

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2023



Lakewood Local School District Hebron, Ohio



- Reimagining education
- Instilling community pride
- Inspiring future success

Lakewood...

A family-friendly, inclusive community dedicated to empowering every learner through innovation, collaborative problem-solving and consistent communication.



OHIO AUDITOR OF STATE
KEITH FABER



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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 Lakewood Local School District, Licking County, prepared by Julian & Grube, Inc., for the audit period July 1, 2022 through June 30, 2023. 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. 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

February 13, 2024

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LAKWOOD LOCAL SCHOOL DISTRICT

HEBRON, OHIO

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
June 30, 2023**

Prepared by:

**Ms. Glenna Plaisted
Treasurer/CFO**



LAKWOOD LOCAL SCHOOL DISTRICT

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LAKWOOD LOCAL SCHOOL DISTRICT



INTRODUCTORY SECTION





November 22, 2023

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, 2023. 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 1,596 students in grades K-12. The District also serves 58 preschool students. The District's overall enrollment remained constant from the 2021-2022 school year compared to the 2022-2023 school year.

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

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2023

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 career pathway courses for Engineering and Informational Technology (IT), 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), the high school End of Course Assessments and Diagnostic Tests (K-3). Advanced placement classes are offered in language arts, science, math, social studies and IT 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.

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2023

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 mClass Intervention, Foundations, Spire and Math-U-See have been implemented to use for Tier 2 or Tier 3 interventions. The District also uses mClass Dibels 8th Edition (Reading) and STAR (Math) as a quality benchmark assessment tool in grades K-5. The Ohio Readiness Assessments and Quarterly Assessments are used in grades 6-12 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 the building level RtI (Response to Intervention) 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 A Loved One events and participation on the District Strategic Plan Action Teams.

LAKWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2023

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

In early 2023, the Lakewood Local School Board of Education convened a diverse group of stakeholders including community members, parents, district staff members, and district administrators to consider and chart the future direction of the District. These discussions resulted in a new comprehensive strategic plan, including a vision statement; a mission statement; core values; and five new, over-arching goals with clarifying goal statements.

VISION

Reimagining education, instilling community pride, inspiring future success.

MISSION

Lakewood... a family-friendly, inclusive community dedicated to empowering every learner through innovation, collaborative problem-solving and consistent communication.

CORE VALUES

P Pride
R Respectful
I Integrity
D Determined
E Engaged

LAKWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2023

The District's five GOALS include:

STUDENT EXPERIENCE

Lakewood Local Schools provides a safe, inclusive and engaging environment to support a variety of academic and extra-curricular programs, meeting the needs and interests of all students in reaching their potential.

STAFF EXPERIENCE

Lakewood Local Schools is committed to investing in high quality teachers and staff, providing an environment that supports professional growth, and maintaining a collaborative and positive culture.

FACILITY & RESOURCE MANAGEMENT

Lakewood Local Schools takes care in the management of our facilities and resources promoting community investment, prioritizing student safety, and achieving better student outcomes.

CULTURE OF INCLUSION & BELONGING

Lakewood Local Schools fosters an inclusive environment that improves the experience of students, regardless of background, culture, ability or socioeconomics.

COMMUNITY PRIDE & ENGAGEMENT

Lakewood Local Schools creates and fosters a school community whose members are engaged, communicative, supportive, and proud to be Lakewood Lancers.

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

STATE REPORT CARD PERFORMANCE

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

The District received an overall rating of 4 out of 5 Stars for the 2022-2023 school year. Component grades were also given in each area of the report card from 1 to 5 Stars. Below is the data received from the 2022-2023 school year.

Achievement Component- This represents the level of proficiency of students on the state tests. The District received 3 Stars on this component for the second year in a row. 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 84.8 out of 108.8, an increase from the previous year.

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2023

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 4 Stars on this component. The District was successful in meeting the needs of most subgroups of students in English Language Arts (ELA) and Math Achievement and Growth, and Graduation, with the exception of Economically Disadvantaged students (ELA growth). The District needs to continue 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 for the second year in a row. The students made more than expected growth at all grades in English Language Arts, Math and high school Science. We need to improve in 5th and 8th grade Science and Geometry.

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 3 Stars on this component, an improvement from last year. The percentage of students who began the previous year off-track that increased to on-track this year was 35.1%, which is 13.8% higher than the 2021-2022 school year. Approximately 65% of students Grades K-3 are on-track based on the 2022 Fall Diagnostic Assessments. We used Renaissance STAR assessments to determine student on-track status and provided Individualized Reading Improvement and Monitoring Plans (RIMPS) for all students who are deemed to be off-track. 72.9% of students were proficient in Reading on the 2022-2023 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 2021 and 2022. The District received 3 Stars for this component. Our 4-year graduation rate is 89.9% and our 5-year graduations rate is 92.5% 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 2021 and 2022. This measure awards credits for students who earn remediation-free scores on the ACT for English, reading and math exams, earn an honors Diploma or earn high marks on an industry-recognized credentialing test in one of 13 high-demand career fields. Districts get bonus points for students who achieve at least one of the above and earn a score of 3 or higher on at least one AP Exam or earn at least 3 credits in College Credit Plus (CCP) courses. 11.4% of students participated in the College Credit Plus program and 22.1% of students took AP courses. 14.8% of students received Honors Diplomas. 28.9% 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.

LAKWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2023

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.; MPW Industrial Services Inc.; Hendrickson Axle; Momentive; and Harry & David Operations Inc.

The District relies heavily on property tax revenues to maintain its educational programs. The District has one (1) emergency operating levy. The emergency levy is a ten-year levy which generates \$5,882,139 in district revenues which is collected from real property/public utility taxes and rollback/homestead. The levy was passed on November 8, 2022 and combined the District's two (2) emergency operating levies into one levy. This levy began collections in calendar year 2023. This emergency operating levy represents approximately 39% of the total tax related revenues for the District and 23% of the District's total revenues. The District continuously evaluates its financial needs.

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.

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.

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2023

RECENT INITIATIVES/ACCOMPLISHMENTS

There were a number of District initiatives/accomplishments made during the fiscal year ended June 30, 2023. Some of those were as follows:

Financial

The District received an unmodified opinion on the Fiscal Year 2022 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, 2022. 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 twentieth 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, 2022. 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 fourteenth 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 engaged over 60 stakeholders to complete comprehensive Strategic Planning. Stakeholders included students, staff, parents and community members. A new district vision, mission, core values and five strategic goal areas were developed.
- The District successfully transitioned its kindergarten through 2nd grade elementary students from the 109 year old Hebron Elementary complex to a 50 year old under-used elementary school at the completion of the 2022-2023 school year. This transition will provide a single campus for all Lakewood students, and a climate-controlled, one-level experience that is more suitable for educating our youngest learners in the school district.
- The District 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.
- The District maintains a high school Innovation Lab and various STEM programming for grades K-12. These programs expose our students to STEM principals in the classroom and outside the school day. Many of these programs and resources are funded by grants pursued by Lakewood administration and teachers.
- Lakewood Preschool earned a 5-star rating, the highest rate possible, for Step Up to Quality from the Ohio Department of Education.

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2023

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 2023 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 2023 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.

With the educational challenges and the physical condition of Hebron Elementary School, the Board of Education and Administration closed Hebron Elementary at the end of 2022-2023 school year. At the start of the 2023-2024 school year, Hebron Elementary students were relocated to a school building located on the Lakewood campus which was given the name Lakewood Elementary School. The District is in the process of going through the steps for a public auction of the Hebron Elementary building.

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 implementing key practices in the Science of Reading. We are reviewing all curriculum and assessment materials based on the new Dyslexia Law that goes into effect for the 2023-2024 school year. We have implemented Heggerty, 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.

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, and 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.

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2023

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.

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.

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2023

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, 2023, 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, 2022. 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 twenty 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, 2022. The PAFR is a condensed, more user-friendly financial report intended to provide highlights of the District's financial condition. This was the fourteenth year the District produced a PAFR and received the award.

LAKWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2023

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, 2023***

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

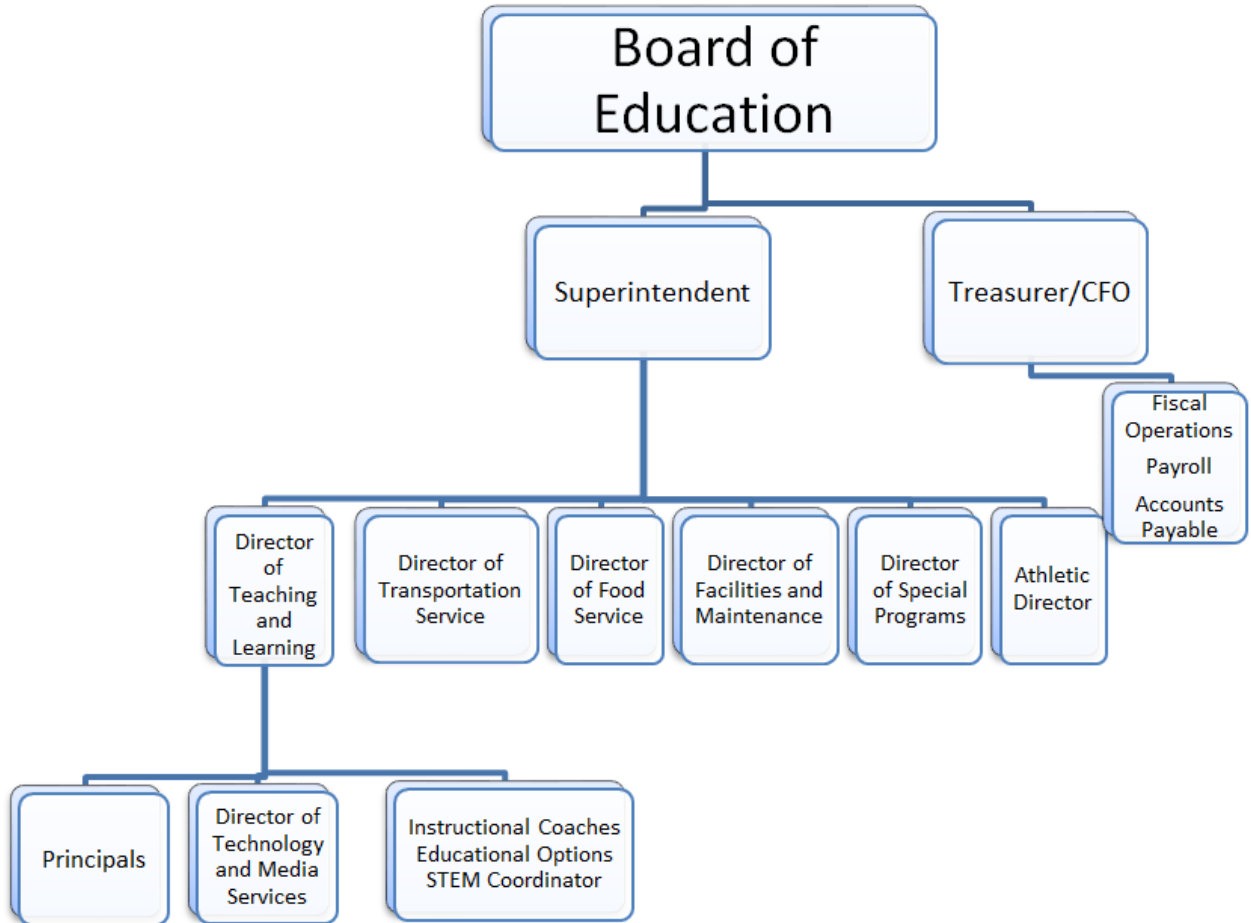
Administration

	<u>Position</u>
Dr. Mark Gleichauf	Superintendent
Patricia Pickering	Director of Teaching and Learning

LAKWOOD LOCAL SCHOOL DISTRICT

Organizational Chart

For the Fiscal Year Ended June 30, 2023



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, 2022

Christopher P. Morill

Executive Director/CEO

LAKWOOD LOCAL SCHOOL DISTRICT



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, 2023, 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, 2023, 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.

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, 2023 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.



Julian & Grube, Inc.
November 22, 2023



LAKEWOOD LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2023

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, 2023. 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 2023 are as follows:

- ❑ In total, net position increased \$5,241,899. Net position of governmental activities increased \$5,205,703, which represents a 136.7% increase from 2022. Net position of business-type activities increased \$36,196 which represents a 27.2% decrease in the net deficit from the 2022 net deficit.
- ❑ General revenues accounted for \$28,114,393 in revenue or 87.9% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for \$3,877,794 or 12.1% of total revenues of \$31,992,187.
- ❑ The District had \$26,786,484 in expenses related to governmental activities; only \$3,877,794 of these expenses were offset by program specific charges for services and sales, and grants and contributions.
- ❑ Among major funds, the general fund had \$27,803,025 in revenues and \$25,355,289 in expenditures. During fiscal year 2023, the general fund's fund balance increased from \$12,882,190 to \$15,546,657.

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, 2023***

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, 2023**

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 2023 compared to 2022:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other assets	\$36,199,223	\$35,387,571	\$513,436	\$491,099	\$36,712,659	\$35,878,670
Net OPEB Asset	2,198,614	1,828,007	0	0	2,198,614	1,828,007
Capital assets, Net	20,033,829	17,716,330	159,323	141,702	20,193,152	17,858,032
Total assets	<u>58,431,666</u>	<u>54,931,908</u>	<u>672,759</u>	<u>632,801</u>	<u>59,104,425</u>	<u>55,564,709</u>
Deferred outflows of resources:						
Refunding	27,906	34,882	0	0	27,906	34,882
Pension	5,503,993	5,758,129	77,173	76,858	5,581,166	5,834,987
OPEB	655,386	826,480	49,447	61,446	704,833	887,926
Total deferred outflows of resources	<u>6,187,285</u>	<u>6,619,491</u>	<u>126,620</u>	<u>138,304</u>	<u>6,313,905</u>	<u>6,757,795</u>
Liabilities:						
Net pension liability	23,734,377	14,506,374	453,095	326,394	24,187,472	14,832,768
Net OPEB liability	1,291,605	1,804,818	120,448	172,198	1,412,053	1,977,016
Other long-term liabilities	6,449,640	6,316,976	33,562	13,056	6,483,202	6,330,032
Other liabilities	3,278,972	3,412,685	103,571	80,956	3,382,543	3,493,641
Total liabilities	<u>34,754,594</u>	<u>26,040,853</u>	<u>710,676</u>	<u>592,604</u>	<u>35,465,270</u>	<u>26,633,457</u>
Deferred inflows of resources:						
Property Tax	14,843,931	16,644,217	0	0	14,843,931	16,644,217
Pension	2,677,199	11,940,250	36,235	185,421	2,713,434	12,125,671
OPEB	3,328,848	3,117,403	149,458	126,266	3,478,306	3,243,669
Total deferred inflows of resources	<u>20,849,978</u>	<u>31,701,870</u>	<u>185,693</u>	<u>311,687</u>	<u>21,035,671</u>	<u>32,013,557</u>
Net position (deficit):						
Net investment in capital assets	13,695,538	10,879,649	159,323	141,702	13,854,861	11,021,351
Restricted	1,957,788	1,146,819	0	0	1,957,788	1,146,819
Unrestricted	(6,638,947)	(8,217,792)	(256,313)	(274,888)	(6,895,260)	(8,492,680)
Total net position (deficit)	<u>\$9,014,379</u>	<u>\$3,808,676</u>	<u>(\$96,990)</u>	<u>(\$133,186)</u>	<u>\$8,917,389</u>	<u>\$3,675,490</u>

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, 2023***

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.

LAKEWOOD LOCAL SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023***

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 34% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture, fixtures, equipment, SBITA assets and vehicles. Net investment in capital assets, at June 30, 2023 was \$13,695,538. 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 governmental activities net position, \$1,957,788, represents resources that are subject to external restriction on how they may be used. Excluding the effect of GASB 68 and GASB 75, the District has approximately \$16.5 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, 2023**

Unaudited

Changes in Net Position – The following table shows the changes in net position for fiscal years 2023 and 2022:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues:						
Charges for Services and Sales	\$1,184,003	\$937,475	\$429,906	\$118,353	\$1,613,909	\$1,055,828
Operating Grants and Contributions	2,558,791	3,352,639	690,675	1,351,768	3,249,466	4,704,407
Capital Grants and Contributions	135,000	0	0	32,027	135,000	32,027
Total Program Revenues	<u>3,877,794</u>	<u>4,290,114</u>	<u>1,120,581</u>	<u>1,502,148</u>	<u>4,998,375</u>	<u>5,792,262</u>
General Revenues:						
Property Taxes	20,802,678	17,385,098	0	0	20,802,678	17,385,098
Grants and Entitlements	6,692,436	6,708,011	0	0	6,692,436	6,708,011
Other	619,279	(35,341)	17,042	0	636,321	(35,341)
Total General Revenues	<u>28,114,393</u>	<u>24,057,768</u>	<u>17,042</u>	<u>0</u>	<u>28,131,435</u>	<u>24,057,768</u>
Total Revenues	<u>31,992,187</u>	<u>28,347,882</u>	<u>1,137,623</u>	<u>1,502,148</u>	<u>33,129,810</u>	<u>29,850,030</u>
Program Expenses						
Instruction	14,820,203	13,062,888	0	0	14,820,203	13,062,888
Support Services:						
Pupils	2,017,451	1,775,838	0	0	2,017,451	1,775,838
Instructional Staff	1,080,801	1,002,700	0	0	1,080,801	1,002,700
Board of Education	144,867	109,620	0	0	144,867	109,620
Administration	2,148,616	1,868,851	0	0	2,148,616	1,868,851
Fiscal Services	838,440	809,114	0	0	838,440	809,114
Business	7,739	36,120	0	0	7,739	36,120
Operation and Maintenance of Plant	2,485,120	2,159,523	0	0	2,485,120	2,159,523
Pupil Transportation	2,107,008	1,985,178	0	0	2,107,008	1,985,178
Central	80,946	60,566	0	0	80,946	60,566
Operation of Non-Instructional Services	80,108	84,464	0	0	80,108	84,464
Extracurricular Activities	797,245	728,772	0	0	797,245	728,772
Interest and Fiscal Charges	177,940	161,554	0	0	177,940	161,554
Food Service	0	0	1,101,427	1,041,581	1,101,427	1,041,581
Total Expenses	<u>26,786,484</u>	<u>23,845,188</u>	<u>1,101,427</u>	<u>1,041,581</u>	<u>27,887,911</u>	<u>24,886,769</u>
Total Change in Net Position (Deficit)	5,205,703	4,502,694	36,196	460,567	5,241,899	4,963,261
Beginning Net Position (Deficit)	3,808,676	(694,018)	(133,186)	(593,753)	3,675,490	(1,287,771)
Ending Net Position (Deficit)	<u>\$9,014,379</u>	<u>\$3,808,676</u>	<u>(\$96,990)</u>	<u>(\$133,186)</u>	<u>\$8,917,389</u>	<u>\$3,675,490</u>

LAKWOOD LOCAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

Unaudited

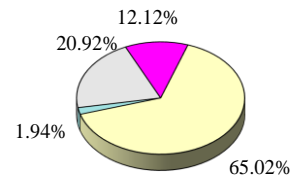
Governmental Activities

Net position of the District's governmental activities increased by \$5,205,703. For fiscal year 2023 tax revenues were \$3 million higher as a result of higher available tax advances. These available tax advances can fluctuate on an annual basis. The increase in investment earnings of \$0.5 million and decrease in pension expenses also contributed to the overall increase in net position. Total governmental expenses of \$26,786,484 were offset by program revenues of \$3,877,794 and general revenues of \$28,114,393. Program revenues supported 14.5% of the total governmental expenses. The primary sources of revenues consist of property taxes and grants and entitlements which total \$27,495,114 and represent 97.8% 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 one (1) emergency operating levy. The emergency levy is a ten-year levy which generates \$5,882,139 in district revenues which is collected from real property/public utility taxes and rollback/homestead. This levy was passed on November 8, 2022 and combined the District's two (2) emergency operating levies into one levy. This levy began collections in calendar year 2023. Property taxes made up 65% of revenues for governmental activities for the District in fiscal year 2023. The District's reliance upon tax revenues is demonstrated by the following chart:

Revenue Sources	2023	Percent of Total
General Grants	\$6,692,436	20.92%
Program Revenues	3,877,794	12.12%
Property Tax Revenues	20,802,678	65.02%
General Other	619,279	1.94%
Total Revenue	\$31,992,187	100.00%



Business-Type Activities

Net position of the business-type activities increased by \$36,196. These programs had revenues of \$1,137,623 and expenses of \$1,101,427 for fiscal year 2023. The increase can be attributed to additional interest income allocation resulting from higher investment interest rates and a higher business-type fund balance. 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, 2023**

Unaudited

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of \$17,602,075, which is higher than last year's total of \$15,028,817. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2023 and 2022.

	Fund Balance June 30, 2023	Fund Balance June 30, 2022	Increase (Decrease)
General	\$15,546,657	\$12,882,190	\$2,664,467
Debt Service	1,246,260	992,686	253,574
Other Governmental	809,158	1,153,941	(344,783)
Total	\$17,602,075	\$15,028,817	\$2,573,258

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:

	2023 Revenues	2022 Revenues	Increase (Decrease)
Taxes	\$19,468,753	\$16,155,006	\$3,313,747
Tuition	656,680	729,738	(73,058)
Investment Earnings	536,866	(113,865)	650,731
Extracurricular Activities	46,268	30,158	16,110
Class Materials and Fees	66,539	65,992	547
Intermediate Sources	5,291	0	5,291
Intergovernmental - State	6,876,660	6,826,228	50,432
Intergovernmental - Federal	74,048	137,581	(63,533)
All Other Revenue	71,920	66,052	5,868
Total	\$27,803,025	\$23,896,890	\$3,906,135

General Fund revenues in 2023 increased approximately 16.3% compared to revenues in fiscal year 2022. In fiscal year 2023, 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 2023 tax revenues were higher by \$3 million as a result of higher available tax advances for 2023.

The District had a decline in tuition revenues for fiscal year 2023 compared to 2022 due to decline in number of tuition students.

The District had an increase in investment earnings due to the increase in investment interest rates for 2023 and 2022 reflected a decline in interest earnings due to an adjustment to fair market value on investments.

The State funding increased in fiscal year 2023 as a result of the calculation in the State of Ohio school funding formula.

The Federal funding decreased in fiscal year 2023 as a result of the timing in receipts of the Ohio School Medicaid Program payments.

LAKWOOD LOCAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

Unaudited

	2023 Expenditures	2022 Expenditures	Increase (Decrease)
Instruction	\$13,349,812	\$13,096,428	\$253,384
Supporting Services:			
Pupils	1,869,519	1,514,976	354,543
Instructional Staff	910,833	934,941	(24,108)
Board of Education	144,995	109,624	35,371
Administration	2,002,245	2,052,545	(50,300)
Fiscal Services	833,302	814,196	19,106
Business	7,911	36,815	(28,904)
Operation & Maintenance of Plant	2,734,869	2,420,628	314,241
Pupil Transportation	2,142,640	2,083,326	59,314
Central	81,604	95,242	(13,638)
Operation of Non-Instructional Services	14,297	41,746	(27,449)
Extracurricular Activities	433,987	389,443	44,544
Capital Outlay	666,075	42,528	623,547
Debt Service:			
Principal Retirement	137,004	16,305	120,699
Interest and Fiscal Charges	26,196	4,671	21,525
Total	\$25,355,289	\$23,653,414	\$1,701,875

The District's expenditures increased by \$1,701,875 or 7.2% compared to the prior year. The District's budget is 76% personnel related. The District had a 2.0 to 2.25% increase in base salary for fiscal year 2023 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 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 2023, the District completed several large improvement projects, such as the Middle School renovation/repurposing of the auditorium area to classrooms; and also the addition of a corridor connection between Jackson Intermediate School and an Annex Building; replacement of several roof top units and replacement of two building roofs around the District.

Debt Service Fund – The fund balance increased \$253,574. 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 2023, 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.

LAKWOOD LOCAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

Unaudited

The final General Fund budget basis revenue of \$25.2 million increased by \$0.7 million from the original budget estimates. This was due to an increase in tax revenues and investment interest earnings.

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 2023, the District had \$20,193,152 net of accumulated depreciation and amortization invested in land, buildings, equipment, SBITA assets and vehicles. Of this total, \$20,033,829 was related to governmental activities and \$159,323 to the business-type activities. The following table shows fiscal year 2023 and 2022 balances:

	Governmental Activities		Change
	2023	2022	
Land	\$410,817	\$410,817	\$0
Land Improvements	3,747,040	3,725,497	21,543
Buildings and Improvements	30,244,709	27,069,457	3,175,252
Furniture, Fixtures and Equipment	4,446,151	4,315,240	130,911
Lease Equipment	91,375	91,375	0
SBITA Assets	673,594	0	673,594
Vehicles	2,696,265	2,423,582	272,683
Construction in Progress	1,350,379	1,982,613	(632,234)
Less: Accumulated Depreciation and Amortization	(23,626,501)	(22,302,251)	(1,324,250)
Totals	\$20,033,829	\$17,716,330	\$2,317,499

During fiscal year 2023, the District completed three improvement projects at the Middle School and 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. The third project was the addition of a corridor connection between Jackson Intermediate Building to an Annex Building. During fiscal year 2023 the District also purchased two (2) 78 passenger buses and one (1) 48 passenger lift bus. During fiscal year 2023, the District implemented GASB Statement No. 96 "Subscription-Based Information Technology Arrangements," which resulted in the recognition of intangible right to use assets which are reported with capital assets.

	Business-Type Activities		Change
	2023	2022	
Furniture and Equipment	\$468,371	\$448,050	\$20,321
Less: Accumulated Depreciation	(309,048)	(306,348)	(2,700)
Totals	\$159,323	\$141,702	\$17,621

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, 2023**

Unaudited

Debt

At June 30, 2023 the District had \$6.5 million in bonds, loans, leases, and other long-term obligations outstanding, \$1,589,630 due within one year. The following table summarizes the District's debt and other long-term liabilities outstanding as of June 30, 2023 and June 30, 2022:

	<u>2023</u>	<u>2022</u>
Governmental Activities:		
General Obligation Bonds:		
School Improvement	\$3,549,066	\$4,380,083
Energy Conservation Bonds Payable	0	91,770
Loan Payable	2,010,408	1,330,000
Leases Payable	57,835	75,070
SBITA Liability	329,332	0
Compensated Absences	<u>502,999</u>	<u>440,053</u>
Total Governmental Activities	6,449,640	6,316,976
Business-Type Activities:		
Compensated Absences	<u>33,562</u>	<u>13,056</u>
Total Business-Type Activities	<u>33,562</u>	<u>13,056</u>
Totals	<u><u>\$6,483,202</u></u>	<u><u>\$6,330,032</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, 2023, 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, 2023***

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 one (1) emergency operating levy. The emergency operating levy is a ten-year levy which generates \$5,882,139 in District revenues which is collected from real property/public utility taxes and rollback/homestead. This levy was passed on November 8, 2022 and combined the District's two (2) emergency operating levies into one levy. The emergency operating levy 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 2024 through 2028. As the District plans for the future, it will monitor projected revenues and expenditures 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, 2023

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 8,686,043	\$ 489,923	\$ 9,175,966
Cash with Fiscal Agent	363,957	0	363,957
Investments	7,753,581	0	7,753,581
Receivables:			
Taxes	18,502,881	0	18,502,881
Accounts	6,662	269	6,931
Intergovernmental	485,957	1,884	487,841
Interest	13,266	0	13,266
Inventory	46,009	4,549	50,558
Prepaid Items	340,867	16,811	357,678
Net OPEB Asset	2,198,614	0	2,198,614
Capital Assets:			
Not Being Depreciated/Amortized Capital Assets	1,761,196	0	1,761,196
Being Depreciated/Amortized Capital Assets, Net	18,272,633	159,323	18,431,956
Total Capital Assets, Net	20,033,829	159,323	20,193,152
Total Assets	58,431,666	672,759	59,104,425
Deferred Outflows of Resources:			
Deferred Charge on Refunding	27,906	0	27,906
Pension	5,503,993	77,173	5,581,166
OPEB	655,386	49,447	704,833
Total Deferred Outflows of Resources	6,187,285	126,620	6,313,905
Liabilities:			
Accounts Payable	493,075	8,473	501,548
Accrued Wages and Benefits	1,990,694	76,982	2,067,676
Intergovernmental Payable	369,126	18,116	387,242
Retainage Payable	12,120	0	12,120
Unearned Revenue	400,000	0	400,000
Accrued Interest Payable	13,957	0	13,957
Long Term Liabilities:			
Due Within One Year	1,589,630	0	1,589,630
Due in More Than One Year:			
Net Pension Liability	23,734,377	453,095	24,187,472
Net OPEB Liability	1,291,605	120,448	1,412,053
Other Amounts Due in More Than One Year	4,860,010	33,562	4,893,572
Total Liabilities	34,754,594	710,676	35,465,270

(Continued)

LAKWOOD LOCAL SCHOOL DISTRICT

	Governmental Activities	Business-Type Activities	Total
Deferred Inflows of Resources:			
Property Taxes	14,843,931	0	14,843,931
Pension	2,677,199	36,235	2,713,434
OPEB	3,328,848	149,458	3,478,306
Total Deferred Inflows of Resources	<u>20,849,978</u>	<u>185,693</u>	<u>21,035,671</u>
Net Position:			
Net Investment in Capital Assets	13,695,538	159,323	13,854,861
Restricted For:			
Debt Service	1,246,793	0	1,246,793
Extracurricular	73,721	0	73,721
Federal, State and Local Funded Programs	158,491	0	158,491
OPEB	478,783	0	478,783
Unrestricted (Deficit)	<u>(6,638,947)</u>	<u>(256,313)</u>	<u>(6,895,260)</u>
Total Net Position	<u>\$ 9,014,379</u>	<u>\$ (96,990)</u>	<u>\$ 8,917,389</u>

See accompanying notes to the basic financial statements

LAKWOOD LOCAL SCHOOL DISTRICT

Statement of Activities For the Fiscal Year Ended June 30, 2023

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Instruction	\$ 14,820,203	\$ 1,001,374	\$ 2,005,353	\$ 0
Support Services:				
Pupils	2,017,451	0	279,343	0
Instructional Staff	1,080,801	0	144,925	0
Board of Education	144,867	0	0	0
Administration	2,148,616	0	15,405	0
Fiscal Services	838,440	0	0	0
Business	7,739	0	0	0
Operation and Maintenance of Plant	2,485,120	0	94,149	0
Pupil Transportation	2,107,008	0	9,902	135,000
Central	80,946	0	0	0
Operation of Non-Instructional Services	80,108	0	2,964	0
Extracurricular Activities	797,245	182,629	6,750	0
Interest and Fiscal Charges	177,940	0	0	0
Total Governmental Activities	26,786,484	1,184,003	2,558,791	135,000
Business-Type Activities:				
Food Service	1,101,427	429,906	690,675	0
Total Business-Type Activities	1,101,427	429,906	690,675	0
Totals	\$ 27,887,911	\$ 1,613,909	\$ 3,249,466	\$ 135,000

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
\$ (11,813,476)	\$ 0	\$ (11,813,476)
(1,738,108)	0	(1,738,108)
(935,876)	0	(935,876)
(144,867)	0	(144,867)
(2,133,211)	0	(2,133,211)
(838,440)	0	(838,440)
(7,739)	0	(7,739)
(2,390,971)	0	(2,390,971)
(1,962,106)	0	(1,962,106)
(80,946)	0	(80,946)
(77,144)	0	(77,144)
(607,866)	0	(607,866)
(177,940)	0	(177,940)
<u>(22,908,690)</u>	<u>0</u>	<u>(22,908,690)</u>
<u>0</u>	<u>19,154</u>	<u>19,154</u>
<u>0</u>	<u>19,154</u>	<u>19,154</u>
<u>(22,908,690)</u>	<u>19,154</u>	<u>(22,889,536)</u>
19,469,176	0	19,469,176
1,333,502	0	1,333,502
6,692,436	0	6,692,436
562,751	17,042	579,793
56,528	0	56,528
<u>28,114,393</u>	<u>17,042</u>	<u>28,131,435</u>
5,205,703	36,196	5,241,899
<u>3,808,676</u>	<u>(133,186)</u>	<u>3,675,490</u>
<u>\$ 9,014,379</u>	<u>\$ (96,990)</u>	<u>\$ 8,917,389</u>

LAKWOOD LOCAL SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2023

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 6,511,954	\$ 1,002,536	\$ 1,171,553	\$ 8,686,043
Cash with Fiscal Agent	0	0	363,957	363,957
Investments	7,753,581	0	0	7,753,581
Receivables:				
Taxes	17,337,142	1,165,739	0	18,502,881
Accounts	6,662	0	0	6,662
Intergovernmental	288,766	0	197,191	485,957
Interest	13,266	0	0	13,266
Interfund Loan Receivable	74,348	0	0	74,348
Inventory	46,009	0	0	46,009
Prepaid Items	417,298	0	26,343	443,641
Total Assets	\$ 32,449,026	\$ 2,168,275	\$ 1,759,044	\$ 36,376,345
Liabilities:				
Accounts Payable	\$ 170,951	\$ 0	\$ 322,124	\$ 493,075
Accrued Wages and Benefits	1,880,299	0	110,395	1,990,694
Intergovernmental Payable	359,532	0	9,594	369,126
Retainage Payable	7,120	0	5,000	12,120
Interfund Loans Payable	0	0	74,348	74,348
Unearned Revenue	0	0	400,000	400,000
Total Liabilities	2,417,902	0	921,461	3,339,363
Deferred Inflows of Resources:				
Property Taxes	13,936,406	907,525	0	14,843,931
Unavailable Revenue	548,061	14,490	28,425	590,976
Total Deferred Inflows of Resources	14,484,467	922,015	28,425	15,434,907
Fund Balances:				
Nonspendable	463,307	0	26,343	489,650
Restricted	7,320	1,246,260	201,471	1,455,051
Committed	5,050	0	0	5,050
Assigned	2,991,438	0	612,691	3,604,129
Unassigned	12,079,542	0	(31,347)	12,048,195
Total Fund Balances	15,546,657	1,246,260	809,158	17,602,075
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 32,449,026	\$ 2,168,275	\$ 1,759,044	\$ 36,376,345

See accompanying notes to the basic financial statements

LAKEWOOD LOCAL SCHOOL DISTRICT

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities June 30, 2023

Total Governmental Fund Balances		\$ 17,602,075
 <i>Amounts reported for governmental activities in the statement of net position are different because</i>		
Capital Assets, net of prepaid SBITAs, used in governmental activities are not resources and therefore are not reported in the funds.		19,931,055
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.		590,976
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	5,503,993	
Deferred Inflows - Pension	(2,677,199)	
Net Pension Liability	(23,734,377)	(20,907,583)
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	655,386	
Deferred Inflows - OPEB	(3,328,848)	
Net OPEB Asset	2,198,614	
Net OPEB Liability	(1,291,605)	(1,766,453)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds Payable	(3,425,000)	
Deferred loss on refunding (to be amortized as interest expense)	27,906	
Issuance Premium (to be amortized against interest expense)	(124,066)	
Loan Payable	(2,010,408)	
Leases Payable	(57,835)	
SBITA Payable	(329,332)	
Compensated Absences Payable	(502,999)	
Accrued Interest Payable	(13,957)	(6,435,691)
 <i>Net Position of Governmental Activities</i>		\$ 9,014,379

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, 2023

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Local Sources:				
Taxes	\$ 19,468,753	\$ 1,334,245	\$ 0	\$ 20,802,998
Tuition	656,680	0	0	656,680
Investment Earnings	536,866	0	22,390	559,256
Extracurricular Activities	46,268	0	136,361	182,629
Class Materials and Fees	66,539	0	0	66,539
Intermediate Sources	5,291	0	27,817	33,108
Intergovernmental - State	6,876,660	237,231	241,989	7,355,880
Intergovernmental - Federal	74,048	0	1,843,882	1,917,930
All Other Revenue	71,920	0	71,161	143,081
Total Revenue	27,803,025	1,571,476	2,343,600	31,718,101
Expenditures:				
Current:				
Instruction	13,349,812	0	1,025,825	14,375,637
Supporting Services:				
Pupils	1,869,519	0	155,659	2,025,178
Instructional Staff	910,833	0	143,661	1,054,494
Board of Education	144,995	0	0	144,995
Administration	2,002,245	0	16,485	2,018,730
Fiscal Services	833,302	13,689	0	846,991
Business	7,911	0	0	7,911
Operation and Maintenance of Plant	2,734,869	0	98,426	2,833,295
Pupil Transportation	2,142,640	0	144,902	2,287,542
Central	81,604	0	0	81,604
Operation of Non-Instructional Services	14,297	0	2,964	17,261
Extracurricular Activities	433,987	0	125,478	559,465
Capital Outlay	666,075	0	2,150,906	2,816,981
Debt Service:				
Principal Retirement	137,004	1,375,467	0	1,512,471
Interest and Fiscal Charges	26,196	176,866	0	203,062
Total Expenditures	25,355,289	1,566,022	3,864,306	30,785,617
Excess (Deficiency) of Revenues				
Over Expenditures	2,447,736	5,454	(1,520,706)	932,484

(Continued)

LAKWOOD LOCAL SCHOOL DISTRICT

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses):				
Sale of Capital Assets	27,568	0	0	27,568
Other Financing Sources - Loan	0	0	1,164,105	1,164,105
Other Financing Source - SBITA	449,101	0	0	449,101
Transfers In	0	259,938	11,818	271,756
Transfers Out	(259,938)	(11,818)	0	(271,756)
Total Other Financing Sources (Uses)	216,731	248,120	1,175,923	1,640,774
Net Change in Fund Balance	2,664,467	253,574	(344,783)	2,573,258
Fund Balances at Beginning of Year	12,882,190	992,686	1,153,941	15,028,817
Fund Balances End of Year	\$ 15,546,657	\$ 1,246,260	\$ 809,158	\$ 17,602,075

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, 2023***

Net Change in Fund Balances - Total Governmental Funds \$ 2,573,258

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/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization in the current period. 2,234,524

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position. (19,799)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 274,086

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 2,094,974

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (2,254,569)

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. 441,788

The issuance of long-term debt (e.g. notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental 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. (69,718)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditure is reported when due. 1,081

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	(62,946)	
Amortization of Deferred Loss on Refunding	(6,976)	(69,922)

Change in Net Position of Governmental Activities \$ 5,205,703

See accompanying notes to the basic financial statements

LAKEWOOD LOCAL SCHOOL DISTRICT

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Taxes	\$ 16,728,000	\$ 17,035,293	\$ 17,035,293	\$ 0
Tuition	664,720	654,548	656,750	2,202
Investment Earnings	121,000	441,000	487,101	46,101
Extracurricular Activities	5,700	5,780	6,103	323
Class Material and Fees	65,860	64,095	69,063	4,968
Intergovernmental - State	6,736,332	6,788,932	6,873,960	85,028
Intergovernmental - Federal	125,000	125,000	59,428	(65,572)
All Other Revenues	59,200	60,250	62,444	2,194
Total Revenues	<u>24,505,812</u>	<u>25,174,898</u>	<u>25,250,142</u>	<u>75,244</u>
Expenditures:				
Current:				
Instructional Services	13,969,904	13,807,178	13,526,514	280,664
Support Services:				
Pupils	1,831,124	1,978,281	1,906,732	71,549
Instructional Staff	1,030,932	1,013,146	945,700	67,446
Board of Education	126,244	161,154	155,906	5,248
Administration	2,184,256	2,108,615	2,042,985	65,630
Fiscal Services	837,648	869,658	856,268	13,390
Business	34,601	20,537	9,367	11,170
Operation and Maintenance of Plant	3,066,656	3,033,494	2,829,090	204,404
Pupil Transportation	2,379,506	2,221,530	2,162,044	59,486
Central	111,443	116,740	94,546	22,194
Operation of Non-Instructional Services	0	14,497	14,497	0
Extracurricular Activities	422,153	421,820	385,579	36,241
Capital Outlay	285,140	397,576	378,752	18,824
Total Expenditures	<u>26,279,607</u>	<u>26,164,226</u>	<u>25,307,980</u>	<u>856,246</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	(1,773,795)	(989,328)	(57,838)	931,490
Other Financing Sources (Uses):				
Sale of Capital Assets	25,000	29,098	28,666	(432)
Transfers Out	0	(259,938)	(259,938)	0
Total Other Financing Sources (Uses):	<u>25,000</u>	<u>(230,840)</u>	<u>(231,272)</u>	<u>(432)</u>
Net Change in Fund Balance	(1,748,795)	(1,220,168)	(289,110)	931,058
Fund Balance at Beginning of Year	14,064,770	14,064,770	14,064,770	0
Prior Year Encumbrances	216,399	216,399	216,399	0
Fund Balance at End of Year	<u>\$ 12,532,374</u>	<u>\$ 13,061,001</u>	<u>\$ 13,992,059</u>	<u>\$ 931,058</u>

See accompanying notes to the basic financial statements

LAKWOOD LOCAL SCHOOL DISTRICT

Statement of Net Position
Proprietary Fund
June 30, 2023

		Business-Type Activities	Enterprise Funds
			Food Service
Assets:			
<i>Current Assets:</i>			
Cash and Cash Equivalents	\$	489,923	
Receivables:			
Accounts		269	
Intergovernmental		1,884	
Inventory Held for Resale		4,549	
Prepaid Items		16,811	
<i>Total Current Assets</i>			513,436
<i>Non Current Assets:</i>			
Capital Assets, Net			159,323
Total Assets			672,759
Deferred Outflows of Resources:			
Pension		77,173	
OPEB		49,447	
Total Deferred Outflows of Resources			126,620
Liabilities:			
<i>Current Liabilities:</i>			
Accounts Payable		8,473	
Accrued Wages and Benefits		76,982	
Intergovernmental Payable		18,116	
<i>Total Current Liabilities</i>			103,571
<i>Long Term Liabilities:</i>			
Compensated Absences Payable		33,562	
Net Pension Liability		453,095	
Net OPEB Liability		120,448	
<i>Total Long-term Liabilities</i>			607,105
Total Liabilities			710,676
Deferred Inflows of Resources:			
Pension		36,235	
OPEB		149,458	
Total Deferred Inflows of Resources			185,693
Net Position:			
Net Investment in Capital Assets		159,323	
Unrestricted (Deficit)		(256,313)	
Total Net Position	\$		(96,990)

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, 2023

	Business-Type Activities
	Enterprise Funds
	Food Service
Operating Revenues:	
Sales	\$ 422,542
All Other Revenue	7,364
Total Operating Revenues	429,906
Operating Expenses:	
Salaries and Wages	344,726
Fringe Benefits	217,054
Contractual Services	15,970
Supplies and Materials	502,620
Depreciation	17,136
Other Operating Expense	1,769
Total Operating Expenses	1,099,275
Operating Loss	(669,369)
Nonoperating Revenue (Expenses):	
Intergovernmental Grants	690,675
Investment Earnings	17,042
Loss on Disposal of Capital Assets	(2,152)
Total Nonoperating Revenues (Expenses)	705,565
Change in Net Position	36,196
Net Position Beginning of Year	(133,186)
Net Position End of Year	\$ (96,990)

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, 2023***

	Business-Type Activities
	Enterprise Fund
	Food Service
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$430,014
Cash Payments for Goods and Services	(431,798)
Cash Payments to Employees for Services and Benefits	(564,889)
Net Cash Used by Operating Activities	(566,673)
<u>Cash Flows from Noncapital Financing Activities:</u>	
Intergovernmental Grants Received	616,973
Net Cash Provided by Noncapital Financing Activities	616,973
<u>Cash Flows from Capital and Related Financing Activities:</u>	
Acquisition of Capital Assets	(36,909)
Net Cash Used by Capital Financing Activities	(36,909)
<u>Cash Flows from Investing Activities:</u>	
Receipt of Interest	17,042
Net Cash Provided by Investing Activities	17,042
Net Increase in Cash and Cash Equivalents	30,433
Cash and Cash Equivalents at Beginning of Year	459,490
Cash and Cash Equivalents at End of Year	\$489,923
<u>Reconciliation of Operating Loss to Net Cash</u>	
<u>Used by Operating Activities:</u>	
Operating Loss	(\$669,369)
Adjustments to Reconcile Operating Loss to	
Net Cash Used by Operating Activities:	
Depreciation Expense	17,136
Donated Commodities Used During the Year	82,197
Changes in Assets and Deferred Outflows and	
Liabilities and Deferred Inflows:	
Decrease in Accounts Receivable	108
Decrease in Inventory	189
Increase in Prepaid Items	(696)
Increase in Deferred Outflow-Pension	(315)
Decrease in Deferred Outflow-OPEB	11,999
Increase in Accounts Payable	6,175
Increase in Accrued Wages and Benefits	12,592
Increase in Intergovernmental Payables	3,848
Increase in Compensated Absences	20,506
Increase in Net Pension Liability	126,701
Decrease in Net OPEB Liability	(51,750)
Decrease in Deferred Inflow-Pension	(149,186)
Increase in Deferred Inflow-OPEB	23,192
Total Adjustments	102,696
Net Cash Used by Operating Activities	(\$566,673)

Schedule of Noncash Investing, Capital and Financing Activities:

During fiscal year 2023, the Food Service Fund received \$82,197 in donated commodities from the federal government.

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, 2023

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 106 non-certified employees, 138 certificated employees and 16 administrative employees providing education to 1,596 students in grades K-12 and also to 58 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, 2023

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.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023

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, 2023

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, 2023

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 2023.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

2. Appropriations

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

3. Lapsing of Appropriations

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

4. Budgetary Basis of Accounting

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

LAKEWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023***

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)	\$2,664,467
Increase (Decrease):	
Accrued Revenues at June 30, 2023, received during FY 2024	(3,161,369)
Accrued Revenues at June 30, 2022, received during FY 2023	707,545
Accrued Expenditures at June 30, 2023, paid during FY 2024	2,427,521
Accrued Expenditures at June 30, 2022, paid during FY 2023	(2,340,629)
FY 2022 Prepays for FY 2023	280,923
FY 2023 Prepays for FY 2024	(417,298)
Adjustment to Fair Value of Investments	(45,135)
Perspective Difference- Budgeted Special Revenue Fund reclassified as General Fund	(7,940)
Encumbrances Outstanding	(397,195)
Budget Basis	(\$289,110)

F. Cash and Cash Equivalents

During fiscal year 2023, 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, 2023

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 2023, 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 2023, 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, 2023, 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, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets

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.

The District reports capital assets for Subscription Based Information Technology Arrangements (SBITAs). A SBITA asset is an intangible asset which represents the District's right to use another entity's information technology software.

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 and Amortization

All capital assets are depreciated excluding land and construction in progress. Depreciation/amortization 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
SBITA Assets	2 - 6

LAKEWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023***

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
Compensated Absences, Pension and OPEB Liabilities	General Fund, Food Services Fund
Loan Payable	Debt Service Fund
Leases Payable	General Fund
SBITA 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. None of the restricted net position reported at June 30, 2023 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, 2023

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.

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023

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 2023.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023

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 assets 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 assets 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, 2023

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, 2023 of \$10,266 in the Special Education Part B-IDEA Fund, \$10,537 in the Title I Fund, and \$2,187 in the Title II-A 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, 2023 of \$96,990 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 2023, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 91, “Conduit Debt Obligations,” Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements,” and Statement No. 96, “Subscription-Based Information Technology Arrangements.”

GASB Statement No. 91 provides a single method of reporting conduit debt obligations.

GASB Statement No. 94 clarifies accounting and financial reporting requirements for public-private and public-public partnership arrangements and availability payment arrangements.

GASB Statement No. 96 provides guidance on accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users.

The implementation of these Statements had no effect on beginning net position/fund balance.

LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

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:

<u>Fund Balances</u>	<u>General Fund</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:				
Prepaid Items	\$417,298	\$0	\$26,343	\$443,641
Supplies Inventory	46,009	0	0	46,009
Total Nonspendable	<u>463,307</u>	<u>0</u>	<u>26,343</u>	<u>489,650</u>
Restricted:				
Career Technology Education	7,320	0	0	7,320
Local Grants	0	0	126,746	126,746
Extracurricular Activities	0	0	73,721	73,721
Data Communications	0	0	184	184
Targeted Academic Assistance	0	0	820	820
Debt Service Payments	0	1,246,260	0	1,246,260
Total Restricted	<u>7,320</u>	<u>1,246,260</u>	<u>201,471</u>	<u>1,455,051</u>
Committed:				
Building Maintenance and Renovation	5,050	0	0	5,050
Assigned:				
Services and Supplies	77,270	0	0	77,270
Projected Budgetary Deficit	2,599,184	0	0	2,599,184
Capital Improvements	0	0	612,691	612,691
Student and Staff Support	314,984	0	0	314,984
Total Assigned	<u>2,991,438</u>	<u>0</u>	<u>612,691</u>	<u>3,604,129</u>
Unassigned	<u>12,079,542</u>	<u>0</u>	<u>(31,347)</u>	<u>12,048,195</u>
Total Fund Balances	<u>\$15,546,657</u>	<u>\$1,246,260</u>	<u>\$809,158</u>	<u>\$17,602,075</u>

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023

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/amortization in the current period:

Capital Outlay	\$4,011,193
Depreciation and Amortization Expense	(1,673,895)
Prepaid SBITA Asset	(102,774)
	<u>\$2,234,524</u>

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

Gain on Sales of Capital Asset	\$7,769
Proceeds Received	(27,568)
	<u>(\$19,799)</u>

Governmental revenues not reported in the funds:

Increase in Investment Earnings	\$3,495
Increase in Tuition Revenue	268,263
Increase in Grants Revenue	2,648
Decrease in Delinquent Tax Revenue	(320)
	<u>\$274,086</u>

Amount of current year contractually required contributions deferred:

Pension Contributions	\$2,035,481
OPEB Contributions	59,493
	<u>\$2,094,974</u>

Amount of bond and lease principal payments:

Bond Principal Payment	\$800,000
Energy Conservation Bond Principal Payment	91,770
Premium on Refunding General Obligation Bond Proceeds	31,017
Loan Proceeds	(1,164,105)
Loan Payments	483,697
Lease Payments	17,235
SBITA Issuances	(449,101)
SBITA Payments	119,769
	<u>(\$69,718)</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023

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 fair 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, 2023

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 fair 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 fair 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 fair 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, 2023**

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

A. Deposits (Continued)

At year end the carrying amount of the District’s deposits was \$78,184 and the bank balance was \$505,661. Federal depository insurance covered \$475,210 of the bank balance and \$30,451 was uninsured and uncollateralized.

Investment earnings of \$41,101 earned by other funds were credited to the General Fund as required by state statute.

B. Investments

The District's investments at June 30, 2023 were as follows:

	Fair Value	Credit Rating	Investment Maturities (in Years)	
			less than 1	1-3
STAR Ohio (amortized cost)	\$9,097,782	AAAm ¹	\$9,097,782	\$0
FHLB	1,804,405 a	AA+ ¹	1,227,964	576,441
FHLMC	1,062,249 a	AA+ ¹	788,547	273,702
FFCB	1,158,604 a	AA+ ¹	386,819	771,785
US Treasury Note	787,177	N/A	787,177	0
Negotiable CDs	1,224,194	N/A ²	0	1,224,194
Commercial Paper	1,716,952	A-1/A-1+ ¹	1,716,952	0
Total Investments	<u>\$16,851,363</u>		<u>\$14,005,241</u>	<u>\$2,846,122</u>

¹ Standard & Poor’s

² Fully insured by FDIC

^a \$839,856 in securities are callable in fiscal year 2024.

The District’s investments in federal agency securities (FHLB, FHLMC and FFCB), US Treasury Notes, negotiable certificates of deposit, 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).

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023

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

B. Investments (Continued)

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, 53.99% are in STAR Ohio, 10.71% are in FHLB securities, 6.30% are in FHLMC securities, 6.88% are in FFCB securities, 4.67% are in US Treasury Notes, 7.26% are in Negotiable CDs and 10.19% 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. Cash with Fiscal Agents

In addition to deposits and investments, the District has uninsured and uncollateralized cash in the amount of \$363,957 being held in escrow.

D. 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	\$9,175,966	\$7,753,581
STAR Ohio	(9,097,782)	9,097,782
Per GASB Statement No. 3	<u>\$78,184</u>	<u>\$16,851,363</u>

* Does not include cash with fiscal agent.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023

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 2023 represents collections of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed value listed as of January 1, 2022, 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 2023 represents collections of calendar year 2022 taxes. Public utility real and tangible personal property taxes received in calendar year 2023 became a lien December 31, 2021, were levied after April 1, 2022 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, 2023, are available to finance fiscal year 2023 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 2023 receipts were based are:

	<u>2022 Second Half Collections</u>	<u>2023 First Half Collections</u>
Agricultural/Residential and Other Real Estate	\$529,831,414	\$546,449,146
Public Utility Personal	41,757,320	48,873,630
Total Assessed Value	<u>\$571,588,734</u>	<u>\$595,322,776</u>
Tax rate per \$1,000 of assessed valuation	\$51.10	\$50.40

LAKWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023***

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, 2023, 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 2023, 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	\$ 80,329
City of Heath	98,220
Licking County	73,618
Total	<u>\$ 252,167</u>

NOTE 8 - RECEIVABLES

Receivables at June 30, 2023 consisted of taxes, accounts, interest and intergovernmental receivables.

LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

NOTE 9 – INTERFUND ACTIVITY

A. Interfund Loans Receivables and Payables

Following is a summary of interfund receivables and payables for all funds at June 30, 2023:

Fund	Interfund Loans Receivable	Interfund Loans Payable
General Fund	\$74,348	\$0
Nonmajor Governmental Funds	0	74,348
Total All Funds	<u>\$74,348</u>	<u>\$74,348</u>

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

B. Interfund Transfers

Following is a summary of transfers in and out for all funds for fiscal year 2023:

Fund	Transfers In	Transfers Out
General Fund	\$0	\$259,938
Debt Service Fund	259,938	11,818
Nonmajor Governmental Funds	11,818	0
Total All Funds	<u>\$271,756</u>	<u>\$271,756</u>

The transfer from the General Fund was used to provide additional resources for debt payments and the transfer from the Debt Service fund was remaining monies from debt which had been paid off. All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

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LAKEWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023***

NOTE 10 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at June 30, 2023:

<i>Historical Cost:</i>				
<u>Class</u>	<u>Balance at June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2023</u>
<i>Capital Assets not being depreciated/amortized:</i>				
Land	\$410,817	\$0	\$0	\$410,817
Construction In Progress	1,982,613	1,350,379	(1,982,613)	1,350,379
Subtotal	<u>2,393,430</u>	<u>1,350,379</u>	<u>(1,982,613)</u>	<u>1,761,196</u>
<i>Capital Assets being depreciated/amortized:</i>				
Land Improvements	3,725,497	21,543	0	3,747,040
Buildings and Improvements	27,069,457	3,189,234	(13,982)	30,244,709
Furniture, Fixtures and Equipment	4,315,240	417,448	(286,537)	4,446,151
Lease Equipment	91,375	0	0	91,375
SBITA Assets	0	673,594	0	673,594
Vehicles	2,423,582	341,608	(68,925)	2,696,265
Subtotal	<u>37,625,151</u>	<u>4,643,427</u>	<u>(369,444)</u>	<u>41,899,134</u>
Total Cost	<u>\$40,018,581</u>	<u>\$5,993,806</u>	<u>(\$2,352,057)</u>	<u>\$43,660,330</u>
 <i>Accumulated Depreciation/Amortization:</i>				
<u>Class</u>	<u>Balance at June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2023</u>
Land Improvements	(\$1,565,639)	(\$237,074)	\$0	(\$1,802,713)
Buildings and Improvements	(15,874,831)	(779,606)	6,214	(16,648,223)
Furniture, Fixtures and Equipment	(3,297,686)	(259,340)	274,506	(3,282,520)
Lease Equipment	(18,275)	(18,275)	0	(36,550)
SBITA Assets	0	(168,347)	0	(168,347)
Vehicles	(1,545,820)	(211,253)	68,925	(1,688,148)
Total Depreciation	<u>(\$22,302,251)</u>	<u>(\$1,673,895) *</u>	<u>\$349,645</u>	<u>(\$23,626,501)</u>
<i>Net Value:</i>	<u>\$17,716,330</u>			<u>\$20,033,829</u>

LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

NOTE 10 - CAPITAL ASSETS (Continued)

A. Governmental Activities Capital Assets (Continued)

* Depreciation and amortization expenses were charged to governmental functions as follows:

Instruction	\$825,901
Support Services:	
Pupils	46,817
Instructional Staff	46,223
Administration	79,254
Fiscal Services	16,128
Operations and Maintenance of Plant	103,032
Pupil Transportation	219,483
Central	2,626
Other Noninstructional Services	55,343
Extracurricular Activities	279,088
Total Depreciation Expense	<u>\$1,673,895</u>

B. Business-Type Activities Capital Assets

Summary by Category at June 30, 2023:

Class	Balance at June 30, 2022	Additions	Deletions	Balance at June 30, 2023
Furniture, Fixtures and Equipment	\$448,050	\$36,909	(\$16,588)	\$468,371
Accumulated Depreciation	(306,348)	(17,136)	14,436	(309,048)
Net Value:	<u>\$141,702</u>	<u>\$19,773</u>	<u>(\$2,152)</u>	<u>\$159,323</u>

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023

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, 2023***

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. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. In 2022, the Board of Trustees approved a 2.5 percent cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2023.

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, 2023, 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, 2023

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

B. Plan Description (Continued)

The District's contractually required contribution to SERS was \$527,211 for fiscal year 2023. Of this amount \$29,824 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 will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, cost-of-living adjustment (COLA) was reduced to 0%. Members are eligible to retire at age 60 with five year of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement increased effective August 1, 2015. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be 5 years of qualifying service credit and age 65, or 35 years of service credit, regardless of age.

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 after termination of employment at age 50 or later.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2023, the employer rate was 14% and the member rate was 14% of covered payroll. The fiscal year 2023 contribution rates were equal to the statutory maximum rates and the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was \$1,553,263 for fiscal year 2023. Of this amount \$261,544 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, 2022, 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.

LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

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	\$5,311,777	\$18,875,695	\$24,187,472
Proportion of the Net Pension Liability -2023	0.0982066%	0.084910430%	
Proportion of the Net Pension Liability -2022	<u>0.1015621%</u>	<u>0.086700365%</u>	
Percentage Change	<u>(0.0033555%)</u>	<u>(0.001789935%)</u>	
Pension Expense	\$346,125	\$1,930,637	\$2,276,762

At June 30, 2023, 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	\$215,131	\$241,632	\$456,763
Change of assumptions	52,412	2,258,852	2,311,264
Net difference between projected and actual earnings on pension plan investments	0	656,835	656,835
District contributions subsequent to the measurement date	527,211	1,553,263	2,080,474
Changes in proportionate share	<u>65,093</u>	<u>10,737</u>	<u>75,830</u>
Total Deferred Outflows of Resources	<u>\$859,847</u>	<u>\$4,721,319</u>	<u>\$5,581,166</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$34,869	\$72,205	\$107,074
Changes of assumptions	0	1,700,271	1,700,271
Net difference between projected and actual earnings on pension plan investments	185,358	0	185,358
Changes in proportionate share	<u>124,812</u>	<u>595,919</u>	<u>720,731</u>
Total Deferred Inflows of Resources	<u>\$345,039</u>	<u>\$2,368,395</u>	<u>\$2,713,434</u>

\$2,080,474 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, 2024. 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:			
2024	\$23,700	(\$168,001)	(\$144,301)
2025	(79,351)	(290,037)	(369,388)
2026	(264,785)	(656,597)	(921,382)
2027	<u>308,033</u>	<u>1,914,296</u>	<u>2,222,329</u>
Total	<u>(\$12,403)</u>	<u>\$799,661</u>	<u>\$787,258</u>

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023

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, 2022, 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	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.

LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

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%	(0.45%)
US Equity	24.75%	5.37%
Non-US Equity Developed	13.50%	6.22%
Non-US Equity Emerging	6.75%	8.22%
Fixed Income/Global Bonds	19.00%	1.20%
Private Equity	11.00%	10.05%
Real Estate/Real Assets	16.00%	4.87%
Multi-Asset Strategy	4.00%	3.39%
Private Debt/Private Credit	3.00%	5.38%
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, 2023**

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	\$7,818,682	\$5,311,777	\$3,199,743

State Teachers Retirement System (STRS)

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2022 actuarial valuation are presented below:

Inflation	2.50 percent
Projected salary increases	Varies by service from 2.50 percent to 8.50 percent
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 are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of the latest available actuarial experience study which is for the period July 1, 2015 through June 30, 2021.

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, 2023**

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions (Continued)

Asset Class	Target Allocation*	Long Term Expected Rate of Return**
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	100.00 %	

*Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

**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, 2022. 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, 2022. 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, 2022.

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	\$28,514,304	\$18,875,695	\$10,724,417

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023

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, 2023

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 2023, 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 2023, 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 2023, the District's surcharge obligation was \$70,853.

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 \$70,853 for fiscal year 2023, which is reported as an intergovernmental payable.

LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

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, currently 14% of covered payroll. For 2023, 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, 2022, 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)	\$1,412,053	(\$2,198,614)	(\$786,561)
Proportion of the Net OPEB Liability (Asset) -2023	0.1005728%	0.084910430%	
Proportion of the Net OPEB Liability (Asset) -2022	<u>0.1044613%</u>	<u>0.086700365%</u>	
Percentage Change	<u>(0.0038885%)</u>	<u>(0.001789935%)</u>	
OPEB Expense	(\$54,294)	(\$392,693)	(\$446,987)

LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

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, 2023, 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	\$11,869	\$31,875	\$43,744
Changes of assumptions	224,606	93,651	318,257
Net difference between projected and actual earnings on OPEB plan investments	7,340	38,274	45,614
Changes in proportionate share	220,775	5,590	226,365
District contributions subsequent to the measurement date	<u>70,853</u>	<u>0</u>	<u>70,853</u>
Total Deferred Outflows of Resources	<u>\$535,443</u>	<u>\$169,390</u>	<u>\$704,833</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$903,252	\$330,192	\$1,233,444
Changes of assumptions	579,659	1,559,029	2,138,688
Changes in proportionate share	<u>106,174</u>	<u>0</u>	<u>106,174</u>
Total Deferred Inflows of Resources	<u>\$1,589,085</u>	<u>\$1,889,221</u>	<u>\$3,478,306</u>

\$70,853 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, 2024. 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:			
2024	(\$219,515)	(\$502,359)	(\$721,874)
2025	(234,268)	(494,686)	(728,954)
2026	(219,407)	(235,877)	(455,284)
2027	(146,813)	(98,182)	(244,995)
2028	(110,604)	(128,490)	(239,094)
Thereafter	<u>(193,888)</u>	<u>(260,237)</u>	<u>(454,125)</u>
Total	<u>(\$1,124,495)</u>	<u>(\$1,719,831)</u>	<u>(\$2,844,326)</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023***

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, 2022, 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	3.69 percent
Prior Measurement Date	1.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	4.08 percent
Prior Measurement Date	2.27 percent
Medical Trend Assumption	
Medicare - Measurement Date	7.00 to 4.40 percent
Pre-Medicare - Measurement Date	7.00 to 4.40 percent
Medicare - Prior Measurement Date	5.125 to 4.40 percent
Pre-Medicare - Prior Measurement Date	6.75 to 4.40 percent

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023

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, 2021 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%	(0.45%)
US Equity	24.75%	5.37%
Non-US Equity Developed	13.50%	6.22%
Non-US Equity Emerging	6.75%	8.22%
Fixed Income/Global Bonds	19.00%	1.20%
Private Equity	11.00%	10.05%
Real Estate/Real Assets	16.00%	4.87%
Multi-Asset Strategy	4.00%	3.39%
Private Debt/Private Credit	3.00%	5.38%
Total	<u>100.00%</u>	

LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

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, 2022, was 4.08%. The discount rate used to measure the total OPEB liability prior to June 30, 2022, was 2.27%. 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, 2021 and the June 30, 2022 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 3.69% at June 30, 2022 and 1.92% at June 30, 2021.

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 (3.08%) and higher (5.08%) than the current discount rate (4.08%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate.

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
School District's proportionate share of the net OPEB liability	\$1,753,791	\$1,412,053	\$1,136,177
	1% Decrease (6.00% Decreasing to 3.40%)	Current Trend Rate (7.00% Decreasing to 4.40%)	1% Increase (8.00% Decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	\$1,088,946	\$1,412,053	\$1,834,082

LAKEWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

D. Actuarial Assumptions (Continued)

State Teachers Retirement System (STRS)

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%
Investment Rate of Return	7.00%, net of investment expenses, including inflation
Payroll Increases	3.00%
Discount Rate of Return	7.00%
Health Care Cost Trends	
Pre-Medicare	7.50% initial, 3.94% ultimate
Medicare	(68.78%) initial, 3.94% ultimate
Prescription Drug	
Pre-Medicare	9.00% initial, 3.94% ultimate
Medicare	(5.74%) initial, 3.94% ultimate

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

Post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of the latest available actuarial experience study which is for the period July 1, 2015 through June 30, 2021.

LAKEWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

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	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	<u>100.00 %</u>	

*Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

**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 OPEB liability was 7.00 percent as of June 30, 2022. 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, 2022.

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LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

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)	(\$2,032,560)	(\$2,198,614)	(\$2,340,852)
	1% Decrease in Trend Rate	Current Trend Rate	1% Increase in Trend Rate
School District's proportionate share of the net OPEB liability (asset)	(\$2,280,497)	(\$2,198,614)	(\$2,095,256)

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LAKEWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

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, 2023 are as follows:

		Balance June 30, 2022	Issued	(Retired)	Balance June 30, 2023	Due Within One Year
Governmental Activities:						
(Energy Conservation Bonds Payable)						
Energy Conservation Project	3.55%	\$91,770	\$0	(\$91,770)	\$0	\$0
(General Obligation Bonds Payable)						
School Improvement						
Refunding Bonds 2016	2.00-3.00%	4,225,000	0	(800,000)	3,425,000	820,000
Premium on Refunding Bonds		155,083	0	(31,017)	124,066	0
Total General Obligation Bonds Payable		4,380,083	0	(831,017)	3,549,066	820,000
Loans Payable	2.87-5.075%	1,330,000	1,164,105	(483,697)	2,010,408	475,419
Total Long-Term Debt		5,801,853	1,164,105	(1,406,484)	5,559,474	1,295,419
Leases Payable		75,070	0	(17,235)	57,835	18,219
SBITA Liability		0	449,101	(119,769)	329,332	125,757
Compensated Absences		440,053	317,861	(254,915)	502,999	150,235
Total Other Long-Term Liabilities		515,123	766,962	(391,919)	890,166	294,211
Total Governmental Activities		\$6,316,976	\$1,931,067	(\$1,798,403)	\$6,449,640	\$1,589,630
Business-Type Activities:						
Compensated Absences		\$13,056	\$26,860	(\$6,354)	\$33,562	\$0
Total Other Long-Term Liabilities		\$13,056	\$26,860	(\$6,354)	\$33,562	\$0

The original amount of the Energy Conservation Bonds Payable \$917,707 was used to finance the cost of acquiring and installing energy conservation measures. The original amounts of the General Obligation Bonds Payable of \$8,055,000 were used to finance the cost of building a new high school facility. The original amounts of the Loans Payable were \$2,500,000 to finance the cost of building a stadium and \$1,164,105 to finance the cost of modular classrooms.

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, 2023**

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, 2023, follows:

Fiscal Years	General Obligation Bonds Payable		Loans Payable	
	Principal	Interest	Principal	Interest
2024	\$820,000	\$90,450	\$475,419	\$71,784
2025	840,000	65,550	491,490	53,179
2026	870,000	39,900	513,130	33,790
2027	895,000	13,425	530,369	13,588
Totals	<u>\$3,425,000</u>	<u>\$209,325</u>	<u>\$2,010,408</u>	<u>\$172,341</u>

**NOTE 14 - LEASE COMMITMENTS AND SUBSCRIPTION-BASED INFORMATION
TECHNOLOGY ARRANGEMENTS**

A. Lease Commitments

The District leases several copiers. The cost of the equipment obtained under capital leases is \$91,375, the accumulated depreciation is \$36,550 and the net book value is \$54,825. 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 as of June 30, 2023:

Fiscal Years	Governmental Activities		
	Principal	Interest	Total
2024	\$18,219	\$2,757	\$20,976
2025	19,259	1,717	20,976
2026	20,357	619	20,976
Totals	<u>\$57,835</u>	<u>\$5,093</u>	<u>\$62,928</u>

LAKWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023***

NOTE 14 - LEASE COMMITMENTS AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (Continued)

B. Subscription Based Information Technology Arrangements

The District is in several contracts for the right to use information technology software for various instructional and financial purposes. The contracts range from two to six years. SBITA 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 SBITA payments as of June 30, 2023:

Fiscal Years	Governmental Activities		
	Principal	Interest	Total
2024	\$125,757	\$16,466	\$142,223
2025	66,022	10,179	76,201
2026	67,099	6,878	73,977
2027	70,454	3,523	73,977
Totals	<u>\$329,332</u>	<u>\$37,046</u>	<u>\$366,378</u>

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LAKEWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023***

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 2023 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	\$92,106,863
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.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023

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 \$146,092 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 2023 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, 2023**

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 \$397,195 and in Other Governmental Funds are \$119,348.

As of June 30, 2023, the District had the following commitments with respect to capital improvements:

Capital Projects	Remaining Construction Commitment	Expected Completion
Lakewood Elementary Paving	\$24,619	7/31/2023
Lakewood Elementary Kitchen Upgrade	263,200	10/31/2023
Lakewood Elementary Modular Classrooms	347,137	10/31/2023
Jackson Intermediate Secured Entry	73,226	11/30/2023

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, 2023, the reserve activity (cash-basis) was as follows:

	Capital Acquisition Reserve
Set-aside Cash Balance as of June 30, 2022	\$0
Current Year Set-Aside Requirement	363,947
Current Year Qualifying Expenditures	<u>(1,411,775)</u>
Total	<u>(\$1,047,828)</u>
Set-aside Cash Balance Carried Forward to FY 2024	<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, 2023

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, 2023, 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, 2023.



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 Ten Fiscal Years***

State Teachers Retirement System

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

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

School Employees Retirement System

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

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

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

See accompanying notes to the required supplementary information

LAKEWOOD LOCAL SCHOOL DISTRICT

2018	2019	2020	2021	2022	2023
0.08924790%	0.08971837%	0.09000007%	0.08787574%	0.086700365%	0.084910430%
\$21,201,030	\$19,727,055	\$19,902,975	\$21,262,802	\$11,085,421	\$18,875,695
\$9,588,993	\$10,514,914	\$10,927,036	\$10,853,707	\$10,617,586	\$11,234,936
221.10%	187.61%	182.14%	195.90%	104.41%	168.01%
75.30%	77.30%	77.40%	75.48%	87.78%	78.88%

2018	2019	2020	2021	2022	2023
0.0866878%	0.0933341%	0.0948448%	0.0969395%	0.10156210%	0.09820660%
\$5,179,405	\$5,345,417	\$5,674,731	\$6,411,783	\$3,747,347	\$5,311,777
\$2,896,536	\$3,005,570	\$3,384,859	\$3,395,600	\$3,455,279	\$3,668,500
178.81%	177.85%	167.65%	188.83%	108.45%	144.79%
69.50%	71.36%	70.85%	68.55%	82.86%	75.82%

LAKWOOD LOCAL SCHOOL DISTRICT

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

State Teachers Retirement System

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$1,190,097	\$1,289,962	\$1,328,179
Contributions in relation to the contractually required contribution	<u>1,190,097</u>	<u>1,289,962</u>	<u>1,328,179</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered payroll	\$9,154,592	\$9,214,014	\$9,486,993
Contributions as a percentage of covered payroll	13.00%	14.00%	14.00%

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

School Employees Retirement System

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$367,172	\$372,439	\$395,366
Contributions in relation to the contractually required contribution	<u>367,172</u>	<u>372,439</u>	<u>395,366</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered payroll	\$2,649,149	\$2,825,789	\$2,824,043
Contributions as a percentage of covered payroll	13.86%	13.18%	14.00%

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

See accompanying notes to the required supplementary information

LAKWOOD LOCAL SCHOOL DISTRICT

2017	2018	2019	2020	2021	2022	2023
\$1,342,459	\$1,472,088	\$1,529,785	\$1,519,519	\$1,486,462	\$1,572,891	\$1,553,263
<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>1,553,263</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$9,588,993	\$10,514,914	\$10,927,036	\$10,853,707	\$10,617,586	\$11,234,936	\$11,094,736
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

2017	2018	2019	2020	2021	2022	2023
\$405,515	\$405,752	\$456,956	\$475,384	\$483,739	\$513,590	\$527,211
<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>527,211</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,896,536	\$3,005,570	\$3,384,859	\$3,395,600	\$3,455,279	\$3,668,500	\$3,765,793
14.00%	13.50%	13.50%	14.00%	14.00%	14.00%	14.00%

LAKEWOOD LOCAL SCHOOL DISTRICT

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

State Teachers Retirement System

Fiscal Year	<u>2017</u>	<u>2018</u>	<u>2019</u>
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	<u>2017</u>	<u>2018</u>	<u>2019</u>
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

LAKEWOOD LOCAL SCHOOL DISTRICT

2020	2021	2022	2023
0.09000007%	0.08787574%	0.086700365%	0.084910430%
(\$1,490,617)	(\$1,544,414)	(\$1,828,007)	(\$2,198,614)
\$10,927,036	\$10,853,707	\$10,617,586	\$11,234,936
(13.64%)	(14.23%)	(17.22%)	(19.57%)
174.74%	182.13%	174.73%	230.73%

2020	2021	2022	2023
0.09691010%	0.10056460%	0.10446130%	0.10057280%
\$2,437,085	\$2,185,598	\$1,977,016	\$1,412,053
\$3,384,859	\$3,395,600	\$3,455,279	\$3,668,500
72.00%	64.37%	57.22%	38.49%
15.57%	18.17%	24.08%	30.34%

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>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$91,546	\$0	\$0
Contributions in relation to the contractually required contribution	<u>91,546</u>	<u>0</u>	<u>0</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered payroll	\$9,154,592	\$9,214,014	\$9,486,993
Contributions as a percentage of covered payroll	1.00%	0.00%	0.00%

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

School Employees Retirement System

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$49,905	\$68,302	\$43,311
Contributions in relation to the contractually required contribution	<u>49,905</u>	<u>68,302</u>	<u>43,311</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered payroll	\$2,649,149	\$2,825,789	\$2,824,043
Contributions as a percentage of covered payroll	1.88%	2.42%	1.53%

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

2017	2018	2019	2020	2021	2022	2023
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$9,588,993	\$10,514,914	\$10,927,036	\$10,853,707	\$10,617,586	\$11,234,936	\$11,094,736
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2017	2018	2019	2020	2021	2022	2023
\$46,876	\$63,138	\$74,728	\$64,466	\$65,894	\$66,476	\$70,853
46,876	63,138	74,728	64,466	65,894	66,476	70,853
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$2,896,536	\$3,005,570	\$3,384,859	\$3,395,600	\$3,455,279	\$3,668,500	\$3,765,793
1.62%	2.10%	2.21%	1.90%	1.91%	1.81%	1.88%

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2023

NET PENSION LIABILITY

SERS

Changes in benefit terms – For fiscal years 2023 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 2023, there were no 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.

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2023

NET PENSION LIABILITY (Continued)

SERS (Continued)

- 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.

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 disabled 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.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2023

NET PENSION LIABILITY (Continued)

STRS

Changes in benefit terms – For fiscal years 2023 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

For fiscal year 2023, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Total salary increase rates were lowered to a range of 2.5 percent to 8.5 percent.
- Updated the health and disability mortality assumptions to the Pub-2010 Teachers Healthy Annuitant Mortality Table projected forward generationally using mortality improvement scale MP-2020.
- Demographic assumptions were modified to reflect the June 30, 2021 experience study.

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.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2023

NET OPEB LIABILITY (ASSET)

SERS

Changes in benefit terms – There were no changes to benefit terms for fiscal years 2023 - 2018.

Changes in assumptions

For fiscal year 2023, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- Municipal bond index rate went from 1.92% to 3.69%
- Single equivalent interest rate went from 2.27% to 4.08%
- Medical trend assumptions went from 5.125% to 4.40%
 - Medicare – 6.75% to 4.40%
 - Pre-Medicare – 7.00% to 4.40%

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.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2023

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, 2023

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 2023 the following was the most significant change in benefit terms that affected the total OPEB liability since the prior measurement date:

- Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based.

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.

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2023

NET OPEB LIABILITY (ASSET) (Continued)

STRS (Continued)

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.

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.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2023

NET OPEB LIABILITY (ASSET) (Continued)

STRS (Continued)

Changes in assumptions

For fiscal year 2023 there were no changes in assumptions.

- Projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50%.
- Health care cost trend rates were changed to the following:
 - Medical Medicare from -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate
 - Pre Medicare from 5.00% initial - 4.00 ultimate to 7.50% initial - 3.94 ultimate
 - Prescription Drug Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate
 - Prescription Drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate

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

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

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2023

NET OPEB LIABILITY (ASSET) (Continued)

STRS (Continued)

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

Data Communications Fund

To account for monies received for the maintenance of the Ohio Educational Computer Network connections.

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. (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.

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

Title II-A Fund

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

Miscellaneous Federal Grants Fund

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

LAKEWOOD LOCAL SCHOOL DISTRICT

Nonmajor Governmental Funds

Capital Projects Fund

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

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, 2023**

	Other Grant	Student Managed Activity	Student Activity
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Cash and Cash Equivalents	\$ 126,746	\$ 30,315	\$ 51,320
Cash with Fiscal Agent	0	0	0
Receivables:			
Intergovernmental	0	0	0
Prepaid Items	0	0	0
Total Assets	<u>\$ 126,746</u>	<u>\$ 30,315</u>	<u>\$ 51,320</u>
Liabilities:			
Accounts Payable	\$ 0	\$ 0	\$ 7,914
Accrued Wages and Benefits	0	0	0
Intergovernmental Payable	0	0	0
Retainage Payable	0	0	0
Interfund Loans Payable	0	0	0
Unearned Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>7,914</u>
Deferred Inflows of Resources:			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:			
Nonspendable	0	0	0
Restricted	126,746	30,315	43,406
Assigned	0	0	0
Unassigned	0	0	0
Total Fund Balances (Deficit)	<u>126,746</u>	<u>30,315</u>	<u>43,406</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 126,746</u>	<u>\$ 30,315</u>	<u>\$ 51,320</u>

LAKWOOD LOCAL SCHOOL DISTRICT

Data Communications	Elementary/Secondary School Emergency Relief	Special Education Part B-IDEA	Title I School Improvement	Title III Limited English Proficiency	Title I
\$ 0	\$ 0	\$ 3,873	\$ 0	\$ 851	\$ 0
0	0	0	0	0	0
184	96,680	29,614	21,703	0	40,627
0	22,637	2,030	0	0	0
<u>\$ 184</u>	<u>\$ 119,317</u>	<u>\$ 35,517</u>	<u>\$ 21,703</u>	<u>\$ 851</u>	<u>\$ 40,627</u>
\$ 0	\$ 3,352	\$ 377	\$ 5,590	\$ 99	\$ 0
0	29,763	33,236	0	0	38,627
0	5,922	1,904	0	0	624
0	0	0	0	0	0
0	57,182	0	15,790	0	1,376
0	0	0	0	0	0
<u>0</u>	<u>96,219</u>	<u>35,517</u>	<u>21,380</u>	<u>99</u>	<u>40,627</u>
<u>0</u>	<u>5,112</u>	<u>10,266</u>	<u>323</u>	<u>0</u>	<u>10,537</u>
<u>0</u>	<u>5,112</u>	<u>10,266</u>	<u>323</u>	<u>0</u>	<u>10,537</u>
0	22,637	2,030	0	0	0
184	0	0	0	752	0
0	0	0	0	0	0
0	(4,651)	(12,296)	0	0	(10,537)
<u>184</u>	<u>17,986</u>	<u>(10,266)</u>	<u>0</u>	<u>752</u>	<u>(10,537)</u>
<u>\$ 184</u>	<u>\$ 119,317</u>	<u>\$ 35,517</u>	<u>\$ 21,703</u>	<u>\$ 851</u>	<u>\$ 40,627</u>

(Continued)

LAKWOOD LOCAL SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023**

	Title IV-A Student Support and Academic Enrichment	Title II-A	Miscellaneous Federal Grants
Assets:			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 405,570
Cash with Fiscal Agent	0	0	0
Receivables:			
Intergovernmental	146	8,237	0
Prepaid Items	0	1,676	0
Total Assets	\$ 146	\$ 9,913	\$ 405,570
Liabilities:			
Accounts Payable	\$ 146	\$ 0	\$ 5,502
Accrued Wages and Benefits	0	8,769	0
Intergovernmental Payable	0	1,144	0
Retainage Payable	0	0	0
Interfund Loans Payable	0	0	0
Unearned Revenue	0	0	400,000
Total Liabilities	146	9,913	405,502
Deferred Inflows of Resources:			
Unavailable Revenue	0	2,187	0
Total Deferred Inflows of Resources	0	2,187	0
Fund Balances:			
Nonspendable	0	1,676	0
Restricted	0	0	68
Assigned	0	0	0
Unassigned	0	(3,863)	0
Total Fund Balances (Deficit)	0	(2,187)	68
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 146	\$ 9,913	\$ 405,570

LAKWOOD LOCAL SCHOOL DISTRICT

Total Nonmajor Special Revenue Funds	Capital Projects	Total Nonmajor Governmental Funds
\$ 618,675	\$ 552,878	\$ 1,171,553
0	363,957	363,957
197,191	0	197,191
26,343	0	26,343
\$ 842,209	\$ 916,835	\$ 1,759,044
\$ 22,980	\$ 299,144	\$ 322,124
110,395	0	110,395
9,594	0	9,594
0	5,000	5,000
74,348	0	74,348
400,000	0	400,000
617,317	304,144	921,461
28,425	0	28,425
28,425	0	28,425
26,343	0	26,343
201,471	0	201,471
0	612,691	612,691
(31,347)	0	(31,347)
196,467	612,691	809,158
\$ 842,209	\$ 916,835	\$ 1,759,044

LAKWOOD LOCAL SCHOOL DISTRICT

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2023**

	Other Grant	Student Managed Activity	Student Activity	Early Childhood Education
Revenues:				
Local Sources:				
Investment Earnings	\$ 0	\$ 0	\$ 0	\$ 0
Extracurricular Activities	0	27,793	108,568	0
Intermediate Sources	27,817	0	0	0
Intergovernmental - State	0	0	0	96,000
Intergovernmental - Federal	0	0	0	0
All Other Revenue	69,911	1,250	0	0
Total Revenue	<u>97,728</u>	<u>29,043</u>	<u>108,568</u>	<u>96,000</u>
Expenditures:				
Current:				
Instruction	34,611	0	0	91,000
Supporting Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	1,080	5,000
Operation and Maintenance of Plant	2,593	0	0	0
Pupil Transportation	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	24,492	100,986	0
Capital Outlay	0	0	0	0
Total Expenditures	<u>37,204</u>	<u>24,492</u>	<u>102,066</u>	<u>96,000</u>
Excess (Deficiency) of Revenues Over Expenditures	60,524	4,551	6,502	0
Other Financing Sources (Uses):				
Other Financing Sources - Loan	0	0	0	0
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	60,524	4,551	6,502	0
Fund Balances at Beginning of Year	<u>66,222</u>	<u>25,764</u>	<u>36,904</u>	<u>0</u>
Fund Balances End of Year	<u>\$ 126,746</u>	<u>\$ 30,315</u>	<u>\$ 43,406</u>	<u>\$ 0</u>

LAKWOOD LOCAL SCHOOL DISTRICT

Data Communications	Ohio High Schools That Work/Making Middle Grades Work	Miscellaneous State Grants	Elementery/Secondary School Emergency Relief	Special Education Part B-IDEA	Title I School Improvement
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	0	0	0	0
7,384	3,605	135,000	0	0	0
0	0	0	855,442	463,059	44,929
0	0	0	0	0	0
<u>7,384</u>	<u>3,605</u>	<u>135,000</u>	<u>855,442</u>	<u>463,059</u>	<u>44,929</u>
0	0	0	219,251	291,960	20,951
0	0	0	3,352	152,307	0
0	3,000	0	7,903	0	17,321
0	0	0	10,405	0	0
7,200	0	0	54,826	29,058	0
0	0	135,000	9,652	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	532,067	0	0
<u>7,200</u>	<u>3,000</u>	<u>135,000</u>	<u>837,456</u>	<u>473,325</u>	<u>38,272</u>
184	605	0	17,986	(10,266)	6,657
0	0	0	0	0	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>
184	605	0	17,986	(10,266)	6,657
0	(605)	0	0	0	(6,657)
<u>\$ 184</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,986</u>	<u>\$ (10,266)</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, 2023***

	Title III Limited English Proficiency	Title I	Title IV-A Student Support and Academic Enrichment	IDEA Preschool Grant for Handicapped
Revenues:				
Local Sources:				
Investment Earnings	\$ 0	\$ 0	\$ 0	\$ 0
Extracurricular Activities	0	0	0	0
Intermediate Sources	0	0	0	0
Intergovernmental - State	0	0	0	0
Intergovernmental - Federal	1,162	374,582	20,953	12,094
All Other Revenue	0	0	0	0
Total Revenue	1,162	374,582	20,953	12,094
Expenditures:				
Current:				
Instruction	512	266,468	15,130	12,094
Supporting Services:				
Pupils	0	0	0	0
Instructional Staff	0	115,437	0	0
Administration	0	0	0	0
Operation and Maintenance of Plant	0	0	4,749	0
Pupil Transportation	0	250	0	0
Operation of Non-Instructional Services	0	2,964	0	0
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	512	385,119	19,879	12,094
Excess (Deficiency) of Revenues				
Over Expenditures	650	(10,537)	1,074	0
Other Financing Sources (Uses):				
Other Financing Sources - Loan	0	0	0	0
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	650	(10,537)	1,074	0
Fund Balances at Beginning of Year	102	0	(1,074)	0
Fund Balances End of Year	\$ 752	\$ (10,537)	\$ 0	\$ 0

LAKWOOD LOCAL SCHOOL DISTRICT

Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds	Capital Projects	Total Nonmajor Governmental Funds
\$ 0	\$ 5,570	\$ 5,570	\$ 16,820	\$ 22,390
0	0	136,361	0	136,361
0	0	27,817	0	27,817
0	0	241,989	0	241,989
71,661	0	1,843,882	0	1,843,882
0	0	71,161	0	71,161
<u>71,661</u>	<u>5,570</u>	<u>2,326,780</u>	<u>16,820</u>	<u>2,343,600</u>
73,848	0	1,025,825	0	1,025,825
0	0	155,659	0	155,659
0	0	143,661	0	143,661
0	0	16,485	0	16,485
0	0	98,426	0	98,426
0	0	144,902	0	144,902
0	0	2,964	0	2,964
0	0	125,478	0	125,478
0	5,502	537,569	1,613,337	2,150,906
<u>73,848</u>	<u>5,502</u>	<u>2,250,969</u>	<u>1,613,337</u>	<u>3,864,306</u>
(2,187)	68	75,811	(1,596,517)	(1,520,706)
0	0	0	1,164,105	1,164,105
0	0	0	11,818	11,818
<u>0</u>	<u>0</u>	<u>0</u>	<u>1,175,923</u>	<u>1,175,923</u>
(2,187)	68	75,811	(420,594)	(344,783)
0	0	120,656	1,033,285	1,153,941
<u>\$ (2,187)</u>	<u>\$ 68</u>	<u>\$ 196,467</u>	<u>\$ 612,691</u>	<u>\$ 809,158</u>

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Fiscal Year Ended June 30, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Taxes	\$ 16,728,000	\$ 17,035,293	\$ 17,035,293	\$ 0
Tuition	664,720	654,548	656,750	2,202
Investment Earnings	121,000	441,000	487,101	46,101
Extracurricular Activities	5,700	5,780	6,103	323
Class Material and Fees	65,860	64,095	69,063	4,968
Intergovernmental - State	6,736,332	6,788,932	6,873,960	85,028
Intergovernmental - Federal	125,000	125,000	59,428	(65,572)
All Other Revenues	59,200	60,250	62,444	2,194
Total Revenues	<u>24,505,812</u>	<u>25,174,898</u>	<u>25,250,142</u>	<u>75,244</u>
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	6,919,683	6,725,189	6,683,580	41,609
Fringe Benefits	2,576,239	2,541,546	2,489,108	52,438
Purchased Services	374,270	384,977	360,036	24,941
Supplies and Materials	336,709	362,178	306,807	55,371
Other Expenditures	19,639	19,639	19,639	0
Capital Outlay	117,113	96,420	96,420	0
Total Regular	<u>10,343,653</u>	<u>10,129,949</u>	<u>9,955,590</u>	<u>174,359</u>
Special:				
Salaries and Wages	1,131,525	1,239,655	1,230,967	8,688
Fringe Benefits	547,536	612,304	571,943	40,361
Purchased Services	489,525	460,438	440,913	19,525
Supplies and Materials	13,348	15,220	9,564	5,656
Other Expenditures	684,473	574,087	553,861	20,226
Capital Outlay	0	18,400	18,400	0
Total Special	<u>2,866,407</u>	<u>2,920,104</u>	<u>2,825,648</u>	<u>94,456</u>
Vocational:				
Salaries and Wages	296,884	298,313	297,418	895
Fringe Benefits	106,422	91,272	90,138	1,134
Purchased Services	350	0	0	0
Supplies and Materials	22,835	31,726	23,455	8,271
Capital Outlay	3,500	3,442	3,442	0
Total Vocational	<u>429,991</u>	<u>424,753</u>	<u>414,453</u>	<u>10,300</u>

(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, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other:				
Salaries and Wages	224,200	226,108	225,578	530
Fringe Benefits	85,642	85,503	84,654	849
Purchased Services	19,577	20,327	20,157	170
Other Expenditures	434	434	434	0
Total Other	329,853	332,372	330,823	1,549
Total Instructional Services	13,969,904	13,807,178	13,526,514	280,664
Support Services:				
Pupils:				
Salaries and Wages	1,049,293	1,089,568	1,062,326	27,242
Fringe Benefits	496,614	561,038	540,015	21,023
Purchased Services	178,795	199,192	186,360	12,832
Supplies and Materials	15,620	16,326	13,266	3,060
Other Expenditures	86,612	99,257	98,480	777
Capital Outlay	4,190	12,900	6,285	6,615
Total Pupils	1,831,124	1,978,281	1,906,732	71,549
Instructional Staff:				
Salaries and Wages	555,500	563,224	544,275	18,949
Fringe Benefits	281,860	273,384	253,698	19,686
Purchased Services	74,947	78,743	64,740	14,003
Supplies and Materials	53,143	45,151	33,843	11,308
Other Expenditures	65,482	52,644	49,144	3,500
Total Instructional Staff	1,030,932	1,013,146	945,700	67,446
Board of Education:				
Salaries and Wages	7,500	7,500	7,250	250
Fringe Benefits	1,796	1,773	1,073	700
Purchased Services	104,500	138,291	135,301	2,990
Supplies and Materials	3,150	3,150	1,847	1,303
Other Expenditures	9,298	10,440	10,435	5
Total Board of Education	126,244	161,154	155,906	5,248

(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, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Administration:				
Salaries and Wages	1,449,400	1,413,613	1,391,489	22,124
Fringe Benefits	555,866	514,018	497,361	16,657
Purchased Services	132,737	138,923	116,007	22,916
Supplies and Materials	13,127	13,202	11,596	1,606
Other Expenditures	33,126	20,524	18,268	2,256
Capital Outlay	0	8,335	8,264	71
Total Administration	2,184,256	2,108,615	2,042,985	65,630
Fiscal Services:				
Salaries and Wages	328,500	328,500	328,043	457
Fringe Benefits	119,918	129,976	127,350	2,626
Purchased Services	77,699	90,049	82,442	7,607
Supplies and Materials	6,100	8,601	8,348	253
Other Expenditures	295,431	309,165	306,753	2,412
Capital Outlay	10,000	3,367	3,332	35
Total Fiscal Services	837,648	869,658	856,268	13,390
Business:				
Salaries and Wages	10,950	8,950	4,873	4,077
Fringe Benefits	6,135	1,758	1,365	393
Purchased Services	200	200	0	200
Supplies and Materials	15,000	7,500	1,000	6,500
Other Expenditures	2,316	2,129	2,129	0
Total Business	34,601	20,537	9,367	11,170
Operation and Maintenance of Plant:				
Salaries and Wages	860,690	842,552	815,539	27,013
Fringe Benefits	352,730	365,470	358,137	7,333
Purchased Services	1,151,743	1,234,048	1,149,059	84,989
Supplies and Materials	150,284	152,318	116,795	35,523
Other Expenditures	2,333	2,133	2,133	0
Capital Outlay	548,876	436,973	387,427	49,546
Total Operation and Maintenance Of Plant	3,066,656	3,033,494	2,829,090	204,404

(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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Pupil Transportation:				
Salaries and Wages	1,019,200	1,013,039	992,659	20,380
Fringe Benefits	626,313	611,507	595,208	16,299
Purchased Services	55,333	61,465	51,987	9,478
Supplies and Materials	329,368	323,548	310,219	13,329
Other Expenditures	2,495	2,495	2,495	0
Capital Outlay	346,797	209,476	209,476	0
Total Pupil Transportation	2,379,506	2,221,530	2,162,044	59,486
Central:				
Salaries and Wages	41,000	41,900	41,900	0
Fringe Benefits	12,074	6,887	6,868	19
Purchased Services	17,696	30,536	23,112	7,424
Supplies and Materials	12,740	12,740	2,224	10,516
Other Expenditures	455	105	105	0
Capital Outlay	27,478	24,572	20,337	4,235
Total Central	111,443	116,740	94,546	22,194
Total Support Services	11,602,410	11,523,155	11,002,638	520,517
Operation of Non-Instructional Services:				
Capital Outlay	0	14,497	14,497	0
Total Non-Instructional Services	0	14,497	14,497	0
Extracurricular Activities:				
Salaries and Wages	335,917	335,916	312,557	23,359
Fringe Benefits	77,486	76,500	69,532	6,968
Purchased Services	8,750	9,404	3,490	5,914
Total Extracurricular Activities	422,153	421,820	385,579	36,241
Capital Outlay:				
Purchased Services	130,444	0	0	0
Capital Outlay	154,696	397,576	378,752	18,824
Total Capital Outlay	285,140	397,576	378,752	18,824
Total Expenditures	26,279,607	26,164,226	25,307,980	856,246
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(1,773,795)	(989,328)	(57,838)	931,490

(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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Sale of Capital Assets	25,000	29,098	28,666	(432)
Transfers Out	0	(259,938)	(259,938)	0
Total Other Financing Sources (Uses):	25,000	(230,840)	(231,272)	(432)
Net Change in Fund Balance	(1,748,795)	(1,220,168)	(289,110)	931,058
Fund Balance at Beginning of Year	14,064,770	14,064,770	14,064,770	0
Prior Year Encumbrances	216,399	216,399	216,399	0
Fund Balance at End of Year	\$ 12,532,374	\$ 13,061,001	\$ 13,992,059	\$ 931,058

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Fund – Debt Service Fund – Debt Service Fund
For the Fiscal Year Ended June 30, 2023***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Taxes	\$ 1,061,164	\$ 1,160,720	\$ 1,160,721	\$ 1
Intergovernmental - State	235,727	236,509	237,231	722
Total Revenues	<u>1,296,891</u>	<u>1,397,229</u>	<u>1,397,952</u>	<u>723</u>
Expenditures:				
Current:				
Support Services:				
Fiscal Services:				
Other Expenditures	14,000	13,689	13,689	0
Total Fiscal Services	<u>14,000</u>	<u>13,689</u>	<u>13,689</u>	<u>0</u>
Debt Service:				
Principal Retirement	1,141,771	1,375,467	1,375,467	0
Interest and Fiscal Charges	150,872	176,866	176,866	0
Total Debt Service	<u>1,292,643</u>	<u>1,552,333</u>	<u>1,552,333</u>	<u>0</u>
Total Expenditures	<u>1,306,643</u>	<u>1,566,022</u>	<u>1,566,022</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,752)	(168,793)	(168,070)	723
Other Financing Sources (Uses):				
Transfers In	0	259,938	259,938	0
Transfers Out	(11,818)	(11,818)	(11,818)	0
Total Other Financing Sources (Uses)	<u>(11,818)</u>	<u>248,120</u>	<u>248,120</u>	<u>0</u>
Net Change in Fund Balance	(21,570)	79,327	80,050	723
Fund Balance at Beginning of Year	<u>922,486</u>	<u>922,486</u>	<u>922,486</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 900,916</u>	<u>\$ 1,001,813</u>	<u>\$ 1,002,536</u>	<u>\$ 723</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, 2023***

PUBLIC SCHOOL SUPPORT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Extracurricular Activities	\$ 27,050	\$ 37,050	\$ 40,773	\$ 3,723
Intermediate Sources	0	5,291	5,291	0
All Other Revenues	3,700	9,750	6,750	(3,000)
Total Revenues	30,750	52,091	52,814	723
Expenditures:				
Extracurricular Activities:				
Purchased Services	11,586	9,980	6,466	3,514
Supplies and Materials	30,235	59,325	39,274	20,051
Other Expenditures	0	557	557	0
Capital Outlay	758	758	758	0
Total Expenditures	42,579	70,620	47,055	23,565
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,829)	(18,529)	5,759	24,288
Fund Balance at Beginning of Year	39,949	39,949	39,949	0
Prior Year Encumbrances	3,741	3,741	3,741	0
Fund Balance at End of Year	\$ 31,861	\$ 25,161	\$ 49,449	\$ 24,288

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, 2023**

OTHER GRANT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intermediate Sources	\$ 1,000	\$ 20,817	\$ 27,817	\$ 7,000
All Other Revenues	0	67,100	69,911	2,811
Total Revenues	<u>1,000</u>	<u>87,917</u>	<u>97,728</u>	<u>9,811</u>
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	500	500	500	0
Fringe Benefits	0	376	376	0
Purchased Services	1,900	1,900	1,004	896
Supplies and Materials	52,335	66,333	30,553	35,780
Capital Outlay	0	62,349	56,895	5,454
Total Regular	<u>54,735</u>	<u>131,458</u>	<u>89,328</u>	<u>42,130</u>
Other:				
Salaries and Wages	1,350	1,388	1,388	0
Fringe Benefits	196	215	213	2
Purchased Services	9,533	9,476	263	9,213
Total Other	<u>11,079</u>	<u>11,079</u>	<u>1,864</u>	<u>9,215</u>
Total Instructional Services	<u>65,814</u>	<u>142,537</u>	<u>91,192</u>	<u>51,345</u>
Support Services:				
Operation and Maintenance of Plant:				
Capital Outlay	3,843	3,843	2,593	1,250
Total Expenditures	<u>69,657</u>	<u>146,380</u>	<u>93,785</u>	<u>52,595</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(68,657)	(58,463)	3,943	62,406
Fund Balance at Beginning of Year	62,366	62,366	62,366	0
Prior Year Encumbrances	6,291	6,291	6,291	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 10,194</u>	<u>\$ 72,600</u>	<u>\$ 62,406</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, 2023**

STUDENT MANAGED ACTIVITY FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Extracurricular Activities	\$ 42,925	\$ 44,925	\$ 27,793	\$ (17,132)
All Other Revenues	1,600	1,600	1,250	(350)
Total Revenues	44,525	46,525	29,043	(17,482)
Expenditures:				
Extracurricular Activities:				
Purchased Services	32,000	31,500	13,917	17,583
Supplies and Materials	17,800	17,800	10,575	7,225
Other Expenditures	500	500	0	500
Capital Outlay	4,000	4,000	0	4,000
Total Expenditures	54,300	53,800	24,492	29,308
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	(9,775)	(7,275)	4,551	11,826
Other Financing Sources (Uses):				
Operating Transfers In	0	0	1,518	1,518
Operating Transfers Out	(1,688)	(1,688)	(1,518)	170
Total Other Financing Sources (Uses):	(1,688)	(1,688)	0	1,688
Net Change in Fund Balance	(11,463)	(8,963)	4,551	13,514
Fund Balance at Beginning of Year	25,764	25,764	25,764	0
Fund Balance at End of Year	\$ 14,301	\$ 16,801	\$ 30,315	\$ 13,514

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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
STUDENT ACTIVITY FUND				
Revenues:				
Extracurricular Activities	\$ 93,300	\$ 119,050	\$ 108,707	\$ (10,343)
All Other Revenues	20,300	5,300	0	(5,300)
Total Revenues	<u>113,600</u>	<u>124,350</u>	<u>108,707</u>	<u>(15,643)</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	76,724	81,484	75,161	6,323
Supplies and Materials	21,800	25,489	20,779	4,710
Other Expenditures	8,250	6,876	5,000	1,876
Total Extracurricular Activities	<u>106,774</u>	<u>113,849</u>	<u>100,940</u>	<u>12,909</u>
Total Expenditures	<u>107,854</u>	<u>114,929</u>	<u>102,020</u>	<u>12,909</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,746	9,421	6,687	(2,734)
Fund Balance at Beginning of Year	36,619	36,619	36,619	0
Prior Year Encumbrances	100	100	100	0
Fund Balance at End of Year	<u>\$ 42,465</u>	<u>\$ 46,140</u>	<u>\$ 43,406</u>	<u>\$ (2,734)</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EARLY CHILDHOOD EDUCATION FUND				
Revenues:				
Intergovernmental - State	\$ 96,000	\$ 96,000	\$ 96,000	\$ 0
Total Revenues	96,000	96,000	96,000	0
Expenditures:				
Instructional Services:				
Special:				
Salaries and Wages	67,000	66,677	66,677	0
Fringe Benefits	23,800	24,123	24,123	0
Supplies and Materials	200	200	200	0
Total Instructional Services	91,000	91,000	91,000	0
Support Services:				
Administration:				
Salaries and Wages	5,000	5,000	5,000	0
Total Expenditures	96,000	96,000	96,000	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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
DATA COMMUNICATIONS FUND				
Revenues:				
Intergovernmental - State	\$ 7,200	\$ 7,200	\$ 7,200	\$ 0
Total Revenues	7,200	7,200	7,200	0
Expenditures:				
Support Services:				
Operation and Maintenance of Plant:				
Purchased Services	7,200	7,200	7,200	0
Total Expenditures	7,200	7,200	7,200	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
OHIO HIGH SCHOOLS THAT WORK/MAKING MIDDLE GRADES WORK FUND				
Revenues:				
Intergovernmental - State	\$ 3,605	\$ 3,605	\$ 3,605	\$ 0
Total Revenues	3,605	3,605	3,605	0
Expenditures:				
Support Services:				
Instructional Staff:				
Salaries and Wages	0	2,500	2,500	0
Fringe Benefits	0	386	386	0
Purchased Services	2,480	0	0	0
Supplies and Materials	1,319	913	913	0
Total Expenditures	3,799	3,799	3,799	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(194)	(194)	(194)	0
Fund Balance at Beginning of Year	(1,125)	(1,125)	(1,125)	0
Prior Year Encumbrances	1,319	1,319	1,319	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, 2023**

MISCELLANEOUS STATE GRANTS FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - State	\$ 135,000	\$ 135,000	\$ 135,000	\$ 0
Total Revenues	135,000	135,000	135,000	0
Expenditures:				
Support Services:				
Pupil Transportation:				
Capital Outlay	135,000	135,000	135,000	0
Total Expenditures	135,000	135,000	135,000	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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ELEMENTARY/SECONDARY SCHOOL EMERGENCY RELIEF FUND				
Revenues:				
Intergovernmental - Federal	\$ 2,113,074	\$ 2,113,794	\$ 1,645,188	\$ (468,606)
Total Revenues	2,113,074	2,113,794	1,645,188	(468,606)
Expenditures:				
Instructional Services:				
Regular:				
Purchased Services	110,283	102,000	14,478	87,522
Supplies and Materials	148,252	141,976	87,801	54,175
Capital Outlay	83,872	100,583	87,713	12,870
Total Regular	342,407	344,559	189,992	154,567
Vocational:				
Other:				
Salaries and Wages	156,049	117,323	36,402	80,921
Fringe Benefits	24,425	17,965	5,527	12,438
Supplies and Materials	742	6,930	6,930	0
Total Other	181,216	142,218	48,859	93,359
Total Instructional Services	523,623	486,777	238,851	247,926
Support Services:				
Pupils:				
Salaries and Wages	1,000	2,000	0	2,000
Fringe Benefits	145	290	0	290
Supplies and Materials	5,000	4,500	3,500	1,000
Total Pupils	6,145	6,790	3,500	3,290
Instructional Staff:				
Salaries and Wages	11,527	6,963	6,963	0
Fringe Benefits	1,791	1,065	1,065	0
Total Instructional Staff	13,318	8,028	8,028	0

(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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ELEMENTARY/SECONDARY SCHOOL EMERGENCY RELIEF FUND				
Administration:				
Salaries and Wages	4,747	14,746	8,554	6,192
Fringe Benefits	717	2,248	1,288	960
Total Administration	5,464	16,994	9,842	7,152
Operation and Maintenance of Plant:				
Salaries and Wages	42,693	33,435	12,787	20,648
Fringe Benefits	6,654	5,139	1,955	3,184
Supplies and Materials	46,015	44,895	9,870	35,025
Capital Outlay	73,150	67,150	37,450	29,700
Total Operation and Maintenance Of Plant	168,512	150,619	62,062	88,557
Pupil Transportation:				
Salaries and Wages	37,602	37,602	10,708	26,894
Fringe Benefits	5,793	5,792	1,580	4,212
Total Pupil Transportation	43,395	43,394	12,288	31,106
Total Support Services	236,834	225,825	95,720	130,105
Operation of Non-Instructional Services:				
Purchased Services	3,738	3,093	0	3,093
Total Non-Instructional Services	3,738	3,093	0	3,093
Capital Outlay:				
Capital Outlay	1,248,213	1,297,433	1,272,433	25,000
Total Expenditures	2,012,408	2,013,128	1,607,004	406,124
Excess (Deficiency) of Revenues Over (Under) Expenditures	100,666	100,666	38,184	(62,482)
Fund Balance at Beginning of Year	(1,416,800)	(1,416,800)	(1,416,800)	0
Prior Year Encumbrances	1,316,134	1,316,134	1,316,134	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ (62,482)	\$ (62,482)

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, 2023**

SPECIAL EDUCATION PART B-IDEA FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - Federal	\$ 510,914	\$ 509,308	\$ 468,742	\$ (40,566)
Total Revenues	510,914	509,308	468,742	(40,566)
Expenditures:				
Instructional Services:				
Special:				
Salaries and Wages	242,714	239,788	215,157	24,631
Fringe Benefits	63,117	57,602	57,155	447
Supplies and Materials	0	7,263	6,774	489
Capital Outlay	0	9,812	9,812	0
Total Instructional Services	305,831	314,465	288,898	25,567
Support Services:				
Pupils:				
Salaries and Wages	119,216	111,039	103,453	7,586
Fringe Benefits	56,243	54,180	54,180	0
Total Pupils	175,459	165,219	157,633	7,586
Operation and Maintenance of Plant:				
Capital Outlay	29,058	29,058	29,058	0
Total Support Services	204,517	194,277	186,691	7,586
Total Expenditures	510,348	508,742	475,589	33,153
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	566	566	(6,847)	(7,413)
Fund Balance at Beginning of Year				
Prior Year Encumbrances	29,058	29,058	29,058	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ (7,413)	\$ (7,413)

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, 2023**

TITLE I SCHOOL IMPROVEMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - Federal	\$ 59,082	\$ 59,082	\$ 23,549	\$ (35,533)
Total Revenues	59,082	59,082	23,549	(35,533)
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	5,400	5,400	400	5,000
Fringe Benefits	783	783	62	721
Supplies and Materials	22,753	30,038	27,363	2,675
Total Instructional Services	28,936	36,221	27,825	8,396
Support Services:				
Pupils:				
Purchased Services	8,110	0	0	0
Total Pupils	8,110	0	0	0
Instructional Staff:				
Salaries and Wages	7,700	5,600	4,100	1,500
Fringe Benefits	1,149	824	621	203
Purchased Services	13,200	16,450	12,600	3,850
Total Instructional Staff	22,049	22,874	17,321	5,553
Total Support Services	30,159	22,874	17,321	5,553
Total Expenditures	59,095	59,095	45,146	13,949
Excess (Deficiency) of Revenues				
Over (Under) Expenditures				
	(13)	(13)	(21,597)	(21,584)
Fund Balance at Beginning of Year				
	(8,725)	(8,725)	(8,725)	0
Prior Year Encumbrances				
	8,738	8,738	8,738	0
Fund Balance at End of Year				
	\$ 0	\$ 0	\$ (21,584)	\$ (21,584)

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, 2023**

TITLE III LIMITED ENGLISH PROFICIENCY FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental - Federal	\$ 1,162	\$ 1,162	\$ 1,162	\$ 0
Total Revenues	1,162	1,162	1,162	0
Expenditures:				
Instructional Services:				
Special:				
Supplies and Materials	1,264	1,264	512	752
Total Expenditures	1,264	1,264	512	752
Excess (Deficiency) of Revenues Over (Under) Expenditures	(102)	(102)	650	752
Fund Balance at Beginning of Year	102	102	102	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 752	\$ 752

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, 2023**

	TITLE I FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - Federal	\$ 429,733	\$ 422,163	\$ 365,430	\$ (56,733)
Total Revenues	429,733	422,163	365,430	(56,733)
Expenditures:				
Instructional Services:				
Regular:				
Purchased Services	6,200	6,200	6,200	0
Supplies and Materials	6,681	6,682	0	6,682
Capital Outlay	9,499	9,499	7,289	2,210
Total Regular	22,380	22,381	13,489	8,892
Special:				
Salaries and Wages	259,711	253,075	227,954	25,121
Fringe Benefits	23,957	23,605	23,605	0
Total Special	283,668	276,680	251,559	25,121
Total Instructional Services	306,048	299,061	265,048	34,013
Support Services:				
Instructional Staff:				
Salaries and Wages	114,985	114,985	100,856	14,129
Total Instructional Staff	114,985	114,985	100,856	14,129
Pupil Transportation:				
Purchased Services	770	754	400	354
Total Support Services	115,755	115,739	101,256	14,483
Operation of Non-Instructional Services:				
Purchased Services	4,192	3,625	2,964	661
Total Expenditures	425,995	418,425	369,268	49,157
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	3,738	3,738	(3,838)	(7,576)
Fund Balance at Beginning of Year				
Prior Year Encumbrances	(5,387)	(5,387)	(5,387)	0
	1,649	1,649	1,649	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ (7,576)	\$ (7,576)

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, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
TITLE IV-A STUDENT SUPPORT AND ACADEMIC ENRICHMENT FUND				
Revenues:				
Intergovernmental - Federal	\$ 33,047	\$ 33,062	\$ 20,807	\$ (12,255)
Total Revenues	<u>33,047</u>	<u>33,062</u>	<u>20,807</u>	<u>(12,255)</u>
Expenditures:				
Instructional Services:				
Regular:				
Purchased Services	9,000	9,000	9,000	0
Supplies and Materials	2,819	2,973	993	1,980
Capital Outlay	15,984	15,984	5,984	10,000
Total Instructional Services	<u>27,803</u>	<u>27,957</u>	<u>15,977</u>	<u>11,980</u>
Support Services:				
Operation and Maintenance of Plant:				
Supplies and Materials	1,509	1,340	1,221	119
Capital Outlay	3,735	3,765	3,765	0
Total Support Services	<u>5,244</u>	<u>5,105</u>	<u>4,986</u>	<u>119</u>
Total Expenditures	<u>33,047</u>	<u>33,062</u>	<u>20,963</u>	<u>12,099</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	(156)	(156)
Fund Balance at Beginning of Year	(9,079)	(9,079)	(9,079)	0
Prior Year Encumbrances	9,079	9,079	9,079	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (156)</u>	<u>\$ (156)</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, 2023**

	<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	\$ 12,693	\$ 12,688	\$ 12,688	\$ 0
Total Revenues	<u>12,693</u>	<u>12,688</u>	<u>12,688</u>	<u>0</u>
Expenditures:				
Instructional Services:				
Special:				
Salaries and Wages	12,565	12,560	12,560	0
Total Expenditures	<u>12,565</u>	<u>12,560</u>	<u>12,560</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	128	128	128	0
Fund Balance at Beginning of Year	(128)	(128)	(128)	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

LAKWOOD LOCAL SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2023**

	TITLE II-A FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - Federal	\$ 87,421	\$ 88,439	\$ 69,376	\$ (19,063)
Total Revenues	<u>87,421</u>	<u>88,439</u>	<u>69,376</u>	<u>(19,063)</u>
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	68,162	50,868	45,177	5,691
Fringe Benefits	19,059	37,371	23,999	13,372
Total Expenditures	<u>87,221</u>	<u>88,239</u>	<u>69,176</u>	<u>19,063</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	200	200	200	0
Fund Balance at Beginning of Year	(200)	(200)	(200)	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

LAKWOOD LOCAL SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
MISCELLANEOUS FEDERAL GRANTS FUND				
Revenues:				
Local Sources:				
Investment Earnings	\$ 0	\$ 3,200	\$ 5,570	\$ 2,370
Intergovernmental - Federal	0	400,000	400,000	0
Total Revenues	<u>0</u>	<u>403,200</u>	<u>405,570</u>	<u>2,370</u>
Expenditures:				
Support Services:				
Operation and Maintenance of Plant:				
Supplies and Materials	0	340,000	9,310	330,690
Total Support Services	<u>0</u>	<u>340,000</u>	<u>9,310</u>	<u>330,690</u>
Operation of Non-Instructional Services:				
Capital Outlay	0	60,000	11,960	48,040
Total Expenditures	<u>0</u>	<u>400,000</u>	<u>21,270</u>	<u>378,730</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	3,200	384,300	381,100
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 3,200</u>	<u>\$ 384,300</u>	<u>\$ 381,100</u>

LAKWOOD LOCAL SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Fund
For the Fiscal Year Ended June 30, 2023**

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	718,000	1,882,105	1,878,045	4,060
Total Expenditures	718,000	1,882,105	1,878,045	4,060
Excess (Deficiency) of Revenues Over (Under) Expenditures	(718,000)	(1,882,105)	(1,878,045)	4,060
Other Financing Sources (Uses):				
Lease Purchase Financing	0	1,164,105	1,164,105	0
Transfers In	11,818	11,818	11,818	0
Total Other Financing Sources (Uses)	11,818	1,175,923	1,175,923	0
Net Change in Fund Balance	(706,182)	(706,182)	(702,122)	4,060
Fund Balance at Beginning of Year	532,000	532,000	532,000	0
Prior Year Encumbrances	718,000	718,000	718,000	0
Fund Balance at End of Year	\$ 543,818	\$ 543,818	\$ 547,878	\$ 4,060

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 source, 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 report for the relevant year.	

Lakewood Local School District

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

	2014	2015	2016	2017
Governmental Activities:	*			**
Net Investment in Capital Assets	\$3,398,481	\$3,636,986	\$3,741,768	\$4,355,534
Restricted for:				
Debt Service	773,138	700,042	696,827	606,001
Federal and State Funded Programs	20,688	61,618	79,445	0
Other Purposes (1)	64,442	76,759	98,708	90,851
Unrestricted (Deficit)	<u>(18,930,709)</u>	<u>(14,956,033)</u>	<u>(11,405,743)</u>	<u>(17,594,072)</u>
Total Governmental Activities Net Position	<u><u>(\$14,673,960)</u></u>	<u><u>(\$10,480,628)</u></u>	<u><u>(\$6,788,995)</u></u>	<u><u>(\$12,541,686)</u></u>
Business-type Activities:				
Net Investment in Capital Assets	\$77,715	\$144,393	\$132,142	\$115,913
Unrestricted (Deficit)	<u>(188,404)</u>	<u>(248,993)</u>	<u>(260,669)</u>	<u>(560,322)</u>
Total Business-type Activities Net Position	<u><u>(\$110,689)</u></u>	<u><u>(\$104,600)</u></u>	<u><u>(\$128,527)</u></u>	<u><u>(\$444,409)</u></u>
Primary Government:				
Net Investment in Capital Assets	\$3,476,196	\$3,781,379	\$3,873,910	\$4,471,447
Restricted	858,268	838,419	874,980	696,852
Unrestricted	<u>(19,119,113)</u>	<u>(15,205,026)</u>	<u>(11,666,412)</u>	<u>(18,154,394)</u>
Total Primary Government Net Position	<u><u>(\$14,784,649)</u></u>	<u><u>(\$10,585,228)</u></u>	<u><u>(\$6,917,522)</u></u>	<u><u>(\$12,986,095)</u></u>

Source: District Treasurer's Office

(1) Includes Restricted for Extracurricular and OPEB.

* 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

2018	2019	2020	2021	2022	2023

\$7,250,065	\$7,537,301	\$7,983,828	\$9,551,775	\$10,879,649	\$13,695,538
798,920	688,383	758,122	851,437	992,881	1,246,793
0	14,063	187,015	312,038	17,543	158,491
54,233	100,127	128,235	129,193	136,395	552,504
(6,622,821)	(5,708,038)	(8,014,716)	(11,538,461)	(8,217,792)	(6,638,947)
<u>\$1,480,397</u>	<u>\$2,631,836</u>	<u>\$1,042,484</u>	<u>(\$694,018)</u>	<u>\$3,808,676</u>	<u>\$9,014,379</u>
\$102,808	\$91,398	\$87,835	\$125,836	\$141,702	\$159,323
(548,278)	(601,134)	(752,723)	(719,589)	(274,888)	(256,313)
<u>(\$445,470)</u>	<u>(\$509,736)</u>	<u>(\$664,888)</u>	<u>(\$593,753)</u>	<u>(\$133,186)</u>	<u>(\$96,990)</u>
\$7,352,873	\$7,628,699	\$8,071,663	\$9,677,611	\$11,021,351	\$13,854,861
853,153	802,573	1,073,372	1,292,668	1,146,819	1,957,788
(7,171,099)	(6,309,172)	(8,767,439)	(12,258,050)	(8,492,680)	(6,895,260)
<u>\$1,034,927</u>	<u>\$2,122,100</u>	<u>\$377,596</u>	<u>(\$1,287,771)</u>	<u>\$3,675,490</u>	<u>\$8,917,389</u>

Lakewood Local School District

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

	2014	2015	2016	2017
Expenses				
Governmental Activities:				
Instruction	\$12,499,288	\$12,620,972	\$13,345,921	\$14,940,596
Support Services:				
Pupils	1,424,694	1,376,862	1,457,380	1,701,739
Instructional Staff	355,036	416,746	591,749	704,846
Board of Education	94,778	81,842	113,093	90,134
Administration	1,821,632	1,876,291	1,885,623	2,046,793
Fiscal Services	692,254	650,991	665,621	747,064
Business	22,110	9,027	21,627	26,278
Operation and Maintenance of Plant	1,690,189	1,552,021	1,679,574	1,737,436
Pupil Transportation	1,645,923	1,624,650	1,591,323	1,786,288
Central	104,488	63,281	34,528	23,814
Operation of Non-Instructional Services	215,078	240,464	195,606	49,796
Extracurricular Activities	512,262	519,113	551,485	624,287
Interest and Fiscal Charges	535,225	509,433	418,683	277,373
<i>Total Governmental Activities Expenses</i>	<u>21,612,957</u>	<u>21,541,693</u>	<u>22,552,213</u>	<u>24,756,444</u>
Business-type Activities:				
Food Service	980,354	920,073	895,269	984,409
<i>Total Business-type Activities Expenses</i>	<u>980,354</u>	<u>920,073</u>	<u>895,269</u>	<u>984,409</u>
<i>Total Primary Government Expenses</i>	<u><u>\$22,593,311</u></u>	<u><u>\$22,461,766</u></u>	<u><u>\$23,447,482</u></u>	<u><u>\$25,740,853</u></u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Instruction	\$714,405	\$759,132	\$887,993	\$1,250,111
Support Services:				
Administration	127,884	73,127	28,129	44
Operation of Non-Instructional Services	153,529	180,233	0	0
Extracurricular Activities	139,560	148,048	135,620	141,481
Operating Grants and Contributions	1,257,477	1,388,215	1,653,224	1,438,208
Capital Grants and Contributions	0	0	0	0
<i>Total Governmental Activities</i>	<u>2,392,855</u>	<u>2,548,755</u>	<u>2,704,966</u>	<u>2,829,844</u>
<i>Program Revenues</i>	<u>2,392,855</u>	<u>2,548,755</u>	<u>2,704,966</u>	<u>2,829,844</u>

Lakewood Local School District

*					
2018	2019	2020	2021	2022	2023
\$6,499,863	\$13,698,720	\$16,976,745	\$17,334,947	\$13,062,888	\$14,820,203
942,383	1,530,987	1,843,701	1,905,438	1,775,838	2,017,451
428,326	799,038	1,023,491	1,193,321	1,002,700	1,080,801
174,438	34,420	103,668	77,145	109,620	144,867
961,114	1,908,916	2,194,614	2,151,514	1,868,851	2,148,616
643,616	760,212	839,968	855,750	809,114	838,440
24,802	26,181	17,437	15,239	36,120	7,739
1,593,046	2,084,371	2,159,063	2,255,195	2,159,523	2,485,120
1,608,005	1,836,521	2,023,523	2,006,078	1,985,178	2,107,008
15,121	38,329	40,214	58,646	60,566	80,946
46,340	48,134	47,032	76,360	84,464	80,108
578,496	717,343	743,100	776,421	728,772	797,245
266,558	241,956	217,256	188,964	161,554	177,940
<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>26,786,484</u>
938,537	1,030,232	984,370	795,321	1,041,581	1,101,427
<u>938,537</u>	<u>1,030,232</u>	<u>984,370</u>	<u>795,321</u>	<u>1,041,581</u>	<u>1,101,427</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>	<u>\$27,887,911</u>
\$1,307,061	\$1,233,510	\$1,468,705	\$1,263,395	\$800,585	\$1,001,374
276	0	0	0	0	0
0	0	0	0	0	0
179,888	169,432	121,905	114,054	136,890	182,629
1,282,931	1,274,106	1,687,603	2,263,781	3,352,639	2,558,791
458,000	0	0	0	0	135,000
<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>	<u>3,877,794</u>

(continued)

Lakewood Local School District

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

	2014	2015	2016	2017
Business-type Activities:				
Charges for Services				
Food Service	264,932	255,156	309,230	331,827
Operating Grants and Contributions	675,475	626,528	538,906	581,800
Capital Grants and Contributions	0	44,478	23,206	0
<i>Total Business-type Activities Program Revenues</i>	<u>940,407</u>	<u>926,162</u>	<u>871,342</u>	<u>913,627</u>
<i>Total Primary Government Program Revenues</i>	<u>3,333,262</u>	<u>3,474,917</u>	<u>3,576,308</u>	<u>3,743,471</u>
Net (Expense)/Revenue				
Governmental Activities	(19,220,102)	(18,992,938)	(19,847,247)	(21,926,600)
Business-type Activities	(39,947)	6,089	(23,927)	(70,782)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$19,260,049)</u>	<u>(\$18,986,849)</u>	<u>(\$19,871,174)</u>	<u>(\$21,997,382)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$12,443,682	\$13,002,282	\$13,341,342	\$13,226,848
Debt Service	840,483	918,406	931,637	812,141
Grants and Entitlements not				
Restricted to Specific Programs	8,521,195	9,075,972	9,057,291	8,902,300
Investment Earnings	49,826	65,975	112,905	144,950
Miscellaneous	149,236	123,635	95,705	119,568
Transfers	0	0	0	0
<i>Total Governmental Activities</i>	<u>22,004,422</u>	<u>23,186,270</u>	<u>23,538,880</u>	<u>23,205,807</u>
Business-type Activities:				
Investment Earnings	0	0	0	0
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>\$22,004,422</u>	<u>\$23,186,270</u>	<u>\$23,538,880</u>	<u>\$23,205,807</u>
Change in Net Position				
Governmental Activities	\$2,784,320	\$4,193,332	\$3,691,633	\$1,279,207
Business-type Activities	(39,947)	6,089	(23,927)	(70,782)
<i>Total Primary Government Change in Net Position</i>	<u>\$2,744,373</u>	<u>\$4,199,421</u>	<u>\$3,667,706</u>	<u>\$1,208,425</u>

Source: District Treasurer's Office

* Restated for implementation of GASB 84, Fiduciary Activities

Lakewood Local School District

*					
2018	2019	2020	2021	2022	2023
348,571	368,147	277,454	45,767	118,353	429,906
588,905	597,819	551,764	669,692	1,351,768	690,675
0	0	0	50,997	32,027	0
<u>937,476</u>	<u>965,966</u>	<u>829,218</u>	<u>766,456</u>	<u>1,502,148</u>	<u>1,120,581</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>	<u>4,998,375</u>
(10,553,952)	(21,048,080)	(24,951,599)	(25,253,788)	(19,555,074)	(22,908,690)
(1,061)	(64,266)	(155,152)	(28,865)	460,567	19,154
<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>	<u>(\$22,889,536)</u>
\$14,666,904	\$12,719,183	\$14,653,961	\$14,985,535	\$16,180,700	\$19,469,176
1,295,631	982,405	1,155,390	1,169,738	1,204,398	1,333,502
8,221,497	7,879,658	6,952,514	7,071,673	6,708,011	6,692,436
240,795	503,506	390,333	41,552	(113,428)	562,751
151,208	86,710	210,049	348,788	78,087	56,528
0	0	0	(100,000)	0	0
<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>	<u>28,114,393</u>
0	0	0	0	0	17,042
0	0	0	100,000	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>0</u>	<u>17,042</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>	<u>\$28,131,435</u>
\$14,022,083	\$1,123,382	(\$1,589,352)	(\$1,736,502)	\$4,502,694	\$5,205,703
(1,061)	(64,266)	(155,152)	71,135	460,567	36,196
<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>	<u>\$5,241,899</u>

Lakewood Local School District

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund				
Nonspendable	\$256,521	\$240,533	\$283,967	\$303,362
Restricted	7,215	12,293	22,740	19,542
Committed	204,164	204,164	204,164	204,164
Assigned	191,468	358,129	598,691	3,087,642
Unassigned	<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>10,661,244</u>	<u>14,260,890</u>	<u>17,099,016</u>	<u>18,195,456</u>
All Other Governmental Funds				
Nonspendable	11,908	8,079	28,374	12,952
Restricted	847,031	822,405	768,912	1,429,966
Assigned	0	0	0	500,000
Unassigned	<u>0</u>	<u>0</u>	<u>(19,895)</u>	<u>(12,952)</u>
Total All Other Governmental Funds	<u>858,939</u>	<u>830,484</u>	<u>777,391</u>	<u>1,929,966</u>
<i>Total Governmental Funds</i>	<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	2023
\$328,326	\$312,986	\$307,798	\$332,290	\$336,551	\$463,307
9,111	7,684	17,099	10,963	7,505	7,320
204,164	204,164	204,164	204,164	147,390	5,050
502,612	1,964,573	3,101,246	257,497	2,052,979	2,991,438
16,489,732	12,492,211	9,953,051	11,814,781	10,337,765	12,079,542
<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>	<u>15,546,657</u>
10,273	9,940	7,483	4,871	2,981	26,343
851,657	792,122	1,055,119	1,257,665	1,121,678	1,447,731
1,000,000	1,500,000	2,000,000	1,250,000	1,033,285	612,691
(10,273)	(9,940)	(7,483)	(901)	(11,317)	(31,347)
<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>2,055,418</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>	<u>\$17,602,075</u>

Lakewood Local School District

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

	2014	2015	2016	2017
Revenues:				
Local Sources:				
Taxes	\$13,436,540	\$14,087,532	\$14,248,738	\$14,169,147
Tuition	650,229	698,547	827,692	1,174,718
Investment Earnings	52,248	60,360	110,693	138,938
Extracurricular Activities	139,560	148,048	135,620	141,481
Class Materials and Fees	50,416	54,377	55,707	69,111
Intermediate Sources	11,596	4,096	14,522	11,265
Intergovernmental - State	8,814,106	9,297,404	9,220,982	9,095,333
Intergovernmental - Federal	978,300	1,144,087	1,249,940	1,297,851
All Other Revenue	448,573	401,803	282,582	132,870
Total Revenue	<u>24,581,568</u>	<u>25,896,254</u>	<u>26,146,476</u>	<u>26,230,714</u>
Expenditures:				
Current:				
Instruction	12,092,287	12,494,915	13,106,643	13,744,523
Supporting Services:				
Pupils	1,471,483	1,416,326	1,484,913	1,623,056
Instructional Staff	324,617	393,902	681,181	649,305
Board of Education	94,778	82,111	113,146	89,586
Administration	1,816,665	1,998,667	1,891,636	1,891,555
Fiscal Services	692,505	661,533	671,329	716,347
Business	22,110	9,339	21,811	25,520
Operation and Maintenance of Plant	2,030,914	1,744,441	1,984,513	2,411,178
Pupil Transportation	1,696,832	1,614,427	1,668,532	1,861,033
Central	104,334	68,386	27,123	23,219
Operation of Non-Instructional Services	170,451	200,197	154,352	6,703
Extracurricular Activities	377,215	386,409	427,445	463,952
Capital Outlay	0	0	0	1,871,288
Debt Service:				
Principal Retirement	828,344	860,099	1,010,052	889,852
Interest and Fiscal Charges	426,804	386,175	343,663	258,028
Total Expenditures	<u>22,149,339</u>	<u>22,316,927</u>	<u>23,586,339</u>	<u>26,525,145</u>
Excess (Deficiency) of Revenues Over Expenditures	2,432,229	3,579,327	2,560,137	(294,431)

Lakewood Local School District

*					
2018	2019	2020	2021	2022	2023
\$16,067,795	\$13,686,900	\$15,877,544	\$16,242,885	\$17,357,934	\$20,802,998
1,220,174	940,057	1,361,525	1,434,681	729,738	656,680
248,916	506,348	392,764	46,530	(113,865)	559,256
179,888	169,432	121,905	114,054	136,890	182,629
76,523	71,986	61,436	72,817	65,992	66,539
20,751	9,963	33,320	18,711	14,811	33,108
8,401,513	8,067,273	7,629,292	7,837,078	7,168,938	7,355,880
1,062,016	1,051,645	972,695	1,447,885	2,868,820	1,917,930
181,958	115,760	225,542	363,625	90,485	143,081
<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>	<u>31,718,101</u>
14,728,313	15,324,959	15,721,151	15,886,540	13,919,992	14,375,637
1,721,318	1,714,295	1,721,207	1,793,713	1,946,061	2,025,178
742,318	850,100	936,082	1,167,721	1,056,292	1,054,494
176,071	156,324	102,531	76,367	109,624	144,995
1,919,922	1,976,644	2,001,735	2,005,894	2,069,287	2,018,730
698,923	760,721	806,991	819,606	827,201	846,991
26,506	26,294	15,792	14,353	36,815	7,911
2,118,221	2,228,896	2,143,930	2,307,443	2,499,977	2,833,295
1,828,136	1,798,865	1,881,923	1,952,940	2,097,860	2,287,542
21,741	38,645	67,843	81,929	95,242	81,604
3,380	5,244	12,111	43,434	44,692	17,261
547,327	485,708	487,543	466,918	503,283	559,465
2,418,275	51,947	81,849	1,143,427	1,922,384	2,816,981
1,059,832	1,071,135	1,086,878	1,119,234	1,123,076	1,512,471
293,663	269,015	244,411	216,501	189,489	203,062
<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>	<u>30,785,617</u>
(844,412)	(2,139,428)	(635,954)	(1,517,754)	(121,532)	932,484

(Continued)

Lakewood Local School District

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

	2014	2015	2016	2017
Other Financing Sources (Uses):				
Sale of Capital Assets	2,392	5,850	5,600	52,777
Other Financing Sources - Loan	0	0	0	0
Other Financing Sources - SBITA	0	0	0	0
Refunding General Obligation Bonds Issued	0	0	8,055,000	0
Premium on Refunding General Obligation Bonds	0	0	372,202	0
Other Financing Sources - Capital Leases	0	0	62,770	2,500,000
Payment to Refunded Bonds Escrow Agent	0	0	(8,273,386)	0
Transfers In	0	3,000	0	500,000
Transfers Out	0	(3,000)	0	(500,000)
Total Other Financing Sources (Uses)	<u>2,392</u>	<u>5,850</u>	<u>222,186</u>	<u>2,552,777</u>
Net Change in Fund Balance	<u>\$2,434,621</u>	<u>\$3,585,177</u>	<u>\$2,782,323</u>	<u>\$2,258,346</u>
 Debt Service as a Percentage of Noncapital Expenditures	 5.85%	 5.68%	 5.93%	 4.88%

Source: District Treasurer's Office

* Restated for implementation of GASB 84, Fiduciary Activities

Lakewood Local School District

*					
2018	2019	2020	2021	2022	2023
12,979	2,108	4,525	3,890	19,019	27,568
0	0	0	0	0	1,164,105
0	0	0	0	0	449,101
0	0	0	0	0	0
0	0	0	0	0	0
84,914	0	0	91,375	0	0
0	0	0	0	0	0
500,000	500,000	500,000	0	0	271,756
(500,000)	(500,000)	(500,000)	(100,000)	0	(271,756)
97,893	2,108	4,525	(4,735)	19,019	1,640,774
(\$746,519)	(\$2,137,320)	(\$631,429)	(\$1,522,489)	(\$102,513)	\$2,573,258
5.43%	5.10%	4.99%	4.91%	5.07%	6.41%

Lakewood Local School District

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

Tax year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
		**		
Real Property				
Assessed	\$388,406,130	\$404,571,981	\$395,670,850	\$398,698,788
Actual	1,109,731,800	1,155,919,946	1,130,488,143	1,139,139,394
Public Utility				
Assessed	21,658,260	23,420,060	27,025,450	29,234,730
Actual	21,658,260	23,420,060	27,025,450	29,234,730
Total				
Assessed	410,064,390	427,992,041	422,696,300	427,933,518
Actual	1,131,390,060	1,179,340,006	1,157,513,593	1,168,374,124
Assessed Value as a Percentage of Actual Value	36.24%	36.29%	36.52%	36.63%
Total Direct Tax Rate	\$54.51	\$54.40	\$54.20	\$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

2017	2018	2019	2020	2021	2022
*			**		
\$431,277,342	\$435,415,202	\$442,278,789	\$520,992,294	\$529,831,414	\$546,499,146
1,232,220,977	1,244,043,434	1,263,653,683	1,488,549,411	1,513,804,040	1,561,426,131
30,572,020	31,890,550	36,716,240	38,771,990	41,757,320	48,873,630
30,572,020	31,890,550	36,716,240	38,771,990	41,757,320	48,873,630
461,849,362	467,305,752	478,995,029	559,764,284	571,588,734	595,372,776
1,262,792,997	1,275,933,984	1,300,369,923	1,527,321,401	1,555,561,360	1,610,299,761
36.57%	36.62%	36.84%	36.65%	36.74%	36.97%
\$53.20	\$53.10	\$52.60	\$51.10	\$51.00	\$50.40

Lakewood Local School District

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

Tax year	2013	2014	2015	2016
Direct District Rates				
General Fund	52.89	52.40	52.40	52.40
Debt Service Fund	1.62	2.00	1.80	1.80
Total	54.51	54.40	54.20	54.20
Overlapping Rates				
Licking County Joint Vocational School	2.56	2.54	2.58	2.57
Licking County	7.70	8.00	8.00	8.00
Special Taxing Districts				
City				
Heath	4.40 - 5.40	4.10-5.40	5.60-6.40	5.60-6.40
Villages				
Buckeye Lake	11.20 - 11.40	11.20-12.20	11.10-12.20	11.10-12.20
Hebron	13.20 - 13.30	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	3.10-4.90	6.10-7.90
Union	2.30 - 7.70	2.30-7.40	2.30-7.40	4.10-7.40

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

2017	2018	2019	2020	2021	2022
51.40	51.40	50.90	49.40	49.30	48.80
1.80	1.70	1.70	1.70	1.70	1.60
<u>53.20</u>	<u>53.10</u>	<u>52.60</u>	<u>51.10</u>	<u>51.00</u>	<u>50.40</u>
2.55	2.55	2.55	2.50	2.50	2.50
9.50	9.50	9.50	9.50	9.50	8.40
5.60-6.40	5.60-6.40	5.60-6.40	5.60-6.40	5.60-6.40	5.60-6.40
16.10-17.20	16.10-17.20	21.10-22.20	21.10-22.20	21.10-22.20	21.10-22.20
13.30	13.30	13.30	13.30	13.30	7.30
5.80	5.10	5.80	5.80	5.80	8.80
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	6.10-7.9
5.60-7.40	5.60-7.40	5.60-7.40	5.60-7.40	3.80-5.60	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 2022		
		Assessed Value	Rank	Percent of Total Assessed Value
Southgate Company Limited Partnership	Developer	\$6,762,190	1	1.24%
Harry & David Operations Inc.	Distributor	5,250,010	2	0.96%
DCP Heath Holdings LLC	Foreign Limited Liability Co	4,836,830	4	0.89%
THK Manufacturing of America Inc.	Linear Motion Devices	3,724,990	5	0.68%
IIP-OH 1 LLC	Foreign Limited Liability Co	3,435,010	6	0.63%
Lexington OC 200 LLC	Warehouse	3,204,260	3	0.59%
Hebron Business Park LTD	Network/Cloud Services	2,240,000	7	0.41%
Covestro LLC	Manufacturer - Polymers	2,208,270	8	0.40%
POSH Properties NO 12,1601 S Liberty Family Limited	Developer	2,197,790	9	0.40%
Uhrman Development LLC	Developer	2,100,000	10	0.38%
Subtotal		35,959,350		6.58%
All Others		510,539,796		93.42%
Total		\$546,499,146		100.00%

Name of Taxpayer	Nature of Business	Calendar Year 2013		
		Assessed Value	Rank	Percent of Total Assessed Value
Harry & David Operations	Distributor	\$7,445,980	1	1.92%
Lexington O C LLC	Warehouse	5,909,370	2	1.52%
Paragano, Nazario	Warehouse	2,829,790	3	0.73%
Southgate Co Limited Partnership	Developer	2,191,080	4	0.56%
MPW Properties LLC	Industrial Cleaning	1,946,880	5	0.50%
THK Manufacturing of America	Linear Motion Devices	1,930,880	6	0.50%
Coughlin Automotive Properties of Heath	Car Dealership	1,927,000	7	0.50%
Bayer Corporation	Manufacturing	1,883,460	8	0.48%
Four B's (New Jersey General Partnership)	Warehouse	1,883,000	9	0.48%
Uhrman Development	Developer	1,859,170	10	0.48%
Subtotal		29,806,610		7.67%
All Others		358,599,520		92.33%
Total		\$388,406,130		100.00%

Source: Licking County Auditor - Land and Buildings
Based on valuation of property in 2022 and 2013

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*

		Calendar Year 2022		
Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
Ohio Power Company	Electricity	\$26,588,630	1	54.40%
Columbia Gas Transmission Corp	Natural Gas	7,198,480	2	14.73%
AEP Ohio Transmission Co., Inc.	Electricity	6,223,420	3	12.73%
National Gas and Oil Corp	Propane	2,410,140	4	4.93%
Eastern Gas Transmission and Storage Inc.	Pipelines	2,259,190	6	4.62%
Licking Rural Electric Inc.	Electricity	1,614,810	5	3.30%
NGO Transmission Inc.	Natural Gas	1,464,460	7	3.00%
Columbia Gas of Ohio	Propane	742,890	8	1.52%
Dayton Power & Light Co	Electricity	230,860	9	0.47%
Duke Energy Ohio Inc.	Electricity	115,600	10	0.24%
	Subtotal	48,848,480		99.94%
	All Others	25,150		0.06%
	Total	\$48,873,630		100.00%

		Calendar Year 2013		
Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
Ohio Power Company	Electricity	\$11,208,650	1	51.75%
AEP Ohio Transmission Co	Electricity	3,866,180	2	17.85%
Columbus Gas Transmission Corp	Natural Gas	1,738,750	3	8.03%
Licking Rural Electric	Electricity	1,382,820	4	6.38%
National Gas & Oil	Propane	1,365,950	5	6.31%
Dominion Transmission Inc.	Pipelines	876,830	6	4.05%
NGO Transmission Inc.	Natural Gas	677,360	7	3.13%
Columbia Gas of Ohio Inc.	Propane	254,990	8	1.18%
Dayton Power & Light Co	Electricity	193,550	9	0.89%
Duke Energy Ohio Inc.	Electricity	43,760	10	0.20%
	Subtotal	21,608,840		99.77%
	All Others	49,420		0.23%
	Total	\$21,658,260		100.00%

Source: Licking County Auditor - Land and Buildings
Based on valuation of property in 2022 and 2013

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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Tax Levy	\$14,481,893	\$15,072,793	\$15,646,211	\$15,786,873
Collections within the Fiscal Year of the Levy				
Current Tax Collections	13,869,943	14,536,465	15,097,508	15,232,195
Percent of Levy Collected	95.77%	96.44%	96.49%	96.49%
Delinquent Tax Collections	<u>589,795</u>	<u>612,082</u>	<u>464,878</u>	<u>453,056</u>
Total Tax Collections	14,459,738	15,148,547	15,562,386	15,685,251
Percent of Total Tax Collections To Tax Levy	99.85%	100.50%	99.46%	99.36%
Accumulated Outstanding Delinquent Taxes	933,285	576,011	638,307	546,685
Percentage of Accumulated Delinquent Taxes to Total Tax Levy	6.44%	3.82%	4.08%	3.46%

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>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$15,873,468	\$16,426,928	\$16,919,735	\$16,662,711	\$16,914,211	\$18,640,974
15,423,233	16,107,572	16,590,799	16,251,305	16,667,803	18,414,943
97.16%	98.06%	98.06%	97.53%	98.54%	98.79%
<u>254,186</u>	<u>449,882</u>	<u>463,378</u>	<u>434,893</u>	<u>481,151</u>	<u>442,048</u>
15,677,419	16,557,454	17,054,177	16,686,198	17,148,954	18,856,991
98.76%	100.79%	100.79%	100.14%	101.39%	101.16%
451,838	626,265	645,053	417,577	288,936	594,656
2.85%	3.81%	3.81%	2.51%	1.71%	3.19%

Lakewood Local School District

Ratio of Outstanding Debt By Type Last Ten Years

	2014	2015	2016	2017
Governmental Activities ⁽¹⁾				
Energy Conservation Bonds Payable	\$1,065,238	\$881,276	\$692,648	\$550,624
General Obligation Bonds Payable	10,197,601	9,660,419	8,922,230	8,220,168
Loan Payable	0	0	0	2,500,000
Lease Payable	92,701	56,564	82,910	45,082
SBITA Payable	0	0	0	0
Total Primary Government	<u>\$11,355,540</u>	<u>\$10,598,259</u>	<u>\$9,697,788</u>	<u>\$11,315,874</u>
Population ⁽²⁾				
Village of Buckeye Lake and Village of Hebron	5,082	5,082	5,082	5,168
Outstanding Debt Per Capita	2,234	2,085	1,908	2,190
Income ⁽³⁾				
Personal (in thousands)	203,377	202,441	211,315	218,177
Percentage of Personal Income	5.58%	5.24%	4.59%	5.19%

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

2018	2019	2020	2021	2022	2023
\$458,854	\$367,083	\$275,312	\$183,541	\$91,770	\$0
7,484,151	6,728,134	5,962,117	5,181,100	4,380,083	3,549,066
2,270,000	2,045,000	1,815,000	1,575,000	1,330,000	2,010,408
96,934	67,570	37,463	91,375	75,070	57,835
0	0	0	0	0	329,332
<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>	<u>\$5,946,641</u>

5,251	5,348	4,846	4,846	4,846	4,846
1,963	1,722	1,669	1,451	1,213	1,227

232,157	245,034	251,875	246,225	264,228	264,228
4.44%	3.76%	3.21%	2.86%	2.22%	2.25%

Lakewood Local School District

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2014	2015	2016	2017
Population (1)	5,082	5,082	5,082	5,168
Assessed Value (2)	410,064,390	427,992,041	422,696,300	427,933,518
General Bonded Debt (3)				
General Obligation Bonds	10,197,601	9,660,419	8,922,230	8,220,168
Resources Available to Pay Principal (4)	533,493	444,792	437,421	411,361
Net General Bonded Debt	9,664,108	9,215,627	8,484,809	7,808,807
Ratio of Net Bonded Debt to Estimated Actual Value	2.4%	2.2%	2.0%	1.8%
Net Bonded Debt per Capita	1,901.63	1,813.39	1,669.58	1,510.99

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

2018	2019	2020	2021	2022	2023
5,251	5,348	4,846	4,846	4,846	4,846
461,849,362	467,305,752	478,995,029	559,764,284	571,588,734	595,372,776
7,484,151	6,728,134	5,962,117	5,181,100	4,380,083	3,549,066
448,350	469,288	505,710	626,042	817,358	1,002,535
7,035,801	6,258,846	5,456,407	4,555,058	3,562,725	2,546,531
1.5%	1.3%	1.1%	0.8%	0.6%	0.4%
1,339.90	1,170.32	1,125.96	939.96	735.19	525.49



Lakewood Local School District

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2023*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to Lakewood Local School District (1)</u>	<u>Amount Applicable to Lakewood Local School District</u>
Direct:			
Lakewood Local School District	\$5,946,641	100.00%	\$5,946,641
Overlapping:			
Licking County	28,469,880	10.48%	2,983,643
Heath City	5,130,000	8.74%	448,362
Buckeye Lake Village	135,682	99.18%	134,569
Hebron Village	780,000	100.00%	780,000
Bowling Green Township	12,690	41.76%	5,299
Franklin Township	152,499	95.20%	145,179
Licking County Career & Technical Center (C-Tec)	4,760,000	10.08%	479,808
		Subtotal	<u>4,976,860</u>
		Total	<u><u>\$10,923,501</u></u>

Source: Ohio Municipal Advisory Council, June 2023

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

Lakewood Local School District

Debt Limitations Last Ten Years

Collection Year	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Net Assessed Valuation	\$410,064,390	\$427,992,041	\$422,696,300	\$427,933,518
Legal Debt Limitation (%) (1)	9.00%	9.00%	9.00%	9.00%
Legal Debt Limitation (\$) (1)	36,905,795	38,519,284	38,042,667	38,514,017
Applicable District Debt Outstanding	10,197,601	9,660,419	8,922,230	8,220,168
Less: Applicable Debt Service Fund Amounts (2)	(533,493)	(444,792)	(437,421)	(411,361)
Net Indebtedness Subject to Limitation	<u>9,664,108</u>	<u>9,215,627</u>	<u>8,484,809</u>	<u>7,808,807</u>
Overall Legal Debt Margin	<u>\$27,241,687</u>	<u>\$29,303,657</u>	<u>\$29,557,858</u>	<u>\$30,705,210</u>
Legal Debt Limitation (%) (1)	0.10%	0.10%	0.10%	0.10%
Legal Debt Limitation (\$) (1)	410,064	427,992	422,696	427,934
Applicable District Debt Outstanding	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$410,064</u>	<u>\$427,992</u>	<u>\$422,696</u>	<u>\$427,934</u>
Legal Debt Limitation (%) (1)	0.90%	0.90%	0.90%	0.90%
Legal Debt Limitation (\$) (1)	3,690,580	3,851,928	3,804,267	3,851,402
Applicable District Debt Outstanding	<u>(1,065,238)</u>	<u>(881,276)</u>	<u>(692,648)</u>	<u>(550,624)</u>
Unvoted Energy Conservation Loans Legal Debt Margin	<u>\$2,625,342</u>	<u>\$2,970,652</u>	<u>\$3,111,619</u>	<u>\$3,300,778</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

2018	2019	2020	2021	2022	2023
\$461,849,362	\$467,305,752	\$478,995,029	\$559,764,284	\$571,588,734	\$595,372,776
9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
41,566,443	42,057,518	43,109,553	50,378,786	51,442,986	53,583,550
7,484,151	6,728,134	5,962,117	5,181,100	4,380,083	3,549,066
(448,350)	(469,288)	(505,710)	(626,042)	(817,358)	(1,002,535)
7,035,801	6,258,846	5,456,407	4,555,058	3,562,725	2,546,531
<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>	<u>\$51,037,019</u>
0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
461,849	467,306	478,995	559,764	571,589	595,373
0	0	0	0	0	0
<u>\$461,849</u>	<u>\$467,306</u>	<u>\$478,995</u>	<u>\$559,764</u>	<u>\$571,589</u>	<u>\$595,373</u>
0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
4,156,644	4,205,752	4,310,955	5,037,879	5,144,299	5,358,355
(458,854)	(367,083)	(275,312)	(183,541)	(91,770)	0
<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>	<u>\$5,358,355</u>

Lakewood Local School District

Demographic and Economic Statistics Last Ten Years

Calendar Year*	2013	2014	2015	2016
Population (1)				
Village of Buckeye Lake and Village of Hebron	5,082	5,082	5,082	5,168
Licking County	168,375	169,390	170,570	172,198
Income (2) (a)				
Total Personal (in thousands)	203,377	202,441	211,315	218,177
Per Capita	40,019	39,835	41,581	42,217
Unemployment Rate (3)				
Federal	7.4%	6.2%	5.3%	4.9%
State	7.4%	5.7%	4.9%	4.9%
Licking County	6.9%	5.1%	4.4%	4.3%
Fiscal Year**	2014	2015	2016	2017
School Enrollment (4)				
Grades K - 5	816	797	805	819
Grades 6 - 8	445	409	430	461
Grades 9 - 12	658	610	567	622
Non-Grade	51	56	2	0
Total	1,970	1,872	1,804	1,902

* 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

2017	2018	2019	2020	2021	2022
5,251	5,320	5,348	4,846	4,846	4,846
173,448	175,769	176,862	178,100	180,401	178,519
232,157	245,034	251,875	246,225	264,228	264,228
44,212	46,059	47,097	50,810	54,525	54,525
4.4%	3.9%	3.7%	8.1%	5.3%	3.6%
5.0%	4.6%	4.1%	8.1%	5.1%	4.0%
4.2%	4.0%	3.7%	6.5%	4.1%	3.4%
2018	2019	2020	2021	2022	2023
814	817	828	768	734	752
449	434	422	375	351	389
615	602	594	547	541	455
0	0	0	0	0	0
1,878	1,853	1,844	1,690	1,626	1,596



Lakewood Local School District

Principal Employers Current Year and Nine Years Ago

		2023	
Employer	Nature of Business	Number of Employees	Rank
THK Manufacturing of America Inc.	Linear Motion Devices	430	1
MPW Industrial Services Inc.	Industrial Cleaning	316	2
Hendrickson Auxiliary Axle	Auxiliary Axle Manufacturing	260	3
Momentive Performance Materials USA LLC	Adhesives	166	4
Harry & David Operations Inc.	Distributor	150	5
Covestro LLC	Polymers	149	6
Sunfield Inc.	Automotive Parts Manufacture	123	7
ArmorSource LLC	Ballistic Helmet Manufacturer	104	8
Plastipak Packaging Inc.	Manufacturing	97	9
Transcendia Inc.	Plastic Film Manufacturer	90	10
Total		1,885	
Total Employment within the District		N/A	
		2014	
Employer	Nature of Business	Number of Employees	Rank
THK Manufacturing of America	Linear Motion Devices	450	1
Heritage Sportswear Inc.	Clothing Dept	264	3
Kroger	Grocery	205	2
Bayer Corporation	Manufacturing	152	4
Harry & David Operations	Distributor	120	5
Hendrickson International	Axels	111	6
Renosol Corp	Foam Auto Seats	106	7
Sunfield	Steel Stamping	93	8
State Industrial	Chemicals	78	9
AGC	Fabricator	75	10
Total		1,654	
Total Employment within the District		N/A	

Sources: Village of Hebron Administrative Offices - This information is based on 2023 and 2014 information.

N/A - not available

Lakewood Local School District

School District Employees by Type Last Ten Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Supervisory				
Superintendent/Director of District Services	2	2	2	2
Department Administrators	6	6	6	6
Principals	4	4	4	4
Assistant Principals	3	3	3	3
Instruction				
Classroom Teachers				
Elementary	52	54	56	57
Middle	41	43	39	39
High	44	45	45	44
Educational Options	0	0	0	1
Instructional Support				
Coaches- Literacy/Math	0	1	2	2
Stem Coordinator	0	0	0	0
Student Services				
Guidance Counselors	4	3	3	3
Social Workers	1	1	1	1
Psychologists	2	2	2	2
Librarians	1	0	1	0
Speech Language	3	3	3	3
Media Integration Specialist (Grade 6-12)	0	0	1	1
Support Services				
Clerical/Secretaries	10	10	10	10
Aides/Monitors	17	17	17	17
Fiscal /Accounting	3	3	3	3
Food Service	17	17	14	14
Library Technicians	4	4	4	4
Maintenance/Grounds	18	17	17	18
Technology Coordinator/ Desktop/Endpoint Tech	1	1	1	1
Transportation	27	27	27	28
<i>Total Employees</i>	<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	2023
2	2	2	2	2	2
6	6	6	7	7	7
4	4	4	4	4	4
3	3	3	3	3	3
60	55	55	57	57	56
37	37	37	29	29	29
42	42	41	41	39	39
1	1	1	1	1	1
2	2	2	2	2	2
0	1	1	1	1	1
3	3	3	3	3	3
1	1	1	1	1	1
2	2	2	2	2	2
0	0	0	0	0	0
3	3	3	3	3	3
1	1	1	1	1	1
10	10	10	10	10	10
17	16	17	18	19	21
3	3	3	3	3	3
14	15	15	15	16	16
4	4	4	4	4	4
17	17	17	18	21	20
1	1	1	1	2	2
28	28	28	30	27	30
261	257	257	256	257	260

Lakewood Local School District

*Cost per Pupil
Last Ten Years*

Fiscal Year	2014	2015	2016	2017	2018
Enrollment (1)	1,970	1,872	1,804	1,902	1,878
Modified Accrual Basis					
Operating Expenditures	\$22,149,339	\$22,316,927	\$23,586,339	\$26,525,145	\$28,303,946
Cost per Pupil	11,243	11,921	13,074	13,946	15,071
Percentage of Change	1.7%	6.0%	9.7%	6.7%	8.1%
Accrual Basis (2)					
Expenses	\$21,077,732	\$21,032,260	\$22,133,530	\$24,479,071	\$13,515,550
Cost per Pupil	10,699	11,235	12,269	12,870	7,197
Percentage of Change	4.6%	5.0%	9.2%	4.9%	(44.1%)
Teaching Staff	137	142	140	141	140

Source: District Treasurer's Office

(1) Student Enrollment is based on the October Count using the Educational Management System for fiscal years 2014 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

2019	2020	2021	2022	2023
1,853	1,844	1,690	1,626	1,596
\$26,733,057	\$27,311,977	\$29,096,020	\$28,441,275	\$30,785,617
14,427	14,811	17,217	17,492	19,289
(4.3%)	2.7%	16.2%	1.6%	10.3%
\$23,457,437	\$28,012,556	\$28,706,054	\$23,683,634	\$26,608,544
12,659	15,191	16,986	14,566	16,672
75.9%	20.0%	11.8%	(14.2%)	14.5%
135	134	128	126	125

Lakewood Local School District

Operational Information Last Ten Years

	2014	2015	2016	2017
Governmental Activities				
Pupils				
Enrollment	1,970	1,872	1,804	1,902
Graduates	147	159	134	159
Percent of Students with Disabilities	14.7%	16.0%	17.5%	17.0%
Board of Education				
Regularly scheduled board meeting per year	12	12	12	12
Fiscal Services				
Purchase Orders Processed	1,363	1,404	1,437	1,412
Checks Issued (non payroll)	2,548	2,530	2,598	2,589
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	1,334	1,330	1,357	1,191
Average Daily Bus Fleet Miles	2,425	2,019	2,038	2,399
Number of Buses	34	34	34	34
Extracurricular Activities				
High School Varsity Teams	19	19	19	19
Business-Type Activities				
Food Service				
Student Lunches Served Annually	205,687	190,690	176,446	181,867
Free/Reduced Student Lunches Served Annually	119,006	109,099	103,649	108,337

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 2014 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

2018	2019	2020	2021	2022	2023
1,878	1,853	1,844	1,690	1,626	1,596
156	134	123	165	134	134
17.4%	18.4%	21.0%	22.0%	20.0%	19.4%
12	12	12	12	12	12
1,594	1,683	1,446	1,272	1,402	1,505
2,202	2,218	1,929	1,689	1,714	1,746
357,393	358,245	358,245	358,245	358,245	358,245
114	114	114	114	114	114
1,191	1,173	1,102	693	903	1,060
2,352	2,366	1,926	1,640	2,498	2,376
30	29	29	29	29	28
19	21	21	21	21	21
175,942	173,826	140,863	105,422	192,311	215,299
100,738	104,578	92,698	105,422	192,311	138,946

Lakewood Local School District

*Teachers' Salaries
Last Ten Years*

Fiscal Year	2014	2015	2016	2017	2018
Minimum Salary (1)	31,875	32,433	33,406	34,408	35,096
Maximum Salary (2)	67,734	68,920	70,988	73,117	74,579
District Average Salary (3)	47,455	48,135	50,259	56,787	58,691
State Average Salary (3)	55,916	55,913	55,294	56,985	58,186

*Full Time Equivalent Teachers by Education
Last Ten Years*

Fiscal Year	2014	2015	2016	2017	2018
Bachelor's Degree	9	7	6	6	7
Bachelor + 15	35	33	25	19	17
Master's Degree	65	66	70	72	61
Master's Degree + 15	28	36	39	44	55
Total	137	142	140	141	140

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

2019	2020	2021	2022	2023
36,962	37,794	38,644	39,514	40,304
78,544	80,312	84,244	86,141	87,863
60,827	62,733	64,237	65,205	69,600
63,916	65,754	N/A	N/A	N/A

2019	2020	2021	2022	2023
8	11	11	9	11
18	21	20	20	15
56	52	45	43	46
53	50	52	54	53
135	134	128	126	125

Lakewood Local School District

Building Statistics Last Ten Years

	2014	2015	2016	2017
Secondary				
Lakewood Local High School				
Constructed in 2000				
Total Building Square Footage	150,848	150,848	150,848	150,848
Student Capacity	1,000	1,000	1,000	1,000
Enrollment Grades 9-12	658	629	623	622
Instruction Classrooms	44	44	44	44
Administrators	N/A	N/A	N/A	N/A
Certified Staff	N/A	N/A	N/A	N/A
Classified Staff	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
Student Capacity	720	720	720	720
Enrollment Grades 6-8	445	443	429	461
Instruction Classrooms	32	32	32	32
Administrators	N/A	N/A	N/A	N/A
Certified Staff	N/A	N/A	N/A	N/A
Classified Staff	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
Student Capacity	975	975	975	975
Enrollment Grades 3-5	412	421	432	403
Instruction Classrooms	40	40	40	40
Administrators	N/A	N/A	N/A	N/A
Certified Staff	N/A	N/A	N/A	N/A
Classified Staff	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
Student Capacity	675	675	675	675
Enrollment Grades K-2	455	451	456	416
Instruction Classrooms	36	36	36	36
Administrators	N/A	N/A	N/A	N/A
Certified Staff	N/A	N/A	N/A	N/A
Classified Staff	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
Superintendent/Director of District Services	N/A	N/A	N/A	N/A
Department Administrators	N/A	N/A	N/A	N/A
Classified Staff	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
Department Administrators	N/A	N/A	N/A	N/A
Classified Staff	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	2023
150,848	150,848	150,848	150,848	150,848	150,848
1,000	1,000	1,000	1,000	1,000	1,000
615	602	594	547	541	455
44	44	44	44	44	44
3	4	4	4	4	4
48	48	47	46	45	43
16	15	16	16	19	19
60,700	61,552	61,552	61,552	61,552	61,552
720	720	720	720	720	720
449	434	422	375	351	389
32	32	32	32	32	32
2	2	2	2	2	2
39	39	39	38	32	31
13	12	12	12	18	18
75,107	75,107	75,107	75,107	75,107	75,107
975	975	975	975	975	975
407	407	417	409	376	370
40	40	40	40	40	40
2	2	2	2	2	2
33	31	31	28	32	31
19	20	20	20	17	19
58,138	58,138	58,138	58,138	58,138	58,138
675	675	675	675	675	675
407	410	411	359	358	382
36	36	36	36	36	36
1	1	1	1	1	1
32	30	30	31	30	33
14	14	14	14	15	15
3,696	3,696	3,696	3,696	3,696	3,969
N/A	2	2	2	2	2
N/A	1	1	2	2	2
N/A	5	5	5	5	5
8,904	8,904	8,904	8,904	8,904	8,904
N/A	3	3	3	3	3
N/A	28	28	30	28	30

Lakewood Local School District

Educational and Operating Statistics Last Ten Years

	2014	2015	2016	2017	2018
Cost per Student (ODE)					
Lakewood	8,887	9,278	9,918	10,800	9,631
State (Average)	9,536	9,904	9,837	10,445	9,356
Attendance Rate					
Lakewood	95.00%	95.00%	94.80%	94.50%	94.20%
State (Average)	94.30%	94.10%	94.10%	93.90%	93.70%
Graduation Rate					
Lakewood	87.00%	95.00%	95.00%	90.80%	89.90%
State (Average)	82.20%	83.00%	83.60%	84.10%	85.30%

Source:

Ohio Department of Education local report cards

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

Lakewood Local School District

2019	2020	2021	2022	2023
12,937	10,262	11,418	12,224	12,387
12,472	9,883	10,334	11,246	11,896
93.80%	95.00%	90.90%	90.30%	92.20%
93.50%	94.90%	91.50%	90.40%	91.00%
90.10%	93.00%	95.30%	91.40%	89.90%
85.90%	87.20%	87.00%	87.30%	N/A



LAKEWOOD LOCAL SCHOOL DISTRICT
LICKING COUNTY, OHIO

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

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

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**LAKWOOD LOCAL SCHOOL DISTRICT
LICKING COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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	2023	\$ 130,683
National School Lunch Program	10.555	2022	262,327
National School Lunch Program	10.555	2023	432,192
COVID-19 - National School Lunch Program	10.555	COVID-19, 2023	42,777
National School Lunch Program - Food Donation	10.555	2023	82,197
Total National School Lunch Program			819,493
Total Child Nutrition Cluster			950,176
COVID-19 - State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	10.649	COVID-19, 2023	628
Total U.S. Department of Agriculture			950,804
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, 2022	25,725
Title I Grants to Local Educational Agencies	84.010A	84.010A, 2023	330,054
Title I Grants to Local Educational Agencies - Noncompetitive, Supplemental School Improvement	84.010A	84.010A, 2022	8,293
Title I Grants to Local Educational Agencies - Noncompetitive, Supplemental School Improvement	84.010A	84.010A, 2023	31,059
Title I Grants to Local Educational Agencies - Expanding Opportunities for Each Child Non-Competitive Grant	84.010A	84.010A, 2022	1,499
Title I Grants to Local Educational Agencies - Expanding Opportunities for Each Child Non-Competitive Grant	84.010A	84.010A, 2023	5,790
Total Title I Grants to Local Educational Agencies			402,420
Special Education Cluster (IDEA):			
Special Education_Grants to States (IDEA, Part B)	84.027A	84.027A, 2022	28,664
Special Education_Grants to States (IDEA, Part B)	84.027A	84.027A, 2023	386,019
COVID-19 - Special Education_Grants to States (IDEA, Part B) - ARP	84.027X	COVID-19, 84.027X, 2022	29,058
COVID-19 - Special Education_Grants to States (IDEA, Part B) - ARP	84.027X	COVID-19, 84.027X, 2023	20,563
Total Special Education_Grants to States			464,304
Special Education_Preschool Grants (IDEA, Preschool)	84.173A	84.173A, 2023	10,914
COVID-19 - Special Education_Preschool Grants (IDEA, Preschool) - ARP	84.173X	COVID-19, 84.173X, 2022	699
COVID-19 - Special Education_Preschool Grants (IDEA, Preschool) - ARP	84.173X	COVID-19, 84.173X, 2023	947
Total Special Education_Preschool Grants			12,560
Total Special Education Cluster (IDEA)			476,864
Supporting Effective Instruction State Grants	84.367A	84.367A, 2022	5,347
Supporting Effective Instruction State Grants	84.367A	84.367A, 2023	63,829
Total Supporting Effective Instruction State Grants			69,176
Student Support and Academic Enrichment Program	84.424A	84.424A, 2022	8,910
Student Support and Academic Enrichment Program	84.424A	84.424A, 2023	11,881
Total Student Support and Academic Enrichment Program			20,791
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER II) Fund	84.425D	COVID-19, 84.425D, 2022	76,289
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER II) Fund	84.425D	COVID-19, 84.425D, 2023	89,263
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund - ARP	84.425U	COVID-19, 84.425U, 2022	1,070,393
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund - ARP	84.425U	COVID-19, 84.425U, 2023	365,759
Total Education Stabilization Fund			1,601,704
<i>Consortium Amount Passed/Transferred to the Licking Regional Educational Service Center</i>			
English Language Acquisition State Grants - Language Instruction for English Learners	84.365A	84.365A, 2023	1,162
Total U.S. Department of Education			2,572,117
Total Federal Financial Assistance			\$ 3,522,921

The accompanying notes are 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, 2023

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, 2023 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% 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 Regional Educational Service Center. For fiscal year 2023, the Lakewood Local School District's allocation was as follows: English Language Acquisition State Grants (ALN 84.365A) \$1,162.

**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, 2023, 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, 2023.

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.

Lakewood Local School District

Licking County

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*

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.

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

Julian & Grube, Inc.

November 22, 2023

**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 U.S. Office of Management and Budget (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, 2023. 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, 2023.

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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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.

Lakewood Local School District
Licking County
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

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 generally accepted auditing standards, *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 generally accepted auditing standards, *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.

Lakewood Local School District
Licking County
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

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, 2023, 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, 2023, which contained unmodified opinions on those financial statements. 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, 2023

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

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2023**

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 Programs' 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 Programs (listed):</i>	Child Nutrition Cluster and 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 2/27/2024

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

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www.ohioauditor.gov