

LAKWOOD LOCAL SCHOOL DISTRICT



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
June 30, 2017**



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Lakewood Local School District, Licking County, prepared by Julian & Grube, Inc., for the audit period July 1, 2016 through June 30, 2017. 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 14, 2017

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LAKWOOD LOCAL SCHOOL DISTRICT

HEBRON, OHIO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
June 30, 2017**

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





November 13, 2017

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, 2017 is hereby submitted. This report was prepared by the Treasurer's Office and includes the unmodified opinion of our auditors.

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

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

Accounting principles generally accepted in the United States of America (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Lakewood Local School District's MD&A can be found immediately following the Independent Auditor's Report.

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

THE DISTRICT AND ITS FACILITIES

The Lakewood Local School District is located in southern Licking County approximately 25 miles east of Columbus, the state capital. The District encompasses approximately 115 square miles. The principle communities are the Village of Hebron, the Village of Buckeye Lake, Jacksontown and the surrounding farming townships. The District has a diversified industrial base as well as residential and agricultural communities. Interstate 70 and State Routes 79, 40 and 13 serve as the major transportation arteries. The District serves approximately 1,847 students in grades K-12. The District also serves 61 preschool students.

www.lakewoodlocal.k12.oh.us

LAKEWOOD LOCAL SCHOOL DISTRICT

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2017

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

The Board of Education of the Lakewood Local School District (the Board) is a five member body politic and corporate, as defined by Section 3313.02, Ohio Revised Code. The Board serves as the taxing authority, contracting body, policy maker, and approves an appropriation resolution which serves as the basis for control and authorization for all expenditures of District tax money.

The Superintendent is the chief executive officer of the District, responsible to the Board for total educational and support operations. Ms. Mary Kay Andrews has served as Superintendent since January 1, 2015.

The Treasurer/CFO is the chief financial officer of the District, responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the 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 seventeen years.

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

CURRICULUM DEVELOPMENT

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

Lancer Connect, our educational options program, provides online courses and teacher support for students who may want or need to take courses outside of the traditional school environment.

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

INSTRUCTION MATERIALS

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

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2017

TECHNOLOGY

Lakewood students are introduced to technology in preschool and encouraged to use technology to advance their learning potential. Students at every grade level are linked to the Internet. Wireless access is available in all district buildings. Students also have access to tablets and/or Chromebook at all four buildings. The high school is 1:1, meaning every student has a Chromebook for instructional use 24 hours a day, 7 days a week. Teachers have incorporated the use of technology into their classrooms and enabled students to use technology to help facilitate life-long learning.

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

STAFF DEVELOPMENT

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

INTERVENTION AND SPECIAL PROGRAMS

Lakewood Local School District recognizes its responsibility to offer academic instruction that is appropriate for every child. Student abilities and performance levels are measured and used to determine appropriate instruction. The RTI and 3-Tier Problem Solving model are used. Research-based programs such as Foundations, Spire and Math-U-See have been implemented to use for Tier 2 or Tier 3 interventions. The District also uses STAR as a quality benchmark assessment tool in grades K-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 3-12. The curriculum includes enrichment activities, independent research and project based learning with an emphasis on higher level thinking skills.

Advanced placement courses in English, American History, Calculus AB, Chemistry, European History, U.S. Government, Statistics and Biology are offered at the high school level.

LAKEWOOD LOCAL SCHOOL DISTRICT

***Letter of Transmittal
For the Fiscal Year Ended June 30, 2017***

SPECIAL EDUCATION

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

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

CONTINUOUS IMPROVEMENT PLANNING

The District's Continuous Improvement Plan includes these goals:

Goal #1

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

Goal #2

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

Goal #3

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

STATE REPORT CARD PERFORMANCE

Lakewood Local School District has taken a close look at the report card data, reflected on its performance in each of the rated areas and compared itself to other local districts and the state overall. Other than the Progress component, Lakewood's component grades are similar to the majority of districts in Licking County and the surrounding school districts. When making comparisons based on the state report card data, math achievement levels in grades 3-5 are higher than the state average. The district is also higher than the state average and similar districts on Government, U.S. History, English I and Biology End of Course Exams.

Despite the "moving target" (the percentage of students that must score proficient on the state test has increased each of the last two years, from 65% in 2015 to 80% in 2017) Lakewood Local has areas that can be celebrated. The District has made huge improvements in the K-3 Literacy component, jumping from an 'F' to a 'C'. The Graduation rate remains a solid 'B' with our 5 year average at 96.9%. For the second year in a row, Progress data from Jackson Intermediate School in both Reading and Math is well above average. In addition, internal assessment data shows that students K-5 are achieving and making more than the expected growth in Math. Students also showed above expected growth in Social Studies.

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2017

We will continue to focus on engaging the students in our classrooms, providing opportunities for enrichment and intervention as needed. We will continue to be student-centered in our approach to teaching and learning. We look forward to the challenges ahead as we continue to improve our practices.

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, MPW Properties, RR Donnelley, Momentive, and Harry & David Operations.

The District has two (2) emergency operating levies. One was passed on November 2, 2010 and generates \$3,528,880 per year. The second one was passed on May 7, 2013 and generates \$2,353,259 per year. These emergency levies represent 38% of the total tax related revenues for the District. The current revenue, along with the District's cash balance, will provide the District with necessary funds to meet its operating expenses through fiscal year 2020. The District anticipates returning to its voters asking for a renewal of the above listed emergency operating levies. The District's renewal for the five year emergency levy will be on the November 2017 ballot. With the passage of this levy, the District should be able to meet its operating expenses through 2021.

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 fourteenth consecutive year.

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

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2017

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 2017 CAFR.

To receive the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association for the 2017 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, in addition to engaging the students and providing opportunities for enrichment and intervention as needed.

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, 2017, as of this writing, revealed no instances of material weaknesses in internal control or significant violations of applicable laws and regulations.

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2017

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

INDEPENDENT AUDIT – This report includes an unmodified audit report regarding the District's financial statements. The audit was conducted by Julian & Grube, Inc. The Independent Auditor's Report on the basic financial statements is included in the financial section of this report.

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, 2016. This was the fourteenth 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, CGMA
Treasurer/CFO



Mary Kay Andrews
Superintendent

LAKEWOOD LOCAL SCHOOL DISTRICT

***Members of the Board of Education and Administration
For the Fiscal Year Ended June 30, 2017***

Members of the Board of Education

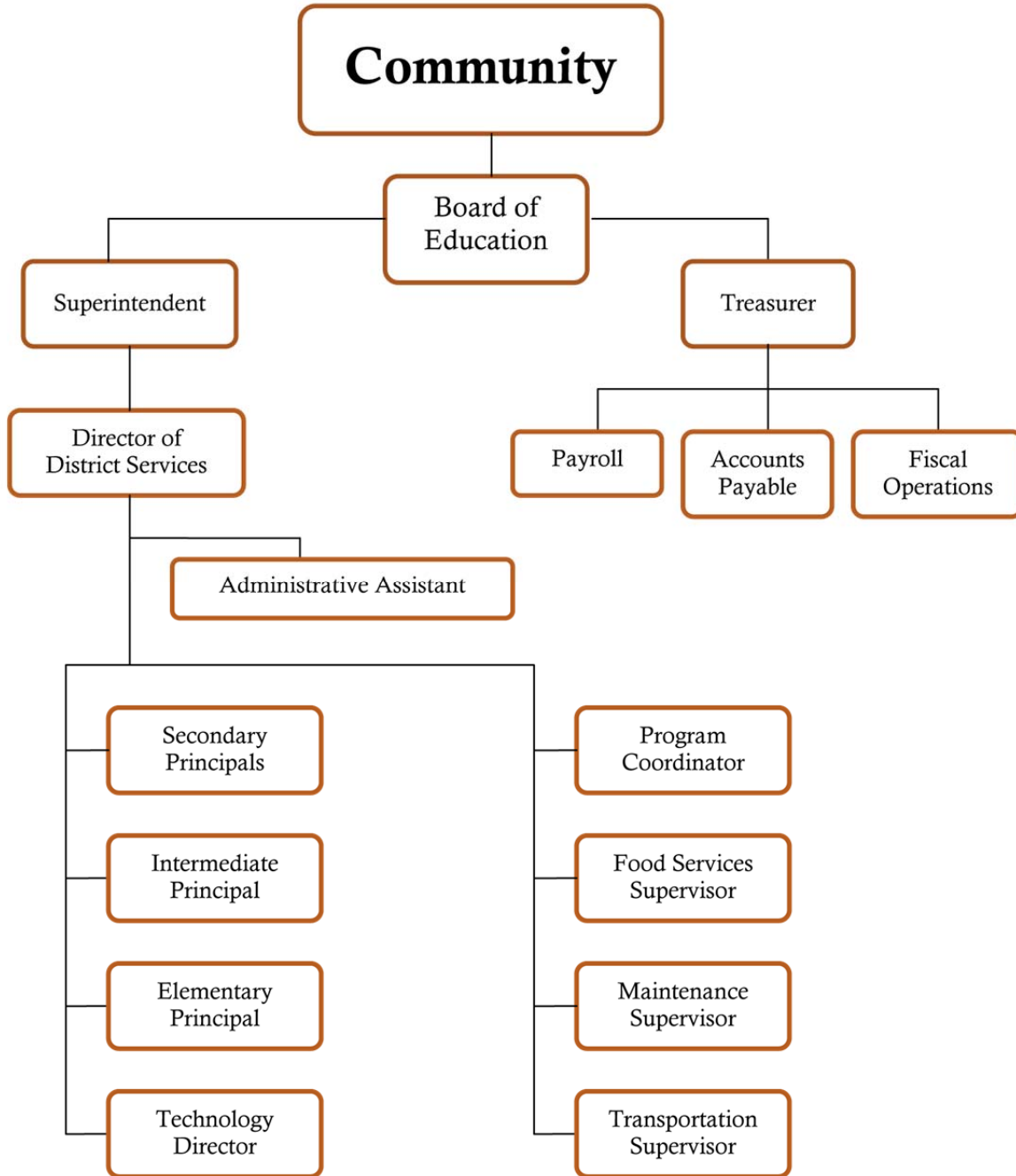
	<u>Began Service as A Board Member</u>	<u>Present Term Expires</u>
Judy White, President	January 1, 2006	December 31, 2017
Trisha Good, Vice President	January 1, 2008	December 31, 2017
Tim Phillips	July 6, 2011	December 31, 2017
William Gulick Jr.	January 1, 2012	December 31, 2019
Steve Thorp	January 1, 2016	December 31, 2019

Administration

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

LAKEWOOD LOCAL SCHOOL DISTRICT

Organizational Chart
For the Fiscal Year Ended June 30, 2017



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, 2016



Executive Director/CEO

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Julian & Grube, Inc.

Serving Ohio Local Governments

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

Independent Auditor's Report

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

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lakewood Local School District, Licking County, Ohio, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Lakewood Local School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Lakewood Local School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Lakewood Local School District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lakewood Local School District, Licking County, Ohio, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2017, on our consideration of the Lakewood Local School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lakewood Local School District's internal control over financial reporting and compliance.



Julian & Grube, Inc.
November 13, 2017

LAKEWOOD LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2017

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, 2017. 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 2017 are as follows:

- ❑ In total, net position increased \$1,208,425. Net position of governmental activities increased \$1,279,207, which represents an 18.8% increase from 2016. Net position of business-type activities decreased \$70,782 or 55.1% from 2016.
- ❑ General revenues accounted for \$23,205,507 in revenue or 86.1% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for \$3,743,471 or 13.9% of total revenues of \$26,949,278
- ❑ The District had \$24,756,444 in expenses related to governmental activities; only \$2,829,844 of these expenses were offset by program specific charges for services and sales, operating grants and contributions.
- ❑ Among major funds, the general fund had \$23,822,014 in revenues and \$22,269,020 in expenditures. During fiscal year 2017, the general fund's fund balance increased from \$17,099,016 to \$18,195,456.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – management's discussion and analysis and the basic financial statements, required supplemental information and an optional section that presents combining statements for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the District:

These statements are as follows:

1. The Government-Wide Financial Statements – These statements provide both long-term and short-term information about the District's overall financial status.
2. The Fund Financial Statements – These statements focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.

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

LAKEWOOD LOCAL SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017***

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.

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

Fiduciary Funds – The District is the trustee, or fiduciary, for 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 2017 compared to 2016:

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$36,843,202	\$34,127,055	\$84,725	\$91,718	\$36,927,927	\$34,218,773
Capital assets, Net	14,855,180	12,905,486	115,913	132,142	14,971,093	13,037,628
Total assets	<u>51,698,382</u>	<u>47,032,541</u>	<u>200,638</u>	<u>223,860</u>	<u>51,899,020</u>	<u>47,256,401</u>
Deferred outflows of resources	<u>6,416,837</u>	<u>2,970,018</u>	<u>253,206</u>	<u>25,059</u>	<u>6,670,043</u>	<u>2,995,077</u>
Net pension liability	35,595,957	29,193,240	560,509	265,049	36,156,466	29,458,289
Other long-term liabilities	11,596,961	9,935,533	4,622	3,906	11,601,583	9,939,439
Other liabilities	2,703,632	2,246,750	69,565	72,588	2,773,197	2,319,338
Total liabilities	<u>49,896,550</u>	<u>41,375,523</u>	<u>634,696</u>	<u>341,543</u>	<u>50,531,246</u>	<u>41,717,066</u>
Deferred inflows of resources	<u>13,728,457</u>	<u>15,416,031</u>	<u>18,457</u>	<u>35,903</u>	<u>13,746,914</u>	<u>15,451,934</u>
Net position (deficit):						
Net investment in capital assets	4,355,534	3,741,768	115,913	132,142	4,471,447	3,873,910
Restricted	696,852	874,980	0	0	696,852	874,980
Unrestricted	(10,562,174)	(11,405,743)	(315,222)	(260,669)	(10,877,396)	(11,666,412)
Total net deficit	<u>(\$5,509,788)</u>	<u>(\$6,788,995)</u>	<u>(\$199,309)</u>	<u>(\$128,527)</u>	<u>(\$5,709,097)</u>	<u>(\$6,917,522)</u>

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

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

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

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

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

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

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At fiscal year-end for governmental activities, capital assets represented 29% 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, 2017 was \$4,355,534. 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, \$696,852, represents resources that are subject to external restriction on how they may be used. Excluding the effect of GASB 68, the District has approximately \$19 million in unrestricted net position which may be used to meet the District's ongoing obligations to the students and creditors.

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Changes in Net Position – The following table shows the changes in net position for fiscal years 2017 and 2016:

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues:						
Charges for Services and Sales	\$1,391,636	\$1,051,742	\$331,827	\$309,230	\$1,723,463	\$1,360,972
Operating Grants and Contributions	1,438,208	1,653,224	581,800	538,906	2,020,008	2,192,130
Capital Grants and Contributions	0	0	0	23,206	0	23,206
Total Program Revenues	<u>2,829,844</u>	<u>2,704,966</u>	<u>913,627</u>	<u>871,342</u>	<u>3,743,471</u>	<u>3,576,308</u>
General Revenues:						
Property Taxes	14,038,989	14,272,979	0	0	14,038,989	14,272,979
Grants and Entitlements	8,902,300	9,057,291	0	0	8,902,300	9,057,291
Other	264,518	208,610	0	0	264,518	208,610
Total General Revenues	<u>23,205,807</u>	<u>23,538,880</u>	<u>0</u>	<u>0</u>	<u>23,205,807</u>	<u>23,538,880</u>
Total Revenues	<u>26,035,651</u>	<u>26,243,846</u>	<u>913,627</u>	<u>871,342</u>	<u>26,949,278</u>	<u>27,115,188</u>
Program Expenses						
Instruction	14,940,596	13,345,921	0	0	14,940,596	13,345,921
Support Services:						
Pupils	1,701,739	1,457,380	0	0	1,701,739	1,457,380
Instructional Staff	704,846	591,749	0	0	704,846	591,749
Board of Education	90,134	113,093	0	0	90,134	113,093
Administration	2,046,793	1,885,623	0	0	2,046,793	1,885,623
Fiscal Services	747,064	665,621	0	0	747,064	665,621
Business	26,278	21,627	0	0	26,278	21,627
Operation and Maintenance of Plant	1,737,436	1,679,574	0	0	1,737,436	1,679,574
Pupil Transportation	1,786,288	1,591,323	0	0	1,786,288	1,591,323
Central	23,814	34,528	0	0	23,814	34,528
Operation of Non-Instructional Services	49,796	195,606	0	0	49,796	195,606
Extracurricular Activities	624,287	551,485	0	0	624,287	551,485
Interest and Fiscal Charges	277,373	418,683	0	0	277,373	418,683
Food Service	0	0	984,409	895,269	984,409	895,269
Total Expenses	<u>24,756,444</u>	<u>22,552,213</u>	<u>984,409</u>	<u>895,269</u>	<u>25,740,853</u>	<u>23,447,482</u>
Total Change in Net Position	1,279,207	3,691,633	(70,782)	(23,927)	1,208,425	3,667,706
Beginning Net Position (Deficit)	<u>(6,788,995)</u>	<u>(10,480,628)</u>	<u>(128,527)</u>	<u>(104,600)</u>	<u>(6,917,522)</u>	<u>(10,585,228)</u>
Ending Net Deficit	<u><u>(\$5,509,788)</u></u>	<u><u>(\$6,788,995)</u></u>	<u><u>(\$199,309)</u></u>	<u><u>(\$128,527)</u></u>	<u><u>(\$5,709,097)</u></u>	<u><u>(\$6,917,522)</u></u>

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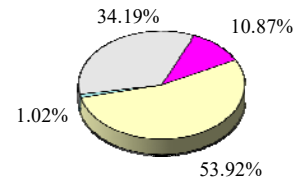
Governmental Activities

Net position of the District's governmental activities increased by \$1,279,207. Total governmental expenses of \$24,756,444 were offset by program revenues of \$2,829,844 and general revenues of \$23,205,807. Program revenues supported 11.3% of the total governmental expenses. The primary sources of revenues consist of property taxes and grants and entitlements which total \$22,941,289 and represent 98.9% 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 \$2,353,259 yearly. Voters also approved a new ten year emergency operating levy on November 2, 2010 for \$3,528,880. Fiscal year 2017 includes the total revenues generated from both these emergency levies. Property taxes made up 54% of revenues for governmental activities for the District in fiscal year 2017. The District's reliance upon tax revenues is demonstrated by the following graph:

Revenue Sources	2017	Percent of Total
General Grants	\$8,902,300	34.19%
Program Revenues	2,829,844	10.87%
Property Tax Revenues	14,038,989	53.92%
General Other	264,518	1.02%
Total Revenue	<u>\$26,035,651</u>	<u>100.00%</u>



Business-Type Activities

Net position of the business-type activities decreased by \$70,782. These programs had revenues of \$913,627 and expenses of \$984,409 for fiscal year 2017. Business activities receive no support from tax revenues; however, they have received support from governmental activities.

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FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of \$20,125,422, which is higher than last year's total of \$17,876,407. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2017 and 2016.

	Fund Balance June 30, 2017	Fund Balance June 30, 2016	Increase (Decrease)
General	\$18,195,456	\$17,099,016	\$1,096,440
Debt Service	612,191	692,895	(80,704)
Other Governmental	1,317,775	84,496	1,233,279
Total	\$20,125,422	\$17,876,407	\$2,249,015

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:

	2017 Revenues	2016 Revenues	Increase (Decrease)
Taxes	\$13,351,315	\$13,314,199	\$37,116
Tuition	1,174,718	827,692	347,026
Investment Earnings	138,938	110,693	28,245
Extracurricular Activities	30,345	37,729	(7,384)
Class Materials and Fees	69,111	55,707	13,404
Intergovernmental - State	8,783,790	8,892,789	(108,999)
Intergovernmental - Federal	144,277	135,809	8,468
All Other Revenue	129,520	282,132	(152,612)
Total	\$23,822,014	\$23,656,750	\$165,264

General Fund revenues in 2017 increased approximately 0.7% compared to revenues in fiscal year 2016. During fiscal year 2017, the District had an increase in Tuition that is attributed to the increase in excess cost reimbursement and an increase in open enrollment revenues. The decrease in Intergovernmental – State revenues resulted from the decline in Tangible Personal Property Reimbursement that is being phased out by SB 208. The District also had a decrease in All Other Revenue which can be attributed to the loss of sponsorship revenues from Lakewood Digital Academy.

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	2017 Expenditures	2016 Expenditures	Increase (Decrease)
Instruction	\$12,772,527	\$12,127,180	\$645,347
Supporting Services:			
Pupils	1,500,741	1,392,671	108,070
Instructional Staff	488,450	505,941	(17,491)
Board of Education	89,586	113,146	(23,560)
Administration	1,890,475	1,875,556	14,919
Fiscal Services	705,206	659,125	46,081
Business	25,520	21,811	3,709
Operation & Maintenance of Plant	2,402,051	1,973,427	428,624
Pupil Transportation	1,861,033	1,668,532	192,501
Central	23,219	27,123	(3,904)
Operation of Non-Instructional Services	6,703	154,352	(147,649)
Extracurricular Activities	345,652	330,613	15,039
Capital Outlay	117,754	0	117,754
Debt Service:			
Principal Retirement	37,828	36,424	1,404
Interest and Fiscal Charges	2,275	3,803	(1,528)
Total	\$22,269,020	\$20,889,704	\$1,379,316

The expenditures increased by \$1,379,316 or 6.6% compared to the prior year. The District's budget is 76% personnel related. The District had a 3% increase in base salary for fiscal year 2017 and paid the negotiated step increase ranging from 0% to 5% based on the number of years of service and type of degree. The District health insurance premiums increased 10% for the January 2017 renewal. The Operation of Non-Instructional Services reflects a decline due to the elimination of the sponsorship of Lakewood Digital Academy. The District's capital outlay expenditures are up. The District has invested in several large capital improvement projects which included new theatre lighting, projector, and large roller screen in our High School auditorium; concrete driveway at the high traffic area at the High School; new Middle School bleachers; partial roof replacement at both the Middle School and Jackson Intermediate; and a new bus fueling station. The District has also begun construction on a new Athletic Stadium and upgrades to the Middle School science classrooms and restrooms; and a new secured entry and student success center at the High School.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

During the course of fiscal year 2017 the District amended its General Fund budget several times. The final budget was \$1.26 million over the original budget due to an increase in the budget for capital out items.

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The General Fund budget basis revenue of \$23.7 million increased approximately \$0.6 million primarily as a result of increases in tuition revenues. In addition there were increases in revenues from an insurance claim, donations and interest income.

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 2017, the District had \$14,971,093 net of accumulated depreciation invested in land, construction in progress, buildings, equipment and vehicles. Of this total, \$14,855,180 was related to governmental activities and \$115,913 to the business-type activities. The following table shows fiscal year 2017 and 2016 balances:

	Governmental Activities		Change
	2017	2016	
Land	\$275,555	\$275,555	\$0
Land Improvements	1,181,259	1,195,889	(14,630)
Buildings and Improvements	22,844,466	22,576,767	267,699
Furniture, Fixtures and Equipment	3,964,419	3,729,345	235,074
Vehicles	2,344,212	2,219,438	124,774
Construction in Progress	1,964,316	19,600	1,944,716
Less: Accumulated Depreciation	(17,719,047)	(17,111,108)	(607,939)
Totals	\$14,855,180	\$12,905,486	\$1,949,694

	Business-Type Activities		Change
	2017	2016	
Furniture and Equipment	\$426,200	\$426,776	(\$576)
Less: Accumulated Depreciation	(310,287)	(294,634)	(15,653)
Totals	\$115,913	\$132,142	(\$16,229)

The change in capital asset additions/disposals was offset by depreciation as well as an increase to Construction in Progress which included expenditures for a new Athletic Stadium, renovations of the science classrooms and restrooms at the Middle School and a new secured entry and student success center at the High School. Additional information on the District's capital assets can be found in Note 8.

Debt

At June 30, 2017 the District had \$47.8 million in bonds, notes, loans, and other long-term obligations outstanding, \$1,109,983 due within one year. The following table summarizes the District's debt and other long-term liabilities outstanding as of June 30, 2017 and June 30, 2016:

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	2017	2016
Governmental Activities:		
General Obligation Bonds:		
School Improvement	\$8,220,168	\$8,922,230
Energy Conservation Bonds Payable	550,624	692,648
Net Pension Liability	35,595,957	29,193,240
Capital Leases Payable	2,545,082	82,910
Compensated Absences	281,087	237,745
Total Governmental Activities	47,192,918	39,128,773
Business-Type Activities:		
Net Pension Liability	560,509	265,049
Compensated Absences	4,622	3,906
Total Business-Type Activities	565,131	268,955
Totals	\$47,758,049	\$39,397,728

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, 2017, 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 \$2,353,259 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 2018-2020. The District anticipates returning to its voters asking for a renewal of the above listed emergency operating levies. The renewal for the five year will be on the November 2017 ballot. With the passage of this levy, the District should be able to meet its operating expenses through 2021.

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.

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***Management's Discussion and Analysis
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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, 2017

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 9,401,474	\$ 64,015	\$ 9,465,489
Investments	11,850,594	0	11,850,594
Receivables:			
Taxes	14,846,450	0	14,846,450
Accounts	281,618	323	281,941
Intergovernmental	104,464	0	104,464
Interest	42,288	0	42,288
Inventory	25,213	7,123	32,336
Prepaid Items	291,101	13,264	304,365
Capital Assets:			
Nondepreciable Capital Assets	2,239,871	0	2,239,871
Depreciable Capital Assets, Net	12,615,309	115,913	12,731,222
Total Capital Assets, Net	14,855,180	115,913	14,971,093
Total Assets	51,698,382	200,638	51,899,020
Deferred Outflows of Resources:			
Deferred Charge on Refunding	69,762	0	69,762
Pension	6,347,075	253,206	6,600,281
Total Deferred Outflows of Resources	6,416,837	253,206	6,670,043
Liabilities:			
Accounts Payable	534,848	499	535,347
Accrued Wages and Benefits	1,758,244	54,907	1,813,151
Intergovernmental Payable	323,010	14,159	337,169
Retainage Payable	55,906	0	55,906
Accrued Interest Payable	31,624	0	31,624
Long Term Liabilities:			
Due Within One Year	1,109,983	0	1,109,983
Due in More Than One Year:			
Net Pension Liability	35,595,957	560,509	36,156,466
Other Amounts Due in More Than One Year	10,486,978	4,622	10,491,600
Total Liabilities	49,896,550	634,696	50,531,246
Deferred Inflows of Resources:			
Property Taxes	13,517,511	0	13,517,511
Pension	210,946	18,457	229,403
Total Deferred Inflows of Resources	13,728,457	18,457	13,746,914
Net Position:			
Net Investment in Capital Assets	4,355,534	115,913	4,471,447
Restricted For:			
Debt Service	606,001	0	606,001
Other Purposes	90,851	0	90,851
Unrestricted (Deficit)	(10,562,174)	(315,222)	(10,877,396)
Total Net Position	\$ (5,509,788)	\$ (199,309)	\$ (5,709,097)

See accompanying notes to the basic financial statements

LAKWOOD LOCAL SCHOOL DISTRICT

Statement of Activities For the Fiscal Year Ended June 30, 2017

	Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions
Governmental Activities:			
Instruction	\$ 14,940,596	\$ 1,250,111	\$ 1,157,749
Support Services:			
Pupils	1,701,739	0	119,476
Instructional Staff	704,846	0	144,532
Board of Education	90,134	0	0
Administration	2,046,793	44	0
Fiscal Services	747,064	0	0
Business	26,278	0	0
Operation and Maintenance of Plant	1,737,436	0	7,200
Pupil Transportation	1,786,288	0	0
Central	23,814	0	0
Operation of Non-Instructional Services	49,796	0	0
Extracurricular Activities	624,287	141,481	9,251
Interest and Fiscal Charges	277,373	0	0
Total Governmental Activities	24,756,444	1,391,636	1,438,208
Business-Type Activities:			
Food Service	984,409	331,827	581,800
Total Business-Type Activities	984,409	331,827	581,800
Totals	\$ 25,740,853	\$ 1,723,463	\$ 2,020,008

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

Governmental Activities	Business-Type Activities	Total
\$ (12,532,736)	\$ 0	\$ (12,532,736)
(1,582,263)	0	(1,582,263)
(560,314)	0	(560,314)
(90,134)	0	(90,134)
(2,046,749)	0	(2,046,749)
(747,064)	0	(747,064)
(26,278)	0	(26,278)
(1,730,236)	0	(1,730,236)
(1,786,288)	0	(1,786,288)
(23,814)	0	(23,814)
(49,796)	0	(49,796)
(473,555)	0	(473,555)
(277,373)	0	(277,373)
<u>(21,926,600)</u>	<u>0</u>	<u>(21,926,600)</u>
<u>0</u>	<u>(70,782)</u>	<u>(70,782)</u>
<u>0</u>	<u>(70,782)</u>	<u>(70,782)</u>
<u>(21,926,600)</u>	<u>(70,782)</u>	<u>(21,997,382)</u>
13,226,848	0	13,226,848
812,141	0	812,141
8,902,300	0	8,902,300
144,950	0	144,950
119,568	0	119,568
<u>23,205,807</u>	<u>0</u>	<u>23,205,807</u>
1,279,207	(70,782)	1,208,425
<u>(6,788,995)</u>	<u>(128,527)</u>	<u>(6,917,522)</u>
<u>\$ (5,509,788)</u>	<u>\$ (199,309)</u>	<u>\$ (5,709,097)</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2017

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 7,006,555	\$ 571,051	\$ 1,823,868	\$ 9,401,474
Investments	11,850,594	0	0	11,850,594
Receivables:				
Taxes	13,722,000	1,124,450	0	14,846,450
Accounts	281,618	0	0	281,618
Intergovernmental	10,552	0	93,912	104,464
Interest	42,288	0	0	42,288
Inventory	25,213	0	0	25,213
Prepaid Items	278,149	0	12,952	291,101
Total Assets	\$ 33,216,969	\$ 1,695,501	\$ 1,930,732	\$ 36,843,202
Liabilities:				
Accounts Payable	\$ 67,310	\$ 0	\$ 467,538	\$ 534,848
Accrued Wages and Benefits	1,679,998	0	78,246	1,758,244
Intergovernmental Payable	311,743	0	11,267	323,010
Retainage Payable	0	0	55,906	55,906
Total Liabilities	2,059,051	0	612,957	2,672,008
Deferred Inflows of Resources:				
Property Taxes	12,459,635	1,057,876	0	13,517,511
Unavailable Revenue	502,827	25,434	0	528,261
Total Deferred Inflows of Resources	12,962,462	1,083,310	0	14,045,772
Fund Balances:				
Nonspendable	303,362	0	12,952	316,314
Restricted	19,542	612,191	817,775	1,449,508
Committed	204,164	0	0	204,164
Assigned	3,087,642	0	500,000	3,587,642
Unassigned	14,580,746	0	(12,952)	14,567,794
Total Fund Balances	18,195,456	612,191	1,317,775	20,125,422
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 33,216,969	\$ 1,695,501	\$ 1,930,732	\$ 36,843,202

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, 2017

Total Governmental Fund Balances	\$	20,125,422
<i>Amounts reported for governmental activities in the statement of net position are different because</i>		
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		14,855,180
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.		528,261
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - Pension	6,347,075	
Deferred Inflows - Pension	(210,946)	
Net Pension Liability	<u>(35,595,957)</u>	(29,459,828)
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	(550,624)	
General Obligation Bonds Payable	(7,910,000)	
Deferred loss on refunding (to be amortized as interest expense)	69,762	
Issuance Premium (to be amortized against interest expense)	(310,168)	
Capital Leases Payable	(2,545,082)	
Compensated Absences Payable	(281,087)	
Accrued Interest Payable	<u>(31,624)</u>	<u>(11,558,823)</u>
<i>Net Position of Governmental Activities</i>	\$	<u>(5,509,788)</u>

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, 2017

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Local Sources:				
Taxes	\$ 13,351,315	\$ 817,832	\$ 0	\$ 14,169,147
Tuition	1,174,718	0	0	1,174,718
Investment Earnings	138,938	0	0	138,938
Extracurricular Activities	30,345	0	111,136	141,481
Class Materials and Fees	69,111	0	0	69,111
Intermediate Sources	0	0	11,265	11,265
Intergovernmental - State	8,783,790	220,343	91,200	9,095,333
Intergovernmental - Federal	144,277	0	1,153,574	1,297,851
All Other Revenue	129,520	0	3,350	132,870
Total Revenue	23,822,014	1,038,175	1,370,525	26,230,714
Expenditures:				
Current:				
Instruction	12,772,527	0	971,996	13,744,523
Supporting Services:				
Pupils	1,500,741	0	122,315	1,623,056
Instructional Staff	488,450	0	160,855	649,305
Board of Education	89,586	0	0	89,586
Administration	1,890,475	0	1,080	1,891,555
Fiscal Services	705,206	11,102	39	716,347
Business	25,520	0	0	25,520
Operation and Maintenance of Plant	2,402,051	0	9,127	2,411,178
Pupil Transportation	1,861,033	0	0	1,861,033
Central	23,219	0	0	23,219
Operation of Non-Instructional Services	6,703	0	0	6,703
Extracurricular Activities	345,652	0	118,300	463,952
Capital Outlay	117,754	0	1,753,534	1,871,288
Debt Service:				
Principal Retirement	37,828	852,024	0	889,852
Interest and Fiscal Charges	2,275	255,753	0	258,028
Total Expenditures	22,269,020	1,118,879	3,137,246	26,525,145
Excess (Deficiency) of Revenues Over Expenditures	1,552,994	(80,704)	(1,766,721)	(294,431)

LAKWOOD LOCAL SCHOOL DISTRICT

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses):				
Sale of Capital Assets	52,777	0	0	52,777
Other Financing Sources - Capital Leases	0	0	2,500,000	2,500,000
Transfers In	0	0	500,000	500,000
Transfers Out	(500,000)	0	0	(500,000)
Total Other Financing Sources (Uses)	(447,223)	0	3,000,000	2,552,777
Net Change in Fund Balance	1,105,771	(80,704)	1,233,279	2,258,346
Fund Balances at Beginning of Year	17,099,016	692,895	84,496	17,876,407
Decrease in Inventory	(9,331)	0	0	(9,331)
Fund Balances End of Year	\$ 18,195,456	\$ 612,191	\$ 1,317,775	\$ 20,125,422

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, 2017***

Net Change in Fund Balances - Total Governmental Funds \$ 2,258,346

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 capital outlays exceeded depreciation in the current period. 2,021,599

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position. (71,905)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (195,063)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 1,713,837

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (2,760,723)

The issuance of long-term debt (e.g. notes, leases) provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items. (1,579,131)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditure is reported when due. (43,386)

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	(48,060)	
Amortization of Deferred Loss on Refunding	(6,976)	
Change in Inventory	(9,331)	(64,367)

Change in Net Position of Governmental Activities \$ 1,279,207

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, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Taxes	\$ 13,334,000	\$ 13,376,895	\$ 13,376,895	\$ 0
Tuition	777,500	1,000,020	999,551	(469)
Investment Earnings	88,000	174,500	179,652	5,152
Class Material and Fees	61,250	70,206	69,756	(450)
Intergovernmental - State	8,664,687	8,783,790	8,783,790	0
Intergovernmental - Federal	75,000	144,578	144,578	0
All Other Revenues	92,900	79,611	79,730	119
Total Revenues	<u>23,093,337</u>	<u>23,629,600</u>	<u>23,633,952</u>	<u>4,352</u>
Expenditures:				
Current:				
Instructional Services	12,899,480	13,071,523	12,946,714	124,809
Support Services:				
Pupils	1,513,941	1,503,355	1,481,923	21,432
Instructional Staff	587,069	541,614	522,073	19,541
Board of Education	128,764	113,973	99,157	14,816
Administration	1,943,069	1,928,935	1,902,975	25,960
Fiscal Services	797,784	718,438	711,128	7,310
Business	52,310	44,436	25,429	19,007
Operation and Maintenance of Plant	2,860,921	2,579,783	2,471,606	108,177
Pupil Transportation	1,918,797	1,918,315	1,867,135	51,180
Central	20,307	26,808	26,316	492
Operation of Non-Instructional Services	13,058	8,926	8,491	435
Extracurricular Activities	338,777	324,327	296,940	27,387
Capital Outlay	0	1,549,133	1,353,718	195,415
Total Expenditures	<u>23,074,277</u>	<u>24,329,566</u>	<u>23,713,605</u>	<u>615,961</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	19,060	(699,966)	(79,653)	620,313
Other Financing Sources (Uses):				
Sale of Capital Assets	3,000	52,777	52,777	0
Transfers In	0	2,325	2,325	0
Transfers Out	(500,000)	(502,325)	(502,325)	0
Total Other Financing Sources (Uses):	<u>(497,000)</u>	<u>(447,223)</u>	<u>(447,223)</u>	<u>0</u>
Net Change in Fund Balance	(477,940)	(1,147,189)	(526,876)	620,313
Fund Balance at Beginning of Year	17,349,379	17,349,379	17,349,379	0
Prior Year Encumbrances	585,234	585,234	585,234	0
Fund Balance at End of Year	<u>\$ 17,456,673</u>	<u>\$ 16,787,424</u>	<u>\$ 17,407,737</u>	<u>\$ 620,313</u>

See accompanying notes to the basic financial statements

LAKEWOOD LOCAL SCHOOL DISTRICT

Statement of Net Position
Proprietary Fund
June 30, 2017

	Business-Type Activities	
	<u>Enterprise Funds</u>	
	<u>Food Service</u>	
Assets:		
<i>Current Assets:</i>		
Cash and Cash Equivalents	\$	64,015
Receivables:		
Accounts		323
Inventory Held for Resale		7,123
Prepaid Items		13,264
<i>Total Current Assets</i>		<u>84,725</u>
<i>Non Current Assets:</i>		
Capital Assets, Net		115,913
Total Assets		<u>200,638</u>
Deferred Outflows of Resources:		
Pension		<u>253,206</u>
Liabilities:		
<i>Current Liabilities:</i>		
Accounts Payable		499
Accrued Wages and Benefits		54,907
Intergovernmental Payable		14,159
<i>Total Current Liabilities</i>		<u>69,565</u>
<i>Long Term Liabilities:</i>		
Compensated Absences Payable		4,622
Net Pension Liability		560,509
<i>Total Long-term Liabilities</i>		<u>565,131</u>
Total Liabilities		<u>634,696</u>
Deferred Inflows of Resources:		
Pension		<u>18,457</u>
Net Position:		
Net Investment in Capital Assets		115,913
Unrestricted		(315,222)
Total Net Position	\$	<u>(199,309)</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, 2017

	Business-Type Activities
	Enterprise Funds
	Food Service
Operating Revenues:	
Sales	\$ 331,315
All Other Revenue	100
Total Operating Revenues	<u>331,415</u>
Operating Expenses:	
Salaries and Wages	270,001
Fringe Benefits	245,091
Contractual Services	18,925
Supplies and Materials	433,095
Depreciation	16,229
Other Operating Expense	1,068
Total Operating Expenses	<u>984,409</u>
Operating Loss	(652,994)
Nonoperating Revenue (Expenses):	
Intergovernmental Grants	581,800
Investment Earnings	412
Total Nonoperating Revenues (Expenses)	<u>582,212</u>
Change in Net Position	(70,782)
Net Position Beginning of Year	<u>(128,527)</u>
Net Position End of Year	<u>\$ (199,309)</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, 2017***

	Business-Type Activities Enterprise Fund
	Food Service
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$330,992
Cash Payments for Goods and Services	(394,407)
Cash Payments to Employees for Services and Benefits	(468,415)
Other Cash Received	100
Net Cash Used by Operating Activities	(531,730)
<u>Cash Flows from Noncapital Financing Activities:</u>	
Intergovernmental Grants Received	522,953
Net Cash Provided by Noncapital Financing Activities	522,953
<u>Cash Flows from Investing Activities:</u>	
Receipt of Interest	412
Net Cash Provided by Investing Activities	412
Net Decrease in Cash and Cash Equivalents	(8,365)
Cash and Cash Equivalents at Beginning of Year	72,380
Cash and Cash Equivalents at End of Year	\$64,015
<u>Reconciliation of Operating Loss to Net Cash Used by Operating Activities:</u>	
Operating Loss	(\$652,994)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	16,229
Donated Commodities Used During the Year	58,847
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(323)
Increase in Inventory	(417)
Increase in Prepaid Items	(632)
Increase in Deferred Outflow-Pension	(228,147)
Increase in Accounts Payable	251
Increase in Accrued Wages and Benefits	3,686
Decrease in Intergovernmental Payables	(6,960)
Increase in Compensated Absences	716
Increase in Net Pension Liability	295,460
Decrease in Deferred Inflow-Pension	(17,446)
Total Adjustments	121,264
Net Cash Used by Operating Activities	(\$531,730)

Schedule of Noncash Investing, Capital and Financing Activities:

During fiscal year 2017, the Food Service Fund received \$58,847 in donated commodities from the federal government.

See accompanying notes to the basic financial statements

LAKEWOOD LOCAL SCHOOL DISTRICT

Statement of Assets and Liabilities
Fiduciary Fund
June 30, 2017

	<u>Agency</u>
Assets:	
Cash and Cash Equivalents	<u>\$ 29,663</u>
Total Assets	<u>\$ 29,663</u>
Liabilities:	
Due to Students	<u>\$ 29,663</u>
Total Liabilities	<u>\$ 29,663</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, 2017

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 101 non-certified and approximately 162 certified teaching personnel and administrative employees providing education to 1,847 students in grades K-12 and to 61 preschool students.

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

The reporting entity of the District includes the following services: instructional (regular, special education), student guidance, extracurricular activities, food service, pupil transportation and care and upkeep of grounds and buildings.

Lakewood Local School District participates in three jointly governed organizations and one insurance purchasing pool. These organizations are the Licking Area Computer Association (LACA), META Solutions (META), Central Ohio Special Education Regional Resource Center and the Ohio SchoolComp Workers’ Compensation Group Retrospective Rating Program. Information regarding these organizations is presented in Notes 13 and 14.

The accounting policies and financial reporting practices of the District conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of its significant accounting policies.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

The following fund types are used by the District:

Governmental Funds - These are funds through which most governmental functions typically are financed. The acquisition, use and balances of the District's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is based upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the District's major governmental funds:

General Fund - This fund is the general operating fund of the District and is used to account for all financial resources except those accounted for in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Debt Service Fund - This fund is used for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

The other governmental funds of the District account for grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds - The proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the proprietary funds are included on the balance sheet. The proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

Enterprise Fund - This fund is used to account for operations that are financed and operated in a manner similar to private business enterprises in which the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The District's major enterprise fund is:

Food Services Fund - This fund accounts for the financial transactions related to the food service operations of the District.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Fiduciary Funds – Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations or other governments and therefore not available to support the District's own programs. The District's agency funds account for various student-managed activity programs and tournament money for the Ohio High School Athletic Association. The agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operation.

C. Basis of Presentation and Measurement Focus – Financial Statements

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements – Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the District is considered to be 60 days after fiscal year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Under the modified accrual basis, the following revenue sources are considered susceptible to accrual at year end: property taxes, tuition, grants and entitlements, student fees, and interest on investments.

The accrual basis of accounting is utilized for reporting purposes by the government-wide financial statements, proprietary funds and fiduciary funds. Revenues are recognized when they are earned and expenses are recognized when incurred.

Revenues – Exchange and Non-exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as unearned revenue.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

E. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the certificate of estimated resources and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year.

All funds other than agency funds are legally required to be budgeted and appropriated; however, only the General Fund and major Special Revenue funds are 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 2017.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

2. Appropriations

A temporary appropriation measure to control expenditures may be passed on or about July 1 of each year for the period July 1 through September 30. An annual appropriation resolution must be passed by October 1 of each year for the period July 1 through June 30. The appropriation resolution establishes spending controls at the fund level except for the General Fund which is at the object level. The appropriation resolution may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. During the year, several supplemental appropriations were necessary to budget the use of contingency funds. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual-General Fund" are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

3. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

4. Budgetary Basis of Accounting

The District's budgetary process accounts for certain transactions on a basis other than accounting principles generally accepted in the United States of America (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting. Encumbrances are recorded as the equivalent of expenditures (budgetary basis) as opposed to reservations of fund balance (GAAP basis).

LAKEWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

4. Budgetary Basis of Accounting (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund:

	Net Change in Fund Balance
	General Fund
GAAP Basis (as reported)	\$1,105,771
Increase (Decrease):	
Accrued Revenues at June 30, 2017, received during FY 2018	(1,093,996)
Accrued Revenues at June 30, 2016, received during FY 2017	896,104
Accrued Expenditures at June 30, 2017, paid during FY 2018	2,059,051
Accrued Expenditures at June 30, 2016, paid during FY 2017	(2,063,490)
FY 2016 Prepays for FY 2017	249,423
FY 2017 Prepays for FY 2018	(278,149)
Adjustment to Fair Value of Investments	44,520
Perspective Difference-	
Budgeted Special Revenue Fund reclassified as General Fund	(239)
Encumbrances Outstanding	(1,445,871)
Budget Basis	(\$526,876)

F. Cash and Cash Equivalents

During fiscal year 2017, 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 4, "Cash, Cash Equivalents and Investments."

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2017

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 4, “Cash, Cash Equivalents and Investments.”

During 2017, the District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, “*Certain External Investment Pools and Pool Participants*.” The District measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value. For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

H. Inventory

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2017, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation

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

1. Property, Plant and Equipment - Governmental Activities

Governmental activities capital assets are those not directly related to the business-type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Position, but they are not reported in the Governmental Fund Financial Statements.

Donated capital assets are recorded at their acquisition value as of the date received. The District does not possess any infrastructure. Estimated historical costs for governmental activities capital asset values were initially determined by identifying historical costs where such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

2. Property, Plant and Equipment – Business-Type Activities

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost). Donated capital assets are recorded at their acquisition value as of the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Position and in the respective 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

LAKEWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Long-Term Obligations

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

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

L. Compensated Absences

In accordance with GASB Statement No. 16, “*Accounting for Compensated Absences*,” vacation benefits are accrued as a liability when an employee’s right to receive compensation is attributable to services already rendered, and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Supervisory personnel and classified exempt employees who work twelve month contracts are granted vacation leave based on length of service. Sick leave benefits are accrued as a liability using the vesting method. Employees may earn 15 days of sick leave per year. Upon retirement, employees will receive one-fourth of the accumulated sick leave up to a maximum of 55 or 65 days depending on the employee’s position.

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

M. Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes is for extracurricular activities and career technology. None of the restricted net position reported at June 30, 2017 was by enabling legislation. The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Fund Balance

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

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

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

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

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

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

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

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Pensions

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

P. Interfund Activity

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund loans receivables/payables”. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Interfund activity within governmental activities and business-type activities are eliminated for reporting on the government-wide financial statements.

Q. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

R. Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. There were no extraordinary or special items reported for fiscal year 2017.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

U. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. For the District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding and for pension. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension are explained in Note 9.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, pension, and unavailable revenue. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, unavailable amounts, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes, investment earnings, grants, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position explained in Note 9.

LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

V. Fair Value

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

NOTE 2 – 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:

<u>Fund Balances</u>	<u>General Fund</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:				
Prepaid Items	\$278,149	\$0	\$12,952	\$291,101
Supplies Inventory	25,213	0	0	25,213
Total Nonspendable	<u>303,362</u>	<u>0</u>	<u>12,952</u>	<u>316,314</u>
Restricted:				
Career Technology Education	19,542	0	0	19,542
Local Grants	0	0	1,483	1,483
Extracurricular Activities	0	0	69,826	69,826
Debt Service Payments	0	612,191	0	612,191
Capital Improvements	0	0	746,466	746,466
Total Restricted	<u>19,542</u>	<u>612,191</u>	<u>817,775</u>	<u>1,449,508</u>
Committed:				
Building Maintenance and Renovation	204,164	0	0	204,164
Assigned:				
Services and Supplies	1,397,614	0	0	1,397,614
Projected Budgetary Deficit	1,642,442	0	0	1,642,442
Capital Improvements	0	0	500,000	500,000
Student and Staff Support	47,586	0	0	47,586
Total Assigned	<u>3,087,642</u>	<u>0</u>	<u>500,000</u>	<u>3,587,642</u>
Unassigned	<u>14,580,746</u>	<u>0</u>	<u>(12,952)</u>	<u>14,567,794</u>
Total Fund Balances	<u><u>\$18,195,456</u></u>	<u><u>\$612,191</u></u>	<u><u>\$1,317,775</u></u>	<u><u>\$20,125,422</u></u>

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2017

NOTE 3 – 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 capital outlays exceeded depreciation in the current period:

Capital Outlay	\$2,997,684
Depreciation Expense	(976,085)
	<u>\$2,021,599</u>

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

Loss on Disposal of Capital Asset	(\$19,128)
Proceeds Received	(52,777)
	<u>(\$71,905)</u>

Governmental revenues not reported in the funds:

Increase in Investment Earnings	\$6,012
Decrease in Grants Revenue	(70,917)
Decrease in Delinquent Tax Revenue	(130,158)
	<u>(\$195,063)</u>

Amount of bond and lease principal payments:

Bond Principal Payment	\$710,000
Energy Conservation Bond Principal Payment	142,024
Premium on Refunding General Obligation Bond Proceeds	31,017
Capital Lease Proceeds	(2,500,000)
Capital Lease Payment	37,828
	<u>(\$1,579,131)</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2017

NOTE 4 – 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, 2017**

NOTE 4 – 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 \$5,409,642 and the bank balance was \$6,004,396. Federal depository insurance covered \$5,966,903 of the bank balance and \$37,493 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>\$37,493</u>
Total Balance	<u><u>\$37,493</u></u>

Investment earnings of \$16,003 earned by other funds were credited to the General Fund as required by state statute.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2017

NOTE 4 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

B. Investments

The District's investments at June 30, 2017 were as follows:

	Fair Value	Credit Rating	Investment Maturities (in Years)		
			less than 1	1-3	3-5
STAR Ohio (amortized cost)	\$8,635,510	AAAm ¹	\$8,635,510	\$0	\$0
FHLB	936,888	a AA+	0	936,888	0
FHLMC	946,507	AA+	0	946,507	0
FFCB	616,753	b AA+	0	616,753	0
FNMA	2,691,152	c AA+	373,952	1,193,651	1,123,549
JP Morgan Commercial Paper	834,684	A-1 ¹	834,684	0	0
TD USA Commercial Paper	339,497	A-1+ ¹	339,497	0	0
Chevron Co Commercial Paper	258,931	A-1+ ¹	258,931	0	0
GE Capital Corp Treasury	337,865	A-1+ ¹	337,865	0	0
Toyota Motor Credit Commercial Paper	338,317	A-1+ ¹	338,317	0	0
Total Investments	\$15,936,104		\$11,118,756	\$3,693,799	\$1,123,549

¹ Standard & Poor's

^a \$274,726 in securities are callable on October 16, 2017.

^b A \$616,753 security is callable on October 16, 2017.

^c \$1,343,784 in securities are callable in October 2017, \$812,077 in securities are callable on November 28, 2017, \$223,819 in securities are callable on December 28, 2017, and \$311,472 in securities are callable on January 27, 2018.

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

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

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

Concentration of Credit Risk – The District places no limit on the amount the District may invest in one issuer. Of the District's total investments, 54.19% are in STAR Ohio, 5.88% are in FHLB securities, 5.94% are in FHLMC securities, 3.87% are in FFCB securities, 16.89% are in FNMA securities, and 13.23% are in Commercial Paper.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2017

NOTE 4 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

B. Investments (Continued)

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

C. Reconciliation of Cash, Cash Equivalents and Investments

The classification of cash, cash equivalents and investments on the financial statements is based on criteria set forth in GASB Statement No. 9. Certificates of deposit with an original maturity of three months or less are treated as cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3.

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Financial Statements	\$9,495,152	\$11,850,594
Certificates of Deposit (with original maturities of more than 3 months)	4,550,000	(4,550,000)
STAR Ohio	<u>(8,635,510)</u>	<u>8,635,510</u>
Per GASB Statement No. 3	<u>\$5,409,642</u>	<u>\$15,936,104</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2017

NOTE 5 - PROPERTY TAXES

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

Property taxes include amounts levied against all real and public utility property located in the District. Real property tax revenue received in calendar year 2017 represents collections of calendar year 2016 taxes. Real property taxes received in calendar year 2017 were levied after April 1, 2016, on the assessed value listed as of January 1, 2016, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2017 represents collections of calendar year 2016 taxes. Public utility real and tangible personal property taxes received in calendar year 2017 became a lien December 31, 2015, were levied after April 1, 2016 and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The District receives property taxes from Licking County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2017, are available to finance fiscal year 2017 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 2017 receipts were based are:

	<u>2016 Second Half Collections</u>	<u>2017 First Half Collections</u>
Agricultural/Residential and Other Real Estate	\$395,670,850	\$398,698,788
Public Utility Personal	<u>27,025,450</u>	<u>29,234,730</u>
Total Assessed Value	<u>\$422,696,300</u>	<u>\$427,933,518</u>
Tax rate per \$1,000 of assessed valuation	\$54.20	\$54.20

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2017

NOTE 5 - PROPERTY TAXES (Continued)

Tax Abatement

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

As of June 30, 2017, other governmental entities provided tax abatements through the Community Reinvestment Area (CRA) program. Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

During fiscal year 2017, the District's property tax revenues were reduced under agreements entered into by other governments as follows:

Government Entering Into Agreement	District Taxes Abated
Village of Hebron	\$ 149,345
City of Heath	23,568
Licking County	16,596
Total	<u>\$ 189,509</u>

NOTE 6 - RECEIVABLES

Receivables at June 30, 2017 consisted of taxes, accounts, interest and intergovernmental receivables.

LAKEWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

NOTE 7 - INTERFUND ACTIVITY

Following is a summary of transfers in and out for all funds for fiscal year 2017:

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

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

NOTE 8 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at June 30, 2017:

<i>Historical Cost:</i>				
Class	Balance at June 30, 2016	Additions	Deletions	Balance at June 30, 2017
Capital Assets not being depreciated:				
Land	\$275,555	\$0	\$0	\$275,555
Construction In Progress	19,600	1,964,316	(19,600)	1,964,316
Subtotal	<u>295,155</u>	<u>1,964,316</u>	<u>(19,600)</u>	<u>2,239,871</u>
Capital Assets being depreciated:				
Land Improvements	1,195,889	199,381	(214,011)	1,181,259
Buildings and Improvements	22,576,767	267,699	0	22,844,466
Furniture, Fixtures and Equipment	3,729,345	374,015	(138,941)	3,964,419
Vehicles	2,219,438	211,873	(87,099)	2,344,212
Subtotal	<u>29,721,439</u>	<u>1,052,968</u>	<u>(440,051)</u>	<u>30,334,356</u>
Total Cost	<u>\$30,016,594</u>	<u>\$3,017,284</u>	<u>(\$459,651)</u>	<u>\$32,574,227</u>
Accumulated Depreciation:				
Class	Balance at June 30, 2016	Additions	Deletions	Balance at June 30, 2017
Land Improvements	(\$549,056)	(\$65,145)	\$151,692	(\$462,509)
Buildings and Improvements	(12,045,273)	(541,097)	0	(12,586,370)
Furniture, Fixtures and Equipment	(3,034,799)	(230,689)	136,505	(3,128,983)
Vehicles	(1,481,980)	(139,154)	79,949	(1,541,185)
Total Depreciation	<u>(\$17,111,108)</u>	<u>(\$976,085) *</u>	<u>\$368,146</u>	<u>(\$17,719,047)</u>
Net Value:	<u>\$12,905,486</u>			<u>\$14,855,180</u>

LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

NOTE 8 - CAPITAL ASSETS (Continued)

A. Governmental Activities Capital Assets (Continued)

* Depreciation expenses were charged to governmental functions as follows:

Instruction	\$531,805
Support Services:	
Instructional Staff	29,741
Administration	34,660
Operations and Maintenance of Plant	53,029
Pupil Transportation	145,856
Other Noninstructional Services	41,570
Extracurricular Activities	139,424
Total Depreciation Expense	\$976,085

B. Business-Type Activities Capital Assets

Summary by Category at June 30, 2017:

Class	Balance at June 30, 2016	Additions	Deletions	Balance at June 30, 2017
Furniture and Equipment	\$426,776	\$0	(\$576)	\$426,200
Accumulated Depreciation	(294,634)	(16,229)	576	(310,287)
Net Value:	\$132,775	(\$16,229)	\$0	\$115,913

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2017

NOTE 9 - DEFINED BENEFIT PENSION PLANS

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

A. Net Pension Liability

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

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

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

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

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

LAKEWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017***

NOTE 9 - DEFINED BENEFIT PENSION PLANS (Continued)

B. Plan Description

School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary. One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2017, the allocation to pension, death benefits, and Medicare B was 14.00 percent. None of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The District’s contractually required contribution to SERS was \$405,515 for fiscal year 2017. Of this amount \$23,880 is reported as an intergovernmental payable.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2017

NOTE 9 - DEFINED BENEFIT PENSION PLANS (Continued)

B. Plan Description (Continued)

State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

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

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

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2017

NOTE 9 - DEFINED BENEFIT PENSION PLANS (Continued)

B. Plan Description (Continued)

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2017, the employer rate was 14% and the member rate was 14% of covered payroll. The entire 14% was used to fund pension obligations. The statutory maximum employer rate is 14%.

The District's contractually required contribution to STRS was \$1,342,459 for fiscal year 2017. Of this amount \$222,372 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities.

LAKEWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

NOTE 9 - DEFINED BENEFIT PENSION PLANS (Continued)

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

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$6,656,876	\$29,499,590	\$36,156,466
Proportion of the Net Pension Liability -2017	0.0909524%	0.08812947%	
Proportion of the Net Pension Liability -2016	<u>0.0883081%</u>	<u>0.08835719%</u>	
Percentage Change	<u>0.0026443%</u>	<u>(0.0002277%)</u>	
Pension Expense	\$698,756	\$2,145,971	\$2,844,727

At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$89,786	\$1,191,926	\$1,281,712
Changes of assumptions	444,383	0	444,383
Net difference between projected and actual earnings on pension plan investments	549,096	2,449,258	2,998,354
Changes in proportion and differences School District contributions subsequent to the measurement date	405,515	1,342,459	1,747,974
Changes in proportion share	<u>127,858</u>	<u>0</u>	<u>127,858</u>
Total Deferred Outflows of Resources	<u>\$1,616,638</u>	<u>\$4,983,643</u>	<u>\$6,600,281</u>
Deferred Inflows of Resources			
Changes in proportion share	<u>\$86,271</u>	<u>\$143,132</u>	<u>\$229,403</u>
Total Deferred Inflows of Resources	<u>\$86,271</u>	<u>\$143,132</u>	<u>\$229,403</u>

\$1,747,974 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2018	\$279,167	\$533,104	\$812,271
2019	278,773	533,107	811,880
2020	409,069	1,472,952	1,882,021
2021	<u>157,843</u>	<u>958,889</u>	<u>1,116,732</u>
Total	<u>\$1,124,852</u>	<u>\$3,498,052</u>	<u>\$4,622,904</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2017

NOTE 9 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions

School Employees Retirement System (SERS)

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2016, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

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

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

LAKEWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

NOTE 9 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions (Continued)

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

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

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

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

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
School District's proportionate share of the net pension liability	\$8,813,290	\$6,656,876	\$4,851,869

LAKEWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

NOTE 9 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions (Continued)

State Teachers Retirement System (STRS)

The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

Actuarial assumptions used in the June 30, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return*</u>
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	100.00 %	7.61 %

* 10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.50% and does not include investment expenses. The total fund long-term expected return reflects diversification among the asset classes and therefore is not a weighted average return of the individual asset classes.

LAKEWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

NOTE 9 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2016. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2016.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$39,202,558	\$29,499,590	\$21,314,565

E. Changes between Measurement Date and Report Date

In March 2017, the STRS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of June 30, 2017. The most significant change is a reduction in the discount rate from 7.75 percent to 7.45 percent. In April 2017, the STRS Board voted to suspend cost of living adjustments granted on or after July 1, 2017. Although the exact amount of these changes is not known, the overall decrease to the School District's Net Pension Liability is expected to be significant.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2017

NOTE 10 - POSTEMPLOYMENT BENEFITS

A. School Employee Retirement System

Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2017, no percentage of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount (\$23,500 for 2017), pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge.

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

The District's contributions for health care for the fiscal years ended June 30, 2017, 2016, and 2015 were \$46,876, \$43,311, and \$68,302 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, 2017

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 2017, STRS Ohio allocated employer contributions equal to zero percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2017, 2016, and 2015 were \$0, \$0, and \$0 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, 2017

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, 2017 are as follows:

		Balance June 30, 2016	Issued	(Retired)	Balance June 30, 2017	Due Within One Year
Governmental Activities:						
(Energy Conservation Bonds Payable)						
Energy Conservation Project	5.00%	\$50,253	\$0	(\$50,253)	\$0	\$0
Energy Conservation Project	3.55%	642,395	0	(91,771)	550,624	91,770
Total Energy Conservation Bonds Payable		692,648	0	(142,024)	550,624	91,770
(General Obligation Bonds Payable)						
School Improvement						
Refunding Bonds 2006	2.75-4.15%	178,713	0	(178,713)	0	0
School Improvement						
Refunding Bonds 2016	2.00-3.00%	7,945,000	0	(35,000)	7,910,000	705,000
Premium on Refunding Bonds		341,185	0	(31,017)	310,168	0
Interest Accretion		457,332	38,955	(496,287)	0	0
Total General Obligation Bonds Payable		8,922,230	38,955	(741,017)	8,220,168	705,000
(Net Pension Liability)						
School Teachers Retirement System		24,419,343	5,080,247	0	29,499,590	0
School Employees Retirement System		4,773,897	1,322,470	0	6,096,367	0
Total Net Pension Liability		29,193,240	6,402,717	0	35,595,957	0
Capital Leases Payable		82,910	2,500,000	(37,828)	2,545,082	246,917
Compensated Absences		237,745	191,375	(148,033)	281,087	66,296
Total Governmental Activities		<u>\$39,128,773</u>	<u>\$9,133,047</u>	<u>(\$1,068,902)</u>	<u>\$47,192,918</u>	<u>\$1,109,983</u>
Business-Type Activities:						
Net Pension Liability-						
School Employees Retirement System		\$265,049	\$295,460	\$0	\$560,509	\$0
Compensated Absences		3,906	1,706	(990)	4,622	0
Total Business Type Activities		<u>\$268,955</u>	<u>\$297,166</u>	<u>(\$990)</u>	<u>\$565,131</u>	<u>\$0</u>

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

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

LAKEWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

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, 2017, follows:

Years	Energy Conservation Bonds Payable		General Obligation Bonds Payable	
	Principal	Interest	Principal	Interest
2018	\$91,770	\$18,153	\$705,000	\$204,288
2019	91,771	14,851	725,000	190,394
2020	91,771	11,547	735,000	176,200
2021	91,771	4,941	750,000	159,350
2022	91,771	6,606	770,000	138,300
2023-2027	91,770	3,303	4,225,000	324,075
Totals	<u>\$550,624</u>	<u>\$59,401</u>	<u>\$7,910,000</u>	<u>\$1,192,607</u>

NOTE 12 - CAPITAL LEASE COMMITMENTS

The District leases a stadium and copiers under capital leases. The cost of the stadium obtained under the capital lease is \$1,862,893; the accumulated depreciation is \$0. The cost of the equipment obtained under capital leases is \$178,208, the accumulated depreciation is \$135,440 and the net book value is \$42,768. These are included in the Governmental Activities Capital Assets and the related liability is included in the Governmental Activities Long-Term Liabilities.

The following is a schedule of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 2017:

Year Ending June 30,	Capital Lease
2018	\$316,274
2019	300,288
2020	298,759
2021	290,874
2022	286,687
2023-2027	<u>1,427,580</u>
Minimum Lease Payments	2,920,462
Less: Amount representing interest at the District's incremental borrowing rate of interest	<u>(375,380)</u>
Present Value of minimum lease payments	<u>\$2,545,082</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017***

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 2017 the District contracted with insurance providers for various insurance coverages, as follows:

Insurance Provider	Coverage	Deductible	Aggregate
Wright Specialty Insurance Company	Fleet Insurance	\$500/Comprehensive \$500/Collision	\$1,000,000
Wright Specialty Insurance Company	Buildings and Contents	\$5,000	\$79,586,141
Wright Specialty Insurance Company	School District Liability	\$0	\$2,000,000
Wright Specialty Insurance Company	School Leaders Errors and Omissions	\$2,500	\$1,000,000
Wright Specialty Insurance Company	Umbrella Policy	\$0	\$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 Ohio SchoolComp Workers' Compensation Group Retrospective Rating Program (Program) is a shared risk pool among school districts in Ohio. Section 4123.29, Ohio Revised Code, permits the establishment of employer group retrospective rating plans for workers' compensation rating purposes. The Program is governed by the Ohio School Board Association (OSBA) Executive Committee that consists of seven members as follows: the president of OSBA, Immediate Past President of OSBA, and five representatives elected from the participating school districts.

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

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2017

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 nineteen Information Technology Centers (ITC's) in the State of Ohio that make up the Ohio Education Computer Network (OECN). LACA is a non-profit organization, owned and governed by the schools it serves. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of LACA consists of 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 \$96,074 for services provided during the year. Financial information can be obtained from their fiscal agent, the Career and Technology Education Centers of Licking County, Treasurer, at 150 Price Road, Newark, Ohio 43055.

B. META Solutions

The District participates in META Solutions (META), a jointly governed organization. The organization is composed of over 250 members, which includes school districts, joint vocational schools, educational service centers and libraries covering over 50 counties in Ohio. META helps its members purchase services, insurance, supplies, and other items at a discounted rate. The governing board of META is directed by 11 members which are composed of superintendents of the board of education of a participating school district. Each year, the participating school districts pay a membership fee to META to cover the costs of administering the program. The District's membership payment to META for fiscal year 2017 was \$763. Financial information may be obtained from the META Solutions, Fiscal Officer, 2100 Citygate Dr., Columbus, OH 43219.

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2017

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 2017.

NOTE 15 – SIGNIFICANT COMMITMENTS

As of June 30, 2017, the District had the following commitments with respect to capital improvements:

<u>Capital Projects</u>	<u>Remaining Construction Commitment</u>
Lancer Stadium	\$1,561,907
High School Improvement	304,645
Middle School Improvement	605,580

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. Significant encumbrances outstanding at fiscal year-end in the General Fund are \$1,445,871.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2017

NOTE 16 – 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, 2017, the reserve activity (cash-basis) was as follows:

	<u>Capital Acquisition Reserve</u>
Set-aside Cash Balance as of June 30, 2016	\$0
Current Year Set-Aside Requirement	328,979
Current Year Qualifying Expenditures	<u>(2,851,157)</u>
Total	<u>(\$2,522,178)</u>
Set-aside Cash Balance Carried Forward to FY 2018	<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 17 - 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, 2017, 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, 2017.

C. Foundation Funding

District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional Districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2017 Foundation funding for the District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2017

NOTE 18 – CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2017, the District has implemented GASB Statement No. 77, *Tax Abatement Disclosures*, GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14* and GASB Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*.

GASB Statement No. 77 requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. These changes were incorporated in the District's 2017 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 78 amends the scope of GASB Statement No. 68 to exclude certain multiple employer defined benefit pension plans provided to employees of state and local governments on the basis that obtaining the measurements and other information required by GASB Statement No. 68 was not feasible. The implementation of GASB Statement No. 78 did not have an effect on the financial statements of the District.

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the District.

GASB Statement No. 82 improves consistency in the application of pension accounting. These changes were incorporated in the District's fiscal year 2017 financial statements; however, there was no effect on beginning net position/fund balance.

NOTE 19 - COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Equities - The accumulated deficit at June 30, 2017 of \$199,309 in the Food Service Fund (enterprise fund) arose from the recognition of expenses on the accrual basis. The general fund is liable for any deficits in this fund and provides transfers when cash is required, not when accruals occur.



LAKWOOD LOCAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTAL INFORMATION

LAKEWOOD LOCAL SCHOOL DISTRICT

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

State Teachers Retirement System

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
District's proportion of the net pension liability	0.08889036%	0.08889036%	0.08835719%	0.08812947%
District's proportionate share of the net pension liability	\$25,755,046	\$21,621,212	\$24,419,343	\$29,499,590
District's covered-employee payroll	\$9,096,169	\$9,154,592	\$9,214,014	\$9,486,993
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	283.14%	236.18%	265.02%	310.95%
Plan fiduciary net position as a percentage of the total pension liability	69.30%	74.70%	72.10%	66.80%

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

School Employees Retirement System

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
District's proportion of the net pension liability	0.090653%	0.090653%	0.0883081%	0.0909524%
District's proportionate share of the net pension liability	\$5,390,843	\$4,587,897	\$5,038,946	\$6,656,876
District's covered-employee payroll	\$3,114,169	\$2,649,149	\$2,825,789	\$2,824,043
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	173.11%	173.18%	178.32%	235.72%
Plan fiduciary net position as a percentage of the total pension liability	65.52%	71.70%	69.16%	62.98%

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

Notes: The District implemented GASB Statement 68 in 2015.

Information prior to 2014 is not available.

Amounts presented as of the District's measurement date which is the prior year end.

LAKEWOOD LOCAL SCHOOL DISTRICT

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

State Teachers Retirement System

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Contractually required contribution	\$1,234,305	\$1,242,618	\$1,263,299	\$1,252,624
Contributions in relation to the contractually required contribution	<u>1,234,305</u>	<u>1,242,618</u>	<u>1,263,299</u>	<u>1,252,624</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered-employee payroll	\$9,494,654	\$9,558,600	\$9,717,685	\$9,635,569
Contributions as a percentage of covered-employee payroll	13.00%	13.00%	13.00%	13.00%

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

School Employees Retirement System

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Contractually required contribution	\$261,344	\$271,010	\$372,845	\$381,216
Contributions in relation to the contractually required contribution	<u>261,344</u>	<u>271,010</u>	<u>372,845</u>	<u>381,216</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered-employee payroll	\$2,661,344	\$2,754,167	\$2,753,656	\$3,032,745
Contributions as a percentage of covered-employee payroll	9.82%	9.84%	13.54%	12.57%

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

Notes: The District implemented GASB Statement 68 in 2015.

LAKWOOD LOCAL SCHOOL DISTRICT

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$1,223,564	\$1,182,502	\$1,190,097	\$1,289,962	\$1,328,179	\$1,342,459
<u>1,223,564</u>	<u>1,182,502</u>	<u>1,190,097</u>	<u>1,289,962</u>	<u>1,328,179</u>	<u>1,342,459</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$9,412,008	\$9,096,169	\$9,154,592	\$9,214,014	\$9,486,993	\$9,588,993
13.00%	13.00%	13.00%	14.00%	14.00%	14.00%

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$402,670	\$431,001	\$367,172	\$372,439	\$395,366	\$405,515
<u>402,670</u>	<u>431,001</u>	<u>367,172</u>	<u>372,439</u>	<u>395,366</u>	<u>405,515</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,993,829	\$3,114,169	\$2,649,149	\$2,825,789	\$2,824,043	\$2,896,536
13.45%	13.84%	13.86%	13.18%	14.00%	14.00%

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.

Early Childhood Education Fund

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

Data Communications Fund

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

Special Education Part B-IDEA Fund

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

(Continued)

LAKWOOD LOCAL SCHOOL DISTRICT

Special Revenue Funds

Title I Fund

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

IDEA Preschool Grant for Handicapped Fund

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

Title II-A Fund

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

Capital Projects Funds

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

Building Fund

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

Capital Projects Fund

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

LAKWOOD LOCAL SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017**

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Assets:			
Cash and Cash Equivalents	\$ 72,129	\$ 1,751,739	\$ 1,823,868
Receivables:			
Intergovernmental	93,912	0	93,912
Prepaid Items	12,952	0	12,952
Total Assets	\$ 178,993	\$ 1,751,739	\$ 1,930,732
Liabilities:			
Accounts Payable	\$ 18,171	\$ 449,367	\$ 467,538
Accrued Wages and Benefits	78,246	0	78,246
Intergovernmental Payable	11,267	0	11,267
Retainage Payable	0	55,906	55,906
Total Liabilities	107,684	505,273	612,957
Fund Balances:			
Nonspendable	12,952	0	12,952
Restricted	71,309	746,466	817,775
Assigned	0	500,000	500,000
Unassigned	(12,952)	0	(12,952)
Total Fund Balances	71,309	1,246,466	1,317,775
Total Liabilities and Fund Balances	\$ 178,993	\$ 1,751,739	\$ 1,930,732

LAKEWOOD LOCAL SCHOOL DISTRICT

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2017***

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Local Sources:			
Extracurricular Activities	111,136	0	111,136
Intermediate Sources	11,265	0	11,265
Intergovernmental - State	91,200	0	91,200
Intergovernmental - Federal	1,153,574	0	1,153,574
All Other Revenue	3,350	0	3,350
Total Revenue	1,370,525	0	1,370,525
Expenditures:			
Current:			
Instruction	971,996	0	971,996
Supporting Services:			
Pupils	122,315	0	122,315
Instructional Staff	160,855	0	160,855
Administration	1,080	0	1,080
Fiscal Services	39	0	39
Operation and Maintenance of Plant	9,127	0	9,127
Extracurricular Activities	118,300	0	118,300
Capital Outlay	0	1,753,534	1,753,534
Total Expenditures	1,383,712	1,753,534	3,137,246
Excess (Deficiency) of Revenues Over Expenditures	(13,187)	(1,753,534)	(1,766,721)
Other Financing Sources (Uses):			
Other Financing Sources - Capital Leases	0	2,500,000	2,500,000
Transfers In	0	500,000	500,000
Total Other Financing Sources (Uses)	0	3,000,000	3,000,000
Net Change in Fund Balance	(13,187)	1,246,466	1,233,279
Fund Balances at Beginning of Year	84,496	0	84,496
Fund Balances End of Year	\$ 71,309	\$ 1,246,466	\$ 1,317,775

LAKWOOD LOCAL SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2017**

	<u>Other Grant</u>	<u>Student Activity</u>	<u>Early Childhood Education</u>	<u>Special Education Part B-IDEA</u>
Assets:				
Cash and Cash Equivalents	\$ 1,483	\$ 69,826	\$ 0	\$ 0
Receivables:				
Intergovernmental	0	0	0	18,048
Prepaid Items	0	0	955	4,277
Total Assets	<u>\$ 1,483</u>	<u>\$ 69,826</u>	<u>\$ 955</u>	<u>\$ 22,325</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	0	0	955	20,628
Intergovernmental Payable	0	0	0	1,697
Total Liabilities	<u>0</u>	<u>0</u>	<u>955</u>	<u>22,325</u>
Fund Balances:				
Nonspendable	0	0	955	4,277
Restricted	1,483	69,826	0	0
Unassigned	0	0	(955)	(4,277)
Total Fund Balances	<u>1,483</u>	<u>69,826</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 1,483</u>	<u>\$ 69,826</u>	<u>\$ 955</u>	<u>\$ 22,325</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

Title I	Total Nonmajor Special Revenue Funds
\$ 820	\$ 72,129
75,864	93,912
7,720	12,952
\$ 84,404	\$ 178,993
\$ 18,171	\$ 18,171
56,663	78,246
9,570	11,267
84,404	107,684
7,720	12,952
0	71,309
(7,720)	(12,952)
0	71,309
\$ 84,404	\$ 178,993

LAKWOOD LOCAL SCHOOL DISTRICT

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2017**

	<u>Other Grant</u>	<u>Student Activity</u>	<u>Early Childhood Education</u>	<u>Data Communications</u>
Revenues:				
Local Sources:				
Extracurricular Activities	\$ 0	\$ 111,136	\$ 0	\$ 0
Intermediate Sources	8,990	2,275	0	0
Intergovernmental - State	0	0	84,000	7,200
Intergovernmental - Federal	0	0	0	0
All Other Revenue	0	3,350	0	0
Total Revenue	<u>8,990</u>	<u>116,761</u>	<u>84,000</u>	<u>7,200</u>
Expenditures:				
Current:				
Instruction	6,530	0	82,811	0
Supporting Services:				
Pupils	0	0	0	0
Instructional Staff	4,461	0	103	0
Administration	0	1,080	0	0
Fiscal Services	39	0	0	0
Operation and Maintenance of Plant	0	0	1,927	7,200
Extracurricular Activities	0	118,300	0	0
Total Expenditures	<u>11,030</u>	<u>119,380</u>	<u>84,841</u>	<u>7,200</u>
Excess (Deficiency) of Revenues				
Over Expenditures	(2,040)	(2,619)	(841)	0
Fund Balances at Beginning of Year	<u>3,523</u>	<u>72,445</u>	<u>841</u>	<u>0</u>
Fund Balances End of Year	<u>\$ 1,483</u>	<u>\$ 69,826</u>	<u>\$ 0</u>	<u>\$ 0</u>

LAKWOOD LOCAL SCHOOL DISTRICT

Special Education Part B-IDEA	Title I	IDEA Preschool Grant for Handicapped	Title II-A	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 111,136
0	0	0	0	11,265
0	0	0	0	91,200
401,891	651,983	10,157	89,543	1,153,574
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,350</u>
<u>401,891</u>	<u>651,983</u>	<u>10,157</u>	<u>89,543</u>	<u>1,370,525</u>
281,253	501,653	10,206	89,543	971,996
122,315	0	0	0	122,315
0	156,291	0	0	160,855
0	0	0	0	1,080
0	0	0	0	39
0	0	0	0	9,127
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>118,300</u>
<u>403,568</u>	<u>657,944</u>	<u>10,206</u>	<u>89,543</u>	<u>1,383,712</u>
(1,677)	(5,961)	(49)	0	(13,187)
<u>1,677</u>	<u>5,961</u>	<u>49</u>	<u>0</u>	<u>84,496</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 71,309</u>

LAKWOOD LOCAL SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2017**

	<u>Building</u>	<u>Capital Projects</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets:			
Cash and Cash Equivalents	\$ 1,251,739	\$ 500,000	\$ 1,751,739
Total Assets	<u>\$ 1,251,739</u>	<u>\$ 500,000</u>	<u>\$ 1,751,739</u>
Liabilities:			
Accounts Payable	\$ 449,367	\$ 0	\$ 449,367
Retainage Payable	55,906	0	55,906
Total Liabilities	<u>505,273</u>	<u>0</u>	<u>505,273</u>
Fund Balances:			
Restricted	746,466	0	746,466
Assigned	0	500,000	500,000
Total Fund Balances	<u>746,466</u>	<u>500,000</u>	<u>1,246,466</u>
Total Liabilities and Fund Balances	<u>\$ 1,251,739</u>	<u>\$ 500,000</u>	<u>\$ 1,751,739</u>

LAKWOOD LOCAL SCHOOL DISTRICT

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2017**

	Building	Capital Projects	Total Nonmajor Capital Projects Funds
Revenues:			
Total Revenue	\$ 0	\$ 0	\$ 0
Expenditures:			
Capital Outlay	1,753,534	0	1,753,534
Total Expenditures	1,753,534	0	1,753,534
Excess (Deficiency) of Revenues Over Expenditures	(1,753,534)	0	(1,753,534)
Other Financing Sources (Uses):			
Other Financing Sources - Capital Leases	2,500,000	0	2,500,000
Transfers In	0	500,000	500,000
Total Other Financing Sources (Uses)	2,500,000	500,000	3,000,000
Net Change in Fund Balance	746,466	500,000	1,246,466
Fund Balances at Beginning of Year	0	0	0
Fund Balances End of Year	\$ 746,466	\$ 500,000	\$ 1,246,466

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, 2017***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Taxes	\$ 13,334,000	\$ 13,376,895	\$ 13,376,895	\$ 0
Tuition	777,500	1,000,020	999,551	(469)
Investment Earnings	88,000	174,500	179,652	5,152
Class Material and Fees	61,250	70,206	69,756	(450)
Intergovernmental - State	8,664,687	8,783,790	8,783,790	0
Intergovernmental - Federal	75,000	144,578	144,578	0
All Other Revenues	92,900	79,611	79,730	119
Total Revenues	23,093,337	23,629,600	23,633,952	4,352
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	6,498,467	6,500,542	6,484,943	15,599
Fringe Benefits	2,407,899	2,433,061	2,424,984	8,077
Purchased Services	1,318,549	1,322,593	1,313,016	9,577
Supplies and Materials	303,526	228,605	220,032	8,573
Other Expenditures	6,369	6,370	6,370	0
Capital Outlay	24,120	149,021	149,021	0
Total Regular	10,558,930	10,640,192	10,598,366	41,826
Special:				
Salaries and Wages	862,625	874,734	869,265	5,469
Fringe Benefits	321,580	321,303	320,161	1,142
Purchased Services	782,600	797,356	744,686	52,670
Supplies and Materials	8,229	21,809	19,761	2,048
Other Expenditures	75,647	120,042	120,039	3
Capital Outlay	2,220	2,220	2,220	0
Total Special	2,052,901	2,137,464	2,076,132	61,332
Vocational:				
Salaries and Wages	177,401	176,388	175,550	838
Fringe Benefits	54,989	55,479	54,735	744
Purchased Services	3,100	5,350	5,321	29
Supplies and Materials	43,112	33,289	18,423	14,866
Capital Outlay	0	9,337	5,337	4,000
Total Vocational	278,602	279,843	259,366	20,477

(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, 2017***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other:				
Salaries and Wages	2,500	2,500	1,610	890
Fringe Benefits	525	498	488	10
Purchased Services	6,022	11,026	10,752	274
Total Other	9,047	14,024	12,850	1,174
Total Instructional Services	12,899,480	13,071,523	12,946,714	124,809
Support Services:				
Pupils:				
Salaries and Wages	910,650	878,596	868,079	10,517
Fringe Benefits	398,897	419,166	414,898	4,268
Purchased Services	137,612	138,779	134,545	4,234
Supplies and Materials	10,450	8,433	6,658	1,775
Other Expenditures	56,332	57,732	57,094	638
Capital Outlay	0	649	649	0
Total Pupils	1,513,941	1,503,355	1,481,923	21,432
Instructional Staff:				
Salaries and Wages	311,679	314,722	312,964	1,758
Fringe Benefits	154,975	122,293	113,260	9,033
Purchased Services	84,213	80,312	72,333	7,979
Supplies and Materials	21,183	19,269	18,503	766
Other Expenditures	2,200	2,200	2,195	5
Capital Outlay	12,819	2,818	2,818	0
Total Instructional Staff	587,069	541,614	522,073	19,541
Board of Education:				
Salaries and Wages	7,500	7,500	7,500	0
Fringe Benefits	1,780	1,671	1,508	163
Purchased Services	107,390	92,018	78,495	13,523
Supplies and Materials	2,485	2,485	1,355	1,130
Other Expenditures	9,609	10,299	10,299	0
Total Board of Education	128,764	113,973	99,157	14,816

(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, 2017***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Administration:				
Salaries and Wages	1,145,600	1,148,733	1,142,744	5,989
Fringe Benefits	468,168	447,225	443,070	4,155
Purchased Services	105,254	114,060	101,614	12,446
Supplies and Materials	13,659	12,939	11,346	1,593
Other Expenditures	208,388	205,978	204,201	1,777
Capital Outlay	2,000	0	0	0
Total Administration	<u>1,943,069</u>	<u>1,928,935</u>	<u>1,902,975</u>	25,960
Fiscal Services:				
Salaries and Wages	245,000	261,250	260,911	339
Fringe Benefits	142,878	105,246	101,844	3,402
Purchased Services	71,739	71,788	68,867	2,921
Supplies and Materials	6,719	5,370	5,074	296
Other Expenditures	279,920	273,256	272,904	352
Capital Outlay	51,528	1,528	1,528	0
Total Fiscal Services	<u>797,784</u>	<u>718,438</u>	<u>711,128</u>	7,310
Business:				
Salaries and Wages	8,500	9,500	8,971	529
Fringe Benefits	12,302	12,518	12,224	294
Purchased Services	0	1,450	1,450	0
Supplies and Materials	29,000	19,000	1,114	17,886
Other Expenditures	2,508	1,968	1,670	298
Total Business	<u>52,310</u>	<u>44,436</u>	<u>25,429</u>	19,007
Operation and Maintenance of Plant:				
Salaries and Wages	601,489	614,871	596,388	18,483
Fringe Benefits	305,661	284,531	278,844	5,687
Purchased Services	772,769	697,663	635,973	61,690
Supplies and Materials	113,690	113,511	91,494	22,017
Other Expenditures	905	905	605	300
Capital Outlay	1,066,407	868,302	868,302	0
Total Operation and Maintenance Of Plant	<u>2,860,921</u>	<u>2,579,783</u>	<u>2,471,606</u>	108,177

(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, 2017***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Pupil Transportation:				
Salaries and Wages	817,623	821,472	807,831	13,641
Fringe Benefits	475,253	474,982	466,036	8,946
Purchased Services	76,404	79,187	69,016	10,171
Supplies and Materials	248,424	248,868	230,691	18,177
Other Expenditures	1,068	1,068	823	245
Capital Outlay	300,025	292,738	292,738	0
Total Pupil Transportation	<u>1,918,797</u>	<u>1,918,315</u>	<u>1,867,135</u>	<u>51,180</u>
Central:				
Salaries and Wages	15,500	16,100	16,051	49
Fringe Benefits	2,916	2,781	2,582	199
Purchased Services	120	3,306	3,306	0
Supplies and Materials	0	2,850	2,606	244
Other Expenditures	14	14	14	0
Capital Outlay	1,757	1,757	1,757	0
Total Central	<u>20,307</u>	<u>26,808</u>	<u>26,316</u>	<u>492</u>
Total Support Services	<u>9,822,962</u>	<u>9,375,657</u>	<u>9,107,742</u>	<u>267,915</u>
Operation of Non-Instructional Services:				
Salaries and Wages	5,508	5,508	5,508	0
Fringe Benefits	1,075	1,075	1,075	0
Purchased Services	6,040	1,908	1,908	0
Other Expenditures	435	435	0	435
Total Non-Instructional Services	<u>13,058</u>	<u>8,926</u>	<u>8,491</u>	<u>435</u>
Extracurricular Activities:				
Salaries and Wages	276,489	266,356	243,857	22,499
Fringe Benefits	56,538	52,221	47,333	4,888
Purchased Services	5,750	5,750	5,750	0
Total Extracurricular Activities	<u>338,777</u>	<u>324,327</u>	<u>296,940</u>	<u>27,387</u>
Capital Outlay:				
Purchased Services	0	30,620	30,620	0
Capital Outlay	0	1,518,513	1,323,098	195,415
Total Capital Outlay	<u>0</u>	<u>1,549,133</u>	<u>1,353,718</u>	<u>195,415</u>
Total Expenditures	<u>23,074,277</u>	<u>24,329,566</u>	<u>23,713,605</u>	<u>615,961</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	19,060	(699,966)	(79,653)	620,313

(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, 2017***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Sale of Capital Assets	3,000	52,777	52,777	0
Transfers In	0	2,325	2,325	0
Transfers Out	<u>(500,000)</u>	<u>(502,325)</u>	<u>(502,325)</u>	<u>0</u>
Total Other Financing Sources (Uses):	<u>(497,000)</u>	<u>(447,223)</u>	<u>(447,223)</u>	<u>0</u>
Net Change in Fund Balance	(477,940)	(1,147,189)	(526,876)	620,313
Fund Balance at Beginning of Year	17,349,379	17,349,379	17,349,379	0
Prior Year Encumbrances	<u>585,234</u>	<u>585,234</u>	<u>585,234</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 17,456,673</u>	<u>\$ 16,787,424</u>	<u>\$ 17,407,737</u>	<u>\$ 620,313</u>

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds - Debt Service Fund – Bond Retirement Fund
For the Fiscal Year Ended June 30, 2017***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Taxes	\$ 793,889	\$ 819,302	\$ 819,302	\$ 0
Intergovernmental - State	221,385	220,343	220,343	0
Total Revenues	1,015,274	1,039,645	1,039,645	0
Expenditures:				
Current:				
Support Services:				
Fiscal Services:				
Other Expenditures	13,312	11,102	11,102	0
Total Fiscal Services	13,312	11,102	11,102	0
Debt Service:				
Principal Retirement	852,024	852,024	852,024	0
Interest and Fiscal Charges	234,463	255,753	255,753	0
Total Debt Service	1,086,487	1,107,777	1,107,777	0
Total Expenditures	1,099,799	1,118,879	1,118,879	0
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(84,525)	(79,234)	(79,234)	0
Fund Balance at Beginning of Year				
Fund Balance at End of Year	\$ 565,760	\$ 571,051	\$ 571,051	\$ 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, 2017**

PUBLIC SCHOOL SUPPORT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Extracurricular Activities	\$ 38,500	\$ 34,492	\$ 31,108	\$ (3,384)
All Other Revenues	3,700	3,626	3,626	0
Total Revenues	42,200	38,118	34,734	(3,384)
Expenditures:				
Extracurricular Activities:				
Purchased Services	14,500	13,313	12,036	1,277
Supplies and Materials	34,771	26,258	22,459	3,799
Other Expenditures	2,000	0	0	0
Capital Outlay	1,000	0	0	0
Total Expenditures	52,271	39,571	34,495	5,076
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,071)	(1,453)	239	1,692
Fund Balance at Beginning of Year	29,377	29,377	29,377	0
Fund Balance at End of Year	\$ 19,306	\$ 27,924	\$ 29,616	\$ 1,692

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, 2017**

	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	\$ 500	\$ 8,990	\$ 8,990	\$ 0
Total Revenues	<u>500</u>	<u>8,990</u>	<u>8,990</u>	<u>0</u>
Expenditures:				
Instructional Services:				
Regular:				
Supplies and Materials	3,523	7,530	6,530	1,000
Total Instructional Services	<u>3,523</u>	<u>7,530</u>	<u>6,530</u>	<u>1,000</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	400	400	400	0
Fringe Benefits	62	61	61	0
Purchased Services	0	4,000	4,000	0
Total Instructional Staff	462	4,461	4,461	0
Fiscal Services:				
Other Expenditures	38	39	39	0
Total Support Services	<u>500</u>	<u>4,500</u>	<u>4,500</u>	<u>0</u>
Total Expenditures	<u>4,023</u>	<u>12,030</u>	<u>11,030</u>	<u>1,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,523)	(3,040)	(2,040)	1,000
Fund Balance at Beginning of Year	3,523	3,523	3,523	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 483</u>	<u>\$ 1,483</u>	<u>\$ 1,000</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, 2017***

STUDENT ACTIVITY FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Extracurricular Activities	\$ 105,900	\$ 115,719	\$ 111,136	\$ (4,583)
Intermediate Sources	5,000	2,275	2,275	0
All Other Revenues	7,450	3,450	3,350	(100)
Total Revenues	<u>118,350</u>	<u>121,444</u>	<u>116,761</u>	<u>(4,683)</u>
Expenditures:				
Support Services:				
Administration:				
Purchased Services	1,080	1,080	1,080	0
Total Support Services	<u>1,080</u>	<u>1,080</u>	<u>1,080</u>	<u>0</u>
Extracurricular Activities:				
Salaries and Wages	0	200	200	0
Fringe Benefits	0	32	31	1
Purchased Services	81,003	78,923	66,274	12,649
Supplies and Materials	32,097	41,805	36,824	4,981
Other Expenditures	6,550	7,000	7,000	0
Capital Outlay	23,168	8,328	8,328	0
Total Extracurricular Activities	<u>142,818</u>	<u>136,288</u>	<u>118,657</u>	<u>17,631</u>
Total Expenditures	<u>143,898</u>	<u>137,368</u>	<u>119,737</u>	<u>17,631</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(25,548)	(15,924)	(2,976)	12,948
Fund Balance at Beginning of Year				
Prior Year Encumbrances	72,220	72,220	72,220	0
Fund Balance at End of Year	<u>\$ 297</u>	<u>\$ 297</u>	<u>\$ 297</u>	<u>\$ 0</u>
Fund Balance at End of Year	<u>\$ 46,969</u>	<u>\$ 56,593</u>	<u>\$ 69,541</u>	<u>\$ 12,948</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, 2017**

EARLY CHILDHOOD EDUCATION FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Revenues:				
Intergovernmental - State	\$ 103,880	\$ 91,880	\$ 91,880	\$ 0
Total Revenues	<u>103,880</u>	<u>91,880</u>	<u>91,880</u>	<u>0</u>
Expenditures:				
Instructional Services:				
Special:				
Salaries and Wages	74,414	65,735	65,735	0
Fringe Benefits	24,669	21,410	21,410	0
Purchased Services	1,250	140	140	0
Supplies and Materials	1,958	3,403	3,403	0
Total Instructional Services	<u>102,291</u>	<u>90,688</u>	<u>90,688</u>	<u>0</u>
Support Services:				
Instructional Staff:				
Purchased Services	500	103	103	0
Total Instructional Staff	<u>500</u>	<u>103</u>	<u>103</u>	<u>0</u>
Operation and Maintenance of Plant:				
Supplies and Materials	1,927	1,927	1,927	0
Total Support Services	<u>2,427</u>	<u>2,030</u>	<u>2,030</u>	<u>0</u>
Total Expenditures	<u>104,718</u>	<u>92,718</u>	<u>92,718</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(838)	(838)	(838)	0
Fund Balance at Beginning of Year				
Prior Year Encumbrances	(2,216)	(2,216)	(2,216)	0
Prior Year Encumbrances	3,054	3,054	3,054	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</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, 2017***

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	7,200	7,200	7,200	0
Total Expenditures	7,200	7,200	7,200	0
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year				
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, 2017***

SPECIAL EDUCATION PART B-IDEA FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Intergovernmental - Federal	\$ 413,974	\$ 413,974	\$ 395,925	\$ (18,049)
Total Revenues	<u>413,974</u>	<u>413,974</u>	<u>395,925</u>	<u>(18,049)</u>
Expenditures:				
Instructional Services:				
Special:				
Salaries and Wages	208,375	215,270	203,329	11,941
Fringe Benefits	<u>84,992</u>	<u>73,529</u>	<u>73,529</u>	<u>0</u>
Total Instructional Services	<u>293,367</u>	<u>288,799</u>	<u>276,858</u>	<u>11,941</u>
Support Services:				
Pupils:				
Salaries and Wages	65,535	70,098	63,990	6,108
Fringe Benefits	<u>51,070</u>	<u>51,075</u>	<u>51,075</u>	<u>0</u>
Total Support Services	<u>116,605</u>	<u>121,173</u>	<u>115,065</u>	<u>6,108</u>
Total Expenditures	<u>409,972</u>	<u>409,972</u>	<u>391,923</u>	<u>18,049</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,002	4,002	4,002	0
Fund Balance at Beginning of Year	<u>(4,002)</u>	<u>(4,002)</u>	<u>(4,002)</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</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, 2017**

	TITLE I FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Local Sources:				
Intergovernmental - Federal	\$ 782,128	\$ 782,605	\$ 678,705	\$ (103,900)
Total Revenues	782,128	782,605	678,705	(103,900)
Expenditures:				
Instructional Services:				
Regular:				
Supplies and Materials	126,947	151,287	136,928	14,359
Total Regular	126,947	151,287	136,928	14,359
Special:				
Salaries and Wages	319,928	296,802	263,119	33,683
Fringe Benefits	87,404	101,876	100,559	1,317
Total Special	407,332	398,678	363,678	35,000
Other:				
Salaries and Wages	38,957	36,857	31,521	5,336
Fringe Benefits	28,550	13,212	11,862	1,350
Purchased Services	10,000	23,290	23,289	1
Total Other	77,507	73,359	66,672	6,687
Total Instructional Services	611,786	623,324	567,278	56,046
Support Services:				
Pupils:				
Supplies and Materials	0	5,761	1,300	4,461
Total Pupils	0	5,761	1,300	4,461
Instructional Staff:				
Salaries and Wages	105,993	105,993	92,848	13,145
Fringe Benefits	41,613	35,898	33,862	2,036
Purchased Services	37,700	29,352	29,332	20
Supplies and Materials	750	164	164	0
Total Instructional Staff	186,056	171,407	156,206	15,201
Total Support Services	186,056	177,168	157,506	19,662

(Continued)

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, 2017***

	TITLE I FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Operation of Non-Instructional Services:				
Purchased Services	0	2,838	0	2,838
Supplies and Materials	5,720	709	0	709
Total Non-Instructional Services	<u>5,720</u>	<u>3,547</u>	<u>0</u>	<u>3,547</u>
Total Expenditures	<u>803,562</u>	<u>804,039</u>	<u>724,784</u>	<u>79,255</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(21,434)	(21,434)	(46,079)	(24,645)
Fund Balance at Beginning of Year	(119,086)	(119,086)	(119,086)	0
Prior Year Encumbrances	140,520	140,520	140,520	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (24,645)</u>	<u>\$ (24,645)</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, 2017***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental - Federal	\$ 10,206	\$ 10,206	\$ 10,206	\$ 0
Total Revenues	10,206	10,206	10,206	0
Expenditures:				
Instructional Services:				
Special:				
Salaries and Wages	10,206	10,206	10,206	0
Total Expenditures	10,206	10,206	10,206	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, 2017***

	TITLE II-A FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - Federal	\$ 87,072	\$ 89,543	\$ 89,543	\$ 0
Total Revenues	<u>87,072</u>	<u>89,543</u>	<u>89,543</u>	<u>0</u>
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	87,072	89,543	89,543	0
Total Expenditures	<u>87,072</u>	<u>89,543</u>	<u>89,543</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

LAKWOOD LOCAL SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2017**

	BUILDING FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Capital Outlay:				
Other Expenditures	0	30,000	30,000	0
Capital Outlay	0	2,470,000	2,470,000	0
Total Expenditures	0	2,500,000	2,500,000	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(2,500,000)	(2,500,000)	0
Other Financing Sources (Uses):				
Other Financing Sources - Capital Lease	0	2,500,000	2,500,000	0
Total Other Financing Sources (Uses):	0	2,500,000	2,500,000	0
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	\$ 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 Funds
For the Fiscal Year Ended June 30, 2017**

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

LAKWOOD LOCAL SCHOOL DISTRICT

Fiduciary Funds

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

Agency Funds

Student Managed Activity Fund

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

Ohio High School Athletic Association (OHSAA) Tournament Fund

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

LAKWOOD LOCAL SCHOOL DISTRICT

***Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2017***

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
<u>Student Managed Activity Fund</u>				
Assets:				
Cash and Cash Equivalents	\$25,527	\$34,320	(\$30,184)	\$29,663
Total Assets	<u>\$25,527</u>	<u>\$34,320</u>	<u>(\$30,184)</u>	<u>\$29,663</u>
Liabilities:				
Due to Students	\$25,527	\$34,320	(\$30,184)	\$29,663
Total Liabilities	<u>\$25,527</u>	<u>\$34,320</u>	<u>(\$30,184)</u>	<u>\$29,663</u>
<u>OHSAA Tournament Fund</u>				
Assets:				
Cash and Cash Equivalents	\$0	\$7,402	(\$7,402)	\$0
Total Assets	<u>\$0</u>	<u>\$7,402</u>	<u>(\$7,402)</u>	<u>\$0</u>
Liabilities:				
Due to Others	\$0	\$7,402	(\$7,402)	\$0
Total Liabilities	<u>\$0</u>	<u>\$7,402</u>	<u>(\$7,402)</u>	<u>\$0</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$25,527	\$41,722	(\$37,586)	\$29,663
Total Assets	<u>\$25,527</u>	<u>\$41,722</u>	<u>(\$37,586)</u>	<u>\$29,663</u>
Liabilities:				
Due to Others	\$0	\$7,402	(\$7,402)	\$0
Due to Students	25,527	34,320	(30,184)	29,663
Total Liabilities	<u>\$25,527</u>	<u>\$41,722</u>	<u>(\$37,586)</u>	<u>\$29,663</u>

LAKWOOD LOCAL SCHOOL DISTRICT



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)*

	2008	2009	2010	2011
Governmental Activities:				
Net Investment in Capital Assets	\$2,999,249	\$2,920,072	\$3,151,387	\$3,053,537
Restricted for:				
Debt Service	663,568	809,399	1,082,006	1,118,731
Bus Purchase	12,630	6,140	0	0
Federally Funded Programs	0	0	0	0
Other Purposes	0	0	0	131,143
Unrestricted (Deficit)	4,560,589	4,342,665	3,691,366	4,584,024
Total Governmental Activities Net Position	<u>\$8,236,036</u>	<u>\$8,078,276</u>	<u>\$7,924,759</u>	<u>\$8,887,435</u>
Business-type Activities:				
Net Investment in Capital Assets	\$78,894	\$77,306	\$69,250	\$59,875
Unrestricted (Deficit)	(40,193)	212	62,199	87,441
Total Business-type Activities Net Position	<u>\$38,701</u>	<u>\$77,518</u>	<u>\$131,449</u>	<u>\$147,316</u>
Primary Government:				
Net Investment in Capital Assets	\$3,078,143	\$2,997,378	\$3,220,637	\$3,113,412
Restricted	676,198	815,539	1,082,006	1,249,874
Unrestricted	4,520,396	4,342,877	3,753,565	4,671,465
Total Primary Government Net Position	<u>\$8,274,737</u>	<u>\$8,155,794</u>	<u>\$8,056,208</u>	<u>\$9,034,751</u>

Source: District Treasurer's Office

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

Lakewood Local School District

2012	2013	2014	2015	2016	2017
		*			
\$3,080,260	\$3,187,873	\$3,398,481	\$3,636,986	\$3,741,768	\$4,355,534
1,190,591	953,055	773,138	700,042	696,827	606,001
0	0	0	0	0	0
10,385	44,746	20,688	61,618	79,445	0
30,086	49,289	64,442	76,759	98,708	90,851
5,875,212	7,604,004	(18,930,709)	(14,956,033)	(11,405,743)	(10,562,174)
<u>\$10,186,534</u>	<u>\$11,838,967</u>	<u>(\$14,673,960)</u>	<u>(\$10,480,628)</u>	<u>(\$6,788,995)</u>	<u>(\$5,509,788)</u>
\$48,572	\$70,702	\$77,715	\$144,393	\$132,142	\$115,913
186,858	149,929	(188,404)	(248,993)	(260,669)	(315,222)
<u>\$235,430</u>	<u>\$220,631</u>	<u>(\$110,689)</u>	<u>(\$104,600)</u>	<u>(\$128,527)</u>	<u>(\$199,309)</u>
\$3,128,832	\$3,258,575	\$3,476,196	\$3,781,379	\$3,873,910	\$4,471,447
1,231,062	1,047,090	858,268	838,419	874,980	696,852
6,062,070	7,753,933	(19,119,113)	(15,205,026)	(11,666,412)	(10,877,396)
<u>\$10,421,964</u>	<u>\$12,059,598</u>	<u>(\$14,784,649)</u>	<u>(\$10,585,228)</u>	<u>(\$6,917,522)</u>	<u>(\$5,709,097)</u>

Lakewood Local School District

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

	2008	2009	2010	2011
Expenses				
Governmental Activities:				
Instruction	\$12,302,597	\$12,633,476	\$13,547,787	\$13,150,165
Support Services:				
Pupils	1,328,800	1,336,465	1,312,081	1,224,974
Instructional Staff	479,753	410,672	386,414	281,544
Board of Education	52,022	50,581	81,589	54,198
Administration	1,609,024	1,698,850	1,816,833	1,889,652
Fiscal Services	639,771	629,272	590,518	600,845
Business	15,857	17,638	19,125	19,723
Operation and Maintenance of Plant	1,672,993	1,543,379	1,551,761	1,551,640
Pupil Transportation	1,530,009	1,491,670	1,589,527	1,543,782
Central	231,234	325,541	314,949	281,113
Operation of Non-Instructional Services	67,844	52,678	61,088	45,099
Extracurricular Activities	490,323	521,158	521,163	537,562
Interest and Fiscal Charges	669,526	616,719	593,824	575,861
<i>Total Governmental Activities Expenses</i>	<u>21,089,753</u>	<u>21,328,099</u>	<u>22,386,659</u>	<u>21,756,158</u>
Business-type Activities:				
Food Service	906,182	911,914	916,439	953,088
<i>Total Business-type Activities Expenses</i>	<u>906,182</u>	<u>911,914</u>	<u>916,439</u>	<u>953,088</u>
<i>Total Primary Government Expenses</i>	<u>\$21,995,935</u>	<u>\$22,240,013</u>	<u>\$23,303,098</u>	<u>\$22,709,246</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Instruction	\$481,461	\$427,350	\$379,277	\$400,842
Support Services:				
Administration	0	0	0	74,513
Operation of Non-Instructional Services	90,634	122,210	0	0
Extracurricular Activities	166,301	170,671	133,349	139,843
Operating Grants and Contributions	1,095,397	933,186	1,779,854	1,596,451
Capital Grants and Contributions	13,366	0	0	51,000
<i>Total Governmental Activities</i>	<u>1,847,159</u>	<u>1,653,417</u>	<u>2,292,480</u>	<u>2,262,649</u>
<i>Program Revenues</i>	<u>1,847,159</u>	<u>1,653,417</u>	<u>2,292,480</u>	<u>2,262,649</u>

Lakewood Local School District

2012	2013	2014	2015	2016	2017
\$12,333,823	\$12,351,032	\$12,499,288	\$12,620,972	\$13,345,921	\$14,940,596
1,339,037	1,406,457	1,424,694	1,376,862	1,457,380	1,701,739
257,656	357,042	355,036	416,746	591,749	704,846
70,084	89,155	94,778	81,842	113,093	90,134
1,880,781	1,933,761	1,821,632	1,876,291	1,885,623	2,046,793
617,723	680,434	692,254	650,991	665,621	747,064
20,952	22,403	22,110	9,027	21,627	26,278
1,585,727	1,718,852	1,690,189	1,552,021	1,679,574	1,737,436
1,530,781	1,592,255	1,645,923	1,624,650	1,591,323	1,786,288
284,079	90,763	104,488	63,281	34,528	23,814
59,427	73,594	215,078	240,464	195,606	49,796
526,540	483,728	512,262	519,113	551,485	624,287
550,947	653,040	535,225	509,433	418,683	277,373
<u>21,057,557</u>	<u>21,452,516</u>	<u>21,612,957</u>	<u>21,541,693</u>	<u>22,552,213</u>	<u>24,756,444</u>
898,959	930,083	980,354	920,073	895,269	984,409
<u>898,959</u>	<u>930,083</u>	<u>980,354</u>	<u>920,073</u>	<u>895,269</u>	<u>984,409</u>
<u>\$21,956,516</u>	<u>\$22,382,599</u>	<u>\$22,593,311</u>	<u>\$22,461,766</u>	<u>\$23,447,482</u>	<u>\$25,740,853</u>
\$504,070	\$479,394	\$714,405	\$759,132	\$887,993	\$1,250,111
125,625	92,292	127,884	73,127	28,129	44
0	0	153,529	180,233	0	0
141,550	138,859	139,560	148,048	135,620	141,481
911,323	899,632	1,257,477	1,388,215	1,653,224	1,438,208
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>1,682,568</u>	<u>1,610,177</u>	<u>2,392,855</u>	<u>2,548,755</u>	<u>2,704,966</u>	<u>2,829,844</u>

(continued)

Lakewood Local School District

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

	2008	2009	2010	2011
Business-type Activities:				
Charges for Services				
Food Service	369,761	345,558	327,032	305,258
Operating Grants and Contributions	552,380	605,173	643,338	663,697
Capital Grants and Contributions	1,392	0	0	0
<i>Total Business-type Activities Program Revenues</i>	<u>923,533</u>	<u>950,731</u>	<u>970,370</u>	<u>968,955</u>
<i>Total Primary Government Program Revenues</i>	<u>2,770,692</u>	<u>2,604,148</u>	<u>3,262,850</u>	<u>3,231,604</u>
Net (Expense)/Revenue				
Governmental Activities	(19,242,594)	(19,674,682)	(20,094,179)	(19,493,509)
Business-type Activities	17,351	38,817	53,931	15,867
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$19,225,243)</u>	<u>(\$19,635,865)</u>	<u>(\$20,040,248)</u>	<u>(\$19,477,642)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$10,207,940	\$9,649,606	\$9,844,340	\$10,519,556
Debt Service	1,040,662	1,110,071	1,217,236	978,147
Grants and Entitlements not				
Restricted to Specific Programs	7,692,375	8,487,771	8,710,003	8,861,970
Investment Earnings	336,879	161,685	78,975	31,769
Miscellaneous	169,480	107,789	90,108	64,743
<i>Total Governmental Activities</i>	<u>19,447,336</u>	<u>19,516,922</u>	<u>19,940,662</u>	<u>20,456,185</u>
Business-type Activities:				
<i>Total Business-type Activities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Primary Government</i>	<u>\$19,447,336</u>	<u>\$19,516,922</u>	<u>\$19,940,662</u>	<u>\$20,456,185</u>
Change in Net Position				
Governmental Activities	\$204,742	(\$157,760)	(\$153,517)	\$962,676
Business-type Activities	17,351	38,817	53,931	15,867
<i>Total Primary Government Change in Net Position</i>	<u>\$222,093</u>	<u>(\$118,943)</u>	<u>(\$99,586)</u>	<u>\$978,543</u>

Source: District Treasurer's Office

Lakewood Local School District

2012	2013	2014	2015	2016	2017
299,813	283,204	264,932	255,156	309,230	331,827
687,260	615,150	675,475	626,528	538,906	581,800
0	16,930	0	44,478	23,206	0
<u>987,073</u>	<u>915,284</u>	<u>940,407</u>	<u>926,162</u>	<u>871,342</u>	<u>913,627</u>
<u>2,669,641</u>	<u>2,525,461</u>	<u>3,333,262</u>	<u>3,474,917</u>	<u>3,576,308</u>	<u>3,743,471</u>
(19,374,989)	(19,842,339)	(19,220,102)	(18,992,938)	(19,847,247)	(21,926,600)
88,114	(14,799)	(39,947)	6,089	(23,927)	(70,782)
<u>(\$19,286,875)</u>	<u>(\$19,857,138)</u>	<u>(\$19,260,049)</u>	<u>(\$18,986,849)</u>	<u>(\$19,871,174)</u>	<u>(\$21,997,382)</u>
\$10,951,598	\$12,319,747	\$12,443,682	\$13,002,282	\$13,341,342	\$13,226,848
1,000,239	749,321	840,483	918,406	931,637	812,141
8,611,887	8,272,161	8,521,195	9,075,972	9,057,291	8,902,300
31,405	24,272	49,826	65,975	112,905	144,950
78,959	129,271	149,236	123,635	95,705	119,568
<u>20,674,088</u>	<u>21,494,772</u>	<u>22,004,422</u>	<u>23,186,270</u>	<u>23,538,880</u>	<u>23,205,807</u>
0	0	0	0	0	0
<u>\$20,674,088</u>	<u>\$21,494,772</u>	<u>\$22,004,422</u>	<u>\$23,186,270</u>	<u>\$23,538,880</u>	<u>\$23,205,807</u>
\$1,299,099	\$1,652,433	\$2,784,320	\$4,193,332	\$3,691,633	\$1,279,207
88,114	(14,799)	(39,947)	6,089	(23,927)	(70,782)
<u>\$1,387,213</u>	<u>\$1,637,634</u>	<u>\$2,744,373</u>	<u>\$4,199,421</u>	<u>\$3,667,706</u>	<u>\$1,208,425</u>

Lakewood Local School District

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

	2008	2009	2010	2011	2012
General Fund					
Nonspendable	\$0	\$0	\$0	\$261,229	\$229,239
Restricted	0	0	0	14,083	12,283
Committed	0	0	0	204,164	204,164
Assigned	0	0	0	198,049	105,140
Unassigned	0	0	0	3,839,276	5,473,304
Reserved	747,675	946,834	1,583,171	0	0
Unreserved	4,172,532	4,031,381	2,615,971	0	0
Total General Fund	<u>4,920,207</u>	<u>4,978,215</u>	<u>4,199,142</u>	<u>4,516,801</u>	<u>6,024,130</u>
All Other Governmental Funds					
Nonspendable	0	0	0	6,032	1,144
Restricted	0	0	0	1,112,862	1,195,082
Committed	0	0	0	39,994	24,412
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Reserved	71,966	60,261	172,840	0	0
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	125,472	130,907	119,416	0	0
Debt Service Funds	616,915	747,349	897,885	0	0
Capital Projects Funds	47	0	0	0	0
Total All Other Governmental Funds	<u>814,400</u>	<u>938,517</u>	<u>1,190,141</u>	<u>1,158,888</u>	<u>1,220,638</u>
Total Governmental Funds	<u><u>\$5,734,607</u></u>	<u><u>\$5,916,732</u></u>	<u><u>\$5,389,283</u></u>	<u><u>\$5,675,689</u></u>	<u><u>\$7,244,768</u></u>

Source: District Treasurer's Office

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

Lakewood Local School District

2013	2014	2015	2016	2017
\$250,644	\$256,521	\$240,533	\$283,967	\$303,362
6,888	7,215	12,293	22,740	19,542
204,164	204,164	204,164	204,164	204,164
329,917	191,468	358,129	598,691	3,087,642
6,951,255	10,001,876	13,445,771	15,989,454	14,580,746
0	0	0	0	0
0	0	0	0	0
<u>7,742,868</u>	<u>10,661,244</u>	<u>14,260,890</u>	<u>17,099,016</u>	<u>18,195,456</u>
3,187	11,908	8,079	28,374	12,952
1,340,481	847,031	822,405	768,912	1,429,966
0	0	0	0	0
0	0	0	0	500,000
0	0	0	(19,895)	(12,952)
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>1,343,668</u>	<u>858,939</u>	<u>830,484</u>	<u>777,391</u>	<u>1,929,966</u>
<u>\$9,086,536</u>	<u>\$11,520,183</u>	<u>\$15,091,374</u>	<u>\$17,876,407</u>	<u>\$20,125,422</u>

Lakewood Local School District

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

	2008	2009	2010	2011
Revenues:				
Local Sources:				
Taxes	\$11,251,513	\$10,904,861	\$10,945,760	\$10,884,473
Tuition	402,852	352,668	310,898	337,206
Investment Earnings	333,443	161,884	77,963	36,866
Extracurricular Activities	166,301	170,671	133,349	139,843
Class Materials and Fees	60,959	54,727	51,497	46,764
Intermediate Sources	6,090	0	9,156	2,963
Intergovernmental - State	7,830,061	8,552,098	8,694,393	8,830,092
Intergovernmental - Federal	940,318	864,923	1,693,267	1,531,114
All Other Revenue	308,750	260,916	200,031	172,373
Total Revenue	<u>21,300,287</u>	<u>21,322,748</u>	<u>22,116,314</u>	<u>21,981,694</u>
Expenditures:				
Current:				
Instruction	11,939,626	12,064,984	13,254,304	12,814,543
Supporting Services:				
Pupils	1,325,390	1,311,184	1,308,054	1,245,592
Instructional Staff	449,601	364,416	375,185	314,412
Board of Education	52,022	50,581	81,589	54,198
Administration	1,608,052	1,652,690	1,730,479	1,828,106
Fiscal Services	655,847	631,868	589,442	600,730
Business	15,857	17,638	19,125	19,723
Operation and Maintenance of Plant	1,989,400	1,594,021	1,567,970	1,534,442
Pupil Transportation	1,583,046	1,470,345	1,782,897	1,419,379
Central	230,891	323,475	314,738	292,924
Operation of Non-Instructional Services	25,112	11,119	16,361	5,051
Extracurricular Activities	371,969	406,712	382,776	399,254
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	726,254	689,350	710,783	736,789
Interest and Fiscal Charges	584,020	554,214	523,093	495,886
Total Expenditures	<u>21,557,087</u>	<u>21,142,597</u>	<u>22,656,796</u>	<u>21,761,029</u>
Excess (Deficiency) of Revenues Over Expenditures	(256,800)	180,151	(540,482)	220,665

Lakewood Local School District

2012	2013	2014	2015	2016	2017
\$12,245,105	\$13,248,007	\$13,436,540	\$14,087,532	\$14,248,738	\$14,169,147
438,497	408,398	650,229	698,547	827,692	1,174,718
31,452	22,055	52,248	60,360	110,693	138,938
141,550	138,859	139,560	148,048	135,620	141,481
42,551	49,154	50,416	54,377	55,707	69,111
10,611	11,426	11,596	4,096	14,522	11,265
8,578,408	8,251,872	8,814,106	9,297,404	9,220,982	9,095,333
995,061	869,840	978,300	1,144,087	1,249,940	1,297,851
244,743	252,566	448,573	401,803	282,582	132,870
<u>22,727,978</u>	<u>23,252,177</u>	<u>24,581,568</u>	<u>25,896,254</u>	<u>26,146,476</u>	<u>26,230,714</u>
11,877,724	12,313,518	12,092,287	12,494,915	13,106,643	13,744,523
1,342,818	1,412,351	1,471,483	1,416,326	1,484,913	1,623,056
249,370	328,525	324,617	393,902	681,181	649,305
70,084	89,155	94,778	82,111	113,146	89,586
1,889,853	1,886,388	1,816,665	1,998,667	1,891,636	1,891,555
620,617	681,351	692,505	661,533	671,329	716,347
20,952	22,403	22,110	9,339	21,811	25,520
1,587,658	2,408,006	2,030,914	1,744,441	1,984,513	2,411,178
1,593,860	1,618,106	1,696,832	1,614,427	1,668,532	1,861,033
285,917	94,657	104,334	68,386	27,123	23,219
24,668	33,553	170,451	200,197	154,352	6,703
404,400	348,584	377,215	386,409	427,445	463,952
0	0	0	0	0	1,871,288
745,851	786,671	828,344	860,099	1,010,052	889,852
460,527	444,476	426,804	386,175	343,663	258,028
<u>21,174,299</u>	<u>22,467,744</u>	<u>22,149,339</u>	<u>22,316,927</u>	<u>23,586,339</u>	<u>26,525,145</u>
1,553,679	784,433	2,432,229	3,579,327	2,560,137	(294,431)

(Continued)

Lakewood Local School District

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

	2008	2009	2010	2011
Other Financing Sources (Uses):				
Sale of Capital Assets	44,279	9,472	3,112	19,614
School Energy Conservation Bonds Issued	0	0	0	0
Refunding General Obligation Bonds Issued	0	0	0	0
Premium on Refunding General Obligation Bonds	0	0	0	0
Other Financing Sources - Capital Leases	105,762	0	0	58,218
Payment to Refunded Bonds Escrow Agent	0	0	0	0
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>150,041</u>	<u>9,472</u>	<u>3,112</u>	<u>77,832</u>
Net Change in Fund Balance	<u>(\$106,759)</u>	<u>\$189,623</u>	<u>(\$537,370)</u>	<u>\$298,497</u>
 Debt Service as a Percentage of Noncapital Expenditures	 6.33%	 5.96%	 5.59%	 5.72%

Source: District Treasurer's Office

Lakewood Local School District

2012	2013	2014	2015	2016	2017
23,393	6,039	2,392	5,850	5,600	52,777
0	917,707	0	0	0	0
0	0	0	0	8,055,000	0
0	0	0	0	372,202	0
0	115,438	0	0	62,770	2,500,000
0	0	0	0	(8,273,386)	0
20,000	0	0	3,000	0	500,000
(20,000)	0	0	(3,000)	0	(500,000)
<u>23,393</u>	<u>1,039,184</u>	<u>2,392</u>	<u>5,850</u>	<u>222,186</u>	<u>2,552,777</u>
<u>\$1,577,072</u>	<u>\$1,823,617</u>	<u>\$2,434,621</u>	<u>\$3,585,177</u>	<u>\$2,782,323</u>	<u>\$2,258,346</u>

5.79%	5.79%	5.85%	5.68%	5.93%	4.88%
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Lakewood Local School District

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

Tax year	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
		**		
Real Property				
Assessed	\$339,533,800	\$345,573,200	\$355,041,030	\$358,258,840
Actual	970,096,571	987,352,000	1,014,402,943	1,023,596,686
Public Utility				
Assessed	13,838,480	14,132,430	14,316,970	15,135,460
Actual	13,838,480	14,132,430	14,316,970	15,135,460
Tangible Personal Property				
Assessed	46,169,358	21,195,490	1,012,140	0
Actual	369,354,864	339,127,840	10,121,400	0
Total				
Assessed	399,541,638	380,901,120	370,370,140	373,394,300
Actual	1,353,289,915	1,340,612,270	1,038,841,313	1,038,732,146
Assessed Value as a Percentage of Actual Value	29.52%	28.41%	35.65%	35.95%
Total Direct Tax Rate	\$45.80	\$47.38	\$47.82	\$57.23

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 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

2011	2012	2013	2014	2015	2016
*			**		
\$372,060,130	\$378,886,250	\$388,406,130	\$404,571,981	\$395,670,850	\$398,698,788
1,063,028,943	1,082,532,143	1,109,731,800	1,155,919,946	1,130,488,143	1,139,139,394
16,483,410	16,994,710	21,658,260	23,420,060	27,025,450	29,234,730
16,483,410	16,994,710	21,658,260	23,420,060	27,025,450	29,234,730
0	0	0	0	0	0
0	0	0	0	0	0
388,543,540	395,880,960	410,064,390	427,992,041	422,696,300	427,933,518
1,079,512,353	1,099,526,853	1,131,390,060	1,179,340,006	1,157,513,593	1,168,374,124
35.99%	36.00%	36.24%	36.29%	36.52%	36.63%
\$56.92	\$54.33	\$54.51	\$54.40	\$54.20	\$54.20

Lakewood Local School District

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

Tax year	2007	2008	2009	2010
Direct District Rates				
General Fund	43.50	44.60	45.10	54.56
Bond Retirement Fund	2.30	2.78	2.72	2.67
Total	45.80	47.38	47.82	57.23
Overlapping Rates				
Licking County Joint Vocational School	3.00	2.50	2.50	2.52
Licking County	7.40	7.10	7.40	7.70
Special Taxing Districts				
City				
Heath	4.40 - 5.40	4.40 - 5.40	4.40-5.40	4.40-5.40
Villages				
Buckeye Lake	11.20	10.20 - 10.4	11.20-11.40	11.20-11.40
Hebron	13.20 - 13.30	13.20 - 13.30	13.20-13.30	13.20-13.30
Townships				
Bowling Green	5.80	5.80	5.80	5.80
Franklin	7.20	7.20	7.20	7.20
Licking	2.70 - 4.90	2.70 - 4.90	2.70-4.90	2.70-4.90
Union	0.80 - 6.20	0.80 - 6.20	0.80-6.20	0.80-6.20

Source:

Licking County Auditor's Office
Presented on a calendar year basis because that is the manner
in which the information is maintained by the County.

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

Lakewood Local School District

2011	2012	2013	2014	2015	2016
54.42	53.33	52.89	52.40	52.40	52.40
2.50	1.00	1.62	2.00	1.80	1.80
<u>56.92</u>	<u>54.33</u>	<u>54.51</u>	<u>54.40</u>	<u>54.20</u>	<u>54.20</u>
2.54	2.48	2.56	2.54	2.58	2.57
7.70	7.70	7.70	8.00	8.00	8.00
4.40-5.40	4.40-5.40	4.40 - 5.40	4.10-5.40	5.60-6.40	5.60-6.40
11.20-11.40	11.20-11.40	11.20 - 11.40	11.20-12.20	11.10-12.20	11.10-12.20
13.20-13.30	13.20-13.30	13.20 - 13.30	13.30	13.30	13.30
5.80	5.80	5.80	5.80	5.80	5.80
7.20	7.20	7.20	7.20	7.20	7.20
2.70-4.90	2.70-4.90	2.70- 4.90	2.70-4.90	3.10-4.90	6.10-7.90
0.80-6.20	0.80-6.20	2.30 - 7.70	2.30-7.40	2.30-7.40	4.10-7.40

Lakewood Local School District

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

Name of Taxpayer	Nature of Business	Calendar Year 2016		
		Assessed Value	Rank	Percent of Total Assessed Value
Lexington O C LLC	Warehouse	\$5,412,020	1	1.36%
Harry & David Operations	Distributor	5,250,010	2	1.32%
Southgate Co Limited Partnership	Developer	4,954,960	3	1.23%
THK Manufacturing of America	Linear Motion Devices	3,649,800	4	0.92%
Covestro LLC	Manufacturer - Polymers	2,175,080	5	0.55%
Uhrman Development	Developer	2,072,600	6	0.52%
Coughlin Automotive Properties of Heath	Car Dealership	1,941,000	7	0.49%
Four B's (New Jersey General Partnership)	Warehouse	1,883,000	8	0.47%
MS-Hebron LLC	Network/Cloud Services	1,765,090	9	0.44%
MPW Properties	Industrial Cleaning	1,698,690	10	0.43%
Subtotal		30,802,250		7.73%
All Others		367,896,538		92.27%
Total		<u>\$398,698,788</u>		<u>100.00%</u>

Name of Taxpayer	Nature of Business	Calendar Year 2007		
		Assessed Value	Rank	Percent of Total Assessed Value
Paragano Nazario	Warehouse	\$2,516,500	1	0.74%
Black, Monte R & Susan K (MPW)	Industrial Cleaning	2,146,490	2	0.63%
Donnelly R R & Sons Co.	Printing	1,605,770	3	0.47%
Bayer Polymers Inc.	Plastic Pellets	1,457,160	4	0.43%
Hebron Business Park	Developer	1,452,430	5	0.43%
Kroger Company	Food	1,345,050	6	0.40%
Leon Zazworsky	Developer	1,267,210	7	0.37%
GE Quartz Inc	Electronics	1,211,250	8	0.36%
Diebold	ATM Machines	1,195,500	9	0.35%
Dow Chemical	Research	1,144,500	10	0.34%
Subtotal		15,341,860		4.52%
All Others		324,191,940		95.48%
Total		<u>\$339,533,800</u>		<u>100.00%</u>

Source: Licking County Auditor - Land and Buildings
Based on valuation of property in 2016 and 2007

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 2016		
		Assessed Value	Rank	Percent of Total Assessed Value
Ohio Power Company	Electricity	\$15,910,460	1	54.42%
AEP Ohio Transmission Co	Electricity	\$5,096,730	2	17.43%
Columbus Gas Transmission Corp	Natural Gas	\$2,551,690	3	8.73%
National Gas and Oil	Propane	\$1,663,630	4	5.69%
Licking Rural Electric	Electricity	\$1,475,630	5	5.06%
Dominion Transmission Inc.	Pipelines	\$1,172,460	6	4.01%
NGO Transmission Inc.	Natural Gas	\$761,040	7	2.60%
Columbia Gas of Ohio	Propane	\$332,730	8	1.14%
Dayton Power & Light Co	Electricity	\$209,570	9	0.72%
Duke Energy Ohio Inc	Electricity	\$51,070	10	0.17%
Subtotal		29,225,010		99.97%
All Others		9,720		0.03%
Total		<u>\$29,234,730</u>		<u>100.00%</u>

Name of Taxpayer	Nature of Business	Calendar Year 2007		
		Assessed Value	Rank	Percent of Total Assessed Value
Ohio Power Company	Electricity	\$6,938,010	1	50.14%
Columbia Gas Transmission	Gas Lines	1,546,590	2	11.18%
Licking Rural Electric	Electricity	1,134,510	3	8.20%
National Gas and Oil Co.	Propane	909,110	4	6.57%
Dominion Transmission	Gas Lines	661,640	5	4.78%
Columbus Southern	Electricity	656,220	6	4.74%
NGO Transmission	Gas Lines	373,620	7	2.70%
Subtotal		12,219,700		88.31%
All Others		1,618,780		11.69%
Total		<u>\$13,838,480</u>		<u>100.00%</u>

Source: Licking County Auditor - Land and Buildings
Based on valuation of property in 2016 and 2007

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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$13,358,051	\$12,403,103	\$12,186,409	\$11,064,135
Collections within the Fiscal Year of the Levy				
Current Tax Collections	11,258,713	10,823,468	10,691,070	10,486,676
Percent of Levy Collected	84.28%	87.26%	87.73%	94.78%
Delinquent Tax Collections	<u>932,863</u>	<u>614,811</u>	<u>536,494</u>	<u>422,123</u>
Total Tax Collections	12,191,576	11,438,279	11,227,564	10,908,799
Percent of Total Tax Collections To Tax Levy	91.27%	92.22%	92.13%	98.60%
Accumulated Outstanding Delinquent Taxes	1,166,474	964,824	958,846	1,340,352
Percentage of Accumulated Delinquent Taxes to Total Tax Levy	8.73%	7.78%	7.87%	12.11%

Source: Licking County Auditor's Office

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

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

Lakewood Local School District

2011	2012	2013	2014	2015	2016
\$15,953,404	\$15,201,319	\$14,481,893	\$15,072,793	\$15,646,211	\$15,786,873
14,852,218	14,457,628	13,869,943	14,536,465	15,097,508	15,232,195
93.10%	95.11%	95.77%	96.44%	96.49%	96.49%
422,124	623,368	589,795	612,082	464,878	453,056
15,274,342	15,080,996	14,459,738	15,148,547	15,562,386	15,685,251
95.74%	99.21%	99.85%	100.50%	99.46%	99.36%
679,062	945,992	933,285	576,011	638,307	546,685
4.26%	6.22%	6.44%	3.82%	4.08%	3.46%

Lakewood Local School District

Ratio of Outstanding Debt By Type Last Ten Years

	2008	2009	2010	2011
Governmental Activities ⁽¹⁾				
Energy Conservation Bonds Payable	\$1,069,628	\$928,414	\$783,729	\$635,398
General Obligation Bonds Payable	12,736,531	12,290,427	11,837,649	11,369,250
Capital Leases	159,736	116,600	70,502	85,262
Total Primary Government	<u>\$13,965,895</u>	<u>\$13,335,441</u>	<u>\$12,691,880</u>	<u>\$12,089,910</u>
Population ⁽²⁾				
Village of Buckeye Lake and Village of Hebron	5,192	5,195	5,237	5,082
Outstanding Debt Per Capita	2,690	2,567	2,424	2,379
Income ⁽³⁾				
Personal (in thousands)	176,123	179,648	179,357	176,721
Percentage of Personal Income	7.93%	7.42%	7.08%	6.84%

* Restated for Deferred Charge on Refunding

Sources:

- (1) District Treasurer's Office
- (2) US Bureau of Census of Population - latest update is calendar year 2016 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

2012	2013	2014	2015	2016	2017
*					
\$483,237	\$1,244,758	\$1,065,238	\$881,276	\$692,648	\$550,624
11,240,539	10,724,872	10,197,601	9,660,419	8,922,230	8,220,168
51,572	126,525	92,701	56,564	82,910	2,545,082
<u>\$11,775,348</u>	<u>\$12,096,155</u>	<u>\$11,355,540</u>	<u>\$10,598,259</u>	<u>\$9,697,788</u>	<u>\$11,315,874</u>
5,082	5,082	5,082	5,082	5,082	5,168
2,317	2,380	2,234	2,085	1,908	2,190
190,529	202,518	203,377	202,441	211,315	214,891
6.18%	5.97%	5.58%	5.24%	4.59%	5.27%

Lakewood Local School District

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

Year	2008	2009	2010	2011
Population ⁽¹⁾	5,192	5,195	5,237	5,082
Assessed Value ⁽²⁾	399,541,638	380,901,120	370,370,140	373,394,300
General Bonded Debt ⁽³⁾				
General Obligation Bonds	12,736,531	12,290,427	11,837,649	11,369,250
Resources Available to Pay Principal ⁽⁴⁾	509,837	588,779	811,856	928,414
Net General Bonded Debt	12,226,694	11,701,648	11,025,793	10,440,836
Ratio of Net Bonded Debt to Estimated Actual Value	3.06%	3.07%	3.0%	2.8%
Net Bonded Debt per Capita	2,354.91	2,252.48	2,105.36	2,054.47

* 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

2012	2013	2014	2015	2016	2017
*					
5,082	5,082	5,082	5,082	5,082	5,168
388,543,540	395,880,960	410,064,390	427,992,041	422,696,300	427,933,518
11,240,539	10,724,872	10,197,601	9,660,419	8,922,230	8,220,168
1,041,410	847,327	533,493	444,792	437,421	411,361
10,199,129	9,877,545	9,664,108	9,215,627	8,484,809	7,808,807
2.6%	2.5%	2.4%	2.2%	2.0%	1.8%
2,006.91	1,943.63	1,901.63	1,813.39	1,669.58	1,510.99



Lakewood Local School District

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2017*

<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	\$11,315,874	100.00%	\$11,315,874
Overlapping:			
Licking County	18,444,655	10.78%	1,988,334
Heath City	4,263,000	7.86%	335,072
Village of Hebron	1,640,000	100.00%	1,640,000
Licking County Career Center -JVS	18,785,000	10.42%	1,957,397
		Subtotal	<u>5,920,803</u>
		Total	<u><u>\$17,236,677</u></u>

Source: Ohio Municipal Advisory Council, June 2017

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

Lakewood Local School District

Debt Limitations Last Ten Years

Collection Year	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Net Assessed Valuation	\$399,541,638	\$380,901,120	\$370,370,140	\$373,394,300
Legal Debt Limitation (%) (1)	9.00%	9.00%	9.00%	9.00%
Legal Debt Limitation (\$) (1)	35,958,747	34,281,101	33,333,313	33,605,487
Applicable District Debt Outstanding	12,736,531	12,290,427	11,837,649	11,369,250
Less: Applicable Debt Service Fund Amounts (2)	<u>(509,837)</u>	<u>(588,779)</u>	<u>(811,856)</u>	<u>(928,414)</u>
Net Indebtedness Subject to Limitation	<u>12,226,694</u>	<u>11,701,648</u>	<u>11,025,793</u>	<u>10,440,836</u>
Overall Legal Debt Margin	<u>\$23,732,053</u>	<u>\$22,579,453</u>	<u>\$22,307,520</u>	<u>\$23,164,651</u>
Legal Debt Limitation (%) (1)	0.10%	0.10%	0.10%	0.10%
Legal Debt Limitation (\$) (1)	399,542	380,901	370,370	373,394
Applicable District Debt Outstanding	0	0	0	0
Unvoted Legal Debt Margin	<u>\$399,542</u>	<u>\$380,901</u>	<u>\$370,370</u>	<u>\$373,394</u>
Legal Debt Limitation (%) (1)	0.90%	0.90%	0.90%	0.90%
Legal Debt Limitation (\$) (1)	3,595,875	3,428,110	3,333,331	3,360,549
Applicable District Debt Outstanding	<u>(1,069,628)</u>	<u>(928,414)</u>	<u>(783,729)</u>	<u>(635,398)</u>
Unvoted Energy Conservation Loans Legal Debt Margin	<u>\$2,526,247</u>	<u>\$2,499,696</u>	<u>\$2,549,602</u>	<u>\$2,725,151</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

2012	2013	2014	2015	2016	2017
\$388,543,540	\$395,880,960	\$410,064,390	\$427,992,041	\$422,696,300	\$427,933,518
9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
34,968,919	35,629,286	36,905,795	38,519,284	38,042,667	38,514,017
11,240,539	10,724,872	10,197,601	9,660,419	8,922,230	8,220,168
(1,041,410)	(847,327)	(533,493)	(444,792)	(437,421)	(411,361)
10,199,129	9,877,545	9,664,108	9,215,627	8,484,809	7,808,807
<u>\$24,769,790</u>	<u>\$25,751,741</u>	<u>\$27,241,687</u>	<u>\$29,303,657</u>	<u>\$29,557,858</u>	<u>\$30,705,210</u>
0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
388,544	395,881	410,064	427,992	422,696	427,934
0	0	0	0	0	0
<u>\$388,544</u>	<u>\$395,881</u>	<u>\$410,064</u>	<u>\$427,992</u>	<u>\$422,696</u>	<u>\$427,934</u>
0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
3,496,892	3,562,929	3,690,580	3,851,928	3,804,267	3,851,402
(483,237)	(1,244,758)	(1,065,238)	(881,276)	(692,648)	(550,624)
<u>\$3,013,655</u>	<u>\$2,318,171</u>	<u>\$2,625,342</u>	<u>\$2,970,652</u>	<u>\$3,111,619</u>	<u>\$3,300,778</u>

Lakewood Local School District

Demographic and Economic Statistics Last Ten Years

Calendar Year*	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Population (1)				
Village of Buckeye Lake and Village of Hebron	5,192	5,195	5,237	5,082
Licking County	156,985	157,721	158,488	166,492
Income (2) (a)				
Total Personal (in thousands)	176,123	179,648	179,357	176,721
Per Capita	33,922	34,581	34,248	34,774
Unemployment Rate (3)				
Federal	4.6%	5.8%	9.3%	9.6%
State	5.6%	6.6%	10.2%	10.1%
Licking County	5.2%	6.1%	9.3%	9.5%
Fiscal Year	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
School Enrollment (4)				
Grades K - 5	966	937	912	851
Grades 6 - 8	515	495	504	507
Grades 9 - 12	672	702	707	670
Non-Grade	29	29	30	57
Total	<u>2,182</u>	<u>2,163</u>	<u>2,153</u>	<u>2,085</u>

* 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 2016.

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

(a) Per Capita Income is only available by County (2016 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

2011	2012	2013	2014	2015	2016
5,082	5,082	5,082	5,082	5,082	5,168
167,248	167,537	168,375	169,390	170,570	172,198
190,529	202,518	203,377	202,441	211,315	214,891
37,491	39,850	40,019	39,835	41,581	41,581
8.9%	8.1%	7.4%	6.2%	5.3%	4.9%
8.6%	7.2%	7.4%	5.7%	4.9%	4.9%
8.0%	6.5%	6.9%	5.1%	4.4%	4.3%
2012	2013	2014	2015	2016	2017
864	839	816	797	805	824
484	500	445	409	430	462
671	643	658	610	567	558
44	51	51	56	2	3
<u>2,063</u>	<u>2,033</u>	<u>1,970</u>	<u>1,872</u>	<u>1,804</u>	<u>1,847</u>



Lakewood Local School District

Principal Employers Current Year and Nine Years Ago

		2017	
Employer	Nature of Business	Number of Employees	Rank
THK Manufacturing of America	Linear Motion Devices	407	1
MPW Properties	Industrial Cleaning	340	3
RR Donnelley	Printing	280	2
Momentive	Adhesives	280	4
Harry & David Operations	Distributor	250	5
Hendrickson Axle	Auxiliary Axle Manufacturing	180	6
Heritage Sportswear	Clothing Department	170	7
SunField	Steel Stamping	165	8
Kroger	Grocery	154	9
Covestro LLC	Polymers	135	10
Total		2,361	
Total Employment within the District		N/A	

		2008	
Employer	Nature of Business	Number of Employees	Rank
THK	Linear Motion Devices	275	1
Harry & David (Bear Creek)	Distributor	250	2
Ecolab	Cleaning Supplies	150	3
Ohio Metal Tech	Auto Parts	130	4
Kroger	Grocery	105	5
Renosol	Foam Auto Seats	96	6
Sunfield	Steel Stamping	89	7
Heritage Sportswear	Clothing Dept	85	8
The Boler Co.	Truck Axles	82	9
POMA Glass & Specialty (AFG)	Glass Finishing	72	10
Total		1,334	
Total Employment within the District		3,948	

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

Lakewood Local School District

School District Employees by Type Last Ten Years

	2008	2009	2010	2011	2012
Supervisory					
Instructional Administrators	3	4	3	3	3
Noninstructional Administrators	3	4	5	5	5
Principals	5	5	4	4	4
Assistant Principals	2	2	3	3	3
Instruction					
Classroom Teachers					
Elementary	68	64	63	63	58
Middle	43	41	37	40	43
High	51	50	50	47	45
Student Services					
Guidance Counselors	4	4	4	4	4
Social Workers	2	2	2	2	1
Psychologists	1	1	1	2	2
Librarians	4	4	4	4	1
Other Professional Non-Instructional	2	2	2	2	5
Support Services					
Clerical/Secretaries	14	16	16	16	15
Aides/Safety Monitors	17	16	18	17	17
Food Service	17	16	15	15	16
Maintenance/Grounds	19	19	17	17	16
Transportation	31	31	33	24	22
<i>Total Employees</i>	<u>286</u>	<u>281</u>	<u>277</u>	<u>268</u>	<u>260</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

2013	2014	2015	2016	2017
3	3	3	3	3
5	5	5	5	5
4	4	4	4	4
3	3	3	3	3
55	55	57	62	63
42	41	43	39	40
43	44	46	45	44
4	4	3	3	3
1	1	1	1	1
2	2	2	2	2
1	1	0	1	0
5	4	5	4	4
15	14	14	14	14
16	17	17	17	17
16	17	17	14	14
18	18	16	17	18
28	27	27	27	28
<u>261</u>	<u>260</u>	<u>263</u>	<u>261</u>	<u>263</u>

Lakewood Local School District

Operating Indicators - Cost per Pupil Last Ten Years

Fiscal Year	2008	2009	2010	2011	2012
Enrollment (October Count)	2,182	2,163	2,153	2,085	2,063
Modified Accrual Basis					
Operating Expenditures	21,557,087	21,142,597	22,656,796	21,761,029	21,179,299
Cost per Pupil	9,880	9,775	10,523	10,437	10,266
Percentage of Change	4.6%	(1.1%)	7.7%	(0.8%)	(1.6%)
Accrual Basis (1)					
Expenses	\$20,420,227	\$20,711,380	\$21,792,835	\$21,180,297	\$20,506,610
Cost per Pupil	9,358	9,575	10,122	10,158	9,940
Percentage of Change	5.8%	2.3%	5.7%	0.4%	(2.1%)
Teaching Staff	162	162	160	160	142

Source: District Treasurer's Office

(1) Expenses exclude interest and fiscal charges

Lakewood Local School District

2013	2014	2015	2016	2017
2,033	1,970	1,872	1,804	1,847
22,467,744	22,149,339	22,316,927	23,586,339	26,525,145
11,052	11,243	11,921	13,074	14,361
7.6%	1.7%	6.0%	9.7%	9.8%
\$20,799,476	\$21,077,732	\$21,032,260	\$22,133,530	\$24,479,071
10,231	10,699	11,235	12,269	13,253
2.9%	4.6%	5.0%	9.2%	8.0%
138	148	146	146	147

Lakewood Local School District

Operating Indicators by Function Last Ten Years

	2008	2009	2010	2011
Governmental Activities				
Pupils				
Enrollment	2,182	2,163	2,153	2,085
Graduates	145	149	168	138
Percent of Students with Disabilities	14.6%	14.8%	15.2%	15.2%
Board of Education				
Regularly scheduled board meeting per year	12	12	12	12
Fiscal Services				
Purchase Orders Processed	1,734	1,604	1,472	1,433
Checks Issued (non payroll)	2,645	2,536	2,424	2,366
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	1,760	1,496	1,539	1,374
Average Daily Bus Fleet Miles	2,156	2,213	2,048	2,444
Number of Buses	30	34	32	33
Extracurricular Activities				
High School Varsity Teams	16	16	16	16
Business-Type Activities				
Food Service				
Student Lunches Served Annually	232,741	225,851	217,601	210,673
Free/Reduced Student Lunches Served Annually	107,176	106,742	112,316	113,561

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

Lakewood Local School District

2012	2013	2014	2015	2016	2017
2,063	2,033	1,970	1,872	1,804	1,847
149	145	147	159	134	159
15.0%	15.0%	14.7%	16.0%	17.5%	17.0%
12	12	12	12	12	12
1,419	1,332	1,363	1,404	1,437	1,412
2,456	2,598	2,548	2,530	2,598	2,589
357,393	357,393	357,393	357,393	357,393	357,393
114	114	114	114	114	114
1,383	1,347	1,334	1,330	1,357	1,191
2,008	2,353	2,425	2,019	2,038	2,399
31	33	34	34	34	34
16	15	19	19	19	19
209,325	192,996	205,687	190,690	176,446	181,867
125,391	119,828	119,006	109,099	103,649	108,337

Lakewood Local School District

*Operating Indicators - Teacher Base Salaries
Last Ten Years*

Fiscal Year	2008	2009	2010	2011	2012
Minimum Salary	29,830	30,606	31,402	31,402	31,402
Maximum Salary	63,389	65,038	66,729	66,729	66,729
District Average Salary (1)	49,038	49,410	52,771	53,293	51,491
County Average Salary (1)	49,633	49,961	51,707	51,585	51,585
State Average Salary (1)	53,410	54,656	55,958	56,715	56,715

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

*Operating Indicators - Teacher by Education
Last Ten Years*

Fiscal Year	2008	2009	2010	2011	2012
Bachelor's Degree	19	19	15	10	5
Bachelor + 15	44	43	36	35	35
Master's Degree	56	56	66	64	68
Master's Degree + 15	43	44	43	41	34
Total	162	162	160	150	142

Source: District Treasurer's Office

Lakewood Local School District

2013	2014	2015	2016	2017
31,716	31,875	32,433	33,406	35,096
67,397	67,734	68,920	70,988	74,579
47,559	47,455	48,135	50,259	56,787
51,214	50,576	49,727	51,335	51,916
56,307	55,606	54,673	56,441	57,080

2013	2014	2015	2016	2017
6	9	7	12	12
35	36	33	25	19
66	73	66	70	72
31	30	35	39	44
138	148	141	146	147

Lakewood Local School District

Capital Asset Statistics by Building Last Ten Years

	2008	2009	2010	2011	2012
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	674	705	707	670	671
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	515	495	504	507	484
Intermediate					
Jackson Intermediate School					
Square Footage	75,107	75,107	75,107	75,107	75,107
Capacity (students)	975	975	975	975	975
Enrollment	508	497	483	437	434
Elementary					
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	485	466	459	471	474
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

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

2013	2014	2015	2016	2017
150,848	150,848	150,848	150,848	150,848
1,000	1,000	1,000	1,000	1,000
646	658	610	567	561
60,700	60,700	60,700	60,700	60,700
720	720	720	720	720
500	445	409	430	462
75,107	75,107	75,107	75,107	75,107
975	975	975	975	975
421	412	412	412	402
58,138	58,138	58,138	58,138	58,138
675	675	675	675	675
466	455	441	395	422
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

	2008	2009	2010	2011	2012
Cost per Student (ODE) ⁽¹⁾					
Lakewood	9,154	8,995	9,723	9,754	9,561
Ohio (Average)	9,939	10,184	10,512	10,571	10,508
Attendance Rate ⁽¹⁾					
Lakewood	94.60%	94.90%	94.80%	>95.00%	>95.00%
Ohio (Average)	94.20%	94.30%	94.30%	94.50%	94.50%
Graduation Rate ⁽¹⁾					
Lakewood (a)	91.20%	96.10%	98.80%	99.40%	86.00%
Ohio (Average)	86.90%	84.60%	83.00%	84.30%	81.30%

Source:

District's Student Records and Ohio Department of Education

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

(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

2013	2014	2015	2016	2017
9,282	8,887	9,278	9,918	10,800
10,149	9,536	9,904	9,837	10,445
94.60%	95.00%	95.00%	94.80%	94.50%
94.20%	94.30%	94.10%	94.10%	93.90%
89.00%	87.00%	95.00%	95.00%	90.80%
82.20%	92.30%	93.00%	93.00%	83.50%



**LAKESWOOD LOCAL SCHOOL DISTRICT
LICKING COUNTY, OHIO**

SUPPLEMENTAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2017**

GLENN A. PLAISTED, CPA, TREASURER

**LAKEWOOD LOCAL SCHOOL DISTRICT
LICKING COUNTY, OHIO**

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**LAKESWOOD LOCAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(A) GRANT NUMBER	(B) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION			
Child Nutrition Cluster:			
(C)(D) School Breakfast Program	10.553	2017	\$ 131,860
(C)(D) National School Lunch Program	10.555	2017	375,816
(D)(E) National School Lunch Program - Food Donation	10.555	2017	58,847
Total National School Lunch Program			<u>434,663</u>
Total U.S. Department of Agriculture and Child Nutrition Cluster			<u>566,523</u>
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION			
Title I Grants to Local Educational Agencies	84.010	2016	194,936
Title I Grants to Local Educational Agencies	84.010	2017	504,382
Total Title I Grants to Local Educational Agencies			<u>699,318</u>
Special Education Grant Cluster:			
(F) Special Education_Grants to States	84.027	2016	8,080
(F) Special Education_Grants to States	84.027	2017	383,843
Total Special Education_Grants to States			<u>391,923</u>
(F) Special Education_Preschool Grants	84.173	2016	49
(F) Special Education_Preschool Grants	84.173	2017	10,157
Total Special Education_Preschool Grants			<u>10,206</u>
Total Special Education Grant Cluster			<u>402,129</u>
Improving Teacher Quality State Grants	84.367	2017	89,543
Total U.S. Department of Education			<u>1,190,990</u>
Total Federal Financial Assistance			<u>\$ 1,757,513</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

- (A) OAKS did not assign pass-through numbers for fiscal year 2017.
- (B) The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Lakewood Local School District under programs of the federal government for the fiscal year ended June 30, 2017. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this Schedule presents only a selected portion of the operations of the Lakewood Local School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Lakewood Local School District.
- (C) Commingled with state and local revenue from sales of breakfast and lunches; assumed expenditures were made on a first-in, first-out basis.
- (D) Included as part of "Child Nutrition Cluster" in determining major programs.
- (E) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are reported at the entitlement value.
- (F) Included as part of "Special Education Grant Cluster" when determining major programs.
- (G) CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. The District has elected not to use the 10% de minimis indirect cost rate.

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Julian & Grube, Inc.
Serving Ohio Local Governments

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

**Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Required by *Government Auditing Standards***

Lakewood Local School District
Licking County
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, each major fund, and the aggregate remaining fund information of the Lakewood Local School District, Licking County, Ohio, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Lakewood Local School District's basic financial statements and have issued our report thereon dated November 13, 2017.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Lakewood Local School 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 Lakewood Local School 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 Lakewood Local School 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.

Board of Education
Lakewood LSD

Compliance and Other Matters

As part of reasonably assuring whether the Lakewood Local School 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 Lakewood Local School District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Lakewood Local School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Julian & Grube, Inc.
November 13, 2017



Julian & Grube, Inc.
Serving Ohio Local Governments

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

**Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program
and on Internal Control Over Compliance and Schedule of Expenditures
of Federal Awards Required by The Uniform Guidance**

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

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the Lakewood Local School District's compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Lakewood Local School District's major federal program for the fiscal year ended June 30, 2017. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Lakewood Local School District's major federal program.

Management's Responsibility

The Lakewood Local School District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the Lakewood Local School District's compliance for the Lakewood Local School District's major federal program 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance 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 Lakewood Local School 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 Lakewood Local School District's major program. However, our audit does not provide a legal determination of the Lakewood Local School District's compliance.

Opinion on the 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 its major federal program for the fiscal year ended June 30, 2017.

Report on Internal Control Over Compliance

The Lakewood Local School 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 Lakewood Local School 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 the Uniform Guidance, 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 Lakewood Local School 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 over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Lakewood Local School District as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Lakewood Local School District's basic financial statements. We issued our unmodified report thereon dated November 13, 2017. We conducted our audit to opine on the Lakewood Local School District's' basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance 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, and other additional procedures 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.



Julian & Grube, Inc.
November 13, 2017

**LAKWOOD LOCAL SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**SCHEDULE OF FINDINGS
UNIFORM GUIDANCE 2 CFR § 200.515
JUNE 30, 2017**

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Program's Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program (listed):</i>	Title I Grants to Local Educational Agencies (CFDA #84.010)
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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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
DECEMBER 26, 2017