

**LAKWOOD LOCAL SCHOOL DISTRICT
LICKING COUNTY
SINGLE AUDIT
JULY 1, 2013 - JUNE 30, 2014**





Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Lakewood Local School District, Licking County, prepared by Wilson, Shannon & Snow, Inc., for the audit period July 1, 2013 through June 30, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

December 16, 2014

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**LAKWOOD LOCAL SCHOOL DISTRICT
LICKING COUNTY**

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**LAKWOOD LOCAL SCHOOL DISTRICT
LICKING COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

FEDERAL GRANTOR <i>Pass Through Grantor</i>	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
Program Title						
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
National School Breakfast Program	N/A	10.553	\$ 191,519	\$ -	\$ 191,519	\$ -
National School Lunch Program	N/A	10.555	385,522	87,723	385,522	87,723
Total Nutrition Cluster			<u>577,041</u>	<u>87,723</u>	<u>577,041</u>	<u>87,723</u>
State Administrative Expenses for Child Nutrition	N/A	10.560	-	-	8,324	-
Total U.S. Department of Agriculture			<u>577,041</u>	<u>87,723</u>	<u>585,365</u>	<u>87,723</u>
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education:</i>						
Title I Grants to Local Educational Agencies	N/A	84.010	417,859	-	410,923	-
Special Education Cluster:						
Special Education Grants to States	N/A	84.027	421,754	-	416,736	-
Special Education Preschool Grants	N/A	84.173	9,722	-	9,722	-
Total Special Education Cluster			<u>431,476</u>	<u>-</u>	<u>426,458</u>	<u>-</u>
Improving Teacher Quality State Grants	N/A	84.367	96,411	-	96,411	-
Total U.S. Department of Education			<u>945,746</u>	<u>-</u>	<u>933,792</u>	<u>-</u>
Total Federal Awards			<u>\$ 1,522,787</u>	<u>\$ 87,723</u>	<u>\$ 1,519,157</u>	<u>\$ 87,723</u>

The accompanying notes are an integral part of this schedule.

**LAKEWOOD LOCAL SCHOOL DISTRICT
LICKING COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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 on this Schedule, the District assumes it expends federal monies first.

NOTE C – FOOD DONATION PROGRAM

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



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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, 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, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 3, 2014.

Internal Control Over Financial Reporting

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

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

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

Wilson, Shannon & Snow, Inc.

CERTIFIED PUBLIC ACCOUNTANTS
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, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

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



Newark, Ohio
November 3, 2014



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

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

To the Board of Education:

Report on Compliance for The Major Federal Program

We have audited the Lakewood Local School District’s (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Lakewood Local School District’s major federal program for the fiscal year ended June 30, 2014. The *Summary of Audit Results* in the accompanying schedule of findings identifies the District’s major federal program.

Management’s Responsibility

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

Auditor’s Responsibility

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

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

Wilson, Shannon & Snow, Inc.

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

Opinion on The Major Federal Program

In our opinion, the Lakewood Local School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the fiscal year ended June 30, 2014.

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Federal Awards Receipts and Expenditures Required by OMB Circular A-133

We have also audited the basic 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, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated November 3, 2014. We conducted our audit to opine on the District's basic financial statements. The accompanying schedule of federal awards receipts and expenditures presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Wilson, Sherman & Snow, Inc.

November 3, 2014
Newark, Ohio

**LAKESWOOD LOCAL SCHOOL DISTRICT
LICKING COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
JUNE 30, 2014**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for each major federal program?	No
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in its internal control for each major federal program?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Nutrition Cluster: National School Breakfast Program\CFDA #10.553; National School Lunch Program\CFDA #10.555
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

**LAKWOOD LOCAL SCHOOL DISTRICT
LICKING COUNTY**

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

JUNE 30, 2014

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

LAKWOOD LOCAL SCHOOL DISTRICT



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
June 30, 2014**



LAKWOOD LOCAL SCHOOL DISTRICT

HEBRON, OHIO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
June 30, 2014**

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

III

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INTRODUCTORY SECTION





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

November 3, 2014

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, 2014 is hereby submitted. This report was prepared by the Treasurer's Office and includes the unmodified opinion of our auditors.

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

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

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

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

THE DISTRICT AND ITS FACILITIES

The Lakewood Local School District is located in southern Licking County approximately 25 miles east of Columbus, the state capital. The District encompasses approximately 115 square miles. The principle communities are the Village of Hebron, the Village of Buckeye Lake, Jacksontown and the surrounding farming townships. The District has a diversified industrial base as well as residential and agricultural communities. Interstate 70 and State Routes 79, 40 and 13 serve as the major transportation arteries. The District serves approximately 1,970 students.

LAKEWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2014

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 District tax money.

The Superintendent is the chief executive officer of the 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 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 fourteen years.

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

CURRICULUM DEVELOPMENT

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

INSTRUCTION MATERIALS

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

LAKWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2014

TECHNOLOGY

Lakewood students are introduced to technology in preschool and encouraged to use technology to advance their learning potential. Students at every grade level are linked to the Internet. Teachers have incorporated the use of technology into their classrooms and enabled students to use technology to help facilitate life-long learning. Wireless access is now available in all district buildings, and the use of personal wireless devices is being utilized in our high school. 1-1 computing will be piloted in four (4) of the District's 9th grade classes during second semester of 2014-2015. Full implementation of 1:1 for 9th and 10th graders will begin in the fall of 2015-2016.

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

STAFF DEVELOPMENT

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

INTERVENTION AND SPECIAL PROGRAMS

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

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

GIFTED AND TALENTED PROGRAMMING AND ADVANCED PLACEMENT COURSES

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

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

LAKEWOOD LOCAL SCHOOL DISTRICT

***Letter of Transmittal
For the Fiscal Year Ended June 30, 2014***

SPECIAL EDUCATION

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

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

CONTINUOUS IMPROVEMENT PLANNING

The District's Continuous Improvement Plan includes these goals:

Goal #1

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

Goal #2

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

Goal #3

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

STATE REPORT CARD PERFORMANCE

The District received a "B" on Performance Indicators, a "B" on the Performance Index, an "A" on Overall Value Added, an "A" on Value Added for Disadvantaged Students and an "A" on Value Added for our lowest 20% for the 2013-2014 school year.

ECONOMIC CONDITION AND OUTLOOK

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

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

LAKWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2014

The District has two (2) emergency operating levies. One was passed on November 2, 2010 and generates \$3,528,880 per year. The second one was passed on May 7, 2013 and generates \$2,058,646 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 2019.

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

RECENT SIGNIFICANT ACCOMPLISHMENTS

Financial

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

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

Community

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

MAJOR INITIATIVES FOR THE FUTURE

Financial

To receive the Certificate of Excellence in Financial Reporting from the Government Finance Officers Association for the District's 2014 CAFR.

To receive the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association for the 2014 Popular Annual Financial Report.

Instruction

The District continues to seek improvement in the areas measured by the Local Report Card. An overall "A" rating on the Report Card is the goal. That rating will be released in the fall of 2015.

LAKWOOD LOCAL SCHOOL DISTRICT

*Letter of Transmittal
For the Fiscal Year Ended June 30, 2014*

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, 2014, as of this writing, revealed no instances of material weaknesses in internal control or significant violations of applicable laws and regulations.

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

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

LAKWOOD LOCAL SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2014

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, 2013. This was the eleventh 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

***Members of the Board of Education and Administration
For the Fiscal Year Ended June 30, 2014***

Members of the Board of Education

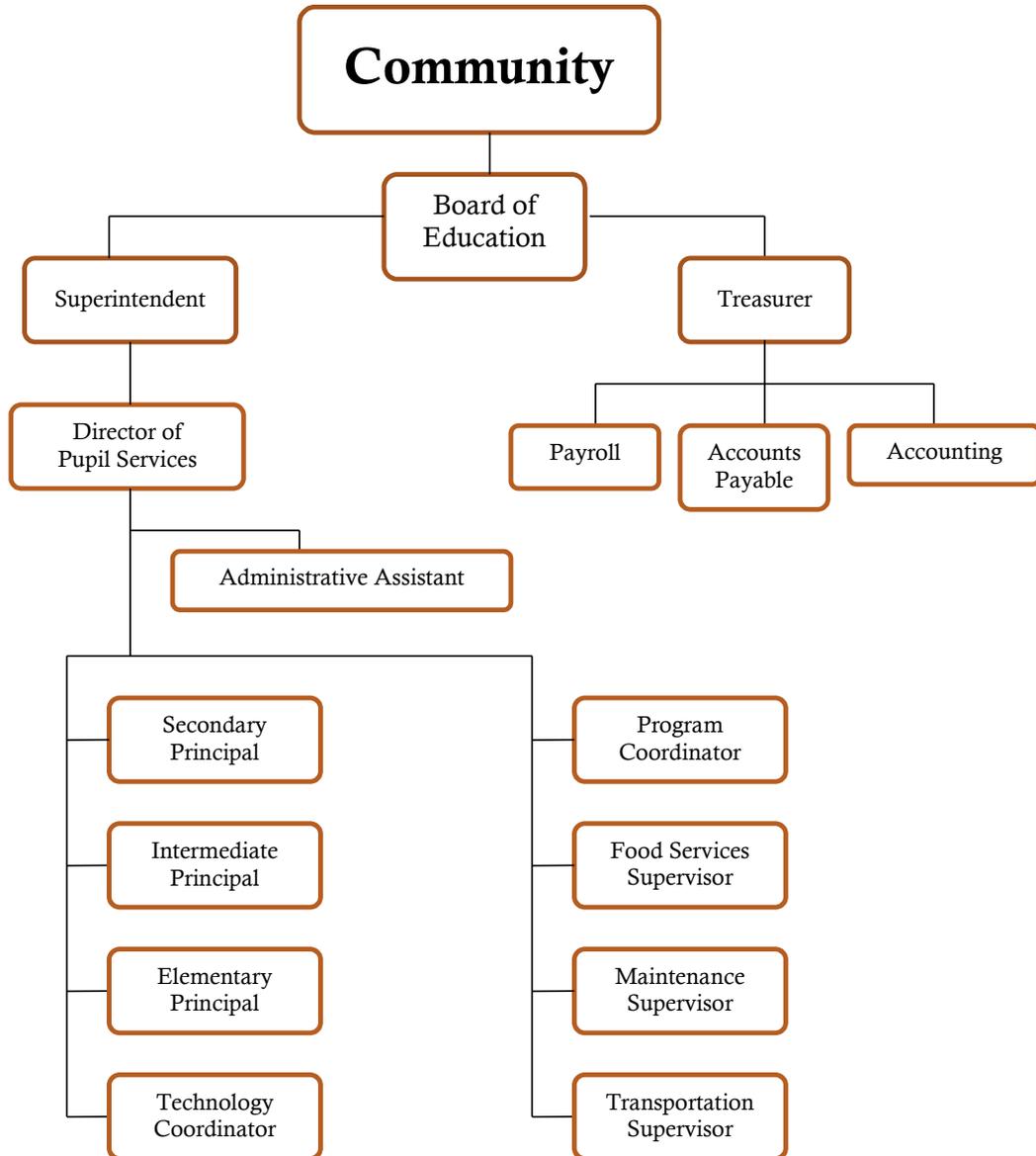
	<u>Began Service as A Board Member</u>	<u>Present Term Expires</u>
Judy White, President	January 1, 2006	December 31, 2017
Trisha Good, Vice President	January 1, 2008	December 31, 2017
Forrest Cooperrider	January 1, 2004	December 31, 2015
Tim Phillips	July 6, 2011	December 31, 2017
William Gulick Jr.	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, 2014



LAKWOOD LOCAL SCHOOL DISTRICT

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



Government Finance Officers Association

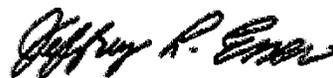
**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Lakewood Local School District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013



Executive Director/CEO

FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, 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, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Wilson, Shannon & Snow, Inc.

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

Lakewood Local School District
Licking County
Independent Auditor's Report

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Lakewood Local School District, Licking County, Ohio, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America.

Lakewood Local School District
Licking County
Independent Auditor's Report

In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2014, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Wilson, Shuman & Snow, Inc.

Newark, Ohio
November 3, 2014



LAKWOOD LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2014

Unaudited

The management's discussion and analysis of Lakewood Local School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2014. 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 2014 are as follows:

- ❑ In total, net position increased \$2,744,373. Net position of governmental activities increased \$2,784,320, which represents a 23.5% increase from 2013. Net position of business-type activities decreased \$39,947 or 18.1% from 2013.
- ❑ General revenues accounted for \$22,004,422 in revenue or 86.8% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for \$3,333,262 or 13.2% of total revenues of \$25,337,684.
- ❑ The District had \$21,612,957 in expenses related to governmental activities; only \$2,392,855 of these expenses were offset by program specific charges for services and sales, operating grants and contributions.
- ❑ Among major funds, the general fund had \$22,448,380 in revenues and \$19,531,422 in expenditures. During fiscal year 2014, the general fund's fund balance increased from \$7,742,868 to \$10,661,244.

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

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014***

Unaudited

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

LAKWOOD LOCAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014**

Unaudited

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

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The Statement of Net Position provides a perspective of the District as a whole. The following table provides a summary of the District's net position for 2014 compared to 2013:

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$27,471,503	\$24,560,159	\$200,602	\$262,439	\$27,672,105	\$24,822,598
Capital assets, Net	13,773,143	14,085,919	77,715	70,702	13,850,858	14,156,621
Total assets	<u>41,244,646</u>	<u>38,646,078</u>	<u>278,317</u>	<u>333,141</u>	<u>41,522,963</u>	<u>38,979,219</u>
Deferred outflows of resources	294,679	319,403	0	0	294,679	319,403
Long-term liabilities outstanding	11,800,606	12,600,827	19,783	19,422	11,820,389	12,620,249
Other liabilities	1,982,877	2,967,312	77,850	93,088	2,060,727	3,060,400
Total liabilities	<u>13,783,483</u>	<u>15,568,139</u>	<u>97,633</u>	<u>112,510</u>	<u>13,881,116</u>	<u>15,680,649</u>
Deferred inflows of resources	13,132,555	11,558,375	0	0	13,132,555	11,558,375
Net position:						
Net investment in capital assets	3,398,481	3,187,873	77,715	70,702	3,476,196	3,258,575
Restricted	858,268	1,047,090	0	0	858,268	1,047,090
Unrestricted	10,366,538	7,604,004	102,969	149,929	10,469,507	7,753,933
Total net position	<u>\$14,623,287</u>	<u>\$11,838,967</u>	<u>\$180,684</u>	<u>\$220,631</u>	<u>\$14,803,971</u>	<u>\$12,059,598</u>

At fiscal year-end for governmental activities, capital assets represented 33% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture, fixtures, equipment, and vehicles. Net investment in capital assets, at June 30, 2014 was \$3,398,481. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$858,268, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$10,366,538 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, 2014**

Unaudited

Changes in Net Position – The following table shows the changes in net position for fiscal years 2014 and 2013:

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues:						
Charges for Services and Sales	\$1,135,378	\$710,545	\$264,932	\$283,204	\$1,400,310	\$993,749
Operating Grants and Contributions	1,257,477	899,632	675,475	615,150	1,932,952	1,514,782
Capital Grants and Contributions	0	0	0	16,930	0	16,930
Total Program Revenues	<u>2,392,855</u>	<u>1,610,177</u>	<u>940,407</u>	<u>915,284</u>	<u>3,333,262</u>	<u>2,525,461</u>
General Revenues:						
Property Taxes	13,284,165	13,069,068	0	0	13,284,165	13,069,068
Grants and Entitlements	8,521,195	8,272,161	0	0	8,521,195	8,272,161
Other	199,062	153,543	0	0	199,062	153,543
Total General Revenues	<u>22,004,422</u>	<u>21,494,772</u>	<u>0</u>	<u>0</u>	<u>22,004,422</u>	<u>21,494,772</u>
Total Revenues	<u>24,397,277</u>	<u>23,104,949</u>	<u>940,407</u>	<u>915,284</u>	<u>25,337,684</u>	<u>24,020,233</u>
Program Expenses						
Instruction	12,499,288	12,351,032	0	0	12,499,288	12,351,032
Support Services:						
Pupils	1,424,694	1,406,457	0	0	1,424,694	1,406,457
Instructional Staff	355,036	357,042	0	0	355,036	357,042
Board of Education	94,778	89,155	0	0	94,778	89,155
Administration	1,821,632	1,933,761	0	0	1,821,632	1,933,761
Fiscal Services	692,254	680,434	0	0	692,254	680,434
Business	22,110	22,403	0	0	22,110	22,403
Operation and Maintenance of Plant	1,690,189	1,718,852	0	0	1,690,189	1,718,852
Pupil Transportation	1,645,923	1,592,255	0	0	1,645,923	1,592,255
Central	104,488	90,763	0	0	104,488	90,763
Operation of Non-Instructional Services	215,078	73,594	0	0	215,078	73,594
Extracurricular Activities	512,262	483,728	0	0	512,262	483,728
Interest and Fiscal Charges	535,225	653,040	0	0	535,225	653,040
Food Service	0	0	980,354	930,083	980,354	930,083
Total Expenses	<u>21,612,957</u>	<u>21,452,516</u>	<u>980,354</u>	<u>930,083</u>	<u>22,593,311</u>	<u>22,382,599</u>
Total Change in Net Position	2,784,320	1,652,433	(39,947)	(14,799)	2,744,373	1,637,634
Beginning Net Position	11,838,967	10,186,534	220,631	235,430	12,059,598	10,421,964
Ending Net Position	<u>\$14,623,287</u>	<u>\$11,838,967</u>	<u>\$180,684</u>	<u>\$220,631</u>	<u>\$14,803,971</u>	<u>\$12,059,598</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014***

Unaudited

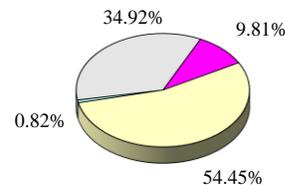
Governmental Activities

Net position of the District's governmental activities increased by \$2,784,320. Total governmental expenses of \$21,612,957 were offset by program revenues of \$2,392,855 and general revenues of \$22,004,422. Program revenues supported 11.1% of the total governmental expenses. The primary sources of revenues consist of property taxes and grants and entitlements which total \$21,805,360 and represent 99.1% of total general governmental revenue.

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

The District passed a five year renewal emergency levy on May 7, 2013 that generates tax revenues of \$2,058,646 yearly. Voters also approved a new ten year emergency operating levy on November 2, 2010 for \$3,528,880. Fiscal year 2014 includes the total revenues generated from both these emergency levies. Property taxes made up 54% of revenues for governmental activities for the District in fiscal year 2014. The District's reliance upon tax revenues is demonstrated by the following graph:

<u>Revenue Sources</u>	<u>2014</u>	<u>Percent of Total</u>
General Grants	\$8,521,195	34.92%
Program Revenues	2,392,855	9.81%
Property Tax Revenues	13,284,165	54.45%
General Other	199,062	0.82%
Total Revenue	<u>\$24,397,277</u>	<u>100.00%</u>



Business-Type Activities

Net position of the business-type activities decreased by \$39,947. These programs had revenues of \$940,407 and expenses of \$980,354 for fiscal year 2014. The District had an increase in employee benefit costs due to an increase in use of health insurance benefits. Business activities receive no support from tax revenues; however, they have received support from governmental activities.

LAKEWOOD LOCAL SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014***

Unaudited

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of \$11,520,183, which is higher than last year's total of \$9,086,536. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2014 and 2013.

	Fund Balance June 30, 2014	Fund Balance June 30, 2013	Increase (Decrease)
General	\$10,661,244	\$7,742,868	\$2,918,376
Debt Service	781,024	973,995	(192,971)
Other Governmental	77,915	369,673	(291,758)
Total	\$11,520,183	\$9,086,536	\$2,433,647

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:

	2014 Revenues	2013 Revenues	Increase (Decrease)
Taxes	\$12,605,079	\$12,452,239	\$152,840
Tuition	650,229	408,398	241,831
Investment Earnings	52,248	22,055	30,193
Extracurricular Activities	27,396	44,898	(17,502)
Class Materials and Fees	50,416	49,154	1,262
Intermediate Sources	0	500	(500)
Intergovernmental - State	8,568,586	8,027,909	540,677
Intergovernmental - Federal	47,378	42,729	4,649
All Other Revenue	447,048	245,934	201,114
Total	\$22,448,380	\$21,293,816	\$1,154,564

General Fund revenues in 2014 increased approximately 5.4% compared to revenues in fiscal year 2013. In fiscal year 2014, the District revised its open enrollment policy to open enrollment state wide. The open enrollment doubled in fiscal year 2014 resulting in additional revenues of approximately \$250,000. The District had an increase from Intergovernmental – State (foundation) revenues of 6.5% due to the changes in the foundation funding provisions under House Bill 59. The District had an increase in All Other Revenues due to a change in the District accounting process of recording services provided to other districts as other revenue versus as a reduction of expenditures as done in prior years. The District also had an increase in public utility personal property revenues due to increased property values from a major gas line run through the District.

LAKWOOD LOCAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014**

Unaudited

	2014 Expenditures	2013 Expenditures	Increase (Decrease)
Instruction	\$11,374,884	\$11,621,973	(\$247,089)
Supporting Services:			
Pupils	1,349,492	1,332,471	17,021
Instructional Staff	224,431	316,062	(91,631)
Board of Education	94,778	89,155	5,623
Administration	1,783,829	1,850,439	(66,610)
Fiscal Services	684,054	669,549	14,505
Business	22,110	22,403	(293)
Operation & Maintenance of Plant	1,711,694	1,795,119	(83,425)
Pupil Transportation	1,696,832	1,618,106	78,726
Central	104,334	94,657	9,677
Operation of Non-Instructional Services	170,451	13,553	156,898
Extracurricular Activities	273,686	267,011	6,675
Debt Service:			
Principal Retirement	33,824	40,485	(6,661)
Interest and Fiscal Charges	7,023	8,135	(1,112)
Total	\$19,531,422	\$19,739,118	(\$207,696)

The expenditures decreased by \$207,696 or 1.1% compared to the prior year. The District's budget is 76% personnel related. The District had a 0.5% increase in base salary for fiscal year 2014 and paid the negotiated step increase ranging from 0% to 5% based on the number of years of service and type of degree. Those not receiving a dollar amount associated with their step received a one-time stipend. That increase was offset with a \$239,000 reduction in personnel costs associated with the costs of replacing retiring staff. The District health insurance premiums increased 13.2% for the January 2014 renewal.

The District also had a change in its accounting process of recording services provided to other districts at the gross expenditure amount in the Operation of Non-Instructional Services, versus a reduction of expenditures as done in prior years.

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

LAKEWOOD LOCAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014**

Unaudited

GENERAL FUND BUDGETARY HIGHLIGHTS

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

During the course of fiscal year 2014 the District amended its General Fund budget several times, none significant.

The General Fund budget basis revenue of \$22.3 million did change from the original budget estimates by around \$500,000. This increase was due to an increase in open enrollment revenues; increase in public utility personal property revenues; an increase in unrestricted foundation funding and the change in recording of revenues provided other districts.

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 2014, the District had \$13,850,858 net of accumulated depreciation invested in land, buildings, equipment and vehicles. Of this total, \$13,773,143 was related to governmental activities and \$77,715 to the business-type activities. The following table shows fiscal year 2014 and 2013 balances:

	Governmental Activities		Change
	2014	2013	
Land	\$275,555	\$275,555	\$0
Land Improvements	1,022,856	904,401	118,455
Buildings and Improvements	22,334,058	21,717,021	617,037
Furniture, Fixtures and Equipment	3,742,036	3,712,496	29,540
Vehicles	2,316,366	2,147,076	169,290
Construction in Progress	0	403,844	(403,844)
Less: Accumulated Depreciation	(15,917,728)	(15,074,474)	(843,254)
Totals	\$13,773,143	\$14,085,919	(\$312,776)

	Business-Type Activities		Change
	2014	2013	
Furniture and Equipment	\$367,517	\$357,410	\$10,107
Less: Accumulated Depreciation	(289,802)	(286,708)	(3,094)
Totals	\$77,715	\$70,702	\$7,013

Additions to governmental capital assets consisted of new window installations, paving of the high school parking lot, a new computer lab at the middle school, cafeteria tables, and two new busses. These additions were offset by depreciation for an overall decrease in governmental capital assets. Additional information on the District's capital assets can be found in Note 7.

LAKWOOD LOCAL SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014**

Unaudited

Debt

At June 30, 2014 the District had \$11.8 million in bonds, notes, loans, and other long-term obligations outstanding, \$994,621 due within one year. The following table summarizes the District's debt and other long-term liabilities outstanding as of June 30, 2014 and June 30, 2013:

	<u>2014</u>	<u>2013</u>
Governmental Activities:		
General Obligation Bonds:		
School Improvement	\$10,197,601	\$10,724,872
Energy Conservation Bonds Payable	1,065,238	1,244,758
Capital Leases Payable	92,701	126,525
Compensated Absences	<u>445,066</u>	<u>504,672</u>
Total Governmental Activities	11,800,606	12,600,827
Business-Type Activities:		
Compensated Absences	<u>19,783</u>	<u>19,422</u>
Totals	<u>\$11,820,389</u>	<u>\$12,620,249</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, 2014, 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 May 7, 2013. The total amount of revenue from this emergency operating levy is \$2,058,646 per year. The current revenue, along with the District's cash balance, will provide the District with the necessary funds to meet its operating expenses in fiscal years 2015-2019.

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

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

LAKEWOOD LOCAL SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014***

Unaudited

REQUESTS FOR INFORMATION

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

LAKWOOD LOCAL SCHOOL DISTRICT

Statement of Net Position
June 30, 2014

	Governmental Activities	Business-Type Activities	Total	Component Unit <u>Digital Academy</u>
Assets:				
Cash and Cash Equivalents	\$ 1,692,179	\$ 183,810	\$ 1,875,989	\$ 125,516
Investments	10,829,715	0	10,829,715	0
Receivables:				
Taxes	14,487,315	0	14,487,315	0
Accounts	113,094	11	113,105	275
Intergovernmental	69,623	0	69,623	0
Interest	11,148	0	11,148	0
Inventory	45,820	4,457	50,277	0
Prepaid Items	222,609	12,324	234,933	1,664
Capital Assets:				
Nondepreciable Capital Assets	275,555	0	275,555	0
Depreciable Capital Assets, Net	13,497,588	77,715	13,575,303	14,633
Total Capital Assets, Net	<u>13,773,143</u>	<u>77,715</u>	<u>13,850,858</u>	<u>14,633</u>
Total Assets	<u>41,244,646</u>	<u>278,317</u>	<u>41,522,963</u>	<u>142,088</u>
Deferred Outflows of Resources:				
Deferred Charge on Refunding	<u>294,679</u>	<u>0</u>	<u>294,679</u>	<u>0</u>
Liabilities:				
Accounts Payable	62,519	0	62,519	0
Accrued Wages and Benefits	1,474,224	51,683	1,525,907	0
Intergovernmental Payable	403,465	26,167	429,632	96,090
Unearned Revenue	0	0	0	3,195
Accrued Interest Payable	42,669	0	42,669	0
Long Term Liabilities:				
Due Within One Year	994,621	0	994,621	0
Due in More Than One Year	<u>10,805,985</u>	<u>19,783</u>	<u>10,825,768</u>	<u>0</u>
Total Liabilities	<u>13,783,483</u>	<u>97,633</u>	<u>13,881,116</u>	<u>99,285</u>
Deferred Inflows of Resources:				
Property Taxes	<u>13,132,555</u>	<u>0</u>	<u>13,132,555</u>	<u>0</u>
Net Position:				
Net Investment in Capital Assets	3,398,481	77,715	3,476,196	14,633
Restricted For:				
Debt Service	773,138	0	773,138	0
Federally Funded Programs	20,688	0	20,688	2,000
Other Purposes	64,442	0	64,442	0
Unrestricted	<u>10,366,538</u>	<u>102,969</u>	<u>10,469,507</u>	<u>26,170</u>
Total Net Position	<u>\$ 14,623,287</u>	<u>\$ 180,684</u>	<u>\$ 14,803,971</u>	<u>\$ 42,803</u>

See accompanying notes to the basic financial statements

LAKWOOD LOCAL SCHOOL DISTRICT

Statement of Activities
For the Fiscal Year Ended June 30, 2014

		Program Revenues	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions
Governmental Activities:			
Instruction	\$ 12,499,288	\$ 714,405	\$ 995,570
Support Services:			
Pupils	1,424,694	0	121,466
Instructional Staff	355,036	0	96,119
Board of Education	94,778	0	0
Administration	1,821,632	127,884	27,958
Fiscal Services	692,254	0	0
Business	22,110	0	0
Operation and Maintenance of Plant	1,690,189	0	7,200
Pupil Transportation	1,645,923	0	0
Central	104,488	0	0
Operation of Non-Instructional Services	215,078	153,529	0
Extracurricular Activities	512,262	139,560	9,164
Interest and Fiscal Charges	535,225	0	0
Total Governmental Activities	21,612,957	1,135,378	1,257,477
Business-Type Activities:			
Food Service	980,354	264,932	675,475
Total Business-Type Activities	980,354	264,932	675,475
Totals	\$ 22,593,311	\$ 1,400,310	\$ 1,932,952
Component Unit:			
Digital Academy	\$ 356,168	\$ 5,610	\$ 17,993

General Revenues:

Property Taxes Levied for:

 General Purposes

 Debt Service

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

LAKWOOD LOCAL SCHOOL DISTRICT

Net (Expense) Revenue and Changes in Net Position			Component Unit
Governmental Activities	Business-Type Activities	Total	Digital Academy
\$ (10,789,313)	\$ 0	\$ (10,789,313)	
(1,303,228)	0	(1,303,228)	
(258,917)	0	(258,917)	
(94,778)	0	(94,778)	
(1,665,790)	0	(1,665,790)	
(692,254)	0	(692,254)	
(22,110)	0	(22,110)	
(1,682,989)	0	(1,682,989)	
(1,645,923)	0	(1,645,923)	
(104,488)	0	(104,488)	
(61,549)	0	(61,549)	
(363,538)	0	(363,538)	
(535,225)	0	(535,225)	
(19,220,102)	0	(19,220,102)	
0	(39,947)	(39,947)	
0	(39,947)	(39,947)	
(19,220,102)	(39,947)	(19,260,049)	
			\$ (332,565)
12,443,682	0	12,443,682	0
840,483	0	840,483	0
8,521,195	0	8,521,195	325,564
49,826	0	49,826	54
149,236	0	149,236	0
22,004,422	0	22,004,422	325,618
2,784,320	(39,947)	2,744,373	(6,947)
11,838,967	220,631	12,059,598	49,750
\$ 14,623,287	\$ 180,684	\$ 14,803,971	\$ 42,803

LAKWOOD LOCAL SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2014

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 849,659	\$ 755,334	\$ 87,186	\$ 1,692,179
Investments	10,829,715	0	0	10,829,715
Receivables:				
Taxes	13,627,208	860,107	0	14,487,315
Accounts	113,094	0	0	113,094
Intergovernmental	25,220	0	44,403	69,623
Interest	11,148	0	0	11,148
Inventory	45,820	0	0	45,820
Prepaid Items	210,701	0	11,908	222,609
Total Assets	\$ 25,712,565	\$ 1,615,441	\$ 143,497	\$ 27,471,503
Liabilities:				
Accounts Payable	\$ 62,519	\$ 0	\$ 0	\$ 62,519
Accrued Wages and Benefits	1,419,106	0	55,118	1,474,224
Intergovernmental Payable	393,001	0	10,464	403,465
Compensated Absences Payable	91,374	0	0	91,374
Total Liabilities	1,966,000	0	65,582	2,031,582
Deferred Inflows of Resources:				
Property Taxes	12,332,921	799,634	0	13,132,555
Unavailable Revenue	752,400	34,783	0	787,183
Total Deferred Inflows of Resources	13,085,321	834,417	0	13,919,738
Fund Balances:				
Nonspendable	256,521	0	11,908	268,429
Restricted	7,215	781,024	66,007	854,246
Committed	204,164	0	0	204,164
Assigned	191,468	0	0	191,468
Unassigned	10,001,876	0	0	10,001,876
Total Fund Balances	10,661,244	781,024	77,915	11,520,183
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 25,712,565	\$ 1,615,441	\$ 143,497	\$ 27,471,503

See accompanying notes to the basic financial statements

LAKWOOD LOCAL SCHOOL DISTRICT

***Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2014***

Total Governmental Fund Balances \$ 11,520,183

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

Capital Assets used in governmental activities are not
resources and therefore are not reported in the funds. 13,773,143

Other long-term assets are not available to pay for current-
period expenditures and therefore are deferred in the funds. 787,183

Long-term liabilities, including bonds payable, are not due
and payable in the current period and therefore are not
reported in the funds.

Energy Conservation Bonds Payable	(1,065,238)	
General Obligation Bonds Payable	(9,129,991)	
Deferred loss on refunding (to be amortized as interest expense)	294,679	
Issuance Premium (to be amortized against interest expense)	(381,411)	
Interest Accretion (to be amortized as interest expense)	(686,199)	
Capital Leases Payable	(92,701)	
Compensated Absences Payable	(353,692)	
Accrued Interest Payable	(42,669)	(11,457,222)

Net Position of Governmental Activities \$ 14,623,287

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, 2014

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Local Sources:				
Taxes	\$ 12,605,079	\$ 831,461	\$ 0	\$ 13,436,540
Tuition	650,229	0	0	650,229
Investment Earnings	52,248	0	0	52,248
Extracurricular Activities	27,396	0	112,164	139,560
Class Materials and Fees	50,416	0	0	50,416
Intermediate Sources	0	0	11,596	11,596
Intergovernmental - State	8,568,586	198,320	47,200	8,814,106
Intergovernmental - Federal	47,378	0	930,922	978,300
All Other Revenue	447,048	0	1,525	448,573
Total Revenue	22,448,380	1,029,781	1,103,407	24,581,568
Expenditures:				
Current:				
Instruction	11,374,884	0	717,403	12,092,287
Supporting Services:				
Pupils	1,349,492	0	121,991	1,471,483
Instructional Staff	224,431	0	100,186	324,617
Board of Education	94,778	0	0	94,778
Administration	1,783,829	0	32,836	1,816,665
Fiscal Services	684,054	8,451	0	692,505
Business	22,110	0	0	22,110
Operation and Maintenance of Plant	1,711,694	0	319,220	2,030,914
Pupil Transportation	1,696,832	0	0	1,696,832
Central	104,334	0	0	104,334
Operation of Non-Instructional Services	170,451	0	0	170,451
Extracurricular Activities	273,686	0	103,529	377,215
Debt Service:				
Principal Retirement	33,824	794,520	0	828,344
Interest and Fiscal Charges	7,023	419,781	0	426,804
Total Expenditures	19,531,422	1,222,752	1,395,165	22,149,339
Excess (Deficiency) of Revenues				
Over Expenditures	2,916,958	(192,971)	(291,758)	2,432,229

(Continued)

LAKWOOD LOCAL SCHOOL DISTRICT

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses):				
Sale of Capital Assets	2,392	0	0	2,392
Total Other Financing Sources (Uses)	2,392	0	0	2,392
Net Change in Fund Balance	2,919,350	(192,971)	(291,758)	2,434,621
Fund Balances at Beginning of Year	7,742,868	973,995	369,673	9,086,536
Decrease in Inventory	(974)	0	0	(974)
Fund Balances End of Year	\$ 10,661,244	\$ 781,024	\$ 77,915	\$ 11,520,183

See accompanying notes to the basic financial statements

LAKEWOOD LOCAL SCHOOL DISTRICT

***Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Fiscal Year Ended June 30, 2014***

Net Change in Fund Balances - Total Governmental Funds \$ 2,434,621

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. (310,488)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position. (2,288)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (184,291)

The issuance of long-term debt (e.g. notes, leases) provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items. 828,344

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditure is reported when due. (115,481)

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	127,817	
Amortization of Deferred Loss on Refunding	(24,724)	
Amortization of Premium on Bond Issuance	31,784	
Change in Inventory	(974)	
	133,903	

Change in Net Position of Governmental Activities **\$ 2,784,320**

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, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Taxes	\$ 12,227,225	\$ 12,521,879	\$ 12,547,329	\$ 25,450
Tuition	624,600	642,806	650,229	7,423
Investment Earnings	30,500	40,500	42,210	1,710
Class Material and Fees	48,090	51,868	49,568	(2,300)
Intergovernmental - State	8,394,998	8,552,586	8,555,622	3,036
Intergovernmental - Federal	43,000	47,000	50,825	3,825
All Other Revenues	362,390	415,387	438,244	22,857
Total Revenues	<u>21,730,803</u>	<u>22,272,026</u>	<u>22,334,027</u>	<u>62,001</u>
Expenditures:				
Current:				
Instructional Services	11,407,215	11,419,679	11,304,329	115,350
Support Services:				
Pupils	1,400,528	1,364,436	1,330,976	33,460
Instructional Staff	305,940	293,914	260,313	33,601
Board of Education	98,294	104,178	89,932	14,246
Administration	1,969,066	1,817,998	1,788,604	29,394
Fiscal Services	784,813	710,361	691,053	19,308
Business	27,083	32,636	26,041	6,595
Operation and Maintenance of Plant	2,037,684	1,977,922	1,856,777	121,145
Pupil Transportation	1,682,135	1,740,190	1,711,295	28,895
Central	94,577	103,862	103,074	788
Operation of Non-Instructional Services	166,387	177,725	174,726	2,999
Extracurricular Activities	236,532	250,684	233,892	16,792
Total Expenditures	<u>20,210,254</u>	<u>19,993,585</u>	<u>19,571,012</u>	<u>422,573</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	1,520,549	2,278,441	2,763,015	484,574
Other Financing Sources (Uses):				
Sale of Capital Assets	5,000	7,392	2,392	(5,000)
Transfers In	14,531	14,531	14,531	0
Transfers Out	(14,531)	(14,531)	(14,531)	0
Total Other Financing Sources (Uses):	<u>5,000</u>	<u>7,392</u>	<u>2,392</u>	<u>(5,000)</u>
Net Change in Fund Balance	1,525,549	2,285,833	2,765,407	479,574
Fund Balance at Beginning of Year	8,390,288	8,390,288	8,390,288	0
Prior Year Encumbrances	307,060	307,060	307,060	0
Fund Balance at End of Year	<u>\$ 10,222,897</u>	<u>\$ 10,983,181</u>	<u>\$ 11,462,755</u>	<u>\$ 479,574</u>

See accompanying notes to the basic financial statements

LAKEWOOD LOCAL SCHOOL DISTRICT

Statement of Net Position
Proprietary Fund
June 30, 2014

	Business-Type Activities
	<u>Enterprise Fund</u>
	<u>Food Service</u>
Assets:	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 183,810
Receivables:	
Accounts	11
Inventory Held for Resale	4,457
Prepaid Items	<u>12,324</u>
<i>Total Current Assets</i>	200,602
<i>Non Current Assets:</i>	
Capital Assets, Net	<u>77,715</u>
Total Assets	<u>278,317</u>
Liabilities:	
<i>Current Liabilities:</i>	
Accrued Wages and Benefits	51,683
Intergovernmental Payable	<u>26,167</u>
<i>Total Current Liabilities</i>	77,850
<i>Long Term Liabilities:</i>	
Compensated Absences Payable	<u>19,783</u>
Total Liabilities	<u>97,633</u>
Net Position:	
Net Investment in Capital Assets	77,715
Unrestricted	<u>102,969</u>
Total Net Position	<u>\$ 180,684</u>

See accompanying notes to the basic financial statements

LAKWOOD LOCAL SCHOOL DISTRICT

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2014

	Business-Type Activities
	Enterprise Fund
	Food Service
Operating Revenues:	
Sales	\$ 264,534
All Other Revenue	200
Total Operating Revenues	264,734
Operating Expenses:	
Salaries and Wages	279,556
Fringe Benefits	183,212
Contractual Services	11,643
Supplies and Materials	490,858
Depreciation	13,948
Other Operating Expense	1,137
Total Operating Expenses	980,354
Operating Loss	(715,620)
Nonoperating Revenue (Expenses):	
Intergovernmental Grants	675,475
Investment Earnings	198
Total Nonoperating Revenues (Expenses)	675,673
Change in Net Position	(39,947)
Net Position Beginning of Year	220,631
Net Position End of Year	\$ 180,684

See accompanying notes to the basic financial statements

LAKWOOD LOCAL SCHOOL DISTRICT

Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2014

	Business-Type Activities Enterprise Fund
	Food Service
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$266,082
Cash Payments for Goods and Services	(413,826)
Cash Payments to Employees for Services and Benefits	(460,971)
Other Cash Received	200
Net Cash Used by Operating Activities	(608,515)
<u>Cash Flows from Noncapital Financing Activities:</u>	
Intergovernmental Grants Received	587,752
Net Cash Provided by Noncapital Financing Activities	587,752
<u>Cash Flows from Capital and Related Financing Activities:</u>	
Acquisition of Capital Assets	(39,431)
Net Cash Used by Noncapital Financing Activities	(39,431)
<u>Cash Flows from Investing Activities:</u>	
Receipt of Interest	198
Net Cash Provided by Investing Activities	198
Net Decrease in Cash and Cash Equivalents	(59,996)
Cash and Cash Equivalents at Beginning of Year	243,806
Cash and Cash Equivalents at End of Year	\$183,810
<u>Reconciliation of Operating Loss to Net Cash</u>	
<u>Used by Operating Activities:</u>	
Operating Loss	(\$715,620)
Adjustments to Reconcile Operating Loss to	
Net Cash Used by Operating Activities:	
Depreciation Expense	13,948
Donated Commodities Used During the Year	87,723
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable	1,548
Decrease in Inventory	2,593
Increase in Prepaid Items	(2,300)
Decrease in Accounts Payable	(504)
Increase in Accrued Wages and Benefits	5,058
Decrease in Intergovernmental Payables	(1,322)
Increase in Compensated Absences	361
Total Adjustments	107,105
Net Cash Used by Operating Activities	(\$608,515)

Schedule of Noncash Investing, Capital and Financing Activities:

During fiscal year 2014, the Food Service Fund received \$87,723 in donated commodities from the federal government.

LAKWOOD LOCAL SCHOOL DISTRICT

Statement of Assets and Liabilities
Fiduciary Fund
June 30, 2014

	<u>Agency</u>
Assets:	
Cash and Cash Equivalents	\$ 24,300
Total Assets	<u>\$ 24,300</u>
Liabilities:	
Due to Students	\$ 24,300
Total Liabilities	<u>\$ 24,300</u>

See accompanying notes to the basic financial statements

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

The District is governed by a locally elected five member Board of Education (the Board) which provides educational services. The Board controls the District's instructional support facilities staffed by approximately 101 non-certified and approximately 159 certified teaching personnel and administrative employees providing education to 1,970 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 Sheakley/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

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

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

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

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

B. Basis of Presentation - Fund Accounting

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

The following fund types are used by the District:

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

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

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

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

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

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

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

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

C. Basis of Presentation and Measurement Focus – Financial Statements

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

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting

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

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

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

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

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

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

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

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

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

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

1. Estimated Resources

Prior to March 15, the Board accepts by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during fiscal year 2014.

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.

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Lapsing of Appropriations

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

4. Component Unit

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

5. Budgetary Basis of Accounting

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

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LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

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)	\$2,919,350
Increase (Decrease):	
Accrued Revenues at June 30, 2014, received during FY 2015	(691,349)
Accrued Revenues at June 30, 2013, received during FY 2014	614,224
Accrued Expenditures at June 30, 2014, paid during FY 2015	1,966,000
Accrued Expenditures at June 30, 2013, paid during FY 2014	(1,854,558)
FY 2013 Prepays for FY 2014	203,850
FY 2014 Prepays for FY 2015	(210,701)
Adjustment to Fair Value of Investments Perspective Difference-	(7,641)
Budgeted Special Revenue Fund reclassified as General Fund	13,474
Encumbrances Outstanding	(187,242)
Budget Basis	<u>\$2,765,407</u>

F. Cash and Cash Equivalents

During fiscal year 2014, 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."

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2014

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 2014. 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, 2014.

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, 2014, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Capital Assets and Depreciation

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

1. Property, Plant and Equipment - Governmental Activities

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

LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation (Continued)

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

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

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

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

3. Depreciation

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

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

K. Long-Term Obligations

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

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

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences

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

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

M. Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. None of the restricted net position reported at June 30, 2014 was by enabling legislation.

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

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Fund Balance

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

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

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

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

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

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Pensions

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

P. Interfund Activity

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

Q. Estimates

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

R. Operating Revenues and Expenses

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. There were no extraordinary or special items reported for fiscal year 2014.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

U. Deferred Outflows/Inflows of Resources

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

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

LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

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	\$210,701	\$0	\$11,908	\$222,609
Supplies Inventory	45,820	0	0	45,820
Total Nonspendable	<u>256,521</u>	<u>0</u>	<u>11,908</u>	<u>268,429</u>
Restricted:				
Career Technology Education	7,215	0	0	7,215
Local Grants	0	0	1,750	1,750
Extracurricular Activities	0	0	55,477	55,477
Preschool	0	0	573	573
Targeted Academic Assistance	0	0	8,207	8,207
Debt Service Payments	0	781,024	0	781,024
Total Restricted	<u>7,215</u>	<u>781,024</u>	<u>66,007</u>	<u>854,246</u>
Committed:				
Building Maintenance and Renovation	204,164	0	0	204,164
Assigned:				
Assigned to Other Purposes	167,120	0	0	167,120
Student and Staff Support	24,348	0	0	24,348
Total Assigned	<u>191,468</u>	<u>0</u>	<u>0</u>	<u>191,468</u>
Unassigned	10,001,876	0	0	10,001,876
Total Fund Balances	<u><u>\$10,661,244</u></u>	<u><u>\$781,024</u></u>	<u><u>\$77,915</u></u>	<u><u>\$11,520,183</u></u>

LAKWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014***

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

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

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

Capital Outlay	\$685,503
Depreciation Expense	(995,991)
	<u>(\$310,488)</u>

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

Gain on Disposal of Capital Asset	\$104
Proceeds Received	(2,392)
	<u>(\$2,288)</u>

Governmental revenues not reported in the funds:

Decrease in Investment Earnings	(\$2,422)
Decrease in Grants Revenue	(29,494)
Decrease in Delinquent Tax Revenue	(152,375)
	<u>(\$184,291)</u>

Aamount of bond and lease principal payments:

Bond Principal Payment	\$615,000
Energy Conservation Bond Principal Payment	179,520
Capital Lease Payment	33,824
	<u>\$828,344</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2014

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

LAKEWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014***

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 \$8,163,252 and the bank balance was \$8,554,674. Federal depository insurance covered \$8,551,433 of the bank balance and \$3,241 was uninsured. Of the remaining uninsured bank balance, the District was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the District's name	<u>\$3,241</u>
Total Balance	<u><u>\$3,241</u></u>

Investment earnings of \$3,716 earned by other funds was credited to the General Fund as required by state statute.

LAKEWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

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

B. Investments

The District's investments at June 30, 2014 were as follows:

	Fair Value	Credit Rating	Investment Maturities (in Years)		
			less than 1	1-3	3-5
Repurchase Agreements	\$846,359	*	\$846,359	\$0	\$0
STAR Ohio	678	AAAm ¹	678	0	0
FHLB	960,507	a AA+ ¹	250,126	710,381	0
FHLMC	1,031,406	b AA+ ¹	285,463	745,943	0
FFCB	210,020	c AA+ ¹	0	210,020	0
FNMA	922,722	d AA+ ¹	0	723,832	198,890
US Treasury Note	250,215	AA+ ¹	0	250,215	0
US Bank Commercial Paper	190,000	A-1 ¹	190,000	0	0
Toyota Motor Credit	154,845	A-1+ ¹	154,845	0	0
Total Investments	<u>\$4,566,752</u>		<u>\$1,727,471</u>	<u>\$2,640,391</u>	<u>\$198,890</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.

¹ Standard & Poor's

^a A \$300,218 security was called on July 28, 2014 and a \$210,721 security is callable on November 28, 2014.

^b A \$170,110 security was called on August 27, 2014 and a \$170,303 security is callable on December 30, 2014.

^c A \$210,020 security is callable on October 8, 2014.

^d A \$249,466 security is callable on February 27, 2015.

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

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

Concentration of Credit Risk – The District places no limit on the amount the District may invest in one issuer. Of the District's total investments, 18.53% are in repurchase agreements, .01% are in STAR Ohio, 21.03% are in FHLB securities, 22.59% are in FHLMC securities, 4.60% are in FFCB securities, 20.21% are in FNMA securities, 5.48% are in US Treasury Notes, 4.16% are in US Bank Commercial Paper and 3.39% are in Toyota Motor Credit Commercial Paper.

LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

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

B. Investments (Continued)

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

C. Reconciliation of Cash, Cash Equivalents and Investments

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

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Financial Statements	\$1,900,289	\$10,829,715
Certificates of Deposit (with original maturities of more than 3 months)	7,300,000	(7,300,000)
Commercial Paper (with original maturities of less than 3 months)	(190,000)	190,000
Repurchase Agreements	(846,359)	846,359
STAR Ohio	(678)	678
Per GASB Statement No. 3	<u>\$8,163,252</u>	<u>\$4,566,752</u>

D. Component Unit

At year end the carrying amount of the Academy’s deposits was \$125,516 and the bank balance was \$126,645. Federal depository insurance covered the entire bank balance. There are no significant statutory restrictions regarding the deposit and investment of funds by the Academy.

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2014

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 2014 represents collections of calendar year 2013 taxes. Real property taxes received in calendar year 2014 were levied after April 1, 2013, on the assessed value listed as of January 1, 2013, 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 2014 represents collections of calendar year 2013 taxes. Public utility real and tangible personal property taxes received in calendar year 2014 became a lien December 31, 2012, were levied after April 1, 2013 and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The District receives property taxes from Licking County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2014, are available to finance fiscal year 2014 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 2014 receipts were based are:

	2013 Second Half <u>Collections</u>	2014 First Half <u>Collections</u>
Agricultural/Residential and Other Real Estate	\$378,886,250	\$388,406,130
Public Utility Personal	<u>16,994,710</u>	<u>21,658,260</u>
Total Assessed Value	<u>\$395,880,960</u>	<u>\$410,064,390</u>
Tax rate per \$1,000 of assessed valuation	\$54.33	\$54.51

NOTE 6 - RECEIVABLES

Receivables at June 30, 2014 consisted of taxes, accounts, interest and intergovernmental receivables.

LAKEWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014***

NOTE 7 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at June 30, 2014:

<i>Historical Cost:</i>				
<u>Class</u>	<u>Balance at June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2014</u>
<i>Capital Assets not being depreciated:</i>				
Land	\$275,555	\$0	\$0	\$275,555
Construction In Progress	403,844	0	(403,844)	0
Subtotal	<u>679,399</u>	<u>0</u>	<u>(403,844)</u>	<u>275,555</u>
<i>Capital Assets being depreciated:</i>				
Land Improvements	904,401	141,668	(23,213)	1,022,856
Buildings and Improvements	21,717,021	617,037	0	22,334,058
Furniture, Fixtures and Equipment	3,712,496	161,352	(131,812)	3,742,036
Vehicles	2,147,076	169,290	0	2,316,366
Subtotal	<u>28,480,994</u>	<u>1,089,347</u>	<u>(155,025)</u>	<u>29,415,316</u>
Total Cost	<u><u>\$29,160,393</u></u>	<u><u>\$1,089,347</u></u>	<u><u>(\$558,869)</u></u>	<u><u>\$29,690,871</u></u>
 <i>Accumulated Depreciation:</i>				
<u>Class</u>	<u>Balance at June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2014</u>
Land Improvements	(\$469,673)	(\$45,660)	\$23,213	(\$492,120)
Buildings and Improvements	(10,430,401)	(534,892)	0	(10,965,293)
Furniture, Fixtures and Equipment	(2,683,907)	(282,811)	129,524	(2,837,194)
Vehicles	(1,490,493)	(132,628)	0	(1,623,121)
Total Depreciation	<u><u>(\$15,074,474)</u></u>	<u><u>(\$995,991) *</u></u>	<u><u>\$152,737</u></u>	<u><u>(\$15,917,728)</u></u>
<i>Net Value:</i>	<u><u>\$14,085,919</u></u>			<u><u>\$13,773,143</u></u>

LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

NOTE 7 - CAPITAL ASSETS (Continued)

A. Governmental Activities Capital Assets (Continued)

* Depreciation expenses were charged to governmental functions as follows:

Instruction	\$552,498
Support Services:	
Instructional Staff	30,419
Administration	38,078
Operations and Maintenance of Plant	51,353
Pupil Transportation	138,735
Extracurricular Activities	142,010
Other Noninstructional Services	42,898
Total Depreciation Expense	<u>\$995,991</u>

B. Business-Type Activities Capital Assets

Summary by Category at June 30, 2014:

Class	Balance at June 30, 2013	Additions	Deletions	Balance at June 30, 2014
Furniture and Equipment	\$357,410	\$20,961	(\$10,854)	\$367,517
Accumulated Depreciation	(286,708)	(13,948)	10,854	(289,802)
Net Value:	<u>\$70,702</u>	<u>\$7,013</u>	<u>\$0</u>	<u>\$77,715</u>

C. Component Unit Capital Assets

Summary by Category at June 30, 2014:

Class	Balance at June 30, 2013	Additions	Deletions	Balance at June 30, 2014
Furniture and Equipment	\$185,342	\$0	(\$3,476)	\$181,866
Accumulated Depreciation	(161,252)	(9,457)	3,476	(167,233)
Net Value:	<u>\$24,090</u>	<u>(\$9,457)</u>	<u>\$0</u>	<u>\$14,633</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2014

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 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, 2014, the allocation to pension and death benefits was 13.10 percent. The remaining 0.90 percent of the 14 percent employer contribution rate is allocated to the Medicare B and Health Care funds. The District's contributions for pension obligations to SERS for the fiscal years ended June 30, 2014, 2013 and 2012 were \$396,661, \$407,956 and \$380,216 respectively, which were equal to the required contributions for each year.

B. State Teachers Retirement System

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

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

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2014

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, 2014, plan members were required to contribute 11 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 2013, 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 14 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, 2014, 2013, and 2012 were \$1,191,617, \$1,182,502, and \$1,223,564 respectively; which were equal to the required contributions for each year. Contributions to the DC and Combined Plans for fiscal year 2014 were \$57,189 made by the District and \$44,934 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, 2014, three members of the Board of Education have elected Social Security. The contribution rate is 6.2 percent of wages.

LAKEWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2014

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, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website, www.ohsers.org under Employers/Audit Resources.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2014, 0.14 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 2014, this amount was \$20,525.

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

The District's contributions for health care for the fiscal years ended June 30, 2014, 2013, and 2012 were \$49,905, \$49,938, and \$54,394 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 2014, this actuarially required allocation was 0.76 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2014, 2013, and 2012 were \$23,012, \$23,045, and \$22,454 respectively; which were equal to the required contributions for each year.

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2014

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

B. State Teachers Retirement System

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2014, 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, 2014, 2013, and 2012 were \$91,663, \$90,962, and \$94,120 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, 2014***

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, 2014 are as follows:

		Balance June 30, 2013	Issued	(Retired)	Balance June 30, 2014	Due Within One Year
Governmental Activities:						
(Energy Conservation Bonds Payable)						
Energy Conservation Project	5.00%	\$327,051	\$0	(\$87,749)	\$239,302	\$92,191
Energy Conservation Project	3.55%	917,707	0	(91,771)	825,936	91,771
Total Energy Conservation Bonds Payable		1,244,758	0	(179,520)	1,065,238	183,962
(General Obligation Bonds Payable)						
School Improvement Bonds 1999a	3.0-5.0%	15,000	0	(15,000)	0	0
School Improvement Bonds 1999b	3.15-5.0%	345,000	0	(345,000)	0	0
School Improvement Refunding Bonds	2.75-4.1%	9,384,991	0	(255,000)	9,129,991	640,000
		9,744,991	0	(615,000)	9,129,991	640,000
Premium on Refunding Bonds		413,195	0	(31,784)	381,411	0
Interest Accretion		566,686	119,513	0	686,199	0
Total General Obligation Bonds Payable		10,724,872	119,513	(646,784)	10,197,601	640,000
Capital Leases Payable		126,525	0	(33,824)	92,701	36,137
Compensated Absences		504,672	302,330	(361,936)	445,066	134,522
Total Governmental Activities		<u>\$12,600,827</u>	<u>\$421,843</u>	<u>(\$1,222,064)</u>	<u>\$11,800,606</u>	<u>\$994,621</u>
Business-Type Activities:						
Compensated Absences		\$19,422	\$17,331	(\$16,970)	\$19,783	\$0
Total Long Term Liabilities		<u>\$19,422</u>	<u>\$17,331</u>	<u>(\$16,970)</u>	<u>\$19,783</u>	<u>\$0</u>

The original amounts of the Energy Conservation Bonds Payable, \$802,987 and \$917,707 were used to finance the cost of acquiring and installing energy conservation measures. The original amounts of the General Obligation Bonds Payable of \$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

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

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, 2014, follows:

Years	Energy Conservation Bonds Payable		General Obligation Bonds Payable	
	Principal	Interest	Principal	Interest
2015	\$183,962	\$38,890	\$640,000	\$342,772
2016	188,629	30,920	201,278	800,494
2017	142,024	22,776	178,713	823,060
2018	91,771	18,153	670,000	313,372
2019	91,771	14,851	705,000	285,873
2020-2024	367,081	26,397	3,960,000	975,462
2025-2027	0	0	2,775,000	174,706
Totals	<u>\$1,065,238</u>	<u>\$151,987</u>	<u>\$9,129,991</u>	<u>\$3,715,739</u>

NOTE 11 - CAPITAL LEASE COMMITMENTS

The District leases copiers under capital leases. The cost of the equipment obtained under capital leases is \$175,790, the accumulated depreciation is \$90,049 and the net book value is \$85,741, 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, 2014:

Year Ending June 30,	Capital Lease
2015	\$40,847
2016	29,087
2017	26,735
2018	4,456
Minimum Lease Payments	101,125
Less: Amount representing interest at the District's incremental borrowing rate of interest	(8,424)
Present Value of minimum lease payments	<u>\$92,701</u>

LAKWOOD LOCAL SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

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 2014 the District contracted with insurance providers for various insurance coverages, as follows:

Insurance Provider	Coverage	Deductible	Aggregate
Ohio Casualty Insurance Company	Fleet Insurance	\$1,000/Comprehensive \$1,000/Collision	\$1,000,000
Ohio Casualty Insurance Company	Buildings and Contents	\$5,000	\$71,111,278
Ohio Casualty Insurance Company	School District Liability	\$0	\$2,000,000
Ohio Casualty Insurance Company	School Leaders Errors and Omissions	\$2,500	\$1,000,000
Ohio Casualty Insurance Company	Umbrella Policy	\$0	\$3,000,000
Travelers Casualty & Surety Co. of America	Employee Bond	\$0	\$100,000

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

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

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2014

NOTE 13 - JOINTLY GOVERNED ORGANIZATIONS

A. Licking Area Computer Association

The District is a participant in the Licking Area Computer Association (LACA) which is one of twenty-three Information Technology Centers (ITC's) in the State of Ohio that make up the Ohio Education Computer Network (OECN). LACA is a non-profit organization, owned and governed by the schools it serves. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of LACA consists of seventeen members made up of the seventeen district superintendents. The continued existence of LACA is not dependent on the District's continued participation and no equity interest exists. The LACA constitution states that any school district withdrawing from the Association prior to dissolution forfeits their claim to the Association's capital assets. The District paid LACA \$74,157 for services provided during the year. Financial information can be obtained from their fiscal agent, the Career and Technology Education Centers of Licking County, Treasurer, at 150 Price Road, Newark, Ohio 43055.

B. Metropolitan Educational Council

The District participates in the Metropolitan Educational Council (MEC), a jointly governed organization. The organization is composed of over 200 members, which includes school districts, joint vocational schools, educational service centers and libraries covering 24 counties in Central Ohio. MEC helps its members purchase services, insurance, supplies, and other items at a discounted rate. The governing board of MEC is directed by 27 members which are composed of either the superintendent, a designated representative or a member of the board of education for each participating school district in Franklin County, and one representative from each county. Each year, the participating school districts pay a membership fee to MEC to cover the costs of administering the program. The District's membership payment to MEC for fiscal year 2014 was \$863. Financial information may be obtained from the Metropolitan Educational Council, Sue Ward, Fiscal Officer, 2100 Citygate Dr., Columbus, OH 43219.

LAKWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2014

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 2014.

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 2014. During 2014, the Academy made payments to the District of \$237,455 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 \$91,085 from the Academy which is included in “Accounts Receivable” on the Statement of Net Position and the Balance Sheet.

NOTE 15 – SIGNIFICANT COMMITMENTS

Significant encumbrances outstanding at fiscal year-end in the General Fund are \$153,635 and are reported as assigned fund balance.

LAKWOOD LOCAL SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014***

NOTE 16 – STATUTORY RESERVES

The District is required by state law to set aside certain general fund revenue amounts for capital acquisition into a reserve. During the fiscal year ended June 30, 2014, the reserve activity (cash-basis) was as follows:

	<u>Capital Acquisition Reserve</u>
Set-aside Cash Balance as of June 30, 2013	\$0
Current Year Set-Aside Requirement	335,924
Current Year Qualifying Expenditures	<u>(760,820)</u>
Total	<u>(\$424,896)</u>
Set-aside Cash Balance Carried Forward to FY 2015	<u>\$0</u>

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

NOTE 17 - CONTINGENCIES

A. Grants

The District receives financial assistance from federal agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability. However, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2014, 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, 2014.

LAKWOOD LOCAL SCHOOL DISTRICT

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

LAKEWOOD LOCAL SCHOOL DISTRICT

Nonmajor Governmental Funds

Special Revenue Funds

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

Public School Support Fund

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

Other Grant Fund

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

Student Activity Fund

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

Early Childhood Education Fund

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

Data Communications Fund

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

Special Education Part B-IDEA Fund

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

Title I-School Improvement Fund

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

(Continued)

LAKWOOD LOCAL SCHOOL DISTRICT

Special Revenue Funds

Title I Fund

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

IDEA Preschool Grant for Handicapped Fund

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

Title II-A Fund

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

Miscellaneous Federal Grants Fund

To account for various monies from Federal agencies which are not classified elsewhere. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because there are no assets or liabilities and there was no activity during the fiscal year.)

Capital Projects Fund

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

Building Fund

To account for the acquisition, construction and improvement of capital facilities as authorized by Chapter 5705 of the Ohio Revised Code. (The Balance Sheet is not presented because there are no assets or liabilities at fiscal year-end.)

LAKWOOD LOCAL SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014**

	<u>Other Grant</u>	<u>Student Activity</u>	<u>Early Childhood Education</u>
Assets:			
Cash and Cash Equivalents	\$ 1,750	\$ 55,477	\$ 1,374
Receivables:			
Intergovernmental	0	0	0
Prepaid Items	0	0	0
Total Assets	<u>\$ 1,750</u>	<u>\$ 55,477</u>	<u>\$ 1,374</u>
Liabilities:			
Accrued Wages and Benefits	0	0	694
Intergovernmental Payable	0	0	107
Total Liabilities	<u>0</u>	<u>0</u>	<u>801</u>
Fund Balances:			
Nonspendable	0	0	0
Restricted	1,750	55,477	573
Total Fund Balances	<u>1,750</u>	<u>55,477</u>	<u>573</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,750</u>	<u>\$ 55,477</u>	<u>\$ 1,374</u>

LAKEWOOD LOCAL SCHOOL DISTRICT

Special Education Part B-IDEA	Title I School Improvement	Title I	Total Nonmajor Special Revenue Funds
\$ 10,542	\$ 4,855	\$ 13,188	\$ 87,186
0	6,859	37,544	44,403
3,721	1,275	6,912	11,908
<u>\$ 14,263</u>	<u>\$ 12,989</u>	<u>\$ 57,644</u>	<u>\$ 143,497</u>
8,959	8,985	36,480	55,118
1,583	1,688	7,086	10,464
<u>10,542</u>	<u>10,673</u>	<u>43,566</u>	<u>65,582</u>
3,721	1,275	6,912	11,908
0	1,041	7,166	66,007
<u>3,721</u>	<u>2,316</u>	<u>14,078</u>	<u>77,915</u>
<u>\$ 14,263</u>	<u>\$ 12,989</u>	<u>\$ 57,644</u>	<u>\$ 143,497</u>

LAKWOOD LOCAL SCHOOL DISTRICT

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2014**

	<u>Other Grant</u>	<u>Student Activity</u>	<u>Early Childhood Education</u>	<u>Data Communications</u>
Revenues:				
Local Sources:				
Extracurricular Activities	\$ 0	\$ 112,164	\$ 0	\$ 0
Intermediate Sources	6,596	5,000	0	0
Intergovernmental - State	0	0	40,000	7,200
Intergovernmental - Federal	0	0	0	0
All Other Revenue	0	1,525	0	0
Total Revenue	<u>6,596</u>	<u>118,689</u>	<u>40,000</u>	<u>7,200</u>
Expenditures:				
Current:				
Instruction	5,838	0	39,427	0
Supporting Services:				
Pupils	0	0	0	0
Instructional Staff	12	0	0	0
Administration	0	1,080	0	0
Operation and Maintenance of Plant	0	0	0	7,200
Extracurricular Activities	0	103,529	0	0
Total Expenditures	<u>5,850</u>	<u>104,609</u>	<u>39,427</u>	<u>7,200</u>
Excess (Deficiency) of Revenues				
Over Expenditures	746	14,080	573	0
Fund Balances at Beginning of Year	<u>1,004</u>	<u>41,397</u>	<u>0</u>	<u>0</u>
Fund Balances End of Year	<u>\$ 1,750</u>	<u>\$ 55,477</u>	<u>\$ 573</u>	<u>\$ 0</u>

LAKWOOD LOCAL SCHOOL DISTRICT

Special Education Part B-IDEA	Title I School Improvement	Title I	IDEA Preschool Grant for Handicapped	Title II-A	Total Nonmajor Special Revenue Funds	Building	Total Nonmajor Governmental Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 112,164	\$ 0	\$ 112,164
0	0	0	0	0	11,596	0	11,596
0	0	0	0	0	47,200	0	47,200
395,526	104,815	324,448	9,722	96,411	930,922	0	930,922
0	0	0	0	0	1,525	0	1,525
<u>395,526</u>	<u>104,815</u>	<u>324,448</u>	<u>9,722</u>	<u>96,411</u>	<u>1,103,407</u>	<u>0</u>	<u>1,103,407</u>
232,051	21,299	312,655	9,722	96,411	717,403	0	717,403
121,991	0	0	0	0	121,991	0	121,991
7,144	89,674	3,356	0	0	100,186	0	100,186
31,756	0	0	0	0	32,836	0	32,836
0	0	0	0	0	7,200	312,020	319,220
0	0	0	0	0	103,529	0	103,529
<u>392,942</u>	<u>110,973</u>	<u>316,011</u>	<u>9,722</u>	<u>96,411</u>	<u>1,083,145</u>	<u>312,020</u>	<u>1,395,165</u>
2,584	(6,158)	8,437	0	0	20,262	(312,020)	(291,758)
1,137	8,474	5,641	0	0	57,653	312,020	369,673
<u>\$ 3,721</u>	<u>\$ 2,316</u>	<u>\$ 14,078</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 77,915</u>	<u>\$ 0</u>	<u>\$ 77,915</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, 2014***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Taxes	\$ 12,227,225	\$ 12,521,879	\$ 12,547,329	\$ 25,450
Tuition	624,600	642,806	650,229	7,423
Investment Earnings	30,500	40,500	42,210	1,710
Class Material and Fees	48,090	51,868	49,568	(2,300)
Intergovernmental - State	8,394,998	8,552,586	8,555,622	3,036
Intergovernmental - Federal	43,000	47,000	50,825	3,825
All Other Revenues	362,390	415,387	438,244	22,857
Total Revenues	21,730,803	22,272,026	22,334,027	62,001
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	6,272,391	6,135,866	6,083,919	51,947
Fringe Benefits	1,995,498	1,982,165	1,979,934	2,231
Purchased Services	990,470	1,370,989	1,360,394	10,595
Supplies and Materials	138,485	133,113	126,987	6,126
Other Expenditures	8,083	8,083	8,083	0
Capital Outlay	71,033	76,694	76,694	0
Total Regular	9,475,960	9,706,910	9,636,011	70,899
Special:				
Salaries and Wages	807,226	812,415	809,263	3,152
Fringe Benefits	228,009	229,837	227,143	2,694
Purchased Services	660,104	420,267	405,707	14,560
Supplies and Materials	7,512	7,662	4,269	3,393
Other Expenditures	45,100	62,200	62,192	8
Capital Outlay	0	5,110	5,110	0
Total Special	1,747,951	1,537,491	1,513,684	23,807
Vocational:				
Salaries and Wages	100,071	99,781	99,698	83
Fringe Benefits	37,831	38,159	35,981	2,178
Purchased Services	300	495	225	270
Supplies and Materials	21,212	16,576	9,807	6,769
Capital Outlay	5,000	2,276	2,276	0
Total Vocational	164,414	157,287	147,987	9,300

(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, 2014***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other:				
Salaries and Wages	5,175	4,344	4,269	75
Fringe Benefits	1,515	1,441	687	754
Purchased Services	12,200	12,206	1,691	10,515
Total Other	18,890	17,991	6,647	11,344
Total Instructional Services	11,407,215	11,419,679	11,304,329	115,350
Support Services:				
Pupils:				
Salaries and Wages	924,854	924,843	912,576	12,267
Fringe Benefits	329,696	288,382	281,594	6,788
Purchased Services	84,232	92,257	80,877	11,380
Supplies and Materials	15,235	13,443	11,904	1,539
Other Expenditures	42,194	41,194	39,708	1,486
Capital Outlay	4,317	4,317	4,317	0
Total Pupils	1,400,528	1,364,436	1,330,976	33,460
Instructional Staff:				
Salaries and Wages	101,800	106,500	103,591	2,909
Fringe Benefits	80,348	60,978	50,998	9,980
Purchased Services	104,935	89,990	75,199	14,791
Supplies and Materials	13,693	31,754	25,833	5,921
Other Expenditures	164	164	164	0
Capital Outlay	5,000	4,528	4,528	0
Total Instructional Staff	305,940	293,914	260,313	33,601
Board of Education:				
Salaries and Wages	7,500	7,500	7,500	0
Fringe Benefits	1,901	1,896	1,597	299
Purchased Services	78,893	84,893	70,998	13,895
Supplies and Materials	1,000	1,400	1,348	52
Other Expenditures	9,000	8,489	8,489	0
Total Board of Education	98,294	104,178	89,932	14,246

(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, 2014***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Administration:				
Salaries and Wages	1,205,750	1,133,008	1,126,710	6,298
Fringe Benefits	470,331	456,609	449,054	7,555
Purchased Services	106,827	103,458	89,542	13,916
Supplies and Materials	6,150	8,337	7,642	695
Other Expenditures	165,028	110,206	109,276	930
Capital Outlay	14,980	6,380	6,380	0
Total Administration	<u>1,969,066</u>	<u>1,817,998</u>	<u>1,788,604</u>	<u>29,394</u>
Fiscal Services:				
Salaries and Wages	235,300	240,800	238,487	2,313
Fringe Benefits	128,330	126,568	123,087	3,481
Purchased Services	46,510	49,277	41,372	7,905
Supplies and Materials	5,700	5,574	4,341	1,233
Other Expenditures	328,631	288,142	283,766	4,376
Capital Outlay	40,342	0	0	0
Total Fiscal Services	<u>784,813</u>	<u>710,361</u>	<u>691,053</u>	<u>19,308</u>
Business:				
Salaries and Wages	7,700	8,000	7,530	470
Fringe Benefits	9,340	9,528	9,158	370
Purchased Services	6,053	6,053	4,857	1,196
Supplies and Materials	0	5,060	501	4,559
Other Expenditures	3,990	3,995	3,995	0
Total Business	<u>27,083</u>	<u>32,636</u>	<u>26,041</u>	<u>6,595</u>
Operation and Maintenance of Plant:				
Salaries and Wages	578,383	552,259	534,508	17,751
Fringe Benefits	294,619	280,520	273,310	7,210
Purchased Services	757,557	729,217	660,067	69,150
Supplies and Materials	86,491	85,310	76,995	8,315
Other Expenditures	809	1,004	1,004	0
Capital Outlay	319,825	329,612	310,893	18,719
Total Operation and Maintenance Of Plant	<u>2,037,684</u>	<u>1,977,922</u>	<u>1,856,777</u>	<u>121,145</u>

(Continued)

LAKWOOD LOCAL SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Fiscal Year Ended June 30, 2014***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Pupil Transportation:				
Salaries and Wages	745,475	757,414	750,843	6,571
Fringe Benefits	408,456	412,116	409,173	2,943
Purchased Services	80,558	94,838	76,277	18,561
Supplies and Materials	289,480	299,366	298,766	600
Other Expenditures	1,166	1,166	946	220
Capital Outlay	157,000	175,290	175,290	0
Total Pupil Transportation	<u>1,682,135</u>	<u>1,740,190</u>	<u>1,711,295</u>	<u>28,895</u>
Central:				
Salaries and Wages	78,300	78,300	78,289	11
Fringe Benefits	15,375	15,289	14,898	391
Purchased Services	800	885	499	386
Other Expenditures	102	102	102	0
Capital Outlay	0	9,286	9,286	0
Total Central	<u>94,577</u>	<u>103,862</u>	<u>103,074</u>	<u>788</u>
Total Support Services	<u>8,400,120</u>	<u>8,145,497</u>	<u>7,858,065</u>	<u>287,432</u>
Operation of Non-Instructional Services:				
Salaries and Wages	113,900	121,525	120,439	1,086
Fringe Benefits	26,769	28,225	27,908	317
Purchased Services	5,486	5,764	5,220	544
Supplies and Materials	0	21	21	0
Other Expenditures	15,232	17,190	16,138	1,052
Capital Outlay	5,000	5,000	5,000	0
Total Non-Instructional Services	<u>166,387</u>	<u>177,725</u>	<u>174,726</u>	<u>2,999</u>
Extracurricular Activities:				
Salaries and Wages	201,200	211,800	200,856	10,944
Fringe Benefits	35,332	38,884	33,036	5,848
Total Extracurricular Activities	<u>236,532</u>	<u>250,684</u>	<u>233,892</u>	<u>16,792</u>
Total Expenditures	<u>20,210,254</u>	<u>19,993,585</u>	<u>19,571,012</u>	<u>422,573</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,520,549	2,278,441	2,763,015	484,574

(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, 2014***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Sale of Capital Assets	5,000	7,392	2,392	(5,000)
Transfers In	14,531	14,531	14,531	0
Transfers Out	<u>(14,531)</u>	<u>(14,531)</u>	<u>(14,531)</u>	<u>0</u>
Total Other Financing Sources (Uses):	<u>5,000</u>	<u>7,392</u>	<u>2,392</u>	<u>(5,000)</u>
 Net Change in Fund Balance	 1,525,549	 2,285,833	 2,765,407	 479,574
 Fund Balance at Beginning of Year	 8,390,288	 8,390,288	 8,390,288	 0
Prior Year Encumbrances	<u>307,060</u>	<u>307,060</u>	<u>307,060</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 10,222,897</u>	<u>\$ 10,983,181</u>	<u>\$ 11,462,755</u>	<u>\$ 479,574</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, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Taxes	\$ 548,398	\$ 819,801	\$ 819,801	\$ 0
Intergovernmental - State	214,227	198,905	198,320	(585)
Total Revenues	762,625	1,018,706	1,018,121	(585)
Expenditures:				
Current:				
Support Services:				
Fiscal Services:				
Other Expenditures	12,000	8,451	8,451	0
Total Fiscal Services	12,000	8,451	8,451	0
Debt Service:				
Principal Retirement	794,520	794,520	794,520	0
Interest and Fiscal Charges	419,980	419,781	419,781	0
Total Debt Service	1,214,500	1,214,301	1,214,301	0
Total Expenditures	1,226,500	1,222,752	1,222,752	0
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(463,875)	(204,046)	(204,631)	(585)
Fund Balance at Beginning of Year				
Fund Balance at End of Year	\$ 496,090	\$ 755,919	\$ 755,334	\$ (585)

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, 2014**

PUBLIC SCHOOL SUPPORT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Extracurricular Activities	\$ 39,500	\$ 29,150	\$ 27,305	\$ (1,845)
All Other Revenues	3,000	2,650	2,639	(11)
Total Revenues	<u>42,500</u>	<u>31,800</u>	<u>29,944</u>	<u>(1,856)</u>
Expenditures:				
Extracurricular Activities:				
Purchased Services	13,000	11,250	6,503	4,747
Supplies and Materials	42,196	40,946	33,099	7,847
Capital Outlay	<u>6,250</u>	<u>5,359</u>	<u>5,359</u>	<u>0</u>
Total Extracurricular Activities	<u>61,446</u>	<u>57,555</u>	<u>44,961</u>	<u>12,594</u>
Total Expenditures	<u>61,446</u>	<u>57,555</u>	<u>44,961</u>	<u>12,594</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,946)	(25,755)	(15,017)	10,738
Fund Balance at Beginning of Year	37,760	37,760	37,760	0
Prior Year Encumbrances	<u>936</u>	<u>936</u>	<u>936</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 19,750</u>	<u>\$ 12,941</u>	<u>\$ 23,679</u>	<u>\$ 10,738</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, 2014**

OTHER GRANT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Intermediate Sources	\$ 5,500	\$ 5,596	\$ 6,596	\$ 1,000
Total Revenues	<u>5,500</u>	<u>5,596</u>	<u>6,596</u>	<u>1,000</u>
Expenditures:				
Instructional Services:				
Regular:				
Supplies and Materials	5,992	6,088	5,578	510
Capital Outlay	<u>500</u>	<u>500</u>	<u>500</u>	<u>0</u>
Total Instructional Services	<u>6,492</u>	<u>6,588</u>	<u>6,078</u>	<u>510</u>
Support Services:				
Instructional Staff:				
Supplies and Materials	<u>482</u>	<u>482</u>	<u>482</u>	<u>0</u>
Total Support Services	<u>482</u>	<u>482</u>	<u>482</u>	<u>0</u>
Total Expenditures	<u>6,974</u>	<u>7,070</u>	<u>6,560</u>	<u>510</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,474)	(1,474)	36	1,510
Fund Balance at Beginning of Year	992	992	992	0
Prior Year Encumbrances	<u>482</u>	<u>482</u>	<u>482</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,510</u>	<u>\$ 1,510</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, 2014***

STUDENT ACTIVITY FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Extracurricular Activities	\$ 98,650	\$ 114,695	\$ 112,164	\$ (2,531)
Intermediate Sources	0	5,000	5,000	0
All Other Revenues	<u>6,600</u>	<u>1,525</u>	<u>1,525</u>	<u>0</u>
Total Revenues	<u>105,250</u>	<u>121,220</u>	<u>118,689</u>	<u>(2,531)</u>
Expenditures:				
Support Services:				
Administration:				
Purchased Services	<u>1,080</u>	<u>1,080</u>	<u>1,080</u>	<u>0</u>
Total Support Services	<u>1,080</u>	<u>1,080</u>	<u>1,080</u>	<u>0</u>
Extracurricular Activities:				
Salaries and Wages	0	336	336	0
Fringe Benefits	0	51	51	0
Purchased Services	66,037	70,300	65,163	5,137
Supplies and Materials	32,200	41,122	36,479	4,643
Other Expenditures	1,650	2,950	2,250	700
Capital Outlay	<u>12,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Extracurricular Activities	<u>111,887</u>	<u>114,759</u>	<u>104,279</u>	<u>10,480</u>
Total Expenditures	<u>112,967</u>	<u>115,839</u>	<u>105,359</u>	<u>10,480</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(7,717)	5,381	13,330	7,949
Fund Balance at Beginning of Year				
Prior Year Encumbrances	812	812	812	0
Fund Balance at End of Year	<u>\$ 34,430</u>	<u>\$ 47,528</u>	<u>\$ 55,477</u>	<u>\$ 7,949</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, 2014**

EARLY CHILDHOOD EDUCATION FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Intergovernmental - State	\$ 0	\$ 40,000	\$ 40,000	\$ 0
Total Revenues	<u>0</u>	<u>40,000</u>	<u>40,000</u>	<u>0</u>
Expenditures:				
Instructional Services:				
Special:				
Salaries and Wages	0	19,975	19,030	945
Fringe Benefits	0	3,337	2,940	397
Supplies and Materials	0	10,092	10,092	0
Capital Outlay	<u>0</u>	<u>6,596</u>	<u>6,564</u>	<u>32</u>
Total Expenditures	<u>0</u>	<u>40,000</u>	<u>38,626</u>	<u>1,374</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	1,374	1,374
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,374</u>	<u>\$ 1,374</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, 2014**

DATA COMMUNICATIONS FUND

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

LAKWOOD LOCAL SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2014**

SPECIAL EDUCATION PART B-IDEA FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - Federal	\$ 410,230	\$ 421,754	\$ 421,754	\$ 0
Total Revenues	410,230	421,754	421,754	0
Expenditures:				
Instructional Services:				
Special:				
Salaries and Wages	193,972	201,113	194,389	6,724
Fringe Benefits	42,870	51,927	51,780	147
Supplies and Materials	4,376	3,763	3,763	0
Total Instructional Services	241,218	256,803	249,932	6,871
Support Services:				
Pupils:				
Salaries and Wages	57,471	66,992	65,715	1,277
Fringe Benefits	60,641	59,083	56,689	2,394
Supplies and Materials	7,000	5,500	5,500	0
Capital Outlay	4,320	0	0	0
Total Pupils	129,432	131,575	127,904	3,671
Instructional Staff:				
Salaries and Wages	2,000	2,607	2,607	0
Fringe Benefits	306	401	401	0
Purchased Services	6,198	4,136	4,136	0
Supplies and Materials	600	0	0	0
Total Instructional Staff	9,104	7,144	7,144	0
Administration:				
Purchased Services	36,000	31,756	31,756	0
Total Administration	36,000	31,756	31,756	0
Total Expenditures	415,754	427,278	416,736	10,542
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(5,524)	(5,524)	5,018	10,542
Fund Balance at Beginning of Year	3,293	3,293	3,293	0
Prior Year Encumbrances	2,231	2,231	2,231	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 10,542	\$ 10,542

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, 2014**

TITLE I SCHOOL IMPROVEMENT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Intergovernmental - Federal	\$ 153,377	\$ 114,528	\$ 99,956	\$ (14,572)
Total Revenues	<u>153,377</u>	<u>114,528</u>	<u>99,956</u>	<u>(14,572)</u>
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	30,000	7,999	5,200	2,799
Fringe Benefits	4,635	1,236	808	428
Purchased Services	5,000	0	0	0
Supplies and Materials	5,819	14,238	14,238	0
Total Instructional Services	<u>45,454</u>	<u>23,473</u>	<u>20,246</u>	<u>3,227</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	68,000	48,500	38,068	10,432
Fringe Benefits	25,506	18,598	15,905	2,693
Purchased Services	14,414	26,914	24,054	2,860
Supplies and Materials	7,099	3,988	3,924	64
Total Support Services	<u>115,019</u>	<u>98,000</u>	<u>81,951</u>	<u>16,049</u>
Total Expenditures	<u>160,473</u>	<u>121,473</u>	<u>102,197</u>	<u>19,276</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,096)	(6,945)	(2,241)	4,704
Fund Deficit at Beginning of Year	(1,768)	(1,768)	(1,768)	0
Prior Year Encumbrances	8,864	8,864	8,864	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 151</u>	<u>\$ 4,855</u>	<u>\$ 4,704</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, 2014**

	TITLE I FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - Federal	\$ 504,732	\$ 496,172	\$ 317,904	\$ (178,268)
Total Revenues	<u>504,732</u>	<u>496,172</u>	<u>317,904</u>	<u>(178,268)</u>
Expenditures:				
Instructional Services:				
Regular:				
Supplies and Materials	5,000	5,000	5,000	0
Total Regular	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Special:				
Salaries and Wages	281,788	281,788	234,843	46,945
Fringe Benefits	80,023	80,023	59,716	20,307
Purchased Services	4,000	4,698	4,698	0
Total Special	<u>365,811</u>	<u>366,509</u>	<u>299,257</u>	<u>67,252</u>
Other:				
Purchased Services	5,000	4,302	1,113	3,189
Total Other	<u>5,000</u>	<u>4,302</u>	<u>1,113</u>	<u>3,189</u>
Total Instructional Services	<u>375,811</u>	<u>375,811</u>	<u>305,370</u>	<u>70,441</u>
Support Services:				
Instructional Staff:				
Purchased Services	129,931	121,371	2,993	118,378
Supplies and Materials	3,000	3,000	363	2,637
Total Support Services	<u>132,931</u>	<u>124,371</u>	<u>3,356</u>	<u>121,015</u>
Total Expenditures	<u>508,742</u>	<u>500,182</u>	<u>308,726</u>	<u>191,456</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,010)	(4,010)	9,178	13,188
Fund Balance at Beginning of Year	4,010	4,010	4,010	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,188</u>	<u>\$ 13,188</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, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental - Federal	\$ 9,722	\$ 9,722	\$ 9,722	\$ 0
Total Revenues	9,722	9,722	9,722	0
Expenditures:				
Instructional Services:				
Special:				
Salaries and Wages	9,722	9,722	9,722	0
Total Expenditures	9,722	9,722	9,722	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0	\$ 0

LAKWOOD LOCAL SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2014**

TITLE II-A FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental - Federal	\$ 96,562	\$ 96,411	\$ 96,411	\$ 0
Total Revenues	96,562	96,411	96,411	0
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	96,562	96,411	96,411	0
Total Expenditures	96,562	96,411	96,411	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0	\$ 0

LAKWOOD LOCAL SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2014**

MISCELLANEOUS FEDERAL GRANTS FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Operation of Non-Instructional Services:				
Purchased Services	728	728	728	0
Capital Outlay	7,596	7,596	7,596	0
Total Expenditures	8,324	8,324	8,324	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,324)	(8,324)	(8,324)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	8,324	8,324	8,324	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0	\$ 0

LAKWOOD LOCAL SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Fund
For the Fiscal Year Ended June 30, 2014**

BUILDING FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Support Services:				
Operation and Maintenance of Plant:				
Purchased Services	131,503	131,503	131,503	0
Capital Outlay	263,111	263,111	263,111	0
Total Expenditures	<u>394,614</u>	<u>394,614</u>	<u>394,614</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(394,614)	(394,614)	(394,614)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	394,614	394,614	394,614	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

LAKWOOD LOCAL SCHOOL DISTRICT

Fiduciary Funds

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

Agency Funds

Student Managed Activity Fund

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

Ohio High School Athletic Association (OHSAA) Tournament Fund

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

LAKWOOD LOCAL SCHOOL DISTRICT

***Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2014***

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
<u>Student Managed Activity Fund</u>				
Assets:				
Cash and Cash Equivalents	\$20,763	\$33,979	(\$30,442)	\$24,300
Total Assets	<u>\$20,763</u>	<u>\$33,979</u>	<u>(\$30,442)</u>	<u>\$24,300</u>
Liabilities:				
Due to Students	\$20,763	\$33,979	(\$30,442)	\$24,300
Total Liabilities	<u>\$20,763</u>	<u>\$33,979</u>	<u>(\$30,442)</u>	<u>\$24,300</u>
<u>OHSAA Tournament Fund</u>				
Assets:				
Cash and Cash Equivalents	\$0	\$710	(\$710)	\$0
Total Assets	<u>\$0</u>	<u>\$710</u>	<u>(\$710)</u>	<u>\$0</u>
Liabilities:				
Due to Others	\$0	\$710	(\$710)	\$0
Total Liabilities	<u>\$0</u>	<u>\$710</u>	<u>(\$710)</u>	<u>\$0</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$20,763	\$34,689	(\$31,152)	\$24,300
Total Assets	<u>\$20,763</u>	<u>\$34,689</u>	<u>(\$31,152)</u>	<u>\$24,300</u>
Liabilities:				
Due to Others	\$0	\$710	(\$710)	\$0
Due to Students	20,763	33,979	(30,442)	24,300
Total Liabilities	<u>\$20,763</u>	<u>\$34,689</u>	<u>(\$31,152)</u>	<u>\$24,300</u>

LAKWOOD LOCAL SCHOOL DISTRICT



STATISTICAL SECTION



STATISTICAL TABLES

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

Contents

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

Sources Note:

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

Lakewood Local School District

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

	2005	2006	2007	2008
Governmental Activities:				
Net Investment in Capital Assets	\$3,487,282	\$3,351,649	\$2,965,032	\$2,999,249
Restricted for:				
Capital Projects	3	0	0	0
Debt Service	476,167	545,280	561,041	663,568
Bus Purchase	0	0	0	12,630
Federally Funded Programs	0	0	0	0
Other Purposes	0	0	0	0
Unrestricted	1,834,145	2,724,352	4,505,221	4,560,589
Total Governmental Activities Net Position	<u>\$5,797,597</u>	<u>\$6,621,281</u>	<u>\$8,031,294</u>	<u>\$8,236,036</u>
Business-type Activities:				
Net Investment in Capital Assets	\$114,905	\$100,086	\$90,694	\$78,894
Unrestricted (Deficit)	(19,439)	(8,020)	(69,344)	(40,193)
Total Business-type Activities Net Position	<u>\$95,466</u>	<u>\$92,066</u>	<u>\$21,350</u>	<u>\$38,701</u>
Primary Government:				
Net Investment in Capital Assets	\$3,602,187	\$3,451,735	\$3,055,726	\$3,078,143
Restricted	476,170	545,280	561,041	676,198
Unrestricted	1,814,706	2,716,332	4,435,877	4,520,396
Total Primary Government Net Position	<u>\$5,893,063</u>	<u>\$6,713,347</u>	<u>\$8,052,644</u>	<u>\$8,274,737</u>

Source: District Treasurer's Office

Lakewood Local School District

2009	2010	2011	2012	2013	2014
\$2,920,072	\$3,151,387	\$3,053,537	\$3,080,260	\$3,187,873	\$3,398,481
0	0	0	0	0	0
809,399	1,082,006	1,118,731	1,190,591	953,055	773,138
6,140	0	0	0	0	0
0	0	0	10,385	44,746	20,688
0	0	131,143	30,086	49,289	64,442
4,342,665	3,691,366	4,584,024	5,875,212	7,604,004	10,366,538
<u>\$8,078,276</u>	<u>\$7,924,759</u>	<u>\$8,887,435</u>	<u>\$10,186,534</u>	<u>\$11,838,967</u>	<u>\$14,623,287</u>
\$77,306	\$69,250	\$59,875	\$48,572	\$70,702	\$77,715
212	62,199	87,441	186,858	149,929	102,969
<u>\$77,518</u>	<u>\$131,449</u>	<u>\$147,316</u>	<u>\$235,430</u>	<u>\$220,631</u>	<u>\$180,684</u>
\$2,997,378	\$3,220,637	\$3,113,412	\$3,128,832	\$3,258,575	\$3,476,196
815,539	1,082,006	1,249,874	1,231,062	1,047,090	858,268
4,342,877	3,753,565	4,671,465	6,062,070	7,753,933	10,469,507
<u>\$8,155,794</u>	<u>\$8,056,208</u>	<u>\$9,034,751</u>	<u>\$10,421,964</u>	<u>\$12,059,598</u>	<u>\$14,803,971</u>

Lakewood Local School District

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

	2005	2006	2007	2008
Expenses				
Governmental Activities:				
Instruction	\$11,243,238	\$11,550,480	\$11,924,997	\$12,302,597
Support Services:				
Pupils	1,138,402	1,101,372	1,203,075	1,328,800
Instructional Staff	410,227	515,859	437,342	479,753
Board of Education	64,994	35,171	55,443	52,022
Administration	1,465,620	1,576,704	1,550,432	1,609,024
Fiscal Services	540,356	551,205	618,603	639,771
Business	17,511	15,040	14,176	15,857
Operation and Maintenance of Plant	1,442,262	1,491,143	1,640,741	1,672,993
Pupil Transportation	1,257,226	1,347,349	1,446,278	1,530,009
Central	174,827	192,719	189,380	231,234
Operation of Non-Instructional Services	81,381	41,860	56,084	67,844
Extracurricular Activities	512,166	550,597	616,900	490,323
Interest and Fiscal Charges	790,327	572,388	711,383	669,526
<i>Total Governmental Activities Expenses</i>	<u>19,138,537</u>	<u>19,541,887</u>	<u>20,464,834</u>	<u>21,089,753</u>
Business-type Activities:				
Food Service	817,695	807,895	892,610	906,182
Uniform School Supplies	3,230	7,801	2,284	0
<i>Total Business-type Activities Expenses</i>	<u>820,925</u>	<u>815,696</u>	<u>894,894</u>	<u>906,182</u>
<i>Total Primary Government Expenses</i>	<u>\$19,959,462</u>	<u>\$20,357,583</u>	<u>\$21,359,728</u>	<u>\$21,995,935</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Instruction	\$386,042	\$374,347	\$422,548	\$481,461
Support Services:				
Administration	0	0	0	0
Operation of Non-Instructional Services	7,708	3,130	7,247	90,634
Extracurricular Activities	214,698	224,277	221,389	166,301
Operating Grants and Contributions	1,070,194	1,130,065	1,104,624	1,095,397
Capital Grants and Contributions	17,745	0	0	13,366
<i>Total Governmental Activities</i>	<u>1,696,387</u>	<u>1,731,819</u>	<u>1,755,808</u>	<u>1,847,159</u>
<i>Program Revenues</i>	<u>1,696,387</u>	<u>1,731,819</u>	<u>1,755,808</u>	<u>1,847,159</u>

Lakewood Local School District

2009	2010	2011	2012	2013	2014
\$12,633,476	\$13,547,787	\$13,150,165	\$12,333,823	\$12,351,032	\$12,499,288
1,336,465	1,312,081	1,224,974	1,339,037	1,406,457	1,424,694
410,672	386,414	281,544	257,656	357,042	355,036
50,581	81,589	54,198	70,084	89,155	94,778
1,698,850	1,816,833	1,889,652	1,880,781	1,933,761	1,821,632
629,272	590,518	600,845	617,723	680,434	692,254
17,638	19,125	19,723	20,952	22,403	22,110
1,543,379	1,551,761	1,551,640	1,585,727	1,718,852	1,690,189
1,491,670	1,589,527	1,543,782	1,530,781	1,592,255	1,645,923
325,541	314,949	281,113	284,079	90,763	104,488
52,678	61,088	45,099	59,427	73,594	215,078
521,158	521,163	537,562	526,540	483,728	512,262
616,719	593,824	575,861	550,947	653,040	535,225
<u>21,328,099</u>	<u>22,386,659</u>	<u>21,756,158</u>	<u>21,057,557</u>	<u>21,452,516</u>	<u>21,612,957</u>
911,914	916,439	953,088	898,959	930,083	980,354
0	0	0	0	0	0
<u>911,914</u>	<u>916,439</u>	<u>953,088</u>	<u>898,959</u>	<u>930,083</u>	<u>980,354</u>
<u>\$22,240,013</u>	<u>\$23,303,098</u>	<u>\$22,709,246</u>	<u>\$21,956,516</u>	<u>\$22,382,599</u>	<u>\$22,593,311</u>
\$427,350	\$379,277	\$400,842	\$504,070	\$479,394	\$714,405
0	0	74,513	125,625	92,292	127,884
122,210	0	0	0	0	153,529
170,671	133,349	139,843	141,550	138,859	139,560
933,186	1,779,854	1,596,451	911,323	899,632	1,257,477
0	0	51,000	0	0	0
<u>1,653,417</u>	<u>2,292,480</u>	<u>2,262,649</u>	<u>1,682,568</u>	<u>1,610,177</u>	<u>2,392,855</u>

(continued)

Lakewood Local School District

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

	2005	2006	2007	2008
Business-type Activities:				
Charges for Services				
Food Service	417,400	407,322	408,877	369,761
Uniform School Supplies (1)	1,078	1,247	554	0
Operating Grants and Contributions	328,272	372,586	414,747	552,380
Capital Grants and Contributions	19,317	1,141	0	1,392
<i>Total Business-type Activities Program Revenues</i>	<u>766,067</u>	<u>782,296</u>	<u>824,178</u>	<u>923,533</u>
<i>Total Primary Government Program Revenues</i>	<u>2,462,454</u>	<u>2,514,115</u>	<u>2,579,986</u>	<u>2,770,692</u>
Net (Expense)/Revenue				
Governmental Activities	(17,442,150)	(17,810,068)	(18,709,026)	(19,242,594)
Business-type Activities	(54,858)	(33,400)	(70,716)	17,351
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$17,497,008)</u>	<u>(\$17,843,468)</u>	<u>(\$18,779,742)</u>	<u>(\$19,225,243)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$10,181,474	\$11,133,684	\$11,475,144	\$10,207,940
Debt Service	1,088,255	1,006,786	1,019,211	1,040,662
Grants and Entitlements not				
Restricted to Specific Programs	5,866,148	6,050,575	6,992,396	7,692,375
Investment Earnings	113,061	230,977	390,834	336,879
Miscellaneous	222,443	241,730	241,454	169,480
Transfers	0	(30,000)	0	0
<i>Total Governmental Activities</i>	<u>17,471,381</u>	<u>18,633,752</u>	<u>20,119,039</u>	<u>19,447,336</u>
Business-type Activities:				
Transfers	0	30,000	0	0
<i>Total Business-type Activities</i>	<u>0</u>	<u>30,000</u>	<u>0</u>	<u>0</u>
<i>Total Primary Government</i>	<u>\$17,471,381</u>	<u>\$18,663,752</u>	<u>\$20,119,039</u>	<u>\$19,447,336</u>
Change in Net Position				
Governmental Activities	\$29,231	\$823,684	\$1,410,013	\$204,742
Business-type Activities	(54,858)	(3,400)	(70,716)	17,351
<i>Total Primary Government Change in Net Position</i>	<u>(\$25,627)</u>	<u>\$820,284</u>	<u>\$1,339,297</u>	<u>\$222,093</u>

Source: District Treasurer's Office

(1) Uniform School Supplies were eliminated in 2008.

Lakewood Local School District

2009	2010	2011	2012	2013	2014
345,558	327,032	305,258	299,813	283,204	264,932
0	0	0	0	0	0
605,173	643,338	663,697	687,260	615,150	675,475
0	0	0	0	16,930	0
950,731	970,370	968,955	987,073	915,284	940,407
2,604,148	3,262,850	3,231,604	2,669,641	2,525,461	3,333,262
(19,674,682)	(20,094,179)	(19,493,509)	(19,374,989)	(19,842,339)	(19,220,102)
38,817	53,931	15,867	88,114	(14,799)	(39,947)
<u>(\$19,635,865)</u>	<u>(\$20,040,248)</u>	<u>(\$19,477,642)</u>	<u>(\$19,286,875)</u>	<u>(\$19,857,138)</u>	<u>(\$19,260,049)</u>
\$9,649,606	\$9,844,340	\$10,519,556	\$10,951,598	\$12,319,747	\$12,443,682
1,110,071	1,217,236	978,147	1,000,239	749,321	840,483
8,487,771	8,710,003	8,861,970	8,611,887	8,272,161	8,521,195
161,685	78,975	31,769	31,405	24,272	49,826
107,789	90,108	64,743	78,959	129,271	149,236
0	0	0	0	0	0
19,516,922	19,940,662	20,456,185	20,674,088	21,494,772	22,004,422
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$19,516,922</u>	<u>\$19,940,662</u>	<u>\$20,456,185</u>	<u>\$20,674,088</u>	<u>\$21,494,772</u>	<u>\$22,004,422</u>
(\$157,760)	(\$153,517)	\$962,676	\$1,299,099	\$1,652,433	\$2,784,320
38,817	53,931	15,867	88,114	(14,799)	(39,947)
<u>(\$118,943)</u>	<u>(\$99,586)</u>	<u>\$978,543</u>	<u>\$1,387,213</u>	<u>\$1,637,634</u>	<u>\$2,744,373</u>

Lakewood Local School District

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

	2005	2006	2007	2008	2009
General Fund					
Nonspendable	\$0	\$0	\$0	\$0	\$0
Restricted	0	0	0	0	0
Committed	0	0	0	0	0
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Reserved	1,097,483	721,492	834,999	747,675	946,834
Unreserved	<u>1,675,053</u>	<u>3,080,139</u>	<u>4,209,277</u>	<u>4,172,532</u>	<u>4,031,381</u>
<i>Total General Fund</i>	<u>2,772,536</u>	<u>3,801,631</u>	<u>5,044,276</u>	<u>4,920,207</u>	<u>4,978,215</u>
All Other Governmental Funds					
Nonspendable	0	0	0	0	0
Restricted	0	0	0	0	0
Committed	0	0	0	0	0
Reserved	511,545	50,015	695,054	71,966	60,261
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	184,250	168,403	107,132	125,472	130,907
Debt Service Funds	0	529,315	0	616,915	747,349
Capital Projects Funds	<u>3</u>	<u>0</u>	<u>0</u>	<u>47</u>	<u>0</u>
<i>Total All Other Governmental Funds</i>	<u>695,798</u>	<u>747,733</u>	<u>802,186</u>	<u>814,400</u>	<u>938,517</u>
<i>Total Governmental Funds</i>	<u><u>\$3,468,334</u></u>	<u><u>\$4,549,364</u></u>	<u><u>\$5,846,462</u></u>	<u><u>\$5,734,607</u></u>	<u><u>\$5,916,732</u></u>

Source: District Treasurer's Office

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

Lakewood Local School District

2010	2011	2012	2013	2014
\$0	\$261,229	\$229,239	\$250,644	\$256,521
0	14,083	12,283	6,888	7,215
0	204,164	204,164	204,164	204,164
0	198,049	105,140	329,917	191,468
0	3,839,276	5,473,304	6,951,255	10,001,876
1,583,171	0	0	0	0
2,615,971	0	0	0	0
<u>4,199,142</u>	<u>4,516,801</u>	<u>6,024,130</u>	<u>7,742,868</u>	<u>10,661,244</u>
0	6,032	1,144	3,187	11,908
0	1,112,862	1,195,082	1,340,481	847,031
0	39,994	24,412	0	0
172,840	0	0	0	0
119,416	0	0	0	0
897,885	0	0	0	0
0	0	0	0	0
<u>1,190,141</u>	<u>1,158,888</u>	<u>1,220,638</u>	<u>1,343,668</u>	<u>858,939</u>
<u>\$5,389,283</u>	<u>\$5,675,689</u>	<u>\$7,244,768</u>	<u>\$9,086,536</u>	<u>\$11,520,183</u>

Lakewood Local School District

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

	2005	2006	2007	2008
Revenues:				
Local Sources:				
Taxes	\$11,852,220	\$12,183,511	\$12,210,024	\$11,251,513
Tuition	342,930	303,508	347,816	402,852
Investment Earnings	142,437	224,462	397,615	333,443
Extracurricular Activities	214,698	224,277	221,389	166,301
Class Materials and Fees	33,780	55,809	56,886	60,959
Intermediate Sources	1,500	23,556	6,025	6,090
Intergovernmental - State	5,999,896	6,206,567	7,168,131	7,830,061
Intergovernmental - Federal	904,888	914,215	897,102	940,318
All Other Revenue	284,330	283,994	290,331	308,750
Total Revenue	<u>19,776,679</u>	<u>20,419,899</u>	<u>21,595,319</u>	<u>21,300,287</u>
Expenditures:				
Current:				
Instruction	10,723,064	11,096,012	11,485,943	11,939,626
Supporting Services:				
Pupils	1,117,832	1,099,402	1,226,925	1,325,390
Instructional Staff	405,142	489,263	406,706	449,601
Board of Education	65,222	35,171	55,443	52,022
Administration	1,435,743	1,479,957	1,478,088	1,608,052
Fiscal Services	551,450	559,667	635,286	655,847
Business	19,133	15,040	14,176	15,857
Operation and Maintenance of Plant	1,454,833	1,484,790	2,295,967	1,989,400
Pupil Transportation	1,335,151	1,327,560	1,572,993	1,583,046
Central	182,197	192,719	189,380	230,891
Operation of Non-Instructional Services	39,386	13,720	13,061	25,112
Extracurricular Activities	384,765	436,640	489,006	371,969
Debt Service:				
Principal Retirement	629,299	730,604	664,459	726,254
Interest and Fiscal Charges	710,249	605,224	578,255	584,020
Total Expenditures	<u>19,053,466</u>	<u>19,565,769</u>	<u>21,105,688</u>	<u>21,557,087</u>
Excess (Deficiency) of Revenues Over Expenditures	723,213	854,130	489,631	(256,800)

Lakewood Local School District

2009	2010	2011	2012	2013	2014
\$10,904,861	\$10,945,760	\$10,884,473	\$12,245,105	\$13,248,007	\$13,436,540
352,668	310,898	337,206	438,497	408,398	650,229
161,884	77,963	36,866	31,452	22,055	52,248
170,671	133,349	139,843	141,550	138,859	139,560
54,727	51,497	46,764	42,551	49,154	50,416
0	9,156	2,963	10,611	11,426	11,596
8,552,098	8,694,393	8,830,092	8,578,408	8,251,872	8,814,106
864,923	1,693,267	1,531,114	995,061	869,840	978,300
260,916	200,031	172,373	244,743	252,566	448,573
<u>21,322,748</u>	<u>22,116,314</u>	<u>21,981,694</u>	<u>22,727,978</u>	<u>23,252,177</u>	<u>24,581,568</u>
12,064,984	13,254,304	12,814,543	11,877,724	12,313,518	12,092,287
1,311,184	1,308,054	1,245,592	1,342,818	1,412,351	1,471,483
364,416	375,185	314,412	249,370	328,525	324,617
50,581	81,589	54,198	70,084	89,155	94,778
1,652,690	1,730,479	1,828,106	1,889,853	1,886,388	1,816,665
631,868	589,442	600,730	620,617	681,351	692,505
17,638	19,125	19,723	20,952	22,403	22,110
1,594,021	1,567,970	1,534,442	1,587,658	2,408,006	2,030,914
1,470,345	1,782,897	1,419,379	1,593,860	1,618,106	1,696,832
323,475	314,738	292,924	285,917	94,657	104,334
11,119	16,361	5,051	24,668	33,553	170,451
406,712	382,776	399,254	404,400	348,584	377,215
689,350	710,783	736,789	745,851	786,671	828,344
554,214	523,093	495,886	460,527	444,476	426,804
<u>21,142,597</u>	<u>22,656,796</u>	<u>21,761,029</u>	<u>21,174,299</u>	<u>22,467,744</u>	<u>22,149,339</u>
180,151	(540,482)	220,665	1,553,679	784,433	2,432,229

(Continued)

Lakewood Local School District

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

	2005	2006	2007	2008
Other Financing Sources (Uses):				
Sale of Capital Assets	2,956	0	833	44,279
School Energy Conservation Bonds Issued	0	0	802,984	0
Refunding General Obligation Bonds Issued	0	9,999,991	0	0
Premium on Refunding General Obligation Bonds	0	667,467	0	0
Other Financing Sources - Capital Leases	0	116,162	0	105,762
Payment to Refunded Bonds Escrow Agent	0	(10,517,195)	0	0
Transfers In	0	0	8,027	0
Transfers Out	0	(30,000)	(8,027)	0
Total Other Financing Sources (Uses)	<u>2,956</u>	<u>236,425</u>	<u>803,817</u>	<u>150,041</u>
Net Change in Fund Balance	<u>\$726,169</u>	<u>\$1,090,555</u>	<u>\$1,293,448</u>	<u>(\$106,759)</u>
 Debt Service as a Percentage of Noncapital Expenditures	 7.12%	 6.94%	 6.18%	 6.33%

Source: District Treasurer's Office

Lakewood Local School District

2009	2010	2011	2012	2013	2014
9,472	3,112	19,614	23,393	6,039	2,392
0	0	0	0	917,707	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	58,218	0	115,438	0
0	0	0	0	0	0
0	0	0	20,000	0	0
0	0	0	(20,000)	0	0
<u>9,472</u>	<u>3,112</u>	<u>77,832</u>	<u>23,393</u>	<u>1,039,184</u>	<u>2,392</u>
<u>\$189,623</u>	<u>(\$537,370)</u>	<u>\$298,497</u>	<u>\$1,577,072</u>	<u>\$1,823,617</u>	<u>\$2,434,621</u>

5.96%	5.59%	5.72%	5.79%	5.79%	5.85%
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Lakewood Local School District

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

Tax year	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
		*		
Real Property				
Assessed	\$284,580,780	\$325,385,530	\$331,604,510	\$339,533,800
Actual	813,087,943	929,672,943	947,441,457	970,096,571
Public Utility				
Assessed	15,215,760	15,701,530	15,792,870	13,838,480
Actual	15,215,760	15,701,530	15,792,870	13,838,480
Tangible Personal Property				
Assessed	69,156,940	77,470,570	51,175,750	46,169,358
Actual	276,627,760	309,882,280	272,937,333	369,354,864
Total				
Assessed	368,953,480	418,557,630	398,573,130	399,541,638
Actual	1,104,931,463	1,255,256,753	1,236,171,660	1,353,289,915
Assessed Value as a Percentage of Actual Value	33.39%	33.34%	32.24%	29.52%
Total Direct Tax Rate	\$45.92	\$44.98	\$44.98	\$45.80

Source: Licking County Auditor

* Reappraisal

** Update

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

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

Lakewood Local School District

2008	2009	2010	2011	2012	2013
**			*		
\$345,573,200	\$355,041,030	\$358,258,840	\$372,060,130	\$378,886,250	\$388,406,130
987,352,000	1,014,402,943	1,023,596,686	1,063,028,943	1,082,532,143	1,109,731,800
14,132,430	14,316,970	15,135,460	16,483,410	16,994,710	21,658,260
14,132,430	14,316,970	15,135,460	16,483,410	16,994,710	21,658,260
21,195,490	1,012,140	0	0	0	0
339,127,840	10,121,400	0	0	0	0
380,901,120	370,370,140	373,394,300	388,543,540	395,880,960	410,064,390
1,340,612,270	1,038,841,313	1,038,732,146	1,079,512,353	1,099,526,853	1,131,390,060
28.41%	35.65%	35.95%	35.99%	36.00%	36.24%
\$47.38	\$47.82	\$57.23	\$56.92	\$54.33	\$54.51

Lakewood Local School District

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

Tax year	2004	2005	2006	2007
Direct District Rates				
General Fund	43.72	42.75	42.75	43.50
Bond Retirement Fund	2.20	2.23	2.23	2.30
Total	45.92	44.98	44.98	45.80
Overlapping Rates				
Licking County Joint Vocational School	3.00	3.00	3.00	3.00
Licking County	7.20	7.20	7.40	7.40
Special Taxing Districts				
City				
Heath	4.40 - 5.40	4.40 - 5.40	4.40 - 5.40	4.40 - 5.40
Villages				
Buckeye Lake	11.20	11.20	11.20	11.20
Hebron	13.20 - 13.30	13.20 - 13.30	13.20 - 13.30	13.20 - 13.30
Townships				
Bowling Green	5.80	5.80	5.80	5.80
Franklin	7.20	7.20	7.20	7.20
Licking	2.70 - 4.90	2.70 - 4.90	2.70 - 4.90	2.70 - 4.90
Union	0.80 - 6.20	0.80 - 6.20	0.80 - 6.20	0.80 - 6.20

Source:

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

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

Lakewood Local School District

2008	2009	2010	2011	2012	2013
44.60	45.10	54.56	54.42	53.33	52.89
2.78	2.72	2.67	2.50	1.00	1.62
<u>47.38</u>	<u>47.82</u>	<u>57.23</u>	<u>56.92</u>	<u>54.33</u>	<u>54.51</u>
2.50	2.50	2.52	2.54	2.48	2.56
7.10	7.40	7.70	7.70	7.70	7.70
4.40 - 5.40	4.40-5.40	4.40-5.40	4.40-5.40	4.40-5.40	4.40 - 5.40
10.20 - 10.4	11.20-11.40	11.20-11.40	11.20-11.40	11.20-11.40	11.20 - 11.40
13.20 - 13.30	13.20-13.30	13.20-13.30	13.20-13.30	13.20-13.30	13.20 - 13.30
5.80	5.80	5.80	5.80	5.80	5.80
7.20	7.20	7.20	7.20	7.20	7.20
2.70 - 4.90	2.70-4.90	2.70-4.90	2.70-4.90	2.70-4.90	2.70- 4.90
0.80 - 6.20	0.80-6.20	0.80-6.20	0.80-6.20	0.80-6.20	2.30 - 7.70

Lakewood Local School District

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

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

Name of Taxpayer	Nature of Business	Calendar Year 2004		
		Assessed Value	Rank	Percent of Total Assessed Value
GE Quartz Inc.	Electronic	\$2,243,960	1	0.79%
Diebold	ATM Machines	1,844,650	2	0.65%
Black, Monte R & Susan K	Industrial Cleaning	1,833,060	3	0.64%
Bayer Corporation	Manufacturing	1,671,950	4	0.59%
TI Group Automotive Supply Corp.	Automotive Tanks & Lines	1,581,480	5	0.56%
Donelly RR & Sons Co.	Printing	1,578,510	6	0.55%
G & C Diversified	Unknown	1,537,520	7	0.54%
Hebron Business Park	Developer	1,525,270	8	0.54%
Radco Inc.	Unknown	1,093,970	9	0.38%
Morrow Macke Realty	Realty company	1,085,670	10	0.38%
Subtotal		15,996,040		5.62%
All Others		268,584,740		94.38%
Total		<u>\$284,580,780</u>		<u>100.00%</u>

Source: Licking County Auditor - Land and Buildings
Based on valuation of property in 2013 and 2004

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

Lakewood Local School District

*Principal Taxpayers
Public Utilities Property Tax
Current Year and Nine Years Ago*

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

Name of Taxpayer	Nature of Business	Calendar Year 2004		
		Assessed Value	Rank	Percent of Total Assessed Value
Ohio Power	Electricity	\$4,201,800	1	27.61%
Columbia Gas Transmission	Propane	1,521,160	2	10.00%
Alltel	Telephone	1,484,400	3	9.76%
United Telephone	Telephone	1,275,310	4	8.38%
Dominion Transmission Inc.	Pipelines	1,120,140	5	7.36%
Licking Rural Electric	Electricity	947,170	6	6.22%
National Gas & Oil Co.	Propane	892,180	7	5.86%
Columbus Southern Power	Electricity	518,900	8	3.41%
Ohio Bell	Telephone	364,750	9	2.40%
Dayton Power & Light	Electricity	168,970	10	1.11%
Subtotal		12,494,780		82.11%
All Others		2,720,980		17.89%
Total		<u>\$15,215,760</u>		<u>100.00%</u>

Source: Licking County Auditor - Land and Buildings
Based on valuation of property in 2013 and 2004

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

Lakewood Local School District

Property Tax Levies and Collections Last Ten Years

Collection Year	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Total Tax Levy	\$13,765,566	\$13,839,306	\$14,075,322	\$13,358,051
Collections within the Fiscal Year of the Levy				
Current Tax Collections	12,138,331	12,598,333	12,341,116	11,258,713
Percent of Levy Collected	88.18%	91.03%	87.68%	84.28%
Delinquent Tax Collections	<u>644,850</u>	<u>407,672</u>	<u>737,187</u>	<u>932,863</u>
Total Tax Collections	12,783,181	13,006,005	13,078,303	12,191,576
Percent of Total Tax Collections To Tax Levy	92.86%	93.98%	92.92%	91.27%
Accumulated Outstanding Delinquent Taxes	982,385	833,301	997,019	1,166,474
Percentage of Accumulated Delinquent Taxes to Total Tax Levy	7.14%	6.02%	7.08%	8.73%

Source: Licking County Auditor's Office

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

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

Lakewood Local School District

2008	2009	2010	2011	2012	2013
\$12,403,103	\$12,186,409	\$11,064,135	\$15,953,404	\$15,201,319	\$14,481,893
10,823,468	10,691,070	10,486,676	14,852,218	14,457,628	13,869,943
87.26%	87.73%	94.78%	93.10%	95.11%	95.77%
614,811	536,494	422,123	422,124	623,368	589,795
11,438,279	11,227,564	10,908,799	15,274,342	15,080,996	14,459,738
92.22%	92.13%	98.60%	95.74%	99.21%	99.85%
964,824	958,846	1,340,352	679,062	945,992	933,285
7.78%	7.87%	12.11%	4.26%	6.22%	6.44%

Lakewood Local School District

Ratio of Outstanding Debt By Type Last Ten Years

	2005	2006	2007	2008
Governmental Activities ⁽¹⁾				
Energy Conservation Bonds Payable	\$581,320	\$508,655	\$1,207,539	\$1,069,628
EPA Loan Payable	11,272	3,758	0	0
General Obligation Bonds Payable	13,803,616	13,525,751	13,156,289	12,736,531
Capital Leases	188,181	203,918	142,317	159,736
Total Primary Government	<u>\$14,584,389</u>	<u>\$14,242,082</u>	<u>\$14,506,145</u>	<u>\$13,965,895</u>
Population ⁽²⁾				
Village of Buckeye Lake and Village of Hebron	5,169	5,083	5,202	5,192
Outstanding Debt Per Capita	2,822	2,802	2,789	2,690
Income ⁽³⁾				
Personal (in thousands)	153,442	155,077	167,302	176,123
Percentage of Personal Income	9.50%	9.18%	8.67%	7.93%

* Restated for Deferred Charge on Refunding

Sources:

- (1) District Treasurer's Office
- (2) US Bureau of Census of Population - latest update is calendar year 2010 which is used for the following fiscal year calculation.
- (3) US Department of Commerce, Bureau of Economic Analysis
 - (a) Per Capita Income is only available by County. Total Personal Income is a calculation based on previous calendar year.

Lakewood Local School District

2009	2010	2011	2012	2013	2014
			*		
\$928,414	\$783,729	\$635,398	\$483,237	\$1,244,758	\$1,065,238
0	0	0	0	0	0
12,290,427	11,837,649	11,369,250	11,240,539	10,724,872	10,197,601
116,600	70,502	85,262	51,572	126,525	92,701
<u>\$13,335,441</u>	<u>\$12,691,880</u>	<u>\$12,089,910</u>	<u>\$11,775,348</u>	<u>\$12,096,155</u>	<u>\$11,355,540</u>
5,195	5,237	5,082	5,082	5,082	5,082
2,567	2,424	2,379	2,317	2,380	2,234
179,648	179,357	176,721	190,529	202,518	202,518
7.42%	7.08%	6.84%	6.18%	5.97%	5.61%

Lakewood Local School District

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2005	2006	2007	2008
Population (1)	5,169	5,083	5,202	5,192
Assessed Value (2)	368,953,480	418,557,630	398,573,130	399,541,638
General Bonded Debt (3)				
General Obligation Bonds	13,803,616	13,525,751	13,156,289	12,736,531
Resources Available to Pay Principal (4)	278,152	401,241	458,592	509,837
Net General Bonded Debt	13,525,464	13,124,510	12,697,697	12,226,694
Ratio of Net Bonded Debt to Estimated Actual Value	3.67%	3.14%	3.19%	3.06%
Net Bonded Debt per Capita	2,616.65	2,582.04	2,440.93	2,354.91

* Restated for Deferred Charge on Refunding

Source:

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

Lakewood Local School District

2009	2010	2011	2012	2013	2014
			*		
5,195	5,237	5,082	5,082	5,082	5,082
380,901,120	370,370,140	373,394,300	388,543,540	395,880,960	410,064,390
12,290,427	11,837,649	11,369,250	11,240,539	10,724,872	10,197,601
588,779	811,856	928,414	1,041,410	847,327	533,493
11,701,648	11,025,793	10,440,836	10,199,129	9,877,545	9,664,108
3.07%	3.0%	2.8%	2.6%	2.5%	2.4%
2,252.48	2,105.36	2,054.47	2,006.91	1,943.63	1,901.63



Lakewood Local School District

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2014*

Jurisdiction	Gross Debt Outstanding	Percentage Applicable to Lakewood Local School District (1)	Amount Applicable to Lakewood Local School District
Direct:			
Lakewood Local School District	\$11,355,540	100.00%	\$11,355,540
Overlapping:			
Licking County	4,480,000	10.78%	482,944
Heath City	7,080,000	7.11%	503,388
Village of Hebron	2,065,000	100.00%	2,065,000
Licking County Career Center -JVS	21,924,991	10.44%	2,288,969
		Subtotal	<u>5,340,301</u>
		Total	<u><u>\$16,695,841</u></u>

Source: Ohio Municipal Advisory Council, June 2014

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

Lakewood Local School District

*Debt Limitations
Last Ten Years*

Collection Year	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Net Assessed Valuation	\$368,953,480	\$418,557,630	\$398,573,130	\$399,541,638
Legal Debt Limitation (%) (1)	9.00%	9.00%	9.00%	9.00%
Legal Debt Limitation (\$) (1)	33,205,813	37,670,187	35,871,582	35,958,747
Applicable District Debt Outstanding	13,803,616	13,525,751	13,156,289	12,736,531
Less: Applicable Debt Service Fund Amounts (2)	<u>(278,152)</u>	<u>(401,241)</u>	<u>(458,592)</u>	<u>(509,837)</u>
Net Indebtedness Subject to Limitation	<u>13,525,464</u>	<u>13,124,510</u>	<u>12,697,697</u>	<u>12,226,694</u>
Overall Legal Debt Margin	<u>\$19,680,349</u>	<u>\$24,545,677</u>	<u>\$23,173,885</u>	<u>\$23,732,053</u>
Legal Debt Limitation (%) (1)	0.10%	0.10%	0.10%	0.10%
Legal Debt Limitation (\$) (1)	368,953	418,558	398,573	399,542
Applicable District Debt Outstanding	0	0	0	0
Unvoted Legal Debt Margin	<u>\$368,953</u>	<u>\$418,558</u>	<u>\$398,573</u>	<u>\$399,542</u>
Legal Debt Limitation (%) (1)	0.90%	0.90%	0.90%	0.90%
Legal Debt Limitation (\$) (1)	3,320,581	3,767,019	3,587,158	3,595,875
Applicable District Debt Outstanding	<u>(581,320)</u>	<u>(508,655)</u>	<u>(1,207,539)</u>	<u>(1,069,628)</u>
Unvoted Energy Conservation Loans Legal Debt Margin	<u>\$2,739,261</u>	<u>\$3,258,364</u>	<u>\$2,379,619</u>	<u>\$2,526,247</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

2009	2010	2011	2012	2013	2014
\$380,901,120	\$370,370,140	\$373,394,300	\$388,543,540	\$395,880,960	\$410,064,390
9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
34,281,101	33,333,313	33,605,487	34,968,919	35,629,286	36,905,795
12,290,427	11,837,649	11,369,250	11,240,539	10,724,872	10,197,601
(588,779)	(811,856)	(928,414)	(1,041,410)	(847,327)	(533,493)
11,701,648	11,025,793	10,440,836	10,199,129	9,877,545	9,664,108
<u>\$22,579,453</u>	<u>\$22,307,520</u>	<u>\$23,164,651</u>	<u>\$24,769,790</u>	<u>\$25,751,741</u>	<u>\$27,241,687</u>
0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
380,901	370,370	373,394	388,544	395,881	410,064
0	0	0	0	0	0
<u>\$380,901</u>	<u>\$370,370</u>	<u>\$373,394</u>	<u>\$388,544</u>	<u>\$395,881</u>	<u>\$410,064</u>
0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
3,428,110	3,333,331	3,360,549	3,496,892	3,562,929	3,690,580
(928,414)	(783,729)	(635,398)	(483,237)	(1,244,758)	(1,065,238)
<u>\$2,499,696</u>	<u>\$2,549,602</u>	<u>\$2,725,151</u>	<u>\$3,013,655</u>	<u>\$2,318,171</u>	<u>\$2,625,342</u>

Lakewood Local School District

Demographic and Economic Statistics Last Ten Years

Calendar Year*	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Population (1)				
Village of Buckeye Lake and Village of Hebron	5,169	5,083	5,202	5,192
Licking County	152,866	154,806	156,287	156,985
Income (2) (a)				
Total Personal (in thousands)	153,442	155,077	167,302	176,123
Per Capita	29,685	30,509	32,161	33,922
Unemployment Rate (3)				
Federal	5.5%	5.0%	4.6%	4.6%
State	6.0%	5.9%	5.5%	5.6%
Licking County	5.9%	5.8%	5.1%	5.2%
	Fiscal Year			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
School Enrollment (4)				
Grades K - 5	1,021	995	1,018	966
Grades 6 - 8	518	525	525	515
Grades 9 - 12	713	692	687	672
Non-Grade	18	5	4	29
Total	<u>2,270</u>	<u>2,217</u>	<u>2,234</u>	<u>2,182</u>

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

(1) US Bureau of Census of Population - latest update is calendar year 2010.

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

(a) Per Capita Income is only available by County (2013 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

2008	2009	2010	2011	2012	2013
5,195	5,237	5,082	5,082	5,082	5,082
157,721	158,488	166,492	167,248	167,537	168,375
179,648	179,357	176,721	190,529	202,518	202,518
34,581	34,248	34,774	37,491	39,850	39,850
5.8%	9.3%	9.6%	8.9%	8.1%	7.4%
6.6%	10.2%	10.1%	8.6%	7.2%	7.4%
6.1%	9.3%	9.5%	8.0%	6.5%	6.9%
2009	2010	2011	2012	2013	2014
937	912	851	864	839	816
495	504	507	484	500	445
702	707	670	671	643	658
29	30	57	44	51	51
<u>2,163</u>	<u>2,153</u>	<u>2,085</u>	<u>2,063</u>	<u>2,033</u>	<u>1,970</u>



Lakewood Local School District

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2014	
		Number of Employees	Rank
THK Manufacturing of America	Linier Motion Devices	450	1
Heritage Sportswear Inc.	Clothing Dept	264	3
Kroger	Grocery	205	2
Bayer Corporation	Manufacturing	152	4
Harry & David Operations	Distributor	120	5
Hendrickson International	Axels	111	6
Renosol Corp	Foam Auto Seats	106	7
Sunfield	Steel Stamping	93	8
State Industrial	Chemicals	78	9
AGC	Fabricator	75	10
Total		<u>1,654</u>	
Total Employment within the District		<u>N/A</u>	

Employer	Nature of Business	2005	
		Number of Employees	Rank
THK	Linier Motion Devices	298	1
Bear Creek	Distributor	255	2
Ecolab Inc.	Cleaning Supplies	138	3
AFG Fabrication	Fabricator	137	4
SunField	Steel Stamping	103	5
Heritage Sportswear	Clothing Dept	93	6
The Boler Co.	Truck Axles	85	7
Allied Tube	Razor Wire/Fencing	86	8
Ohio Metal Tech	Auto parts	74	9
Renosol	Foam Auto Seats	57	10
Total		<u>1,326</u>	
Total Employment within the District		<u>N/A</u>	

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

Lakewood Local School District

School District Employees by Type Last Ten Years

	2005	2006	2007	2008	2009
Supervisory					
Instructional Administrators	3	3	4	3	4
Noninstructional Administrators	3	3	3	3	4
Principals	5	5	5	5	5
Assistant Principals	3	3	2	2	2
Instruction					
Classroom Teachers					
Elementary	69	67	67	68	64
Middle	45	44	44	43	41
High	47	49	49	51	50
Student Services					
Guidance Counselors	4	4	4	4	4
Social Workers	1	1	2	2	2
Psychologists	1	1	1	1	1
Librarians	4	4	4	4	4
Other Professional Non-Instructional	0	0	1	2	2
Support Services					
Clerical/Secretaries	15	15	14	14	16
Aides/Safety Monitors	10	16	15	17	16
Food Service	21	19	20	17	16
Maintenance/Grounds	23	23	22	19	19
Transportation	34	34	30	31	31
<i>Total Employees</i>	<u>288</u>	<u>291</u>	<u>287</u>	<u>286</u>	<u>281</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

2010	2011	2012	2013	2014
3	3	3	3	3
5	5	5	5	5
4	4	4	4	4
3	3	3	3	3
63	63	58	55	55
37	40	43	42	41
50	47	45	43	44
4	4	4	4	4
2	2	1	1	1
1	2	2	2	2
4	4	1	1	1
2	2	5	5	4
16	16	15	15	14
18	17	17	16	17
15	15	16	16	17
17	17	16	18	18
33	24	22	28	27
<u>277</u>	<u>268</u>	<u>260</u>	<u>261</u>	<u>260</u>

Lakewood Local School District

Operating Indicators - Cost per Pupil Last Ten Years

Fiscal Year	2005	2006	2007	2008	2009
Enrollment (October Count)	2,270	2,217	2,234	2,182	2,163
Modified Accrual Basis					
Operating Expenditures	19,035,724	19,565,769	21,105,688	21,557,087	21,142,597
Cost per Pupil	8,386	8,825	9,447	9,880	9,775
Percentage of Change	2.9%	5.2%	7.0%	4.6%	(1.1%)
Accrual Basis (1)					
Expenses	\$18,348,210	\$18,969,499	\$19,753,451	\$20,420,227	\$20,711,380
Cost per Pupil	8,083	8,556	8,842	9,358	9,575
Percentage of Change	(1.0%)	5.9%	3.3%	5.8%	2.3%
Teaching Staff	169	168	168	162	162

Source: District Treasurer's Office

(1) Expenses exclude interest and fiscal charges

Lakewood Local School District

2010	2011	2012	2013	2014
2,153	2,085	2,063	2,033	1,970
22,656,796	21,761,029	21,179,299	22,467,744	22,149,339
10,523	10,437	10,266	11,052	11,243
7.7%	(0.8%)	(1.6%)	7.6%	1.7%
\$21,792,835	\$21,180,297	\$20,506,610	\$20,799,476	\$21,077,732
10,122	10,158	9,940	10,231	10,699
5.7%	0.4%	(2.1%)	2.9%	4.6%
160	160	142	138	148

Lakewood Local School District

Operating Indicators by Function Last Ten Years

	2005	2006	2007	2008
Governmental Activities				
Pupils				
Enrollment	2,270	2,217	2,234	2,182
Graduates	160	158	160	145
Percent of Students with Disabilities	13.1%	14.3%	14.0%	14.6%
Board of Education				
Regularly scheduled board meeting per year	12	12	12	12
Fiscal Services				
Purchase Orders Processed	2,208	2,217	2,012	1,734
Checks Issued (non payroll)	2,557	2,899	2,833	2,645
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	1,966	1,727	1,754	1,760
Average Daily Bus Fleet Miles	2,446	2,722	2,299	2,156
Number of Buses	29	30	32	30
Extracurricular Activities				
High School Varsity Teams	16	16	16	16
Business-Type Activities				
Food Service				
Student Lunches Served Annually	210,782	222,440	223,445	232,741
Free/Reduced Student Lunches Served Annually	84,450	100,377	104,025	107,176

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

Lakewood Local School District

2009	2010	2011	2012	2013	2014
2,163	2,153	2,085	2,063	2,033	1,970
149	168	138	149	145	147
14.8%	15.2%	15.2%	15.0%	15.0%	14.7%
12	12	12	12	12	12
1,604	1,472	1,433	1,419	1,332	1,363
2,536	2,424	2,366	2,456	2,598	2,548
357,393	357,393	357,393	357,393	357,393	357,393
114	114	114	114	114	114
1,496	1,539	1,374	1,383	1,347	1,334
2,213	2,048	2,444	2,008	2,353	2,425
34	32	33	31	33	34
16	16	16	16	15	19
225,851	217,601	210,673	209,325	192,996	205,687
106,742	112,316	113,561	125,391	119,828	119,006

Lakewood Local School District

*Operating Indicators - Teacher Base Salaries
Last Ten Years*

Fiscal Year	2005	2006	2007	2008	2009
Minimum Salary	27,233	27,914	28,961	29,830	30,606
Maximum Salary	57,734	59,177	61,542	63,389	65,038
District Average Salary	42,782	49,866	47,691	49,038	49,410
County Average Salary	45,638	46,289	47,110	49,633	49,961
State Average Salary	49,438	50,772	53,536	53,410	54,656

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

*Operating Indicators - Teacher by Education
Last Ten Years*

Fiscal Year	2005	2006	2007	2008	2009
Bachelor's Degree	20	14	14	19	19
Bachelor + 15	52	53	49	44	43
Master's Degree	64	64	58	56	56
Master's Degree + 15	33	37	47	43	44
Total	169	168	168	162	162

Source: District Treasurer's Office

Lakewood Local School District

2010	2011	2012	2013	2014
31,402	31,402	31,402	31,716	31,875
66,729	66,729	66,729	67,397	67,734
52,771	53,293	51,491	47,559	47,455
51,707	51,585	51,585	51,214	50,858
55,958	56,715	56,715	56,307	55,916

2010	2011	2012	2013	2014
15	10	5	6	9
36	35	35	35	36
66	64	68	66	73
43	41	34	31	30
160	150	142	138	148

Lakewood Local School District

Capital Asset Statistics by Building Last Ten Years

	2005	2006	2007	2008	2009
Secondary					
Lakewood Local High School					
Square Footage	150,848	150,848	150,848	150,848	150,848
Capacity (students)	1,000	1,000	1,000	1,000	1,000
Enrollment	713	697	691	674	705
Middle					
Lakewood Local Middle School					
Square Footage	60,700	60,700	60,700	60,700	60,700
Capacity (students)	720	720	720	720	720
Enrollment	518	524	525	515	495
Intermediate					
Jackson Intermediate School (1)					
Square Footage	50,238	50,238	50,238	75,107	75,107
Capacity (students)	525	525	525	975	975
Enrollment	334	317	336	508	497
Elementary					
Lakewood Local Jackson Elementary School					
Square Footage	24,869	24,869	24,869	N/A	N/A
Capacity (students)	450	450	450	N/A	N/A
Enrollment	302	290	304	N/A	N/A
Lakewood Local Hebron Elementary School					
Square Footage	58,138	58,138	58,138	58,138	58,138
Capacity (students)	675	675	675	675	675
Enrollment	385	388	378	485	466
All Other					
Central Administration Building					
Square Footage	3,696	3,696	3,696	3,696	3,696
Transportation/Maintenance/Food Service Building					
Square Footage	8,904	8,904	8,904	8,904	8,904

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

Source: District Treasurer's Office

Lakewood Local School District

2010	2011	2012	2013	2014
150,848	150,848	150,848	150,848	150,848
1,000	1,000	1,000	1,000	1,000
707	670	671	646	658
60,700	60,700	60,700	60,700	60,700
720	720	720	720	720
504	507	484	500	445
75,107	75,107	75,107	75,107	75,107
975	975	975	975	975
483	437	434	421	412
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
459	471	474	466	455
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

	2005	2006	2007	2008	2009
Cost per Student (ODE) ⁽¹⁾					
Lakewood	7,865	8,202	8,548	9,154	8,995
Ohio (Average)	9,048	9,356	9,586	9,939	10,184
Attendance Rate					
Lakewood	94.10%	94.60%	94.60%	94.60%	94.90%
Ohio (Average)	94.30%	94.10%	94.10%	94.20%	94.30%
Graduation Rate ⁽¹⁾					
Lakewood (a)	96.30%	87.60%	94.70%	91.20%	96.10%
Ohio (Average)	85.90%	86.20%	86.10%	86.90%	84.60%

Source:

District's Student Records and Ohio Department of Education

(1) ODE calculation is not based on GAAP financial reports. The 2014 figures were not yet available.

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

Lakewood Local School District

2010	2011	2012	2013	2014
9,723	9,754	9,561	9,282	9,282
10,512	10,571	10,508	10,149	10,149
94.80%	>95.00%	>95.00%	94.60%	95.00%
94.30%	94.50%	94.50%	94.20%	94.30%
98.80%	99.40%	86.00%	89.00%	89.00%
83.00%	84.30%	81.30%	82.20%	82.20%





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 30, 2014