

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2022



Lakewood Local School District Hebron, Ohio



LAKEWOOD...

- Integrity
- Passion
- Innovation

... Home

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



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Board of Education
Lakewood Local School District
525 East Main Street
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, 2021 through June 30, 2022. 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 "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

December 29, 2022



LAKWOOD LOCAL SCHOOL DISTRICT

HEBRON, OHIO

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
June 30, 2022**

Prepared by:

**Ms. Glenna Plaisted
Treasurer/CFO**



LAKWOOD LOCAL SCHOOL DISTRICT

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INTRODUCTORY SECTION





November 22, 2022

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

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the Lakewood Local School District (District) for the fiscal year ended June 30, 2022. This ACFR includes an opinion from our auditor, Julian & Grube, Inc. and conforms to accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District.

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

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

DISTRICT PROFILE

The Lakewood Local School District is located in southern Licking County approximately 25 miles east of Columbus, the state capital. The District encompasses approximately 115 square miles. The principle communities are the Village of Hebron, the Village of Buckeye Lake, Jacksontown and the surrounding farming townships. The District has a diversified industrial base as well as residential and agricultural communities. Interstate 70 and State Routes 79, 40 and 13 serve as the major transportation arteries. The District serves approximately 1,626 students in grades K-12. The District also serves 56 preschool students. The District's overall enrollment reflects a declining trend. Based on historical trends, enrollment is projected to continue on a declining trend.

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

www.lakewoodlocal.k12.oh.us

LAKWOOD LOCAL SCHOOL DISTRICT

LAKWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2022

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. Dr. Mark Gleichauf has served as the District's Superintendent since August 1, 2020.

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

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

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

CURRICULUM DEVELOPMENT

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

Credit Flexibility is offered to students who desire non-traditional learning opportunities. Students are able to earn credit for outside study, experiences and online courses. These options must be approved by the principal and a committee of educators. Teacher support for students who may want or need to take courses outside of the traditional school environment is provided.

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.

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INSTRUCTION MATERIALS

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

TECHNOLOGY

Lakewood students are introduced to technology in preschool and encouraged to use technology to advance their learning potential. Students at every grade level are linked to the Internet. Wireless access is available in all district buildings. Currently all students in grades 8-12 have access to Chromebooks in order to engage in the curriculum, complete work at school or work remotely at home. Students in grades K-7 have access to Chromebooks during the school day. Teachers have incorporated the use of technology into their classrooms and enabled students to use technology to help facilitate life-long learning and to access curriculum online when participating in remote learning.

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

STAFF DEVELOPMENT

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

INTERVENTION AND SPECIAL PROGRAMS

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

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

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Letter of Transmittal

For the Fiscal Year Ended June 30, 2022

GIFTED AND TALENTED PROGRAMMING AND ADVANCED PLACEMENT COURSES

Opportunities for more challenging work are available through the Gifted and Talented Program. This program serves identified students in grades 3-12. The curriculum includes enrichment activities, independent research and project-based learning with an emphasis on higher level thinking skills. Classroom teachers that teach gifted students completed at least 15 hours of gifted professional development each school year.

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

SPECIAL EDUCATION

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

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

DISTRICT STRATEGIC PLAN

The District's Strategic Plan includes these goals:

Communication and Trust

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

Social Emotional Well-Being

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

Teaching and Learning

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

Facilities and Learning Environments

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

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

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2022

STATE REPORT CARD PERFORMANCE

The Ohio Department of Education's (ODE) Ohio School Report Cards are designed to give each school district a clear picture of the progress in raising achievement and preparing our students for their futures. The information provided in the Report Card outlines areas that ODE views as most critical to successful learning.

The District did not receive an overall rating this year as the report card system has changed. Component grades were given in each area from 1 to 5 Stars. Below is the data received from 2021-22 school year.

Achievement Component- This represents the level of proficiency of students on the state tests. The District received 3 Stars on this component. It is made up of two parts which include the Performance Index and Indicators Met, although the indicators do not count in the final component rating. The District had a Performance Index of 81.9 out of 110.

Gap Closing- This shows how well we meet performance expectations for sub-groups of students, such as our students with disabilities and economically disadvantaged. The District received 5 Stars on this component. The District was successful in meeting the needs of most subgroups of students in English Language Arts and Math Achievement and Growth, and Graduation. The District needs to focus on the performance levels of Gifted students and Chronic absenteeism.

Progress- This measures the amount of growth students make from year to year. The District received 5 Stars for this component. The students made more than expected growth at all grades in English Language Arts, Math and Science.

Early Literacy- This component measures our success rate of moving students in grades K-3 from off-track to on-track from fall to fall. It measures the percent of students who are proficient in Third Grade Reading and it measures the percent of students who are promoted to the Fourth Grade. The District earned 2 Stars on this component. The percentage of students who began the previous year off-track that increased to on-track this year was 21.3%. Approximately 65% of students Grades K-3 are on-track based on Fall Diagnostic Assessments. We use Renaissance STAR assessments to determine student on-track status and provide Individualized Reading Improvement and Monitoring Plans (RIMPS) for all students who are deemed to be off-track. 54.5% of students were proficient in Reading on the Third Grade Ohio State Test. 100% of third grade students were promoted to fourth grade this past year.

Graduation Rate- This is the percent of students who graduate who started at Lakewood High School, including students who may have moved and did not enroll elsewhere. Data reflects the graduating classes of 2020 and 2021. The District received 3 Stars for this component. Our 4-year graduation rate is 91.4% and our 5-year graduations rate is 96.1% as reported with the Ohio Department of Education data. This is higher than the state averages. We continue to focus heavily on finding pathways to graduation for all students despite the challenging graduation requirements that have been set.

College, Career, Workforce and Military Readiness-This measures whether students are training in a technical field or preparing for work or college. There was no component score given. This data reflects the graduating classes of 2020 and 2021. This measure awards credits for students who earn remediation-free scores on the ACT for English, reading and math exams, earn an honors Diploma or earn high marks on an industry-recognized credentialing test in one of 13 high-demand career fields. Districts get bonus points for students who achieve at least one of the above and earn a score of 3 or higher on at least one

LAKWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2022

AP Exam or earn at least 3 credits in College Credit Plus (CCP) courses. 13.8% of students participated in the College Credit Plus program and 19.5% of students took AP courses. 20.7% of students received Honors Diplomas. 13.8% of student earned industry credentials.

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

ECONOMIC CONDITION AND OUTLOOK

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

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

The District relies heavily on property tax revenues to maintain its educational programs. The District has two (2) temporary emergency operating levies. On November 7, 2017 the District passed a renewal of a five-year emergency levy which generates \$2,353,259 per year. A ten-year emergency renewal levy was passed on November 5, 2019 and generates \$3,528,880 per year. These emergency levies represent approximately 41% of the total tax related revenues for the District and 24% of the District's total revenues. The District continuously evaluates its financial needs to determine if revenues are sufficient to meet future needs. As the District plans for the future, it will monitor fiscal years 2026 and 2027 to keep the District in a positive fund balance position.

Long-Term Financial Planning

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

The District has a General Fund Balance Guideline that was board approved on January 11, 2017. The purpose of this Fund Balance Guideline is to preserve financial stability. The Guideline states that the ending cash balance should be equal to 60 days operating cash as the minimum operational benchmark. The 60 days operating cash benchmark is calculated at the end of each fiscal year and is used as the benchmark for the upcoming year.

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2022

The minimum benchmark should be reflected on the five-year forecast in the current year and the next three (3) projected years of the five-year forecast. Upon receiving any indication that an ending cash balance equal to 60 days operating cash may not be achieved, a plan will be developed by the Board, Superintendent and Treasurer/CFO prior to the next five-year forecast adoption as to how the District will work towards attaining a 60 days operating cash ending balance.

RECENT INITIATIVES/ACCOMPLISHMENTS

There were a number of District initiatives/accomplishments made during the fiscal year ended June 30, 2022. Some of those were as follows:

Financial

The District received an unmodified opinion on the Fiscal Year 2021 audit.

The District received the Certificate of Excellence in Financial Reporting from the Government Finance Officers Association for the Lakewood Local School District Annual Comprehensive Financial Report (ACFR) for Fiscal Year ending June 30, 2021. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. This is the nineteenth consecutive year the District has received this award.

The District received the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association for the Lakewood Local School District Popular Annual Financial Report (PAFR) for the Fiscal Year ending June 30, 2021. This colorful easy to read document is a useful tool in educating the public and staff on the revenues and expenditures of the School District. This is the thirteenth consecutive year the District has received this award.

The District updated its 5 Year Capital Plan. This Plan allows the District to budget intelligently for the future as we are tasked to maintain our school and facilities. It incorporates all areas of the District including technology, transportation, food service, building and grounds, athletics and each of the school buildings. It provides transparency to the District's plans for the finances necessary to complete these projects.

Instructional/Other

- The District's Strategic Plan Action teams continue to meet regularly to discuss the progress in each goal area.
- Maintains a Business Advisory Council at Lakewood High School. To date, more than 50 businesses have provided input on curriculum/job skills needed, provided mentorship/internship opportunities for students and offered training and credentialing for students.
- Maintains a drug testing program for Lakewood High School and Middle School with the input of staff, students, parents and community members.
- Received a grant from Making Middle Grades Work to implement key practices at Lakewood Middle School.
- Teachers at Hebron, Jackson Intermediate, Lakewood Middle School and Lakewood High School are implementing Calm Classroom strategies in their classrooms 2-3 times each day. These strategies help students release stress and focus.
- Lakewood Preschool earned a 5-star rating, the highest rate possible, for Step Up to Quality from the Ohio Department of Education.

LAKWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2022

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 2022 Annual Comprehensive Financial Report (ACFR).

To receive the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association for the 2022 Popular Annual Financial Report (PAFR).

To update the District's 5 Year Capital Plan on an annual basis allowing the District to budget according for planned capital projects.

One challenge the District faces when reviewing the five-year forecast is a declining cash balance. The District implemented a Plan of Reductions for fiscal year 2021 of \$447,619 and in fiscal year 2022 for \$335,500. On November 8, 2022, the District passed a combined emergency levy renewal for 10 years. This consolidates the District's two emergency levies into one levy with a renewal every ten years. As the District plans for the future it will monitor the projected revenues and expenditures to keep the District in a positive fund balance position.

With the educational challenges and the physical condition of Hebron Elementary School, the Board of Education and Administration are in support of decommissioning Hebron Elementary by August 2023. The Hebron Elementary students will be relocated to the Jackson Intermediate buildings and modular classroom units. The District started the planning for relocating these students in fiscal year 2022. Facility preparations and the lease/purchase of modular classroom units are continuing in fiscal year 2023. The facilities should be ready for students in August 2023 for the start of the 2023-2024 school year.

Instructional

The District continues to seek improvement in the areas measured by the Local Report Card. An overall "5-Star" rating on the Report Card is the goal, in addition to engaging the students and providing opportunities for enrichment and intervention as needed. In working towards our District goals and a "5-Star" rating on the local report card, we continue to review our curriculum, alignment and assessment practices.

We are using a balanced literacy framework for English Language Arts at the elementary levels, although we will be reviewing all curriculum and assessment materials based on the new Dyslexia Law that goes into effect for the 2022-2023 school year. We have implemented Foundations and Lucy Calkins' Reading and Writing Units of Study. Teachers are receiving ongoing professional development and are collaborating around best practices in the implementation of these programs. We anticipate that we will make modifications to our programming based on research in the Science of Reading and the new requirements.

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The Engage New York math program continues to be used in the District. Our K-8 Math Instructional Coach and Title I Math teacher, along with building teacher leaders, continue to provide professional development to teachers, model best practices, do intervention with groups of students and create resources (i.e., pacing guides, assessments, spiral reviews, how-to videos for teachers, students and parents).

Teachers at the high school will continue to focus on teaching and learning best practices for the implementation of the 1:1 Chromebook program. Teachers will receive differentiated training based on their needs. Teachers at all levels have received professional development related to flipped classroom and best practices for remote learning.

The District works with State Support Team 11 to implement the Ohio Improvement Process in all buildings. Goals and strategies related to student performance have been developed. Data on student performance and adult implementation is collected and monitored for effectiveness of school improvement strategies.

In 2023, the District will review its Strategic Plan goals and modify as necessary to enhance the future educational needs of the students.

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 funds also use the accrual basis of accounting.

INTERNAL CONTROLS – Management of the District is responsible for establishing internal controls designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The Internal Control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of cost and benefit requires estimates and judgments by management. Management believes the internal controls adequately meet the above objective.

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

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

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2022

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

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

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

INDEPENDENT AUDIT – In compliance with State statute, the basic financial statements have been audited by Julian & Grube, Inc. The independent auditor concluded that the District’s financial statements for the year ended June 30, 2022, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The Independent Auditor’s Report is presented as the first component of the financial section of this report.

AWARDS AND ACKNOWLEDGMENTS

AWARDS – The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the Lakewood Local School District for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of State and local government financial reports. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report. The report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements, with contents conforming to program standards. A Certificate of Achievement is valid for a period of one year only. Lakewood Local School District has received a Certificate of Achievement for the last nineteen years. We believe that our current annual comprehensive financial report continues to meet the program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the School District received the Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) from GFOA for the year ended June 30, 2021. The PAFR is a condensed, more user-friendly financial report intended to provide highlights of the District’s financial condition. This was the thirteenth year the District produced a PAFR and received the award.

LAKWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2022

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

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

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

Respectfully submitted,



Glenna J. Plaisted, CPA, CGMA
Treasurer/CFO

LAKWOOD LOCAL SCHOOL DISTRICT

***Members of the Board of Education and Administration
For the Fiscal Year Ended June 30, 2022***

Members of the Board of Education

	<u>Began Service as A Board Member</u>	<u>Present Term Expires</u>
Brittany Misner, President	May 10, 2018	December 31, 2023
Jonathan Lynch, Vice President	January 1, 2018	December 31, 2025
David Lohr	January 1, 2022	December 31, 2025
Brandon Salyer	June 22, 2022	December 31, 2023
Jeramiah Weekly	January 12, 2022	December 31, 2023

Treasurer/CFO

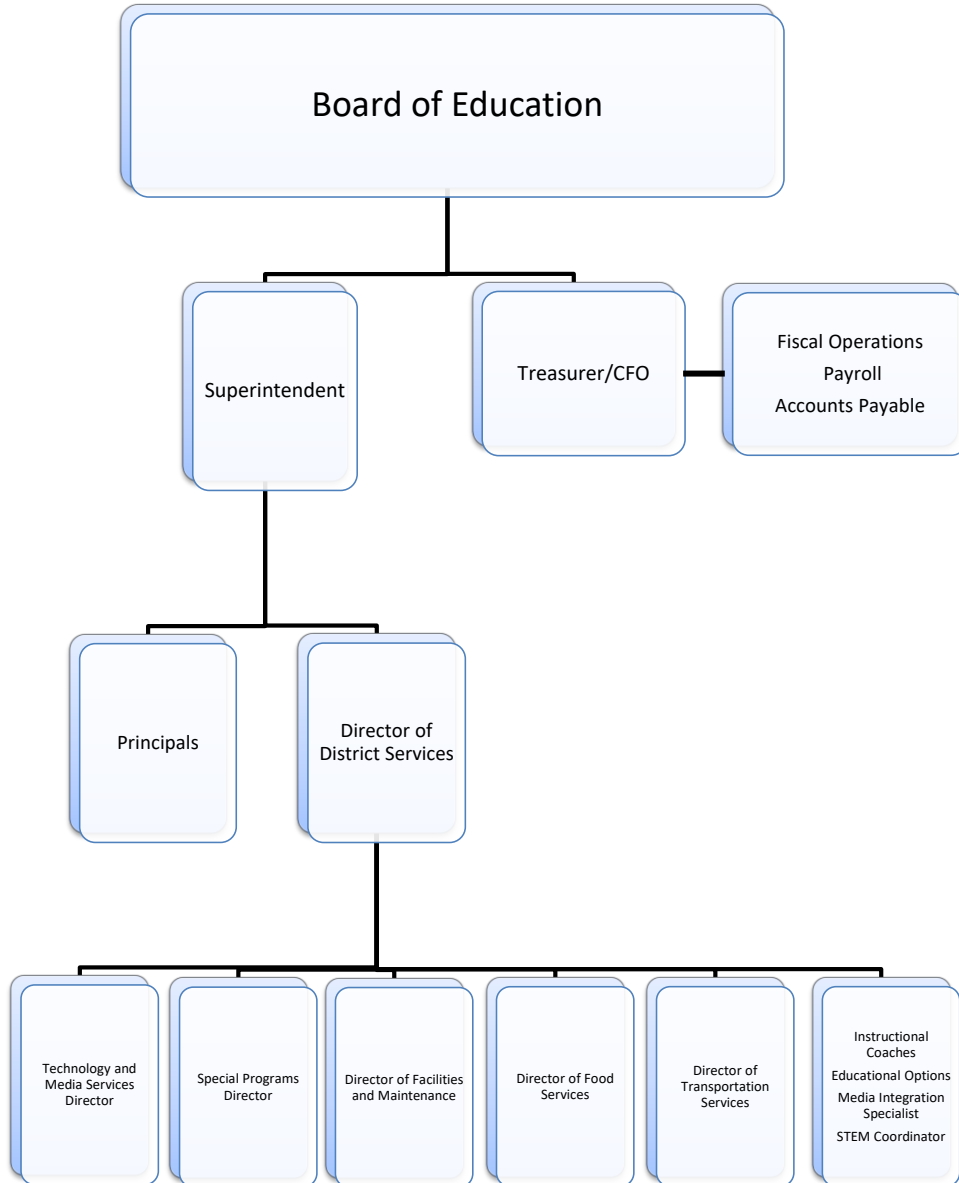
	<u>Position</u>
Glenna J. Plaisted	Treasurer/CFO

Administration

	<u>Position</u>
Dr. Mark Gleichauf	Superintendent
Patricia Pickering	Director of District Services

LAKWOOD LOCAL SCHOOL DISTRICT

Organizational Chart For the Fiscal Year Ended June 30, 2022



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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



Independent Auditor's Report

Lakewood Local School District
Licking County
525 East Main Street
Hebron, OH 43025

To the Members of the Board of Education:

Report on the Audit of the Financial Statements

Opinions

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, 2022, 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.

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, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Lakewood Local School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As described in Note 21 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Lakewood Local School District. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lakewood Local School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Lakewood Local School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lakewood Local School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lakewood Local School District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2022 on our consideration of the Lakewood Local School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Lakewood Local School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lakewood Local School District's internal control over financial reporting and compliance.





LAKEWOOD LOCAL SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022***

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, 2022. 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 2022 are as follows:

- ❑ In total, net position increased \$4,963,261. Net position of governmental activities increased \$4,502,694, which represents a 548.8% increase from 2021. Net position of business-type activities increased \$460,567 which represents a 77.6% decrease in the net deficit from the 2021 net deficit.
- ❑ General revenues accounted for \$24,057,768 in revenue or 84.9% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for \$4,290,114 or 15.1% of total revenues of \$28,347,882.
- ❑ The District had \$23,845,188 in expenses related to governmental activities; only \$4,290,114 of these expenses were offset by program specific charges for services and sales, and grants and contributions.
- ❑ Among major funds, the general fund had \$23,896,890 in revenues and \$23,653,414 in expenditures. During fiscal year 2022, the general fund's fund balance increased from \$12,619,695 to \$12,882,190.

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, 2022***

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.

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

LAKWOOD LOCAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

Unaudited

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 2022 compared to 2021:

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets:						
Current and other assets	\$35,387,571	\$34,182,147	\$491,099	\$109,072	\$35,878,670	\$34,291,219
Net OPEB Asset	1,828,007	1,544,414	0	0	1,828,007	1,544,414
Capital assets, Net	17,716,330	16,540,933	141,702	125,836	17,858,032	16,666,769
Total assets	54,931,908	52,267,494	632,801	234,908	55,564,709	52,502,402
Deferred outflows of resources:						
Refunding	34,882	41,858	0	0	34,882	41,858
Pension	5,758,129	4,788,049	76,858	76,232	5,834,987	4,864,281
OPEB	826,480	889,505	61,446	57,863	887,926	947,368
Total deferred outflows of resources	6,619,491	5,719,412	138,304	134,095	6,757,795	5,853,507
Liabilities:						
Net pension liability	14,506,374	27,133,431	326,394	541,154	14,832,768	27,674,585
Net OPEB liability	1,804,818	2,001,134	172,198	184,464	1,977,016	2,185,598
Other long-term liabilities	6,316,976	7,485,489	13,056	16,388	6,330,032	7,501,877
Other liabilities	3,412,685	2,424,259	80,956	79,600	3,493,641	2,503,859
Total liabilities	26,040,853	39,044,313	592,604	821,606	26,633,457	39,865,919
Deferred inflows of resources:						
Property Tax	16,644,217	16,309,358	0	0	16,644,217	16,309,358
Pension	11,940,250	484,573	185,421	26,451	12,125,671	511,024
OPEB	3,117,403	2,842,680	126,266	114,699	3,243,669	2,957,379
Total deferred inflows of resources	31,701,870	19,636,611	311,687	141,150	32,013,557	19,777,761
Net position (deficit):						
Net investment in capital assets	10,879,649	9,551,775	141,702	125,836	11,021,351	9,677,611
Restricted	1,146,819	1,292,668	0	0	1,146,819	1,292,668
Unrestricted	(8,217,792)	(11,538,461)	(274,888)	(719,589)	(8,492,680)	(12,258,050)
Total net position (deficit)	\$3,808,676	(\$694,018)	(\$133,186)	(\$593,753)	\$3,675,490	(\$1,287,771)

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

LAKEWOOD LOCAL SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022***

Unaudited

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

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

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

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

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

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

LAKWOOD LOCAL SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022***

Unaudited

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

At fiscal year-end for governmental activities, capital assets represented 32% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture, fixtures, equipment, and vehicles. Net investment in capital assets, at June 30, 2022 was \$10,879,649. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$1,146,819, represents resources that are subject to external restriction on how they may be used. Excluding the effect of GASB 68 and GASB 75, the District has approximately \$14.7 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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LAKWOOD LOCAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

Unaudited

Changes in Net Position – The following table shows the changes in net position for fiscal years 2022 and 2021:

	Governmental		Business-type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues:						
Charges for Services and Sales	\$937,475	\$1,377,449	\$118,353	\$45,767	\$1,055,828	\$1,423,216
Operating Grants and Contributions	3,352,639	2,263,781	1,351,768	669,692	4,704,407	2,933,473
Capital Grants and Contributions	0	0	32,027	50,997	32,027	50,997
Total Program Revenues	<u>4,290,114</u>	<u>3,641,230</u>	<u>1,502,148</u>	<u>766,456</u>	<u>5,792,262</u>	<u>4,407,686</u>
General Revenues:						
Property Taxes	17,385,098	16,155,273	0	0	17,385,098	16,155,273
Grants and Entitlements	6,708,011	7,071,673	0	0	6,708,011	7,071,673
Other	(35,341)	390,340	0	0	(35,341)	390,340
Total General Revenues	<u>24,057,768</u>	<u>23,617,286</u>	<u>0</u>	<u>0</u>	<u>24,057,768</u>	<u>23,617,286</u>
Total Revenues	<u>28,347,882</u>	<u>27,258,516</u>	<u>1,502,148</u>	<u>766,456</u>	<u>29,850,030</u>	<u>28,024,972</u>
Program Expenses						
Instruction	13,062,888	17,334,947	0	0	13,062,888	17,334,947
Support Services:						
Pupils	1,775,838	1,905,438	0	0	1,775,838	1,905,438
Instructional Staff	1,002,700	1,193,321	0	0	1,002,700	1,193,321
Board of Education	109,620	77,145	0	0	109,620	77,145
Administration	1,868,851	2,151,514	0	0	1,868,851	2,151,514
Fiscal Services	809,114	855,750	0	0	809,114	855,750
Business	36,120	15,239	0	0	36,120	15,239
Operation and Maintenance of Plant	2,159,523	2,255,195	0	0	2,159,523	2,255,195
Pupil Transportation	1,985,178	2,006,078	0	0	1,985,178	2,006,078
Central	60,566	58,646	0	0	60,566	58,646
Operation of Non-Instructional Services	84,464	76,360	0	0	84,464	76,360
Extracurricular Activities	728,772	776,421	0	0	728,772	776,421
Interest and Fiscal Charges	161,554	188,964	0	0	161,554	188,964
Food Service	0	0	1,041,581	795,321	1,041,581	795,321
Total Expenses	<u>23,845,188</u>	<u>28,895,018</u>	<u>1,041,581</u>	<u>795,321</u>	<u>24,886,769</u>	<u>29,690,339</u>
Change in Net Position before Transfers	4,502,694	(1,636,502)	460,567	(28,865)	4,963,261	(1,665,367)
Transfers	0	(100,000)	0	100,000	0	0
Total Change in Net Position (Deficit)	4,502,694	(1,736,502)	460,567	71,135	4,963,261	(1,665,367)
Beginning Net Position (Deficit)	(694,018)	1,042,484	(593,753)	(664,888)	(1,287,771)	377,596
Ending Net Position (Deficit)	<u>\$3,808,676</u>	<u>(\$694,018)</u>	<u>(\$133,186)</u>	<u>(\$593,753)</u>	<u>\$3,675,490</u>	<u>(\$1,287,771)</u>

LAKWOOD LOCAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

Unaudited

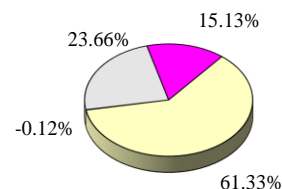
Governmental Activities

Net position of the District's governmental activities increased by \$4,502,694. Approximately \$3.5 million of the increase is attributable to lower pension expense compared to the previous year as a result of the actuarial valuation of the Net Pension Liability for the STRS and SERS pension plans. The remaining increase is attributable to tax advances that are available and fluctuate on an annual basis. Fiscal year 2021 tax revenues were lower as a result of lower tax advances. Total governmental expenses of \$23,845,188 were offset by program revenues of \$4,290,114 and general revenues of \$24,057,768. Program revenues supported 18.0% of the total governmental expenses. The primary sources of revenues consist of property taxes and grants and entitlements which total \$24,093,109 and represent 100.0% of total general governmental revenue.

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

The District has two emergency operating levies. One is a five-year emergency operating levy renewal that passed November 7, 2017 and generates tax revenues of \$2,353,259 yearly. The second one is a ten-year emergency operating levy renewal that passed on November 5, 2019 and generates tax revenues of \$3,528,880 yearly. Fiscal year 2022 includes the total revenues generated from both these emergency levies. Property taxes made up 61% of revenues for governmental activities for the District in fiscal year 2022. The District's reliance upon tax revenues is demonstrated by the following chart:

Revenue Sources	2022	Percent of Total
General Grants	\$6,708,011	23.66%
Program Revenues	4,290,114	15.13%
Property Tax Revenues	17,385,098	61.33%
General Other	(35,341)	-0.12%
Total Revenue	<u>\$28,347,882</u>	<u>100.00%</u>



Business-Type Activities

Net position of the business-type activities increased by \$460,567. These programs had revenues of \$1,502,148 and expenses of \$1,041,581 for fiscal year 2022. The increase is a result of additional federal grant monies received from the U.S. Department of Agriculture Seamless Summer Option child nutrition program. This program enabled the District to serve breakfast and lunch to all children at no cost through June 30, 2022. Business activities receive no support from tax revenues; however, they have received support from governmental activities.

LAKWOOD LOCAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

Unaudited

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of \$15,028,817, which is lower than last year's total of \$15,131,330. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2022 and 2021.

	Fund Balance June 30, 2022	Fund Balance June 30, 2021	Increase (Decrease)
General	\$12,882,190	\$12,619,695	\$262,495
Debt Service	992,686	856,606	136,080
Other Governmental	1,153,941	1,655,029	(501,088)
Total	<u>\$15,028,817</u>	<u>\$15,131,330</u>	<u>(\$102,513)</u>

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:

	2022 Revenues	2021 Revenues	Increase (Decrease)
Taxes	\$16,155,006	\$15,069,503	\$1,085,503
Tuition	729,738	1,434,681	(704,943)
Investment Earnings	(113,865)	46,530	(160,395)
Extracurricular Activities	30,158	30,649	(491)
Class Materials and Fees	65,992	72,817	(6,825)
Intergovernmental - State	6,826,228	6,959,461	(133,233)
Intergovernmental - Federal	137,581	120,551	17,030
All Other Revenue	66,052	345,635	(279,583)
Total	<u>\$23,896,890</u>	<u>\$24,079,827</u>	<u>(\$182,937)</u>

General Fund revenues in 2022 decreased approximately 0.8% compared to revenues in fiscal year 2021. In fiscal year 2022, the District recognized an increase in tax revenues. This increase is attributable to tax advances that are available and fluctuate on an annual basis. Fiscal year 2021 tax revenues were lower as a result of lower tax advances.

The decrease in Tuition is a result of a change in the State of Ohio school funding formula. In prior fiscal years, the State of Ohio funded students who open enrolled into the District and it was recorded as Open Enrollment revenues. Beginning in fiscal year 2022 with the new funding formula, there are no open enrollment revenues.

The District had a decline in investment earnings due to an adjustment to fair market value on investments.

The State funding decreased in fiscal year 2022 as a result of a change in the State of Ohio school funding formula.

All Other Revenue in fiscal year 2021 includes a worker's compensation rebate which did not occur in fiscal year 2022.

LAKWOOD LOCAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

Unaudited

	2022 Expenditures	2021 Expenditures	Increase (Decrease)
Instruction	\$13,096,428	\$14,991,124	(\$1,894,696)
Supporting Services:			
Pupils	1,514,976	1,202,739	312,237
Instructional Staff	934,941	933,350	1,591
Board of Education	109,624	76,367	33,257
Administration	2,052,545	1,996,233	56,312
Fiscal Services	814,196	807,096	7,100
Business	36,815	14,353	22,462
Operation & Maintenance of Plant	2,420,628	2,178,165	242,463
Pupil Transportation	2,083,326	1,918,019	165,307
Central	95,242	81,929	13,313
Operation of Non-Instructional Services	41,746	42,494	(748)
Extracurricular Activities	389,443	380,405	9,038
Capital Outlay	42,528	393,427	(350,899)
Debt Service:			
Principal Retirement	16,305	37,463	(21,158)
Interest and Fiscal Charges	4,671	933	3,738
Total	\$23,653,414	\$25,054,097	(\$1,400,683)

The District's expenditures decreased by \$1,400,683 or 5.6% compared to the prior year. The District's budget is 72% personnel related. The District had a 2.25 to 2.5% increase in base salary for fiscal year 2022 and paid the negotiated step increase ranging from 0% to 3% based on the number of years of service and type of degree.

These increases were offset by savings from reductions in staffing and a purchases service contract that were included in the District's 2022 Plan of Reductions and also by using federal emergency relief funds for purchasing of cleaning and sanitizing supplies and equipment, instructional materials and technology and on-line instructional services/interventions.

In fiscal year 2022, the State of Ohio also changed the school funding formula to fund only district educated enrollment thereby reducing tuition costs for open enrollment out, community schools, STEM and scholarships.

Debt Service Fund – The fund balance increased \$136,080. Tax revenues are levied to cover debt payments and there are small fluctuations from year to year. Both revenues and expenditures are comparable to prior year.

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 2022, the District amended its General Fund budget several times. The School District closely monitors its resources and uses and if necessary, modifies appropriations on a timely basis.

LAKEWOOD LOCAL SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022***

Unaudited

The final General Fund budget basis revenue of \$24.0 million decreased by \$.4 million from the original budget estimates. This was due to a decrease in tuition revenues as a result of the State of Ohio new school funding formula.

Total original appropriations compared to the final appropriations did not change materially in total. 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 2022, the District had \$17,858,032 net of accumulated depreciation invested in land, buildings, equipment and vehicles. Of this total, \$17,716,330 was related to governmental activities and \$141,702 to the business-type activities. The following table shows fiscal year 2022 and 2021 balances:

	Governmental Activities		Change
	2022	2021	
Land	\$410,817	\$410,817	\$0
Land Improvements	3,725,497	3,727,960	(2,463)
Buildings and Improvements	27,069,457	26,855,740	213,717
Furniture, Fixtures and Equipment	4,315,240	4,387,080	(71,840)
Leased Equipment	91,375	91,375	0
Vehicles	2,423,582	2,574,392	(150,810)
Construction in Progress	1,982,613	0	1,982,613
Less: Accumulated Depreciation	(22,302,251)	(21,506,431)	(795,820)
Totals	\$17,716,330	\$16,540,933	\$1,175,397

During fiscal year 2022, the District started two projects for improvements to the Middle School and to the Jackson Intermediate School. One project was installation of a new HVAC system at the Middle School. The second project was for the renovation/repurposing of the Middle School auditorium area to classrooms and also the addition of a corridor connection between Jackson Intermediate Building to an Annex Building. These improvements were considered construction in progress at June 30, 2022.

	Business-Type Activities		Change
	2022	2021	
Furniture and Equipment	\$448,050	\$427,122	\$20,928
Less: Accumulated Depreciation	(306,348)	(301,286)	(5,062)
Totals	\$141,702	\$125,836	\$15,866

The net increase in capital asset additions/disposals was partially offset by depreciation expense. Additional information on the District's capital assets can be found in Note 10.

LAKWOOD LOCAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

Unaudited

Debt

At June 30, 2022 the District had \$6.3 million in bonds, loans, leases, and other long-term obligations outstanding, \$1,234,379 due within one year. The following table summarizes the District's debt and other long-term liabilities outstanding as of June 30, 2022 and June 30, 2021:

	<u>2022</u>	<u>2021</u>
Governmental Activities:		
General Obligation Bonds:		
School Improvement	\$4,380,083	\$5,181,100
Energy Conservation Bonds Payable	91,770	183,541
Loan Payable	1,330,000	1,575,000
Leases Payable	75,070	91,375
Compensated Absences	<u>440,053</u>	<u>454,473</u>
Total Governmental Activities	6,316,976	7,485,489
Business-Type Activities:		
Compensated Absences	<u>13,056</u>	<u>16,388</u>
Total Business-Type Activities	<u>13,056</u>	<u>16,388</u>
Totals	<u><u>\$6,330,032</u></u>	<u><u>\$7,501,877</u></u>

Under current state statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on 9% of the total assessed value of real and personal property. At June 30, 2022, the District's outstanding debt was below the legal limit. Additional information on the District's long-term debt can be found in Note 13.

LAKWOOD LOCAL SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022***

Unaudited

CURRENT FINANCIAL RELATED ACTIVITIES

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

The District has a General Fund Balance Guideline whose purpose is to preserve financial stability. The cash reserve is equal to 60 days operational cash as the minimum operational benchmark for determining the ending cash needs of the General Fund. The minimum benchmark should be reflected on the five year forecast in the current year and the next three (3) projected years of the forecast. The current revenue, along with the District's cash balance, will provide the District with the necessary funds to meet its operating expenses in fiscal years 2023 through 2026. The District implemented a Plan of Reductions in fiscal year 2021 of \$447,619 and in fiscal year 2022 for \$335,500. The District is on the November 8, 2022 ballot for a combined emergency levy renewal for 10 years. This consolidates the District's two emergency levies into one levy with a renewal every ten years. As the District plans for the future, it will monitor the projected revenues and expenditures for fiscal years 2026 and 2027 to keep the District in a positive fund balance position.

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

In conclusion, the Lakewood Local School District has committed itself to financial excellence for many years.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Glenna Plaisted, Treasurer/CFO, Lakewood Local School District, 525 East Main Street, Post Office Box 70, Hebron, Ohio 43025, or email at gplaisted@lakewoodlocal.k12.oh.us.



LAKWOOD LOCAL SCHOOL DISTRICT

Statement of Net Position
June 30, 2022

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 8,763,224	\$ 459,490	\$ 9,222,714
Investments	7,614,182	0	7,614,182
Receivables:			
Taxes	17,696,503	0	17,696,503
Accounts	7,289	377	7,666
Intergovernmental	961,700	10,379	972,079
Interest	5,141	0	5,141
Inventory	55,628	4,738	60,366
Prepaid Items	283,904	16,115	300,019
Net OPEB Asset	1,828,007	0	1,828,007
Capital Assets:			
Nondepreciable Capital Assets	2,393,430	0	2,393,430
Depreciable Capital Assets, Net	15,322,900	141,702	15,464,602
Total Capital Assets, Net	17,716,330	141,702	17,858,032
Total Assets	54,931,908	632,801	55,564,709
Deferred Outflows of Resources:			
Deferred Charge on Refunding	34,882	0	34,882
Pension	5,758,129	76,858	5,834,987
OPEB	826,480	61,446	887,926
Total Deferred Outflows of Resources	6,619,491	138,304	6,757,795
Liabilities:			
Accounts Payable	1,035,588	2,298	1,037,886
Accrued Wages and Benefits	1,985,830	64,390	2,050,220
Intergovernmental Payable	358,892	14,268	373,160
Retainage Payable	17,337	0	17,337
Accrued Interest Payable	15,038	0	15,038
Long Term Liabilities:			
Due Within One Year	1,234,379	0	1,234,379
Due in More Than One Year:			
Net Pension Liability	14,506,374	326,394	14,832,768
Net OPEB Liability	1,804,818	172,198	1,977,016
Other Amounts Due in More Than One Year	5,082,597	13,056	5,095,653
Total Liabilities	26,040,853	592,604	26,633,457
Deferred Inflows of Resources:			
Property Taxes	16,644,217	0	16,644,217
Pension	11,940,250	185,421	12,125,671
OPEB	3,117,403	126,266	3,243,669
Total Deferred Inflows of Resources	31,701,870	311,687	32,013,557

(Continued)

LAKWOOD LOCAL SCHOOL DISTRICT

	Governmental Activities	Business-Type Activities	Total
Net Position:			
Net Investment in Capital Assets	10,879,649	141,702	11,021,351
Restricted For:			
Debt Service	992,881	0	992,881
Federal and State Funded Programs	17,543	0	17,543
Other Purposes	136,395	0	136,395
Unrestricted (Deficit)	(8,217,792)	(274,888)	(8,492,680)
Total Net Position	<u>\$ 3,808,676</u>	<u>\$ (133,186)</u>	<u>\$ 3,675,490</u>

See accompanying notes to the basic financial statements

LAKWOOD LOCAL SCHOOL DISTRICT

Statement of Activities For the Fiscal Year Ended June 30, 2022

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Instruction	\$ 13,062,888	\$ 800,585	\$ 2,796,487	\$ 0
Support Services:				
Pupils	1,775,838	0	330,434	0
Instructional Staff	1,002,700	0	116,774	0
Board of Education	109,620	0	0	0
Administration	1,868,851	0	13,821	0
Fiscal Services	809,114	0	0	0
Business	36,120	0	0	0
Operation and Maintenance of Plant	2,159,523	0	70,099	0
Pupil Transportation	1,985,178	0	14,534	0
Central	60,566	0	0	0
Operation of Non-Instructional Services	84,464	0	2,947	0
Extracurricular Activities	728,772	136,890	7,543	0
Interest and Fiscal Charges	161,554	0	0	0
Total Governmental Activities	23,845,188	937,475	3,352,639	0
Business-Type Activities:				
Food Service	1,041,581	118,353	1,351,768	32,027
Total Business-Type Activities	1,041,581	118,353	1,351,768	32,027
Totals	\$ 24,886,769	\$ 1,055,828	\$ 4,704,407	\$ 32,027

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
\$ (9,465,816)	\$ 0	\$ (9,465,816)
(1,445,404)	0	(1,445,404)
(885,926)	0	(885,926)
(109,620)	0	(109,620)
(1,855,030)	0	(1,855,030)
(809,114)	0	(809,114)
(36,120)	0	(36,120)
(2,089,424)	0	(2,089,424)
(1,970,644)	0	(1,970,644)
(60,566)	0	(60,566)
(81,517)	0	(81,517)
(584,339)	0	(584,339)
(161,554)	0	(161,554)
<u>(19,555,074)</u>	<u>0</u>	<u>(19,555,074)</u>
0	460,567	460,567
0	460,567	460,567
<u>(19,555,074)</u>	<u>460,567</u>	<u>(19,094,507)</u>
16,180,700	0	16,180,700
1,204,398	0	1,204,398
6,708,011	0	6,708,011
(113,428)	0	(113,428)
78,087	0	78,087
<u>24,057,768</u>	<u>0</u>	<u>24,057,768</u>
4,502,694	460,567	4,963,261
(694,018)	(593,753)	(1,287,771)
<u>\$ 3,808,676</u>	<u>\$ (133,186)</u>	<u>\$ 3,675,490</u>

LAKWOOD LOCAL SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2022

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 6,459,243	\$ 922,486	\$ 1,381,495	\$ 8,763,224
Investments	7,614,182	0	0	7,614,182
Receivables:				
Taxes	16,803,061	893,442	0	17,696,503
Accounts	7,150	0	139	7,289
Intergovernmental	4,281	0	957,419	961,700
Interest	5,141	0	0	5,141
Interfund Loan Receivable	105,298	0	0	105,298
Inventory	55,628	0	0	55,628
Prepaid Items	280,923	0	2,981	283,904
Total Assets	\$ 31,334,907	\$ 1,815,928	\$ 2,342,034	\$ 35,492,869
Liabilities:				
Accounts Payable	\$ 78,322	\$ 0	\$ 957,266	\$ 1,035,588
Accrued Wages and Benefits	1,906,262	0	79,568	1,985,830
Intergovernmental Payable	356,045	0	2,847	358,892
Retainage Payable	0	0	17,337	17,337
Interfund Loans Payable	0	0	105,298	105,298
Total Liabilities	2,340,629	0	1,162,316	3,502,945
Deferred Inflows of Resources:				
Property Taxes	15,836,208	808,009	0	16,644,217
Unavailable Revenue	275,880	15,233	25,777	316,890
Total Deferred Inflows of Resources	16,112,088	823,242	25,777	16,961,107
Fund Balances:				
Nonspendable	336,551	0	2,981	339,532
Restricted	7,505	992,686	128,992	1,129,183
Committed	147,390	0	0	147,390
Assigned	2,052,979	0	1,033,285	3,086,264
Unassigned	10,337,765	0	(11,317)	10,326,448
Total Fund Balances	12,882,190	992,686	1,153,941	15,028,817
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 31,334,907	\$ 1,815,928	\$ 2,342,034	\$ 35,492,869

See accompanying notes to the basic financial statements

LAKWOOD LOCAL SCHOOL DISTRICT

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities June 30, 2022

Total Governmental Fund Balances		\$ 15,028,817
 <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.		17,716,330
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.		316,890
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	5,758,129	
Deferred Inflows - Pension	(11,940,250)	
Net Pension Liability	(14,506,374)	(20,688,495)
The net OPEB liability/asset is not due and payable nor available in the current period; therefore, the liability/asset and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - OPEB	826,480	
Deferred Inflows - OPEB	(3,117,403)	
Net OPEB Asset	1,828,007	
Net OPEB Liability	(1,804,818)	(2,267,734)
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	(91,770)	
General Obligation Bonds Payable	(4,225,000)	
Deferred loss on refunding (to be amortized as interest expense)	34,882	
Issuance Premium (to be amortized against interest expense)	(155,083)	
Loan Payable	(1,330,000)	
Leases Payable	(75,070)	
Compensated Absences Payable	(440,053)	
Accrued Interest Payable	(15,038)	(6,297,132)
 <i>Net Position of Governmental Activities</i>		 \$ 3,808,676

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, 2022

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Local Sources:				
Taxes	\$ 16,155,006	\$ 1,202,928	\$ 0	\$ 17,357,934
Tuition	729,738	0	0	729,738
Investment Earnings	(113,865)	0	0	(113,865)
Extracurricular Activities	30,158	0	106,732	136,890
Class Materials and Fees	65,992	0	0	65,992
Intermediate Sources	0	0	14,811	14,811
Intergovernmental - State	6,826,228	237,746	104,964	7,168,938
Intergovernmental - Federal	137,581	0	2,731,239	2,868,820
All Other Revenue	66,052	0	24,433	90,485
Total Revenue	23,896,890	1,440,674	2,982,179	28,319,743
Expenditures:				
Current:				
Instruction	13,096,428	0	823,564	13,919,992
Supporting Services:				
Pupils	1,514,976	0	431,085	1,946,061
Instructional Staff	934,941	0	121,351	1,056,292
Board of Education	109,624	0	0	109,624
Administration	2,052,545	0	16,742	2,069,287
Fiscal Services	814,196	13,005	0	827,201
Business	36,815	0	0	36,815
Operation and Maintenance of Plant	2,420,628	0	79,349	2,499,977
Pupil Transportation	2,083,326	0	14,534	2,097,860
Central	95,242	0	0	95,242
Operation of Non-Instructional Services	41,746	0	2,946	44,692
Extracurricular Activities	389,443	0	113,840	503,283
Capital Outlay	42,528	0	1,879,856	1,922,384
Debt Service:				
Principal Retirement	16,305	1,106,771	0	1,123,076
Interest and Fiscal Charges	4,671	184,818	0	189,489
Total Expenditures	23,653,414	1,304,594	3,483,267	28,441,275
Excess (Deficiency) of Revenues				
Over Expenditures	243,476	136,080	(501,088)	(121,532)

(Continued)

LAKWOOD LOCAL SCHOOL DISTRICT

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses):				
Sale of Capital Assets	19,019	0	0	19,019
Total Other Financing Sources (Uses)	19,019	0	0	19,019
Net Change in Fund Balance	262,495	136,080	(501,088)	(102,513)
Fund Balances at Beginning of Year	12,619,695	856,606	1,655,029	15,131,330
Fund Balances End of Year	<u>\$ 12,882,190</u>	<u>\$ 992,686</u>	<u>\$ 1,153,941</u>	<u>\$ 15,028,817</u>

See accompanying notes to the basic financial statements

LAKWOOD 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, 2022***

Net Change in Fund Balances - Total Governmental Funds \$ (102,513)

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. 1,179,997

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position. (4,600)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 28,139

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 2,099,130

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. 99,722

Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability/asset are reported as OPEB expense in the statement of activities. 84,769

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. 1,154,093

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditure is reported when due. 3,894

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	(32,961)	
Amortization of Deferred Loss on Refunding	(6,976)	(39,937)

Change in Net Position of Governmental Activities **\$ 4,502,694**

See accompanying notes to the basic financial statements

LAKWOOD 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, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Taxes	\$ 15,810,687	\$ 16,161,376	\$ 16,161,376	\$ 0
Tuition	1,407,000	728,095	729,668	1,573
Investment Earnings	75,000	47,500	54,302	6,802
Extracurricular Activities	4,800	5,000	5,670	670
Class Material and Fees	75,725	72,580	65,619	(6,961)
Intergovernmental - State	6,682,353	6,792,083	6,826,228	34,145
Intergovernmental - Federal	118,000	118,000	145,809	27,809
All Other Revenues	163,050	39,908	60,773	20,865
Total Revenues	<u>24,336,615</u>	<u>23,964,542</u>	<u>24,049,445</u>	<u>84,903</u>
Expenditures:				
Current:				
Instructional Services	13,474,498	13,417,258	13,234,089	183,169
Support Services:				
Pupils	1,440,768	1,505,323	1,463,873	41,450
Instructional Staff	1,072,990	982,957	952,071	30,886
Board of Education	100,566	118,732	113,053	5,679
Administration	2,091,200	2,076,909	2,039,398	37,511
Fiscal Services	921,697	836,048	817,175	18,873
Business	37,612	47,225	36,553	10,672
Operation and Maintenance of Plant	2,814,033	2,735,970	2,502,878	233,092
Pupil Transportation	2,160,213	2,157,852	2,076,814	81,038
Central	122,680	102,349	97,226	5,123
Operation of Non-Instructional Services	55,591	43,822	43,822	0
Extracurricular Activities	412,752	415,364	370,132	45,232
Capital Outlay	235,000	360,457	49,229	311,228
Total Expenditures	<u>24,939,600</u>	<u>24,800,266</u>	<u>23,796,313</u>	<u>1,003,953</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	(602,985)	(835,724)	253,132	1,088,856
Other Financing Sources (Uses):				
Sale of Capital Assets	3,000	14,387	17,921	3,534
Transfers Out	(100,000)	0	0	0
Refund of Prior Year Receipts	0	(15,039)	(15,039)	0
Total Other Financing Sources (Uses):	<u>(97,000)</u>	<u>(652)</u>	<u>2,882</u>	<u>3,534</u>
Net Change in Fund Balance	(699,985)	(836,376)	256,014	1,092,390
Fund Balance at Beginning of Year	13,716,717	13,716,717	13,716,717	0
Prior Year Encumbrances	92,039	92,039	92,039	0
Fund Balance at End of Year	<u>\$ 13,108,771</u>	<u>\$ 12,972,380</u>	<u>\$ 14,064,770</u>	<u>\$ 1,092,390</u>

See accompanying notes to the basic financial statements

LAKWOOD LOCAL SCHOOL DISTRICT

Statement of Net Position
Proprietary Fund
June 30, 2022

	Business-Type Activities
	<u>Enterprise Fund</u>
	<u>Food Service</u>
Assets:	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 459,490
Receivables:	
Accounts	377
Intergovernmental	10,379
Inventory Held for Resale	4,738
Prepaid Items	16,115
<i>Total Current Assets</i>	<u>491,099</u>
<i>Non Current Assets:</i>	
Capital Assets, Net	141,702
Total Assets	<u>632,801</u>
Deferred Outflows of Resources:	
Pension	76,858
OPEB	61,446
Total Deferred Outflows of Resources	<u>138,304</u>
Liabilities:	
<i>Current Liabilities:</i>	
Accounts Payable	2,298
Accrued Wages and Benefits	64,390
Intergovernmental Payable	14,268
<i>Total Current Liabilities</i>	<u>80,956</u>
<i>Long Term Liabilities:</i>	
Compensated Absences Payable	13,056
Net Pension Liability	326,394
Net OPEB Liability	172,198
<i>Total Long-term Liabilities</i>	<u>511,648</u>
Total Liabilities	<u>592,604</u>
Deferred Inflows of Resources:	
Pension	185,421
OPEB	126,266
Total Deferred Inflows of Resources	<u>311,687</u>
Net Position:	
Net Investment in Capital Assets	141,702
Unrestricted (Deficit)	(274,888)
Total Net Position	<u>\$ (133,186)</u>

See accompanying notes to the basic financial statements

LAKWOOD LOCAL SCHOOL DISTRICT

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2022

	Business-Type Activities
	Enterprise Fund
	Food Service
Operating Revenues:	
Sales	\$ 116,127
All Other Revenue	1,272
Total Operating Revenues	117,399
Operating Expenses:	
Salaries and Wages	309,177
Fringe Benefits	196,131
Contractual Services	12,110
Supplies and Materials	506,451
Depreciation	16,161
Other Operating Expense	1,551
Total Operating Expenses	1,041,581
Operating Loss	(924,182)
Nonoperating Revenue (Expenses):	
Intergovernmental Grants	1,351,768
Investment Earnings	954
Total Nonoperating Revenues (Expenses)	1,352,722
Net Income before Contributions	428,540
Capital Contributions	32,027
Change in Net Position	460,567
Net Position Beginning of Year	(593,753)
Net Position End of Year	\$ (133,186)

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, 2022***

	Business-Type Activities Enterprise Fund
	Food Service
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$117,180
Cash Payments for Goods and Services	(444,745)
Cash Payments to Employees for Services and Benefits	(566,092)
Net Cash Used by Operating Activities	(893,657)
<u>Cash Flows from Noncapital Financing Activities:</u>	
Intergovernmental Grants Received	1,282,321
Net Cash Provided by Noncapital Financing Activities	1,282,321
<u>Cash Flows from Investing Activities:</u>	
Receipt of Interest	954
Net Cash Provided by Investing Activities	954
Net Increase in Cash and Cash Equivalents	389,618
Cash and Cash Equivalents at Beginning of Year	69,872
Cash and Cash Equivalents at End of Year	\$459,490
<u>Reconciliation of Operating Loss to Net Cash</u>	
<u>Used by Operating Activities:</u>	
Operating Loss	(\$924,182)
Adjustments to Reconcile Operating Loss to	
Net Cash Used by Operating Activities:	
Depreciation Expense	16,161
Donated Commodities Used During the Year	80,199
Changes in Assets and Deferred Outflows and	
Liabilities and Deferred Inflows:	
Increase in Accounts Receivable	(219)
Decrease in Inventory	15
Increase in Prepaid Items	(2,957)
Increase in Deferred Outflow-Pension	(626)
Increase in Deferred Outflow-OPEB	(3,583)
Decrease in Accounts Payable	(4,847)
Increase in Accrued Wages and Benefits	6,574
Decrease in Intergovernmental Payables	(371)
Decrease in Compensated Absences	(3,332)
Decrease in Net Pension Liability	(214,760)
Decrease in Net OPEB Liability	(12,266)
Increase in Deferred Inflow-Pension	158,970
Increase in Deferred Inflow-OPEB	11,567
Total Adjustments	30,525
Net Cash Used by Operating Activities	(\$893,657)

Schedule of Noncash Investing, Capital and Financing Activities:

During fiscal year 2022, the Food Service Fund received \$80,199 in donated commodities from the federal government.

During fiscal year 2022 the Food Service Fund received \$32,027 in capital assets purchased by General Fund.

See accompanying notes to the basic financial statements

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Lakewood Local School District, Ohio (the “District”) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The District is governed by a locally elected five member Board of Education (the Board). Members are elected at-large for staggering four year terms. The District provides educational services as authorized by State statute and federal guidelines. The Board controls the District’s instructional support facilities staffed by approximately 102 non-certified employees, 139 certificated employees and 16 administrative employees providing education to 1,626 students in grades K-12 and also to 56 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 two jointly governed organizations and one insurance purchasing pool. These organizations are the Licking Area Computer Association (LACA), META Solutions (META), and the Ohio SchoolComp Workers’ Compensation Group Retrospective Rating Program. Information regarding these organizations is presented in Notes 15 and 16.

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

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

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 only enterprise fund is the Food Services Fund which accounts for the financial transactions related to the food service operations of the District and is a major fund.

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

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, and proprietary 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.

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

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

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

E. Budgetary Process

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

All funds other than custodial funds are legally required to be budgeted and appropriated; however, only the General Fund and major Special Revenue funds are required to be presented as basic financial statements. The primary level of budgetary control is at the fund level for all funds except the General Fund for which it is at the object level. Budgetary modifications may only be made by resolution of the Board of Education.

1. Estimated Resources

Prior to March 15, the Board accepts by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during fiscal year 2022.

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

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).

LAKWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022***

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)	\$262,495
Increase (Decrease):	
Accrued Revenues at June 30, 2022, received during FY 2023	(707,545)
Accrued Revenues at June 30, 2021, received during FY 2022	730,248
Accrued Expenditures at June 30, 2022, paid during FY 2023	2,325,822
Accrued Expenditures at June 30, 2021, paid during FY 2022	(2,304,054)
FY 2021 Prepays for FY 2022	291,469
FY 2022 Prepays for FY 2023	(280,923)
Adjustment to Fair Value of Investments	169,544
Perspective Difference- Budgeted Special Revenue Fund reclassified as General Fund	(14,643)
Encumbrances Outstanding	(216,399)
Budget Basis	\$256,014

F. Cash and Cash Equivalents

During fiscal year 2022, cash and cash equivalents included amounts in demand deposits and the State Treasury Asset Reserve (STAR Ohio). STAR Ohio is a very liquid investment and is reported as a cash equivalent in the basic financial statements.

The District pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and cash equivalents and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 6, "Cash, Cash Equivalents and Investments."

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

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 6, “Cash, Cash Equivalents and Investments.”

During 2022, the District invested in STAR Ohio. STAR Ohio is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but 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 2022, 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 \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million requiring the excess amount to be transacted the following business day(s), but only to the \$250 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 consumption method is used to account for inventories. As such, inventories are recognized as expenditures when goods are used. 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.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2022, 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. At fiscal year-end, because prepayments are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation

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

1. Property, Plant and Equipment - Governmental Activities

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

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

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

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

3. Depreciation

All capital assets are depreciated excluding land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

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

LAKWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Long-Term Obligations

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

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

L. Compensated Absences

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

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

M. Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets, net of related deferred outflows of resources and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes is for extracurricular activities, career technology, and local grants. None of the restricted net position reported at June 30, 2022 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, 2022

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, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Pensions/Other Postemployment Benefits (OPEB)

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

P. Interfund Activity

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

Q. Estimates

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

R. Operating Revenues and Expenses

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. There were no extraordinary or special items reported for fiscal year 2022.

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

U. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. For the District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, for pension and for OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 11 and 12, respectively.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, unavailable amounts, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes, investment earnings, grants, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position explained in Notes 11 and 12, respectively.

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

V. Fair Value

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

NOTE 2 - COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Equities - The fund deficits at June 30, 2022 of \$605 in the Ohio High Schools that Work/Making Middle Grades Work Fund, \$6,657 in the Title I School Improvement Fund, and \$1,074 in the Title IV-A Student Support and Academic Enrichment Fund (nonmajor governmental special revenue funds) arose from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary basis. The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The accumulated deficit at June 30, 2022 of \$133,186 in the Food Service Fund (Enterprise Fund) arose from the recognition of expenses on the accrual basis. The General Fund is liable for any deficits in this fund and provides transfers when cash is required, not when accruals occur.

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE

For fiscal year 2022, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, “Leases.”

GASB Statement No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The implementation of this Statement had no effect on beginning net position/fund balance.

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LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 4 – FUND BALANCES

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

Fund Balances	General Fund	Debt Service	Other Governmental Funds	Total Governmental Funds
Nonspendable:				
Prepaid Items	\$280,923	\$0	\$2,981	\$283,904
Supplies Inventory	55,628	0	0	55,628
Total Nonspendable	<u>336,551</u>	<u>0</u>	<u>2,981</u>	<u>339,532</u>
Restricted:				
Career Technology Education	7,505	0	0	7,505
Local Grants	0	0	66,222	66,222
Extracurricular Activities	0	0	62,668	62,668
Targeted Academic Assistance	0	0	102	102
Debt Service Payments	0	992,686	0	992,686
Total Restricted	<u>7,505</u>	<u>992,686</u>	<u>128,992</u>	<u>1,129,183</u>
Committed:				
Building Maintenance and Renovation	147,390	0	0	147,390
Assigned:				
Services and Supplies	161,930	0	0	161,930
Projected Budgetary Deficit	1,787,612	0	0	1,787,612
Capital Improvements	0	0	1,033,285	1,033,285
Student and Staff Support	103,437	0	0	103,437
Total Assigned	<u>2,052,979</u>	<u>0</u>	<u>1,033,285</u>	<u>3,086,264</u>
Unassigned	10,337,765	0	(11,317)	10,326,448
Total Fund Balances	<u>\$12,882,190</u>	<u>\$992,686</u>	<u>\$1,153,941</u>	<u>\$15,028,817</u>

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 5 – 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	\$2,569,398
Depreciation Expense	(1,389,401)
	<u>\$1,179,997</u>

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

Gain on Sales of Capital Asset	\$14,419
Proceeds Received	(19,019)
	<u>(\$4,600)</u>

Governmental revenues not reported in the funds:

Decrease in Investment Earnings	\$437
Decrease in Grants Revenue	538
Decrease in Delinquent Tax Revenue	27,164
	<u>\$28,139</u>

Amount of current year contractually required contributions deferred:

Pension Contributions	\$2,041,738
OPEB Contributions	57,392
	<u>\$2,099,130</u>

Amount of bond and lease principal payments:

Bond Principal Payment	\$770,000
Energy Conservation Bond Principal Payment	91,771
Premium on Refunding General Obligation Bond Proceeds	31,017
Loan Payment	245,000
Lease Payment	16,305
	<u>\$1,154,093</u>

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

NOTE 6 – CASH, CASH EQUIVALENTS AND INVESTMENTS

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

Statutes require the classification of funds held by the District into three categories. Category 1 consists of “active” funds - those funds required to be kept in a “cash” or “near cash” status for immediate use by the District. Such funds must be maintained either as cash in the District Treasury, in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
- Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

NOTE 6 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- The State Treasury Asset Reserve of Ohio (STAR Ohio);
- Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies; and
- Certain banker's acceptance and commercial paper notes for a period not to exceed one-hundred-eighty days and two-hundred-seventy days, respectively, from the purchase date in an amount not to exceed forty percent of the interim monies available for investment at any one time, if training requirements have been met.

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

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned. Protection of District cash and deposits is provided by the Federal Deposit Insurance Corporation (FDIC) 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 FDIC. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 6 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

A. Deposits (Continued)

At year end the carrying amount of the District’s deposits was \$298,010 and the bank balance was \$597,530. Federal depository insurance covered \$539,812 of the bank balance and \$57,718 was uninsured. Of the remaining uninsured bank balance, the District was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held in the Ohio Pooled Collateral System.	\$57,718
Total Balance	\$57,718

Investment earnings of (\$15,452) earned by other funds were credited to the General Fund as required by state statute.

B. Investments

The District's investments at June 30, 2022 were as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years)</u>	
			<u>less than 1</u>	<u>1-3</u>
STAR Ohio (amortized cost)	\$8,924,704	AAAm ¹	\$8,924,704	\$0
FHLB	1,022,232 ^a	AA+ ¹	0	1,022,232
FHLMC	773,294	AA+ ¹	0	773,294
FFCB	1,163,763 ^a	AA+ ¹	0	1,163,763
US Treasury Note	2,055,872	N/A	1,276,660	779,212
Commercial Paper	2,599,021	A-1/A-1+ ¹	2,599,021	0
Total Investments	\$16,538,886		\$12,800,385	\$3,738,501

¹ Standard & Poor’s

^a \$1,395,629 in securities are callable in 2022.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

NOTE 6 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

B. Investments (Continued)

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

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

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

Concentration of Credit Risk – The District places no limit on the amount the District may invest in one issuer. Of the District's total investments, 53.96% are in STAR Ohio, 6.18% are in FHLB securities, 4.68% are in FHLMC securities, 7.04% are in FFCB securities, 12.43% are in US Treasury Notes and 15.71% are in Commercial Paper.

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

C. Reconciliation of Cash, Cash Equivalents and Investments

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

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Financial Statements	\$9,222,714	\$7,614,182
STAR Ohio	(8,924,704)	8,924,704
Per GASB Statement No. 3	<u>\$298,010</u>	<u>\$16,538,886</u>

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

NOTE 7 - 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 2022 represents collections of calendar year 2021 taxes. Real property taxes received in calendar year 2022 were levied after April 1, 2021, on the assessed value listed as of January 1, 2021, 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 2022 represents collections of calendar year 2021 taxes. Public utility real and tangible personal property taxes received in calendar year 2022 became a lien December 31, 2020, were levied after April 1, 2021 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, 2022, are available to finance fiscal year 2022 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 2022 receipts were based are:

	2021 Second Half Collections	2022 First Half Collections
Agricultural/Residential and Other Real Estate	\$520,992,294	\$529,831,414
Public Utility Personal	38,771,990	41,757,320
Total Assessed Value	<u>\$559,764,284</u>	<u>\$571,588,734</u>
Tax rate per \$1,000 of assessed valuation	\$51.10	\$51.00

LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 7 - 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, 2022, 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 2022, 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	\$ 70,202
City of Heath	90,671
Licking County	75,294
Total	\$ 236,167

NOTE 8 - RECEIVABLES

Receivables at June 30, 2022 consisted of taxes, accounts, interest and intergovernmental receivables.

NOTE 9 - INTERFUND ACTIVITY

Following is a summary of interfund receivables and payables for all funds at June 30, 2022:

Fund	Interfund Loans Receivable	Interfund Loans Payable
General Fund	\$105,298	\$0
Nonmajor Governmental Funds	0	105,298
Total All Funds	\$105,298	\$105,298

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

LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 10 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at June 30, 2022:

<i>Historical Cost:</i>				
Class	Balance at June 30, 2021	Additions	Deletions	Balance at June 30, 2022
Capital Assets not being depreciated:				
Land	\$410,817	\$0	\$0	\$410,817
Construction In Progress	0	1,982,613	0	1,982,613
Subtotal	<u>410,817</u>	<u>1,982,613</u>	<u>0</u>	<u>2,393,430</u>
Capital Assets being depreciated:				
Land Improvements	3,727,960	0	(2,463)	3,725,497
Buildings and Improvements	26,855,740	214,693	(976)	27,069,457
Furniture, Fixtures and Equipment	4,387,080	179,052	(250,892)	4,315,240
Leased Equipment	91,375	0	0	91,375
Vehicles	2,574,392	193,040	(343,850)	2,423,582
Subtotal	<u>37,636,547</u>	<u>586,785</u>	<u>(598,181)</u>	<u>37,625,151</u>
Total Cost	<u>\$38,047,364</u>	<u>\$2,569,398</u>	<u>(\$598,181)</u>	<u>\$40,018,581</u>
 Accumulated Depreciation:				
Class	Balance at June 30, 2021	Additions	Deletions	Balance at June 30, 2022
Land Improvements	(\$1,331,457)	(\$236,645)	\$2,463	(\$1,565,639)
Buildings and Improvements	(15,160,574)	(715,233)	976	(15,874,831)
Furniture, Fixtures and Equipment	(3,316,392)	(227,586)	246,292	(3,297,686)
Leased Equipment	0	(18,275)	0	(18,275)
Vehicles	(1,698,008)	(191,662)	343,850	(1,545,820)
Total Depreciation	<u>(\$21,506,431)</u>	<u>(\$1,389,401) *</u>	<u>\$593,581</u>	<u>(\$22,302,251)</u>
Net Value:	<u>\$16,540,933</u>			<u>\$17,716,330</u>

LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 10 - CAPITAL ASSETS (Continued)

A. Governmental Activities Capital Assets (Continued)

* Depreciation expenses were charged to governmental functions as follows:

Instruction	\$728,735
Support Services:	
Instructional Staff	36,435
Administration	45,863
Operations and Maintenance of Plant	64,951
Pupil Transportation	199,417
Other Noninstructional Services	49,990
Extracurricular Activities	<u>264,010</u>
Total Depreciation Expense	<u><u>\$1,389,401</u></u>

B. Business-Type Activities Capital Assets

Summary by Category at June 30, 2022:

Class	Balance at June 30, 2021	Additions	Deletions	Balance at June 30, 2022
Furniture, Fixtures and Equipment	\$427,122	\$32,027	(\$11,099)	\$448,050
Accumulated Depreciation	<u>(301,286)</u>	<u>(16,161)</u>	<u>11,099</u>	<u>(306,348)</u>
Net Value:	<u><u>\$125,836</u></u>	<u><u>\$15,866</u></u>	<u><u>\$0</u></u>	<u><u>\$141,702</u></u>

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

NOTE 11 - 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, 2022

NOTE 11 - 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.

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. In 2020, the Board of Trustees approved a 0.5 percent cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2021.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2022, the allocation to pension, death benefits, and Medicare B was 14 percent. No amount was allocated to the Health Care Fund.

LAKEWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022***

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

B. Plan Description (Continued)

The District's contractually required contribution to SERS was \$513,590 for fiscal year 2022. Of this amount \$28,573 is reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 27 years of service, or 30 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

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

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

NOTE 11 - 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. New members 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. Eligible survivors of members who die before service retirement may qualify for monthly benefits. 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, 2022, the employer rate was 14% and the member rate was 14% of covered payroll. The fiscal year 2022 contribution rates were equal to the statutory maximum rates, and the full employer contribution was allocated to the pension fund.

The District's contractually required contribution to STRS was \$1,572,891 for fiscal year 2022. Of this amount \$256,884 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, 2021, 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.

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LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 11 - 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	\$3,747,347	\$11,085,421	\$14,832,768
Proportion of the Net Pension Liability -2022	0.10156210%	0.086700365%	
Proportion of the Net Pension Liability -2021	<u>0.09693950%</u>	<u>0.087875740%</u>	
Percentage Change	<u>0.00462260%</u>	<u>(0.001175375%)</u>	
Pension Expense	\$75,227	(\$186,622)	(\$111,395)

At June 30, 2022, 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	\$361	\$342,486	\$342,847
Change of assumptions	78,906	3,075,294	3,154,200
District contributions subsequent to the measurement date	513,590	1,572,891	2,086,481
Changes in proportionate share	<u>212,466</u>	<u>38,993</u>	<u>251,459</u>
Total Deferred Outflows of Resources	<u>\$805,323</u>	<u>\$5,029,664</u>	<u>\$5,834,987</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$97,184	\$69,483	\$166,667
Net difference between projected and actual earnings on pension plan investments	1,929,994	9,553,511	11,483,505
Changes in proportionate share	<u>8,853</u>	<u>466,646</u>	<u>475,499</u>
Total Deferred Inflows of Resources	<u>\$2,036,031</u>	<u>\$10,089,640</u>	<u>\$12,125,671</u>

\$2,086,481 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. 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:			
2023	(\$336,686)	(\$1,674,332)	(\$2,011,018)
2024	(356,337)	(1,444,544)	(1,800,881)
2025	(458,884)	(1,568,930)	(2,027,814)
2026	<u>(592,391)</u>	<u>(1,945,061)</u>	<u>(2,537,452)</u>
Total	<u>(\$1,744,298)</u>	<u>(\$6,632,867)</u>	<u>(\$8,377,165)</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

NOTE 11 - 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, 2021, are presented below:

Wage Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
COLA or Ad Hoc COLA	2.00 percent
Investment Rate of Return and Discount Rate	7.00 percent net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal

Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disable members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The most recent experience study was completed June 30, 2020.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash	2.00%	(0.33%)
US Equity	24.75%	5.72%
Non-US Equity Developed	13.50%	6.55%
Non-US Equity Emerging	6.75%	8.54%
Fixed Income/Global Bonds	19.00%	1.14%
Private Equity	11.00%	10.03%
Real Estate/Real Assets	16.00%	5.41%
Multi-Asset Strategy	4.00%	3.47%
Private Debt/Private Credit	3.00%	5.28%
Total	<u>100.00%</u>	

Discount Rate - The total pension liability was calculated using the discount rate of 7.00 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 (7.00 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 7.00 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 (6.00 percent), or one percentage point higher (8.00 percent) than the current rate.

LAKEWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022***

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions (Continued)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$6,234,665	\$3,747,347	\$1,649,683

State Teachers Retirement System (STRS)

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2021 actuarial valuation are presented below:

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate	7.00 percent
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

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

Actuarial assumptions used in the July 1, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions (Continued)

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

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

Discount Rate - The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2021. 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, 2021. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

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 7.00 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 (6.00 percent) or one-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$20,758,845	\$11,085,421	\$2,911,399

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions (Continued)

Changes Between the Measurement Date and the Reporting date - In February 2022, the Board approved changes to demographic measures that will impact the June 30, 2022, actuarial valuation. These demographic measures include retirement, salary increase, disability/termination and mortality assumptions. In March 2022, the STRS Board approved benefit plan changes to take effect on July 1, 2022. These changes include a one-time three percent cost-of-living increase (COLA) to be paid to eligible benefit recipients and the elimination of the age 60 requirement for retirement age and service eligibility that was set to take effect in 2026. The effect on the net pension liability is unknown.

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LAKWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022***

NOTE 12 - DEFINED BENEFIT OPEB PLANS

A. Net OPEB Liability (Asset)

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

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

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

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

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

B. Plan Description

School Employees Retirement System (SERS)

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

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

B. Plan Description (Continued)

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

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2022, 0.0 percent of covered payroll was contributed to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2022, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the District's surcharge obligation was \$66,476.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$66,476 for fiscal year 2022, which is reported as an intergovernmental payable.

LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

B. Plan Description (Continued)

State Teachers Retirement System (STRS)

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 2022, STRS Ohio allocated employer contributions equal to zero percent of covered payroll to the Health Care Stabilization Fund.

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

The net OPEB liability (asset) was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability (asset) was based on the District's share of contributions to the pension and OPEB plans relative to the projected contributions of all participating entities. Following is information related to the proportionate share:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability (Asset)	\$1,977,016	(\$1,828,007)	\$149,009
Proportion of the Net OPEB Liability (Asset) -2022	0.1044613%	0.086700365%	
Proportion of the Net OPEB Liability (Asset) -2021	0.1005646%	0.087875740%	
Percentage Change	<u>0.0038967%</u>	<u>(0.001175375%)</u>	
OPEB Expense	\$46,515	(\$126,482)	(\$79,967)

LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

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

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$21,073	\$65,092	\$86,165
Changes of assumptions	310,146	116,764	426,910
Changes in proportionate share	299,991	8,384	308,375
District contributions subsequent to the measurement date	<u>66,476</u>	<u>0</u>	<u>66,476</u>
Total Deferred Outflows of Resources	<u>\$697,686</u>	<u>\$190,240</u>	<u>\$887,926</u>
Deferred Inflows of Resources	697686	190240	
Differences between expected and actual experience	\$984,642	\$334,924	\$1,319,566
Changes of assumptions	270,737	1,090,542	1,361,279
Changes in proportionate share	13,182	0	13,182
Net difference between projected and actual earnings on OPEB plan investments	<u>42,951</u>	<u>506,691</u>	<u>549,642</u>
Total Deferred Inflows of Resources	<u>\$1,311,512</u>	<u>\$1,932,157</u>	<u>\$3,243,669</u>

\$66,476 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2023	(\$144,901)	(\$497,413)	(\$642,314)
2024	(145,203)	(484,729)	(629,932)
2025	(159,862)	(476,893)	(636,755)
2026	(143,702)	(212,577)	(356,279)
2027	(67,739)	(71,968)	(139,707)
Thereafter	<u>(18,895)</u>	<u>1,663</u>	<u>(17,232)</u>
Total	<u>(\$680,302)</u>	<u>(\$1,741,917)</u>	<u>(\$2,422,219)</u>

LAKWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

D. Actuarial Assumptions

School Employees Retirement System (SERS)

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation, prepared as of June 30, 2021, are presented below:

Wage Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	1.92 percent
Prior Measurement Date	2.45 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	2.27 percent
Prior Measurement Date	2.63 percent
Medical Trend Assumption	
Medicare - Measurement Date	5.125 to 4.40 percent
Pre-Medicare - Measurement Date	6.75 to 4.40 percent
Medicare - Prior Measurement Date	5.25 to 4.75 percent
Pre-Medicare - Prior Measurement Date	7.00 to 4.75 percent

LAKWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

D. Actuarial Assumptions (Continued)

Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disable members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The most recent experience study was completed for the five year period ended June 30, 2020.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2015 through 2020, and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2020 five-year experience study, are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash	2.00%	(0.33%)
US Equity	24.75%	5.72%
Non-US Equity Developed	13.50%	6.55%
Non-US Equity Emerging	6.75%	8.54%
Fixed Income/Global Bonds	19.00%	1.14%
Private Equity	11.00%	10.03%
Real Estate/Real Assets	16.00%	5.41%
Multi-Asset Strategy	4.00%	3.47%
Private Debt/Private Credit	3.00%	5.28%
Total	<u>100.00%</u>	

LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

D. Actuarial Assumptions (Continued)

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2021, was 2.27%. The discount rate used to measure the total OPEB liability prior to June 30, 2021, was 2.63%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2020 and the June 30, 2021 total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 1.92% at June 30, 2021 and 2.45% at June 30, 2020.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rates – The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.27%) and higher (3.27%) than the current discount rate (2.27%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate.

	1% Decrease (1.27%)	Current Discount Rate (2.27%)	1% Increase (3.27%)
School District's proportionate share of the net OPEB liability	\$2,449,762	\$1,977,016	\$1,599,353

	1% Decrease (5.75% Decreasing to 3.40%)	Current Trend Rate (6.75% Decreasing to 4.40%)	1% Increase (7.75% Decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	\$1,522,140	\$1,977,016	\$2,584,590

LAKWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

D. Actuarial Assumptions (Continued)

State Teachers Retirement System (STRS)

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.00%, net of investment expenses, including inflation
Payroll Increases	3.00%
Cost-of-Living Adjustments (COLA)	0.00%
Discount Rate of Return	7.00%
Health Care Cost Trends	
Medical	
Pre-Medicare	5.00% initial, 4% ultimate
Medicare	(16.18%) initial, 4% ultimate
Prescription Drug	
Pre-Medicare	6.50% initial, 4% ultimate
Medicare	29.98% initial, 4% ultimate

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

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

Actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

LAKEWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

D. Actuarial Assumptions (Continued)

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

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

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

Discount Rate - The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2021. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan assets of 7.00% was used to measure the total OPEB liability as of June 30, 2021.

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LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

D. Actuarial Assumptions (Continued)

Sensitivity of the District's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount and Health Care Cost Trend Rates – The net OPEB liability (asset) is sensitive to changes in the discount and health care cost trend rates. To illustrate the potential impact the following table presents the net OPEB liability (asset) calculated using the discount rate of 7.00 percent, as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent), or one percentage point higher (8.00 percent) than the current rate. Also shown is the net OPEB liability (asset) calculated using a health care cost trend rate this is one percentage point lower and one percentage point higher.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB liability (asset)	(\$1,542,555)	(\$1,828,007)	(\$2,066,458)
	1% Decrease in Trend Rate	Current Trend Rate	1% Increase in Trend Rate
School District's proportionate share of the net OPEB liability (asset)	(\$2,056,796)	(\$1,828,007)	(\$1,545,086)

Changes Between the Measurement Date and the Reporting date - In February 2022, the Board approved changes to demographic measures that will impact the June 30, 2022, actuarial valuation. The effect on the net OPEB liability is unknown.

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LAKEWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022***

NOTE 13 - 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, 2022 are as follows:

		Balance June 30, 2021	Issued	(Retired)	Balance June 30, 2022	Due Within One Year
Governmental Activities:						
(Energy Conservation Bonds Payable)						
Energy Conservation Project	3.55%	\$183,541	\$0	(\$91,771)	\$91,770	\$91,770
(General Obligation Bonds Payable)						
School Improvement						
Refunding Bonds 2016	2.00-3.00%	4,995,000	0	(770,000)	4,225,000	800,000
Premium on Refunding Bonds		186,100	0	(31,017)	155,083	0
Total General Obligation Bonds Payable		5,181,100	0	(801,017)	4,380,083	800,000
Loan Payable	2.87%	1,575,000	0	(245,000)	1,330,000	250,000
Total Long-Term Debt		6,939,641	0	(1,137,788)	5,801,853	1,141,770
Leases Payable		91,375	0	(16,305)	75,070	17,235
Compensated Absences		454,473	264,635	(279,055)	440,053	75,374
Total Other Long-Term Liabilities		545,848	264,635	(295,360)	515,123	92,609
Total Governmental Activities		<u>\$7,485,489</u>	<u>\$264,635</u>	<u>(\$1,433,148)</u>	<u>\$6,316,976</u>	<u>\$1,234,379</u>
Business-Type Activities:						
Compensated Absences		\$16,388	\$6,487	(\$9,819)	\$13,056	\$0
Total Other Long-Term Liabilities		<u>\$16,388</u>	<u>\$6,487</u>	<u>(\$9,819)</u>	<u>\$13,056</u>	<u>\$0</u>

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

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

The District's net pension liability and net OPEB liability (asset) are described in Notes 11 and 12, respectively.

LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 13- 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, 2022, follows:

Years	Energy Conservation Bonds Payable		General Obligation Bonds Payable		Loan Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$91,770	\$1,638	\$800,000	\$114,750	\$250,000	\$34,584
2024	0	0	820,000	90,450	260,000	27,265
2025	0	0	840,000	65,550	265,000	19,731
2026	0	0	870,000	39,900	275,000	11,982
2027	0	0	895,000	13,425	280,000	4,018
Totals	<u>\$91,770</u>	<u>\$1,638</u>	<u>\$4,225,000</u>	<u>\$324,075</u>	<u>\$1,330,000</u>	<u>\$97,580</u>

NOTE 14 - LEASE COMMITMENTS

The District leases several copiers. The cost of the equipment obtained under capital leases is \$91,375, the accumulated depreciation is \$18,275 and the net book value is \$73,100. These are included in the Governmental Activities Capital Assets and the related liability is included in the Governmental Activities Long-Term Liabilities. Lease payments have been reclassified and are reflected as debt service expenditures paid out of the General Fund in the financial statements for the governmental funds. These expenditures are reflected as function expenditures on the budgetary statements.

The following is a schedule of the future minimum lease payments under the leases together with the present value of the net minimum lease payments as of June 30, 2022:

Fiscal Years	Governmental Activities		
	Principal	Interest	Total
2023	\$17,235	\$3,741	\$20,976
2024	18,219	2,757	20,976
2025	19,259	1,717	20,976
2026	20,357	619	20,976
Totals	<u>\$75,070</u>	<u>\$8,834</u>	<u>\$83,904</u>

LAKWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022***

NOTE 15 - 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 2022 the District contracted with insurance providers for various insurance coverages, as follows:

Insurance Provider	Coverage	Deductible	Aggregate
		\$1,000/Comprehensive	
Liberty Mutual Insurance	Fleet Insurance	\$1,000/Collision	\$1,000,000
Liberty Mutual Insurance	Buildings and Contents	\$5,000	\$90,942,758
Liberty Mutual Insurance	School District Liability	\$0	\$2,000,000
Liberty Mutual Insurance	School Leaders Errors and Omissions	\$5,000	\$1,000,000
Liberty Mutual Insurance	Law Enforcement Legal Liability	\$2,500	\$1,000,000
Liberty Mutual Insurance	Employee Benefits Liability	\$1,000	\$3,000,000
Liberty Mutual Insurance	Umbrella Policy	\$0	\$3,000,000
Liberty Mutual Insurance	Cyber Liability	\$10,000	\$500,000
Employers Insurance Company of Wausau	Employee Dishonesty	\$500	\$100,000
Travelers Casualty & Surety Co. of America	Employee Bond	\$0	\$100,000

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

Pool -The Ohio SchoolComp Workers’ Compensation Group Retrospective Rating Program - The Ohio SchoolComp Workers’ Compensation Group Retrospective Rating Program (Program) is a shared risk pool among school districts in Ohio. Section 4123.29, Ohio Revised Code, permits the establishment of employer group retrospective rating plans for workers’ compensation rating purposes. The Program is governed by the Ohio School Board Association (OSBA) Executive Committee that consists of seven members as follows: the president of OSBA, Immediate Past President of OSBA, and five representatives elected from the participating school districts. The Program, a Bureau of Workers’ Compensation certified sponsor, established the program based upon guidelines set forth by the Bureau of Workers’ Compensation (BWC). The Program created a group of school districts that will practice effective workplace safety and claims management to achieve lower premiums for workers compensation coverage than they would individually. The participating school districts continue to pay their own premiums and have the opportunity to receive retrospective premium adjustments based upon the combined performance of the group. Depending upon that performance, the participating school districts can receive either a premium refund or an assessment levied by BWC. The Program’s third party administrator (TPA), Comp Management, Inc., provides administrative, cost-control, and actuarial services to the Program. The cost of the TPA will be paid by each school district in proportion to its payroll to the total payroll of the group.

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS

A. Licking Area Computer Association

The District is a participant in the Licking Area Computer Association (LACA) which is one of eighteen Information Technology Centers (ITC's) in the State of Ohio that makes up the Ohio Education Computer Network (OECN). LACA is a non-profit K-12 consortium, owned and governed by the schools it serves. LACA services nineteen school districts, educational service centers, community schools, and nonpublic schools within the boundaries of Licking, Muskingum, Fairfield, Perry, and Knox Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. Today, services provided include internet access, email, accounting and payroll, teacher gradebooks, student administrative software, special education software, EMIS reporting, library resources, video distance learning, hosted servers, offsite backup services, wireless, IP telephones, and IP security cameras. 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 \$120,087 for services provided during the year. LACA reorganized as a regional council of governments (COG) effective July 1, 2020. Financial information can be obtained from their fiscal agent, the Career and Technology Education Centers of Licking County, Treasurer, at 150 Price Road, Newark, Ohio 43055.

B. Metropolitan Educational Technology Association

The District participates in the Metropolitan Educational Technology Association (META), a jointly governed organization created as a regional council of governments pursuant to Chapter 167 of the Ohio Revised Code. META operates as, and has all the powers of, a data acquisition site/information technology center pursuant to applicable provisions of the Ohio Revised Code. The organization was formed for the purpose of identifying, developing, and providing to members and non-members innovative educational and technological services and products, as well as expanded opportunities for cooperative purchasing. The General Assembly of META consists of one delegate from every member school district. The delegate is the superintendent of the school district or the superintendent's designee. The degree of control exercised by any participating school district is limited to its representation on the General Assembly. The General Assembly exercises total control over the operation of META including budgeting, appropriating, contracting, and designating management. The District paid \$1,140 to META during fiscal year 2022 for services. META memberships became free effective July 1, 2017. Financial information can be obtained from Metropolitan Educational Technology Association, 2100 Citygate Drive, Columbus, Ohio 43219.

LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 17 – SIGNIFICANT COMMITMENTS

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. Significant encumbrances outstanding at fiscal year-end in the General Fund are \$216,399 and in Other Governmental Funds are \$2,102,909.

As of June 30, 2022, the District had the following commitments with respect to capital improvements:

<u>Capital Projects</u>	<u>Remaining Construction Commitment</u>	<u>Expected Completion</u>
Middle School HVAC Project	\$1,223,213	9/30/2022
Middle School Auditorium Renovation-Jackson Intermediate Canopy	\$718,000	10/30/2022

NOTE 18 – STATUTORY RESERVES

The District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by year end or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years. During the fiscal year ended June 30, 2022, the reserve activity (cash-basis) was as follows:

	<u>Capital Acquisition Reserve</u>
Set-aside Cash Balance as of June 30, 2021	\$0
Current Year Set-Aside Requirement	312,877
Current Year Qualifying Expenditures	<u>(1,180,197)</u>
Total	<u>(\$867,320)</u>
Set-aside Cash Balance Carried Forward to FY 2023	<u>\$0</u>

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

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

NOTE 19 - CONTINGENCIES

A. Grants

The District receives financial assistance from federal agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability. However, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2022, if applicable, cannot be determined at this time.

B. Litigation

The District is not a party to legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects as of June 30, 2022.

NOTE 20 – SUBSEQUENT EVENTS

With the educational challenges and the physical condition of Hebron Elementary School, the Board of Education and Administration are in support of decommissioning Hebron Elementary by August 2023. The Hebron Elementary students will be relocated to the Jackson Intermediate buildings and a modular classroom building. The Board of Education entered into a contract on September 28, 2022 to lease/purchase modular classroom units. The total costs to decommission Hebron Elementary are yet to be determined.

On November 8, 2022, a ten-year combined emergency levy renewal was passed.

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LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

NOTE 21 – FEDERAL RELIEF FUNDS

During fiscal year 2022, the District received federal relief funds due to the COVID-19 pandemic from the Coronavirus Aid, Relief, and Economic Security (CARES) Act funding and the American Rescue Plan (ARP) Act funding. The District has some carryover of these funds that will continue to be used in fiscal year 2023.

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues.



LAKWOOD LOCAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

LAKWOOD LOCAL SCHOOL DISTRICT

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

State Teachers Retirement System

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

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

School Employees Retirement System

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

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

Notes: The District implemented GASB Statement 68 in 2015.

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

See accompanying notes to the required supplementary information

LAKWOOD LOCAL SCHOOL DISTRICT

2017	2018	2019	2020	2021	2022
0.08812947%	0.08924790%	0.08971837%	0.09000007%	0.08787574%	0.086700365%
\$29,499,590	\$21,201,030	\$19,727,055	\$19,902,975	\$21,262,802	\$11,085,421
\$9,486,993	\$9,588,993	\$10,514,914	\$10,927,036	\$10,853,707	\$10,617,586
310.95%	221.10%	187.61%	182.14%	195.90%	104.41%
66.80%	75.30%	77.30%	77.40%	75.48%	87.78%

2017	2018	2019	2020	2021	2022
0.0909524%	0.0866878%	0.0933341%	0.0948448%	0.0969395%	0.10156210%
\$6,656,876	\$5,179,405	\$5,345,417	\$5,674,731	\$6,411,783	\$3,747,347
\$2,824,043	\$2,896,536	\$3,005,570	\$3,384,859	\$3,395,600	\$3,455,279
235.72%	178.81%	177.85%	167.65%	188.83%	108.45%
62.98%	69.50%	71.36%	70.85%	68.55%	82.86%

LAKWOOD LOCAL SCHOOL DISTRICT

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

State Teachers Retirement System

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$1,182,502	\$1,190,097	\$1,289,962
Contributions in relation to the contractually required contribution	<u>1,182,502</u>	<u>1,190,097</u>	<u>1,289,962</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered payroll	\$9,096,169	\$9,154,592	\$9,214,014
Contributions as a percentage of covered payroll	13.00%	13.00%	14.00%

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

School Employees Retirement System

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$431,001	\$367,172	\$372,439
Contributions in relation to the contractually required contribution	<u>431,001</u>	<u>367,172</u>	<u>372,439</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered payroll	\$3,114,169	\$2,649,149	\$2,825,789
Contributions as a percentage of covered payroll	13.84%	13.86%	13.18%

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

Notes: The District implemented GASB Statement 68 in 2015.

See accompanying notes to the required supplementary information

LAKWOOD LOCAL SCHOOL DISTRICT

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$1,328,179	\$1,342,459	\$1,472,088	\$1,529,785	\$1,519,519	\$1,486,462	\$1,572,891
<u>1,328,179</u>	<u>1,342,459</u>	<u>1,472,088</u>	<u>1,529,785</u>	<u>1,519,519</u>	<u>1,486,462</u>	<u>1,572,891</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$9,486,993	\$9,588,993	\$10,514,914	\$10,927,036	\$10,853,707	\$10,617,586	\$11,234,936
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$395,366	\$405,515	\$405,752	\$456,956	\$475,384	\$483,739	\$513,590
<u>395,366</u>	<u>405,515</u>	<u>405,752</u>	<u>456,956</u>	<u>475,384</u>	<u>483,739</u>	<u>513,590</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,824,043	\$2,896,536	\$3,005,570	\$3,384,859	\$3,395,600	\$3,455,279	\$3,668,500
14.00%	14.00%	13.50%	13.50%	14.00%	14.00%	14.00%

LAKWOOD LOCAL SCHOOL DISTRICT

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

State Teachers Retirement System

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

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

School Employees Retirement System

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

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

Notes: The District implemented GASB Statement 75 in 2018.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information

LAKWOOD LOCAL SCHOOL DISTRICT

<u>2020</u>	<u>2021</u>	<u>2022</u>
0.09000007%	0.08787574%	0.086700365%
(\$1,490,617)	(\$1,544,414)	(\$1,828,007)
\$10,927,036	\$10,853,707	\$10,617,586
(13.64%)	(14.23%)	(17.22%)
174.74%	182.13%	174.73%

<u>2020</u>	<u>2021</u>	<u>2022</u>
0.09691010%	0.10056460%	0.10446130%
\$2,437,085	\$2,185,598	\$1,977,016
\$3,384,859	\$3,395,600	\$3,455,279
72.00%	64.37%	57.22%
15.57%	18.17%	24.08%

LAKWOOD LOCAL SCHOOL DISTRICT

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

State Teachers Retirement System

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$94,120	\$90,962	\$91,546	\$0
Contributions in relation to the contractually required contribution	<u>94,120</u>	<u>90,962</u>	<u>91,546</u>	<u>0</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered payroll	\$9,412,008	\$9,096,169	\$9,154,592	\$9,214,014
Contributions as a percentage of covered payroll	1.00%	1.00%	1.00%	0.00%

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

School Employees Retirement System

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$54,394	\$49,938	\$49,905	\$68,302
Contributions in relation to the contractually required contribution	<u>54,394</u>	<u>49,938</u>	<u>49,905</u>	<u>68,302</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered payroll	\$2,993,829	\$3,114,169	\$2,649,149	\$2,825,789
Contributions as a percentage of covered payroll	1.82%	1.60%	1.88%	2.42%

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

Notes: The District implemented GASB Statement 75 in 2018.

See accompanying notes to the required supplementary information

LAKWOOD LOCAL SCHOOL DISTRICT

2016	2017	2018	2019	2020	2021	2022
\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$9,486,993	\$9,588,993	\$10,514,914	\$10,927,036	\$10,853,707	\$10,617,586	\$11,234,936
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

2016	2017	2018	2019	2020	2021	2022
\$43,311	\$46,876	\$63,138	\$74,728	\$64,466	\$65,894	\$66,476
<u>43,311</u>	<u>46,876</u>	<u>63,138</u>	<u>74,728</u>	<u>64,466</u>	<u>65,894</u>	<u>66,476</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,824,043	\$2,896,536	\$3,005,570	\$3,384,859	\$3,395,600	\$3,455,279	\$3,668,500
1.53%	1.62%	2.10%	2.21%	1.90%	1.91%	1.81%

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2022

NET PENSION LIABILITY

SERS

Changes in benefit terms – For fiscal years 2022 through 2019, there were no changes to benefit terms. For fiscal year 2018, the following were the most significant changes in benefits that affected the total pension liability since the prior measurement date:

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

There were no changes to benefit terms for fiscal years 2015 through 2017.

Changes in assumptions

For fiscal year 2022, the following changes were made to the actuarial assumptions as identified. These new assumptions compared with those used in fiscal year 2021 and prior are presented below:

- Assumed rate of inflation was reduced from 3.00% to 2.40%
- Payroll growth assumption was reduced from 3.50% to 1.75%
- Assumed real wage growth was increased from 0.50% to 0.85%
- Cost-of-Living-Adjustments was reduced from 2.50% to 2.00%
- The discount rate was reduced from 7.50% to 7.00%
- Rates of withdrawal, compensation, participation, spouse coverage assumption, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to the following:
 - PUB-2010 General Amount Weighted Below Median Employee mortality table. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.
- Mortality among service retired members was updated to the following:
 - PUB-2010 General Employee Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.
- Mortality among contingent survivors was updated to the following:
 - PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.
- Mortality among disabled members was updated to the following:
 - PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2022

NET PENSION LIABILITY (Continued)

SERS (Continued)

For fiscal years 2021, 2020, and 2019 there were no changes in assumptions.

For fiscal year 2018, the following changes were made to the actuarial assumptions as identified. These new assumptions compared with those used in fiscal year 2017 and prior are presented below:

- Assumed rate of inflation was reduced from 3.25% to 3.00%
- Payroll Growth Assumption was reduced from 4.00% to 3.50%
- Assumed real wage growth was reduced from 0.75% to 0.50%
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to the following:
 - RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. The above rates represent the base rates used.
- Mortality among service retired members, and beneficiaries was updated to the following:
 - RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates.
- Mortality among disable member was updated to the following:
 - RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

There were no changes in assumptions for fiscal years 2015 through 2017.

STRS

Changes in benefit terms – For fiscal years 2022 through 2019, there were no changes to benefit terms. For fiscal year 2018, the cost of living adjustment (COLA) was reduced to 0 percent effective July 1, 2017. There were no changes to benefit terms for fiscal years 2015 through 2017.

Changes in assumptions – In fiscal year 2022 the investment return was lowered from 7.45 percent to 7.00 percent. For fiscal year 2021, 2020, and 2019, there were no changes in assumptions. For fiscal year 2018, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

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

There were no changes in assumptions for fiscal years 2015 through 2017.

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2022

NET OPEB LIABILITY (ASSET)

SERS

Changes in benefit terms – There were no changes to benefit terms for fiscal years 2022 - 2018.

Changes in assumptions – For fiscal year 2022, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate was changed from 2.63% to 2.27%
- The investment rate of return was reduced from 7.50% to 7.00%
- Assumed rate of inflation was reduced from 3.00% to 2.40%
- Payroll Growth Assumption was reduced from 3.50% to 1.75%
- Assumed real wage growth was increased from 0.50% to 0.85%
- Rates of withdrawal, retirement and disability were updated to reflect recent experience
- Rate of health care participation for future retirees and spouses was updated to reflect recent experience
- Mortality among active members was updated to the following:
 - PUB-2010 General Amount Weighted Below Median Employee mortality table.
- Mortality among service retired members was updated to the following:
 - PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females.
- Mortality among beneficiaries was updated to the following:
 - PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.
- Mortality among disabled member was updated to the following:
 - PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.
- Mortality rates are projected using a fully generational projection with Scale MP-2020.

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2022

NET OPEB LIABILITY (ASSET) (Continued)

SERS (Continued)

For fiscal year 2021, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond index rate decreased from 3.13 percent to 2.45 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22 percent to 2.63 percent.

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

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

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

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

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

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

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2022

NET OPEB LIABILITY (ASSET) (Continued)

SERS (Continued)

For fiscal year 2017, the following was the most significant change of assumptions that affected the total OPEB liability since the prior measurement date:

- Assumed rate of inflation was reduced from 3.25% to 3.00%
- Payroll Growth Assumption was reduced from 4.00% to 3.50%
- Assumed real wage growth was reduced from 0.75% to 0.50%
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to the following:
 - 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 was updated to the following:
 - RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates.
- Mortality among disabled members was updated to the following:
 - RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

STRS

Changes in benefit terms – For fiscal year 2022 the following was the most significant change in benefit terms that affected the total OPEB liability since the prior measurement date:

- The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

For fiscal year 2021 the following was the most significant change in benefit terms that affected the total OPEB liability since the prior measurement date:

- The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

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

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

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2022

NET OPEB LIABILITY (ASSET) (Continued)

STRS (Continued)

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

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

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

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

There were no changes to benefit terms for fiscal year 2017.

Changes in assumptions – In fiscal year 2022 the investment return was lowered from 7.45 percent to 7.00 percent.

For fiscal year 2021 the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The health care trend assumption rate changed as follows:
 - Medical Medicare – from 4.93 percent to (6.69) percent initial, 4 percent ultimate
 - Medical Pre-Medicare – from 5.87 percent to 5.00 percent initial, 4 percent ultimate
 - Prescription Drug Medicare – from 9.62 percent to 11.87 percent initial, 4 percent ultimate
 - Prescription Drug Pre-Medicare – from 7.73 percent to 6.50 initial, 4 percent ultimate

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2022

NET OPEB LIABILITY (ASSET) (Continued)

STRS (Continued)

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

- The health care trend assumption rate changed as follows:
 - Medical Medicare – from 6 percent to 4.93 percent initial, 4 percent ultimate
 - Medical Pre-Medicare – from 5 percent to 5.87 percent initial, 4 percent ultimate
 - Prescription Drug Medicare – from 8 percent to 9.62 percent initial, 4 percent ultimate
 - Prescription Drug Pre-Medicare – from -5.23 percent to 7.73 initial, 4 percent ultimate

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

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

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

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

There were no changes in assumptions for fiscal year 2017.

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 Managed Activity Fund

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

Student Activity Fund

To account for student activity programs which have student participation in the activity, but do not have student management of the programs. Typically this includes athletic programs, band, chorus, yearbook and other similar types of activities.

Early Childhood Education Fund

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

Data Communications Fund

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

Ohio High Schools That Work/Making Middle Grades Work Fund

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

Student Wellness and Success Fund

To account for monies received to assist the District to plan and launch health and wellness services to meet the needs of student wellness initiatives. (The Balance Sheet is not presented because there are no assets or liabilities at fiscal year-end.)

Miscellaneous State Grants Fund

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

(Continued)

LAKWOOD LOCAL SCHOOL DISTRICT

Special Revenue Funds

Elementary/Secondary School Emergency Relief Fund

To account for federal monies received to address the impact COVID-19 had and continues to have on elementary and secondary schools.

Coronavirus Relief Fund

This fund is used to account for Coronavirus Relief funds received through passage of the CARES Act. These funds can be used for necessary expenditures incurred due to the Covid-19 public health emergency. (The Balance Sheet is not presented because there are no assets or liabilities at fiscal year-end.)

Special Education Part B-IDEA Fund

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

Title I-School Improvement Fund

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

Title III-Limited English Proficiency Fund

To account for federal monies received which are used to improve the education of English Learners by helping them learn English and meet challenging State academic content and student academic achievement standards.

Title I Fund

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

Title IV-A Student Support and Academic Enrichment Fund

To account for federal grant revenue to be used to provide all students with access to a well-rounded education, improve school conditions for student learning and improve the use of technology in order to improve academic achievement and digital literacy of all students.

IDEA Preschool Grant for Handicapped Fund

To account for federal revenue funds to be used for the improvement and expansion of services for handicapped children ages three (3) through five (5) years.

Title II-A Fund

To account for federal monies received which are used to hire additional classroom teachers in grades 1 through 3, so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants Fund

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

LAKWOOD LOCAL SCHOOL DISTRICT

Capital Projects Funds

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

Capital Projects Fund

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

LAKWOOD LOCAL SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022**

	Other Grant	Student Managed Activity	Student Activity	Early Childhood Education
Assets:				
Cash and Cash Equivalents	\$ 68,657	\$ 25,764	\$ 36,765	\$ 0
Receivables:				
Accounts	0	0	139	0
Intergovernmental	0	0	0	0
Prepaid Items	0	0	0	754
Total Assets	\$ 68,657	\$ 25,764	\$ 36,904	\$ 754
Liabilities:				
Accounts Payable	\$ 2,435	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	0	0	0	627
Intergovernmental Payable	0	0	0	127
Retainage Payable	0	0	0	0
Interfund Loans Payable	0	0	0	0
Total Liabilities	2,435	0	0	754
Deferred Inflows of Resources:				
Unavailable Revenue	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances:				
Nonspendable	0	0	0	754
Restricted	66,222	25,764	36,904	0
Assigned	0	0	0	0
Unassigned	0	0	0	(754)
Total Fund Balances (Deficit)	66,222	25,764	36,904	0
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 68,657	\$ 25,764	\$ 36,904	\$ 754

(Continued)

LAKWOOD LOCAL SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022**

	Ohio High Schools That Work/Making Middle Grades Work	Elementary/Secondary School Emergency Relief	Special Education Part B-IDEA	Title I School Improvement
Assets:				
Cash and Cash Equivalents	\$ 194	\$ 0	\$ 0	\$ 13
Receivables:				
Accounts	0	0	0	0
Intergovernmental	605	882,505	29,229	6,670
Prepaid Items	0	0	2,227	0
Total Assets	<u>\$ 799</u>	<u>\$ 882,505</u>	<u>\$ 31,456</u>	<u>\$ 6,683</u>
Liabilities:				
Accounts Payable	\$ 799	\$ 745,261	\$ 0	\$ 6,670
Accrued Wages and Benefits	0	35,358	24,460	0
Intergovernmental Payable	0	29	2,232	0
Retainage Payable	0	0	0	0
Interfund Loans Payable	0	100,666	566	0
Total Liabilities	<u>799</u>	<u>881,314</u>	<u>27,258</u>	<u>6,670</u>
Deferred Inflows of Resources:				
Unavailable Revenue	605	1,191	4,198	6,670
Total Deferred Inflows of Resources	<u>605</u>	<u>1,191</u>	<u>4,198</u>	<u>6,670</u>
Fund Balances:				
Nonspendable	0	0	2,227	0
Restricted	0	0	0	0
Assigned	0	0	0	0
Unassigned	(605)	0	(2,227)	(6,657)
Total Fund Balances (Deficit)	<u>(605)</u>	<u>0</u>	<u>0</u>	<u>(6,657)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 799</u>	<u>\$ 882,505</u>	<u>\$ 31,456</u>	<u>\$ 6,683</u>

LAKWOOD LOCAL SCHOOL DISTRICT

Title III Limited English Proficiency	Title I	Title IV-A Student Support and Academic Enrichment	IDEA Preschool Grant for Handicapped	Title II-A	Total Nonmajor Special Revenue Funds
\$ 102	\$ 0	\$ 0	\$ 0	\$ 0	\$ 131,495
0	0	0	0	0	139
0	30,962	1,074	827	5,547	957,419
0	0	0	0	0	2,981
<u>\$ 102</u>	<u>\$ 30,962</u>	<u>\$ 1,074</u>	<u>\$ 827</u>	<u>\$ 5,547</u>	<u>\$ 1,092,034</u>
\$ 0	\$ 1,649	\$ 1,074	\$ 0	\$ 0	\$ 757,888
0	15,180	0	456	3,487	79,568
0	371	0	10	78	2,847
0	0	0	0	0	0
0	3,738	0	128	200	105,298
0	20,938	1,074	594	3,765	945,601
0	10,024	1,074	233	1,782	25,777
0	10,024	1,074	233	1,782	25,777
0	0	0	0	0	2,981
102	0	0	0	0	128,992
0	0	0	0	0	0
0	0	(1,074)	0	0	(11,317)
102	0	(1,074)	0	0	120,656
<u>\$ 102</u>	<u>\$ 30,962</u>	<u>\$ 1,074</u>	<u>\$ 827</u>	<u>\$ 5,547</u>	<u>\$ 1,092,034</u>

(Continued)

LAKWOOD LOCAL SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022**

	Capital Projects	Total Nonmajor Governmental Funds
Assets:		
Cash and Cash Equivalents	\$ 1,250,000	\$ 1,381,495
Receivables:		
Accounts	0	139
Intergovernmental	0	957,419
Prepaid Items	0	2,981
Total Assets	\$ 1,250,000	\$ 2,342,034
Liabilities:		
Accounts Payable	\$ 199,378	\$ 957,266
Accrued Wages and Benefits	0	79,568
Intergovernmental Payable	0	2,847
Retainage Payable	17,337	17,337
Interfund Loans Payable	0	105,298
Total Liabilities	216,715	1,162,316
Deferred Inflows of Resources:		
Unavailable Revenue	0	25,777
Total Deferred Inflows of Resources	0	25,777
Fund Balances:		
Nonspendable	0	2,981
Restricted	0	128,992
Assigned	1,033,285	1,033,285
Unassigned	0	(11,317)
Total Fund Balances (Deficit)	1,033,285	1,153,941
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,250,000	\$ 2,342,034

LAKWOOD LOCAL SCHOOL DISTRICT

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2022**

	Other Grant	Student Managed Activity	Student Activity	Early Childhood Education
Revenues:				
Local Sources:				
Extracurricular Activities	\$ 0	\$ 20,681	\$ 86,051	\$ 0
Intermediate Sources	14,811	0	0	0
Intergovernmental - State	0	0	0	95,889
Intergovernmental - Federal	0	0	0	0
All Other Revenue	21,800	408	2,225	0
Total Revenue	36,611	21,089	88,276	95,889
Expenditures:				
Current:				
Instruction	20,396	0	0	90,861
Supporting Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	0	28
Administration	0	0	1,080	5,000
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	21,813	92,027	0
Capital Outlay	0	0	0	0
Total Expenditures	20,396	21,813	93,107	95,889
Excess (Deficiency) of Revenues Over Expenditures	16,215	(724)	(4,831)	0
Fund Balances at Beginning of Year	50,007	26,488	41,735	0
Fund Balances End of Year	\$ 66,222	\$ 25,764	\$ 36,904	\$ 0

(Continued)

LAKWOOD LOCAL SCHOOL DISTRICT

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2022**

	Data Communications	Ohio High Schools That Work/Making Middle Grades Work	Student Wellness and Success	Miscellaneous State Grants
Revenues:				
Local Sources:				
Extracurricular Activities	\$ 0	\$ 0	\$ 0	\$ 0
Intermediate Sources	0	0	0	0
Intergovernmental - State	7,200	1,875	0	0
Intergovernmental - Federal	0	0	0	0
All Other Revenue	0	0	0	0
Total Revenue	<u>7,200</u>	<u>1,875</u>	<u>0</u>	<u>0</u>
Expenditures:				
Current:				
Instruction	0	0	0	0
Supporting Services:				
Pupils	0	0	244,770	0
Instructional Staff	0	4,880	0	1,521
Administration	0	0	0	0
Operation and Maintenance of Plant	7,200	0	0	9,250
Pupil Transportation	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	<u>7,200</u>	<u>4,880</u>	<u>244,770</u>	<u>10,771</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(3,005)	(244,770)	(10,771)
Fund Balances at Beginning of Year	<u>0</u>	<u>2,400</u>	<u>244,770</u>	<u>10,771</u>
Fund Balances End of Year	<u>\$ 0</u>	<u>\$ (605)</u>	<u>\$ 0</u>	<u>\$ 0</u>

LAKWOOD LOCAL SCHOOL DISTRICT

Elementary/Secondary School Emergency Relief	Coronavirus Relief	Special Education Part B-IDEA	Title I School Improvement	Title III Limited English Proficiency	Title I
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	0	0	0	0
1,907,231	78	428,409	14,696	1,271	302,957
0	0	0	0	0	0
<u>1,907,231</u>	<u>78</u>	<u>428,409</u>	<u>14,696</u>	<u>1,271</u>	<u>302,957</u>
157,961	78	246,989	10,737	1,172	212,003
4,895	0	181,420	0	0	0
16,773	0	0	10,616	0	87,533
10,662	0	0	0	0	0
61,976	0	0	0	0	0
14,059	0	0	0	0	475
0	0	0	0	0	2,946
0	0	0	0	0	0
1,663,141	0	0	0	0	0
<u>1,929,467</u>	<u>78</u>	<u>428,409</u>	<u>21,353</u>	<u>1,172</u>	<u>302,957</u>
(22,236)	0	0	(6,657)	99	0
<u>22,236</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>0</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (6,657)</u>	<u>\$ 102</u>	<u>\$ 0</u>

(Continued)

LAKWOOD LOCAL SCHOOL DISTRICT

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2022***

	Title IV-A Student Support and Academic Enrichment	IDEA Preschool Grant for Handicapped	Title II-A	Miscellaneous Federal Grants
Revenues:				
Local Sources:				
Extracurricular Activities	\$ 0	\$ 0	\$ 0	\$ 0
Intermediate Sources	0	0	0	0
Intergovernmental - State	0	0	0	0
Intergovernmental - Federal	12,857	15,463	41,197	7,080
All Other Revenue	0	0	0	0
Total Revenue	<u>12,857</u>	<u>15,463</u>	<u>41,197</u>	<u>7,080</u>
Expenditures:				
Current:				
Instruction	13,008	15,463	41,197	13,699
Supporting Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Operation and Maintenance of Plant	923	0	0	0
Pupil Transportation	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	<u>13,931</u>	<u>15,463</u>	<u>41,197</u>	<u>13,699</u>
Excess (Deficiency) of Revenues				
Over Expenditures	(1,074)	0	0	(6,619)
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,619</u>
Fund Balances End of Year	<u>\$ (1,074)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

LAKWOOD LOCAL SCHOOL DISTRICT

Total Nonmajor Special Revenue Funds	Capital Projects	Total Nonmajor Governmental Funds
\$ 106,732 14,811 104,964 2,731,239 24,433 <hr/> 2,982,179	\$ 0 0 0 0 0 <hr/> 0	\$ 106,732 14,811 104,964 2,731,239 24,433 <hr/> 2,982,179
823,564 431,085 121,351 16,742 79,349 14,534 2,946 113,840 1,663,141 <hr/> 3,266,552	0 0 0 0 0 0 0 0 216,715 <hr/> 216,715	823,564 431,085 121,351 16,742 79,349 14,534 2,946 113,840 1,879,856 <hr/> 3,483,267
(284,373) 405,029 <hr/> \$ 120,656	(216,715) 1,250,000 <hr/> \$ 1,033,285	(501,088) 1,655,029 <hr/> \$ 1,153,941

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, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Taxes	\$ 15,810,687	\$ 16,161,376	\$ 16,161,376	\$ 0
Tuition	1,407,000	728,095	729,668	1,573
Investment Earnings	75,000	47,500	54,302	6,802
Extracurricular Activities	4,800	5,000	5,670	670
Class Material and Fees	75,725	72,580	65,619	(6,961)
Intergovernmental - State	6,682,353	6,792,083	6,826,228	34,145
Intergovernmental - Federal	118,000	118,000	145,809	27,809
All Other Revenues	163,050	39,908	60,773	20,865
Total Revenues	24,336,615	23,964,542	24,049,445	84,903
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	6,839,050	6,864,922	6,851,980	12,942
Fringe Benefits	2,670,053	2,559,223	2,543,230	15,993
Purchased Services	303,527	352,227	324,111	28,116
Supplies and Materials	306,701	305,319	289,683	15,636
Other Expenditures	18,528	18,528	18,528	0
Capital Outlay	80,677	147,198	146,749	449
Total Regular	10,218,536	10,247,417	10,174,281	73,136
Special:				
Salaries and Wages	1,121,800	1,055,160	1,049,272	5,888
Fringe Benefits	464,014	488,904	485,281	3,623
Purchased Services	509,179	480,157	412,982	67,175
Supplies and Materials	14,025	12,356	11,454	902
Other Expenditures	462,420	461,618	438,461	23,157
Total Special	2,571,438	2,498,195	2,397,450	100,745
Vocational:				
Salaries and Wages	275,747	280,687	278,890	1,797
Fringe Benefits	99,174	103,786	101,934	1,852
Purchased Services	312	299	299	0
Supplies and Materials	29,150	30,505	28,187	2,318
Capital Outlay	7,817	0	0	0
Total Vocational	412,200	415,277	409,310	5,967

(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, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other:				
Salaries and Wages	170,630	160,680	157,931	2,749
Fringe Benefits	77,600	74,085	73,524	561
Purchased Services	24,094	21,604	21,593	11
Total Other	272,324	256,369	253,048	3,321
Total Instructional Services	13,474,498	13,417,258	13,234,089	183,169
Support Services:				
Pupils:				
Salaries and Wages	837,123	847,054	835,172	11,882
Fringe Benefits	372,470	405,947	397,683	8,264
Purchased Services	157,356	158,925	138,142	20,783
Supplies and Materials	11,246	14,189	13,943	246
Other Expenditures	62,573	79,208	78,933	275
Total Pupils	1,440,768	1,505,323	1,463,873	41,450
Instructional Staff:				
Salaries and Wages	553,523	540,316	534,290	6,026
Fringe Benefits	304,655	266,309	264,097	2,212
Purchased Services	86,774	85,535	66,275	19,260
Supplies and Materials	79,751	40,302	36,914	3,388
Other Expenditures	48,287	50,495	50,495	0
Total Instructional Staff	1,072,990	982,957	952,071	30,886
Board of Education:				
Salaries and Wages	7,500	7,500	7,000	500
Fringe Benefits	1,775	1,764	1,081	683
Purchased Services	79,000	98,177	95,392	2,785
Supplies and Materials	3,000	2,000	1,333	667
Other Expenditures	9,291	9,291	8,247	1,044
Total Board of Education	100,566	118,732	113,053	5,679

(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, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Administration:				
Salaries and Wages	1,359,920	1,367,213	1,357,163	10,050
Fringe Benefits	550,722	537,746	524,357	13,389
Purchased Services	123,416	121,218	112,894	8,324
Supplies and Materials	16,592	13,182	11,775	1,407
Other Expenditures	34,301	31,301	26,960	4,341
Capital Outlay	6,249	6,249	6,249	0
Total Administration	2,091,200	2,076,909	2,039,398	37,511
Fiscal Services:				
Salaries and Wages	319,500	319,500	318,586	914
Fringe Benefits	128,950	125,310	122,734	2,576
Purchased Services	96,415	69,342	55,117	14,225
Supplies and Materials	6,579	6,238	6,050	188
Other Expenditures	363,393	304,983	304,013	970
Capital Outlay	6,860	10,675	10,675	0
Total Fiscal Services	921,697	836,048	817,175	18,873
Business:				
Salaries and Wages	8,675	8,725	7,546	1,179
Fringe Benefits	5,845	5,817	5,397	420
Purchased Services	200	200	0	200
Supplies and Materials	20,374	30,344	21,471	8,873
Other Expenditures	2,518	2,139	2,139	0
Total Business	37,612	47,225	36,553	10,672
Operation and Maintenance of Plant:				
Salaries and Wages	860,040	822,483	774,564	47,919
Fringe Benefits	331,180	331,060	320,661	10,399
Purchased Services	1,104,634	1,115,291	948,235	167,056
Supplies and Materials	118,446	122,071	114,478	7,593
Other Expenditures	1,111	1,111	986	125
Capital Outlay	398,622	343,954	343,954	0
Total Operation and Maintenance Of Plant	2,814,033	2,735,970	2,502,878	233,092

(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, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Pupil Transportation:				
Salaries and Wages	1,079,325	995,664	977,030	18,634
Fringe Benefits	630,717	599,854	589,415	10,439
Purchased Services	49,460	51,039	36,855	14,184
Supplies and Materials	207,077	318,011	280,230	37,781
Other Expenditures	594	244	244	0
Capital Outlay	193,040	193,040	193,040	0
Total Pupil Transportation	2,160,213	2,157,852	2,076,814	81,038
Central:				
Salaries and Wages	38,500	38,500	38,398	102
Fringe Benefits	8,980	11,567	10,994	573
Purchased Services	11,546	10,245	8,673	1,572
Supplies and Materials	20,556	9,331	6,510	2,821
Other Expenditures	407	407	352	55
Capital Outlay	42,691	32,299	32,299	0
Total Central	122,680	102,349	97,226	5,123
Total Support Services	10,761,759	10,563,365	10,099,041	464,324
Operation of Non-Instructional Services:				
Fringe Benefits	11,769	0	0	0
Capital Outlay	43,822	43,822	43,822	0
Total Non-Instructional Services	55,591	43,822	43,822	0
Extracurricular Activities:				
Salaries and Wages	332,480	328,913	290,541	38,372
Fringe Benefits	72,522	74,290	68,450	5,840
Purchased Services	7,750	9,750	8,730	1,020
Capital Outlay	0	2,411	2,411	0
Total Extracurricular Activities	412,752	415,364	370,132	45,232
Capital Outlay:				
Capital Outlay	235,000	360,457	49,229	311,228
Total Capital Outlay	235,000	360,457	49,229	311,228
Total Expenditures	24,939,600	24,800,266	23,796,313	1,003,953
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(602,985)	(835,724)	253,132	1,088,856

(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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Sale of Capital Assets	3,000	14,387	17,921	3,534
Transfers Out	(100,000)	0	0	0
Refund of Prior Year Receipts	0	(15,039)	(15,039)	0
Total Other Financing Sources (Uses):	<u>(97,000)</u>	<u>(652)</u>	<u>2,882</u>	<u>3,534</u>
Net Change in Fund Balance	(699,985)	(836,376)	256,014	1,092,390
Fund Balance at Beginning of Year	13,716,717	13,716,717	13,716,717	0
Prior Year Encumbrances	92,039	92,039	92,039	0
Fund Balance at End of Year	<u>\$ 13,108,771</u>	<u>\$ 12,972,380</u>	<u>\$ 14,064,770</u>	<u>\$ 1,092,390</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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Taxes	\$ 1,246,361	\$ 1,209,098	\$ 1,209,098	\$ 0
Intergovernmental - State	229,226	237,746	237,746	0
Total Revenues	1,475,587	1,446,844	1,446,844	0
Expenditures:				
Current:				
Support Services:				
Fiscal Services:				
Other Expenditures	12,750	13,005	13,005	0
Total Fiscal Services	12,750	13,005	13,005	0
Debt Service:				
Principal Retirement	1,106,771	1,106,771	1,106,771	0
Interest and Fiscal Charges	184,928	184,819	184,818	1
Total Debt Service	1,291,699	1,291,590	1,291,589	1
Total Expenditures	1,304,449	1,304,595	1,304,594	1
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	171,138	142,249	142,250	1
Fund Balance at Beginning of Year				
	780,236	780,236	780,236	0
Fund Balance at End of Year				
	\$ 951,374	\$ 922,485	\$ 922,486	\$ 1

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, 2022***

PUBLIC SCHOOL SUPPORT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Extracurricular Activities	\$ 32,100	\$ 37,615	\$ 34,635	\$ (2,980)
All Other Revenues	700	5,618	5,318	(300)
Total Revenues	<u>32,800</u>	<u>43,233</u>	<u>39,953</u>	<u>(3,280)</u>
Expenditures:				
Extracurricular Activities:				
Purchased Services	11,000	13,405	6,842	6,563
Supplies and Materials	25,647	31,791	21,451	10,340
Other Expenditures	200	0	0	0
Capital Outlay	0	1,200	758	442
Total Expenditures	<u>36,847</u>	<u>46,396</u>	<u>29,051</u>	<u>17,345</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,047)	(3,163)	10,902	14,065
Other Financing Sources (Uses):				
Operating Transfers In	0	1,334	1,334	0
Operating Transfers Out	0	(1,334)	(1,334)	0
Total Other Financing Sources (Uses):	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(4,047)	(3,163)	10,902	14,065
Fund Balance at Beginning of Year	27,565	27,565	27,565	0
Prior Year Encumbrances	1,482	1,482	1,482	0
Fund Balance at End of Year	<u>\$ 25,000</u>	<u>\$ 25,884</u>	<u>\$ 39,949</u>	<u>\$ 14,065</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, 2022**

	OTHER GRANT FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intermediate Sources	\$ 5,880	\$ 14,811	\$ 14,811	\$ 0
All Other Revenues	10,000	12,000	21,800	9,800
Total Revenues	<u>15,880</u>	<u>26,811</u>	<u>36,611</u>	<u>9,800</u>
Expenditures:				
Instructional Services:				
Regular:				
Purchased Services	1,900	1,900	0	1,900
Supplies and Materials	46,640	57,570	21,826	35,744
Total Regular	<u>48,540</u>	<u>59,470</u>	<u>21,826</u>	<u>37,644</u>
Other:				
Salaries and Wages	1,975	1,975	625	1,350
Fringe Benefits	291	292	96	196
Purchased Services	11,238	11,238	1,705	9,533
Total Other	<u>13,504</u>	<u>13,505</u>	<u>2,426</u>	<u>11,079</u>
Total Instructional Services	<u>62,044</u>	<u>72,975</u>	<u>24,252</u>	<u>48,723</u>
Support Services:				
Operation and Maintenance of Plant:				
Capital Outlay	3,843	3,843	0	3,843
Total Expenditures	<u>65,887</u>	<u>76,818</u>	<u>24,252</u>	<u>52,566</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,007)	(50,007)	12,359	62,366
Fund Balance at Beginning of Year	50,007	50,007	50,007	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 62,366</u>	<u>\$ 62,366</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, 2022***

STUDENT MANAGED ACTIVITY FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Extracurricular Activities	\$ 42,426	\$ 43,677	\$ 20,681	\$ (22,996)
All Other Revenues	4,100	4,368	408	(3,960)
Total Revenues	46,526	48,045	21,089	(26,956)
Expenditures:				
Extracurricular Activities:				
Purchased Services	30,168	30,168	12,433	17,735
Supplies and Materials	18,812	18,812	9,380	9,432
Other Expenditures	1,500	1,500	0	1,500
Capital Outlay	6,000	6,000	0	6,000
Total Expenditures	56,480	56,480	21,813	34,667
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,954)	(8,435)	(724)	7,711
Other Financing Sources (Uses):				
Operating Transfers In	0	0	187	187
Operating Transfers Out	(294)	(294)	(187)	107
Total Other Financing Sources (Uses):	(294)	(294)	0	294
Net Change in Fund Balance	(10,248)	(8,729)	(724)	8,005
Fund Balance at Beginning of Year	26,488	26,488	26,488	0
Fund Balance at End of Year	\$ 16,240	\$ 17,759	\$ 25,764	\$ 8,005

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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
STUDENT ACTIVITY FUND				
Revenues:				
Extracurricular Activities	\$ 86,650	\$ 105,650	\$ 87,977	\$ (17,673)
All Other Revenues	10,300	10,300	2,225	(8,075)
Total Revenues	<u>96,950</u>	<u>115,950</u>	<u>90,202</u>	<u>(25,748)</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:				
Purchased Services	74,221	84,771	72,552	12,219
Supplies and Materials	10,600	20,830	16,489	4,341
Other Expenditures	8,250	8,200	6,700	1,500
Total Extracurricular Activities	<u>93,071</u>	<u>113,801</u>	<u>95,741</u>	<u>18,060</u>
Total Expenditures	<u>94,151</u>	<u>114,881</u>	<u>96,821</u>	<u>18,060</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,799	1,069	(6,619)	(7,688)
Fund Balance at Beginning of Year	38,641	38,641	38,641	0
Prior Year Encumbrances	4,597	4,597	4,597	0
Fund Balance at End of Year	<u>\$ 46,037</u>	<u>\$ 44,307</u>	<u>\$ 36,619</u>	<u>\$ (7,688)</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, 2022**

EARLY CHILDHOOD EDUCATION FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - State	\$ 96,000	\$ 96,000	\$ 95,889	\$ (111)
Total Revenues	96,000	96,000	95,889	(111)
Expenditures:				
Instructional Services:				
Special:				
Salaries and Wages	61,300	62,505	62,505	0
Fringe Benefits	26,200	28,197	28,197	0
Supplies and Materials	3,000	270	159	111
Total Instructional Services	90,500	90,972	90,861	111
Support Services:				
Instructional Staff:				
Purchased Services	500	28	28	0
Total Instructional Staff	500	28	28	0
Administration:				
Salaries and Wages	5,000	5,000	5,000	0
Total Support Services	5,500	5,028	5,028	0
Total Expenditures	96,000	96,000	95,889	111
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, 2022**

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

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, 2022**

OHIO HIGH SCHOOLS THAT WORKS/MAKING MIDDLE GRADES WORK FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental - State	\$ 3,000	\$ 3,000	\$ 1,875	\$ (1,125)
Total Revenues	3,000	3,000	1,875	(1,125)
Expenditures:				
Support Services:				
Instructional Staff:				
Salaries and Wages	1,500	1,875	1,875	0
Purchased Services	3,900	0	0	0
Supplies and Materials	0	3,525	3,525	0
Total Expenditures	5,400	5,400	5,400	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,400)	(2,400)	(3,525)	(1,125)
Fund Balance at Beginning of Year	2,400	2,400	2,400	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ (1,125)	\$ (1,125)

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, 2022***

STUDENT WELLNESS AND SUCCESS FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Support Services:				
Pupils:				
Salaries and Wages	219,731	225,373	225,373	0
Fringe Benefits	67,408	66,766	66,766	0
Total Pupils	<u>287,139</u>	<u>292,139</u>	<u>292,139</u>	<u>0</u>
Instructional Staff:				
Other Expenditures	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>292,139</u>	<u>292,139</u>	<u>292,139</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(292,139)	(292,139)	(292,139)	0
Fund Balance at Beginning of Year				
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, 2022**

MISCELLANEOUS STATE GRANTS FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Support Services:				
Instructional Staff:				
Supplies and Materials	1,521	1,521	1,521	0
Total Instructional Staff	1,521	1,521	1,521	0
Operation and Maintenance of Plant:				
Purchased Services	9,250	9,250	9,250	0
Total Expenditures	10,771	10,771	10,771	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,771)	(10,771)	(10,771)	0
Fund Balance at Beginning of Year	10,771	10,771	10,771	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0	\$ 0

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ELEMENTARY/SECONDARY SCHOOL EMERGENCY RELIEF FUND				
Revenues:				
Intergovernmental - Federal	\$ 3,196,644	\$ 3,227,219	\$ 1,113,115	\$ (2,114,104)
Total Revenues	3,196,644	3,227,219	1,113,115	(2,114,104)
Expenditures:				
Instructional Services:				
Regular:				
Purchased Services	187,073	133,090	22,807	110,283
Supplies and Materials	127,085	226,778	79,562	147,216
Capital Outlay	0	85,000	65,968	19,032
Total Regular	314,158	444,868	168,337	276,531
Special:				
Supplies and Materials	1,455	1,245	1,245	0
Total Special	1,455	1,245	1,245	0
Other:				
Salaries and Wages	373,201	202,020	45,201	156,819
Fringe Benefits	57,644	31,366	6,825	24,541
Supplies and Materials	66,956	6,223	5,481	742
Total Other	497,801	239,609	57,507	182,102
Total Instructional Services	813,414	685,722	227,089	458,633
Support Services:				
Pupils:				
Salaries and Wages	7,840	8,840	0	8,840
Fringe Benefits	1,212	1,357	0	1,357
Supplies and Materials	0	5,000	0	5,000
Total Pupils	9,052	15,197	0	15,197
Instructional Staff:				
Salaries and Wages	14,500	29,125	17,598	11,527
Fringe Benefits	772	3,140	1,350	1,790
Supplies and Materials	3,100	3,800	3,800	0
Total Instructional Staff	18,372	36,065	22,748	13,317

(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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ELEMENTARY/SECONDARY SCHOOL EMERGENCY RELIEF FUND				
Administration:				
Salaries and Wages	7,500	7,650	7,638	12
Fringe Benefits	1,159	1,171	1,163	8
Total Administration	8,659	8,821	8,801	20
Operation and Maintenance of Plant:				
Salaries and Wages	45,000	70,000	27,307	42,693
Fringe Benefits	6,952	10,815	4,161	6,654
Supplies and Materials	65,800	60,800	20,676	40,124
Capital Outlay	38,400	85,515	34,515	51,000
Total Operation and Maintenance Of Plant	156,152	227,130	86,659	140,471
Pupil Transportation:				
Salaries and Wages	55,114	44,314	9,901	34,413
Fringe Benefits	8,575	6,907	1,423	5,484
Total Pupil Transportation	63,689	51,221	11,324	39,897
Total Support Services	255,924	338,434	129,532	208,902
Operation of Non-Instructional Services:				
Purchased Services	0	4,769	0	4,769
Total Non-Instructional Services	0	4,769	0	4,769
Capital Outlay:				
Capital Outlay	2,100,000	2,170,988	2,145,988	25,000
Total Expenditures	3,169,338	3,199,913	2,502,609	697,304
Excess (Deficiency) of Revenues Over (Under) Expenditures	27,306	27,306	(1,389,494)	(1,416,800)
Fund Balance at Beginning of Year	(44,135)	(44,135)	(44,135)	0
Prior Year Encumbrances	16,829	16,829	16,829	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ (1,416,800)	\$ (1,416,800)

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, 2022**

CORONAVIRUS RELIEF FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - Federal	\$ 898	\$ 898	\$ 898	\$ 0
Total Revenues	898	898	898	0
Expenditures:				
Instructional Services:				
Regular:				
Purchased Services	898	898	898	0
Total Expenditures	898	898	898	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0	\$ 0

LAKWOOD LOCAL SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2022**

SPECIAL EDUCATION PART B-IDEA FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - Federal	\$ 532,493	\$ 520,532	\$ 426,989	\$ (93,543)
Total Revenues	532,493	520,532	426,989	(93,543)
Expenditures:				
Instructional Services:				
Special:				
Salaries and Wages	232,060	229,060	193,281	35,779
Fringe Benefits	63,845	60,042	52,869	7,173
Total Instructional Services	295,905	289,102	246,150	42,952
Support Services:				
Pupils:				
Salaries and Wages	141,342	128,342	110,339	18,003
Fringe Benefits	77,584	73,400	70,436	2,964
Total Pupils	218,926	201,742	180,775	20,967
Operation and Maintenance of Plant:				
Capital Outlay	17,032	29,058	29,058	0
Total Support Services	235,958	230,800	209,833	20,967
Total Expenditures	531,863	519,902	455,983	63,919
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	630	630	(28,994)	(29,624)
Fund Balance at Beginning of Year				
Fund Balance at End of Year	(630)	(630)	(630)	0
	\$ 0	\$ 0	\$ (29,624)	\$ (29,624)

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, 2022**

TITLE I SCHOOL IMPROVEMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - Federal	\$ 50,460	\$ 50,460	\$ 38,098	\$ (12,362)
Total Revenues	<u>50,460</u>	<u>50,460</u>	<u>38,098</u>	<u>(12,362)</u>
Expenditures:				
Instructional Services:				
Regular:				
Purchased Services	2,500	0	0	0
Supplies and Materials	12,858	21,991	21,991	0
Total Regular	<u>15,358</u>	<u>21,991</u>	<u>21,991</u>	<u>0</u>
Other:				
Salaries and Wages	2,400	2,400	2,400	0
Fringe Benefits	373	373	373	0
Total Other	<u>2,773</u>	<u>2,773</u>	<u>2,773</u>	<u>0</u>
Total Instructional Services	<u>18,131</u>	<u>24,764</u>	<u>24,764</u>	<u>0</u>
Support Services:				
Pupils:				
Purchased Services	3,998	0	0	0
Total Pupils	<u>3,998</u>	<u>0</u>	<u>0</u>	<u>0</u>
Instructional Staff:				
Salaries and Wages	9,550	5,750	3,650	2,100
Fringe Benefits	1,499	889	552	337
Purchased Services	6,511	8,286	7,086	1,200
Total Instructional Staff	<u>17,560</u>	<u>14,925</u>	<u>11,288</u>	<u>3,637</u>
Total Support Services	<u>21,558</u>	<u>14,925</u>	<u>11,288</u>	<u>3,637</u>
Total Expenditures	<u>39,689</u>	<u>39,689</u>	<u>36,052</u>	<u>3,637</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	10,771	10,771	2,046	(8,725)
Fund Balance at Beginning of Year	(20,629)	(20,629)	(20,629)	0
Prior Year Encumbrances	9,858	9,858	9,858	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (8,725)</u>	<u>\$ (8,725)</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, 2022**

TITLE III LIMITED ENGLISH PROFICIENCY FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental - Federal	\$ 1,022	\$ 1,271	\$ 1,271	\$ 0
Total Revenues	1,022	1,271	1,271	0
Expenditures:				
Instructional Services:				
Special:				
Supplies and Materials	1,087	1,336	1,234	102
Total Expenditures	1,087	1,336	1,234	102
Excess (Deficiency) of Revenues Over (Under) Expenditures	(65)	(65)	37	102
Fund Balance at Beginning of Year	3	3	3	0
Prior Year Encumbrances	62	62	62	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 102	\$ 102

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, 2022**

	TITLE I FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - Federal	\$ 335,800	\$ 336,024	\$ 299,872	\$ (36,152)
Total Revenues	335,800	336,024	299,872	(36,152)
Expenditures:				
Instructional Services:				
Regular:				
Supplies and Materials	6,257	8,740	8,692	48
Capital Outlay	4,000	1,499	1,499	0
Total Regular	10,257	10,239	10,191	48
Special:				
Salaries and Wages	242,234	234,047	203,914	30,133
Total Instructional Services	252,491	244,286	214,105	30,181
Support Services:				
Instructional Staff:				
Salaries and Wages	79,575	87,533	87,533	0
Total Instructional Staff	79,575	87,533	87,533	0
Pupil Transportation:				
Purchased Services	491	491	475	16
Total Support Services	80,066	88,024	88,008	16
Operation of Non-Instructional Services:				
Purchased Services	3,043	3,514	2,946	568
Total Expenditures	335,600	335,824	305,059	30,765
Excess (Deficiency) of Revenues Over (Under) Expenditures	200	200	(5,187)	(5,387)
Other Financing Sources (Uses):				
Transfers In	0	469	469	0
Transfers Out	0	(469)	(469)	0
Total Other Financing Sources (Uses):	0	0	0	0
Net Change in Fund Balance	200	200	(5,187)	(5,387)
Fund Balance at Beginning of Year	(200)	(200)	(200)	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ (5,387)	\$ (5,387)

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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
TITLE IV-A STUDENT SUPPORT AND ACADEMIC ENRICHMENT FUND				
Revenues:				
Intergovernmental - Federal	\$ 21,879	\$ 21,944	\$ 12,857	\$ (9,087)
Total Revenues	21,879	21,944	12,857	(9,087)
Expenditures:				
Instructional Services:				
Regular:				
Purchased Services	9,000	9,000	9,000	0
Supplies and Materials	3,898	4,044	4,036	8
Capital Outlay	5,981	5,984	5,984	0
Total Instructional Services	18,879	19,028	19,020	8
Support Services:				
Operation and Maintenance of Plant:				
Supplies and Materials	3,000	1,063	1,063	0
Capital Outlay	0	1,867	1,867	0
Total Support Services	3,000	2,930	2,930	0
Total Expenditures	21,879	21,958	21,950	8
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(14)	(9,093)	(9,079)
Other Financing Sources (Uses):				
Transfers In	0	14	14	0
Total Other Financing Sources (Uses):	0	14	14	0
Net Change in Fund Balance	0	0	(9,079)	(9,079)
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ (9,079)	\$ (9,079)

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, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
IDEA PRESCHOOL GRANT FOR HANDICAPPED FUND				
Revenues:				
Intergovernmental - Federal	\$ 16,875	\$ 16,643	\$ 14,869	\$ (1,774)
Total Revenues	<u>16,875</u>	<u>16,643</u>	<u>14,869</u>	<u>(1,774)</u>
Expenditures:				
Instructional Services:				
Special:				
Salaries and Wages	16,875	16,643	14,997	1,646
Total Expenditures	<u>16,875</u>	<u>16,643</u>	<u>14,997</u>	<u>1,646</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	(128)	(128)
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (128)</u>	<u>\$ (128)</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, 2022**

	TITLE II-A FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental - Federal	\$ 59,848	\$ 60,273	\$ 37,432	\$ (22,841)
Total Revenues	<u>59,848</u>	<u>60,273</u>	<u>37,432</u>	<u>(22,841)</u>
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	59,848	60,273	37,632	22,641
Total Expenditures	<u>59,848</u>	<u>60,273</u>	<u>37,632</u>	<u>22,641</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	(200)	(200)
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (200)</u>	<u>\$ (200)</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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
MISCELLANEOUS FEDERAL GRANTS FUND				
Revenues:				
Intergovernmental - Federal	\$ 13,759	\$ 13,699	\$ 13,699	\$ 0
Total Revenues	13,759	13,699	13,699	0
Expenditures:				
Instructional Services:				
Regular:				
Supplies and Materials	6,605	6,605	6,605	0
Capital Outlay	7,080	7,080	7,080	0
Total Instructional Services	13,685	13,685	13,685	0
Support Services:				
Operation and Maintenance of Plant:				
Supplies and Materials	88	14	14	0
Total Expenditures	13,773	13,699	13,699	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14)	0	0	0
Other Financing Sources (Uses):				
Transfers Out	0	(14)	(14)	0
Total Other Financing Sources (Uses):	0	(14)	(14)	0
Net Change in Fund Balance	(14)	(14)	(14)	0
Fund Balance at Beginning of Year	(13,628)	(13,628)	(13,628)	0
Prior Year Encumbrances	13,642	13,642	13,642	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, 2022***

CAPITAL PROJECTS FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Capital Outlay:				
Capital Outlay	500,000	718,000	718,000	0
Total Expenditures	500,000	718,000	718,000	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(500,000)	(718,000)	(718,000)	0
Fund Balance at Beginning of Year	1,250,000	1,250,000	1,250,000	0
Fund Balance at End of Year	\$ 750,000	\$ 532,000	\$ 532,000	\$ 0

STATISTICAL SECTION



STATISTICAL TABLES

This part of the District's annual comprehensive 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 annual comprehensive financial reports for the relevant year.	

Lakewood Local School District

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

	2013	2014	2015	2016
Governmental Activities:		*		
Net Investment in Capital Assets	\$3,187,873	\$3,398,481	\$3,636,986	\$3,741,768
Restricted for:				
Debt Service	953,055	773,138	700,042	696,827
Federal and State Funded Programs	44,746	20,688	61,618	79,445
Other Purposes	49,289	64,442	76,759	98,708
Unrestricted (Deficit)	7,604,004	(18,930,709)	(14,956,033)	(11,405,743)
Total Governmental Activities Net Position	<u>\$11,838,967</u>	<u>(\$14,673,960)</u>	<u>(\$10,480,628)</u>	<u>(\$6,788,995)</u>
Business-type Activities:				
Net Investment in Capital Assets	\$70,702	\$77,715	\$144,393	\$132,142
Unrestricted (Deficit)	149,929	(188,404)	(248,993)	(260,669)
Total Business-type Activities Net Position	<u>\$220,631</u>	<u>(\$110,689)</u>	<u>(\$104,600)</u>	<u>(\$128,527)</u>
Primary Government:				
Net Investment in Capital Assets	\$3,258,575	\$3,476,196	\$3,781,379	\$3,873,910
Restricted	1,047,090	858,268	838,419	874,980
Unrestricted	7,753,933	(19,119,113)	(15,205,026)	(11,666,412)
Total Primary Government Net Position	<u>\$12,059,598</u>	<u>(\$14,784,649)</u>	<u>(\$10,585,228)</u>	<u>(\$6,917,522)</u>

Source: District Treasurer's Office

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

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

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

Lakewood Local School District

2017	2018	2019	2020	2021	2022
**		***			
\$4,355,534	\$7,250,065	\$7,537,301	\$7,983,828	\$9,551,775	\$10,879,649
606,001	798,920	688,383	758,122	851,437	992,881
0	0	14,063	187,015	312,038	17,543
90,851	54,233	100,127	128,235	129,193	136,395
(17,594,072)	(6,622,821)	(5,708,038)	(8,014,716)	(11,538,461)	(8,217,792)
(12,541,686)	\$1,480,397	\$2,631,836	\$1,042,484	(\$694,018)	\$3,808,676
\$115,913	\$102,808	\$91,398	\$87,835	\$125,836	\$141,702
(560,322)	(548,278)	(601,134)	(752,723)	(719,589)	(274,888)
(\$444,409)	(\$445,470)	(\$509,736)	(\$664,888)	(\$593,753)	(\$133,186)
\$4,471,447	\$7,352,873	\$7,628,699	\$8,071,663	\$9,677,611	\$11,021,351
696,852	853,153	802,573	1,073,372	1,292,668	1,146,819
(18,154,394)	(7,171,099)	(6,309,172)	(8,767,439)	(12,258,050)	(8,492,680)
(\$12,986,095)	\$1,034,927	\$2,122,100	\$377,596	(\$1,287,771)	\$3,675,490

Lakewood Local School District

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

	2013	2014	2015	2016
Expenses				
Governmental Activities:				
Instruction	\$12,351,032	\$12,499,288	\$12,620,972	\$13,345,921
Support Services:				
Pupils	1,406,457	1,424,694	1,376,862	1,457,380
Instructional Staff	357,042	355,036	416,746	591,749
Board of Education	89,155	94,778	81,842	113,093
Administration	1,933,761	1,821,632	1,876,291	1,885,623
Fiscal Services	680,434	692,254	650,991	665,621
Business	22,403	22,110	9,027	21,627
Operation and Maintenance of Plant	1,718,852	1,690,189	1,552,021	1,679,574
Pupil Transportation	1,592,255	1,645,923	1,624,650	1,591,323
Central	90,763	104,488	63,281	34,528
Operation of Non-Instructional Services	73,594	215,078	240,464	195,606
Extracurricular Activities	483,728	512,262	519,113	551,485
Interest and Fiscal Charges	653,040	535,225	509,433	418,683
<i>Total Governmental Activities Expenses</i>	<u>21,452,516</u>	<u>21,612,957</u>	<u>21,541,693</u>	<u>22,552,213</u>
Business-type Activities:				
Food Service	930,083	980,354	920,073	895,269
<i>Total Business-type Activities Expenses</i>	<u>930,083</u>	<u>980,354</u>	<u>920,073</u>	<u>895,269</u>
<i>Total Primary Government Expenses</i>	<u>\$22,382,599</u>	<u>\$22,593,311</u>	<u>\$22,461,766</u>	<u>\$23,447,482</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Instruction	\$479,394	\$714,405	\$759,132	\$887,993
Support Services:				
Administration	92,292	127,884	73,127	28,129
Operation of Non-Instructional Services	0	153,529	180,233	0
Extracurricular Activities	138,859	139,560	148,048	135,620
Operating Grants and Contributions	899,632	1,257,477	1,388,215	1,653,224
Capital Grants and Contributions	0	0	0	0
<i>Total Governmental Activities</i>	<u>1,610,177</u>	<u>2,392,855</u>	<u>2,548,755</u>	<u>2,704,966</u>
<i>Program Revenues</i>	<u>1,610,177</u>	<u>2,392,855</u>	<u>2,548,755</u>	<u>2,704,966</u>

Lakewood Local School District

*					
2017	2018	2019	2020	2021	2022
\$14,940,596	\$6,499,863	\$13,698,720	\$16,976,745	\$17,334,947	\$13,062,888
1,701,739	942,383	1,530,987	1,843,701	1,905,438	1,775,838
704,846	428,326	799,038	1,023,491	1,193,321	1,002,700
90,134	174,438	34,420	103,668	77,145	109,620
2,046,793	961,114	1,908,916	2,194,614	2,151,514	1,868,851
747,064	643,616	760,212	839,968	855,750	809,114
26,278	24,802	26,181	17,437	15,239	36,120
1,737,436	1,593,046	2,084,371	2,159,063	2,255,195	2,159,523
1,786,288	1,608,005	1,836,521	2,023,523	2,006,078	1,985,178
23,814	15,121	38,329	40,214	58,646	60,566
49,796	46,340	48,134	47,032	76,360	84,464
624,287	578,496	717,343	743,100	776,421	728,772
277,373	266,558	241,956	217,256	188,964	161,554
<u>24,756,444</u>	<u>13,782,108</u>	<u>23,725,128</u>	<u>28,229,812</u>	<u>28,895,018</u>	<u>23,845,188</u>
<u>984,409</u>	<u>938,537</u>	<u>1,030,232</u>	<u>984,370</u>	<u>795,321</u>	<u>1,041,581</u>
<u>984,409</u>	<u>938,537</u>	<u>1,030,232</u>	<u>984,370</u>	<u>795,321</u>	<u>1,041,581</u>
<u>\$25,740,853</u>	<u>\$14,720,645</u>	<u>\$24,755,360</u>	<u>\$29,214,182</u>	<u>\$29,690,339</u>	<u>\$24,886,769</u>
\$1,250,111	\$1,307,061	\$1,233,510	\$1,468,705	\$1,263,395	\$800,585
44	276	0	0	0	0
0	0	0	0	0	0
141,481	179,888	169,432	121,905	114,054	136,890
1,438,208	1,282,931	1,274,106	1,687,603	2,263,781	3,352,639
0	458,000	0	0	0	0
<u>2,829,844</u>	<u>3,228,156</u>	<u>2,677,048</u>	<u>3,278,213</u>	<u>3,641,230</u>	<u>4,290,114</u>

(continued)

Lakewood Local School District

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

	2013	2014	2015	2016
Business-type Activities:				
Charges for Services				
Food Service	283,204	264,932	255,156	309,230
Operating Grants and Contributions	615,150	675,475	626,528	538,906
Capital Grants and Contributions	16,930	0	44,478	23,206
<i>Total Business-type Activities Program Revenues</i>	<u>915,284</u>	<u>940,407</u>	<u>926,162</u>	<u>871,342</u>
<i>Total Primary Government Program Revenues</i>	<u>2,525,461</u>	<u>3,333,262</u>	<u>3,474,917</u>	<u>3,576,308</u>
 Net (Expense)/Revenue				
Governmental Activities	(19,842,339)	(19,220,102)	(18,992,938)	(19,847,247)
Business-type Activities	(14,799)	(39,947)	6,089	(23,927)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$19,857,138)</u>	<u>(\$19,260,049)</u>	<u>(\$18,986,849)</u>	<u>(\$19,871,174)</u>
 General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$12,319,747	\$12,443,682	\$13,002,282	\$13,341,342
Debt Service	749,321	840,483	918,406	931,637
Grants and Entitlements not				
Restricted to Specific Programs	8,272,161	8,521,195	9,075,972	9,057,291
Investment Earnings	24,272	49,826	65,975	112,905
Miscellaneous	129,271	149,236	123,635	95,705
Transfers	0	0	0	0
<i>Total Governmental Activities</i>	<u>21,494,772</u>	<u>22,004,422</u>	<u>23,186,270</u>	<u>23,538,880</u>
Business-type Activities:				
Transfers	0	0	0	0
<i>Total Business-type Activities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Primary Government</i>	<u>\$21,494,772</u>	<u>\$22,004,422</u>	<u>\$23,186,270</u>	<u>\$23,538,880</u>
 Change in Net Position				
Governmental Activities	\$1,652,433	\$2,784,320	\$4,193,332	\$3,691,633
Business-type Activities	(14,799)	(39,947)	6,089	(23,927)
<i>Total Primary Government Change in Net Position</i>	<u>\$1,637,634</u>	<u>\$2,744,373</u>	<u>\$4,199,421</u>	<u>\$3,667,706</u>

Source: District Treasurer's Office

* Restated for implementation of GASB 84, Fiduciary Activities

Lakewood Local School District

2017	2018	*	2020	2021	2022
2017	2018	2019	2020	2021	2022
331,827	348,571	368,147	277,454	45,767	118,353
581,800	588,905	597,819	551,764	669,692	1,351,768
0	0	0	0	50,997	32,027
<u>913,627</u>	<u>937,476</u>	<u>965,966</u>	<u>829,218</u>	<u>766,456</u>	<u>1,502,148</u>
<u>3,743,471</u>	<u>4,165,632</u>	<u>3,643,014</u>	<u>4,107,431</u>	<u>4,407,686</u>	<u>5,792,262</u>
(21,926,600)	(10,553,952)	(21,048,080)	(24,951,599)	(25,253,788)	(19,555,074)
(70,782)	(1,061)	(64,266)	(155,152)	(28,865)	460,567
<u>(\$21,997,382)</u>	<u>(\$10,555,013)</u>	<u>(\$21,112,346)</u>	<u>(\$25,106,751)</u>	<u>(\$25,282,653)</u>	<u>(\$19,094,507)</u>
\$13,226,848	\$14,666,904	\$12,719,183	\$14,653,961	\$14,985,535	\$16,180,700
812,141	1,295,631	982,405	1,155,390	1,169,738	1,204,398
8,902,300	8,221,497	7,879,658	6,952,514	7,071,673	6,708,011
144,950	240,795	503,506	390,333	41,552	(113,428)
119,568	151,208	86,710	210,049	348,788	78,087
0	0	0	0	(100,000)	0
<u>23,205,807</u>	<u>24,576,035</u>	<u>22,171,462</u>	<u>23,362,247</u>	<u>23,517,286</u>	<u>24,057,768</u>
0	0	0	0	100,000	0
0	0	0	0	100,000	0
<u>\$23,205,807</u>	<u>\$24,576,035</u>	<u>\$22,171,462</u>	<u>\$23,362,247</u>	<u>\$23,617,286</u>	<u>\$24,057,768</u>
\$1,279,207	\$14,022,083	\$1,123,382	(\$1,589,352)	(\$1,736,502)	\$4,502,694
(70,782)	(1,061)	(64,266)	(155,152)	71,135	460,567
<u>\$1,208,425</u>	<u>\$14,021,022</u>	<u>\$1,059,116</u>	<u>(\$1,744,504)</u>	<u>(\$1,665,367)</u>	<u>\$4,963,261</u>

Lakewood Local School District

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

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

Source: District Treasurer's Office

* Restated for implementation of GASB 84, Fiduciary Activities

Lakewood Local School District

*				
2018	2019	2020	2021	2022
\$328,326	\$312,986	\$307,798	\$332,290	\$336,551
9,111	7,684	17,099	10,963	7,505
204,164	204,164	204,164	204,164	147,390
502,612	1,964,573	3,101,246	257,497	2,052,979
16,489,732	12,492,211	9,953,051	11,814,781	10,337,765
<u>17,533,945</u>	<u>14,981,618</u>	<u>13,583,358</u>	<u>12,619,695</u>	<u>12,882,190</u>
10,273	9,940	7,483	4,871	2,981
851,657	792,122	1,055,119	1,257,665	1,121,678
1,000,000	1,500,000	2,000,000	1,250,000	1,033,285
(10,273)	(9,940)	(7,483)	(901)	(11,317)
<u>1,851,657</u>	<u>2,292,122</u>	<u>3,055,119</u>	<u>2,511,635</u>	<u>2,146,627</u>
<u>\$19,385,602</u>	<u>\$17,273,740</u>	<u>\$16,638,477</u>	<u>\$15,131,330</u>	<u>\$15,028,817</u>

Lakewood Local School District

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

	2013	2014	2015	2016
Revenues:				
Local Sources:				
Taxes	\$13,248,007	\$13,436,540	\$14,087,532	\$14,248,738
Tuition	408,398	650,229	698,547	827,692
Investment Earnings	22,055	52,248	60,360	110,693
Extracurricular Activities	138,859	139,560	148,048	135,620
Class Materials and Fees	49,154	50,416	54,377	55,707
Intermediate Sources	11,426	11,596	4,096	14,522
Intergovernmental - State	8,251,872	8,814,106	9,297,404	9,220,982
Intergovernmental - Federal	869,840	978,300	1,144,087	1,249,940
All Other Revenue	252,566	448,573	401,803	282,582
Total Revenue	<u>23,252,177</u>	<u>24,581,568</u>	<u>25,896,254</u>	<u>26,146,476</u>
Expenditures:				
Current:				
Instruction	12,313,518	12,092,287	12,494,915	13,106,643
Supporting Services:				
Pupils	1,412,351	1,471,483	1,416,326	1,484,913
Instructional Staff	328,525	324,617	393,902	681,181
Board of Education	89,155	94,778	82,111	113,146
Administration	1,886,388	1,816,665	1,998,667	1,891,636
Fiscal Services	681,351	692,505	661,533	671,329
Business	22,403	22,110	9,339	21,811
Operation and Maintenance of Plant	2,408,006	2,030,914	1,744,441	1,984,513
Pupil Transportation	1,618,106	1,696,832	1,614,427	1,668,532
Central	94,657	104,334	68,386	27,123
Operation of Non-Instructional Services	33,553	170,451	200,197	154,352
Extracurricular Activities	348,584	377,215	386,409	427,445
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	786,671	828,344	860,099	1,010,052
Interest and Fiscal Charges	444,476	426,804	386,175	343,663
Total Expenditures	<u>22,467,744</u>	<u>22,149,339</u>	<u>22,316,927</u>	<u>23,586,339</u>
Excess (Deficiency) of Revenues				
Over Expenditures	784,433	2,432,229	3,579,327	2,560,137

Lakewood Local School District

*					
2017	2018	2019	2020	2021	2022
\$14,169,147	\$16,067,795	\$13,686,900	\$15,877,544	\$16,242,885	\$17,357,934
1,174,718	1,220,174	940,057	1,361,525	1,434,681	729,738
138,938	248,916	506,348	392,764	46,530	(113,865)
141,481	179,888	169,432	121,905	114,054	136,890
69,111	76,523	71,986	61,436	72,817	65,992
11,265	20,751	9,963	33,320	18,711	14,811
9,095,333	8,401,513	8,067,273	7,629,292	7,837,078	7,168,938
1,297,851	1,062,016	1,051,645	972,695	1,447,885	2,868,820
132,870	181,958	115,760	225,542	363,625	90,485
<u>26,230,714</u>	<u>27,459,534</u>	<u>24,619,364</u>	<u>26,676,023</u>	<u>27,578,266</u>	<u>28,319,743</u>
13,744,523	14,728,313	15,324,959	15,721,151	15,886,540	13,919,992
1,623,056	1,721,318	1,714,295	1,721,207	1,793,713	1,946,061
649,305	742,318	850,100	936,082	1,167,721	1,056,292
89,586	176,071	156,324	102,531	76,367	109,624
1,891,555	1,919,922	1,976,644	2,001,735	2,005,894	2,069,287
716,347	698,923	760,721	806,991	819,606	827,201
25,520	26,506	26,294	15,792	14,353	36,815
2,411,178	2,118,221	2,228,896	2,143,930	2,307,443	2,499,977
1,861,033	1,828,136	1,798,865	1,881,923	1,952,940	2,097,860
23,219	21,741	38,645	67,843	81,929	95,242
6,703	3,380	5,244	12,111	43,434	44,692
463,952	547,327	485,708	487,543	466,918	503,283
1,871,288	2,418,275	51,947	81,849	1,143,427	1,922,384
889,852	1,059,832	1,071,135	1,086,878	1,119,234	1,123,076
258,028	293,663	269,015	244,411	216,501	189,489
<u>26,525,145</u>	<u>28,303,946</u>	<u>26,758,792</u>	<u>27,311,977</u>	<u>29,096,020</u>	<u>28,441,275</u>
(294,431)	(844,412)	(2,139,428)	(635,954)	(1,517,754)	(121,532)

(Continued)

Lakewood Local School District

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	6,039	2,392	5,850	5,600
School Energy Conservation Bonds Issued	917,707	0	0	0
Refunding General Obligation Bonds Issued	0	0	0	8,055,000
Premium on Refunding General Obligation Bonds	0	0	0	372,202
Other Financing Sources - Capital Leases	115,438	0	0	62,770
Payment to Refunded Bonds Escrow Agent	0	0	0	(8,273,386)
Transfers In	0	0	3,000	0
Transfers Out	0	0	(3,000)	0
Total Other Financing Sources (Uses)	<u>1,039,184</u>	<u>2,392</u>	<u>5,850</u>	<u>222,186</u>
Net Change in Fund Balance	<u>\$1,823,617</u>	<u>\$2,434,621</u>	<u>\$3,585,177</u>	<u>\$2,782,323</u>
 Debt Service as a Percentage of Noncapital Expenditures	 5.79%	 5.85%	 5.68%	 5.93%

Source: District Treasurer's Office

* Restated for implementation of GASB 84, Fiduciary Activities

Lakewood Local School District

*					
2017	2018	2019	2020	2021	2022
52,777	12,979	2,108	4,525	3,890	19,019
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
2,500,000	84,914	0	0	91,375	0
0	0	0	0	0	0
500,000	500,000	500,000	500,000	0	0
(500,000)	(500,000)	(500,000)	(500,000)	(100,000)	0
<u>2,552,777</u>	<u>97,893</u>	<u>2,108</u>	<u>4,525</u>	<u>(4,735)</u>	<u>19,019</u>
<u>\$2,258,346</u>	<u>(\$746,519)</u>	<u>(\$2,137,320)</u>	<u>(\$631,429)</u>	<u>(\$1,522,489)</u>	<u>(\$102,513)</u>
4.88%	5.43%	5.10%	4.99%	4.91%	5.07%

Lakewood Local School District

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

Tax year	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
			**	
Real Property				
Assessed	\$378,886,250	\$388,406,130	\$404,571,981	\$395,670,850
Actual	1,082,532,143	1,109,731,800	1,155,919,946	1,130,488,143
Public Utility				
Assessed	16,994,710	21,658,260	23,420,060	27,025,450
Actual	16,994,710	21,658,260	23,420,060	27,025,450
Total				
Assessed	395,880,960	410,064,390	427,992,041	422,696,300
Actual	1,099,526,853	1,131,390,060	1,179,340,006	1,157,513,593
Assessed Value as a Percentage of Actual Value	36.00%	36.24%	36.29%	36.52%
Total Direct Tax Rate	\$54.33	\$54.51	\$54.40	\$54.20

Source: Licking County Auditor

* Reappraisal

** Update

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

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

Lakewood Local School District

2016	2017	2018	2019	2020	2021
	*			**	
\$398,698,788	\$431,277,342	\$435,415,202	\$442,278,789	\$520,992,294	\$529,831,414
1,139,139,394	1,232,220,977	1,244,043,434	1,263,653,683	1,488,549,411	1,513,804,040
29,234,730	30,572,020	31,890,550	36,716,240	38,771,990	41,757,320
29,234,730	30,572,020	31,890,550	36,716,240	38,771,990	41,757,320
427,933,518	461,849,362	467,305,752	478,995,029	559,764,284	571,588,734
1,168,374,124	1,262,792,997	1,275,933,984	1,300,369,923	1,527,321,401	1,555,561,360
36.63%	36.57%	36.62%	36.84%	36.65%	36.74%
\$54.20	\$53.20	\$53.10	\$52.60	\$51.10	\$51.00

Lakewood Local School District

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

Tax year	2012	2013	2014	2015
Direct District Rates				
General Fund	53.33	52.89	52.40	52.40
Bond Retirement Fund	1.00	1.62	2.00	1.80
Total	54.33	54.51	54.40	54.20
Overlapping Rates				
Licking County Joint Vocational School	2.48	2.56	2.54	2.58
Licking County	7.70	7.70	8.00	8.00
Special Taxing Districts				
City				
Heath	4.40-5.40	4.40 - 5.40	4.10-5.40	5.60-6.40
Villages				
Buckeye Lake	11.20-11.40	11.20 - 11.40	11.20-12.20	11.10-12.20
Hebron	13.20-13.30	13.20 - 13.30	13.30	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	3.10-4.90
Union	0.80-6.20	2.30 - 7.70	2.30-7.40	2.30-7.40

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

2016	2017	2018	2019	2020	2021
52.40	51.40	51.40	50.90	49.40	49.30
1.80	1.80	1.70	1.70	1.70	1.70
54.20	53.20	53.10	52.60	51.10	51.00
2.57	2.55	2.55	2.55	2.50	2.50
8.00	9.50	9.50	9.50	9.50	9.50
5.60-6.40	5.60-6.40	5.60-6.40	5.60-6.40	5.60-6.40	5.60-6.40
11.10-12.20	16.10-17.20	16.10-17.20	21.10-22.20	21.10-22.20	21.10-22.20
13.30	13.30	13.30	13.30	13.30	13.30
5.80	5.80	5.10	5.80	5.80	5.80
7.20	7.20	7.20	7.20	7.20	7.20
6.10-7.90	6.10-7.90	6.10-7.90	6.10-7.90	6.10-7.90	6.10-7.90
4.10-7.40	5.60-7.40	5.60-7.40	5.60-7.40	5.60-7.40	3.80-5.60

Lakewood Local School District

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

Name of Taxpayer	Nature of Business	Calendar Year 2021		
		Assessed Value	Rank	Percent of Total Assessed Value
Southgate Company Limited Partnership	Developer	\$6,762,190	1	1.28%
Harry & David Operations Inc.	Distributor	5,250,010	2	0.99%
Lexington O C LLC	Warehouse	5,005,020	3	0.94%
DCP Heath Holdings LLC	Foreign Limited Liability Co	4,836,830	4	0.91%
THK Manufacturing of America Inc.	Linear Motion Devices	3,724,990	5	0.70%
IIP-OH 1 LLC	Foreign Limited Liability Co	3,435,010	6	0.65%
Hebron Business Park LTD	Network/Cloud Services	2,240,000	7	0.42%
Covestro LLC	Manufacturer - Polymers	2,208,270	8	0.42%
POSH Properties NO 12 1601 S Liberty Family Limited	Developer	2,197,790	9	0.41%
Uhrman Development LLC	Developer	2,100,000	10	0.40%
	Subtotal	37,760,110		7.12%
	All Others	492,071,304		92.88%
	Total	\$529,831,414		100.00%

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

Source: Licking County Auditor - Land and Buildings
Based on valuation of property in 2021 and 2012

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 2021		
		Assessed Value	Rank	Percent of Total Assessed Value
Ohio Power Company	Electricity	\$21,955,070	1	52.58%
Columbia Gas Transmission Corp	Natural Gas	6,416,010	2	15.36%
AEP Ohio Transmission Co., Inc.	Electricity	4,686,110	3	11.22%
National Gas and Oil Corp	Propane	2,310,260	4	5.53%
Eastern Gas Transmission and Storage Inc.	Pipelines	2,304,130	6	5.52%
Licking Rural Electric Inc.	Electricity	1,606,560	5	3.85%
NGO Transmission Inc.	Natural Gas	1,463,960	7	3.51%
Columbia Gas of Ohio	Propane	652,910	8	1.56%
Dayton Power & Light Co	Electricity	241,400	9	0.58%
Duke Energy Ohio Inc.	Electricity	107,950	10	0.26%
	Subtotal	41,744,360		99.97%
	All Others	12,960		0.03%
	Total	\$41,757,320		100.00%

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

Source: Licking County Auditor - Land and Buildings
Based on valuation of property in 2021 and 2012

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Tax Levy	\$15,201,319	\$14,481,893	\$15,072,793	\$15,646,211
Collections within the Fiscal Year of the Levy				
Current Tax Collections	14,457,628	13,869,943	14,536,465	15,097,508
Percent of Levy Collected	95.11%	95.77%	96.44%	96.49%
Delinquent Tax Collections	<u>623,368</u>	<u>589,795</u>	<u>612,082</u>	<u>464,878</u>
Total Tax Collections	15,080,996	14,459,738	15,148,547	15,562,386
Percent of Total Tax Collections To Tax Levy	99.21%	99.85%	100.50%	99.46%
Accumulated Outstanding Delinquent Taxes	945,992	933,285	576,011	638,307
Percentage of Accumulated Delinquent Taxes to Total Tax Levy	6.22%	6.44%	3.82%	4.08%

Source: Licking County Auditor's Office

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

Lakewood Local School District

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$15,786,873	\$15,873,468	\$16,426,928	\$16,919,735	\$16,662,711	\$16,914,211
15,232,195	15,423,233	16,107,572	16,590,799	16,251,305	16,667,803
96.49%	97.16%	98.06%	98.06%	97.53%	98.54%
<u>453,056</u>	<u>254,186</u>	<u>449,882</u>	<u>463,378</u>	<u>434,893</u>	<u>481,151</u>
15,685,251	15,677,419	16,557,454	17,054,177	16,686,198	17,148,954
99.36%	98.76%	100.79%	100.79%	100.14%	101.39%
546,685	451,838	626,265	645,053	417,577	288,936
3.46%	2.85%	3.81%	3.81%	2.51%	1.71%

Lakewood Local School District

*Ratio of Outstanding Debt By Type
Last Ten Years*

	2013	2014	2015	2016
Governmental Activities ⁽¹⁾				
Energy Conservation Bonds Payable	\$1,244,758	\$1,065,238	\$881,276	\$692,648
General Obligation Bonds Payable	10,724,872	10,197,601	9,660,419	8,922,230
Loan Payable	0	0	0	0
Lease Payable	126,525	92,701	56,564	82,910
Total Primary Government	<u>\$12,096,155</u>	<u>\$11,355,540</u>	<u>\$10,598,259</u>	<u>\$9,697,788</u>
 Population ⁽²⁾				
Village of Buckeye Lake and Village of Hebron	5,082	5,082	5,082	5,082
Outstanding Debt Per Capita	2,380	2,234	2,085	1,908
 Income ⁽³⁾				
Personal (in thousands)	202,518	203,377	202,441	211,315
Percentage of Personal Income	5.97%	5.58%	5.24%	4.59%

Sources:

- (1) District Treasurer's Office
- (2) US Bureau of Census of Population - latest update is calendar year 2020 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

2017	2018	2019	2020	2021	2022
\$550,624	\$458,854	\$367,083	\$275,312	\$183,541	\$91,770
8,220,168	7,484,151	6,728,134	5,962,117	5,181,100	4,380,083
2,500,000	2,270,000	2,045,000	1,815,000	1,575,000	1,330,000
45,082	96,934	67,570	37,463	91,375	75,070
<u>\$11,315,874</u>	<u>\$10,309,939</u>	<u>\$9,207,787</u>	<u>\$8,089,892</u>	<u>\$7,031,016</u>	<u>\$5,876,923</u>
5,168	5,251	5,348	4,846	4,846	4,846
2,190	1,963	1,722	1,669	1,451	1,213
218,177	232,157	245,034	251,875	246,225	246,225
5.19%	4.44%	3.76%	3.21%	2.86%	2.39%

Lakewood Local School District

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

Year	2013	2014	2015	2016
Population (1)	5,082	5,082	5,082	5,082
Assessed Value (2)	395,880,960	410,064,390	427,992,041	422,696,300
General Bonded Debt (3)				
General Obligation Bonds	10,724,872	10,197,601	9,660,419	8,922,230
Resources Available to Pay Principal (4)	847,327	533,493	444,792	437,421
Net General Bonded Debt	9,877,545	9,664,108	9,215,627	8,484,809
Ratio of Net Bonded Debt to Estimated Actual Value	2.5%	2.4%	2.2%	2.0%
Net Bonded Debt per Capita	1,943.63	1,901.63	1,813.39	1,669.58

Source:

- (1) U.S. Bureau of Census of Population - latest update is calendar year 2020
- (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

2017	2018	2019	2020	2021	2022
5,168	5,251	5,348	4,846	4,846	4,846
427,933,518	461,849,362	467,305,752	478,995,029	559,764,284	571,588,734
8,220,168	7,484,151	6,728,134	5,962,117	5,181,100	4,380,083
411,361	448,350	469,288	505,710	626,042	817,358
7,808,807	7,035,801	6,258,846	5,456,407	4,555,058	3,562,725
1.8%	1.5%	1.3%	1.1%	0.8%	0.6%
1,510.99	1,339.90	1,170.32	1,125.96	939.96	735.19



Lakewood Local School District

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2022*

Jurisdiction	Gross Debt Outstanding	Percentage Applicable to Lakewood Local School District (1)	Amount Applicable to Lakewood Local School District
Direct:			
Lakewood Local School District	\$5,876,923	100.00%	\$5,876,923
Overlapping:			
Licking County	25,817,626	10.48%	2,705,687
Heath City	5,655,000	9.07%	512,909
Buckeye Lake Village	167,374	99.31%	166,219
Hebron Village	845,000	100.00%	845,000
Bowling Green Township	22,450	41.65%	9,350
Franklin Township	176,173	95.10%	167,541
Licking County Career & Technical Center (C-Tec)	7,550,000	10.09%	761,795
		Subtotal	5,168,501
		Total	\$11,045,424

Source: Ohio Municipal Advisory Council, June 2022

(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	2013	2014	2015	2016
Net Assessed Valuation	\$395,880,960	\$410,064,390	\$427,992,041	\$422,696,300
Legal Debt Limitation (%) (1)	9.00%	9.00%	9.00%	9.00%
Legal Debt Limitation (\$) (1)	35,629,286	36,905,795	38,519,284	38,042,667
Applicable District Debt Outstanding	10,724,872	10,197,601	9,660,419	8,922,230
Less: Applicable Debt Service Fund Amounts (2)	(847,327)	(533,493)	(444,792)	(437,421)
Net Indebtedness Subject to Limitation	<u>9,877,545</u>	<u>9,664,108</u>	<u>9,215,627</u>	<u>8,484,809</u>
Overall Legal Debt Margin	<u>\$25,751,741</u>	<u>\$27,241,687</u>	<u>\$29,303,657</u>	<u>\$29,557,858</u>
Legal Debt Limitation (%) (1)	0.10%	0.10%	0.10%	0.10%
Legal Debt Limitation (\$) (1)	395,881	410,064	427,992	422,696
Applicable District Debt Outstanding	0	0	0	0
Unvoted Legal Debt Margin	<u>\$395,881</u>	<u>\$410,064</u>	<u>\$427,992</u>	<u>\$422,696</u>
Legal Debt Limitation (%) (1)	0.90%	0.90%	0.90%	0.90%
Legal Debt Limitation (\$) (1)	3,562,929	3,690,580	3,851,928	3,804,267
Applicable District Debt Outstanding	(1,244,758)	(1,065,238)	(881,276)	(692,648)
Unvoted Energy Conservation Loans Legal Debt Margin	<u>\$2,318,171</u>	<u>\$2,625,342</u>	<u>\$2,970,652</u>	<u>\$3,111,619</u>

(1) Ohio Bond Law sets a limit of 9% for overall debt, 1/10 of 1% for unvoted debt, and 9/10 of 1% for energy conservation debt.

(2) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

Lakewood Local School District

2017	2018	2019	2020	2021	2022
\$427,933,518	\$461,849,362	\$467,305,752	\$478,995,029	\$559,764,284	\$571,588,734
9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
38,514,017	41,566,443	42,057,518	43,109,553	50,378,786	51,442,986
8,220,168	7,484,151	6,728,134	5,962,117	5,181,100	4,380,083
(411,361)	(448,350)	(469,288)	(505,710)	(626,042)	(817,358)
7,808,807	7,035,801	6,258,846	5,456,407	4,555,058	3,562,725
<u>\$30,705,210</u>	<u>\$34,530,642</u>	<u>\$35,798,672</u>	<u>\$37,653,146</u>	<u>\$45,823,728</u>	<u>\$47,880,261</u>
0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
427,934	461,849	467,306	478,995	559,764	571,589
0	0	0	0	0	0
<u>\$427,934</u>	<u>\$461,849</u>	<u>\$467,306</u>	<u>\$478,995</u>	<u>\$559,764</u>	<u>\$571,589</u>
0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
3,851,402	4,156,644	4,205,752	4,310,955	5,037,879	5,144,299
(550,624)	(458,854)	(367,083)	(275,312)	(183,541)	(91,770)
<u>\$3,300,778</u>	<u>\$3,697,790</u>	<u>\$3,838,669</u>	<u>\$4,035,643</u>	<u>\$4,854,338</u>	<u>\$5,052,529</u>

Lakewood Local School District

*Demographic and Economic Statistics
Last Ten Years*

Calendar Year*	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Population (1)				
Village of Buckeye Lake and Village of Hebron	5,082	5,082	5,082	5,082
Licking County	167,537	168,375	169,390	170,570
Income (2) (a)				
Total Personal (in thousands)	202,518	203,377	202,441	211,315
Per Capita	39,850	40,019	39,835	41,581
Unemployment Rate (3)				
Federal	8.1%	7.4%	6.2%	5.3%
State	7.2%	7.4%	5.7%	4.9%
Licking County	6.5%	6.9%	5.1%	4.4%
Fiscal Year**	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
School Enrollment (4)				
Grades K - 5	839	816	797	805
Grades 6 - 8	500	445	409	430
Grades 9 - 12	643	658	610	567
Non-Grade	51	51	56	2
Total	<u>2,033</u>	<u>1,970</u>	<u>1,872</u>	<u>1,804</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 2020.

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

(a) Per Capita Income is only available by County (2021 not available),
Total Personal Income is a calculation

(3) State Department of Labor Statistics

** Presented on a fiscal year basis

(4) Student enrollment is based on the October count using the Educational Management System for fiscal years 2013 through 2016, while student enrollment for fiscal years 2017 through 2021 are based on the year end count. Beginning in fiscal year 2022 the District enrollment is based on actual district educated enrollment.

Lakewood Local School District

2016	2017	2018	2019	2020	2021
5,168	5,251	5,320	5,348	4,846	4,846
172,198	173,448	175,769	176,862	178,100	178,100
218,177	232,157	245,034	251,875	246,225	246,225
42,217	44,212	46,059	47,097	50,810	50,810
4.9%	4.4%	3.9%	3.7%	8.1%	5.3%
4.9%	5.0%	4.6%	4.1%	8.1%	5.1%
4.3%	4.2%	4.0%	3.7%	6.5%	4.1%
2017	2018	2019	2020	2021	2022
819	814	817	828	768	734
461	449	434	422	375	351
622	615	602	594	547	541
0	0	0	0	0	0
1,902	1,878	1,853	1,844	1,690	1,626



Lakewood Local School District

*Principal Employers
Current Year and Nine Years Ago*

Employer	Nature of Business	2022	
		Number of Employees	Rank
THK Manufacturing of America Inc.	Linear Motion Devices	436	1
Harry & David Operations Inc.	Distributor	350	2
Hendrickson Axle	Auxiliary Axle Manufacturing	260	3
Armor Source	Ballistic Helmet Manufacturer	175	4
RR Donnelly	Manufacturing	160	7
Covestro LLC	Polymers	150	5
Momentive	Adhesives	137	6
Kroger	Grocery Retailer	125	8
Transcendia	Plastic Film Manufacturer	110	9
Lear	Automotive Seat Manufacture	100	10
Total		2,003	
Total Employment within the District		N/A	

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

Sources: Village of Hebron Administrative Offices - This information is based on 2022 and 2013 information.

N/A - not available

Lakewood Local School District

*School District Employees by Type
Last Ten Years*

	2013	2014	2015	2016	2017
Supervisory					
Superintendent/Director of District Services	2	2	2	2	2
Department Administrators	6	6	6	6	6
Principals	4	4	4	4	4
Assistant Principals	3	3	3	3	3
Instruction					
Classroom Teachers					
Elementary	52	52	54	56	57
Middle	42	41	43	39	39
High	43	44	45	45	44
Educational Options	0	0	0	0	1
Instructional Support					
Coaches- Literacy/Math	0	0	1	2	2
Stem Coordinator	0	0	0	0	0
Student Services					
Guidance Counselors	4	4	3	3	3
Social Workers	1	1	1	1	1
Psychologists	2	2	2	2	2
Librarians	1	1	0	1	0
Speech Language	3	3	3	3	3
Media Integration Specialist (Grade 6-12)	0	0	0	1	1
Support Services					
Clerical/Secretaries	12	10	10	10	10
Aides/Monitors	16	17	17	17	17
Fiscal /Accounting	3	3	3	3	3
Food Service	16	17	17	14	14
Library Technicians	4	4	4	4	4
Maintenance/Grounds	18	18	17	17	18
Technology Coordinator/ Desktop/Endpoint Tech	1	1	1	1	1
Transportation	28	27	27	27	28
<i>Total Employees</i>	<u>261</u>	<u>260</u>	<u>263</u>	<u>261</u>	<u>263</u>

Method: 1.00 for each employee position

Source: District Treasurer's Office

Lakewood Local School District

2018	2019	2020	2021	2022
2	2	2	2	2
6	6	6	7	7
4	4	4	4	4
3	3	3	3	3
60	55	55	57	57
37	37	37	29	29
42	42	41	41	39
1	1	1	1	1
2	2	2	2	2
0	1	1	1	1
3	3	3	3	3
1	1	1	1	1
2	2	2	2	2
0	0	0	0	0
3	3	3	3	3
1	1	1	1	1
10	10	10	10	10
17	16	17	18	19
3	3	3	3	3
14	15	15	15	16
4	4	4	4	4
17	17	17	18	21
1	1	1	1	2
28	28	28	30	27
<u>261</u>	<u>257</u>	<u>257</u>	<u>256</u>	<u>257</u>

Lakewood Local School District

*Cost per Pupil
Last Ten Years*

Fiscal Year	2013	2014	2015	2016	2017
Enrollment (1)	2,033	1,970	1,872	1,804	1,902
Modified Accrual Basis					
Operating Expenditures	\$22,467,744	\$22,149,339	\$22,316,927	\$23,586,339	\$26,525,145
Cost per Pupil	11,052	11,243	11,921	13,074	13,946
Percentage of Change	7.6%	1.7%	6.0%	9.7%	6.7%
Accrual Basis (2)					
Expenses	\$20,799,476	\$21,077,732	\$21,032,260	\$22,133,530	\$24,479,071
Cost per Pupil	10,231	10,699	11,235	12,269	12,870
Percentage of Change	2.9%	4.6%	5.0%	9.2%	4.9%
Teaching Staff	137	137	142	140	141

Source: District Treasurer's Office

(1) Student Enrollment is based on the October Count using the Educational Management System for fiscal years 2013 through 2016, whole student enrollment for fiscal years 2017 through 2021 are based on the year end count. Beginning in fiscal year 2022 the District is based on actual district educated enrollment.

(2) Expenses exclude interest and fiscal charges

Lakewood Local School District

2018	2019	2020	2021	2022
1,878	1,853	1,844	1,690	1,626
\$28,303,946	\$26,733,057	\$27,311,977	\$29,096,020	\$28,441,275
15,071	14,427	14,811	17,217	17,492
8.1%	(4.3%)	2.7%	16.2%	1.6%
\$13,515,550	\$23,457,437	\$28,012,556	\$28,706,054	\$23,683,634
7,197	12,659	15,191	16,986	14,566
(44.1%)	75.9%	20.0%	11.8%	(14.2%)
140	135	134	128	126

Lakewood Local School District

*Operational Information
Last Ten Years*

	2013	2014	2015	2016
Governmental Activities				
Pupils				
Enrollment	2,033	1,970	1,872	1,804
Graduates	145	147	159	134
Percent of Students with Disabilities	15.0%	14.7%	16.0%	17.5%
Board of Education				
Regularly scheduled board meeting per year	12	12	12	12
Fiscal Services				
Purchase Orders Processed	1,332	1,363	1,404	1,437
Checks Issued (non payroll)	2,598	2,548	2,530	2,598
Operation and Maintenance of Plant				
District Square Footage Maintained	357,393	357,393	357,393	357,393
District Square Acreage Maintained	114	114	114	114
Pupil Transportation				
Average Daily Students Transported	1,347	1,334	1,330	1,357
Average Daily Bus Fleet Miles	2,353	2,425	2,019	2,038
Number of Buses	33	34	34	34
Extracurricular Activities				
High School Varsity Teams	15	19	19	19
Business-Type Activities				
Food Service				
Student Lunches Served Annually	192,996	205,687	190,690	176,446
Free/Reduced Student Lunches Served Annually	119,828	119,006	109,099	103,649

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

Student enrollment is based on the October count using the Educational Management System for fiscal years 2013 through 2016, while student enrollment for fiscal years 2017 through 2021 are based on the year end count. Beginning in fiscal year 2022, the District enrollment is based on actual district educated enrollment.

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

During fiscal year 2021, School was on a reduced schedule with an online option due to COVID-19 pandemic. All lunches served during fiscal year 2021 and fiscal year 2022 were free to students. The District received reimbursement for the lunches served from the US Department of Agriculture.

Lakewood Local School District

2017	2018	2019	2020	2021	2022
1,902	1,878	1,853	1,844	1,690	1,626
159	156	134	123	165	134
17.0%	17.4%	18.4%	21.0%	22.0%	20.0%
12	12	12	12	12	12
1,412	1,594	1,683	1,446	1,272	1,402
2,589	2,202	2,218	1,929	1,689	1,714
357,393	357,393	358,245	358,245	358,245	358,245
114	114	114	114	114	114
1,191	1,191	1,173	1,102	693	903
2,399	2,352	2,366	1,926	1,640	2,498
34	30	29	29	29	29
19	19	21	21	21	21
181,867	175,942	173,826	140,863	105,422	192,311
108,337	100,738	104,578	92,698	105,422	192,311

Lakewood Local School District

*Teachers' Salaries
Last Ten Years*

Fiscal Year	2013	2014	2015	2016	2017
Minimum Salary (1)	31,716	31,875	32,433	33,406	34,408
Maximum Salary (2)	67,397	67,734	68,920	70,988	73,117
District Average Salary (3)	47,559	47,455	48,135	50,259	56,787
State Average Salary (3)	56,307	55,916	55,913	55,294	56,985

*Full Time Equivalent Teachers by Education
Last Ten Years*

Fiscal Year	2013	2014	2015	2016	2017
Bachelor's Degree	6	9	7	6	6
Bachelor + 15	35	35	33	25	19
Master's Degree	66	65	66	70	72
Master's Degree + 15	30	28	36	39	44
Total	<u>137</u>	<u>137</u>	<u>142</u>	<u>140</u>	<u>141</u>

Source: District Treasurer's Office Personnel Records

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

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

(3) Provided by the Ohio Department of Education.

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

Lakewood Local School District

2018	2019	2020	2021	2022
35,096	36,962	37,794	38,644	39,514
74,579	78,544	80,312	84,244	86,141
58,691	60,827	62,733	64,237	65,205
58,186	63,916	65,754	N/A	N/A

2018	2019	2020	2021	2022
7	8	11	11	9
17	18	21	20	20
61	56	52	45	43
55	53	50	52	54
140	135	134	128	126

Lakewood Local School District

Building Statistics Last Ten Years

	2013	2014	2015	2016	2017
Secondary					
Lakewood Local High School					
Constructed in 2000					
Total Building Square Footage	150,848	150,848	150,848	150,848	150,848
Student Capacity	1,000	1,000	1,000	1,000	1,000
Enrollment Grades 9-12	646	658	629	623	622
Instruction Classrooms	44	44	44	44	44
Administrators	N/A	N/A	N/A	N/A	N/A
Certified Staff	N/A	N/A	N/A	N/A	N/A
Classified Staff	N/A	N/A	N/A	N/A	N/A
Middle					
Lakewood Local Middle School					
Constructed in 1959					
Total Building Square Footage	60,700	60,700	60,700	60,700	60,700
Student Capacity	720	720	720	720	720
Enrollment Grades 6-8	500	445	443	429	461
Instruction Classrooms	32	32	32	32	32
Administrators	N/A	N/A	N/A	N/A	N/A
Certified Staff	N/A	N/A	N/A	N/A	N/A
Classified Staff	N/A	N/A	N/A	N/A	N/A
Intermediate					
Jackson Intermediate School					
Constructed in 1972 and 1967					
Total Building Square Footage	75,107	75,107	75,107	75,107	75,107
Student Capacity	975	975	975	975	975
Enrollment Grades 3-5	421	412	421	432	403
Instruction Classrooms	40	40	40	40	40
Administrators	N/A	N/A	N/A	N/A	N/A
Certified Staff	N/A	N/A	N/A	N/A	N/A
Classified Staff	N/A	N/A	N/A	N/A	N/A
Elementary					
Lakewood Local Hebron Elementary School					
Constructed in 1914					
Total Building Square Footage	58,138	58,138	58,138	58,138	58,138
Student Capacity	675	675	675	675	675
Enrollment Grades K-2	466	455	451	456	416
Instruction Classrooms	36	36	36	36	36
Administrators	N/A	N/A	N/A	N/A	N/A
Certified Staff	N/A	N/A	N/A	N/A	N/A
Classified Staff	N/A	N/A	N/A	N/A	N/A
All Other					
Central Administration Building					
Total Building Square Footage	3,696	3,696	3,696	3,696	3,696
Superintendent/Director of District Services	N/A	N/A	N/A	N/A	N/A
Department Administrators	N/A	N/A	N/A	N/A	N/A
Classified Staff	N/A	N/A	N/A	N/A	N/A
Transportation/Maintenance/Food Service Building					
Total Building Square Footage	8,904	8,904	8,904	8,904	8,904
Department Administrators	N/A	N/A	N/A	N/A	N/A
Classified Staff	N/A	N/A	N/A	N/A	N/A

Source: District Treasurer's Office

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

N/A: Information Unavailable

Lakewood Local School District

2018	2019	2020	2021	2022
150,848	150,848	150,848	150,848	150,848
1,000	1,000	1,000	1,000	1,000
615	602	594	547	541
44	44	44	44	44
3	4	4	4	4
48	48	47	46	45
16	15	16	16	19
60,700	61,552	61,552	61,552	61,552
720	720	720	720	720
449	434	422	375	351
32	32	32	32	32
2	2	2	2	2
39	39	39	38	32
13	12	12	12	18
75,107	75,107	75,107	75,107	75,107
975	975	975	975	975
407	407	417	409	376
40	40	40	40	40
2	2	2	2	2
33	31	31	28	32
19	20	20	20	17
58,138	58,138	58,138	58,138	58,138
675	675	675	675	675
407	410	411	359	358
36	36	36	36	36
1	1	1	1	1
32	30	30	31	30
14	14	14	14	15
3,696	3,696	3,696	3,696	3,696
N/A	2	2	2	2
N/A	1	1	2	2
N/A	5	5	5	5
8,904	8,904	8,904	8,904	8,904
N/A	3	3	3	3
N/A	28	28	30	28

Lakewood Local School District

Educational and Operating Statistics Last Ten Years

	2013	2014	2015	2016	2017
Cost per Student (ODE)					
Lakewood	9,282	8,887	9,278	9,918	10,800
State (Average)	10,149	9,536	9,904	9,837	10,445
Attendance Rate					
Lakewood	94.60%	95.00%	95.00%	94.80%	94.50%
State (Average)	94.20%	94.30%	94.10%	94.10%	93.90%
Graduation Rate					
Lakewood	89.00%	87.00%	95.00%	95.00%	90.80%
State (Average)	82.20%	82.20%	83.00%	83.60%	84.10%

Source:

Ohio Department of Education local report cards

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

Lakewood Local School District

2018	2019	2020	2021	2022
9,631	12,937	10,262	11,418	12,224
9,356	12,472	9,883	10,334	11,246
94.20%	93.80%	95.00%	90.90%	90.30%
93.70%	93.50%	94.90%	91.50%	90.40%
89.90%	90.10%	93.00%	95.30%	91.40%
85.30%	85.90%	87.20%	87.00%	N/A



LAKEWOOD LOCAL SCHOOL DISTRICT
LICKING COUNTY, OHIO

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

**LAKESWOOD LOCAL SCHOOL DISTRICT
LICKING COUNTY**

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**LAKWOOD LOCAL SCHOOL DISTRICT
LICKING COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM/CLUSTER TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER / ADDITIONAL AWARD IDENTIFICATION	TOTAL EXPENDITURES OF FEDERAL AWARDS
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through the Ohio Department of Education</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	2022	\$ 389,304
National School Lunch Program	10.555	2022	608,079
COVID-19 - National School Lunch Program	10.555	COVID-19, 2022	12,842
National School Lunch Program - Food Donation	10.555	2022	80,199
Total National School Lunch Program			<u>701,120</u>
Total Child Nutrition Cluster			<u>1,090,424</u>
COVID-19 - Pandemic EBT Administrative Costs	10.649	COVID-19, 2022	614
Total U.S. Department of Agriculture			<u>1,091,038</u>
U.S. DEPARTMENT OF THE TREASURY			
<i>Passed Through the Ohio Department of Education</i>			
COVID-19 - Coronavirus Relief Fund - Rural and Small Town School Districts	21.019	COVID-19, 2021	898
Total U.S. Department of the Treasury			<u>898</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through the Ohio Department of Education</i>			
Title I Grants to Local Educational Agencies	84.010A	84.010A, 2021	21,765
Title I Grants to Local Educational Agencies	84.010A	84.010A, 2022	272,954
Title I Grants to Local Educational Agencies - Noncompetitive, Supplemental School Improvement	84.010A	84.010A, 2021	13,959
Title I Grants to Local Educational Agencies - Noncompetitive, Supplemental School Improvement	84.010A	84.010A, 2022	13,355
Title I Grants to Local Educational Agencies - Expanding Opportunities for Each Child Non-Competitive Grant	84.010A	84.010A, 2022	8,692
Total Title I Grants to Local Educational Agencies			<u>330,725</u>
Special Education Cluster (IDEA):			
Special Education_Grants to States	84.027A	84.027A, 2021	32,531
Special Education_Grants to States	84.027A	84.027A, 2022	374,213
COVID-19 - Special Education_Grants to States - ARP IDEA Part B Special Education	84.027X	COVID-19, 84.027X, 2022	20,181
Total Special Education_Grants to States			<u>426,925</u>
Special Education_Preschool Grants	84.173A	84.173A, 2022	10,386
COVID-19 - Special Education_Preschool Grants - ARP IDEA Early Childhood Special Education	84.173X	COVID-19, 84.173X, 2022	4,611
Total Special Education_Preschool Grants			<u>14,997</u>
Total Special Education Cluster (IDEA)			<u>441,922</u>
English Language Acquisition State Grants	84.365A	84.365A, 2021	65
English Language Acquisition State Grants	84.365A	84.365A, 2022	1,022
Total English Language Acquisition State Grants			<u>1,087</u>
Supporting Effective Instruction State Grants	84.367A	84.367A, 2022	37,632
Student Support and Academic Enrichment Program	84.424A	84.424A, 2021	13,713
Student Support and Academic Enrichment Program	84.424A	84.424A, 2022	12,872
Total Student Support and Academic Enrichment Program			<u>26,585</u>
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER II) Fund	84.425D	COVID-19, 84.425D, 2022	786,743
COVID-19 - Elementary and Secondary School Emergency Relief Fund - ARP ESSER	84.425U	COVID-19, 84.425U, 2022	387,131
<i>Passed Through Kenton City School District Board of Education, Kenton, Ohio</i>			
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	COVID-19, 84.425D, 2021	12,600
Total Education Stabilization Fund			<u>1,186,474</u>
Total U.S. Department of Education			<u>2,024,425</u>
Total Federal Financial Assistance			<u>\$ 3,116,361</u>

The accompanying notes are an integral part of this schedule.

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

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 – BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2022 and is prepared in accordance with the cash basis of accounting. 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 the 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. Such expenditures are recognized following cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be limited to as to reimbursement.

NOTE 2 – DE MINIMIS COST RATE

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 Lakewood Local School District has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 - CHILD NUTRITION CLUSTER

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

NOTE 4 – FOOD DONATION PROGRAM

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

NOTE 5 – PASS THROUGH GRANTS

The Lakewood Local School District was awarded federal program allocations to be administered on their behalf by the Licking County Educational Service Center. For fiscal year 2022, the Lakewood Local School District's allocation was as follows: English Language Acquisition State Grants (ALN 84.365A) \$1,022.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

Lakewood Local School District
Licking County
525 East Main Street
Hebron, OH 43025

To the Members of the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2022, 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 22, 2022, wherein we noted as described in Note 21 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lakewood Local School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lakewood Local School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lakewood Local School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Lakewood Local School District's financial statements will not be prevented, or detected and corrected, on a timely basis. *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 deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lakewood Local School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Lakewood Local School District's internal control or on compliance. This 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 and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.

November 22, 2022

**Independent Auditor’s Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance and on the Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance**

Lakewood Local School District
Licking County
525 East Main Street
Hebron, OH 43025

To the Members of the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Lakewood Local School District’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Lakewood Local School District’s major federal programs for the fiscal year ended June 30, 2022. The Lakewood Local School District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings.

In our opinion, the Lakewood Local School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by 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). Our responsibilities under those standards and the Uniform Guidance are further described in the “Auditor’s Responsibilities for the Audit of Compliance” section of our report.

We are required to be independent of the Lakewood Local School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Lakewood Local School District’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Lakewood Local School District’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Lakewood Local School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Lakewood Local School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Lakewood Local School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Lakewood Local School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Lakewood Local School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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 "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. 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 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, 2022, 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 22, 2022. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Julian & Grube, Inc.
November 22, 2022

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

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2022**

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 §.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program (listed):</i>	COVID-19 – Education Stabilization Fund (ALN 84.425)
<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
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None

OHIO AUDITOR OF STATE KEITH FABER



LAKWOOD LOCAL SCHOOL DISTRICT

LICKING COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 1/10/2023

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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