

*LAKWOOD LOCAL SCHOOL DISTRICT*

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
June 30, 2012**





# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the Lakewood Local School District, Licking County, prepared by Wilson, Shannon & Snow, Inc., for the audit period July 1, 2011 through June 30, 2012. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost  
Auditor of State

December 7, 2012



***LAKWOOD LOCAL SCHOOL DISTRICT***

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***HEBRON, OHIO***

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
June 30, 2012**

*Prepared by:*

**Ms. Glenna Plaisted  
Treasurer/CFO**



**LAKWOOD LOCAL SCHOOL DISTRICT**

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**LAKWOOD LOCAL SCHOOL DISTRICT**

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# ***LAKWOOD LOCAL SCHOOL DISTRICT***

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**LAKWOOD LOCAL SCHOOL DISTRICT**

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## *INTRODUCTORY SECTION*

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

October 26, 2012

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

The Comprehensive Annual Financial Report (CAFR) of the Lakewood Local School District (District) for the fiscal year ended June 30, 2012 is hereby submitted. This report was prepared by the Treasurer's Office and includes the unqualified opinion of our auditors.

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

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

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

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

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

The Lakewood Local School District is located in southern Licking County approximately 25 miles east of Columbus, the state capital. The District encompasses approximately 115 square miles. The principle communities are the Village of Hebron, the Village of Buckeye Lake, Jacksontown and the surrounding farming townships. The District has a diversified industrial base as well as residential and agricultural communities. Interstate 70 and State Routes 79, 40 and 13 serve as the major transportation arteries. The District serves approximately 2,063 students.

# ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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## ***Letter of Transmittal***

***For the Fiscal Year Ended June 30, 2012***

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

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

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

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

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

## **CURRICULUM DEVELOPMENT**

The Lakewood Local School District provides a comprehensive K-12 program: instruction, assessment, intervention and special needs programming. The curriculum supports the Ohio Achievement Assessments (OAA) and Diagnostic Tests (K-8), as well as the Ohio Graduation Tests (OGT) at the high school level. Advanced placement classes are offered in language arts, science, math and social studies at the high school. Also credit flex, an initiative of Senate Bill 311, is available to help increase learning and engagement and assist students to graduate ready for success in college and their careers.

## **INSTRUCTION MATERIALS**

The administration, staff, board members, and community have identified that keeping current with today's educational methodology and utilizing updated student textbooks, technology and materials are critical components necessary to provide students with a quality education. Administration and staff are preparing for the implementation of the new state tests in 2014-2015. The new common CORE state standards and model curriculum have been introduced and implementation has begun at all levels.

## **TECHNOLOGY**

Lakewood students are introduced to technology in preschool and encouraged to use technology to advance their learning potential. Students at every grade level are linked to the Internet. Teachers have incorporated the use of technology into their classrooms and enabled students to use technology to help facilitate life-long learning. Wireless access is now available in all district buildings, and the use of personal wireless devices is being utilized in our high school.

# ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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## ***Letter of Transmittal For the Fiscal Year Ended June 30, 2012***

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The District has a web page which can be located at [www.lakewoodlocal.k12.oh.us](http://www.lakewoodlocal.k12.oh.us).

### **STAFF DEVELOPMENT**

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

### **INTERVENTION AND SPECIAL PROGRAMS**

Lakewood Local School District recognizes its responsibility to offer academic instruction that is appropriate for every child. Student abilities and performance levels are measured and used to determine appropriate instruction. The RTI and 3-Tier Problem Solving model are used. Corrective Reading has been implemented to use for Tier 2 interventions. The District also uses MAPS as a quality benchmark assessment tool in grades K-10.

For those students requiring supplemental help or varied instructional methods, plans are developed and monitored by intervention assistance teams that include teachers, administrators and intervention specialists. Parental involvement is critical in the process of student needs and intervention plans.

### **GIFTED AND TALENTED PROGRAMMING AND ADVANCED PLACEMENT COURSES**

Opportunities for more challenging work are available through the Gifted and Talented Program. This program serves identified students in grades four through eight. The curriculum includes enrichment activities, independent research and project based learning with an emphasis on higher level thinking skills.

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

### **SPECIAL EDUCATION**

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

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

# **LAKWOOD LOCAL SCHOOL DISTRICT**

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*Letter of Transmittal  
For the Fiscal Year Ended June 30, 2012*

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## **CONTINUOUS IMPROVEMENT PLANNING**

The District's Continuous Improvement Plan includes these goals:

**Goal #1**

By 2012-2013, 90% of all students will be reading on grade level by the third grade and every year thereafter as measured by common assessments.

**Goal #2**

By 2012-2013, 100% of students will show at least one-year of expected growth in mathematics according to value-added measures in grades 4-8 and through common district assessments in non-tested grades.

**Goal #3**

By 2012-2013, 90% of parents/families will participate in activities and effectively utilize resources designed for supporting student development in math and reading.

## **STATE REPORT CARD PERFORMANCE**

The District received an Effective rating on the 2011-2012 State of Ohio Report Card. For the three consecutive years prior the District received Excellent ratings. The individual buildings received the following ratings:

High School	Effective
Middle School	Effective
Jackson Intermediate	Effective
Hebron	Effective

## **ECONOMIC CONDITION AND OUTLOOK**

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

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

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

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

***For the Fiscal Year Ended June 30, 2012***

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The District passed a new ten year emergency levy operating levy on November 2, 2010. The total amount of revenue from this emergency operating levy is \$3,528,880 per year. The District also has a five year renewal emergency which generates \$2,058,646 per year. These emergency levies represent 42% of the total tax related revenues for the District. The current revenue, along with the District's cash balance, will provide the District with necessary funds to meet its operating expenses through fiscal year 2015. Beyond 2015, the District will face some decisions on obtaining additional funding sources or reducing expenses it currently has in maintaining its educational programs.

**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 projected declining General Fund cash balance is a reflection of the challenge of Ohio school district funding. The State funding for schools is based on several factors all of which are subject to deliberations and approval of the Ohio General Assembly. The District has been flat-funded (no increase in state funding) since 2005. State funding, specifically funding for general operations, remains unclear for future years and is projected to remain flat-lined. In addition, there is no permanent reimbursement plan to replace tangible personal property tax revenues eliminated through House Bill 66 that was passed in June 2005. The exact impact for tangible personal property reimbursement is not known at this time since Legislation can change at any point which would affect the amount of reimbursement the District receives.

### **RECENT SIGNIFICANT ACCOMPLISHMENTS**

#### **Financial**

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

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

#### **Community**

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

# ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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## ***Letter of Transmittal For the Fiscal Year Ended June 30, 2012***

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### **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 2012 CAFR.

To receive the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association for the 2012 Popular Annual Financial Report.

#### **Instruction**

The District continues to seek improvement in the areas measured by the Local Report Card. An "Excellent" rating on the Report Card is the goal.

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

### **FINANCIAL INFORMATION**

**ACCOUNTING SYSTEM** – The District's accounting system is organized on a fund basis. Each fund is a separate self-balancing accounting entity. The basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

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

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

As part of the District's single audit, tests are made to determine the adequacy of the internal controls, including that portion relating to federal financial assistance programs, as well as to verify that the District has complied with applicable laws and regulations. The results of the District's single audit for the fiscal year ended June 30, 2012, as of this writing, revealed no instances of material weaknesses in internal control or significant violations of applicable laws and regulations.

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

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

***For the Fiscal Year Ended June 30, 2012***

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

**INDEPENDENT AUDIT** – This report includes an unqualified audit report regarding the District's financial statements. The audit was conducted by Wilson, Shannon & Snow, Inc. The Independent Auditors' Report on the basic financial statements is included in the financial section of this report.

**AWARDS** – The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the Lakewood Local School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011. This was the ninth year that the District has applied for and achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

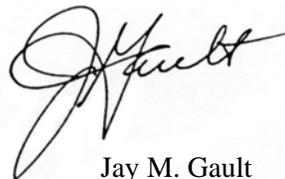
**ACKNOWLEDGMENTS** – The preparation of the Comprehensive Annual Financial Report was made possible with the support and efforts of the staff in the Treasurer's Office and many other dedicated employees of the District. We also would like to recognize Donald J. Schonhardt & Associates, Inc. for their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

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

Respectfully submitted,



Glenna J. Plaisted, CPA  
Treasurer/CFO



Jay M. Gault  
Superintendent

# ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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## ***Members of the Board of Education and Administration For the Fiscal Year Ended June 30, 2012***

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

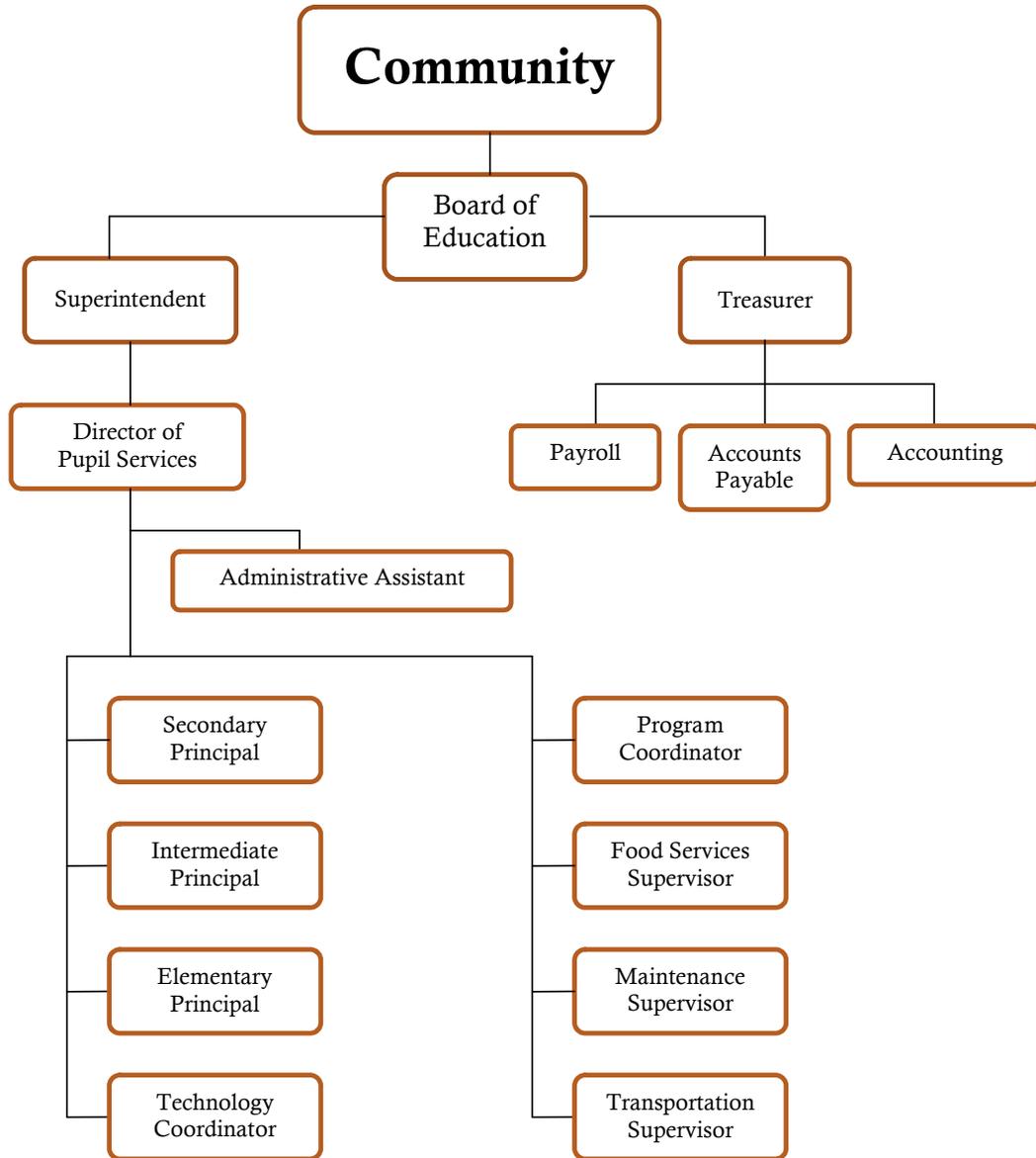
	<u>Began Service as A Board Member</u>	<u>Present Term Expires</u>
Judy White, President	January 1, 2006	December 31, 2013
Trisha Good, Vice President	January 1, 2008	December 31, 2013
Forrest Cooperrider	January 1, 2004	December 31, 2015
Tim Phillips	July 6, 2011	December 31, 2015
William Gulick Jr.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

### ***Administration***

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

# LAKEWOOD LOCAL SCHOOL DISTRICT

## Organizational Chart For the Fiscal Year Ended June 30, 2012



**LAKWOOD LOCAL SCHOOL DISTRICT**

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

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Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

Lakewood Local School  
District, Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Danson*

President

*Jeffrey R. Emer*

Executive Director

## *FINANCIAL SECTION*

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

## INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lakewood Local School District, Licking County, Ohio (the District), as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Lakewood Local School District, Licking County, Ohio, as of June 30, 2012, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparison for the General Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

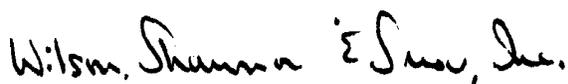
In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2012, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

*Wilson, Shannon & Snow, Inc.*

**CERTIFIED PUBLIC ACCOUNTANTS**  
Ten West Locust Street  
Newark, Ohio 43055  
(740) 345-6611  
1-800-523-6611  
FAX (740) 345-5635

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provides additional analysis and is not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules is management's responsibility, and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



Newark, Ohio  
October 26, 2012

# ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012***

***Unaudited***

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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, 2012. 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 2012 are as follows:

- ❑ In total, net assets increased \$1,387,213. Net assets of governmental activities increased \$1,299,099, which represents a 14.6% increase from 2011. Net assets of business-type activities increased \$88,114 or 59.8% from 2011.
- ❑ General revenues accounted for \$20,674,088 in revenue or 88.6% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for \$2,669,641 or 11.4% of total revenues of \$23,343,729.
- ❑ The District had \$21,057,557 in expenses related to governmental activities; only \$1,682,568 of these expenses were offset by program specific charges for services and sales, operating grants and contributions.
- ❑ Among major funds, the general fund had \$20,346,268 in revenues and \$18,834,339 in expenditures. During fiscal year 2012, the general fund's fund balance increased from \$4,516,801 to \$6,024,130.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

These statements are as follows:

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

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

# ***LAKWOOD LOCAL SCHOOL DISTRICT***

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***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012***

***Unaudited***

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## 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 assets includes all of the District's assets and liabilities. 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 assets and how they have changed. Net-assets (the difference between the District's assets and liabilities) is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net assets 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 Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

## **LAKEWOOD LOCAL SCHOOL DISTRICT**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012**

**Unaudited**

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

Fiduciary Funds – The District is the trustee, or fiduciary, for various student-managed activity programs listed as an agency fund. All of the District's fiduciary activities are reported in a separate Statements of Net Assets. We exclude these activities from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

### FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The Statement of Net Assets provides a perspective of the District as a whole. The following table provides a summary of the District's net assets for 2012 compared to 2011:

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$24,346,061	\$22,150,427	\$283,794	\$194,493	\$24,629,855	\$22,344,920
Capital assets, Net	13,878,069	14,524,437	48,572	59,875	13,926,641	14,584,312
Total assets	<u>38,224,130</u>	<u>36,674,864</u>	<u>332,366</u>	<u>254,368</u>	<u>38,556,496</u>	<u>36,929,232</u>
Long-term debt outstanding	12,189,205	13,011,554	23,445	23,806	12,212,650	13,035,360
Other liabilities	15,848,391	14,775,875	73,491	83,246	15,921,882	14,859,121
Total liabilities	<u>28,037,596</u>	<u>27,787,429</u>	<u>96,936</u>	<u>107,052</u>	<u>28,134,532</u>	<u>27,894,481</u>
Net assets						
Invested in capital assets, net of related debt	3,080,260	3,053,537	48,572	59,875	3,128,832	3,113,412
Restricted	1,231,062	1,249,874	0	0	1,231,062	1,249,874
Unrestricted	5,875,212	4,584,024	186,858	87,441	6,062,070	4,671,465
Total net assets	<u>\$10,186,534</u>	<u>\$8,887,435</u>	<u>\$235,430</u>	<u>\$147,316</u>	<u>\$10,421,964</u>	<u>\$9,034,751</u>

At fiscal year-end for governmental activities, capital assets represented 36% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture, fixtures, equipment, and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2012 were \$3,080,260. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net assets, \$1,231,062, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets of \$5,875,212 may be used to meet the District's ongoing obligations to the students and creditors.

## **LAKWOOD LOCAL SCHOOL DISTRICT**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012**

**Unaudited**

Changes in Net Assets – The following table shows the changes in net assets for fiscal years 2012 and 2011:

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues						
Program Revenues:						
Charges for Services and Sales	\$771,245	\$615,198	\$299,813	\$305,258	\$1,071,058	\$920,456
Operating Grants and Contributions	911,323	1,596,451	687,260	663,697	1,598,583	2,260,148
Capital Grants and Contributions	0	51,000	0	0	0	51,000
Total Program Revenues	<u>1,682,568</u>	<u>2,262,649</u>	<u>987,073</u>	<u>968,955</u>	<u>2,669,641</u>	<u>3,231,604</u>
General Revenues:						
Property Taxes	11,951,837	11,497,703	0	0	11,951,837	11,497,703
Grants and Entitlements	8,611,887	8,861,970	0	0	8,611,887	8,861,970
Other	110,364	96,512	0	0	110,364	96,512
Total General Revenues	<u>20,674,088</u>	<u>20,456,185</u>	<u>0</u>	<u>0</u>	<u>20,674,088</u>	<u>20,456,185</u>
Total Revenues	<u>22,356,656</u>	<u>22,718,834</u>	<u>987,073</u>	<u>968,955</u>	<u>23,343,729</u>	<u>23,687,789</u>
Program Expenses						
Instruction	12,333,823	13,150,165	0	0	12,333,823	13,150,165
Support Services:						
Pupils	1,339,037	1,224,974	0	0	1,339,037	1,224,974
Instructional Staff	257,656	281,544	0	0	257,656	281,544
Board of Education	70,084	54,198	0	0	70,084	54,198
Administration	1,880,781	1,889,652	0	0	1,880,781	1,889,652
Fiscal Services	617,723	600,845	0	0	617,723	600,845
Business	20,952	19,723	0	0	20,952	19,723
Operation and Maintenance of Plant	1,585,727	1,551,640	0	0	1,585,727	1,551,640
Pupil Transportation	1,530,781	1,543,782	0	0	1,530,781	1,543,782
Central	284,079	281,113	0	0	284,079	281,113
Operation of Non-Instructional Services	59,427	45,099	0	0	59,427	45,099
Extracurricular Activities	526,540	537,562	0	0	526,540	537,562
Interest and Fiscal Charges	550,947	575,861	0	0	550,947	575,861
Food Service	0	0	898,959	953,088	898,959	953,088
Total Expenses	<u>21,057,557</u>	<u>21,756,158</u>	<u>898,959</u>	<u>953,088</u>	<u>21,956,516</u>	<u>22,709,246</u>
Total Change in Net Assets	1,299,099	962,676	88,114	15,867	1,387,213	978,543
Beginning Net Assets	8,887,435	7,924,759	147,316	131,449	9,034,751	8,056,208
Ending Net Assets	<u>\$10,186,534</u>	<u>\$8,887,435</u>	<u>\$235,430</u>	<u>\$147,316</u>	<u>\$10,421,964</u>	<u>\$9,034,751</u>

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

***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012***

***Unaudited***

### Governmental Activities

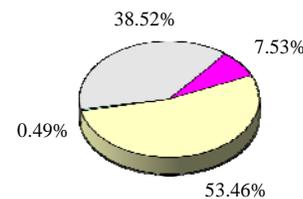
Net assets of the District's governmental activities increased by \$1,299,099. Total governmental expenses of \$21,057,557 were offset by program revenues of \$1,682,568 and general revenues of \$20,674,088. Program revenues supported 8.0% of the total governmental expenses.

The primary sources of revenues consist of property taxes and grants and entitlements which total \$20,563,724 and represent 99.5% 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 a five year renewal emergency levy that was passed on March 4, 2008 that generates tax revenues of \$2,058,646 yearly. Voters approved a new ten year emergency operating levy on November 2, 2010 for \$3,528,880. Fiscal year 2012 includes the total revenues generated from both these emergency levies. Property taxes made up 53% of revenues for governmental activities for the District in fiscal year 2012. The District's reliance upon tax revenues is demonstrated by the following graph:

Revenue Sources	2012	Percent of Total
General Grants	\$8,611,887	38.52%
Program Revenues	1,682,568	7.53%
General Tax Revenues	11,951,837	53.46%
General Other	110,364	0.49%
Total Revenue	<u>\$22,356,656</u>	<u>100.00%</u>



### Business-Type Activities

Net assets of the business-type activities increased by \$88,114. These programs had revenues of \$987,073 and expenses of \$898,959 for fiscal year 2012. The District had no significant changes in revenues. The decrease in expenditures is primarily attributable to a reduction in health insurance premiums which resulted from a change in benefit plan design and a change in insurance carriers during fiscal year 2012. 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, 2012**

**Unaudited**

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

The District's governmental funds reported a combined fund balance of \$7,244,768, which is higher than last year's total of \$5,675,689. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2012 and 2011.

	Fund Balance June 30, 2012	Fund Balance June 30, 2011	Increase (Decrease)
General	\$6,024,130	\$4,516,801	\$1,507,329
Debt Service	1,155,755	1,065,758	89,997
Other Governmental	64,883	93,130	(28,247)
Total	\$7,244,768	\$5,675,689	\$1,569,079

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:

	2012 Revenues	2011 Revenues	Increase (Decrease)
Taxes	\$11,222,832	\$9,928,777	\$1,294,055
Tuition	438,497	337,206	101,291
Investment Earnings	31,452	36,866	(5,414)
Class Materials and Fees	42,551	46,764	(4,213)
Intergovernmental - State	8,321,952	8,564,940	(242,988)
Intergovernmental - Federal	56,234	69,181	(12,947)
All Other Revenue	232,750	156,143	76,607
Total	\$20,346,268	\$19,139,877	\$1,206,391

General Fund revenues in 2012 increased approximately 6.3% compared to revenues in fiscal year 2011. The 2012 tax revenues included the first full year of collection for the ten year emergency operating levy approved in November 2010. The decrease in Intergovernmental-State can be attributed to the reduction in revenues from the phase-out of the tangible personal property reimbursement and also the elimination of the electric deregulation payment.

## **LAKWOOD LOCAL SCHOOL DISTRICT**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012**

**Unaudited**

	2012 Expenditures	2011 Expenditures	Increase (Decrease)
Instruction	\$11,091,808	\$11,830,008	(\$738,200)
Supporting Services:			
Pupils	1,227,284	1,132,370	94,914
Instructional Staff	226,189	286,613	(60,424)
Board of Education	70,084	54,198	15,886
Administration	1,858,794	1,643,921	214,873
Fiscal Services	606,641	584,540	22,101
Business	20,952	19,723	1,229
Operation & Maintenance of Plant	1,587,658	1,360,240	227,418
Pupil Transportation	1,593,860	1,419,379	174,481
Central	278,717	278,824	(107)
Operation of Non-Instructional Services	24,668	5,051	19,617
Extracurricular Activities	208,900	220,559	(11,659)
Debt Service:			
Principal Retirement	33,690	43,458	(9,768)
Interest and Fiscal Charges	5,094	9,075	(3,981)
Total	\$18,834,339	\$18,887,959	(\$53,620)

The expenditures decreased by \$53,620 or 0.3% compared to the prior year. The District's budget is 80% personnel related. The District had no increase in base salary for fiscal year 2012 but did pay a negotiated step increase ranging from 0% to 5% based on the number of years of service and type of degree. Those not receiving a dollar amount associated with their step received a one-time stipend. The District saw a reduction in health insurance premiums which was the result of a change in benefit plan design and a change in carrier during fiscal year 2012.

The increase in Administration and Operation & Maintenance of Plant is due to one-time stimulus monies accounted for in special revenue funds being used in 2011 to pay administrative salaries and utilities. These monies were gone in fiscal year 2012 and so the general fund had to resume payment of these expenditures. The increase in Pupil Transportation includes the purchase of capital outlay of 2 busses in 2012 and no bus purchases in 2011.

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

## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012**

**Unaudited**

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### 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 2012 the District amended its General Fund budget several times, none significant.

For the General Fund, the budget basis revenue of \$21.3 million did not significantly change from the original budget estimates.

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

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

At the end of fiscal 2012 the District had \$13,926,641 net of accumulated depreciation invested in land, buildings, equipment and vehicles. Of this total, \$13,878,069 was related to governmental activities and \$48,572 to the business-type activities. The following table shows fiscal year 2012 and 2011 balances:

	Governmental Activities		Increase (Decrease)
	2012	2011	
Land	\$275,555	\$275,555	\$0
Land Improvements	900,785	900,785	0
Buildings and Improvements	21,717,021	21,717,021	0
Furniture, Fixtures and Equipment	3,641,732	3,626,465	15,267
Vehicles	2,141,684	2,148,430	(6,746)
Less: Accumulated Depreciation	(14,798,708)	(14,143,819)	(654,889)
Totals	\$13,878,069	\$14,524,437	(\$646,368)

	Business-Type Activities		Increase (Decrease)
	2012	2011	
Furniture and Equipment	\$325,217	\$323,965	\$1,252
Less: Accumulated Depreciation	(276,645)	(264,090)	(12,555)
Totals	\$48,572	\$59,875	(\$11,303)

The decrease in governmental capital assets is primarily due to depreciating current capital assets.

Additional information on the District's capital assets can be found in Note 7.

## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012***

***Unaudited***

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### Debt

At June 30, 2012 the District had \$12.2 million in bonds, notes, loans, and other long-term obligations outstanding, \$886,391 due within one year. The following table summarizes the District's debt outstanding as of June 30, 2012 and June 30, 2011:

	<u>2012</u>	<u>2011</u>
Governmental Activities:		
General Obligation Bonds:		
School Improvement	\$10,896,412	\$11,369,250
Long-Term Notes Payable	483,237	635,398
Capital Leases Payable	51,572	85,262
Compensated Absences	<u>757,984</u>	<u>921,644</u>
Total Governmental Activities	12,189,205	13,011,554
Business-Type Activities:		
Compensated Absences	<u>23,445</u>	<u>23,806</u>
Totals	<u><u>\$12,212,650</u></u>	<u><u>\$13,035,360</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, 2012, the District's outstanding debt was below the legal limit. Additional information on the District's long-term debt can be found in Note 10.

### CURRENT FINANCIAL RELATED ACTIVITIES

As the preceding information shows, the District relies heavily upon property taxes and grants and entitlements to provide the funds necessary to maintain its educational programs. The District passed a new ten year emergency operating levy on November 2, 2010. The total amount of revenue from this emergency operating levy is \$3,528,880 per year. The District also has a five year renewal emergency operating levy that was passed on March 4, 2008. The total amount of revenue from this emergency operating levy is \$2,058,646 per year. The collections for this levy will end in calendar year 2013 (the second half of fiscal year 2013 and the first half of fiscal year 2014). 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 2013-2015. Beyond fiscal year 2015 the District will face some decisions on obtaining additional funding sources or reducing expenses it currently has in maintaining its educational programs.

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

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

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

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***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012***

***Unaudited***

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### REQUESTS FOR INFORMATION

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

## *LAKWOOD LOCAL SCHOOL DISTRICT*

### *Statement of Net Assets* *June 30, 2012*

	Governmental Activities	Business-Type Activities	Total	Component Unit Digital Academy
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 3,429,676	\$ 255,034	\$ 3,684,710	\$ 121,906
Investments	5,699,734	0	5,699,734	0
Receivables:				
Taxes	14,740,997	0	14,740,997	0
Accounts	95,062	0	95,062	321
Intergovernmental	39,772	0	39,772	0
Interest	10,259	0	10,259	0
Inventory	28,643	17,209	45,852	0
Prepaid Items	201,740	11,551	213,291	1,398
Deferred Charges	100,178	0	100,178	0
Capital Assets:				
Nondepreciable Capital Assets	275,555	0	275,555	0
Depreciable Capital Assets, Net	<u>13,602,514</u>	<u>48,572</u>	<u>13,651,086</u>	<u>27,400</u>
Total Capital Assets, Net	<u>13,878,069</u>	<u>48,572</u>	<u>13,926,641</u>	<u>27,400</u>
<b>Total Assets</b>	<u>38,224,130</u>	<u>332,366</u>	<u>38,556,496</u>	<u>151,025</u>
<b>Liabilities:</b>				
Accounts Payable	946,632	0	946,632	0
Accrued Wages and Benefits	1,506,457	47,569	1,554,026	0
Intergovernmental Payable	455,877	25,922	481,799	92,407
Unearned Revenue - Taxes	12,902,053	0	12,902,053	0
Unearned Revenue	0	0	0	4,133
Accrued Interest Payable	37,372	0	37,372	0
Long Term Liabilities:				
Due Within One Year	886,391	0	886,391	0
Due in More Than One Year	<u>11,302,814</u>	<u>23,445</u>	<u>11,326,259</u>	<u>0</u>
<b>Total Liabilities</b>	<u>28,037,596</u>	<u>96,936</u>	<u>28,134,532</u>	<u>96,540</u>
<b>Net Assets:</b>				
Invested in Capital Assets, Net of Related Debt	3,080,260	48,572	3,128,832	27,400
Restricted For:				
Debt Service	1,190,591	0	1,190,591	0
Federally Funded Programs	10,385	0	10,385	0
Other Purposes	30,086	0	30,086	0
Unrestricted	<u>5,875,212</u>	<u>186,858</u>	<u>6,062,070</u>	<u>27,085</u>
<b>Total Net Assets</b>	<u>\$ 10,186,534</u>	<u>\$ 235,430</u>	<u>\$ 10,421,964</u>	<u>\$ 54,485</u>

See accompanying notes to the basic financial statements

## **LAKWOOD LOCAL SCHOOL DISTRICT**

### **Statement of Activities For the Fiscal Year Ended June 30, 2012**

	Program Revenues		
Expenses	Charges for Services and Sales	Operating Grants and Contributions	
<b>Governmental Activities:</b>			
Instruction	\$ 12,333,823	\$ 504,070	\$ 706,597
Support Services:			
Pupils	1,339,037	0	117,784
Instructional Staff	257,656	0	39,687
Board of Education	70,084	0	0
Administration	1,880,781	125,625	22,918
Fiscal Services	617,723	0	0
Business	20,952	0	0
Operation and Maintenance of Plant	1,585,727	0	0
Pupil Transportation	1,530,781	0	0
Central	284,079	0	7,200
Operation of Non-Instructional Services	59,427	0	0
Extracurricular Activities	526,540	141,550	17,137
Interest and Fiscal Charges	550,947	0	0
<b>Total Governmental Activities</b>	<b>21,057,557</b>	<b>771,245</b>	<b>911,323</b>
<b>Business-Type Activities:</b>			
Food Service	898,959	299,813	687,260
<b>Total Business-Type Activities</b>	<b>898,959</b>	<b>299,813</b>	<b>687,260</b>
<b>Totals</b>	<b>\$ 21,956,516</b>	<b>\$ 1,071,058</b>	<b>\$ 1,598,583</b>
<b>Component Unit:</b>			
Digital Academy	\$ 332,105	\$ 1,693	\$ 18,451

**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 Assets  
Net Assets Beginning of Year  
Net Assets End of Year

See accompanying notes to the basic financial statements

**LAKWOOD LOCAL SCHOOL DISTRICT**

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Net (Expense) Revenue and Changes in Net Assets			Component
Primary Government			Unit
Governmental Activities	Business-Type Activities	Total	Digital Academy
\$ (11,123,156)	\$ 0	\$ (11,123,156)	
(1,221,253)	0	(1,221,253)	
(217,969)	0	(217,969)	
(70,084)	0	(70,084)	
(1,732,238)	0	(1,732,238)	
(617,723)	0	(617,723)	
(20,952)	0	(20,952)	
(1,585,727)	0	(1,585,727)	
(1,530,781)	0	(1,530,781)	
(276,879)	0	(276,879)	
(59,427)	0	(59,427)	
(367,853)	0	(367,853)	
(550,947)	0	(550,947)	
<u>(19,374,989)</u>	<u>0</u>	<u>(19,374,989)</u>	
<u>0</u>	<u>88,114</u>	<u>88,114</u>	
<u>0</u>	<u>88,114</u>	<u>88,114</u>	
<u>(19,374,989)</u>	<u>88,114</u>	<u>(19,286,875)</u>	
			<u>\$ (311,961)</u>
10,951,598	0	10,951,598	0
1,000,239	0	1,000,239	0
8,611,887	0	8,611,887	290,863
31,405	0	31,405	121
78,959	0	78,959	61
<u>20,674,088</u>	<u>0</u>	<u>20,674,088</u>	<u>291,045</u>
1,299,099	88,114	1,387,213	(20,916)
8,887,435	147,316	9,034,751	75,401
<u>\$ 10,186,534</u>	<u>\$ 235,430</u>	<u>\$ 10,421,964</u>	<u>\$ 54,485</u>

## **LAKWOOD LOCAL SCHOOL DISTRICT**

**Balance Sheet**  
**Governmental Funds**  
**June 30, 2012**

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 2,226,123	\$ 1,108,375	\$ 95,178	\$ 3,429,676
Investments	5,699,734	0	0	5,699,734
Receivables:				
Taxes	13,642,092	1,098,905	0	14,740,997
Accounts	94,773	0	289	95,062
Intergovernmental	18,391	0	21,381	39,772
Interest	10,259	0	0	10,259
Inventory	28,643	0	0	28,643
Prepaid Items	200,596	0	1,144	201,740
<b>Total Assets</b>	<b>\$ 21,920,611</b>	<b>\$ 2,207,280</b>	<b>\$ 117,992</b>	<b>\$ 24,245,883</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 944,980	\$ 0	\$ 1,652	\$ 946,632
Accrued Wages and Benefits	1,458,081	0	48,376	1,506,457
Intergovernmental Payable	452,796	0	3,081	455,877
Deferred Revenue - Taxes	12,962,752	1,051,525	0	14,014,277
Deferred Revenue	6,478	0	0	6,478
Compensated Absences Payable	71,394	0	0	71,394
<b>Total Liabilities</b>	<b>15,896,481</b>	<b>1,051,525</b>	<b>53,109</b>	<b>17,001,115</b>
<b>Fund Balances:</b>				
Nonspendable	229,239	0	1,144	230,383
Restricted	12,283	1,155,755	39,327	1,207,365
Committed	204,164	0	24,412	228,576
Assigned	105,140	0	0	105,140
Unassigned	5,473,304	0	0	5,473,304
<b>Total Fund Balances</b>	<b>6,024,130</b>	<b>1,155,755</b>	<b>64,883</b>	<b>7,244,768</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 21,920,611</b>	<b>\$ 2,207,280</b>	<b>\$ 117,992</b>	<b>\$ 24,245,883</b>

See accompanying notes to the basic financial statements

## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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### ***Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities June 30, 2012***

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<b>Total Governmental Fund Balances</b>	\$	7,244,768
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>		
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		13,878,069
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.		1,118,702
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Long-Term Notes Payable	(483,237)	
General Obligation Bonds Payable	(10,334,991)	
Deferred loss on refunding (to be amortized as interest expense)	344,127	
Issuance Premium (to be amortized against interest expense)	(444,979)	
Interest Accretion (to be amortized as interest expense)	(460,569)	
Deferred Charge for Issuance Costs	100,178	
Capital Leases Payable	(51,572)	
Compensated Absences Payable	(686,590)	
Accrued Interest Payable	(37,372)	
		<u>(12,055,005)</u>
<b><i>Net Assets of Governmental Activities</i></b>	<b>\$</b>	<b><u>10,186,534</u></b>

See accompanying notes to the basic financial statements

## **LAKWOOD LOCAL SCHOOL DISTRICT**

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2012**

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Local Sources:				
Taxes	\$ 11,222,832	\$ 1,022,273	\$ 0	\$ 12,245,105
Tuition	438,497	0	0	438,497
Investment Earnings	31,452	0	0	31,452
Extracurricular Activities	0	0	141,550	141,550
Class Materials and Fees	42,551	0	0	42,551
Intermediate Sources	0	0	10,611	10,611
Intergovernmental - State	8,321,952	249,256	7,200	8,578,408
Intergovernmental - Federal	56,234	0	938,827	995,061
All Other Revenue	232,750	0	11,993	244,743
<b>Total Revenue</b>	<b>20,346,268</b>	<b>1,271,529</b>	<b>1,110,181</b>	<b>22,727,978</b>
<b>Expenditures:</b>				
Current:				
Instruction	11,091,808	0	785,916	11,877,724
Supporting Services:				
Pupils	1,227,284	0	115,534	1,342,818
Instructional Staff	226,189	0	23,181	249,370
Board of Education	70,084	0	0	70,084
Administration	1,858,794	0	31,059	1,889,853
Fiscal Services	606,641	13,938	38	620,617
Business	20,952	0	0	20,952
Operation and Maintenance of Plant	1,587,658	0	0	1,587,658
Pupil Transportation	1,593,860	0	0	1,593,860
Central	278,717	0	7,200	285,917
Operation of Non-Instructional Services	24,668	0	0	24,668
Extracurricular Activities	208,900	0	195,500	404,400
Debt Service:				
Principal Retirement	33,690	712,161	0	745,851
Interest and Fiscal Charges	5,094	455,433	0	460,527
<b>Total Expenditures</b>	<b>18,834,339</b>	<b>1,181,532</b>	<b>1,158,428</b>	<b>21,174,299</b>
Excess (Deficiency) of Revenues				
Over Expenditures	1,511,929	89,997	(48,247)	1,553,679

(Continued)

**LAKWOOD LOCAL SCHOOL DISTRICT**

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	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	23,393	0	0	23,393
Transfers In	0	0	20,000	20,000
Transfers Out	(20,000)	0	0	(20,000)
<b>Total Other Financing Sources (Uses)</b>	<u>3,393</u>	<u>0</u>	<u>20,000</u>	<u>23,393</u>
Net Change in Fund Balance	1,515,322	89,997	(28,247)	1,577,072
<b>Fund Balances at Beginning of Year</b>	4,516,801	1,065,758	93,130	5,675,689
Decrease in Inventory Reserve	(7,993)	0	0	(7,993)
<b>Fund Balances End of Year</b>	<u>\$ 6,024,130</u>	<u>\$ 1,155,755</u>	<u>\$ 64,883</u>	<u>\$ 7,244,768</u>

See accompanying notes to the basic financial statements

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## LAKEWOOD LOCAL SCHOOL DISTRICT

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***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, 2012***

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**Net Change in Fund Balances - Total Governmental Funds** \$ 1,577,072

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. (627,460)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net assets. (18,908)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (371,322)

The issuance of long-term debt (e.g. notes, leases) provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items. 745,851

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditure is reported when due. (90,325)

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	92,279	
Amortization of Deferred Loss on Refunding	(24,724)	
Amortization of Deferred Charge for Bond Issuance Costs	(7,155)	
Amortization of Premium on Bond Issuance	31,784	
Change in Inventory	(7,993)	84,191

***Change in Net Assets of Governmental Activities*** **\$ 1,299,099**

See accompanying notes to the basic financial statements

## **LAKWOOD LOCAL SCHOOL DISTRICT**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Fiscal Year Ended June 30, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Local Sources:				
Taxes	\$ 12,187,467	\$ 12,237,249	\$ 12,237,249	\$ 0
Tuition	337,300	435,456	438,507	3,051
Investment Earnings	38,000	30,500	26,898	(3,602)
Class Material and Fees	46,930	41,480	42,256	776
Intergovernmental - State	8,267,694	8,317,931	8,321,952	4,021
Intergovernmental - Federal	50,000	72,500	71,661	(839)
All Other Revenues	149,846	175,543	182,029	6,486
Total Revenues	21,077,237	21,310,659	21,320,552	9,893
<b>Expenditures:</b>				
Current:				
Instructional Services	11,537,853	11,388,482	11,225,079	163,403
Support Services:				
Pupils	1,264,161	1,313,829	1,224,756	89,073
Instructional Staff	326,830	269,990	259,237	10,753
Board of Education	90,099	103,469	91,469	12,000
Administration	1,899,749	1,844,705	1,812,376	32,329
Fiscal Services	647,529	618,844	598,477	20,367
Business	21,614	21,290	21,146	144
Operation and Maintenance of Plant	1,660,014	1,706,852	1,634,650	72,202
Pupil Transportation	1,719,504	1,648,973	1,625,113	23,860
Central	319,282	286,021	281,068	4,953
Operation of Non-Instructional Services	34,836	29,562	27,258	2,304
Extracurricular Activities	233,231	228,326	215,950	12,376
Total Expenditures	19,754,702	19,460,343	19,016,579	443,764
Excess of Revenues Over Expenditures	1,322,535	1,850,316	2,303,973	453,657
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	10,000	9,000	23,393	14,393
Transfers Out	(20,000)	(20,000)	(20,000)	0
Advances In	20,000	20,000	0	(20,000)
Total Other Financing Sources (Uses):	10,000	9,000	3,393	(5,607)
Net Change in Fund Balance	1,332,535	1,859,316	2,307,366	448,050
Fund Balance at Beginning of Year	5,299,601	5,299,601	5,299,601	0
Prior Year Encumbrances	206,044	206,044	206,044	0
Fund Balance at End of Year	\$ 6,838,180	\$ 7,364,961	\$ 7,813,011	\$ 448,050

See accompanying notes to the basic financial statements

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**LAKEWOOD LOCAL SCHOOL DISTRICT**

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***Statement of Net Assets***  
***Proprietary Fund***  
***June 30, 2012***

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	Business-Type Activities
	<u>Enterprise Funds</u>
	<u>Food Service</u>
<b>Assets:</b>	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 255,034
Inventory Held for Resale	17,209
Prepaid Items	<u>11,551</u>
<i>Total Current Assets</i>	283,794
 <i>Non Current Assets:</i>	
Capital Assets, Net	<u>48,572</u>
<b>Total Assets</b>	<u><u>332,366</u></u>
 <b>Liabilities:</b>	
<i>Current Liabilities:</i>	
Accrued Wages and Benefits	47,569
Intergovernmental Payable	<u>25,922</u>
<i>Total Current Liabilities</i>	73,491
 <i>Long Term Liabilities:</i>	
Compensated Absences Payable	<u>23,445</u>
<b>Total Liabilities</b>	<u>96,936</u>
 <b>Net Assets:</b>	
Invested in Capital Assets	48,572
Unrestricted	<u>186,858</u>
<b>Total Net Assets</b>	<u><u>\$ 235,430</u></u>

See accompanying notes to the basic financial statements

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**LAKEWOOD LOCAL SCHOOL DISTRICT**

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**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Fund**  
**For the Fiscal Year Ended June 30, 2012**

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	Business-Type Activities
	<u>Enterprise Funds</u>
	<u>Food Service</u>
<b>Operating Revenues:</b>	
Sales	\$ 299,559
<b>Total Operating Revenues</b>	<u>299,559</u>
<b>Operating Expenses:</b>	
Salaries and Wages	250,126
Fringe Benefits	179,825
Contractual Services	14,409
Supplies and Materials	438,804
Depreciation	14,790
Other Operating Expense	1,005
<b>Total Operating Expenses</b>	<u>898,959</u>
Operating Loss	(599,400)
<b>Nonoperating Revenue (Expenses):</b>	
Intergovernmental Grants	687,260
Investment Earnings	254
<b>Total Nonoperating Revenues (Expenses)</b>	<u>687,514</u>
Change in Net Assets	88,114
Net Assets Beginning of Year	<u>147,316</u>
Net Assets End of Year	<u>\$ 235,430</u>

See accompanying notes to the basic financial statements

**LAKEWOOD LOCAL SCHOOL DISTRICT**

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**Statement of Cash Flows**  
**Proprietary Fund**  
**For the Fiscal Year Ended June 30, 2012**

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	Business-Type Activities
	Enterprise Funds
	Food Service
<b><u>Cash Flows from Operating Activities:</u></b>	
Cash Received from Customers	\$299,559
Cash Payments for Goods and Services	(368,293)
Cash Payments to Employees for Services and Benefits	(436,257)
Net Cash Used by Operating Activities	(504,991)
<b><u>Cash Flows from Noncapital Financing Activities:</u></b>	
Intergovernmental Grants Received	608,475
Net Cash Provided by Noncapital Financing Activities	608,475
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>	
Acquisition of Capital Assets	(3,487)
Net Cash Used by Noncapital Financing Activities	(3,487)
<b><u>Cash Flows from Investing Activities:</u></b>	
Receipt of Interest	254
Net Cash Provided by Investing Activities	254
Net Increase in Cash and Cash Equivalents	100,251
Cash and Cash Equivalents at Beginning of Year	154,783
Cash and Cash Equivalents at End of Year	\$255,034
<b><u>Reconciliation of Operating Loss to Net Cash</u></b>	
<b><u>Used by Operating Activities:</u></b>	
Operating Loss	(\$599,400)
Adjustments to Reconcile Operating Loss to	
Net Cash Used by Operating Activities:	
Depreciation Expense	14,790
Donated Commodities Used During the Year	78,785
Changes in Assets and Liabilities:	
Decrease in Inventory	7,140
Decrease in Prepaid Items	3,810
Decrease in Accrued Wages and Benefits	(8,717)
Decrease in Intergovernmental Payables	(1,038)
Decrease in Compensated Absences	(361)
Total Adjustments	94,409
Net Cash Used by Operating Activities	(\$504,991)

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

During fiscal year 2012, the Food Service Fund received \$78,785 in donated commodities from the federal government.

See accompanying notes to the basic financial statements

**LAKEWOOD LOCAL SCHOOL DISTRICT**

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***Statement of Assets and Liabilities***  
***Fiduciary Funds***  
***June 30, 2012***

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	<u>Agency</u>
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 17,789
<b>Total Assets</b>	<u>\$ 17,789</u>
<b>Liabilities:</b>	
Due to Students	\$ 17,789
<b>Total Liabilities</b>	<u>\$ 17,789</u>

See accompanying notes to the basic financial statements

# ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012***

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Reporting Entity**

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

The District is governed by a locally elected five member Board of Education (the Board) which provides educational services. The Board controls the District's instructional support facilities staffed by approximately 92 non-certified and approximately 168 certified teaching personnel and administrative employees providing education to 2,063 students.

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

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

Lakewood Local School District participates in three jointly governed organizations and one insurance purchasing pool. These organizations are the Licking Area Computer Association (LACA), Metropolitan Educational Council, Central Ohio Special Education Regional Resource Center and the Better Business Bureau of Central Ohio, Inc., Workers' Compensation Group Rating Program. Information regarding these organizations is presented in Notes 12 and 13.

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

# ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012***

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

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

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

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

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

#### **B. Basis of Presentation - Fund Accounting**

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

The following fund types are used by the District:

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

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

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012***

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

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

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

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

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

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

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

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

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

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

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012***

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

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

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

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

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

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

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

# **LAKEWOOD LOCAL SCHOOL DISTRICT**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012***

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

#### **D. Basis of Accounting**

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

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

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

Current property taxes measurable at June 30, 2012, and which are not intended to finance fiscal 2012 operations, have been recorded as deferred revenues. Delinquent property taxes measurable and available (received within 60 days) and amounts available as an advance on future tax settlements are recognized as revenue at year end.

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

Pursuant to GASB Statement No. 20, “*Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*,” the District follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. The District has elected not to apply FASB statements and interpretations issued after November 30, 1989 to its business-type activities and enterprise funds.

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

# **LAKEWOOD LOCAL SCHOOL DISTRICT**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012***

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### **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 deferred revenue.

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

#### **E. Budgetary Process**

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

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

##### **1. Estimated Resources**

Prior to March 15, the Board accepts by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during fiscal year 2012.

# ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012***

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### **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. Component Unit**

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

##### **5. Budgetary Basis of Accounting**

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

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**LAKEWOOD LOCAL SCHOOL DISTRICT**

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012***

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

**E. Budgetary Process (Continued)**

**5. Budgetary Basis of Accounting (Continued)**

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

	Net Change in Fund Balance
	<u>General Fund</u>
GAAP Basis (as reported)	\$1,515,322
Increase (Decrease):	
Accrued Revenues at June 30, 2012, received during FY 2013	(796,285)
Accrued Revenues at June 30, 2011, received during FY 2012	893,155
Accrued Expenditures at June 30, 2012, paid during FY 2013	2,927,251
Accrued Expenditures at June 30, 2011, paid during FY 2012	(2,144,841)
FY 2011 Prepays for FY 2012	224,593
FY 2012 Prepays for FY 2013	(200,596)
Adjustment to Fair Value	(773)
Encumbrances Outstanding	<u>(110,460)</u>
Budget Basis	<u><u>\$2,307,366</u></u>

**F. Cash and Cash Equivalents**

During fiscal year 2012, cash and cash equivalents included amounts in demand deposits, certificates of deposit and the State Treasury Asset Reserve (STAR Ohio). STAR Ohio is a very liquid investment and is reported as a cash equivalent in the basic financial statements.

The District pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 4, "Cash, Cash Equivalents and Investments."

# ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012***

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

#### **G. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the District records all its investments at fair value except for nonparticipating investment contracts (repurchase agreements and certificates of deposit) which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statements. Fair value is determined by quoted market prices. See Note 4, "Cash, Cash Equivalents and Investments."

The District has invested funds in the State Treasury Asset Reserve of Ohio during 2012. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2012.

#### **H. Inventory**

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

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

Payments made to vendors for services that will benefit periods beyond June 30, 2012, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

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

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

##### **1. Property, Plant and Equipment - Governmental Activities**

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

***LAKWOOD LOCAL SCHOOL DISTRICT***

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012***

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

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

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

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

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

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

3. Depreciation

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

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

**K. Long-Term Obligations**

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

Obligation	Fund
General Obligation Bonds Payable	Debt Service Fund
Long-Term Notes Payable	Debt Service Fund
Compensated Absences	General Fund, Food Services Fund
Capital Leases	General Fund

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012***

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

##### **L. Compensated Absences**

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

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

##### **M. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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 assets are 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 assets reported at June 30, 2012 were by enabling legislation.

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

##### **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.

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012***

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

##### **N. Fund Balance (Continued)**

***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 the District Board of Education.

***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.

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

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

# **LAKEWOOD LOCAL SCHOOL DISTRICT**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012***

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

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

The District has no exchange transactions between funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Interfund activity within governmental activities and business-type activities are eliminated for reporting on the government-wide financial statements.

#### **Q. Estimates**

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

#### **R. Operating Revenues and Expenses**

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

#### **S. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. There were no extraordinary or special items reported for fiscal year 2012.

#### **T. Bond Premiums, Bond Discounts, Gains on Refunding and Issuance Costs**

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

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

**LAKEWOOD LOCAL SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012**

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**NOTE 2 – FUND BALANCES**

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

Fund Balances	General Fund	Debt Service	Other Governmental Funds	Total Governmental Funds
Nonspendable:				
Prepaid Items	\$200,596	\$0	\$1,144	\$201,740
Supplies Inventory	28,643	0	0	28,643
Total Nonspendable	<u>229,239</u>	<u>0</u>	<u>1,144</u>	<u>230,383</u>
Restricted:				
Career Technology Education	12,283	0	0	12,283
Extracurricular Activities	0	0	29,958	29,958
Preschool	0	0	128	128
Targeted Academic Assistance	0	0	9,241	9,241
Debt Service Payments	0	1,155,755	0	1,155,755
Total Restricted	<u>12,283</u>	<u>1,155,755</u>	<u>39,327</u>	<u>1,207,365</u>
Committed:				
Building Maintenance and Renovation	204,164	0	0	204,164
Student and Staff Support	0	0	24,412	24,412
Total Committed	<u>204,164</u>	<u>0</u>	<u>24,412</u>	<u>228,576</u>
Assigned to Other Purposes	105,140	0	0	105,140
Unassigned	5,473,304	0	0	5,473,304
Total Fund Balances	<u><u>\$6,024,130</u></u>	<u><u>\$1,155,755</u></u>	<u><u>\$64,883</u></u>	<u><u>\$7,244,768</u></u>

## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012***

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#### **NOTE 3 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government – wide statement of activities. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

*Amount by which depreciation exceeded capital outlays in the current period:*

Capital Outlay	\$331,570
Depreciation Expense	(959,030)
	<u>(\$627,460)</u>

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

Gain on Disposal of Capital Asset	\$4,485
Proceeds Received	(23,393)
	<u>(\$18,908)</u>

*Governmental revenues not reported in the funds:*

Decrease in Investment Earnings	(\$47)
Decrease in Grants Revenue	(78,007)
Decrease in Delinquent Tax Revenue	(293,268)
	<u>(\$371,322)</u>

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

Bond Principal Payment	\$560,000
Long-term Note Principal Payment	152,161
Capital Lease Payment	33,690
	<u>\$745,851</u>

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012***

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#### **NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

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

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

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

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;

**LAKEWOOD LOCAL SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012**

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

- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

**A. Deposits**

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned. Protection of District cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. The District has no policy on custodial credit risk and is governed by Ohio Revised Code. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the District places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year end the carrying amount of the District's deposits was \$3,638,913 and the bank balance was \$4,160,923. Federal depository insurance covered \$3,740,087 of the bank balance and \$420,836 was uninsured. Of the remaining uninsured bank balance, the District was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the District's name	<u>\$420,836</u>
Total Balance	<u><u>\$420,836</u></u>

Investment earnings of \$4,200 earned by other funds was credited to the General Fund as required by state statute.

**LAKWOOD LOCAL SCHOOL DISTRICT**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012**

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

**B. Investments**

The District's investments at June 30, 2012 were as follows:

	Fair Value	Credit Rating	Investment Maturities (in Years)	
			less than 1	1-3
Repurchase Agreements	\$3,912,908	*	\$3,912,908	\$0
STAR Ohio	678	AAAm <sup>1</sup>	678	0
FHLB	835,719	AA+ <sup>1</sup>	185,064	650,655 <sup>a</sup>
FHLMC	115,089	AA+ <sup>1</sup>	0	115,089
US Treasury Note	99,874	AA+ <sup>1</sup>	0	99,874
Toyota Motor Credit	799,052	A-1 <sup>1</sup>	799,052	0
Total Investments	<u>\$5,763,320</u>		<u>\$4,897,702</u>	<u>\$865,618</u>

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

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

<sup>a</sup> \$84,961 security was called on July 16, 2012 and a \$204,878 security was called on July 27, 2012.

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

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

*Concentration of Credit Risk* – The District places no limit on the amount the District may invest in one issuer. Of the District's total investments, 67.90% are in repurchase agreements, .01% are in STAR Ohio, 14.50% are in FHLB securities, 2.00% are in FHLMC securities, 1.73% are in US Treasury Notes and 13.86% are in Toyota Motor Credit Commercial Paper.

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

**LAKEWOOD LOCAL SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012**

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

**C. Reconciliation of Cash, Cash Equivalents and Investments**

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

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Financial Statements	\$3,702,499	\$5,699,734
Certificates of Deposit (with original maturities of more than 3 months)	3,850,000	(3,850,000)
Repurchase Agreements	(3,912,908)	3,912,908
STAR Ohio	(678)	678
Per GASB Statement No. 3	<u>\$3,638,913</u>	<u>\$5,763,320</u>

**D. Component Unit**

At year end the carrying amount of the Academy's deposits was \$121,906 and the bank balance was \$129,237. Federal depository insurance covered the entire bank balance. There are no significant statutory restrictions regarding the deposit and investment of funds by the Academy.

**NOTE 5 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real and public utility property located in the District. Real property tax revenue received in calendar 2012 represents collections of calendar year 2011 taxes. Real property taxes received in calendar year 2012 were levied after April 1, 2011, on the assessed value listed as of January 1, 2011, 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 2012 represents collections of calendar year 2011 taxes. Public utility real and tangible personal property taxes received in calendar year 2012 became a lien December 31, 2010, were levied after April 1, 2011 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.

**LAKWOOD LOCAL SCHOOL DISTRICT**

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012***

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**NOTE 5 - PROPERTY TAXES (Continued)**

The District receives property taxes from Licking County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2012, are available to finance fiscal year 2012 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 2012 receipts were based are:

	2011 Second Half <u>Collections</u>	2012 First Half <u>Collections</u>
Agricultural/Residential and Other Real Estate	\$358,258,840	\$372,060,130
Public Utility Personal	<u>15,135,460</u>	<u>16,483,410</u>
Total Assessed Value	<u>\$373,394,300</u>	<u>\$388,543,540</u>
Tax rate per \$1,000 of assessed valuation	\$57.23	\$56.92

**NOTE 6 - RECEIVABLES**

Receivables at June 30, 2012 consisted of taxes, accounts, interest and intergovernmental receivables.

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**LAKWOOD LOCAL SCHOOL DISTRICT**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012**

**NOTE 7 - CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at June 30, 2012:

<i>Historical Cost:</i>				
Class	Balance at June 30, 2011	Additions	Deletions	Balance at June 30, 2012
<b><i>Capital Assets not being depreciated:</i></b>				
Land	\$275,555	\$0	\$0	\$275,555
Subtotal	<u>275,555</u>	<u>0</u>	<u>0</u>	<u>275,555</u>
<b><i>Capital Assets being depreciated:</i></b>				
Land Improvements	900,785	0	0	900,785
Buildings and Improvements	21,717,021	0	0	21,717,021
Furniture, Fixtures and Equipment	3,626,465	154,072	(138,805)	3,641,732
Vehicles	2,148,430	177,498	(184,244)	2,141,684
Subtotal	<u>28,392,701</u>	<u>331,570</u>	<u>(323,049)</u>	<u>28,401,222</u>
Total Cost	<u><u>\$28,668,256</u></u>	<u><u>\$331,570</u></u>	<u><u>(\$323,049)</u></u>	<u><u>\$28,676,777</u></u>
 <b><i>Accumulated Depreciation:</i></b>				
Class	Balance at June 30, 2011	Additions	Deletions	Balance at June 30, 2012
Land Improvements	(\$640,477)	(\$42,440)	\$0	(\$682,917)
Buildings and Improvements	(9,376,066)	(528,622)	0	(9,904,688)
Furniture, Fixtures and Equipment	(2,565,188)	(253,190)	119,897	(2,698,481)
Vehicles	(1,562,088)	(134,778)	184,244	(1,512,622)
Total Depreciation	<u>(\$14,143,819)</u>	<u>(\$959,030) *</u>	<u>\$304,141</u>	<u>(\$14,798,708)</u>
<b><i>Net Value:</i></b>	<u><u>\$14,524,437</u></u>			<u><u>\$13,878,069</u></u>

**LAKEWOOD LOCAL SCHOOL DISTRICT**

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012***

**NOTE 7 - CAPITAL ASSETS (Continued)**

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

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

Instruction	\$525,856
Support Services:	
Instructional Staff	28,294
Administration	38,515
Operations and Maintenance of Plant	51,542
Pupil Transportation	132,709
Extracurricular Activities	142,695
Other Noninstructional Services	39,419
Total Depreciation Expense	\$959,030

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

Summary by Category at June 30, 2012:

Class	Balance at June 30, 2011	Additions	Deletions	Balance at June 30, 2012
Furniture and Equipment	\$323,965	\$3,487	(\$2,235)	\$325,217
Accumulated Depreciation	(264,090)	(14,790)	2,235	(276,645)
<b>Net Value:</b>	\$59,875	(\$11,303)	\$0	\$48,572

**C. Component Unit Capital Assets**

Summary by Category at June 30, 2012:

Class	Balance at June 30, 2011	Additions	Deletions	Balance at June 30, 2012
Furniture and Equipment	\$196,451	\$0	(\$9,526)	\$186,925
Accumulated Depreciation	(155,663)	(13,174)	9,312	(159,525)
<b>Net Value:</b>	\$40,788	(\$13,174)	(\$214)	\$27,400

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012***

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#### **NOTE 8 - DEFINED BENEFIT PENSION PLANS**

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

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

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2012, the allocation to pension and death benefits was 12.7 percent. The remaining 1.3 percent of the 14 percent employer contribution rate is allocated to the Medicare B and Health Care funds. The District's contributions for pension obligations to SERS for the fiscal years ended June 30, 2012, 2011 and 2010 were \$380,216, \$358,167 and \$351,917 respectively, which were equal to the required contributions for each year.

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

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

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012***

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#### **NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)**

##### **B. State Teachers Retirement System** (Continued)

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

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For the fiscal year ended June 30, 2012, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2011, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2012, 2011, and 2010 were \$1,223,564, \$1,252,624, and \$1,263,299 respectively; which were equal to the required contributions for each year. Contributions to the DC and Combined Plans for fiscal year 2012 were \$43,243 made by the District and \$30,888 made by the plan members.

##### **C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Retirement System. As of June 30, 2012, three members of the Board of Education have elected Social Security. The contribution rate is 6.2 percent of wages.

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012***

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#### **NOTE 9 - POSTEMPLOYMENT BENEFITS**

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

Plan Description – The District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website, [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2012, 0.55 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2012, this amount was \$35,800.

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

The District's contributions for health care for the fiscal years ended June 30, 2012, 2011, and 2010 were \$54,394, \$81,418, and \$64,558 respectively; which were equal to the required contributions for each year.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2012, this actuarially required allocation was 0.75 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2012, 2011, and 2010 were \$22,454, \$23,049, and \$20,928 respectively; which were equal to the required contributions for each year.

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

Plan Description – The District contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

## **LAKEWOOD LOCAL SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012***

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#### **NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)**

##### **B. State Teachers Retirement System (Continued)**

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2012, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2012, 2011, and 2010 were \$94,120, \$96,356, and \$97,177 respectively; which were equal to the required contributions for each year.

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**LAKEWOOD LOCAL SCHOOL DISTRICT**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012**

**NOTE 10 - 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, 2012 are as follows:

		Balance June 30, 2011	Issued	(Retired)	Balance June 30, 2012	Due Within One Year
<b>Governmental Activities:</b>						
(Long-Term Notes Payable)						
Energy Conservation Project	5.50%	\$145,330	\$0	(\$72,665)	\$72,665	\$72,665
Energy Conservation Project	5.00%	490,068	0	(79,496)	410,572	83,521
Total Long-Term Notes Payable		635,398	0	(152,161)	483,237	156,186
(General Obligation Bonds Payable)						
School Improvement Bonds 1999a	3.0-5.0%	375,000	0	(175,000)	200,000	185,000
School Improvement Bonds 1999b	3.15-5.0%	990,000	0	(315,000)	675,000	330,000
School Improvement Refunding Bonds	2.75-4.1%	9,529,991	0	(70,000)	9,459,991	75,000
		10,894,991	0	(560,000)	10,334,991	590,000
Premium on Refunding Bonds		476,763	0	(31,784)	444,979	0
Deferred Loss on Refunding		(368,851)	0	24,724	(344,127)	0
Interest Accretion		366,347	94,222	0	460,569	0
Total General Obligation Bonds Payable		11,369,250	94,222	(567,060)	10,896,412	590,000
Capital Leases Payable		85,262	0	(33,690)	51,572	23,536
Compensated Absences		921,644	417,123	(580,783)	757,984	116,669
Total Governmental Activities		<u>\$13,011,554</u>	<u>\$511,345</u>	<u>(\$1,333,694)</u>	<u>\$12,189,205</u>	<u>\$886,391</u>
<b>Business-Type Activities:</b>						
Compensated Absences		\$23,806	\$17,049	(\$17,410)	\$23,445	\$0
Total Long Term Liabilities		<u>\$23,806</u>	<u>\$17,049</u>	<u>(\$17,410)</u>	<u>\$23,445</u>	<u>\$0</u>

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

**LAKWOOD LOCAL SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012**

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**NOTE 10- 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, 2012, follows:

Years	Long-Term Notes Payable		General Obligation Bonds Payable	
	Principal	Interest	Principal	Interest
2013	\$156,186	\$21,518	\$590,000	\$400,911
2014	87,749	15,269	615,000	373,346
2015	92,191	10,827	640,000	342,772
2016	47,831	3,678	201,278	800,494
2017	49,027	2,482	178,713	823,060
2018-2022	50,253	1,256	3,655,000	1,280,162
2023-2027	0	0	4,455,000	469,251
Totals	<u>\$483,237</u>	<u>\$55,030</u>	<u>\$10,334,991</u>	<u>\$4,489,996</u>

**NOTE 11 - CAPITAL LEASE COMMITMENTS**

The District leases copiers under capital leases. The cost of the equipment obtained under capital leases is \$204,994, the accumulated depreciation is \$155,992 and the net book value is \$49,002, which is included in the Governmental Activities Capital Assets and the related liability is included in the Governmental Activities Long-Term Liabilities.

The following is a schedule of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 2012:

Year Ending June 30,	Capital Lease
2013	\$26,446
2014	14,111
2015	14,112
2016	2,351
Minimum Lease Payments	57,020
Less: Amount representing interest at the District's incremental borrowing rate of interest	<u>(5,448)</u>
Present Value of minimum lease payments	<u>\$51,572</u>

***LAKEWOOD LOCAL SCHOOL DISTRICT***

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012***

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**NOTE 12 - 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 2012 the District contracted with insurance providers for various insurance coverages, as follows:

Insurance Provider	Coverage	Deductible	Aggregate
Ohio Casualty Insurance Company	Fleet Insurance	\$250/Comprehensive \$500/Collision	\$1,000,000
Ohio Casualty Insurance Company	Buildings and Contents	\$5,000	\$68,680,698
Ohio Casualty Insurance Company	School District Liability	\$0	\$2,000,000
Ohio Casualty Insurance Company	School Leaders Errors and Omissions	\$2,500	\$1,000,000
Ohio Casualty Insurance Company	Umbrella Policy	\$0	\$3,000,000
Travelers Casualty & Surety Co. of America	Employee Bond	\$0	\$100,000

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

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

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012***

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#### **NOTE 13 - JOINTLY GOVERNED ORGANIZATIONS**

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

The District is a participant in the Licking Area Computer Association (LACA) which is a computer consortium. LACA is an association of public school districts within the boundaries of Licking and Muskingum 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. The governing board of LACA consists of thirteen members made up of the thirteen district superintendents. The continued existence of LACA is not dependent on the District's continued participation and no equity interest exists. The LACA constitution states that any school district withdrawing from the Association prior to dissolution forfeits their claim to the Association's capital assets. The District paid LACA \$86,842 for services provided during the year. Financial information can be obtained from their fiscal agent, the Career and Technology Education Centers of Licking County, Treasurer, at 150 Price Road, Newark, Ohio 43055.

##### **B. Metropolitan Educational Council**

The District participates in the Metropolitan Educational Council (MEC), a jointly governed organization. The organization is composed of over 135 members, which includes school districts, joint vocational schools, educational service centers and libraries covering 24 counties in Central Ohio. MEC helps its members purchase services, insurance, supplies, and other items at a discounted rate. The governing board of MEC is composed of either the superintendent, a designated representative or a member of the board of education for each participating school district in Franklin County (18 school districts), and one representative from each county. Each year, the participating school districts pay a membership fee to MEC to cover the costs of administering the program. The District's membership payment to MEC for fiscal year 2012 was \$859. Financial information may be obtained from the Metropolitan Educational Council, Denise Music, who serves as fiscal officer, at 6100 Channingway Blvd., Suite 604, Columbus, OH 43232.

## **LAKWOOD LOCAL SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012***

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#### **NOTE 13 - JOINTLY GOVERNED ORGANIZATIONS (Continued)**

##### **C. Central Ohio Special Education Regional Resource Center**

The Central Ohio Special Education Regional Resource Center (COSERRC) is a jointly governed organization operated by a Governing Board that is composed of superintendents of member school districts in Central Ohio (which comprise sixty percent of the Board), two parents of children with disabilities, one representative of a chartered nonpublic school, one representative of a county board of Mental Retardation and Developmental Disabilities, representatives of universities, and student and persons with disabilities representations. The District participates in the following services of COSERRC: Identification and Program Development Project, Regional Educational Assessment Programming Project, Instructional Resource Center Project, Early Childhood Services Project, and the Ohio Resource Center for Low Incidence and Severely Handicapped Project. These services are to assist the District in complying with mandates of Public Law 99-457 for educating children with disabilities. There is no financial commitment made by the districts involved in COSERRC. COSERRC is not dependent upon the continued participation of the District and the District does not maintain an equity interest in or financial responsibility for COSERRC. The District made no contributions to COSERRC during fiscal year 2012.

#### **NOTE 14 – RELATED PARTY TRANSACTIONS**

The Sponsorship Contract and the annual Purchased Services Contracts between the Lakewood Digital Academy and the District outlined the specific payments to be made during fiscal year 2012. During 2012, the Academy made payments to the District of \$195,749 for administrative and fiscal services, a management fee, for services of the Director, a student assistant specialist, special education related services and Sponsorship payments. The District also had a receivable of \$91,276 from the Academy which is included in “Accounts Receivable” on the Statement of Net Assets and the Balance Sheet.

# **LAKEWOOD LOCAL SCHOOL DISTRICT**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012***

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### **NOTE 15 – STATUTORY RESERVES**

The District is required by state law to set aside certain general fund revenue amounts for capital acquisition into a reserve. During the fiscal year ended June 30, 2012, the reserve activity (cash-basis) was as follows:

	<u>Capital Acquisition Reserve</u>
Set-aside Cash Balance as of June 30, 2011	\$0
Current Year Set-Aside Requirement	347,791
Qualifying Disbursements	<u>(680,670)</u>
Total	<u>(\$332,879)</u>
Cash Balance Carried Forward to FY 2013	<u>\$0</u>

Actual capital expenditures in excess of current year or accumulated set-aside requirements from the capital acquisition reserve may not be carried forward to offset future years' capital acquisition reserve set-aside requirements.

### **NOTE 16 - CONTINGENCIES**

#### **A. Grants**

The Auditor of State is currently performing a statewide review of supporting documentation for student attendance data reported to the Ohio Department of Education. The results of this review are still pending and will be reported separately to the Ohio Department of Education at a later date.

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. This also encompasses the Auditor of State's ongoing review of student attendance data. However, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2012, if applicable, cannot be determined at this time.

#### **B. Litigation**

The District is not a party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects as of June 30, 2012.

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012***

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#### **NOTE 17 – SIGNIFICANT COMMITMENTS**

Significant encumbrances outstanding at fiscal year-end in the General Fund are \$77,738 and are reported as assigned fund balance.

#### **NOTE 18 – SUBSEQUENT EVENT**

On August 30, 2012, the District issued \$917,707 in House Bill 264 notes for the purpose of energy conservation measures. The notes were issued bearing an interest rate of 3.55% and mature August 1, 2022.

*LAKWOOD LOCAL SCHOOL DISTRICT*

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*C*OMBINING AND *I*NDIVIDUAL *F*UND  
*S*TATEMENTS AND *S*CHEDULES

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

# ***LAKWOOD LOCAL SCHOOL DISTRICT***

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## ***Nonmajor Governmental Funds***

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

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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.

#### **Other Grant Fund**

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

#### **Student Activity Fund**

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

#### **Data Communications Fund**

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

#### **Education Jobs Fund**

To account for federal monies to provide compensation and benefits to retain existing employees, to recall or rehire former employees and to hire new employees in order to provide early childhood, elementary or secondary educational and related services. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

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

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

(Continued)

# ***LAKWOOD LOCAL SCHOOL DISTRICT***

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## ***Special Revenue Funds***

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### **Title II-D Technology Fund**

To account for federal revenues received to be used for technology. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

### **Title I Fund**

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

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

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

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

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

**LAKWOOD LOCAL SCHOOL DISTRICT**

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**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2012**

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	Public School Support	Other Grant	Student Activity	Special Education Part B-IDEA
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 24,635	\$ 563	\$ 30,663	\$ 18,830
Receivables:				
Accounts	289	0	0	0
Intergovernmental	0	0	0	0
Prepaid Items	0	0	0	0
<b>Total Assets</b>	<u>\$ 24,924</u>	<u>\$ 563</u>	<u>\$ 30,663</u>	<u>\$ 18,830</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 512	\$ 435	\$ 705	\$ 0
Accrued Wages and Benefits	0	0	0	17,014
Intergovernmental Payable	0	0	0	1,816
<b>Total Liabilities</b>	<u>512</u>	<u>435</u>	<u>705</u>	<u>18,830</u>
<b>Fund Balances:</b>				
Nonspendable	0	0	0	0
Restricted	0	128	29,958	0
Committed	24,412	0	0	0
<b>Total Fund Balances</b>	<u>24,412</u>	<u>128</u>	<u>29,958</u>	<u>0</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 24,924</u>	<u>\$ 563</u>	<u>\$ 30,663</u>	<u>\$ 18,830</u>

***LAKEWOOD LOCAL SCHOOL DISTRICT***

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Title I	Total Nonmajor Special Revenue Funds
\$ 20,487	\$ 95,178
0	289
21,381	21,381
1,144	1,144
\$ 43,012	\$ 117,992
\$ 0	\$ 1,652
31,362	48,376
1,265	3,081
32,627	53,109
1,144	1,144
9,241	39,327
0	24,412
10,385	64,883
\$ 43,012	\$ 117,992

## **LAKWOOD LOCAL SCHOOL DISTRICT**

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2012***

	<u>Public School Support</u>	<u>Other Grant</u>	<u>Student Activity</u>	<u>Data Communications</u>	<u>Education Jobs</u>
<b>Revenues:</b>					
Local Sources:					
Extracurricular Activities	\$ 39,929	\$ 0	\$ 101,621	\$ 0	\$ 0
Intermediate Sources	0	10,611	0	0	0
Intergovernmental - State	0	0	0	7,200	0
Intergovernmental - Federal	0	0	0	0	83,778
All Other Revenue	11,793	0	200	0	0
<b>Total Revenue</b>	<b>51,722</b>	<b>10,611</b>	<b>101,821</b>	<b>7,200</b>	<b>83,778</b>
<b>Expenditures:</b>					
Current:					
Instruction	0	9,583	0	0	93,423
Supporting Services:					
Pupils	0	400	0	0	0
Instructional Staff	0	462	0	0	0
Administration	0	0	1,059	0	0
Fiscal Services	0	38	0	0	0
Central	0	0	0	7,200	0
Extracurricular Activities	67,304	0	128,196	0	0
<b>Total Expenditures</b>	<b>67,304</b>	<b>10,483</b>	<b>129,255</b>	<b>7,200</b>	<b>93,423</b>
Excess (Deficiency) of Revenues Over Expenditures	(15,582)	128	(27,434)	0	(9,645)
<b>Other Financing Sources (Uses):</b>					
Transfers In	0	0	20,000	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>20,000</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balance	(15,582)	128	(7,434)	0	(9,645)
<b>Fund Balances at Beginning of Year</b>	<b>39,994</b>	<b>0</b>	<b>37,392</b>	<b>0</b>	<b>9,645</b>
<b>Fund Balances End of Year</b>	<b>\$ 24,412</b>	<b>\$ 128</b>	<b>\$ 29,958</b>	<b>\$ 0</b>	<b>\$ 0</b>

**LAKWOOD LOCAL SCHOOL DISTRICT**

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Special Education Part B-IDEA	Title II-D Technology	Title I	IDEA Preschool Grant for Handicapped	Title II-A	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 141,550
0	0	0	0	0	10,611
0	0	0	0	0	7,200
398,593	2,297	345,234	10,013	98,912	938,827
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,993</u>
<u>398,593</u>	<u>2,297</u>	<u>345,234</u>	<u>10,013</u>	<u>98,912</u>	<u>1,110,181</u>
251,849	2,297	319,839	10,013	98,912	785,916
115,134	0	0	0	0	115,534
7,500	0	15,219	0	0	23,181
30,000	0	0	0	0	31,059
0	0	0	0	0	38
0	0	0	0	0	7,200
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>195,500</u>
<u>404,483</u>	<u>2,297</u>	<u>335,058</u>	<u>10,013</u>	<u>98,912</u>	<u>1,158,428</u>
(5,890)	0	10,176	0	0	(48,247)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,000</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,000</u>
(5,890)	0	10,176	0	0	(28,247)
<u>5,890</u>	<u>0</u>	<u>209</u>	<u>0</u>	<u>0</u>	<u>93,130</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,385</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 64,883</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, 2012***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Local Sources:				
Taxes	\$ 12,187,467	\$ 12,237,249	\$ 12,237,249	\$ 0
Tuition	337,300	435,456	438,507	3,051
Investment Earnings	38,000	30,500	26,898	(3,602)
Class Material and Fees	46,930	41,480	42,256	776
Intergovernmental - State	8,267,694	8,317,931	8,321,952	4,021
Intergovernmental - Federal	50,000	72,500	71,661	(839)
All Other Revenues	149,846	175,543	182,029	6,486
Total Revenues	21,077,237	21,310,659	21,320,552	9,893
<b>Expenditures:</b>				
Instructional Services:				
Regular:				
Salaries and Wages	6,248,024	6,265,145	6,219,054	46,091
Fringe Benefits	2,186,964	2,059,369	2,037,315	22,054
Purchased Services	1,158,627	1,131,575	1,092,205	39,370
Supplies and Materials	233,274	166,524	153,820	12,704
Other Expenditures	7,466	7,466	7,466	0
Capital Outlay	31,444	32,839	32,839	0
Total Regular	9,865,799	9,662,918	9,542,699	120,219
Special:				
Salaries and Wages	753,371	774,462	751,460	23,002
Fringe Benefits	221,892	219,171	216,858	2,313
Purchased Services	163,833	191,517	185,265	6,252
Supplies and Materials	11,366	4,244	3,709	535
Other Expenditures	268,410	300,801	298,923	1,878
Total Special	1,418,872	1,490,195	1,456,215	33,980
Vocational:				
Salaries and Wages	148,687	149,112	149,112	0
Fringe Benefits	53,778	45,607	45,382	225
Purchased Services	800	4,500	10	4,490
Supplies and Materials	27,907	11,734	8,432	3,302
Capital Outlay	6,000	13,982	13,982	0
Total Vocational	237,172	224,935	216,918	8,017

(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, 2012***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Other:				
Salaries and Wages	13,500	8,025	7,975	50
Fringe Benefits	2,510	2,409	1,272	1,137
Total Other	<u>16,010</u>	<u>10,434</u>	<u>9,247</u>	<u>1,187</u>
Total Instructional Services	<u>11,537,853</u>	<u>11,388,482</u>	<u>11,225,079</u>	<u>163,403</u>
Support Services:				
Pupils:				
Salaries and Wages	787,627	807,279	803,850	3,429
Fringe Benefits	314,855	313,668	303,670	9,998
Purchased Services	129,001	163,405	97,920	65,485
Supplies and Materials	31,405	27,345	17,784	9,561
Other Expenditures	1,273	1,273	673	600
Capital Outlay	0	859	859	0
Total Pupils	<u>1,264,161</u>	<u>1,313,829</u>	<u>1,224,756</u>	<u>89,073</u>
Instructional Staff:				
Salaries and Wages	127,899	128,743	126,956	1,787
Fringe Benefits	95,842	60,963	59,988	975
Purchased Services	94,549	75,483	68,133	7,350
Supplies and Materials	8,414	4,675	4,034	641
Other Expenditures	126	126	126	0
Total Instructional Staff	<u>326,830</u>	<u>269,990</u>	<u>259,237</u>	<u>10,753</u>
Board of Education:				
Salaries and Wages	7,500	7,500	7,500	0
Fringe Benefits	1,795	1,772	1,702	70
Purchased Services	73,139	85,188	73,258	11,930
Other Expenditures	7,665	9,009	9,009	0
Total Board of Education	<u>90,099</u>	<u>103,469</u>	<u>91,469</u>	<u>12,000</u>

(Continued)

**LAKEWOOD LOCAL SCHOOL DISTRICT**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Fiscal Year Ended June 30, 2012***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Administration:</b>				
Salaries and Wages	1,249,479	1,196,094	1,188,898	7,196
Fringe Benefits	529,708	512,242	497,907	14,335
Purchased Services	87,332	88,516	78,298	10,218
Supplies and Materials	7,603	7,006	6,426	580
Other Expenditures	24,174	29,843	29,843	0
Capital Outlay	1,453	11,004	11,004	0
Total Administration	1,899,749	1,844,705	1,812,376	32,329
<b>Fiscal Services:</b>				
Salaries and Wages	234,181	234,181	219,387	14,794
Fringe Benefits	120,075	111,222	109,943	1,279
Purchased Services	25,546	26,822	23,533	3,289
Supplies and Materials	4,350	4,574	4,117	457
Other Expenditures	255,377	236,248	235,700	548
Capital Outlay	8,000	5,797	5,797	0
Total Fiscal Services	647,529	618,844	598,477	20,367
<b>Business:</b>				
Salaries and Wages	7,464	8,124	8,103	21
Fringe Benefits	9,951	9,175	9,052	123
Other Expenditures	4,199	3,991	3,991	0
Total Business	21,614	21,290	21,146	144
<b>Operation and Maintenance of Plant:</b>				
Salaries and Wages	559,883	549,037	538,693	10,344
Fringe Benefits	301,560	273,693	272,277	1,416
Purchased Services	633,798	728,319	678,365	49,954
Supplies and Materials	102,261	105,352	94,864	10,488
Other Expenditures	561	561	561	0
Capital Outlay	61,951	49,890	49,890	0
Total Operation and Maintenance Of Plant	1,660,014	1,706,852	1,634,650	72,202

(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, 2012***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Pupil Transportation:				
Salaries and Wages	695,903	697,345	683,766	13,579
Fringe Benefits	483,016	424,996	417,574	7,422
Purchased Services	44,833	57,059	55,972	1,087
Supplies and Materials	241,579	272,528	270,756	1,772
Other Expenditures	752	752	752	0
Capital Outlay	<u>253,421</u>	<u>196,293</u>	<u>196,293</u>	<u>0</u>
Total Pupil Transportation	1,719,504	1,648,973	1,625,113	23,860
Central:				
Salaries and Wages	72,581	72,581	72,581	0
Fringe Benefits	33,765	31,902	31,460	442
Purchased Services	85,771	83,838	83,312	526
Supplies and Materials	11,700	11,518	10,143	1,375
Other Expenditures	115,465	83,096	80,486	2,610
Capital Outlay	<u>0</u>	<u>3,086</u>	<u>3,086</u>	<u>0</u>
Total Central	<u>319,282</u>	<u>286,021</u>	<u>281,068</u>	<u>4,953</u>
Total Support Services	<u>7,948,782</u>	<u>7,813,973</u>	<u>7,548,292</u>	<u>265,681</u>
Operation of Non-Instructional Services:				
Purchased Services	6,000	6,754	6,431	323
Supplies and Materials	3,488	4,558	3,014	1,544
Other Expenditures	18,000	17,200	16,763	437
Capital Outlay	<u>7,348</u>	<u>1,050</u>	<u>1,050</u>	<u>0</u>
Total Non-Instructional Services	34,836	29,562	27,258	2,304
Extracurricular Activities:				
Salaries and Wages	189,624	187,718	178,045	9,673
Fringe Benefits	36,332	33,333	30,630	2,703
Capital Outlay	<u>7,275</u>	<u>7,275</u>	<u>7,275</u>	<u>0</u>
Total Extracurricular Activities	<u>233,231</u>	<u>228,326</u>	<u>215,950</u>	<u>12,376</u>
Total Expenditures	<u>19,754,702</u>	<u>19,460,343</u>	<u>19,016,579</u>	<u>443,764</u>

(Continued)

**LAKWOOD LOCAL SCHOOL DISTRICT**

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***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, 2012***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Excess of Revenues Over Expenditures	1,322,535	1,850,316	2,303,973	453,657
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	10,000	9,000	23,393	14,393
Transfers Out	(20,000)	(20,000)	(20,000)	0
Advance In	20,000	20,000	0	(20,000)
Total Other Financing Sources (Uses):	<u>10,000</u>	<u>9,000</u>	<u>3,393</u>	<u>(5,607)</u>
Net Change in Fund Balance	1,332,535	1,859,316	2,307,366	448,050
Fund Balance at Beginning of Year	5,299,601	5,299,601	5,299,601	0
Prior Year Encumbrances	206,044	206,044	206,044	0
Fund Balance at End of Year	<u>\$ 6,838,180</u>	<u>\$ 7,364,961</u>	<u>\$ 7,813,011</u>	<u>\$ 448,050</u>

## **LAKWOOD LOCAL SCHOOL DISTRICT**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds - Debt Service Fund – Bond Retirement Fund  
For the Fiscal Year Ended June 30, 2012***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Local Sources:				
Taxes	\$ 1,116,550	\$ 1,028,013	\$ 1,028,013	\$ 0
Intergovernmental - State	206,427	250,051	249,256	(795)
Total Revenues	1,322,977	1,278,064	1,277,269	(795)
<b>Expenditures:</b>				
Current:				
Support Services:				
Fiscal Services:				
Other Expenditures	16,150	13,938	13,938	0
Total Fiscal Services	16,150	13,938	13,938	0
Debt Service:				
Principal Retirement	712,161	712,161	712,161	0
Interest and Fiscal Charges	455,552	455,433	455,433	0
Total Debt Service	1,167,713	1,167,594	1,167,594	0
Total Expenditures	1,183,863	1,181,532	1,181,532	0
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	139,114	96,532	95,737	(795)
Fund Balance at Beginning of Year				
Fund Balance at End of Year	\$ 1,151,752	\$ 1,109,170	\$ 1,108,375	\$ (795)

**LAKWOOD LOCAL SCHOOL DISTRICT**

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***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, 2012***

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**PUBLIC SCHOOL SUPPORT FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Extracurricular Activities	\$ 43,300	\$ 41,539	\$ 41,707	\$ 168
All Other Revenues	20,500	18,500	16,937	(1,563)
Total Revenues	63,800	60,039	58,644	(1,395)
<b>Expenditures:</b>				
Extracurricular Activities:				
Purchased Services	18,003	8,344	7,000	1,344
Supplies and Materials	49,801	62,388	49,360	13,028
Other Expenditures	1,000	0	0	0
Capital Outlay	18,500	11,158	11,158	0
Total Extracurricular Activities	87,304	81,890	67,518	14,372
Total Expenditures	87,304	81,890	67,518	14,372
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(23,504)	(21,851)	(8,874)	12,977
Fund Balance at Beginning of Year				
Prior Year Encumbrances	925	925	925	0
Fund Balance at End of Year	\$ 9,279	\$ 10,932	\$ 23,909	\$ 12,977

**LAKEWOOD LOCAL SCHOOL DISTRICT**

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***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, 2012***

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<b>OTHER GRANT FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intermediate Sources	\$ 3,433	\$ 10,611	\$ 10,611	\$ 0
Total Revenues	3,433	10,611	10,611	0
<b>Expenditures:</b>				
Instructional Services:				
Regular:				
Purchased Services	0	389	389	0
Supplies and Materials	2,533	7,040	6,912	128
Capital Outlay	0	2,282	2,282	0
Total Instructional Services	2,533	9,711	9,583	128
Support Services:				
Pupils:				
Purchased Services	400	400	400	0
Total Pupils	400	400	400	0
Instructional Staff:				
Salaries and Wages	400	400	400	0
Fringe Benefits	62	62	62	0
Total Instructional Staff	462	462	462	0
Fiscal Services:				
Purchased Services	38	38	38	0
Total Fiscal Services	38	38	38	0
Total Support Services	900	900	900	0
Total Expenditures	3,433	10,611	10,483	128
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	0	0	128	128
Fund Balance at Beginning of Year				
Fund Balance at End of Year	\$ 0	\$ 0	\$ 128	\$ 128

## LAKEWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2012***

<b>STUDENT ACTIVITY FUND</b>				Variance with Final Budget Positive Negative
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Revenues:</b>				
Extracurricular Activities	\$ 94,035	\$ 102,215	\$ 101,785	\$ (430)
All Other Revenues	52,650	25,700	200	(25,500)
Total Revenues	<u>146,685</u>	<u>127,915</u>	<u>101,985</u>	<u>(25,930)</u>
<b>Expenditures:</b>				
Support Services:				
Administration:				
Purchased Services	1,000	1,000	977	23
Total Support Services	<u>1,000</u>	<u>1,000</u>	<u>977</u>	<u>23</u>
Extracurricular Activities:				
Salaries and Wages	0	215	215	0
Fringe Benefits	0	32	32	0
Purchased Services	104,675	91,575	88,111	3,464
Supplies and Materials	31,900	38,780	34,861	3,919
Other Expenditures	1,700	2,965	2,765	200
Capital Outlay	13,200	3,348	3,348	0
Total Extracurricular Activities	<u>151,475</u>	<u>136,915</u>	<u>129,332</u>	<u>7,583</u>
Total Expenditures	<u>152,475</u>	<u>137,915</u>	<u>130,309</u>	<u>7,606</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(5,790)	(10,000)	(28,324)	(18,324)
<b>Other Financing Sources (Uses):</b>				
Operating Transfers In	20,722	20,722	20,722	0
Operating Transfers Out	(722)	(722)	(722)	0
Advances Out	(20,000)	(20,000)	0	20,000
Total Other Financing Sources (Uses):	<u>0</u>	<u>0</u>	<u>20,000</u>	<u>20,000</u>
Net Change in Fund Balance	(5,790)	(10,000)	(8,324)	1,676
Fund Balance at Beginning of Year	<u>37,307</u>	<u>37,307</u>	<u>37,307</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 31,517</u>	<u>\$ 27,307</u>	<u>\$ 28,983</u>	<u>\$ 1,676</u>

**LAKWOOD LOCAL SCHOOL DISTRICT**

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**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, 2012**

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**DATA COMMUNICATIONS FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - State	\$ 8,000	\$ 7,200	\$ 7,200	\$ 0
Total Revenues	8,000	7,200	7,200	0
<b>Expenditures:</b>				
Support Services:				
Central:				
Purchased Services	8,000	7,200	7,200	0
Total Expenditures	8,000	7,200	7,200	0
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year				
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0	\$ 0

**LAKWOOD LOCAL SCHOOL DISTRICT**

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**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, 2012**

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<b>EDUCATION JOBS FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u></u>
<b>Revenues:</b>				
Intergovernmental - Federal	\$ 103,007	\$ 108,778	\$ 108,778	\$ 0
Total Revenues	<u>103,007</u>	<u>108,778</u>	<u>108,778</u>	<u>0</u>
<b>Expenditures:</b>				
Instructional Services:				
Regular:				
Salaries and Wages	81,682	89,068	89,068	0
Fringe Benefits	<u>24,032</u>	<u>22,417</u>	<u>22,417</u>	<u>0</u>
Total Expenditures	<u>105,714</u>	<u>111,485</u>	<u>111,485</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,707)	(2,707)	(2,707)	0
<b>Other Financing Sources (Uses):</b>				
Transfers In	21,103	21,103	21,103	0
Transfers Out	<u>(21,103)</u>	<u>(21,103)</u>	<u>(21,103)</u>	<u>0</u>
Total Other Financing Sources (Uses):	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(2,707)	(2,707)	(2,707)	0
Fund Balance at Beginning of Year	<u>2,707</u>	<u>2,707</u>	<u>2,707</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**LAKWOOD LOCAL SCHOOL DISTRICT**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2012***

<b>SPECIAL EDUCATION PART B-IDEA FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u></u>
<b>Revenues:</b>				
Intergovernmental - Federal	\$ 433,593	\$ 433,593	\$ 433,593	\$ 0
Total Revenues	<u>433,593</u>	<u>433,593</u>	<u>433,593</u>	<u>0</u>
<b>Expenditures:</b>				
Instructional Services:				
Special:				
Salaries and Wages	225,786	225,787	219,557	6,230
Fringe Benefits	86,104	54,606	54,606	0
Supplies and Materials	<u>0</u>	<u>1,498</u>	<u>1,160</u>	<u>338</u>
Total Instructional Services	<u>311,890</u>	<u>281,891</u>	<u>275,323</u>	<u>6,568</u>
Support Services:				
Pupils:				
Salaries and Wages	87,012	85,593	78,478	7,115
Fringe Benefits	10,592	36,592	32,149	4,443
Capital Outlay	<u>0</u>	<u>5,000</u>	<u>4,296</u>	<u>704</u>
Total Pupils	97,604	127,185	114,923	12,262
Instructional Staff:				
Purchased Services	<u>0</u>	<u>7,500</u>	<u>7,500</u>	<u>0</u>
Total Instructional Staff	0	7,500	7,500	0
Administration:				
Purchased Services	<u>37,082</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>
Total Administration	<u>37,082</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>
Total Support Services	<u>134,686</u>	<u>164,685</u>	<u>152,423</u>	<u>12,262</u>
Total Expenditures	<u>446,576</u>	<u>446,576</u>	<u>427,746</u>	<u>18,830</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,983)	(12,983)	5,847	18,830
Fund Balance at Beginning of Year	<u>12,983</u>	<u>12,983</u>	<u>12,983</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 18,830</u>	<u>\$ 18,830</u>

**LAKWOOD LOCAL SCHOOL DISTRICT**

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***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, 2012***

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<b>TITLE II-D TECHNOLOGY FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u></u>
<b>Revenues:</b>				
Intergovernmental - Federal	\$ 0	\$ 2,297	\$ 2,297	\$ 0
Total Revenues	<u>0</u>	<u>2,297</u>	<u>2,297</u>	<u>0</u>
<b>Expenditures:</b>				
Instructional Services:				
Special:				
Supplies and Materials	0	2,297	2,297	0
Total Expenditures	<u>0</u>	<u>2,297</u>	<u>2,297</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**LAKEWOOD LOCAL SCHOOL DISTRICT**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2012***

	TITLE I FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental - Federal	\$ 371,753	\$ 369,234	\$ 347,853	\$ (21,381)
Total Revenues	<u>371,753</u>	<u>369,234</u>	<u>347,853</u>	<u>(21,381)</u>
<b>Expenditures:</b>				
Instructional Services:				
Special:				
Salaries and Wages	295,276	262,013	238,381	23,632
Fringe Benefits	45,291	56,101	54,832	1,269
Purchased Services	<u>0</u>	<u>8,376</u>	<u>8,376</u>	<u>0</u>
Total Special	340,567	326,490	301,589	24,901
Other:				
Purchased Services	<u>0</u>	<u>17,317</u>	<u>17,317</u>	<u>0</u>
Total Instructional Services	<u>340,567</u>	<u>343,807</u>	<u>318,906</u>	<u>24,901</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	5,500	0	0	0
Purchased Services	<u>32,445</u>	<u>32,186</u>	<u>15,219</u>	<u>16,967</u>
Total Support Services	<u>37,945</u>	<u>32,186</u>	<u>15,219</u>	<u>16,967</u>
Total Expenditures	<u>378,512</u>	<u>375,993</u>	<u>334,125</u>	<u>41,868</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,759)	(6,759)	13,728	20,487
Fund Balance at Beginning of Year	<u>6,759</u>	<u>6,759</u>	<u>6,759</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 20,487</u>	<u>\$ 20,487</u>

**LAKWOOD LOCAL SCHOOL DISTRICT**

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***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, 2012***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - Federal	\$ 10,013	\$ 10,013	\$ 10,013	\$ 0
Total Revenues	10,013	10,013	10,013	0
<b>Expenditures:</b>				
Instructional Services:				
Special:				
Salaries and Wages	10,013	10,013	10,013	0
Total Expenditures	10,013	10,013	10,013	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**

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**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, 2012**

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TITLE II-A FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental - Federal	\$ 98,766	\$ 98,912	\$ 98,912	\$ 0
Total Revenues	98,766	98,912	98,912	0
<b>Expenditures:</b>				
Instructional Services:				
Regular:				
Salaries and Wages	98,766	98,912	98,912	0
Total Expenditures	98,766	98,912	98,912	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

# ***LAKEWOOD LOCAL SCHOOL DISTRICT***

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## ***Fiduciary Funds***

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

## ***Agency Funds***

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### **Student Managed Activity Fund**

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

**LAKEWOOD LOCAL SCHOOL DISTRICT**

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***Statement of Changes in Assets and Liabilities  
Agency Fund  
For the Fiscal Year Ended June 30, 2012***

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	Balance June 30, 2011	Additions	Deductions	Balance June 30, 2012
<b><u>Student Managed Activity Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$16,625	\$23,910	(\$22,746)	\$17,789
Total Assets	<u>\$16,625</u>	<u>\$23,910</u>	<u>(\$22,746)</u>	<u>\$17,789</u>
Liabilities:				
Due to Students	\$16,625	\$23,910	(\$22,746)	\$17,789
Total Liabilities	<u>\$16,625</u>	<u>\$23,910</u>	<u>(\$22,746)</u>	<u>\$17,789</u>

**LAKWOOD LOCAL SCHOOL DISTRICT**

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## *STATISTICAL SECTION*

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***STATISTICAL TABLES***

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

***Contents***

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

**Sources Note:**

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

## *Lakewood Local School District*

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

	2003	2004	2005	2006
<b>Governmental Activities:</b>				
Invested in Capital Assets, Net of Related Debt	\$3,772,570	\$3,398,702	\$3,487,282	\$3,351,649
Restricted for:				
Capital Projects	23,131	0	3	0
Debt Service	493,673	551,495	476,167	545,280
Bus Purchase	0	0	0	0
Federally Funded Programs	0	0	0	0
Other Purposes	90,485	221,140	0	0
Unrestricted	1,360,684	1,597,029	1,834,145	2,724,352
Total Governmental Activities Net Assets	<u>\$5,740,543</u>	<u>\$5,768,366</u>	<u>\$5,797,597</u>	<u>\$6,621,281</u>
<b>Business-type Activities:</b>				
Invested in Capital Assets, Net of Related Debt	\$120,786	\$110,134	\$114,905	\$100,086
Unrestricted (Deficit)	46,663	40,190	(19,439)	(8,020)
Total Business-type Activities Net Assets	<u>\$167,449</u>	<u>\$150,324</u>	<u>\$95,466</u>	<u>\$92,066</u>
<b>Primary Government:</b>				
Invested in Capital Assets, Net of Related Debt	\$3,893,356	\$3,508,836	\$3,602,187	\$3,451,735
Restricted	607,289	772,635	476,170	545,280
Unrestricted	1,407,347	1,637,219	1,814,706	2,716,332
Total Primary Government Net Assets	<u>\$5,907,992</u>	<u>\$5,918,690</u>	<u>\$5,893,063</u>	<u>\$6,713,347</u>

Source: District Treasurer's Office

*Lakewood Local School District*

2007	2008	2009	2010	2011	2012
\$2,965,032	\$2,999,249	\$2,920,072	\$3,151,387	\$3,053,537	\$3,080,260
0	0	0	0	0	0
561,041	663,568	809,399	1,082,006	1,118,731	1,190,591
0	12,630	6,140	0	0	0
0	0	0	0	0	10,385
0	0	0	0	131,143	30,086
4,505,221	4,560,589	4,342,665	3,691,366	4,584,024	5,875,212
<u>\$8,031,294</u>	<u>\$8,236,036</u>	<u>\$8,078,276</u>	<u>\$7,924,759</u>	<u>\$8,887,435</u>	<u>\$10,186,534</u>
\$90,694	\$78,894	\$77,306	\$69,250	\$59,875	\$48,572
(69,344)	(40,193)	212	62,199	87,441	186,858
<u>\$21,350</u>	<u>\$38,701</u>	<u>\$77,518</u>	<u>\$131,449</u>	<u>\$147,316</u>	<u>\$235,430</u>
\$3,055,726	\$3,078,143	\$2,997,378	\$3,220,637	\$3,113,412	\$3,128,832
561,041	676,198	815,539	1,082,006	1,249,874	1,231,062
4,435,877	4,520,396	4,342,877	3,753,565	4,671,465	6,062,070
<u>\$8,052,644</u>	<u>\$8,274,737</u>	<u>\$8,155,794</u>	<u>\$8,056,208</u>	<u>\$9,034,751</u>	<u>\$10,421,964</u>

## *Lakewood Local School District*

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Expenses</b>				
Governmental Activities:				
Instruction	\$10,265,237	\$10,616,848	\$11,243,238	\$11,550,480
Support Services:				
Pupils	1,047,551	1,153,724	1,138,402	1,101,372
Instructional Staff	681,706	456,520	410,227	515,859
Board of Education	31,860	72,807	64,994	35,171
Administration	1,459,918	1,633,056	1,465,620	1,576,704
Fiscal Services	445,519	509,894	540,356	551,205
Business	14,175	15,360	17,511	15,040
Operation and Maintenance of Plant	1,373,039	1,403,654	1,442,262	1,491,143
Pupil Transportation	1,013,915	1,176,469	1,257,226	1,347,349
Central	67,434	163,721	174,827	192,719
Operation of Non-Instructional Services	127,914	81,937	81,381	41,860
Extracurricular Activities	460,426	477,927	512,166	550,597
Interest and Fiscal Charges	723,607	722,687	790,327	572,388
<i>Total Governmental Activities Expenses</i>	<u>17,712,301</u>	<u>18,484,604</u>	<u>19,138,537</u>	<u>19,541,887</u>
Business-type Activities:				
Food Service	672,123	732,804	817,695	807,895
Uniform School Supplies	7,749	4,372	3,230	7,801
<i>Total Business-type Activities Expenses</i>	<u>679,872</u>	<u>737,176</u>	<u>820,925</u>	<u>815,696</u>
<i>Total Primary Government Expenses</i>	<u>\$18,392,173</u>	<u>\$19,221,780</u>	<u>\$19,959,462</u>	<u>\$20,357,583</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services				
Instruction	\$297,364	\$278,672	\$386,042	\$374,347
Support Services:				
Administration	0	0	0	0
Operation of Non-Instructional Services	6,232	9,265	7,708	3,130
Extracurricular Activities	301,004	141,766	214,698	224,277
Operating Grants and Contributions	1,214,843	1,105,522	1,070,194	1,130,065
Capital Grants and Contributions	35,773	0	17,745	0
<i>Total Governmental Activities</i>	<u>1,855,216</u>	<u>1,535,225</u>	<u>1,696,387</u>	<u>1,731,819</u>
<i>Program Revenues</i>	<u>1,855,216</u>	<u>1,535,225</u>	<u>1,696,387</u>	<u>1,731,819</u>

*Lakewood Local School District*

2007	2008	2009	2010	2011	2012
\$11,924,997	\$12,302,597	\$12,633,476	\$13,547,787	\$13,150,165	\$12,333,823
1,203,075	1,328,800	1,336,465	1,312,081	1,224,974	1,339,037
437,342	479,753	410,672	386,414	281,544	257,656
55,443	52,022	50,581	81,589	54,198	70,084
1,550,432	1,609,024	1,698,850	1,816,833	1,889,652	1,880,781
618,603	639,771	629,272	590,518	600,845	617,723
14,176	15,857	17,638	19,125	19,723	20,952
1,640,741	1,672,993	1,543,379	1,551,761	1,551,640	1,585,727
1,446,278	1,530,009	1,491,670	1,589,527	1,543,782	1,530,781
189,380	231,234	325,541	314,949	281,113	284,079
56,084	67,844	52,678	61,088	45,099	59,427
616,900	490,323	521,158	521,163	537,562	526,540
711,383	669,526	616,719	593,824	575,861	550,947
<u>20,464,834</u>	<u>21,089,753</u>	<u>21,328,099</u>	<u>22,386,659</u>	<u>21,756,158</u>	<u>21,057,557</u>
892,610	906,182	911,914	916,439	953,088	898,959
2,284	0	0	0	0	0
<u>894,894</u>	<u>906,182</u>	<u>911,914</u>	<u>916,439</u>	<u>953,088</u>	<u>898,959</u>
<u>\$21,359,728</u>	<u>\$21,995,935</u>	<u>\$22,240,013</u>	<u>\$23,303,098</u>	<u>\$22,709,246</u>	<u>\$21,956,516</u>
\$422,548	\$481,461	\$427,350	\$379,277	\$400,842	\$504,070
0	0	0	0	74,513	125,625
7,247	90,634	122,210	0	0	0
221,389	166,301	170,671	133,349	139,843	141,550
1,104,624	1,095,397	933,186	1,779,854	1,596,451	911,323
0	13,366	0	0	51,000	0
<u>1,755,808</u>	<u>1,847,159</u>	<u>1,653,417</u>	<u>2,292,480</u>	<u>2,262,649</u>	<u>1,682,568</u>

(continued)

## *Lakewood Local School District*

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

	2003	2004	2005	2006
<b>Business-type Activities:</b>				
Charges for Services				
Food Service	409,431	406,872	417,400	407,322
Uniform School Supplies (1)	4,106	4,589	1,078	1,247
Operating Grants and Contributions	274,372	308,590	328,272	372,586
Capital Grants and Contributions	6,196	0	19,317	1,141
<i>Total Business-type Activities Program Revenues</i>	<u>694,105</u>	<u>720,051</u>	<u>766,067</u>	<u>782,296</u>
<i>Total Primary Government Program Revenues</i>	<u>2,549,321</u>	<u>2,255,276</u>	<u>2,462,454</u>	<u>2,514,115</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(15,857,085)	(16,949,379)	(17,442,150)	(17,810,068)
Business-type Activities	14,233	(17,125)	(54,858)	(33,400)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$15,842,852)</u>	<u>(\$16,966,504)</u>	<u>(\$17,497,008)</u>	<u>(\$17,843,468)</u>
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$8,556,536	\$9,769,935	\$10,181,474	\$11,133,684
Debt Service	1,161,792	1,168,233	1,088,255	1,006,786
Grants and Entitlements not Restricted to Specific Programs	5,182,898	5,865,683	5,866,148	6,050,575
Investment Earnings	85,679	50,708	113,061	230,977
Miscellaneous	226,575	196,338	222,443	241,730
Transfers	0	0	0	(30,000)
<i>Total Governmental Activities</i>	<u>15,213,480</u>	<u>17,050,897</u>	<u>17,471,381</u>	<u>18,633,752</u>
Business-type Activities:				
Transfers	0	0	0	30,000
<i>Total Business-type Activities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>30,000</u>
<i>Total Primary Government</i>	<u>\$15,213,480</u>	<u>\$17,050,897</u>	<u>\$17,471,381</u>	<u>\$18,663,752</u>
<b>Change in Net Assets</b>				
Governmental Activities	(\$643,605)	\$101,518	\$29,231	\$823,684
Business-type Activities	14,233	(17,125)	(54,858)	(3,400)
<i>Total Primary Government Change in Net Assets</i>	<u>(\$629,372)</u>	<u>\$84,393</u>	<u>(\$25,627)</u>	<u>\$820,284</u>

Source: District Treasurer's Office

(1) Uniform School Supplies were eliminated in 2008.

**Lakewood Local School District**

2007	2008	2009	2010	2011	2012
408,877	369,761	345,558	327,032	305,258	299,813
554	0	0	0	0	0
414,747	552,380	605,173	643,338	663,697	687,260
0	1,392	0	0	0	0
<u>824,178</u>	<u>923,533</u>	<u>950,731</u>	<u>970,370</u>	<u>968,955</u>	<u>987,073</u>
<u>2,579,986</u>	<u>2,770,692</u>	<u>2,604,148</u>	<u>3,262,850</u>	<u>3,231,604</u>	<u>2,669,641</u>
(18,709,026)	(19,242,594)	(19,674,682)	(20,094,179)	(19,493,509)	(19,374,989)
(70,716)	17,351	38,817	53,931	15,867	88,114
<u>(\$18,779,742)</u>	<u>(\$19,225,243)</u>	<u>(\$19,635,865)</u>	<u>(\$20,040,248)</u>	<u>(\$19,477,642)</u>	<u>(\$19,286,875)</u>
\$11,475,144	\$10,207,940	\$9,649,606	\$9,844,340	\$10,519,556	\$10,951,598
1,019,211	1,040,662	1,110,071	1,217,236	978,147	1,000,239
6,992,396	7,692,375	8,487,771	8,710,003	8,861,970	8,611,887
390,834	336,879	161,685	78,975	31,769	31,405
241,454	169,480	107,789	90,108	64,743	78,959
0	0	0	0	0	0
<u>20,119,039</u>	<u>19,447,336</u>	<u>19,516,922</u>	<u>19,940,662</u>	<u>20,456,185</u>	<u>20,674,088</u>
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$20,119,039</u>	<u>\$19,447,336</u>	<u>\$19,516,922</u>	<u>\$19,940,662</u>	<u>\$20,456,185</u>	<u>\$20,674,088</u>
\$1,410,013	\$204,742	(\$157,760)	(\$153,517)	\$962,676	\$1,299,099
(70,716)	17,351	38,817	53,931	15,867	88,114
<u>\$1,339,297</u>	<u>\$222,093</u>	<u>(\$118,943)</u>	<u>(\$99,586)</u>	<u>\$978,543</u>	<u>\$1,387,213</u>

**Lakewood Local School District**

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

	2003	2004	2005	2006	2007
<b>General Fund</b>					
Nonspendable	\$0	\$0	\$0	\$0	\$0
Restricted	0	0	0	0	0
Committed	0	0	0	0	0
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Reserved	959,595	1,555,902	1,097,483	721,492	834,999
Unreserved	1,058,426	489,187	1,675,053	3,080,139	4,209,277
<b>Total General Fund</b>	<u>2,018,021</u>	<u>2,045,089</u>	<u>2,772,536</u>	<u>3,801,631</u>	<u>5,044,276</u>
<b>All Other Governmental Funds</b>					
Nonspendable	0	0	0	0	0
Restricted	0	0	0	0	0
Committed	0	0	0	0	0
Reserved	542,984	549,229	511,545	50,015	695,054
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	207,880	156,228	184,250	168,403	107,132
Debt Service Funds	0	0	0	529,315	0
Capital Projects Funds	23,131	0	3	0	0
<b>Total All Other Governmental Funds</b>	<u>773,995</u>	<u>705,457</u>	<u>695,798</u>	<u>747,733</u>	<u>802,186</u>
<b>Total Governmental Funds</b>	<u>\$2,792,016</u>	<u>\$2,750,546</u>	<u>\$3,468,334</u>	<u>\$4,549,364</u>	<u>\$5,846,462</u>

Source: District Treasurer's Office

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

*Lakewood Local School District*

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

## *Lakewood Local School District*

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

	2003	2004	2005	2006
<b>Revenues:</b>				
Local Sources:				
Taxes	\$9,613,751	\$10,577,861	\$11,852,220	\$12,183,511
Tuition	273,224	261,100	342,930	303,508
Investment Earnings	80,758	24,653	142,437	224,462
Extracurricular Activities	301,004	141,766	214,698	224,277
Class Materials and Fees	18,655	11,652	33,780	55,809
Intermediate Sources	6,180	29,000	1,500	23,556
Intergovernmental - State	5,516,800	6,025,346	5,999,896	6,206,567
Intergovernmental - Federal	890,279	881,910	904,888	914,215
All Other Revenue	282,995	253,464	284,330	283,994
<b>Total Revenue</b>	<u>16,983,646</u>	<u>18,206,752</u>	<u>19,776,679</u>	<u>20,419,899</u>
<b>Expenditures:</b>				
Current:				
Instruction	9,664,784	10,303,206	10,723,064	11,096,012
Supporting Services:				
Pupils	1,055,880	1,101,433	1,117,832	1,099,402
Instructional Staff	648,512	456,379	405,142	489,263
Board of Education	31,884	72,863	65,222	35,171
Administration	1,481,903	1,453,025	1,435,743	1,479,957
Fiscal Services	442,921	522,092	551,450	559,667
Business	14,113	14,987	19,133	15,040
Operation and Maintenance of Plant	1,311,548	1,454,923	1,454,833	1,484,790
Pupil Transportation	1,104,274	1,124,163	1,335,151	1,327,560
Central	67,434	163,721	182,197	192,719
Operation of Non-Instructional Services	87,611	39,318	39,386	13,720
Extracurricular Activities	328,968	342,676	384,765	436,640
Capital Outlay	768,377	0	0	0
Debt Service:				
Principal Retirement	490,489	699,185	629,299	730,604
Interest and Fiscal Charges	708,467	728,133	710,249	605,224
<b>Total Expenditures</b>	<u>18,207,165</u>	<u>18,476,104</u>	<u>19,053,466</u>	<u>19,565,769</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,223,519)	(269,352)	723,213	854,130

*Lakewood Local School District*

2007	2008	2009	2010	2011	2012
\$12,210,024	\$11,251,513	\$10,904,861	\$10,945,760	\$10,884,473	\$12,245,105
347,816	402,852	352,668	310,898	337,206	438,497
397,615	333,443	161,884	77,963	36,866	31,452
221,389	166,301	170,671	133,349	139,843	141,550
56,886	60,959	54,727	51,497	46,764	42,551
6,025	6,090	0	9,156	2,963	10,611
7,168,131	7,830,061	8,552,098	8,694,393	8,830,092	8,578,408
897,102	940,318	864,923	1,693,267	1,531,114	995,061
290,331	308,750	260,916	200,031	172,373	244,743
<u>21,595,319</u>	<u>21,300,287</u>	<u>21,322,748</u>	<u>22,116,314</u>	<u>21,981,694</u>	<u>22,727,978</u>
11,485,943	11,939,626	12,064,984	13,254,304	12,814,543	11,877,724
1,226,925	1,325,390	1,311,184	1,308,054	1,245,592	1,342,818
406,706	449,601	364,416	375,185	314,412	249,370
55,443	52,022	50,581	81,589	54,198	70,084
1,478,088	1,608,052	1,652,690	1,730,479	1,828,106	1,889,853
635,286	655,847	631,868	589,442	600,730	620,617
14,176	15,857	17,638	19,125	19,723	20,952
2,295,967	1,989,400	1,594,021	1,567,970	1,534,442	1,587,658
1,572,993	1,583,046	1,470,345	1,782,897	1,419,379	1,593,860
189,380	230,891	323,475	314,738	292,924	285,917
13,061	25,112	11,119	16,361	5,051	24,668
489,006	371,969	406,712	382,776	399,254	404,400
0	0	0	0	0	0
664,459	726,254	689,350	710,783	736,789	745,851
578,255	584,020	554,214	523,093	495,886	460,527
<u>21,105,688</u>	<u>21,557,087</u>	<u>21,142,597</u>	<u>22,656,796</u>	<u>21,761,029</u>	<u>21,174,299</u>
489,631	(256,800)	180,151	(540,482)	220,665	1,553,679

(Continued)

**Lakewood Local School District**

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

	2003	2004	2005	2006
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	850	241,013	2,956	0
Energy Conservation Notes Issued	0	0	0	0
General Obligation Notes Issued	726,650	0	0	0
Refunding General Obligation Bonds Issued	0	0	0	9,999,991
Premium on Refunding General Obligation Bonds	0	0	0	667,467
Other Financing Sources - Capital Leases	36,415	0	0	116,162
Payment to Refunded Bonds Escrow Agent	0	0	0	(10,517,195)
Transfers In	0	107	0	0
Transfers Out	0	(107)	0	(30,000)
<b>Total Other Financing Sources (Uses)</b>	<u>763,915</u>	<u>241,013</u>	<u>2,956</u>	<u>236,425</u>
<b>Net Change in Fund Balance</b>	<u>(\$459,604)</u>	<u>(\$28,339)</u>	<u>\$726,169</u>	<u>\$1,090,555</u>
 <b>Debt Service as a Percentage of Noncapital Expenditures</b>	 6.94%	 7.93%	 7.12%	 6.94%

Source: District Treasurer's Office

*Lakewood Local School District*

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2007	2008	2009	2010	2011	2012
833	44,279	9,472	3,112	19,614	23,393
802,984	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	105,762	0	0	58,218	0
0	0	0	0	0	0
8,027	0	0	0	0	20,000
(8,027)	0	0	0	0	(20,000)
<u>803,817</u>	<u>150,041</u>	<u>9,472</u>	<u>3,112</u>	<u>77,832</u>	<u>23,393</u>
<u>\$1,293,448</u>	<u>(\$106,759)</u>	<u>\$189,623</u>	<u>(\$537,370)</u>	<u>\$298,497</u>	<u>\$1,577,072</u>
6.18%	6.33%	5.96%	5.59%	5.72%	5.79%

## *Lakewood Local School District*

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

<b>Tax year</b>	<u>2002</u> **	<u>2003</u>	<u>2004</u>	<u>2005</u> *
<b>Real Property</b>				
Assessed	\$266,259,000	\$271,896,120	\$284,580,780	\$325,385,530
Actual	760,740,000	776,846,057	813,087,943	929,672,943
<b>Public Utility</b>				
Assessed	15,193,360	14,922,410	15,215,760	15,701,530
Actual	15,193,360	14,922,410	15,215,760	15,701,530
<b>Tangible Personal Property</b>				
Assessed	73,486,690	66,723,600	69,156,940	77,470,570
Actual	293,946,760	266,894,400	276,627,760	309,882,280
<b>Total</b>				
Assessed	354,939,050	353,542,130	368,953,480	418,557,630
Actual	1,069,880,120	1,058,662,867	1,104,931,463	1,255,256,753
<b>Assessed Value as a Percentage of Actual Value</b>	33.18%	33.40%	33.39%	33.34%
<b>Total Direct Tax Rate</b>	\$47.55	\$47.40	\$45.92	\$44.98

Source: Licking County Auditor

\* Reappraisal

\*\* Update

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

Assessed value of Real Property is at 35%, Assessed value of Public Utility is at 100% and Assessed Value of Tangible Personal Property is at 25% through 2005, at 18.75% for 2006, 12.5% for 2007, and 6.25% for 2008 and 0% for 2009 and 2010. Additionally, telephone and telecommunications property was reclassified to general business personal property and assessed at 10% for 2009 and 0% from 2010 forward.

*Lakewood Local School District*

2006	2007	2008 **	2009	2010	2011 *
\$331,604,510	\$339,533,800	\$345,573,200	\$355,041,030	\$358,258,840	\$372,060,130
947,441,457	970,096,571	987,352,000	1,014,402,943	1,023,596,686	1,063,028,943
15,792,870	13,838,480	14,132,430	14,316,970	15,135,460	16,483,410
15,792,870	13,838,480	14,132,430	14,316,970	15,135,460	16,483,410
51,175,750	46,169,358	21,195,490	1,012,140	0	0
272,937,333	369,354,864	339,127,840	10,121,400	0	0
398,573,130	399,541,638	380,901,120	370,370,140	373,394,300	388,543,540
1,236,171,660	1,353,289,915	1,340,612,270	1,038,841,313	1,038,732,146	1,079,512,353
32.24%	29.52%	28.41%	35.65%	35.95%	35.99%
\$44.98	\$45.80	\$47.38	\$47.82	\$57.23	\$56.92

## *Lakewood Local School District*

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

Tax year	2002	2003	2004	2005
<b>Direct District Rates</b>				
General Fund	44.60	44.60	43.72	42.75
Bond Retirement Fund	2.95	2.80	2.20	2.23
Total	47.55	47.40	45.92	44.98
<b>Overlapping Rates</b>				
Licking County Joint Vocational School	2.80	3.00	3.00	3.00
Licking County	7.20	7.20	7.20	7.20
<b>Special Taxing Districts</b>				
City				
Heath	5.40	5.40	4.40 - 5.40	4.40 - 5.40
Villages				
Buckeye Lake	11.20	11.20	11.20	11.20
Hebron	13.30	13.30	13.20 - 13.30	13.20 - 13.30
Townships				
Bowling Green	5.80	5.80	5.80	5.80
Franklin	7.20	7.20	7.20	7.20
Licking	4.90	4.90	2.70 - 4.90	2.70 - 4.90
Union	0.80 - 6.20	0.80 - 6.20	0.80 - 6.20	0.80 - 6.20

**Source:**

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

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

*Lakewood Local School District*

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2006	2007	2008	2009	2010	2011
42.75	43.50	44.60	45.10	54.56	54.42
2.23	2.30	2.78	2.72	2.67	2.50
44.98	45.80	47.38	47.82	57.23	56.92
3.00	3.00	2.50	2.50	2.52	2.54
7.40	7.40	7.10	7.40	7.70	7.70
4.40 - 5.40	4.40 - 5.40	4.40 - 5.40	4.40-5.40	4.40-5.40	4.40-5.40
11.20 13.20 - 13.30	11.20 13.20 - 13.30	10.20 - 10.4 13.20 - 13.30	11.20-11.40 13.20-13.30	11.20-11.40 13.20-13.30	11.20-11.40 13.20-13.30
5.80	5.80	5.80	5.80	5.80	5.80
7.20	7.20	7.20	7.20	7.20	7.20
2.70 - 4.90	2.70 - 4.90	2.70 - 4.90	2.70-4.90	2.70-4.90	2.70-4.90
0.80 - 6.20	0.80 - 6.20	0.80 - 6.20	0.80-6.20	0.80-6.20	0.80-6.20

## *Lakewood Local School District*

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

Name of Taxpayer	Nature of Business	Calendar Year 2011		
		Assessed Value	Rank	Percent of Total Assessed Value
Paragano, Nazario	Warehouse	\$2,829,790	1	0.76%
Southgate Co. Limited partnership	Developer	\$2,390,580	2	0.64%
MPW Properties LLC	Industrial Cleaning	\$1,946,880	3	0.52%
Bayer Polymers LLC	Distributor	\$1,883,460	4	0.51%
Four B's (New Jersey General Partnership)	Warehouse	\$1,883,000	5	0.51%
The Kroger Co.	Food	\$1,690,300	6	0.45%
G & C Diversified LLC	Developer	\$1,558,200	7	0.42%
Hebron Business Park LTD	Developer	\$1,452,430	8	0.39%
Donnelly R R & Sons Co.	Printing	\$1,358,000	9	0.36%
Coughlin Automotive Properties of Heath	Automotive	\$1,308,590	10	0.35%
Subtotal		18,301,230		4.91%
All Others		353,758,900		95.09%
Total		<u>\$372,060,130</u>		<u>100.00%</u>

Name of Taxpayer	Nature of Business	Calendar Year 2002		
		Assessed Value	Rank	Percent of Total Assessed Value
Diebold	ATM Machines	\$1,844,650	1	0.82%
Black, Mote R & Susan K (MPW)	Industrial Cleaning	1,833,060	2	0.81%
RR Donnelly & Sons Co.	Prining	1,578,510	3	0.70%
G & C Diversified	Unknown	1,537,520	4	0.68%
Hebron Business Park	Developer	1,525,270	5	0.67%
TI Group Automotive Supply Corp LLC	Automotive Tanks & Lines	1,446,660	6	0.64%
Miles Inc.	Unknown	1,394,610	7	0.62%
Cranberry Pointe LTD	Developer	1,358,570	8	0.60%
RSN Holdings	Unknown	1,310,400	9	0.58%
Zazworsky, Leon	Developer	1,273,200	10	0.56%
Subtotal		15,102,450		6.68%
All Others		211,156,550		93.32%
Total		<u>\$226,259,000</u>		<u>100.00%</u>

Source: Licking County Auditor - Land and Buildings  
Based on valuation of property in 2011 and 2002

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 2011		
Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
Ohio Power Company	Electricity	\$8,936,700	1	54.22%
Columbia Gas Transmission Corp	Propane pipe lines	1,621,260	2	9.84%
Licking Rural Elec Inc	Electricity	1,462,420	3	8.87%
Columbus Southern Power Co.	Electricity	1,357,590	4	8.24%
National Gas & Oil	Propane pipe lines	1,321,390	5	8.02%
Dominion Transmission Inc	Propane pipe lines	804,060	6	4.88%
NGO Transmission Inc	Propane pipe lines	556,090	7	3.37%
Columbia Gas Of Ohio Inc	Propane pipe lines	208,510	8	1.26%
Dayton Power & Light Co	Electricity	165,330	9	1.00%
Duke Energy Ohio Inc.	Electricity	41,060	10	0.25%
Subtotal		16,474,410		99.95%
All Others		9,000		0.05%
Total		<u>\$16,483,410</u>		<u>100.00%</u>

		Calendar Year 2002		
Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
Ohio Power Company	Electricity	\$4,516,960	1	29.73%
United Telephone	Telephone	1,885,830	2	12.41%
Columbia Gas Transmission	Propane Pipe Lines	1,587,970	3	10.45%
Alltel	Telephone	1,183,170	4	7.79%
National Gas and Oil Co.	Propane Pipe Lines	772,760	5	5.09%
Licking Rural Electric	Electricity	727,800	6	4.79%
Dominion Transmission Inc	Propane Pipe Lines	718,340	7	4.73%
Columbus Southern Power	Electricity	488,220	8	3.21%
Ohio Bell	Telephone	332,910	9	2.19%
Dayton Power and Light	Electricity	156,580	10	1.03%
Subtotal		12,370,540		81.42%
All Others		2,822,820		18.58%
Total		<u>\$15,193,360</u>		<u>100.00%</u>

Source: Licking County Auditor - Land and Buildings  
Based on valuation of property in 2011 and 2002

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

**Lakewood Local School District**

*Property Tax Levies and Collections  
Last Ten Years*

<b>Collection Year</b>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>Total Tax Levy</b>	\$10,800,834	\$11,195,522	\$13,765,566	\$13,839,306
<b>Collections within the Fiscal Year of the Levy</b>				
Current Tax Collections	9,535,310	9,598,346	12,138,331	12,598,333
Percent of Levy Collected	88.28%	85.73%	88.18%	91.03%
Delinquent Tax Collections <sup>(1)</sup>	<u>327,740</u>	<u>272,575</u>	<u>644,850</u>	<u>407,672</u>
Total Tax Collections	9,863,050	9,870,921	12,783,181	13,006,005
<b>Percent of Total Tax Collections To Tax Levy</b>	91.32%	88.17%	92.86%	93.98%
<b>Accumulated Outstanding Delinquent Taxes</b>	937,783	1,324,601	982,385	833,301
<b>Percentage of Accumulated Delinquent Taxes to Total Tax Levy</b>	8.68%	11.83%	7.14%	6.02%

(1) The County does not identify delinquent tax collections by tax year.

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*

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2006	2007	2008	2009	2010	2011
\$14,075,322	\$13,358,051	\$12,403,103	\$12,186,409	\$11,064,135	\$15,953,404
12,341,116	11,258,713	10,823,468	10,691,070	10,486,676	14,852,218
87.68%	84.28%	87.26%	87.73%	94.78%	93.10%
737,187	932,863	614,811	536,494	422,123	422,124
13,078,303	12,191,576	11,438,279	11,227,564	10,908,799	15,274,342
92.92%	91.27%	92.22%	92.13%	98.60%	95.74%
997,019	1,166,474	964,824	958,846	1,340,352	679,062
7.08%	8.73%	7.78%	7.87%	12.11%	4.26%

## *Lakewood Local School District*

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

	2003	2004	2005	2006
<b>Governmental Activities</b> <sup>(1)</sup>				
Long-Term Notes Payable	\$841,650	\$713,985	\$581,320	\$508,655
EPA Loan Payable	26,300	18,786	11,272	3,758
General Obligation Bonds Payable	14,435,360	14,119,055	13,803,616	13,525,751
Capital Leases	210,294	277,301	188,181	203,918
Total Primary Government	<u>\$15,513,604</u>	<u>\$15,129,127</u>	<u>\$14,584,389</u>	<u>\$14,242,082</u>
<b>Population</b> <sup>(2)</sup>				
Village of Buckeye Lake and Village of Hebron	5,136	5,167	5,169	5,083
Outstanding Debt Per Capita	3,021	2,928	2,822	2,802
<b>Income</b> <sup>(3)</sup>				
Personal (in thousands)	142,550	145,952	153,442	155,077
Percentage of Personal Income	10.88%	10.37%	9.50%	9.18%

**Sources:**

- (1) District Treasurer's Office
- (2) US Bureau of Census of Population - previous calendar year
- (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*

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2007	2008	2009	2010	2011	2012
\$1,207,539	\$1,069,628	\$928,414	\$783,729	\$635,398	\$483,237
0	0	0	0	0	0
13,156,289	12,736,531	12,290,427	11,837,649	11,369,250	10,896,412
142,317	159,736	116,600	70,502	85,262	51,572
<u>\$14,506,145</u>	<u>\$13,965,895</u>	<u>\$13,335,441</u>	<u>\$12,691,880</u>	<u>\$12,089,910</u>	<u>\$11,431,221</u>
5,202	5,192	5,195	5,237	5,082	5,082
2,789	2,690	2,567	2,424	2,379	2,249
167,302	176,123	179,648	179,357	176,721	176,721
8.67%	7.93%	7.42%	7.08%	6.84%	6.47%

***Lakewood Local School District***

*Ratios of General Bonded Debt Outstanding  
Last Ten Years*

Year	2003	2004	2005	2006
<b>Population</b> <sup>(1)</sup>	5,136	5,167	5,169	5,083
<b>Assessed Value</b> <sup>(2)</sup>	354,939,050	353,542,130	368,953,480	418,557,630
<b>General Bonded Debt</b> <sup>(3)</sup>				
General Obligation Bonds	14,435,360	14,119,055	13,803,616	13,525,751
<b>Resources Available to Pay Principal</b> <sup>(4)</sup>	230,808	231,046	278,152	401,241
<b>Net General Bonded Debt</b>	14,204,552	13,888,009	13,525,464	13,124,510
<b>Ratio of Net Bonded Debt to Estimated Actual Value</b>	4.00%	3.93%	3.67%	3.14%
<b>Net Bonded Debt per Capita</b>	2,765.68	2,687.83	2,616.65	2,582.04

**Source:**

- (1) U.S. Bureau of Census of Population - previous calendar year
- (2) Licking County Auditor
- (3) Includes all general obligation bonded debt supported by property taxes.
- (4) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

*Lakewood Local School District*

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2007	2008	2009	2010	2011	2012
5,202	5,192	5,195	5,237	5,082	5,082
398,573,130	399,541,638	380,901,120	370,370,140	373,394,300	388,543,540
13,156,289	12,736,531	12,290,427	11,837,649	11,369,250	10,896,412
458,592	509,837	588,779	811,856	928,414	1,041,410
12,697,697	12,226,694	11,701,648	11,025,793	10,440,836	9,855,002
3.19%	3.06%	3.07%	3.0%	2.8%	2.5%
2,440.93	2,354.91	2,252.48	2,105.36	2,054.47	1,939.20



## *Lakewood Local School District*

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
June 30, 2012*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to Lakewood Local School District (1)</u>	<u>Amount Applicable to Lakewood Local School District</u>
<b>Direct:</b>			
Lakewood Local School District	\$11,431,221	100.00%	\$11,431,221
<b>Overlapping:</b>			
Licking County	3,285,000	10.39%	341,312
Village of Hebron	895,000	100.00%	895,000
Licking County Career Center -JVS	25,349,991	10.10%	2,560,349
		Subtotal	<u>3,796,661</u>
		Total	<u><u>\$15,227,882</u></u>

**Source:** Ohio Municipal Advisory Council, June 2012

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

**Lakewood Local School District**

*Debt Limitations  
Last Ten Years*

<b>Collection Year</b>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Net Assessed Valuation	\$354,939,050	\$353,542,130	\$368,953,480	\$418,557,630
Legal Debt Limitation (%) (1)	9.00%	9.00%	9.00%	9.00%
Legal Debt Limitation (\$) (1)	31,944,515	31,818,792	33,205,813	37,670,187
Applicable District Debt Outstanding	14,435,360	14,119,055	13,803,616	13,525,751
Less: Applicable Debt Service Fund Amounts (2)	<u>(230,808)</u>	<u>(231,046)</u>	<u>(278,152)</u>	<u>(401,241)</u>
Net Indebtedness Subject to Limitation	<u>14,204,552</u>	<u>13,888,009</u>	<u>13,525,464</u>	<u>13,124,510</u>
Overall Legal Debt Margin	<u><u>\$17,739,963</u></u>	<u><u>\$17,930,783</u></u>	<u><u>\$19,680,349</u></u>	<u><u>\$24,545,677</u></u>
Legal Debt Limitation (%) (1)	0.10%	0.10%	0.10%	0.10%
Legal Debt Limitation (\$) (1)	354,939	353,542	368,953	418,558
Applicable District Debt Outstanding	0	0	0	0
Unvoted Legal Debt Margin	<u><u>\$354,939</u></u>	<u><u>\$353,542</u></u>	<u><u>\$368,953</u></u>	<u><u>\$418,558</u></u>
Legal Debt Limitation (%) (1)	0.90%	0.90%	0.90%	0.90%
Legal Debt Limitation (\$) (1)	3,194,451	3,181,879	3,320,581	3,767,019
Applicable District Debt Outstanding	<u>(841,650)</u>	<u>(713,985)</u>	<u>(581,320)</u>	<u>(508,655)</u>
Unvoted Energy Conservation Loans Legal Debt Margin	<u><u>\$2,352,801</u></u>	<u><u>\$2,467,894</u></u>	<u><u>\$2,739,261</u></u>	<u><u>\$3,258,364</u></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*

2007	2008	2009	2010	2011	2012
\$398,573,130	\$399,541,638	\$380,901,120	\$370,370,140	\$373,394,300	\$388,543,540
9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
35,871,582	35,958,747	34,281,101	33,333,313	33,605,487	34,968,919
13,156,289	12,736,531	12,290,427	11,837,649	11,369,250	10,896,412
(458,592)	(509,837)	(588,779)	(811,856)	(928,414)	(1,041,410)
12,697,697	12,226,694	11,701,648	11,025,793	10,440,836	9,855,002
<u>\$23,173,885</u>	<u>\$23,732,053</u>	<u>\$22,579,453</u>	<u>\$22,307,520</u>	<u>\$23,164,651</u>	<u>\$25,113,917</u>
0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
398,573	399,542	380,901	370,370	373,394	388,544
0	0	0	0	0	0
<u>\$398,573</u>	<u>\$399,542</u>	<u>\$380,901</u>	<u>\$370,370</u>	<u>\$373,394</u>	<u>\$388,544</u>
0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
3,587,158	3,595,875	3,428,110	3,333,331	3,360,549	3,496,892
(1,207,539)	(1,069,628)	(928,414)	(783,729)	(635,398)	(483,237)
<u>\$2,379,619</u>	<u>\$2,526,247</u>	<u>\$2,499,696</u>	<u>\$2,549,602</u>	<u>\$2,725,151</u>	<u>\$3,013,655</u>

## *Lakewood Local School District*

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

<b>Calendar Year*</b>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	
<b>Population</b> (1)					
Village of Buckeye Lake and Village of Hebron	5,136	5,167	5,169	5,083	
Licking County	148,680	150,634	152,866	154,806	
<b>Income</b> (2) (a)					
Total Personal (in thousands)	142,550	145,952	153,442	155,077	
Per Capita	27,755	28,247	29,685	30,509	
<b>Unemployment Rate</b> (3)					
Federal	5.8%	6.0%	5.5%	5.0%	
State	5.7%	6.1%	6.0%	5.9%	
Licking County	3.6%	6.0%	5.9%	5.8%	
	<b>Fiscal Year</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>School Enrollment</b> (4)					
Grades K - 5	1,039	1,011	1,021	995	
Grades 6 - 8	499	513	518	525	
Grades 9 - 12	721	723	713	692	
Non-Grade	18	18	18	5	
Total	<u>2,277</u>	<u>2,265</u>	<u>2,270</u>	<u>2,217</u>	

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

(1) US Bureau of Census of Population

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

(a) Per Capita Income is only available by County (2011 not available),  
Total Personal Income is a calculation

(3) State Department of Labor Statistics

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

*Lakewood Local School District*

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2006	2007	2008	2009	2010	2011
5,202	5,192	5,195	5,237	5,082	5,082
156,287	156,985	157,721	158,488	166,492	167,248
167,302	176,123	179,648	179,357	176,721	176,721
32,161	33,922	34,581	34,248	34,774	34,774
4.6%	4.6%	5.8%	9.3%	9.6%	8.9%
5.5%	5.6%	6.6%	10.2%	10.1%	8.6%
5.1%	5.2%	6.1%	9.3%	9.5%	8.0%
2007	2008	2009	2010	2011	2012
1,018	966	937	912	851	864
525	515	495	504	507	484
687	672	702	707	670	671
4	29	29	30	57	44
<u>2,234</u>	<u>2,182</u>	<u>2,163</u>	<u>2,153</u>	<u>2,085</u>	<u>2,063</u>



## *Lakewood Local School District*

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

Employer	Nature of Business	2012	
		Number of Employees	Rank
THK	Linier Motion Devices	330	1
Kroger	Food	205	2
Heritage Sportswear	Clothing	171	3
Harry & David	Distributor	120	4
Hendrickson International	Axels	109	5
Renosol Corp	Foam Auto Seats	101	6
Sunfield	Steel Stamping	93	7
State Industrial	Chemicals	82	8
Ohio Metal Technologies	Auto Parts	70	9
AFGD Fabrication	Fabricator	67	10
Total		1,348	
Total Employment within the District		N/A	

Employer	Nature of Business	2002	
		Number of Employees	Rank
Bear creek	Distributor	708	1
THK	Linier Motion Devices	218	2
Ecolab	Cleaning Supplies	140	3
Allied Tube & Conduit	Razor Wire / Fencing	126	4
AFG Fabrication	Fabricator	91	5
Ohio Metal Tech	Auto Parts	88	6
Sunfield	Steel Stamping	88	7
Heritage Sportswear	Clothing Dept	83	8
Renosol	Foam Auto Seats	71	9
The Boler Co.	Truck Axles	54	10
Total		1,667	
Total Employment within the District		N/A	

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

## *Lakewood Local School District*

### *School District Employees by Type Last Ten Years*

	2003	2004	2005	2006	2007
<b>Supervisory</b>					
Instructional Administrators	3	3	3	3	4
Noninstructional Administrators	3	3	3	3	3
Principals	5	5	5	5	5
Assistant Principals	3	3	3	3	2
<b>Instruction</b>					
Classroom Teachers					
Elementary	80	79	69	67	67
Middle	40	39	45	44	44
High	47	47	47	49	49
<b>Student Services</b>					
Guidance Counselors	4	4	4	4	4
Social Workers	1	1	1	1	2
Psychologists	1	1	1	1	1
Librarians	4	4	4	4	4
Other Professional Non-Instructional	0	0	0	0	1
<b>Support Services</b>					
Clerical/Secretaries	14	16	15	15	14
Aides/Safety Monitors	10	10	10	16	15
Food Service	19	21	21	19	20
Maintenance/Grounds	22	23	23	23	22
Transportation	28	34	34	34	30
<i>Total Employees</i>	<u>284</u>	<u>293</u>	<u>288</u>	<u>291</u>	<u>287</u>

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

Source: District Treasurer's Office

*Lakewood Local School District*

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2008	2009	2010	2011	2012
3	4	3	3	3
3	4	5	5	5
5	5	4	4	4
2	2	3	3	3
68	64	63	63	58
43	41	37	40	43
51	50	50	47	45
4	4	4	4	4
2	2	2	2	1
1	1	1	2	2
4	4	4	4	1
2	2	2	2	5
14	16	16	16	15
17	16	18	17	17
17	16	15	15	16
19	19	17	17	16
31	31	33	24	22
<u>286</u>	<u>281</u>	<u>277</u>	<u>268</u>	<u>260</u>

**Lakewood Local School District**

*Operating Indicators - Cost per Pupil  
Last Ten Years*

Fiscal Year	2003	2004	2005	2006	2007
Enrollment (October Count)	2,277	2,265	2,270	2,217	2,234
Modified Accrual Basis					
Operating Expenditures	17,403,015	18,452,973	19,035,724	19,565,769	21,105,688
Cost per Pupil	7,643	8,147	8,386	8,825	9,447
Percentage of Change	10.5%	6.6%	2.9%	5.2%	7.0%
Accrual Basis (1)					
Expenses	\$17,712,301	\$18,484,604	\$18,348,210	\$18,969,499	\$19,753,451
Cost per Pupil	7,779	8,161	8,083	8,556	8,842
Percentage of Change	12.1%	4.9%	(1.0%)	5.9%	3.3%
Teaching Staff	175	173	169	168	168

Source: District Treasurer's Office

(1) Expenses exclude interest and fiscal charges

*Lakewood Local School District*

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2008	2009	2010	2011	2012
2,182	2,163	2,153	2,085	2,063
21,557,087	21,142,597	22,656,796	21,761,029	21,179,299
9,880	9,775	10,523	10,437	10,266
4.6%	(1.1%)	7.7%	(0.8%)	(1.6%)
\$20,420,227	\$20,711,380	\$21,792,835	\$21,180,297	\$20,506,610
9,358	9,575	10,122	10,158	9,940
5.8%	2.3%	5.7%	0.4%	(2.1%)
162	162	160	160	142

**Lakewood Local School District**

*Operating Indicators by Function  
Last Ten Years*

	2003	2004	2005	2006
<b>Governmental Activities</b>				
Pupils				
Enrollment	2,277	2,265	2,270	2,217
Graduates	156	149	160	158
Percent of Students with Disabilities	13.0%	12.7%	13.1%	14.3%
Percent of Students with English as Second Language	0%	0%	0%	0%
Board of Education				
Regularly scheduled board meeting per year	12	12	12	12
Administration				
School Attendance Rate	94.4%	94.4%	94.1%	94.6%
Fiscal Services				
Purchase Orders Processed	2,900	2,622	2,208	2,217
Checks Issued (non payroll)	2,772	2,731	2,557	2,899
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	1,167	1,581	1,966	1,727
Average Daily Bus Fleet Miles	1,647	2,483	2,446	2,722
Number of Buses	31	29	29	30
Extracurricular Activities				
High School Varsity Teams	16	16	16	16
<b>Business-Type Activities</b>				
Food Service				
Student Lunches Served Annually	188,040	205,185	210,782	222,440
Free/Reduced Student Lunches Served Annually	72,559	85,916	84,450	100,377

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

*Lakewood Local School District*

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2007	2008	2009	2010	2011	2012
2,234	2,182	2,163	2,153	2,085	2,063
160	145	149	168	138	149
14.0%	14.6%	14.8%	15.2%	15.2%	15.0%
0%	0%	0%	0%	0%	0%
12	12	12	12	12	12
94.6%	94.6%	94.9%	94.8%	95.0%	95.3%
2,012	1,734	1,604	1,472	1,433	1,419
2,833	2,645	2,536	2,424	2,366	2,456
357,393	357,393	357,393	357,393	357,393	357,393
114	114	114	114	114	114
1,754	1,760	1,496	1,539	1,374	1,383
2,299	2,156	2,213	2,048	2,444	2,008
32	30	34	32	33	31
16	16	16	16	16	16
223,445	232,741	225,851	217,601	210,673	209,325
104,025	107,176	106,742	112,316	113,561	125,391

***Lakewood Local School District***

*Operating Indicators - Teacher Base Salaries  
Last Ten Years*

Fiscal Year	2003	2004	2005	2006	2007
Minimum Salary	25,300	26,312	27,233	27,914	28,961
Maximum Salary	51,233	55,781	57,734	59,177	61,542
District Average Salary	40,345	42,455	42,782	49,866	47,691
County Average Salary	42,473	44,590	45,638	46,289	47,110
State Average Salary	45,515	47,495	49,438	50,772	53,536

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

N/A - Not available, the Ohio Department of Education only has data through 2011 available at this time.

*Operating Indicators - Teacher by Education  
Last Ten Years*

Fiscal Year	2003	2004	2005	2006	2007
Bachelor's Degree	24	22	20	14	14
Bachelor + 15	66	56	52	53	49
Master's Degree	66	74	64	64	58
Master's Degree + 15	19	21	33	37	47
Total	175	173	169	168	168

Source: District Treasurer's Office

*Lakewood Local School District*

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2008	2009	2010	2011	2012
29,830	30,606	31,402	31,402	31,402
63,389	65,038	66,729	66,729	66,729
49,038	49,410	52,771	53,293	N/A
49,633	49,961	51,707	51,585	N/A
53,410	54,656	55,958	56,715	N/A

2008	2009	2010	2011	2012
19	19	15	10	5
44	43	36	35	35
56	56	66	64	68
43	44	43	41	34
162	162	160	150	142

## *Lakewood Local School District*

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

	2003	2004	2005	2006	2007
<b>Secondary</b>					
Lakewood Local High School					
Square Footage	150,848	150,848	150,848	150,848	150,848
Capacity (students)	1,000	1,000	1,000	1,000	1,000
Enrollment	720	723	713	697	691
<b>Middle</b>					
Lakewood Local Middle School					
Square Footage	60,700	60,700	60,700	60,700	60,700
Capacity (students)	720	720	720	720	720
Enrollment	497	513	518	524	525
<b>Intermediate</b>					
Jackson Intermediate School (1)					
Square Footage	50,238	50,238	50,238	50,238	50,238
Capacity (students)	525	525	525	525	525
Enrollment	348	334	334	317	336
<b>Elementary</b>					
Lakewood Local Jackson Elementary School					
Square Footage	24,869	24,869	24,869	24,869	24,869
Capacity (students)	450	450	450	450	450
Enrollment	282	302	302	290	304
Lakewood Local Hebron Elementary School					
Square Footage	58,138	58,138	58,138	58,138	58,138
Capacity (students)	675	675	675	675	675
Enrollment	403	375	385	388	378
<b>All Other</b>					
Central Administration Building					
Square Footage	3,696	3,696	3,696	3,696	3,696
Transportation/Maintenance/Food Service Building					
Square Footage	8,904	8,904	8,904	8,904	8,904

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

Source: District Treasurer's Office

*Lakewood Local School District*

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2008	2009	2010	2011	2012
150,848	150,848	150,848	150,848	150,848
1,000	1,000	1,000	1,000	1,000
674	705	707	670	671
60,700	60,700	60,700	60,700	60,700
720	720	720	720	720
515	495	504	507	484
75,107	75,107	75,107	75,107	75,107
975	975	975	975	975
508	497	483	437	434
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
58,138	58,138	58,138	58,138	58,138
675	675	675	675	675
485	466	459	471	474
3,696	3,696	3,696	3,696	3,696
8,904	8,904	8,904	8,904	8,904

## *Lakewood Local School District*

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

	2003	2004	2005	2006	2007
<b>Cost per Student (ODE) <sup>(1)</sup></b>					
Lakewood	7,507	7,594	7,865	8,202	8,548
Ohio (Average)	8,441	8,768	9,048	9,356	9,586
<b>Attendance Rate</b>					
Lakewood	94.40%	94.40%	94.10%	94.60%	94.60%
Ohio (Average)	94.50%	94.50%	94.30%	94.10%	94.10%
<b>Graduation Rate</b>					
Lakewood (a)	91.50%	92.90%	96.30%	87.60%	94.70%
Ohio (Average) <sup>(2)</sup>	83.90%	84.30%	85.90%	86.20%	86.10%

**Source:**

District's Student Records and Ohio Department of Education

(1) ODE calculation is not based on GAAP financial reports. The 2012 figures were not yet available.

(2) ODE reports the previous year's graduation rate in their current year State Report Card.

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

*Lakewood Local School District*

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2008	2009	2010	2011	2012
9,154	8,995	9,723	9,754	9,754
9,939	10,184	10,512	10,571	10,571
94.60%	94.90%	94.80%	95.00%	95.30%
94.20%	94.30%	94.30%	94.50%	94.50%
91.20%	96.10%	98.80%	99.40%	83.40%
86.90%	84.60%	83.00%	84.30%	84.30%



**LAKEWOOD LOCAL SCHOOL DISTRICT**  
**LICKING COUNTY**  
**SINGLE AUDIT**  
**JULY 1, 2011 - JUNE 30, 2012**



**LAKESWOOD LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

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**LAKEWOOD LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

<b>FEDERAL GRANTOR\</b> <i>Pass Through Grantor\</i> <b>Program Title</b>	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
National School Breakfast Program	N/A	10.553	\$ 231,114	\$ -	\$ 231,114	\$ -
National School Lunch Program	N/A	10.555	<u>366,212</u>	<u>78,785</u>	<u>366,212</u>	<u>78,785</u>
Total Nutrition Cluster			<u>597,326</u>	<u>78,785</u>	<u>597,326</u>	<u>78,785</u>
Total U.S. Department of Agriculture			<u>597,326</u>	<u>78,785</u>	<u>597,326</u>	<u>78,785</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed Through Ohio Department of Education:</i>						
Title I Grants to Local Educational Agencies	N/A	84.010	347,853	-	334,125	-
Special Education Cluster:						
Special Education Grants to States	N/A	84.027	433,593	-	423,499	-
Special Education Preschool Grants	N/A	84.173	10,013	-	10,013	-
ARRA - Special Education Grants to States, Recovery Act	N/A	84.391	<u>-</u>	<u>-</u>	<u>4,247</u>	<u>-</u>
Total Special Education Cluster			<u>443,606</u>	<u>-</u>	<u>437,759</u>	<u>-</u>
Education Technology State Grants	N/A	84.318	2,297	-	2,297	-
Improving Teacher Quality State Grants	N/A	84.367	98,912	-	98,912	-
Education Jobs Fund	N/A	84.410	<u>108,778</u>	<u>-</u>	<u>111,485</u>	<u>-</u>
Total U.S. Department of Education			<u>1,001,446</u>	<u>-</u>	<u>984,578</u>	<u>-</u>
<b>Total Federal Awards</b>			<u>\$ 1,598,772</u>	<u>\$ 78,785</u>	<u>\$ 1,581,904</u>	<u>\$ 78,785</u>

*The accompanying notes are an integral part of this schedule.*

**LAKWOOD LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - CHILD NUTRITION CLUSTER**

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

**NOTE C – FOOD DONATION PROGRAM**

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



**Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required By Government Auditing Standards**

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

We have audited the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Lakewood Local School District, Licking County, Ohio (the District) as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 26, 2012. 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 the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

*Wilson, Shannon & Snow, Inc.*

**CERTIFIED PUBLIC ACCOUNTANTS**  
Ten West Locust Street  
Newark, Ohio 43055  
(740) 345-6611  
1-800-523-6611  
FAX (740) 345-5635

**Compliance and Other Matters**

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

We intend this report solely for the information and use of management, the Board of Education, and federal awarding agencies and pass-through entities, and others within the District. We intend it for no one other than these specified parties.

*Wilson, Shuman & Snow, Inc.*

October 26, 2012



**Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control over Compliance Required By OMB Circular A-133 and the Schedule of Federal Awards Receipts and Expenditures**

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

**Compliance**

We have audited the compliance of the Lakewood Local School District, Licking County (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the District's major federal programs for the fiscal year ended June 30, 2012. The *summary of auditor's results* section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to opine on the District's compliance based on our audit.

The District's basic financial statements include the operations of the Lakewood Digital Academy, a discretely presented component unit. The component unit is legally separate from the District which this report addresses and, because it expended less than \$500,000 of federal awards for the fiscal year ended June 30, 2012, it was not subject to OMB Circular A-133 audit requirements.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with these requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with these requirements.

In our opinion, the Lakewood Local School District, Licking County complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the fiscal year ended June 30, 2012.

*Wilson, Shannon & Snow, Inc.*

**CERTIFIED PUBLIC ACCOUNTANTS**  
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### **Internal Control over Compliance**

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

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

### **Schedule of Federal Awards Receipts and Expenditures**

We have also audited and issued our unqualified opinion on the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Lakewood Local School District, Licking County (the District) as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated October 26, 2012. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The accompanying Schedule of Federal Awards Receipts and Expenditures provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This Schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Lakewood Local School District

Licking County

Independent Auditors' Report on Compliance Applicable to Each Major Federal Program  
and on Internal Control over Compliance Required By *OMB Circular A-133*  
and the Schedule of Federal Awards Receipts and Expenditures

Page 3

We intend this report solely for the information and use of management, the Board of Education, others within the entity, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

*Wilson, Shuman & Snow, Inc.*

October 26, 2012

**LAKESWOOD LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 §.505  
JUNE 30, 2012**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unqualified
<i>(d)(1)(ii)</i>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any other significant deficiencies reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material internal control weakness conditions reported for each major federal program?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any other significant deficiencies in its internal control for each major federal program?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under § .510?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	<b>Special Education Cluster:</b> Special Education Grants to States \ CFDA #84.027, Special Education Preschool Grants \ CFDA #84.173, and ARRA-Special Education Grants to States, Recovery Act \ CFDA #84.391  Education Jobs Fund \ CFDA #84.410
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee?</b>	Yes

**LAKESWOOD LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

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

**JUNE 30, 2012**

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

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.

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# Dave Yost • Auditor of State

LAKESWOOD LOCAL SCHOOL DISTRICT

LICKING COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
DECEMBER 20, 2012