u>917,707</u>	<u>0</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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 that belong to the student bodies of the various schools for sales and other revenue generating activities.

LAKEWOOD LOCAL SCHOOL DISTRICT

***Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2013***

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
<u>Student Managed Activity Fund</u>				
Assets:				
Cash and Cash Equivalents	\$17,789	\$30,236	(\$27,262)	\$20,763
Total Assets	<u>\$17,789</u>	<u>\$30,236</u>	<u>(\$27,262)</u>	<u>\$20,763</u>
Liabilities:				
Due to Students	\$17,789	\$30,236	(\$27,262)	\$20,763
Total Liabilities	<u>\$17,789</u>	<u>\$30,236</u>	<u>(\$27,262)</u>	<u>\$20,763</u>

STATISTICAL SECTION



STATISTICAL TABLES

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

Contents

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

Sources Note:

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

Lakewood Local School District

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

	2004	2005	2006	2007
Governmental Activities:				
Net Investment in Capital Assets	\$3,398,702	\$3,487,282	\$3,351,649	\$2,965,032
Restricted for:				
Capital Projects	0	3	0	0
Debt Service	551,495	476,167	545,280	561,041
Bus Purchase	0	0	0	0
Federally Funded Programs	0	0	0	0
Other Purposes	221,140	0	0	0
Unrestricted	1,597,029	1,834,145	2,724,352	4,505,221
Total Governmental Activities Net Position	<u>\$5,768,366</u>	<u>\$5,797,597</u>	<u>\$6,621,281</u>	<u>\$8,031,294</u>
Business-type Activities:				
Net Investment in Capital Assets	\$110,134	\$114,905	\$100,086	\$90,694
Unrestricted (Deficit)	40,190	(19,439)	(8,020)	(69,344)
Total Business-type Activities Net Position	<u>\$150,324</u>	<u>\$95,466</u>	<u>\$92,066</u>	<u>\$21,350</u>
Primary Government:				
Net Investment in Capital Assets	\$3,508,836	\$3,602,187	\$3,451,735	\$3,055,726
Restricted	772,635	476,170	545,280	561,041
Unrestricted	1,637,219	1,814,706	2,716,332	4,435,877
Total Primary Government Net Position	<u>\$5,918,690</u>	<u>\$5,893,063</u>	<u>\$6,713,347</u>	<u>\$8,052,644</u>

Source: District Treasurer's Office

Lakewood Local School District

2008	2009	2010	2011	2012	2013
\$2,999,249	\$2,920,072	\$3,151,387	\$3,053,537	\$3,080,260	\$3,187,873
0	0	0	0	0	0
663,568	809,399	1,082,006	1,118,731	1,190,591	953,055
12,630	6,140	0	0	0	0
0	0	0	0	10,385	44,746
0	0	0	131,143	30,086	49,289
4,560,589	4,342,665	3,691,366	4,584,024	5,875,212	7,604,004
<u>\$8,236,036</u>	<u>\$8,078,276</u>	<u>\$7,924,759</u>	<u>\$8,887,435</u>	<u>\$10,186,534</u>	<u>\$11,838,967</u>
\$78,894	\$77,306	\$69,250	\$59,875	\$48,572	\$70,702
(40,193)	212	62,199	87,441	186,858	149,929
<u>\$38,701</u>	<u>\$77,518</u>	<u>\$131,449</u>	<u>\$147,316</u>	<u>\$235,430</u>	<u>\$220,631</u>
\$3,078,143	\$2,997,378	\$3,220,637	\$3,113,412	\$3,128,832	\$3,258,575
676,198	815,539	1,082,006	1,249,874	1,231,062	1,047,090
4,520,396	4,342,877	3,753,565	4,671,465	6,062,070	7,753,933
<u>\$8,274,737</u>	<u>\$8,155,794</u>	<u>\$8,056,208</u>	<u>\$9,034,751</u>	<u>\$10,421,964</u>	<u>\$12,059,598</u>

Lakewood Local School District

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

	2004	2005	2006	2007
Expenses				
Governmental Activities:				
Instruction	\$10,616,848	\$11,243,238	\$11,550,480	\$11,924,997
Support Services:				
Pupils	1,153,724	1,138,402	1,101,372	1,203,075
Instructional Staff	456,520	410,227	515,859	437,342
Board of Education	72,807	64,994	35,171	55,443
Administration	1,633,056	1,465,620	1,576,704	1,550,432
Fiscal Services	509,894	540,356	551,205	618,603
Business	15,360	17,511	15,040	14,176
Operation and Maintenance of Plant	1,403,654	1,442,262	1,491,143	1,640,741
Pupil Transportation	1,176,469	1,257,226	1,347,349	1,446,278
Central	163,721	174,827	192,719	189,380
Operation of Non-Instructional Services	81,937	81,381	41,860	56,084
Extracurricular Activities	477,927	512,166	550,597	616,900
Interest and Fiscal Charges	722,687	790,327	572,388	711,383
<i>Total Governmental Activities Expenses</i>	<u>18,484,604</u>	<u>19,138,537</u>	<u>19,541,887</u>	<u>20,464,834</u>
Business-type Activities:				
Food Service	732,804	817,695	807,895	892,610
Uniform School Supplies	4,372	3,230	7,801	2,284
<i>Total Business-type Activities Expenses</i>	<u>737,176</u>	<u>820,925</u>	<u>815,696</u>	<u>894,894</u>
<i>Total Primary Government Expenses</i>	<u>\$19,221,780</u>	<u>\$19,959,462</u>	<u>\$20,357,583</u>	<u>\$21,359,728</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Instruction	\$278,672	\$386,042	\$374,347	\$422,548
Support Services:				
Administration	0	0	0	0
Operation of Non-Instructional Services	9,265	7,708	3,130	7,247
Extracurricular Activities	141,766	214,698	224,277	221,389
Operating Grants and Contributions	1,105,522	1,070,194	1,130,065	1,104,624
Capital Grants and Contributions	0	17,745	0	0
<i>Total Governmental Activities</i>	<u>1,535,225</u>	<u>1,696,387</u>	<u>1,731,819</u>	<u>1,755,808</u>
<i>Program Revenues</i>	<u>1,535,225</u>	<u>1,696,387</u>	<u>1,731,819</u>	<u>1,755,808</u>

Lakewood Local School District

2008	2009	2010	2011	2012	2013
\$12,302,597	\$12,633,476	\$13,547,787	\$13,150,165	\$12,333,823	\$12,351,032
1,328,800	1,336,465	1,312,081	1,224,974	1,339,037	1,406,457
479,753	410,672	386,414	281,544	257,656	357,042
52,022	50,581	81,589	54,198	70,084	89,155
1,609,024	1,698,850	1,816,833	1,889,652	1,880,781	1,933,761
639,771	629,272	590,518	600,845	617,723	680,434
15,857	17,638	19,125	19,723	20,952	22,403
1,672,993	1,543,379	1,551,761	1,551,640	1,585,727	1,718,852
1,530,009	1,491,670	1,589,527	1,543,782	1,530,781	1,592,255
231,234	325,541	314,949	281,113	284,079	90,763
67,844	52,678	61,088	45,099	59,427	73,594
490,323	521,158	521,163	537,562	526,540	483,728
669,526	616,719	593,824	575,861	550,947	653,040
<u>21,089,753</u>	<u>21,328,099</u>	<u>22,386,659</u>	<u>21,756,158</u>	<u>21,057,557</u>	<u>21,452,516</u>
906,182	911,914	916,439	953,088	898,959	930,083
0	0	0	0	0	0
<u>906,182</u>	<u>911,914</u>	<u>916,439</u>	<u>953,088</u>	<u>898,959</u>	<u>930,083</u>
<u>\$21,995,935</u>	<u>\$22,240,013</u>	<u>\$23,303,098</u>	<u>\$22,709,246</u>	<u>\$21,956,516</u>	<u>\$22,382,599</u>
\$481,461	\$427,350	\$379,277	\$400,842	\$504,070	\$479,394
0	0	0	74,513	125,625	92,292
90,634	122,210	0	0	0	0
166,301	170,671	133,349	139,843	141,550	138,859
1,095,397	933,186	1,779,854	1,596,451	911,323	899,632
13,366	0	0	51,000	0	0
<u>1,847,159</u>	<u>1,653,417</u>	<u>2,292,480</u>	<u>2,262,649</u>	<u>1,682,568</u>	<u>1,610,177</u>

(continued)

Lakewood Local School District

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

	2004	2005	2006	2007
Business-type Activities:				
Charges for Services				
Food Service	406,872	417,400	407,322	408,877
Uniform School Supplies (1)	4,589	1,078	1,247	554
Operating Grants and Contributions	308,590	328,272	372,586	414,747
Capital Grants and Contributions	0	19,317	1,141	0
<i>Total Business-type Activities Program Revenues</i>	<u>720,051</u>	<u>766,067</u>	<u>782,296</u>	<u>824,178</u>
<i>Total Primary Government Program Revenues</i>	<u>2,255,276</u>	<u>2,462,454</u>	<u>2,514,115</u>	<u>2,579,986</u>
Net (Expense)/Revenue				
Governmental Activities	(16,949,379)	(17,442,150)	(17,810,068)	(18,709,026)
Business-type Activities	(17,125)	(54,858)	(33,400)	(70,716)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$16,966,504)</u>	<u>(\$17,497,008)</u>	<u>(\$17,843,468)</u>	<u>(\$18,779,742)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$9,769,935	\$10,181,474	\$11,133,684	\$11,475,144
Debt Service	1,168,233	1,088,255	1,006,786	1,019,211
Grants and Entitlements not				
Restricted to Specific Programs	5,865,683	5,866,148	6,050,575	6,992,396
Investment Earnings	50,708	113,061	230,977	390,834
Miscellaneous	196,338	222,443	241,730	241,454
Transfers	0	0	(30,000)	0
<i>Total Governmental Activities</i>	<u>17,050,897</u>	<u>17,471,381</u>	<u>18,633,752</u>	<u>20,119,039</u>
Business-type Activities:				
Transfers	0	0	30,000	0
<i>Total Business-type Activities</i>	<u>0</u>	<u>0</u>	<u>30,000</u>	<u>0</u>
<i>Total Primary Government</i>	<u>\$17,050,897</u>	<u>\$17,471,381</u>	<u>\$18,663,752</u>	<u>\$20,119,039</u>
Change in Net Position				
Governmental Activities	\$101,518	\$29,231	\$823,684	\$1,410,013
Business-type Activities	(17,125)	(54,858)	(3,400)	(70,716)
<i>Total Primary Government Change in Net Position</i>	<u>\$84,393</u>	<u>(\$25,627)</u>	<u>\$820,284</u>	<u>\$1,339,297</u>

Source: District Treasurer's Office

(1) Uniform School Supplies were eliminated in 2008.

Lakewood Local School District

2008	2009	2010	2011	2012	2013
369,761	345,558	327,032	305,258	299,813	283,204
0	0	0	0	0	0
552,380	605,173	643,338	663,697	687,260	615,150
1,392	0	0	0	0	16,930
923,533	950,731	970,370	968,955	987,073	915,284
2,770,692	2,604,148	3,262,850	3,231,604	2,669,641	2,525,461
(19,242,594)	(19,674,682)	(20,094,179)	(19,493,509)	(19,374,989)	(19,842,339)
17,351	38,817	53,931	15,867	88,114	(14,799)
<u>(\$19,225,243)</u>	<u>(\$19,635,865)</u>	<u>(\$20,040,248)</u>	<u>(\$19,477,642)</u>	<u>(\$19,286,875)</u>	<u>(\$19,857,138)</u>
\$10,207,940	\$9,649,606	\$9,844,340	\$10,519,556	\$10,951,598	\$12,319,747
1,040,662	1,110,071	1,217,236	978,147	1,000,239	749,321
7,692,375	8,487,771	8,710,003	8,861,970	8,611,887	8,272,161
336,879	161,685	78,975	31,769	31,405	24,272
169,480	107,789	90,108	64,743	78,959	129,271
0	0	0	0	0	0
19,447,336	19,516,922	19,940,662	20,456,185	20,674,088	21,494,772
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$19,447,336</u>	<u>\$19,516,922</u>	<u>\$19,940,662</u>	<u>\$20,456,185</u>	<u>\$20,674,088</u>	<u>\$21,494,772</u>
\$204,742	(\$157,760)	(\$153,517)	\$962,676	\$1,299,099	\$1,652,433
17,351	38,817	53,931	15,867	88,114	(14,799)
<u>\$222,093</u>	<u>(\$118,943)</u>	<u>(\$99,586)</u>	<u>\$978,543</u>	<u>\$1,387,213</u>	<u>\$1,637,634</u>

Lakewood Local School District

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

	2004	2005	2006	2007	2008
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	1,555,902	1,097,483	721,492	834,999	747,675
Unreserved	489,187	1,675,053	3,080,139	4,209,277	4,172,532
Total General Fund	<u>2,045,089</u>	<u>2,772,536</u>	<u>3,801,631</u>	<u>5,044,276</u>	<u>4,920,207</u>
All Other Governmental Funds					
Nonspendable	0	0	0	0	0
Restricted	0	0	0	0	0
Committed	0	0	0	0	0
Reserved	549,229	511,545	50,015	695,054	71,966
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	156,228	184,250	168,403	107,132	125,472
Debt Service Funds	0	0	529,315	0	616,915
Capital Projects Funds	0	3	0	0	47
Total All Other Governmental Funds	<u>705,457</u>	<u>695,798</u>	<u>747,733</u>	<u>802,186</u>	<u>814,400</u>
Total Governmental Funds	<u>\$2,750,546</u>	<u>\$3,468,334</u>	<u>\$4,549,364</u>	<u>\$5,846,462</u>	<u>\$5,734,607</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

2009	2010	2011	2012	2013
\$0	\$0	\$261,229	\$229,239	\$250,644
0	0	14,083	12,283	6,888
0	0	204,164	204,164	204,164
0	0	198,049	105,140	329,917
0	0	3,839,276	5,473,304	6,951,255
946,834	1,583,171	0	0	0
4,031,381	2,615,971	0	0	0
<u>4,978,215</u>	<u>4,199,142</u>	<u>4,516,801</u>	<u>6,024,130</u>	<u>7,742,868</u>
0	0	6,032	1,144	3,187
0	0	1,112,862	1,195,082	1,340,481
0	0	39,994	24,412	0
60,261	172,840	0	0	0
130,907	119,416	0	0	0
747,349	897,885	0	0	0
0	0	0	0	0
<u>938,517</u>	<u>1,190,141</u>	<u>1,158,888</u>	<u>1,220,638</u>	<u>1,343,668</u>
<u>\$5,916,732</u>	<u>\$5,389,283</u>	<u>\$5,675,689</u>	<u>\$7,244,768</u>	<u>\$9,086,536</u>

Lakewood Local School District

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

	2004	2005	2006	2007
Revenues:				
Local Sources:				
Taxes	\$10,577,861	\$11,852,220	\$12,183,511	\$12,210,024
Tuition	261,100	342,930	303,508	347,816
Investment Earnings	24,653	142,437	224,462	397,615
Extracurricular Activities	141,766	214,698	224,277	221,389
Class Materials and Fees	11,652	33,780	55,809	56,886
Intermediate Sources	29,000	1,500	23,556	6,025
Intergovernmental - State	6,025,346	5,999,896	6,206,567	7,168,131
Intergovernmental - Federal	881,910	904,888	914,215	897,102
All Other Revenue	253,464	284,330	283,994	290,331
Total Revenue	<u>18,206,752</u>	<u>19,776,679</u>	<u>20,419,899</u>	<u>21,595,319</u>
Expenditures:				
Current:				
Instruction	10,303,206	10,723,064	11,096,012	11,485,943
Supporting Services:				
Pupils	1,101,433	1,117,832	1,099,402	1,226,925
Instructional Staff	456,379	405,142	489,263	406,706
Board of Education	72,863	65,222	35,171	55,443
Administration	1,453,025	1,435,743	1,479,957	1,478,088
Fiscal Services	522,092	551,450	559,667	635,286
Business	14,987	19,133	15,040	14,176
Operation and Maintenance of Plant	1,454,923	1,454,833	1,484,790	2,295,967
Pupil Transportation	1,124,163	1,335,151	1,327,560	1,572,993
Central	163,721	182,197	192,719	189,380
Operation of Non-Instructional Services	39,318	39,386	13,720	13,061
Extracurricular Activities	342,676	384,765	436,640	489,006
Debt Service:				
Principal Retirement	699,185	629,299	730,604	664,459
Interest and Fiscal Charges	728,133	710,249	605,224	578,255
Total Expenditures	<u>18,476,104</u>	<u>19,053,466</u>	<u>19,565,769</u>	<u>21,105,688</u>
Excess (Deficiency) of Revenues Over Expenditures	(269,352)	723,213	854,130	489,631

Lakewood Local School District

2008	2009	2010	2011	2012	2013
\$11,251,513	\$10,904,861	\$10,945,760	\$10,884,473	\$12,245,105	\$13,248,007
402,852	352,668	310,898	337,206	438,497	408,398
333,443	161,884	77,963	36,866	31,452	22,055
166,301	170,671	133,349	139,843	141,550	138,859
60,959	54,727	51,497	46,764	42,551	49,154
6,090	0	9,156	2,963	10,611	11,426
7,830,061	8,552,098	8,694,393	8,830,092	8,578,408	8,251,872
940,318	864,923	1,693,267	1,531,114	995,061	869,840
308,750	260,916	200,031	172,373	244,743	252,566
<u>21,300,287</u>	<u>21,322,748</u>	<u>22,116,314</u>	<u>21,981,694</u>	<u>22,727,978</u>	<u>23,252,177</u>
11,939,626	12,064,984	13,254,304	12,814,543	11,877,724	12,313,518
1,325,390	1,311,184	1,308,054	1,245,592	1,342,818	1,412,351
449,601	364,416	375,185	314,412	249,370	328,525
52,022	50,581	81,589	54,198	70,084	89,155
1,608,052	1,652,690	1,730,479	1,828,106	1,889,853	1,886,388
655,847	631,868	589,442	600,730	620,617	681,351
15,857	17,638	19,125	19,723	20,952	22,403
1,989,400	1,594,021	1,567,970	1,534,442	1,587,658	2,408,006
1,583,046	1,470,345	1,782,897	1,419,379	1,593,860	1,618,106
230,891	323,475	314,738	292,924	285,917	94,657
25,112	11,119	16,361	5,051	24,668	33,553
371,969	406,712	382,776	399,254	404,400	348,584
726,254	689,350	710,783	736,789	745,851	786,671
584,020	554,214	523,093	495,886	460,527	444,476
<u>21,557,087</u>	<u>21,142,597</u>	<u>22,656,796</u>	<u>21,761,029</u>	<u>21,174,299</u>	<u>22,467,744</u>
(256,800)	180,151	(540,482)	220,665	1,553,679	784,433

(Continued)

Lakewood Local School District

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

	2004	2005	2006	2007
Other Financing Sources (Uses):				
Sale of Capital Assets	241,013	2,956	0	833
School Energy Conservation Bonds Issued	0	0	0	802,984
Refunding General Obligation Bonds Issued	0	0	9,999,991	0
Premium on Refunding General Obligation Bonds	0	0	667,467	0
Other Financing Sources - Capital Leases	0	0	116,162	0
Payment to Refunded Bonds Escrow Agent	0	0	(10,517,195)	0
Transfers In	107	0	0	8,027
Transfers Out	(107)	0	(30,000)	(8,027)
Total Other Financing Sources (Uses)	<u>241,013</u>	<u>2,956</u>	<u>236,425</u>	<u>803,817</u>
Net Change in Fund Balance	<u>(\$28,339)</u>	<u>\$726,169</u>	<u>\$1,090,555</u>	<u>\$1,293,448</u>
 Debt Service as a Percentage of Noncapital Expenditures	 7.93%	 7.12%	 6.94%	 6.18%

Source: District Treasurer's Office

Lakewood Local School District

2008	2009	2010	2011	2012	2013
44,279	9,472	3,112	19,614	23,393	6,039
0	0	0	0	0	917,707
0	0	0	0	0	0
0	0	0	0	0	0
105,762	0	0	58,218	0	115,438
0	0	0	0	0	0
0	0	0	0	20,000	0
0	0	0	0	(20,000)	0
<u>150,041</u>	<u>9,472</u>	<u>3,112</u>	<u>77,832</u>	<u>23,393</u>	<u>1,039,184</u>
<u>(\$106,759)</u>	<u>\$189,623</u>	<u>(\$537,370)</u>	<u>\$298,497</u>	<u>\$1,577,072</u>	<u>\$1,823,617</u>

6.33%	5.96%	5.59%	5.72%	5.79%	5.79%
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Lakewood Local School District

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

Tax year	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
			*	
Real Property				
Assessed	\$271,896,120	\$284,580,780	\$325,385,530	\$331,604,510
Actual	776,846,057	813,087,943	929,672,943	947,441,457
Public Utility				
Assessed	14,922,410	15,215,760	15,701,530	15,792,870
Actual	14,922,410	15,215,760	15,701,530	15,792,870
Tangible Personal Property				
Assessed	66,723,600	69,156,940	77,470,570	51,175,750
Actual	266,894,400	276,627,760	309,882,280	272,937,333
Total				
Assessed	353,542,130	368,953,480	418,557,630	398,573,130
Actual	1,058,662,867	1,104,931,463	1,255,256,753	1,236,171,660
Assessed Value as a Percentage of Actual Value	33.40%	33.39%	33.34%	32.24%
Total Direct Tax Rate	\$47.40	\$45.92	\$44.98	\$44.98

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% through 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

2007	2008 **	2009	2010	2011 *	2012
\$339,533,800	\$345,573,200	\$355,041,030	\$358,258,840	\$372,060,130	\$378,886,250
970,096,571	987,352,000	1,014,402,943	1,023,596,686	1,063,028,943	1,082,532,143
13,838,480	14,132,430	14,316,970	15,135,460	16,483,410	16,994,710
13,838,480	14,132,430	14,316,970	15,135,460	16,483,410	16,994,710
46,169,358	21,195,490	1,012,140	0	0	0
369,354,864	339,127,840	10,121,400	0	0	0
399,541,638	380,901,120	370,370,140	373,394,300	388,543,540	395,880,960
1,353,289,915	1,340,612,270	1,038,841,313	1,038,732,146	1,079,512,353	1,099,526,853
29.52%	28.41%	35.65%	35.95%	35.99%	36.00%
\$45.80	\$47.38	\$47.82	\$57.23	\$56.92	\$54.33

Lakewood Local School District

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

Tax year	2003	2004	2005	2006
Direct District Rates				
General Fund	44.60	43.72	42.75	42.75
Bond Retirement Fund	2.80	2.20	2.23	2.23
Total	47.40	45.92	44.98	44.98
Overlapping Rates				
Licking County Joint Vocational School	3.00	3.00	3.00	3.00
Licking County	7.20	7.20	7.20	7.40
Special Taxing Districts				
City				
Heath	5.40	4.40 - 5.40	4.40 - 5.40	4.40 - 5.40
Villages				
Buckeye Lake	11.20	11.20	11.20	11.20
Hebron	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	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

2007	2008	2009	2010	2011	2012
43.50	44.60	45.10	54.56	54.42	53.33
2.30	2.78	2.72	2.67	2.50	1.00
<u>45.80</u>	<u>47.38</u>	<u>47.82</u>	<u>57.23</u>	<u>56.92</u>	<u>54.33</u>
3.00	2.50	2.50	2.52	2.54	2.48
7.40	7.10	7.40	7.70	7.70	7.70
4.40 - 5.40	4.40 - 5.40	4.40-5.40	4.40-5.40	4.40-5.40	4.40-5.40
11.20	10.20 - 10.4	11.20-11.40	11.20-11.40	11.20-11.40	11.20-11.40
13.20 - 13.30	13.20 - 13.30	13.20-13.30	13.20-13.30	13.20-13.30	13.20-13.30
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	0.80-6.20	0.80-6.20

Lakewood Local School District

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

Name of Taxpayer	Nature of Business	Calendar Year 2012		
		Assessed Value	Rank	Percent of Total Assessed Value
Lexington O C LLC	Warehouse	\$5,909,370	1	1.56%
Paragano, Nazario	Warehouse	2,829,790	2	0.75%
Southgate Co Limited partnership	Developer	2,390,580	3	0.63%
MPW Properties LLC	Industrial Cleaning	1,946,880	4	0.51%
THK Manufacturing of America	Linear Motion Devices	1,930,880	5	0.51%
Bayer Polymers LLC	Distributor	1,883,460	6	0.50%
Four B's (New Jersey General Partnership)	Warehouse	1,883,000	7	0.50%
The Kroger Co.	Food	1,690,300	8	0.45%
G & C Diversified LLC	Warehouse	1,558,200	9	0.41%
Hebron Business Park LTD	Developer	1,452,430	10	0.38%
Subtotal		23,474,890		6.20%
All Others		355,411,360		93.80%
Total		<u>\$378,886,250</u>		<u>100.00%</u>

Name of Taxpayer	Nature of Business	Calendar Year 2003		
		Assessed Value	Rank	Percent of Total Assessed Value
Diebold	ATM Machines	\$1,844,650	1	0.68%
Black, Monte R & Susan K (MPW)	Industrial Cleaning	1,833,060	2	0.67%
Donnelly RR & Sons Co.	Printing	1,578,510	3	0.58%
G & C Diversified	Unknown	1,537,520	4	0.57%
Hebron Business Park	Developer	1,525,270	5	0.56%
TI Group Automotive Supply Corp	Automotive Tanks & Lines	1,446,660	6	0.53%
Miles Inc	Unknown	1,394,610	7	0.51%
Cranberry Pointe LTD	Unknown	1,358,570	8	0.50%
RSN Holdings	Unknown	1,273,200	9	0.47%
Zanworsky, Leon	Developer	1,273,200	10	0.47%
Subtotal		15,065,250		5.54%
All Others		256,830,870		94.46%
Total		<u>\$271,896,120</u>		<u>100.00%</u>

Source: Licking County Auditor - Land and Buildings
Based on valuation of property in 2012 and 2003

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 2012		
		Assessed Value	Rank	Percent of Total Assessed Value
Ohio Power Company	Electricity	\$10,710,650	1	63.02%
Columbia Gas Transmission Corp	Propane	1,807,450	2	10.64%
Licking Rural Elec Inc	Electricity	1,337,920	3	7.87%
National Gas & Oil	Propane	1,308,540	4	7.70%
Dominion Transmission Inc.	Pipelines	903,360	5	5.32%
NGO Transmission Inc	Natural Gas	528,050	6	3.11%
Dayton Power & Light Co	Electricity	175,300	7	1.03%
Columbia Gas of Ohio Inc.	Propane	139,030	8	0.82%
Duke Energy Ohio Inc	Electricity	41,910	9	0.25%
Buckeye Power Inc.	Electricity	6,390	10	0.04%
Subtotal		16,958,600		99.80%
All Others		36,110		0.20%
Total		<u>\$16,994,710</u>		<u>100.00%</u>

Name of Taxpayer	Nature of Business	Calendar Year 2003		
		Assessed Value	Rank	Percent of Total Assessed Value
Ohio Power	Electricity	4,516,960	1	30.27%
United Telephone	Telephone	1,885,830	2	12.64%
Columbia Gas Transmission	Propane	1,587,970	3	10.64%
Alltel	Telephone	1,183,170	4	7.93%
National Gas & Oil Co	Propane	772,760	5	5.18%
Licking Rural Electric	Electricity	727,800	6	4.88%
Dominion Transmission Inc.	Pipelines	718,370	7	4.81%
Columbus Southern Power	Electricity	488,220	8	3.27%
Ohio Bell	Telephone	332,910	9	2.23%
Dayton Power & Light	Electricity	156,580	10	1.05%
Subtotal		12,370,570		82.90%
All Others		2,551,840		17.10%
Total		<u>\$14,922,410</u>		<u>100.00%</u>

Source: Licking County Auditor - Land and Buildings
Based on valuation of property in 2012 and 2003

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

Lakewood Local School District

Property Tax Levies and Collections Last Ten Years

Collection Year	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Total Tax Levy	\$11,195,522	\$13,765,566	\$13,839,306	\$14,075,322
Collections within the Fiscal Year of the Levy				
Current Tax Collections	9,598,346	12,138,331	12,598,333	12,341,116
Percent of Levy Collected	85.73%	88.18%	91.03%	87.68%
Delinquent Tax Collections	<u>272,575</u>	<u>644,850</u>	<u>407,672</u>	<u>737,187</u>
Total Tax Collections	9,870,921	12,783,181	13,006,005	13,078,303
Percent of Total Tax Collections To Tax Levy	88.17%	92.86%	93.98%	92.92%
Accumulated Outstanding Delinquent Taxes	1,324,601	982,385	833,301	997,019
Percentage of Accumulated Delinquent Taxes to Total Tax Levy	11.83%	7.14%	6.02%	7.08%

Source: Licking County Auditor's Office

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

Lakewood Local School District

2007	2008	2009	2010	2011	2012
\$13,358,051	\$12,403,103	\$12,186,409	\$11,064,135	\$15,953,404	\$15,201,319
11,258,713	10,823,468	10,691,070	10,486,676	14,852,218	14,457,628
84.28%	87.26%	87.73%	94.78%	93.10%	95.11%
932,863	614,811	536,494	422,123	422,124	623,368
12,191,576	11,438,279	11,227,564	10,908,799	15,274,342	15,080,996
91.27%	92.22%	92.13%	98.60%	95.74%	99.21%
1,166,474	964,824	958,846	1,340,352	679,062	945,992
8.73%	7.78%	7.87%	12.11%	4.26%	6.22%

Lakewood Local School District

Ratio of Outstanding Debt By Type Last Ten Years

	2004	2005	2006	2007
Governmental Activities ⁽¹⁾				
Energy Conservation Bonds Payable	\$713,985	\$581,320	\$508,655	\$1,207,539
EPA Loan Payable	18,786	11,272	3,758	0
General Obligation Bonds Payable	14,119,055	13,803,616	13,525,751	13,156,289
Capital Leases	277,301	188,181	203,918	142,317
Total Primary Government	<u>\$15,129,127</u>	<u>\$14,584,389</u>	<u>\$14,242,082</u>	<u>\$14,506,145</u>
Population ⁽²⁾				
Village of Buckeye Lake and Village of Hebron	5,167	5,169	5,083	5,202
Outstanding Debt Per Capita	2,928	2,822	2,802	2,789
Income ⁽³⁾				
Personal (in thousands)	145,952	153,442	155,077	167,302
Percentage of Personal Income	10.37%	9.50%	9.18%	8.67%

* 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

2008	2009	2010	2011	2012	2013
				*	
\$1,069,628	\$928,414	\$783,729	\$635,398	\$483,237	\$1,244,758
0	0	0	0	0	0
12,736,531	12,290,427	11,837,649	11,369,250	11,240,539	10,724,872
159,736	116,600	70,502	85,262	51,572	126,525
<u>\$13,965,895</u>	<u>\$13,335,441</u>	<u>\$12,691,880</u>	<u>\$12,089,910</u>	<u>\$11,775,348</u>	<u>\$12,096,155</u>
5,192	5,195	5,237	5,082	5,082	5,082
2,690	2,567	2,424	2,379	2,317	2,380
176,123	179,648	179,357	176,721	190,529	190,529
7.93%	7.42%	7.08%	6.84%	6.18%	6.35%

Lakewood Local School District

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

Year	2004	2005	2006	2007
Population ⁽¹⁾	5,167	5,169	5,083	5,202
Assessed Value ⁽²⁾	353,542,130	368,953,480	418,557,630	398,573,130
General Bonded Debt ⁽³⁾				
General Obligation Bonds	14,119,055	13,803,616	13,525,751	13,156,289
Resources Available to Pay Principal ⁽⁴⁾	231,046	278,152	401,241	458,592
Net General Bonded Debt	13,888,009	13,525,464	13,124,510	12,697,697
Ratio of Net Bonded Debt to Estimated Actual Value	3.93%	3.67%	3.14%	3.19%
Net Bonded Debt per Capita	2,687.83	2,616.65	2,582.04	2,440.93

* 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

2008	2009	2010	2011	2012	2013
				*	
5,192	5,195	5,237	5,082	5,082	5,082
399,541,638	380,901,120	370,370,140	373,394,300	388,543,540	395,880,960
12,736,531	12,290,427	11,837,649	11,369,250	11,240,539	10,724,872
509,837	588,779	811,856	928,414	1,041,410	847,327
12,226,694	11,701,648	11,025,793	10,440,836	10,199,129	9,877,545
3.06%	3.07%	3.0%	2.8%	2.6%	2.5%
2,354.91	2,252.48	2,105.36	2,054.47	2,006.91	1,943.63



Lakewood Local School District

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2013*

<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>
Direct:			
Lakewood Local School District	\$12,096,155	100.00%	\$12,096,155
Overlapping:			
Licking County	3,225,000	10.52%	339,270
Village of Hebron	2,210,000	100.00%	2,210,000
Licking County Career Center -JVS	24,084,991	10.22%	2,461,486
		Subtotal	<u>5,010,756</u>
		Total	<u><u>\$17,106,911</u></u>

Source: Ohio Municipal Advisory Council, June 2013

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

Lakewood Local School District

Debt Limitations Last Ten Years

Collection Year	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Net Assessed Valuation	\$353,542,130	\$368,953,480	\$418,557,630	\$398,573,130
Legal Debt Limitation (%) (1)	9.00%	9.00%	9.00%	9.00%
Legal Debt Limitation (\$) (1)	31,818,792	33,205,813	37,670,187	35,871,582
Applicable District Debt Outstanding	14,119,055	13,803,616	13,525,751	13,156,289
Less: Applicable Debt Service Fund Amounts (2)	<u>(231,046)</u>	<u>(278,152)</u>	<u>(401,241)</u>	<u>(458,592)</u>
Net Indebtedness Subject to Limitation	<u>13,888,009</u>	<u>13,525,464</u>	<u>13,124,510</u>	<u>12,697,697</u>
Overall Legal Debt Margin	<u>\$17,930,783</u>	<u>\$19,680,349</u>	<u>\$24,545,677</u>	<u>\$23,173,885</u>
Legal Debt Limitation (%) (1)	0.10%	0.10%	0.10%	0.10%
Legal Debt Limitation (\$) (1)	353,542	368,953	418,558	398,573
Applicable District Debt Outstanding	0	0	0	0
Unvoted Legal Debt Margin	<u>\$353,542</u>	<u>\$368,953</u>	<u>\$418,558</u>	<u>\$398,573</u>
Legal Debt Limitation (%) (1)	0.90%	0.90%	0.90%	0.90%
Legal Debt Limitation (\$) (1)	3,181,879	3,320,581	3,767,019	3,587,158
Applicable District Debt Outstanding	<u>(713,985)</u>	<u>(581,320)</u>	<u>(508,655)</u>	<u>(1,207,539)</u>
Unvoted Energy Conservation Loans Legal Debt Margin	<u>\$2,467,894</u>	<u>\$2,739,261</u>	<u>\$3,258,364</u>	<u>\$2,379,619</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

2008	2009	2010	2011	2012	2013
\$399,541,638	\$380,901,120	\$370,370,140	\$373,394,300	\$388,543,540	\$395,880,960
9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
35,958,747	34,281,101	33,333,313	33,605,487	34,968,919	35,629,286
12,736,531	12,290,427	11,837,649	11,369,250	11,240,539	10,724,872
(509,837)	(588,779)	(811,856)	(928,414)	(1,041,410)	(847,327)
12,226,694	11,701,648	11,025,793	10,440,836	10,199,129	9,877,545
<u>\$23,732,053</u>	<u>\$22,579,453</u>	<u>\$22,307,520</u>	<u>\$23,164,651</u>	<u>\$24,769,790</u>	<u>\$25,751,741</u>
0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
399,542	380,901	370,370	373,394	388,544	395,881
0	0	0	0	0	0
<u>\$399,542</u>	<u>\$380,901</u>	<u>\$370,370</u>	<u>\$373,394</u>	<u>\$388,544</u>	<u>\$395,881</u>
0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
3,595,875	3,428,110	3,333,331	3,360,549	3,496,892	3,562,929
(1,069,628)	(928,414)	(783,729)	(635,398)	(483,237)	(1,244,758)
<u>\$2,526,247</u>	<u>\$2,499,696</u>	<u>\$2,549,602</u>	<u>\$2,725,151</u>	<u>\$3,013,655</u>	<u>\$2,318,171</u>

Lakewood Local School District

Demographic and Economic Statistics Last Ten Years

Calendar Year*	2003	2004	2005	2006
Population (1)				
Village of Buckeye Lake and Village of Hebron	5,167	5,169	5,083	5,202
Licking County	150,634	152,866	154,806	156,287
Income (2) (a)				
Total Personal (in thousands)	145,952	153,442	155,077	167,302
Per Capita	28,247	29,685	30,509	32,161
Unemployment Rate (3)				
Federal	6.0%	5.5%	5.0%	4.6%
State	6.1%	6.0%	5.9%	5.5%
Licking County	6.0%	5.9%	5.8%	5.1%
Fiscal Year	2004	2005	2006	2007
School Enrollment (4)				
Grades K - 5	1,011	1,021	995	1,018
Grades 6 - 8	513	518	525	525
Grades 9 - 12	723	713	692	687
Non-Grade	18	18	5	4
Total	2,265	2,270	2,217	2,234

* 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 (2012 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

2007	2008	2009	2010	2011	2012
5,192	5,195	5,237	5,082	5,082	5,082
156,985	157,721	158,488	166,492	167,248	167,537
176,123	179,648	179,357	176,721	190,529	190,529
33,922	34,581	34,248	34,774	37,491	37,491
4.6%	5.8%	9.3%	9.6%	8.9%	8.1%
5.6%	6.6%	10.2%	10.1%	8.6%	7.2%
5.2%	6.1%	9.3%	9.5%	8.0%	6.5%
2008	2009	2010	2011	2012	2013
966	937	912	851	864	839
515	495	504	507	484	500
672	702	707	670	671	643
29	29	30	57	44	51
<u>2,182</u>	<u>2,163</u>	<u>2,153</u>	<u>2,085</u>	<u>2,063</u>	<u>2,033</u>



Lakewood Local School District

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2013	
		Number of Employees	Rank
THK	Linier Motion Devices	330	1
Kroger	Grocery	205	2
Heritage Sportswear	Clothing Dept	171	3
Bayer	Manufacturing	152	4
Harry & David	Distributor	120	5
Hendrickson International	Axels	109	6
Renosol Corp	Foam Auto Seats	106	7
Sunfield	Steel Stamping	106	8
State Industrial	Chemicals	82	9
AGC	Fabricator	75	10
Total		<u>1,456</u>	
Total Employment within the District		<u>N/A</u>	

Employer	Nature of Business	2003	
		Number of Employees	Rank
Bear Creek	Distributor	708	1
THK	Linier Motion Devices	250	2
Allied Tube & Conduit	Razor Wire / Fencing	180	3
Ecolab Inc	Cleaning Supplies	141	4
AFG Fabrication	Fabricator	99	5
Sunfield	Steel Stamping	94	6
Heritage Sportswear	Clothing Dept	88	7
Ohio Metal Tech	Auto Parts	87	8
Renosol	Foam Auto Seats	62	9
The Boler Co.	Truck Axles	61	10
Total		<u>1,770</u>	
Total Employment within the District		<u>N/A</u>	

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

Lakewood Local School District

School District Employees by Type Last Ten Years

	2004	2005	2006	2007	2008
Supervisory					
Instructional Administrators	3	3	3	4	3
Noninstructional Administrators	3	3	3	3	3
Principals	5	5	5	5	5
Assistant Principals	3	3	3	2	2
Instruction					
Classroom Teachers					
Elementary	79	69	67	67	68
Middle	39	45	44	44	43
High	47	47	49	49	51
Student Services					
Guidance Counselors	4	4	4	4	4
Social Workers	1	1	1	2	2
Psychologists	1	1	1	1	1
Librarians	4	4	4	4	4
Other Professional Non-Instructional	0	0	0	1	2
Support Services					
Clerical/Secretaries	16	15	15	14	14
Aides/Safety Monitors	10	10	16	15	17
Food Service	21	21	19	20	17
Maintenance/Grounds	23	23	23	22	19
Transportation	34	34	34	30	31
<i>Total Employees</i>	<u>293</u>	<u>288</u>	<u>291</u>	<u>287</u>	<u>286</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

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
4	3	3	3	3
4	5	5	5	5
5	4	4	4	4
2	3	3	3	3
64	63	63	58	55
41	37	40	43	42
50	50	47	45	43
4	4	4	4	4
2	2	2	1	1
1	1	2	2	2
4	4	4	1	1
2	2	2	5	5
16	16	16	15	15
16	18	17	17	16
16	15	15	16	16
19	17	17	16	18
31	33	24	22	28
<u>281</u>	<u>277</u>	<u>268</u>	<u>260</u>	<u>261</u>

Lakewood Local School District

*Operating Indicators - Cost per Pupil
Last Ten Years*

Fiscal Year	2004	2005	2006	2007	2008
Enrollment (October Count)	2,265	2,270	2,217	2,234	2,182
Modified Accrual Basis					
Operating Expenditures	18,452,973	19,035,724	19,565,769	21,105,688	21,557,087
Cost per Pupil	8,147	8,386	8,825	9,447	9,880
Percentage of Change	6.6%	2.9%	5.2%	7.0%	4.6%
Accrual Basis (1)					
Expenses	\$18,484,604	\$18,348,210	\$18,969,499	\$19,753,451	\$20,420,227
Cost per Pupil	8,161	8,083	8,556	8,842	9,358
Percentage of Change	4.9%	(1.0%)	5.9%	3.3%	5.8%
Teaching Staff	173	169	168	168	162

Source: District Treasurer's Office

(1) Expenses exclude interest and fiscal charges

Lakewood Local School District

2009	2010	2011	2012	2013
2,163	2,153	2,085	2,063	2,033
21,142,597	22,656,796	21,761,029	21,179,299	22,467,744
9,775 (1.1%)	10,523 7.7%	10,437 (0.8%)	10,266 (1.6%)	11,052 7.6%
\$20,711,380	\$21,792,835	\$21,180,297	\$20,506,610	\$20,799,476
9,575 2.3%	10,122 5.7%	10,158 0.4%	9,940 (2.1%)	10,231 2.9%
162	160	160	142	138

Lakewood Local School District

Operating Indicators by Function Last Ten Years

	2004	2005	2006	2007
Governmental Activities				
Pupils				
Enrollment	2,265	2,270	2,217	2,234
Graduates	149	160	158	160
Percent of Students with Disabilities	12.7%	13.1%	14.3%	14.0%
Board of Education				
Regularly scheduled board meeting per year	12	12	12	12
Fiscal Services				
Purchase Orders Processed	2,622	2,208	2,217	2,012
Checks Issued (non payroll)	2,731	2,557	2,899	2,833
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	1,581	1,966	1,727	1,754
Average Daily Bus Fleet Miles	2,483	2,446	2,722	2,299
Number of Buses	29	29	30	32
Extracurricular Activities				
High School Varsity Teams	16	16	16	16
Business-Type Activities				
Food Service				
Student Lunches Served Annually	205,185	210,782	222,440	223,445
Free/Reduced Student Lunches Served Annually	85,916	84,450	100,377	104,025

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

Lakewood Local School District

2008	2009	2010	2011	2012	2013
2,182	2,163	2,153	2,085	2,063	2,033
145	149	168	138	149	145
14.6%	14.8%	15.2%	15.2%	15.0%	15.0%
12	12	12	12	12	12
1,734	1,604	1,472	1,433	1,419	1,332
2,645	2,536	2,424	2,366	2,456	2,598
357,393	357,393	357,393	357,393	357,393	357,393
114	114	114	114	114	114
1,760	1,496	1,539	1,374	1,383	1,347
2,156	2,213	2,048	2,444	2,008	2,353
30	34	32	33	31	33
16	16	16	16	16	15
232,741	225,851	217,601	210,673	209,325	192,996
107,176	106,742	112,316	113,561	125,391	119,828

Lakewood Local School District

*Operating Indicators - Teacher Base Salaries
Last Ten Years*

Fiscal Year	2004	2005	2006	2007	2008
Minimum Salary	26,312	27,233	27,914	28,961	29,830
Maximum Salary	55,781	57,734	59,177	61,542	63,389
District Average Salary	42,455	42,782	49,866	47,691	49,038
County Average Salary	44,590	45,638	46,289	47,110	49,633
State Average Salary	47,495	49,438	50,772	53,536	53,410

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

*Operating Indicators - Teacher by Education
Last Ten Years*

Fiscal Year	2004	2005	2006	2007	2008
Bachelor's Degree	22	20	14	14	19
Bachelor + 15	56	52	53	49	44
Master's Degree	74	64	64	58	56
Master's Degree + 15	21	33	37	47	43
Total	173	169	168	168	162

Source: District Treasurer's Office

Lakewood Local School District

2009	2010	2011	2012	2013
30,606	31,402	31,402	31,402	31,716
65,038	66,729	66,729	66,729	67,397
49,410	52,771	53,293	51,491	47,559
49,961	51,707	51,585	51,585	51,214
54,656	55,958	56,715	56,715	56,307

2009	2010	2011	2012	2013
19	15	10	5	6
43	36	35	35	35
56	66	64	68	66
44	43	41	34	31
162	160	150	142	138

Lakewood Local School District

Capital Asset Statistics by Building Last Ten Years

	2004	2005	2006	2007	2008
Secondary					
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	723	713	697	691	674
Middle					
Lakewood Local Middle School					
Square Footage	60,700	60,700	60,700	60,700	60,700
Capacity (students)	720	720	720	720	720
Enrollment	513	518	524	525	515
Intermediate					
Jackson Intermediate School (1)					
Square Footage	50,238	50,238	50,238	50,238	75,107
Capacity (students)	525	525	525	525	975
Enrollment	334	334	317	336	508
Elementary					
Lakewood Local Jackson Elementary School					
Square Footage	24,869	24,869	24,869	24,869	N/A
Capacity (students)	450	450	450	450	N/A
Enrollment	302	302	290	304	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	375	385	388	378	485
All Other					
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

2009	2010	2011	2012	2013
150,848	150,848	150,848	150,848	150,848
1,000	1,000	1,000	1,000	1,000
705	707	670	671	646
60,700	60,700	60,700	60,700	60,700
720	720	720	720	720
495	504	507	484	500
75,107	75,107	75,107	75,107	75,107
975	975	975	975	975
497	483	437	434	421
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
466	459	471	474	466
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*

	2004	2005	2006	2007	2008
Cost per Student (ODE) ⁽¹⁾					
Lakewood	7,594	7,865	8,202	8,548	9,154
Ohio (Average)	8,768	9,048	9,356	9,586	9,939
Attendance Rate					
Lakewood	94.40%	94.10%	94.60%	94.60%	94.60%
Ohio (Average)	94.50%	94.30%	94.10%	94.10%	94.20%
Graduation Rate ⁽¹⁾					
Lakewood (a)	92.90%	96.30%	87.60%	94.70%	91.20%
Ohio (Average)	84.30%	85.90%	86.20%	86.10%	86.90%

Source:

District's Student Records and Ohio Department of Education

(1) ODE calculation is not based on GAAP financial reports. The 2013 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

2009	2010	2011	2012	2013
8,995	9,723	9,754	9,561	9,561
10,184	10,512	10,571	10,508	10,508
94.90%	94.80%	>95.00%	>95.00%	94.60%
94.30%	94.30%	94.50%	94.50%	94.20%
96.10%	98.80%	99.40%	86.00%	86.00%
84.60%	83.00%	84.30%	81.30%	81.30%





Dave Yost • Auditor of State

LAKESWOOD LOCAL SCHOOL DISTRICT

LICKING COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JANUARY 14, 2014